



## Minutes

### Carmichael Water District/Sacramento Suburban Water District 2x2 Committee Meeting July 11, 2023

#### Location:

3701 Marconi Avenue, Sacramento, CA 95821, and Audio Conference at 1-669-900-6833, and Video Conference using Zoom at Meeting Id #845 5574 5262

#### Call to Order – Videoconference/Audioconference Meeting

SSWD Director Criag Locke (Chair Locke) called the meeting to order at 3:00 p.m.

#### Pledge of Allegiance

Chair Locke led the Pledge of Allegiance.

#### SSWD Directors

Present: Dave Jones and Craig Locke.

#### SSWD Directors

Absent: None.

#### CWD Directors

Present: Mark Emmerson and Jeff Nelson.

#### CWD Directors

Absent: None.

SSWD Staff Present: Sacramento Suburban Water District (SSWD) General Manager Dan York (SSWD GM York), Jeff Ott, and Heather Hernandez-Fort.

CWD Staff Present: Carmichael Water District (CWD) General Manager Cathy Lee (CWD GM Lee) and Debbie Martin.

Public Present: William Eubanks, Ellen Cross, Kevin Thomas, Ron Davis, Greg Zlotnick, Paul Helliker, Paul Selsky, Carl Jones, and Ron Greenwood.

#### Public Comment

None.

## Consent Items

1. **Draft Minutes of the June 8, 2023, Carmichael Water District/Sacramento Suburban Water District 2x2 Committee Meeting**

CWD Director Nelson moved to approve the Consent Item; SSWD Director Jones seconded. The motion passed by unanimous vote.

AYES:	Emmerson, Nelson, Jones, and Locke.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

## Items for Discussion and/or Action

2. **Combination Discussions – Communications Plan Update**

SSWD GM York presented the staff report.

Ellen Cross (Ms. Cross) provided a summary of the Public Information Workshops.

CWD Director Emmerson expressed he was surprised as he thought there would be more members of the public in attendance at the Public Information Workshops.

Ms. Cross pointed out that people generally attend meetings when they are unhappy, and that it was a good sign and testimony that the public was generally not protesting the combination discussions.

Chair Locke expressed that he received positive feedback from his neighbors, noting they were confident in the management and leadership of the districts. He further recommended staff place the questions and comments on each district's website.

Ms. Cross expressed that the plan was to address the questions and update the websites accordingly.

SSWD Director Jones expressed he was impressed with the turnout at the Public Information Workshops.

William Eubanks (Mr. Eubanks) commented that he did not feel the districts were providing enough information to the public.

SSWD GM York stated the questions and summary of the meetings would be on the district's website as soon as they were ready for public consumption.

SSWD GM York restated the staff recommendation.

Chair Locke expressed he thought it would be beneficial to hold another Public Information Workshop.

SSWD Director Jones agreed with Chair Locke, noting they should look at holding another Public Information Meeting in about a month or two.

CWD Director Nelson expressed he thought there would be another Public Information Workshop a little further down the road when there was more information to present.

CWD Director Emmerson inquired about the current engagement of social media.

CWD GM Lee expressed CWD currently engaged in particular social media sites.

SSWD GM York expressed that if the Committee was interested in holding another Public Information Workshop, the outreach to do so would take some time. He additionally reminded the Committee that if discussions continued forward, LAFCo would require each agency hold a Special Board Workshop.

CWD Director Nelson expressed he felt staff captured all of the comments from the two workshops and recommended polishing them up for posting to the websites. He further expressed he would send his edits and comments to CWD GM Lee.

Chair Locke recommended placing them in order of hierarchy and include links to further information on the combination discussions.

SSWD GM York expressed he did not feel comfortable selecting which comments and questions to include and not include.

Ms. Cross recommended staff place the comments and questions into categories.

Chair Locke suggested removing some of the comments or questions that did not have relevance to the combination discussion or either agency.

The Committee agreed to review the comments and questions and provide their edits and feedback to staff.

Discussion ensued over considering surveying all customers.

SSWD GM York restated the staff recommendation.

Chair Locke expressed he felt confident that the outreach so far has been sufficient and that there should eventually be another Public Information Workshop.

SSWD GM York reiterated that if it was the desire of the Committee to hold another Public Information Workshop, staff could begin drafting another postcard.

Chair Locke expressed to hold off on another Public Information Workshop until it was a part of the LAFCo requirement.

Ms. Cross clarified when the meeting would take place.

SSWD GM York answered that it would be closer to the steps in the process for 2024.

The Committee agreed that the public outreach efforts to date were sufficient and to continue with the proposed communications plan efforts.

3. **Communications Plan Consulting Contract Amendment**

SSWD GM York presented the staff report.

The Committee supported the staff recommendation and requested staff bring this item to both full Boards with a recommendation of approval.

CWD Director Emmerson expressed he was interested in providing additional outreach to the neighboring water agencies.

SSWD GM York expressed there has been discussions about the combination discussions at the Regional Water Authority meetings as well as the Water Forum.

Chair Locke expressed he was interested in providing additional outreach to the staff of each district.

SSWD GM York noted staff was looking into holding a barbeque between both agencies for a networking and interaction opportunity.

Chair Locke expressed he would be interested in the full Board attending a gathering with staff to discuss any questions or concerns from staff. He additionally requested general legal counsel advise on how to do something like that without violating the Brown Act.

CWD Director Emmerson moved to approve the staff recommendation; SSWD Director Jones seconded. The motion passed by unanimous vote.

AYES:	Jones, Locke, Emmerson, and Nelson.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

4. **Draft Combination Discussion Process and Timeline**

SSWD GM York presented the staff report.

Discussion ensued over the placement of some of the items in the timeline.

Chair Locke suggested that staff provide all of the information and options to the Committee, and that the Committee would then come up recommendations to send to a Joint Board meeting or regular Board meeting of each agency.

CWD Director Emmerson was not in favor of reviewing the governance first as he felt governance should be reviewed last. He suggested staff present operation and collaboration projects first, items that the two districts could work on now in order to begin integrating the two districts. He recommended the Boards vote on a resolution to begin integrating and finding efficiencies now.

Chair Locke expressed that operations are under the purview of the General Managers, and that there may be efficiencies and utilizing resources. He noted that although some of the projects could be combined, it would not assist in getting the districts any closer to a combination.

CWD Director Nelson was in support of staff looking at ways to work more efficiently and collaboratively now, noting there were already some items the two districts were working together on.

SSWD Director Jones noted there was no financial commitment made by either district to support CWD Director Emmerson's recommendation.

CWD Director Nelson suggested staff figure those details out.

Ms. Cross cautioned the Committee on implementing a pilot integration as it could move toward actually instituting governance before the two districts had the framework agreed upon for it.

SSWD GM York reminded the Committee that there were always off-ramps during the process, and noted the Process and Timeline already has identified areas that the two districts will have to work collaboratively on if the Boards vote to proceed with an application to LAFCo.

CWD Director Nelson supported the idea of bringing a resolution to the two Boards to consider.

CWD Director Emmerson reiterated that it could be just to focus on efficiencies between the two districts, and even suggested looking to do this more regionally as well.

Chair Locke pointed out that what the Committee was charged to do was to work toward a combination of the two districts and looking at governance, high level items, and making recommendations to the Joint Boards.

Chair Locke expressed that in the last Joint Board meeting, he walked away from the meeting feeling like all 10 Directors were in favor of moving forward with combining, noting that if what we were charged to do as a 2x2 by each full Board was to move forward with a combination, then we would be remiss in our duties not to be sitting down and recommending to them how we would govern it, what the 4 of us think as we are actually able to get in the same room once a month, so what we should do as a 2x2 is come to the next Joint Board meeting with recommendations to the Boards.

Discussion ensued over the process of what information would go to the Committee and what information would be presented to both Boards, and if the Committee should receive most of the options and information and just make recommendations to both Boards. The Committee agreed to discuss it at each agencies' regular Board meeting.

Ms. Cross expressed that her observation was that both Boards were interested in being a part of the decision making.

Chair Locke pointed out that he was under the impression that that the 2x2 Committee was going to be making recommendations to the Boards.

Mr. Eubanks recommended for the Committee to evaluate how much the whole process was going to cost, as he felt there was no funding for this and urged the Committee to figure out what they want to do.

5. **Carmichael Water District / Sacramento Suburban Water District Financial and Debt Comparison**

SSWD GM York presented the staff report and introduced Jeff Ott, SSWD Director of Finance and Administration (Mr. Ott) and Debbie Martin, CWD Chief Financial Officer (Ms. Martin) who presented the staff report, PowerPoint presentation, and answered clarifying questions.

The Committee agreed with staff's recommendation to apply the information to the Draft Technical Analysis Report.

6. **Carmichael Water District / Sacramento Suburban Water District Rate Comparison**

Mr. Ott and Ms. Martin presented the staff report, PowerPoint presentation, and answered clarifying questions.

CWD Director Nelson commended staff on their great work and noted that he was surprised at how similar the two agencies are in comparisons.

The Committee agreed with staff's recommendation to apply the information to the Draft Technical Analysis Report.

7. **Powers of Authority for Water Agencies**

SSWD GM York and CWD GM Lee both presented the staff report.

Legal Counsel Josh Horowitz provided a summary of powers and authority for which public water agencies can provide additional services other than potable water service and answered several clarifying questions including clarifying special act agencies.

SSWD GM York expressed he has reached out to LAFCo inquiring if the two districts were to combine, if it would be required for the new agency to form under one of the current district types, or if LAFCo would allow a formation under a different type of powers of authority that could provide potable water. He expressed he has not heard back from LAFCo, but would keep the Committee apprised of the response.

8. **Municipal Services Review Update**

SSWD GM York informed the Committee that the consultant provided SSWD with the draft Municipal Services Review (MSR) and that staff is reviewing it so that it could be presented for approval to the LAFCo Commission at their October 2023, meeting.

CWD GM Lee informed the Committee that CWD was beginning their MSR study and draft report in August, as that was when LAFCo was able to hire a consultant.

9. **Public Comment**

Mr. Eubanks inquired what the Committee got from today's meeting, as well as what they were expecting to get at the next meeting.

Chair Locke expressed that the Committee received the staff reports and presentations and directed the General Managers to bring an item to their respective Boards on allowing the Committee to have more latitude on making recommendations to the Boards.

**Adjournment**

Chair Locke adjourned the meeting at 5:07 p.m.

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Dan York  
General Manager/Secretary  
Sacramento Suburban Water District