



Minutes

Del Paso Manor Water District/Sacramento Suburban Water District 2x2 Committee Meeting Tuesday, December 6, 2022

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 #872 3237 7415

Call to Order – Videoconference/Audioconference Meeting

SSWD Director Wichert (Chair Wichert) called the meeting to order at 2:01 p.m.

Roll Call

SSWD Directors

Present: Jay Boatwright and Robert Wichert.

SSWD Directors

Absent: None.

DPMWD Directors

Present: Carl Dolk and Ryan Saunders.

DPMWD Directors

Absent: None.

SSWD Staff Present: General Manager Dan York (SSWD GM York), Assistant General Manager Matt Underwood, Jeff Ott, Heather Hernandez-Fort, Dana Dean, Lynn Pham, and Tommy Moulton.

DPMWD Staff Present:

General Manager Alan Gardner (DPMWD GM Gardner).

Public Present:

Alan Driscoll, Trish Harrington, Roy Wilson, Jose Henriquez, Desirae Fox, Brian Gach, and Kevin Thomas.

Announcements

None.

Public Comment

None.

Consent Items

1. **Minutes of the October 18, 2022, DPMWD/SSWD 2x2 Committee Meeting**

DPMWD Director Saunders moved to approve the Consent Item; SSWD Director Boatwright seconded. The motion passed by unanimous vote.

AYES:	Boatwright, Dolk, Saunders, and Wichert.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

Items for Discussion and/or Action

2. **Condition Assessment of Del Paso Manor Water District Infrastructure**

DPMWD GM Gardner introduced Alan Driscoll (Mr. Driscoll), with Forsgren Associates, who presented the staff report and answered clarifying questions.

Brian Gach (Mr. Gach) with Forsgren answered clarifying questions about the Risk of Failure Ranking section of the report.

SSWD Director Boatwright inquired about the difference in hydrants.

Mr. Gach answered that Attachment A-10 and A-12 listed the different hydrants and provided additional clarification.

Mr. Gach answered additional clarifying questions.

Roy Wilson (Mr. Wilson) inquired about the well status.

DPMWD GM Gardner answered that the well status would be reviewed during the Prop 218 process.

Mr. Wilson clarified that he would like to see a comparison of the well condition between SSWD and DPMWD and where the water comes from.

SSWD GM York stated that Item 7 would address some of his questions.

3. **Municipal Services Review Update**

DPMWD GM Gardner presented the staff report and answered clarifying questions.

Chair Wichert inquired when the Committee would receive a final draft of the DMPWD Municipal Services Review (MSR).

Jose Henriquez (Mr. Henriquez), Executive Officer with Sacramento LAFCo, expressed that the DPMWD MSR was scheduled for adoption at the LAFCo Board meeting on December 7, 2022.

Chair Wichert requested for the DPMWD MSR to be presented at the next meeting of the DPMWD/SSWD 2x2 Committee.

SSWD GM York stated that the last SSWD MSR was conducted in 2010, and then recently adopted by LAFCo in 2021. He expressed that the MSR submitted and approved in 2021 was only a questionnaire, as that is what was acceptable for the former Executive Officer of LAFCo. SSWD GM York further expressed that the new Executive Officer of LAFCo has requested a more thorough MSR due to SSWD being in the process of Combination discussions with DPMWD and Carmichael Water District.

Mr. Henriquez concurred with SSWD GM York by stating that although the report was very thorough, a slightly more comprehensive report would need to be submitted from SSWD.

SSWD GM York expressed that Mr. Henriquez was working on obtaining a consultant to conduct the more comprehensive report, and that he would keep the Committee apprised of the status.

DPMWD Director Saunders inquired what role the Boards played in reviewing and/or approving the district's MSR.

Mr. Henriquez answered that the typical process is LAFCo collects the information and questionnaire, then the report is drafted and an administrative draft is provided to district staff to allow for comments. Once comments are received, the Commission would review the document for adoption. He noted that the districts do not need to make the document public, or adopt their MSR, however they are welcome to do so if desired. He expressed there was no standard process for a district's Board to review, comment, or adopt an MSR.

SSWD Director Boatwright inquired how the two district's MSRs factor into a combination discussion.

Mr. Henriquez answered that all Commission actions have to be consistent with the sphere of influence of an agency, and in order to do a sphere of influence update, there needs to be an MSR conducted.

Mr. Henriquez and DPMWD GM Gardner answered clarifying questions from Mr. Wilson.

4. **Del Paso Manor Water District Board Direction on Combination and Proposition 218 Process**

DPMWD Director Saunders presented the staff report, expressing that there was a robust discussion amongst the DPMWD Board about the status of the 2x2 Committee discussions. He noted that the majority of their Board voted that it was worth continuing having discussions and gathering information.

5. **Combination Benefits – Rates, Costs, Operations**

SSWD GM York presented the staff report, and introduced Jeff Ott (Mr. Ott), who provided further details of the staff report.

Mr. Ott provided a deeper explanation of revenues and assets, expenditures and liabilities.

DPMWD GM Gardner expressed he would inquire how much remaining steel in Area 1 needed to be replaced, and get that information back to Mr. Ott.

Mr. Ott answered several clarifying questions on gaining financial parity.

Chair Wichert inquired about the differences in OPEB plans and how that would be addressed.

Mr. Ott expressed that would be reviewed as discussions continue between the districts.

SSWD Assistant General Manager Matt Underwood (Mr. Underwood) provided a deeper explanation of operational benefits and answered clarifying questions.

Chair Wichert inquired about how fluoridation would be addressed, requesting staff reach out to First 5 to see if there were other options to consider in place of the fluoridation contract, such as providing customers with fluoride pills.

SSWD GM York expressed there were options to review and that staff would look into them.

Mr. Wilson reminded the Committee to communicate with the rate payers of each district, to ensure customers are aware of all of the discussions taking place.

6. **Combination Communications Plan**

SSWD GM York presented the staff report.

DPMWD Saunders expressed he was in favor of moving forward with customer outreach.

Chair Wichert expressed the focus should be on educating the ratepayers on the current discussions, and solicit public input.

SSWD Director Boatwright expressed he felt the sooner the better.

SSWD GM York stated he can place it on the SSWD Regular Board Meeting agenda in December.

The Committee considered holding a Joint Board Meeting to discuss the topic.

Trish Harrington inquired about the postcard SSWD sent out, and recommended not sending anything out to customers until after the first of the New Year.

Carol Rose disagreed with the Committee on the idea of holding a Joint Board Meeting, expressing that would give the impression that the two agencies have already come to a decision without allowing each agencies' rate payers an opportunity to provide feedback.

Chair Wichert recommended for each staff to agendize an MOU for a Communication Plan separately with their respective Boards.

Mr. Wilson recommended DPMWD announce to their ratepayers independently that the Prop 218 and combinations discussions were taking place.

DPMWD Director Saunders pointed out the importance of informing their customers of all of the options that their Board is considering.

SSWD GM York expressed that the two agencies should work together on communicating combination discussions, but that SSWD would not be included in assisting DPMWD with their Prop 218 communications to their customers.

The Committee agreed to have one communication consultant crafting messages for both agencies to ensure consistent messaging with regards to combination discussions.

Chair Wichert summarized that the Committee would like the General Managers to work together on an MOU for a Communications Plan and bring that to both Boards individually for approval.

7. **Combination – Process, Milestones, and Timelines**

SSWD GM York presented the staff report and PowerPoint presentation.

Chair Wichert requested for SSWD GM York to include the Condition Assessment of the wells somewhere in the PowerPoint presentation.

DPMWD Director Saunders inquired when they should do further and deeper research on the details.

SSWD GM York expressed Phase 2 would be when they would dig further into the details, noting that staff will continue to bring information to the Committee for approval to continue to move forward.

Mr. Wilson urged the Committee to continue discussions as there are benefits to both agencies.

8. **Next Meeting Date and Time**

The Committee agreed to hold the next meeting of the DPMWD/SSWD 2x2 Committee on Tuesday, January 10, 2023.

9. **Public Comment**

None.

Adjournment

Chair Wichert adjourned the meeting at 4:11 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District