



## Agenda

### Carmichael Water District/Sacramento Suburban Water District Joint Board Meeting

3701 Marconi Avenue  
Sacramento, CA 95821

Tuesday, October 24, 2023  
6:00 p.m.

**This meeting will be conducted both in-person in the Sacramento Suburban Water District's Boardroom at the address above, and by videoconference and teleconference using the information provided below. The public is invited to listen, observe, and provide comments during the meeting by any method provided. The Board President will call for public comment on each agenda item at the appropriate time and all votes will be taken by roll call. If a member of the public chooses to participate in this public meeting via videoconference and/or teleconference, please see the instructions below.**

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Where appropriate or deemed necessary, the Boards may take action on any item listed on the agenda, including items listed as information items. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Boards less than 72 hours before the meeting are available for public inspection at each Agency's Administrative Offices.

The public may address the Boards concerning an agenda item either before or during the Board's consideration of that agenda item. Persons who wish to comment on either agenda or non-agenda items should fill out a Comment Card and give it to either one of the General Managers. The Board President will call for comments at the appropriate time. Comments will be subject to reasonable time limits (3 minutes).

In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability-related modification or accommodation to participate in this meeting, then please contact Sacramento Suburban Water District Human Resources at 916.679.3972. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

### **Call to Order**

### **Roll Call**

### **Announcements**

### **Public Comment**

This is an opportunity for the public to comment on non-agenda items within the subject matter jurisdiction of the Boards. Comments are limited to 3 minutes.

**1. Draft Minutes of the April 10, 2023, Carmichael Water District and Sacramento Suburban Water District Joint Board Meeting**

*Recommendation: Approve the Draft Minutes of the April 10, 2023, Carmichael Water District and Sacramento Suburban Water District Joint Board Meeting.*

### **Items for Discussion and/or Action**

**2. Public Outreach**

*Recommendation: Based on the recommendation at the October 11, 2023, Carmichael Water District/Sacramento Suburban Water District 2x2 Committee meeting, approve the Public Outreach and Engagement Summary Report as presented. Additionally, receive staff presentation on status of the communications and outreach efforts to date and direction to staff on upcoming public information workshops.*

**3. Draft Further Analysis of Combining Carmichael Water District and Sacramento Suburban Water District**

*Recommendation: Based on the recommendation at the October 11, 2023, Carmichael Water District/Sacramento Suburban Water District 2x2 Committee meeting, approve the Draft Further Analysis of Combining Carmichael Water District and Sacramento Suburban Water District as final.*

**4. Consolidation Versus Reorganization**

*Recommendation: Based on the recommendation at the October 11, 2023, Carmichael Water District/Sacramento Suburban Water District 2x2 Committee meeting, approve the option of a consolidation of the two districts rather than a reorganization if a decision is made to combine the two districts.*

**5. Final Number of Board Members**

*Recommendation: Based on the recommendation at the October 11, 2023, Carmichael Water District/Sacramento Suburban Water District 2x2 Committee meeting, approve the final number of Board Members of the proposed new district. The Board can also consider the option of creating an Advisory Committee to allow any Directors that are not elected to one of the available seats, an opportunity to stay engaged with the District at an advisory capacity.*

**6. LAFCo Application Process**

*Recommendation: Based on the recommendation at the October 11, 2023, Carmichael Water District/Sacramento Suburban Water District 2x2 Committee meeting, direct staff to present the attached draft Resolution to LAFCo to combine Carmichael Water District and Sacramento Suburban Water District, to each respective Board for consideration and edits at their November/December 2023 Regular Board meetings.*

**7. Powers of Authority**

*Recommendation: Based on the recommendation at the August 9, 2023, Carmichael Water District/Sacramento Suburban Water District 2x2 Committee meeting, approve the structure of the new proposed District to be a County Water District.*

**Adjournment**

\*\*\*\*\*

I certify that the foregoing agenda for the October 24, 2023, meeting of the Carmichael Water District/Sacramento Suburban Water Joint Board was posted by October 20, 2023 in a publicly-accessible location at the Sacramento Suburban Water District office, 3701 Marconi Avenue, Sacramento, California, and at the Carmichael Water District office, 7837 Fair Oaks Boulevard, Carmichael, CA 95608, and was made available to the public during normal business hours.

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Dan York  
General Manager/Secretary  
Sacramento Suburban Water District

## Agenda Item: 1

**Date:** October 24, 2023

**Subject:** Draft Minutes of the April 10, 2023, Carmichael Water District and Sacramento Suburban Water District Joint Board Meeting

**Staff Contact:** Dan York, SSWD General Manager  
Cathy Lee, CWD General Manager

**Recommended Board Action:**

Approve the Draft Minutes of the April 10, 2023, Carmichael Water District and Sacramento Suburban Water District Joint Board Meeting.

**Attachment:**

1. Draft Minutes of the April 10, 2023, Carmichael Water District and Sacramento Suburban Water District Joint Board Meeting



## Minutes

### Carmichael Water District/Sacramento Suburban Water District Joint Board Meeting

Wednesday, April 10, 2023

#### Location:

3701 Marconi Avenue, Sacramento, CA 95821, and Audio Conference at 1-669-900-6833, and Video Conference using Zoom at Meeting Id #812 3045 6381

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

Carmichael Water District (CWD) Board President Ron Davis (Chair Davis) called the meeting to order at 6:00 p.m.

Sacramento Suburban Water District (SSWD) Board President Jay Boatwright (SSWD Director Boatwright) called the meeting to order at 6:00 p.m.

#### Roll Call

SSWD Directors

Present: Jay Boatwright, Dave Jones, Craig Locke, Kevin Thomas, and Robert Wichert.

SSWD Directors

Absent: None.

CWD Directors

Present: Ron Davis, Mark Emmerson, Ron Greenwood, Jeff Nelson, and Paul Selsky.

CWD Directors

Absent: None.

SSWD Staff Present: General Manager Dan York, Assistant General Manager Matt Underwood, Heather Hernandez-Fort, and Jeff Ott.

CWD Staff Present: General Manager Cathy Lee, Chris Nelson, and Debbie Martin.

Public Present: William Eubanks, Greg Zlotnick, Paul Helliker, Cody Brown, Carl Jones, Caryl Sheehan, Christine Kohn, Mike McRae, and Kyler Rayden.

**Announcements**

None.

**Public Comment**

None.

**Consent Items**

**1. Minutes of the October 6, 2021, Carmichael Water District and Sacramento Suburban Water District Joint Board Meeting**

SSWD Director Thomas moved to approve the Consent Item; CWD Director Nelson seconded.

The motion passed by unanimous vote.

SSWD Vote:

AYES:	Boatwright, Jones, Locke, Thomas, and Wichert.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

The motion passed by unanimous vote.

CWD Vote:

AYES:	Davis, Emmerson, Greenwood, Nelson, and Selsky	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

**Items for Discussion and/or Action**

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

SSWD General Manager Dan York (SSWD GM York) presented the staff report.

SSWD Director Wichert requested to review each of the attachments, starting with Attachment 1. He additionally expressed he was not interested in approving anything that was in draft form.

SSWD GM York informed the Boards that the attachments are presented in draft form until the Board votes to approve the final documents.

SSWD Director Locke commented that the intent was to approve the content in the documents and allow staff to prepare them for final version.

The Boards reviewed Attachments 2 and 3.

Regarding Attachment 3, SSWD Director Wichert expressed concern over the recently received letter from Fair Oaks Water District (FOWD) and Citrus Heights Water District (CHWD), concerning particular water rights.

Chair Davis expressed that the matter in question would need to be addressed by their legal counsel, who was not present at this meeting.

CWD Director Selsky pointed out that the water rights in question were pertaining to whether CWD was able to access a portion of the San Juan Water District's water rights, which, he pointed out, would not affect combination discussions between CWD and SSWD.

SSWD GM York presented Attachment 4.

SSWD Director Wichert expressed there were blank spaces in Attachment 4 that he felt should be removed.

The Boards agreed to remove the blank spaces in Attachment 4.

SSWD GM York presented Attachments 5 and 6.

William Eubanks (Mr. Eubanks) encouraged the Boards to decide if they wanted to proceed in combination discussions.

CWD Director Greenwood agreed with Mr. Eubanks, noting he was interested in moving forward with potential combination discussions and additionally expressed he was happy with the communications documents.

CWD Director Greenwood moved to approve the staff recommendation; SSWD Director Jones seconded.

The motion passed by unanimous vote.

SSWD Vote:

AYES:	Boatwright, Jones, Locke, Thomas, and Wichert.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

The motion passed by unanimous vote.

CWD Vote:

AYES:	Davis, Emmerson, Greenwood, Nelson, and Selsky	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

**3. Further Analysis Report Update**

Chair Davis introduced the item and requested public comment.

Caryl Sheehan (Ms. Sheehan), Board of Director with CHWD, encouraged the Boards to review the letters that CHWD and FOWD sent, noting that the water right was a very important issue, and she wanted the Boards to have a very good understanding of what the District’s resources actually were. She requested to have some specific language removed from the Business Case for a Potential Combination Report (Report) regarding the pre-1914 water rights.

Mike McRae, President of the FOWD Board, echoed Ms. Sheehan in expressing his opposition to specific language in the Report, which he felt was offensive. He additionally requested the Boards consider the requests from the letter from CHWD and FOWD, and requested for the letter to be included in the Report as a reference appendix. He continued with expressing he was concerned that CWD could potentially receive the same water rights that FOWD has, which would reduce FOWD’s access to the water. He additionally suggested that if there was a desire for pre-1914 water, there could be contracts created to provide it.

Mr. Eubanks pointed out that FOWD and CHWD were not interested in the combination taking place.

SSWD GM York presented the staff report and presented the Outline Report to the Boards.

SSWD Director Wichert requested legal counsel to provide an opinion if a combination between SSWD and CWD were to take place, would it terminate the fluoridation agreement SSWD has with First 5.

SSWD Director Locke requested for the CWD/SSWD 2x2 Committee to discuss the next steps in the combination process, at their next meeting.

**4. Continuation of Combination Discussions between Carmichael Water District and Sacramento Suburban Water District**

SSWD GM York presented the staff report.

Mr. Eubanks withdrew his comment.

SSWD Director Wichert moved to continue to analyze the proposed combination; CWD Director Emmerson seconded.

The motion passed by unanimous vote.

SSWD Vote:

AYES:	Boatwright, Jones, Locke, Thomas, and Wichert.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			



The motion passed by unanimous vote.

CWD Vote:

AYES:	Davis, Emmerson, Greenwood, Nelson, and Selsky	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

**5. Consultant Services**

SSWD GM York presented the staff report, and requested the Boards give authority to the CWD/SSWD 2x2 Committee to pursue consultant services, noting there were two qualified consultants that were well known in the industry to consider.

CWD Director Nelson moved to accept staff's recommendation to allow the CWD/SSWD 2x2 Committee to work with staff to put together a Request for Proposal to select a consultant to provide assistance in the Combination Discussion efforts, not to exceed the amount of \$75,000.

SSWD Director Locke requested to amend the motion, to include that it would be the final authorization, including contract approval.

CWD Director Nelson accepted the amendment.

CWD Director Emmerson seconded.

SSWD Director Wichert requested staff limit discussion to only the two consultants referenced, as he was happy with the two consultants that the Board members were familiar with.

The motion passed by unanimous vote.

SSWD Vote:

AYES:	Boatwright, Jones, Locke, Thomas, and Wichert.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

The motion passed by unanimous vote.

CWD Vote:

AYES:	Davis, Emmerson, Greenwood, Nelson, and Selsky	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

**Adjournment**

Chair Davis adjourned the meeting at 7:26 p.m.

**Adjournment**

SSWD Director Boatwright adjourned the meeting at 7:26 p.m.

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Dan York  
General Manager/Secretary  
Sacramento Suburban Water District

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## Agenda Item: 2

**Date:** October 24, 2023

**Subject:** Public Outreach

**Staff Contact:** Cathy Lee, CWD General Manager  
Dan York, SSWD General Manager

### Recommended Board Action:

Based on the recommendation at the October 11, 2023, Carmichael Water District/Sacramento Suburban Water District 2x2 Committee meeting, approve the Public Outreach and Engagement Summary Report as presented. Additionally, receive staff presentation on status of the communications and outreach efforts to date and direction to staff on upcoming public information workshops.

### Discussion:

The Carmichael Water District (CWD) and Sacramento Suburban Water District (SSWD) Boards held two Public Information Workshops to inform the rate payers/stakeholders of both districts regarding the combination discussions and obtain public opinions.

At the October 11, 2023, CWD/SSWD 2x2 Committee meeting, staff provided the Public Outreach and Engagement Summary Report (Report), where the Committee agreed to place the Report on the agenda of the October 24, 2023, CWD/SSWD Joint Board Meeting for approval.

In a continued effort to provide a summary and recap of communication and outreach materials/efforts that CWD and SSWD have conducted to date, please see below:

At the April 10, 2023, CWD/SSWD Joint Board meeting, the following foundational materials were approved:

- Comprehensive CWD/SSWD stakeholder list for outreach to elected officials, business groups, neighboring and partnering water providers, homeowners associations and others.
- Fact sheets, messages, and materials to communicate with the public about combination discussions, including:
  - **Postcard for the public information sessions:** Invites the public to an information session to learn about combination discussions and the findings of the initial study, ask questions and provide input.
  - **Road map/milestones for the outreach process:** Outlines the steps and overall approach for the public outreach/engagement process.
  - **Summary: Exploring the Combination of CWD and SSWD:** Provides a one-page document highlighting the opportunities, process, and ways to learn more.

- **Fact Sheet: Perceived Advantages and Disadvantages to Combination:** Highlights perceived advantages and disadvantages to combination.
- **Overview: About the Combination Study and Process:** Provides an overview of why the districts are discussing combination, activities to date and how the public can learn more.
- **Fact Sheet: Study: A Business Case for a Potential Combination:** Provides an overview of the initial study findings and seeks to anticipate/answer likely questions.
- **Map of Voting Divisions:** Shows the CWD and SSWD service areas and divisions for the respective Boards of Directors.
- **Comment Sheet:** Invites the public to provide written comments on combination discussions.
- **Key Messages (external/internal audiences and on special topics):** Provides a concise means for communicating the status of combination discussions; addresses frequently asked questions about fluoride.

The CWD and SSWD Boards approved two Public Information Workshops to inform the rate payers/stakeholders of both districts regarding the combination discussions and obtain public opinions. The workshops were held at CWD on June 15, 2023, and at SSWD on June 21, 2023.

Additional outreach stakeholder efforts:

- Carmichael Colony Neighborhood Association Annual Meeting: CWD provided briefing on the process and status of combination and invited the public to upcoming workshops
- LAFCO Special Districts Advisory Committee: SSWD provided an overview and current status of the CWD-SSWD Combination discussions
- Presentation to the Women's Group at the St. Mark's United Methodist Church in Sacramento
- Briefing for Sacramento City Councilmember Lisa Kaplan
- Briefing for Assembly Member Josh Hoover
- Briefing with McClellan Park
- Presentation to the Carmichael Kiwanis Club
- Briefing for Assembly Member Kevin McCarty
- Briefing for Supervisor Sacramento Supervisor Sue Frost
- Briefing scheduled for Senator Roger Niello
- Press release distributed to media outlets May 11 and June 5
- Letter to HOAs/Neighborhood Associations into the mail on May 18
- Outreach via existing CWD and SSWD communication channels, including websites, bill inserts bill messages, etc.
- Social media post and monitoring and outreach
- Digital Advertising (Facebook and news/weather sites via the Google Display Network)
- Print ads in Carmichael Times and Arden-Carmichael News about Public Information Workshops
- Print ad in Carmichael Times

Upon conclusion of the above efforts, the feedback from the presentations/briefings was very positive.

Below is an overview of the external/internal outreach and communication efforts conducted by both CWD and SSWD:

CWD's external outreach/communications:

- Website updated/link added to home page
- Article in May 2023 bill insert
- Social media post on Nextdoor.com and monitoring
- Information article in Carmichael Times newspaper

CWD's internal outreach/communications:

- Employee Meeting/staff update on study and Q&A with GM
- The SSWD General Manager attended a Carmichael Water District staff meeting to discuss his experience with the Arcade/Northridge consolidation
- Employee Meeting/staff update and Q&A with two CWD Board of Directors
- Two Employee Meetings and Q&A opportunity with two CWD Directors
- Internal webpage

SSWD's external outreach/communications:

- Website updated/link added to homepage
- Included in Fall 2022 newsletter
- PowerPoint Slide during Open House
- Customer Service monitor regarding combination efforts
- Direct mail postcard with QR code mailed to 45,000 SSWD customers
- Advertising on Facebook and the Google Display Network
- Included in bill inserts for October and November 2022 and July 2023

SSWD's internal outreach efforts:

- July, August, September, October, November, December 2022; January, February, March, April, May, June, July, August, September, October 2023: Employee Meeting/staff update on combination discussions
- September 15, 2022: Internal information Staff hub link for information and questions
- Ongoing: Internal key messages and Frequently Asked Questions provided to SSWD staff and Board members
- Ongoing: Weekly Manager's Meeting
- October 19, 2022: General Manager invitation to staff, inviting questions and providing link to key messages and FAQs

CWD and SSWD staff will continue to apprise the Boards on public outreach updates.

With the potential acceptance of the Technical Analysis, Step 3 of the public outreach process begins and is an essential phase in the outreach process that should occur before the CWD and SSWD Boards vote on a resolution to combine.

Staff is providing a recommended timeline (see Attachment 2) for the public information workshops and constituent engagement activities designed to facilitate a responsive and open dialogue with customers that demonstrates how the districts are addressing their questions and also provides opportunities for directors to share their perspectives.

**Attachment:**

1. Public Outreach and Engagement Summary Report
2. Strategic Timing Recommendations for Public Information Workshop



**SUMMARY REPORT**

**Public Outreach and Engagement**

**Carmichael Water District and  
Sacramento Suburban Water  
District Combination Study**

*DRAFT—August 4, 2023*



**Public Outreach  
Community Involvement  
Strategic Communication**

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**SECTION ONE:**

**Overview of Public Outreach  
and Engagement Activities**

## Overview of Public Outreach and Engagement Activities

Carmichael Water District (CWD) and Sacramento Suburban Water District (SSWD) are currently exploring the potential to combine their neighboring water utilities. The goal is to examine how combining these organizations might encourage efficiencies, reduce costs, improve water supply reliability and enhance customer service.

CWD and SSWD are undertaking a deliberative, public process to examine combination opportunities. Since July 2021, this has included public discussions by the CWD/SSWD 2x2 Committee, comprising leadership and management from both water providers, along with regular Board meeting reports for both districts.

The Boards commissioned an independent consulting firm to conduct an initial, high-level study that provides a preliminary look at the potential benefits and disadvantages to combination. Following a comprehensive public review, the boards accepted the initial study, signaling that it identified many potential benefits that should continue to be explored and uncovered no fundamental flaws that should stop discussions.

They also directed their staff to further engage the public in discussions about combination through several Public Information Workshops and additional outreach with the overarching goal of facilitating an open and inclusive dialogue with the public and keeping stakeholders informed about the findings of the Initial Study and the ongoing combination discussions.

A detailed list of public outreach activities and samples of outreach materials can be found in the Appendix. The following is a summary of the outreach and engagement activities undertaken thus far:

### Foundational Materials:

CWD and SSWD worked in partnership to create a comprehensive set of foundational materials aimed at establishing a strong basis for educating and communicating the combination discussions with the community and stakeholders. Key materials included:

- **Summary: Exploring the Combination of CWD and SSWD**—to provide an overview of the combination study, potential opportunities, and ways for the public to learn more.
- **Fact Sheet: Perceived Advantages and Disadvantages to Combination**—to communicate the pros and cons of combination as outlined in the Initial Study.
- **Overview: About the Combination Study and Process**—to outline the reasons behind the combination discussions, the activities undertaken so far, and how the public can stay informed and participate actively in the process.
- **Fact Sheet: Study: A Business Case for a Potential Combination**—to provide a more detailed fact sheet about the Initial Study to provide a deeper understanding of the study's findings.
- **Road Map**—to outline the step-by-step approach for the public outreach and engagement process.

- **Comprehensive Stakeholder Outreach List**—including elected officials, business groups, water providers, homeowners associations, and others with an interest in the discussions and outcomes.

### Customer Outreach:

To help ensure effective communication with their customers and stakeholders, CWD and SSWD have actively utilized a range of outreach channels throughout the discussions. Examples include:

- **Website Enhancement**—creating new pages on their websites with links highlighted on the home page, to provide a central location for audiences to easily access information related to combination discussions.
- **Existing Communication Channels**—including regular updates in existing outreach channels such as newsletters, bill inserts, utility bills and at various events.
- **Social Media Engagement**—outreach and advertising efforts on popular social media platforms like NextDoor, Facebook and the Google Display Network.
- **Direct Mail**—inviting public input via direct mail postcards to all CWD and SSWD customers to promote the Public Information Workshops.
- **Local Publications**—advertising in local publications to promote the Public Information Workshops.
- **Media Outreach**—engaging local and regional news media to help inform stakeholders.
- **Targeted Stakeholder Engagement**—to offer briefings to neighborhood associations and homeowners associations.

### Public Information Sessions:

Public Information Sessions hosted by CWD on June 15, 2023, and SSWD on June 21, 2023, marked a significant milestone in the public engagement process so far. The main objective of these sessions was to actively involve the public in the ongoing combination discussions and provide customers with opportunities to ask questions and share their input. Meetings collectively drew more than 120 people in person and online. A detailed summary of the public feedback received during these sessions is provided in this report.

### Stakeholder and Policymaker Briefings:

As part of their ongoing efforts, the districts are actively conducting stakeholder briefings to keep key individuals and groups informed about the combination discussions. These briefings serve as platforms for open communication, addressing questions, and ensuring that stakeholders are fully aware of the ongoing conversation. Briefings have been delivered to organizations and policymakers, including the LAFCO Special Districts Advisory Committee, management at McClellan Park, Carmichael Kiwanis Club, and Assemblymembers Josh Hoover, Kevin McCarty and Roger Niello, as well as Sacramento County Supervisors Rich Desmond and Sue Frost.

## Employee Outreach:

CWD and SSWD also have actively worked to keep their staff members well-informed and engaged through organized meetings and internal communications. These interactions have aimed to foster understanding about the issues and process during ongoing discussions.

Examples include:

- **Internal Information Hub**—to keep staff updated about the latest developments and provide a means for employees to submit questions anonymously, promoting open communication.
- **Key Messages and FAQs**—to address common questions and promote consistent communication.
- **Briefings for Staff**—hosting staff meetings to facilitate information exchange between the two districts and an opportunity to share firsthand experiences from previous combinations, fostering a deeper understanding of the process.
- **Interaction with Leadership**—providing opportunities for staff members to ask questions directly of Board members during internal meetings to foster a direct exchange of ideas and insights.

The collaborative efforts of CWD and SSWD in conducting extensive public outreach and engagement activities reflect their commitment to ensuring transparency, inclusivity and informed decision-making throughout the process of exploring the combination of their water utilities.



**SECTION TWO:**  
**Major Themes and  
Recommendations**

## Major Themes and Recommendations

The following section highlights the major themes identified during public meetings and other outreach efforts, along with recommendations for further investigation in the ongoing Additional Technical Analysis. It is crucial that the outcomes of the analysis pertaining to each theme are shared with the public through various channels, including public meetings (such as 2x2 Committee and Board meetings and/or additional public briefings), Frequently Asked Questions (FAQs) and other outreach materials and made available on the websites for each district, and other avenues to ensure transparency and accessible information for stakeholders.

**Concerns about the Initial Study:** Attendees desired more in-depth analysis, scenarios, and potential risks. Skepticism was expressed about the credibility and motivations of the entities involved in the creation of the Initial Study (Business Case for a Potential Combination).

- CWD and SSWD have already begun developing an Additional Technical Analysis to provide a more detailed look at combination. This Analysis also provides an opportunity to address specific questions and concerns raised by the public during workshops and provide transparent and credible information to build confidence among stakeholders for the data that provides a foundation to combination discussions.

**Representation and Governance:** Concerns were raised at the CWD meeting about the representation of CWD residents in a larger combined district. Attendees expressed a desire for more representation and clarity on fair representation distribution.

- To address this, the Additional Technical Analysis includes a discussion about Board representation over time, including mechanisms for fair representation allocation.

**Water Supply Reliability:** Attendees at both workshops expressed concerns about how the combination of different water supplies, rights, permits and distribution systems would affect water supply reliability, including potential decreased surface water availability for CWD customers, especially during water shortage situations. They also expressed concerns about the potential loss of CWD's water rights and how combination could impact contracts with partnering water suppliers such as the City of Sacramento and others if they are curtailed.

- To address this, the Additional Technical Analysis includes a discussion about CWD's surface water availability and rights aimed at addressing these concerns, including measures available through combination to improve water supply reliability for each district and mitigate potential water shortage issues.

### **Cost Concerns, Rates and Efficiencies:**

Concerns were raised about potential rate increases, and the possibility of temporary short-term increases from the combination becoming permanent. Attendees also questioned how efficiencies would be realized and costs would be reduced through the combination.

- It is recommended that the Additional Technical Analysis provide a breakdown of the potential costs associated with the combination. The analysis should address any potential rate increases and distinguish between short-term and long-term impacts. In addition, the analysis should identify potential areas of efficiency and cost savings that can be achieved through the combination.

**Water Quality:** During the workshops, several individuals expressed their satisfaction with the existing water quality. At the CWD meeting, some attendees specifically voiced their preference to maintain water that is free from fluoride.

- To address this, the Additional Technical Analysis includes information about each district's water sources, the quality differences between surface water and groundwater, SSWD's fluoridation of the South Service Area and assurances that Carmichael Water District would be under no mandate to fluoridate water should combination occur.

**Liability for Infrastructure Condition and Contamination:** Fears were raised at both workshops about one district's customers bearing the cost of fixing the other's infrastructure without receiving any advantages if it is in poor condition. Customers of both districts also raised concerns about liability to address any contamination in the others' service area.

- To address this, the Additional Technical Analysis includes an evaluation of the infrastructure for both districts, improvements that should be considered as part of the combination process, as well as safeguards in place to prevent existing customers from shouldering the financial burden of improvements for the other district. The analysis should also include details regarding liability for contamination and mitigation.

**Debt and Combination:** Attendees raised questions about the existing debt of each water district and sought clarification on how the debt would be handled if a combination were to occur.

- To address these concerns, the Additional Technical Analysis examines the handling of debt, both in the short term and over an extended period. This analysis should include a discussion about safeguards that ensure the customers of one district would not shoulder the responsibility for the other.

**Change in District Status:** Discussions at the CWD workshop revolved around the potential change in CWD's status from an irrigation district. Attendees raised questions about the legal distinctions between potential organizational structures for a combined organization and potential gains or losses associated with each.

- It is recommended that the Additional Technical Analysis review the implications of various organizational structures, taking into consideration legal requirements, benefits, and potential impacts on stakeholders.

**Employee Contracts:** Questions were raised about the voiding of current contracts and the rewriting of employee contracts. Clarity on this matter is sought.

- It is recommended that the Additional Technical Analysis include a discussion about employee contracts. In addition, communication with the employees should continue to be prioritized to ensure transparency.

**Alternatives to Combination:** Attendees expressed a desire to explore alternatives to combination such as joint projects through Memorandum of Understandings (MOUs) or Joint Powers Associations (JPAs) instead of a full combination. Concerns were also expressed about future water reliability and rates if the combination does not proceed.

- It is recommended that the Additional Technical Analysis include an evaluation of alternative options, including joint projects and partnerships, to outline their feasibility and potential benefits. A cost-benefit analysis should also be added to the Additional Technical Analysis that explores the option for and long-term implications of inaction.

**Consolidation Case Studies:** Attendees discussed past consolidation experiences and expressed concerns.

- It is recommended that the Additional Technical Analysis provide an assessment and lessons learned from past combination experiences, including the consolidation between Northridge Water District and Arcade Water District that produced the SSWD, as well as other relevant water district mergers in California.

**Decision-making Process and Community Input:** Attendees inquired about who ultimately makes the final decision regarding the combination. They also raised questions about the possibility of a community vote.

- To address this, the Additional Technical Report includes language. In addition, an infographic will be developed in consultation with LAFCo that explains their process for evaluating the combination and avenues for community input, including a public vote. Additionally, continuing ongoing community engagement, such as public meetings and workshops, will allow stakeholders to express their opinions and provide valuable input.

**Timeline for Future Steps:** Attendees sought clarity on the approximate timeline for future stages of the combination talks, particularly steps 3, 4, and 5.

- It is recommended that the districts identify timeframes for the next stages of the combination discussions. Sharing a well-defined timeline will help manage expectations and provide stakeholders with a sense of direction. Regular updates should be provided to keep the community informed about the status and progress of the combination talks.

**Layperson-Friendly Information:** Attendees requested more layperson-friendly information in future reports and studies to help customers understand how water supply reliability could be enhanced.

- It is recommended that special attention be paid to language focused on water supply reliability, including water sources, rights and contracts, to help ensure communication is clear and accessible to stakeholders. This may also include infographics and FAQs, to communicate complex concepts in a simplified manner.



**SECTION THREE:**

**Summary: Key Themes and  
Discussion Points**  
Carmichael Water District Public  
Information Workshop

## Summary: Key Themes and Discussion Points

### Carmichael Water District Public Information Workshop

Thursday, June 15, 2023, 6:30 p.m.

More than 50 people attended the meeting in person with 20 online. Most who spoke identified themselves as Carmichael Water District customers.

Carmichael Water District Meeting: Major Themes Expressed by Attendees

*The following summary captures the main themes and viewpoints expressed by the public during the Public Information Session hosted by Carmichael Water District on June 15, 2023. It aims to condense the information while maintaining the essence of the discussions.*

**Concerns about the Initial Report:** Some individuals expressed their view that the report is high-level and too preliminary. They desire more in-depth analysis and information, including scenarios and potential risks. Another attendee expressed skepticism about the report, questioning the credibility and motivations of the entities involved in its creation.

**Representation and governance:** Concerns were raised about the representation of CWD residents in the water district, as they would constitute only 17 percent of the population in a larger district and have only one board member. The desire for more representation from CWD is expressed, and attendees requested clarity on how the pie will be divided to ensure fair representation.

**Change in district status:** The potential change in CWD's status from an irrigation district to adopting county water is mentioned, and the legal distinction and potential gains or losses from such a change are raised.

**Surface water availability:** A concern was expressed about whether the combination would result in decreased surface water availability for CWD customers, especially if there is a water shortage situation and SSWD requires more water.

**Maintaining water rights:** Attendees raised concerns about curtailment and the need to demonstrate use of water rights to avoid potential loss. The challenges of perfecting water rights were emphasized.

**Infrastructure condition:** The fear is expressed that if SSWD's infrastructure is in poor condition, CWD ratepayers would have to bear the cost of fixing it without receiving any advantage.

**Water quality:** Some individuals express their satisfaction with the current water quality, particularly with the absence of fluoride. They emphasized the importance of maintaining the same water quality.

**Alternatives to combination:** Attendees expressed their desire to explore alternatives to combination such as joint projects through Memorandums of Understanding (MOUs) or Joint Powers Authorities (JPAs) instead of a full combination.

**The cost of inaction:** Concerns are expressed about future water reliability and cost if the combination does not proceed. The boards and general managers are commended for their efforts, and attendees are encouraged to consider the benefits of moving forward.

**Previous consolidation talks and water rights:** The past experience of potential consolidation with other districts is mentioned, highlighting concerns about losing water rights. The possibility of CWD annexing SSWD is suggested, and the idea of a combination of equals is discussed.

**Employee contracts:** The potential combination raises questions about the voiding of current contracts and the need to rewrite them. Attendees seek clarity on this matter.

**Concerns about rate increases:** Some attendees expressed their opposition to the combination, citing fears of potential water rate increases. They expressed satisfaction with the current services provided by CWD and question the need for a combination.

**Potential cost savings:** Attendees questioned whether proceeding with the combination would result in unnecessary expenses and suggested that savings could be achieved by not merging.

**Data to support increased efficiency:** Attendees inquired about the efficiency data that would result from the combination. They expect that merging the districts should lead to increased efficiency, but they seek clarification on specific data regarding the anticipated efficiencies.

**Influence on the State Water Board:** Attendees expressed frustration with the State Water Control Board (SWB) and suggested that instead of combining, efforts should be made to have someone fight for their interests at the political level.

**Decision-making process and community input:** Attendees inquired about who ultimately makes the final decision regarding the combination and whether there will be a vote by the community. They expressed a desire for greater involvement.

**Timeline for future steps:** Attendees inquired about the approximate timeline for steps 3, 4, and 5 of the process, seeking clarity on the timeline for further stages of combination talks.

**Opposition to the combination:** Some individuals expressed their opposition to the combination and inquired about any CWD board members who are in opposition.

**Considering the bigger picture:** One attendee emphasized the importance of taking a long-term perspective, looking ahead 15 years, and considering the implications for rates and pay in the future.

**Appreciating the process:** Some individuals acknowledged that they entered the meeting without preconceived notions and appreciated that it is the first step in a long process. They expressed willingness to absorb the information and pass it along to others.

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## Carmichael Water District Workshop: Detailed Discussion Points

One attendee expressed concern about representation in the water district, as CWD residents make up only 17 percent but would have only one board member. She emphasized that CWD has a lot to offer in the deal.

- Director Emerson agreed with her concern about the dissolution of representation.
- Mr. Henriquez from LAFCo discussed different ways of addressing the representation issue in the short and mid-term. He suggested expanding the board to include directors from both districts, forming customer advisory groups, and eventually transitioning to board representation based on population.

One attendee asked about the impact of the combination on surface water availability for Carmichael Water District customers.

- The response was that, initially, there would be no decrease in surface water availability as the system would continue to operate as it is. SSWD also has a significant amount of surface water. However, there is a threat to the water supply due to the State Water Board's Water Quality Control Plan.
- Director Nelson clarified that combining the districts would not result in losing water rights, as the State Water Board is responsible for curtailing them. Combining would help in maintaining water rights.

One attendee raised concerns about losing water rights, potential water shortage, and representation issues.

- Director Nelson reassured that water rights would not be lost, and the combination could help meet the demand.

One attendee expressed concerns about the infrastructure of both districts. He wanted to ensure that infrastructure quality was comparable between SSWD and CWD.

- The response was that a technical study could provide more information on infrastructure quality.
- GM Lee mentioned that SSWD is actively working to keep the infrastructure sound.
- GM York highlighted the importance of CIP (Capital Improvement Programs) and mentioned that SSWD has spent millions over the years to ensure the infrastructure's integrity.

One attendee expressed concerns about water quality and the potential impact of the combination on it.

- Director Nelson clarified that the water would be sourced from the same source and mentioned the existence of interties. He also noted that bringing in water from SSWD would not be a simple switch due to differences in water composition.

The board members discussed the possibility of having a larger board with more representation from CWD and the need for rezoning to accommodate the change.

One attendee voiced concerns about loss of control and suggested having a 7-9 member board. He also asked about the legal distinction between being an irrigation district and adopting a county water structure.

- Director Greenwood explained that there are several options, including becoming a public utility district or a community services district. The goal is to determine the most beneficial option.

One attendee commended the boards and GMs for considering the combination. He emphasized the importance of water reliability and cost and asked for more information on rates and water reliability.

One attendee expressed concerns about potential water sales to Southern California and the impact on water rights.

- The response was that the combination would not bring additional water sales to Southern California, and water rights would be protected.

One attendee expressed interest in the issue of money, debt, and revenue, stating that CWD is in a good financial situation with sufficient income for infrastructure upgrades. She suggested that a combination would combine debt and revenues, resulting in a different financial outlook. She emphasized that the choice between integration and accommodation in governance and language would impact financial management.

- GM York clarified that if CWD and SSWD move forward with combination they would not be responsible for paying each other's debts.

One attendee raised concerns about how CWD customers can communicate their opinions if the Board of Directors wants to proceed with the combination, but the public disagrees.

- Director Greenwood assured that there are multiple opportunities for customer communication, such as attending board meetings and 2x2 public meetings.
- Mr. Henriquez from LAFCo explained that the LAFCo process is open, and if the districts decide to proceed with a combination, it would be subject to LAFCo analysis. The law requires that the finance piece remains separate, ensuring that CWD debt is borne only by CWD customers and SSWD debt by SSWD customers.

One attendee asked about the delinquent account percentage for each water district over the past three years, reflecting socioeconomic factors.

- GM Lee mentioned the delinquent rate is very small, around 10 accounts, while GM York stated it is about 1% of total accounts.

One attendee inquired about the top 10 customers in each water district based on water consumption.

- GM Lee listed larger irrigation areas like golf courses, schools, parks, and large residential apartment complexes.
- GM York mentioned McClellan Park, 27 schools, and no golf courses, with Del Paso Golf Course having a private well.

One attendee expressed her satisfaction with CWD's water and the management of the board and district. She opposes the combination, suggesting that the focus should be on resolving issues with the State Water Control Board instead of combining for political power.

- Director Greenwood clarified that the discussions about the combination were not solely due to the drought but also part of an ongoing effort to coordinate and have more clout among the numerous water agencies in the Sacramento region. He emphasized the importance of efficiency, protecting water rights, and listening to customers' concerns in discussions about combination.

One attendee raised a question about who ultimately makes the final decision regarding the combination and whether there will be an actual vote or a ballot to ensure full representation of the people's opinions.

- Director Greenwood responded by stating that the public process will continue, and participants will have the opportunity to participate. He explained that the decision-making authority lies with the boards. If both boards decide to pursue the combination, it will go through another public process involving LAFCo. The final decision rests with LAFCo's approval.

One attendee requested clarification on when residents would have the opportunity to vote.

- Mr. Henriquez from LAFCo explained that different provisions under the law come into play depending on the specific circumstances.
  - In the case of a consolidation, a vote of the constituents is required to form a new district. If the vote fails, the districts remain the same.
  - If there's a reorganization where one district votes to dissolve and another annexes, two different provisions may come into effect:
    - If the board choosing to dissolve does so unanimously, there will be no election.
    - If there is a split vote, an election of registered voters will be conducted.
- He also mentioned that LAFCo has the authority, similar to the Proposition 218 process for rate increases, to waive the election if an insufficient number of votes is received. There is a period during which residents can submit protests, and if a sufficient number of protests are received, an election will be held.

One attendee expressed the need for clarity on where the public vote will take place to ensure that their voices are heard.

- Director Greenwood assured that there are off ramps, implying that, if necessary, the process can be stopped. He emphasized the importance of such meetings for open communication.

One attendee asked if anyone on the Carmichael Water District board opposes the combination.

- Director Nelson stated that no one has taken a position yet.
- The facilitator clarified that the board members are currently engaged in fact-finding, analysis, and gathering information to understand what additional data needs to be presented.

One attendee raised a question about the efficiency data resulting from the combination and its potential benefits.

- Director Emmerson explained that the initial study showed potential for efficiency improvements in various areas such as litigation and staff in a future combination. However, he noted that further technical study is needed to determine if those efficiencies can be achieved

and to provide specific figures. A fiscal analysis is also part of the next step, the "Deeper Dive: Technical analysis."

One attendee asked whether money can be saved by not proceeding with the combination.

One attendee referred to a comment about the existence of 24 different districts and whether there might be a need for further consolidation beyond the combination with SSWD. He expressed concern that as districts combine and become larger, the individual voices of the constituents may diminish.

One attendee, a SSWD customer, expressed her fear of water rates increasing. As a renter for 13 years, she hasn't encountered any water issues.

One attendee discussed the report's discussion on water rights and praised the understanding displayed by the report's authors. He highlighted the challenges of curtailments and the importance of protecting senior water rights. This attendee expressed the need to demonstrate use to avoid scrutiny from the State Water Board. He suggested exploring alternative approaches like MOUs or JPAs for joint projects instead of combining. The attendee emphasized the need for more ASR wells and called for a deeper analysis of the high-level report. He raised questions about the risks of maintaining the status quo, IT system compatibility in a combination, and referenced examples of SMUD's successful combining.

One attendee attributed rising rates to higher-level (state) elected officials and supported collaboration for ratepayer savings. However, he was uncertain about his stance on the combination and questioned whether there would be too many managers in a combined district. Drawing from 15 years of experience in the water industry, he emphasized considering long-term concerns like rates and pay.

One attendee expressed frustration, criticizing elected officials for misusing ratepayer funds and feeling customer concerns were disregarded. She questioned the study's cost and the meeting's purpose, expressing skepticism about combination.

One attendee said he approached the meeting with an open mind, recognizing it as the first step in a lengthy process. He appreciated the positive outcome of the CWD Water Treatment Plant and expressed gratitude for the meeting.

One attendee asked about the timeline for next steps.

- GM Lee said that a joint BOD meeting is tentatively scheduled for July 25 to discuss feedback and potentially decide whether to continue or explore alternatives. The next phase involves technical analysis and addressing additional questions, with a goal of completing the process in the fall.

One attendee requested more information on the mentioned three bills limiting water rights.



- Board member Davis directed the individual to the CWD BOD packet for Tuesday and a Dan Walters article, where the bills are listed.

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**SECTION FOUR:**

**Summary: Key Themes and  
Discussion Points**

**Sacramento Suburban Water District  
Public Information Workshop**

## Summary: Key Themes and Discussion Points

### Sacramento Suburban Water District Public Information Workshop

Wednesday, June 21, 2023, at 6:30 p.m.

Nearly 30 people attended the meeting in person with about 20 online. Most who spoke identified themselves as Sacramento Suburban Water District customers.

Sacramento Suburban Water District Workshop: Major Themes Expressed by Attendees

*The following summary captures the main themes and viewpoints expressed by the public during the Public Information Session hosted by Sacramento Suburban Water District on June 21, 2023. It aims to condense the information while maintaining the essence of the discussions.*

**Water supply reliability:** Questions were raised about how the combination of different water supplies, rights, permits, and distribution systems would affect water supply reliability.

**Contracts and expansion:** Attendees expressed concerns about the impact from combination on contracts with the City of Sacramento and PCWA if they are curtailed, and inquired about the benefits of the combination if the place of use cannot be expanded.

**Surface water rights and diversification:** Attendees discussed the potential benefits for SSWD in gaining surface water rights through the combination with CWD.

**Groundwater accounting and excess water:** Questions were asked about the Groundwater Sustainability Agency (GSA) groundwater accounting system, SSWD's usage percentage, and the possibility of selling excess stored water.

**Financial aspects and consultants:** Concerns were raised about the role of consultants and corporations profiting from the project. Attendees requested that financial information and details of consultant fees be made available online. There were also concerns about potential layoffs and benefit cuts for employees.

**Debt and combination:** Questions were asked about the current debt of each water district and how the debt would be addressed in the event of a combination.

**Cost concerns and rate increases:** Concerns were expressed about the cost of studies, potential rate increases, and temporary short-term increases becoming permanent.

**Liability and contamination:** Attendees inquired about liability issues related to contamination potentially infiltrating wells in Carmichael Water District and whether such liabilities have been addressed.

**Cost reductions:** Questions were raised about how costs would go down with the combination.

**Public vote on the decision:** Concerns were raised regarding whether the decision on the combination or reorganization of the districts would go to a public vote.

**Weighted vote and transparency:** Concerns were raised about the concept of a weighted vote, and attendees expressed the need for clear explanations regarding this voting system.

**Satisfaction with the status quo:** An attendee expressed satisfaction with the current state of their water district and a desire to maintain the status quo.

**Support for combination and outreach:** Some attendees expressed support for the combination and suggested outreach to other jurisdictions, including recreation and park districts. Continued outreach to the public was also encouraged.

**Support for combination but frustration with process:** Attendees expressed support for the combination but voiced frustration over the lengthy process involved with LAFCo.

**Support with careful execution:** One attendee supported the consolidation effort but emphasized the importance of careful execution, appreciating the opportunity for customer input.

**Layperson-friendly information:** Attendees requested more layperson-friendly information in future reports and studies to help customers understand how water supply reliability could be enhanced.

**Impact on incorporation efforts:** Attendees questioned how the combination of water districts would affect the incorporation efforts of Arden Arcade or Carmichael as cities.

**Discussions with Del Paso Manor Water District:** Attendees inquired about discussions with Del Paso Manor Water District regarding the combination, particularly considering its infrastructure issues.

**Water pressure for fire protection:** An attendee asked which water district, SSWD or CWD, has better water pressure for fire protection.

## Sacramento Suburban Water District Workshop: Detailed Discussion Points

One attendee asked: How would the combination of water districts impact the incorporation efforts of Arden Arcade or Carmichael as cities?

- Mr. Henriquez from LAFCo said it shouldn't have a direct impact on incorporation efforts. When communities apply for incorporation, they specify to the LAFCo (Local Agency Formation Commission) the services the new city would provide. If either Arden Arcade or Carmichael were to incorporate, they would need to indicate whether they want to take over water service and provide a business plan for it. They would also need to describe how it would affect the existing water provider. If the impact is deemed detrimental, LAFCo could deny the new city from providing water service. In some cases, new cities choose not to provide water service either because they are satisfied with the existing service or due to financial constraints.

One attendee asked whether the decision on combination or reorganization of the districts would go to a public vote.

- Mr. Henriquez from LAFCo said it depends on the option the districts choose, either consolidation or reorganization.
  - In the case of a consolidation, a vote of the constituents is required to form a new district. If the vote fails, the districts remain the same.
  - If there's a reorganization where one district votes to dissolve and another annexes, two different provisions may come into effect:
    - If the board choosing to dissolve does so unanimously, there will be no election.
    - If there is a split vote, an election of registered voters will be conducted.

One attendee asked if there have been discussions with Del Paso Manor Water District about combination, considering its significant infrastructure issues.

- Director Locke answered that SSWD is engaged in discussions regarding the Del Paso Manor Water District (DPMWD). DPMWD serves as an example of the challenges faced by small districts. To have essential positions like Human Resources and a Safety Officer, a district needs to reach a certain size. DPMWD demonstrates that it lacks a sufficient rate base to support such positions. If a combination study with DPMWD takes place, the costs of improving facilities and addressing debts would be shouldered by DPMWD's customers. However, in the long term, these costs would not persist indefinitely. An analogy is provided with the merger of Northridge and Arden Arcade, where the improvements in Arden Arcade were not funded by Northridge ratepayers. These considerations align with LAFCo regulations.

One attendee asked how the combination of different water supplies, rights, permits, and distribution systems would affect the water supply reliability.

- GM York answered that in the event of a combination, CWD could become another service area, alongside SSWD's existing four service areas. Interconnections between the different districts' infrastructure are already in place, allowing for the transfer of water between them.
- GM Lee added that any use of excess water rights would still need to go through the State Water Board, which involves a lengthy process and requires further evaluation.

One attendee asked, in the context of expanding the place of use, and noting that SSWD currently has contracts in place with City of Sacramento and PCWA: What happens when those

contracts are curtailed? Also, if SSWD is unable to expand the place of use, what benefits can still be derived from the combination of water districts?

- GM York answered that SSWD has contracts with both the City of Sacramento and PCWA for water supplies. These contracts are in effect during wet years. However, during dry years, SSWD relies on groundwater supplies. The PCWA contracts are valid until 2045, and SSWD has a longer-term Warren Act contract extended to the same year. SSWD also can pursue an extension of the PCWA contract and place of use. While this process is lengthy and costly, SSWD would work on it promptly. In the event that the request is denied, SSWD would seek guidance from legal counsel.
- Director Locke noted that the State actively promotes the combination of water districts. Also, the initial study provides an analysis of water rights and addresses related questions.

One attendee asked why the Finance Director was not present at the meeting to answer financial questions. Also, she expressed concerns about consultants and corporations profiting from the project and requested that this information is made available online. She also asked about potential layoffs, benefit cuts, and the cost of consultants.

One attendee asked about the current debt of each water district, and how the debt would be addressed in the event of a combination.

- GM York expressed that this would be a Board of Directors decision in the future. The resolution to combine would say that debt stays separate so keep billing separate. LAFCO would also have to approve.

One attendee noted that the initial study says that expenses will rise in the short term. She expressed satisfaction with the current state of SSWD, praising its good service, customer service, and the quality of the water. They expressed a desire to maintain the status quo.

One attendee expressed support for the combination and suggested outreach to other jurisdictions. He also supported continued outreach to the public and other entities like recreation and park districts, Metro Fire, and the city of Citrus Heights during this process.

One attendee expressed that studies like this are costly and lead to rate increases. They expressed concern about short-term temporary increases noted in the initial study becoming permanent.

One attendee asked about liability from contamination going under the American River and infiltrating wells of Carmichael Water District, asking what liability may that cause or has that been remedied?

- GM Lee explained that responsible parties have been identified and are responsible for cleaning up the contamination. The impacts on groundwater are being addressed, but the costs associated with the cleanup would not be reflected in the rates.

One attendee asked how the costs will go down if the water districts combine, saying that her Carmichael Water District bills have only increased over time. With ongoing construction in

Carmichael, how can we expect the price of services to decrease? She also asked, in the context of water conservation, where do you see excess water in Carmichael Water District?

- Director Locke explained that the Sacramento County housing element promotes higher density housing, which is not directly related to water availability. However, combining the water districts can increase water supply reliability. During wet years, Carmichael Water District may not utilize all its water rights, while SSWD has extra capacity in its wells during dry years. By operating as one district, it becomes easier to share resources and balance water supply across the broader community.
- GM York explained that one of the decisions the Board of Directors will have to make is determining the rates after the combination. They will consider whether to keep each district's rates as they are or establish uniform rates. CWD's meter size is currently 1 inch, while SSWD's is  $\frac{3}{4}$  inch. There is an opportunity for CWD to reduce its meter size to  $\frac{3}{4}$  inch.
- Director Locke also said the statewide message to promote water efficiency and reduce waste. While the current focus is on conservation, there is still an abundance of water available. The aim is for society as a whole to become more efficient with water usage.
- The facilitator noted that state policy requires water agencies to become more efficient, which includes customers of water agencies. It is not an optional measure but a mandated requirement by the state.

One attendee expressed concerns about the consolidation of districts, drawing parallels with previous instances where power was taken away from the community. They also mentioned water storage and refer to certain legislation. Will the district need to borrow more money for the consolidation?

One attendee asked which water district, SSWD or CWD, has better water pressure for fire protection.

- GM York said that both SSWD and CWD meet the standards for fire flow and provide adequate water pressure for fire protection.

One attendee asked for an explanation of the Groundwater Sustainability Agency (GSA) groundwater accounting system and the percentage SSWD uses each year. Are you using all of your allotment? He also asked if SSWD can sell the excess water that is stored each year.

- GM York explained that SSWD used to produce 45,000 acre-feet of groundwater before the 2015 drought, but it has since reduced to 32,000 acre-feet. The conjunctive use approach involves using groundwater in dry years and using surface water in wet years. The groundwater levels have shown a recovery with conjunctive use.
- GM York also explained that that SSWD engages in a practice called groundwater banking, where they store excess water in the basin. While they can transfer and sell water, they cannot sell all of the stored water. However, by transferring water and earning revenues from it, they can reduce the burden on ratepayers.

One attendee asked if the benefits for SSWD is to gain surface water rights through the combination with CWD.

- GM York explained that there are benefits for both agencies in the combination. He emphasized the importance of investing in infrastructure and looking ahead to ensure water supply reliability for the next 20 years and beyond. He highlighted the significant increase in costs for

infrastructure projects over time, mentioning that the cost of Arcade's initial mile of pipeline replacement was \$500,000, but the current cost for a similar project is \$3.2 million. Similarly, a new well in 2018 cost \$2 million, but the present cost has risen to \$8 million to \$10 million. He noted that SSWD has done an excellent job reducing debt while investing in pipeline replacement.

- Director Locke also mentioned that SSWD follows a pay-as-you-go approach, minimizing debt and spreading resources to help guarantee a reliable water supply for the community.
- GM Lee added that CWD's infrastructure dates back to 1916, and there is a need to replace and upgrade it. The shift from groundwater to surface water is aimed at preserving surface water rights and giving the groundwater basin a rest.

One attendee noted that CWD is using fewer groundwater wells than they used to while the state is cutting access to surface water supplies.

- GM Lee clarified that during droughts, when curtailed, CWD relies on groundwater wells and purchases surface water when available. To ensure reliable water supplies for customers, they are investing in new wells and securing grants for infrastructure improvements. The new well at Garfield and Engle is fully grant-funded, and it will contribute to the long-term water supply reliability, particularly in the face of climate change and more frequent droughts. The water treatment plant's flow rate declines during droughts as customers are asked to conserve water.

One attendee asked about a weighted vote and expressed that everyone should know what a weighted vote is.

One attendee noted that, as a long-time ratepayer, has seen the evolution of SSWD. He expressed support the attempt to combine with CWD, saying that it is an opportunity to access surface water, which SSWD currently lacks. With increasing state restrictions on groundwater use and emerging contaminants like PFAS, it is crucial to diversify our water sources. He added that he doesn't expect his rates to decrease or remain the same, as costs tend to rise. However, his concern is the lengthy process involved with LAFCo. He is in favor of the combination but frustrated by the potential delay.

- Mr. Henriquez from LAFCo said that LAFCo takes time to ensure that boundary changes are implemented in a cost-efficient manner without negatively impacting customers. The process can take around a year, but the preparedness of the entities involved can expedite it. Both SSWD and CWD are being thorough in their approach, which will reduce the application cost and streamline the process. The reason for their methodical approach is to inform the public and gather feedback. It's important to note that the consolidation is not a done deal yet, but if the decision to proceed is made, they are well-prepared to present a fully developed application to LAFCo, which will significantly reduce the timeline.

One attendee said that, after reviewing the report and hearing different opinions, they support the consolidation effort but emphasized the need for careful execution. Thank you for listening to customers' input.

One attendee said that the water supply reliability information in the initial study mentioned tonight is informative but not easily understood. If the consolidation moves forward, it would be



beneficial to include more layperson-friendly information in future reports and studies to help customers understand how water supply reliability would improve for both districts.

One attendee asked whether it is possible to obtain a copy of tonight's presentation.

- GM York said it will be posted online for public access.
- GM York remarked that the Boards of Directors have prioritized transparency and encourage public participation in the 2x2 meetings. These meetings involve two members from each district and serve as a platform to share information and ensure accountability.

One attendee asked if there is a representative on LAFCo for the unincorporated area of the county and cities and whether one of the special district representatives is up for election.

- Mr. Henriquez from LAFCo said that the LAFCo composition consists of two county supervisors, two members of the city council representing the seven cities, two directors for special districts, and one member from the public at large. And, yes, the seat for the Harold Protection Fire District representative is up for election.

One attendee requested that districts make the detailed financial statements for the contracts undertaken in the past five years available online, including the amount of money paid to consultants. Additionally, she requested that the districts reduce reliance on consultants.

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**SECTION FIVE:**

**Summary: Key Themes and  
Discussion Points  
Additional Feedback from Other  
Avenues**

## Summary: Key Themes and Discussion Points

### Additional Feedback from Other Outreach Avenues

Major Themes Expressed in “Other” Comments:

*The following summary captures the main themes and viewpoints expressed by the public in comments via direct email, social media (Facebook and NextDoor) and other avenues provided September 2021 through June 2023. It aims to condense the information while maintaining the essence of the discussions.*

**Opposition to Fluoridation:** Several individuals expressed their opposition to combining the SSWD and CWD due to concerns about fluoridating water.

**Water Quality and Hardness:** Customers discussed the quality of water from both SSWD and CWD. While some mentioned that SSWD water is hard, others expressed dissatisfaction with the water quality in CWD, citing issues with mineral deposits damaging appliances and a preference for unfluoridated water.

**Combination Process and Public Input:** Questions were raised about the decision-making process for the potential combination, including whether there would be a district-wide vote and how public input would be considered. There was an expressed desire for more information, transparency, and opportunities to provide feedback.

**Infrastructure, Efficiency, and Rates:** Comments touched on the potential benefits and concerns regarding combining the two districts, including infrastructure consolidation, efficiency improvements, and potential rate changes. There was an expressed interest in understanding the financial aspects of the combination, including employee salaries and benefits, consultant costs, and potential temporary rate increases.

**Water Supply Reliability and Regulations:** There was an expressed concern about future water rates, supply reliability, infrastructure replacement, and water quality regulations. While fluoride was discussed, the focus was more on regulatory aspects rather than the specific issue of fluoridation.

**Support for Combination:** Several individuals voiced support for the combination, citing the potential for improved infrastructure maintenance and upgrades, particularly in areas reliant solely on groundwater. They expressed a belief that a larger water district could better address challenges posed by drought and climate change.

**APPENDIX:**

**Outreach Activities to Date and  
Planned**

*As of August 2, 2023*

## Outreach Activities to Date and Planned

*As of August 2, 2023*

### Both Carmichael Water District and Sacramento Suburban Water District

#### Board of Directors and 2x2 Meetings

- Public updates at Board meetings and through the CWD-SSWD 2x2 committee since July 2021
- Draft PowerPoint/summary of initial study delivered to SSWD and CWD on September 14, 2022
- Full draft study provided to SSWD and CWD on September 23, 2022
- Draft study delivered to the public via the 2x2 meeting on October 13, 2022
- Study accepted with amendments at the 2x2 meeting on February 8, 2023
- Vote to move forward with discussions and host public information workshops at a joint CWD-SSWD board meeting on April 10, 2023

#### Foundational Materials

- Created comprehensive CWD-SSWD stakeholder list for outreach to elected officials, business groups, neighboring and partnering water providers, homeowners associations and others.
- Created fact sheets, messages and materials to communicate with the public about combination discussions, including:
  - **Postcard for the public information sessions:** Invites the public to an information session to learn about combination discussions and the findings of the initial study, ask questions and provide input.
  - **Road map/milestones for the outreach process:** Outlines the steps and overall approach for the public outreach/engagement process.
  - **Summary: Exploring the Combination of CWD and SSWD:** Provides a one-page document highlighting the opportunities, process, and ways to learn more.
  - **Fact Sheet: Perceived Advantages and Disadvantages to Combination:** Highlights perceived advantages and disadvantages to combination.
  - **Overview: About the Combination Study and Process:** Provides an overview of why the districts are discussing combination, activities to date and how the public can learn more.
  - **Fact Sheet: Study: A Business Case for a Potential Combination:** Provides an overview of the initial study findings and seeks to anticipate/answer likely questions.
  - **Map of voting divisions:** Shows the CWD and SSWD service areas and divisions for the Boards of Directors.
  - **Comment Sheet:** Invites the public to provide written comments on combination discussions.
  - **Key messages (external/internal audiences and on special topics):** Provides a concise means for communicating the status of combination discussions; addresses frequently asked questions about fluoride.
  - **PowerPoint presentation** for the Public Information Workshops.

## **Additional Outreach: Sacramento Suburban Water District**

### **External Communications**

- Website updated/link added to home page—central location for all audiences to find information.
- Included in fall 2022 newsletter mailed September 15, 2022.
- Slide included at the monitor during Open House on October 6, 2022.
- Direct mail postcard with QR code mailed to 45,000 SSWD customers (property owners) received on/about October 7, 2022.
- Advertising on Facebook and the Google Display Network began the week of October 10, 2022 and ended on October 30<sup>th</sup> on Facebook and on November 10<sup>th</sup> on the Google Display Network.
- Included in bill inserts for October and November 2022.
- Slide included on the Customer Service monitor PowerPoint starting in October 2022.
- SSWD posted to Facebook page on October 13, 2022.
- Outreach to SSWD stakeholders with postcard distributed electronically on/about October 20, 2022.
- July 2023: Bill insert article.

### **SSWD Staff Outreach**

- Employee Meeting/staff update on study on July 20, 2022, and August 17, 2022.
- Internal information hub for information and questions created/Dan emailed link to staff on September 15, 2022.
- Employee Meeting/staff update on study and internal hub/answer questions on September 21, 2022.
- Internal key messages and Frequently Asked Questions provided to SSWD staff and Board members.
- Update at Managers Meeting with distribution of key messages on October 18, 2022.
- Email from the GM to SSWD team, inviting questions and providing link to key messages and FAQs on October 19, 2022.
- Employee Meeting/staff update on study on March 1, 2023.
- Employee Meeting/staff update and presentation on July 6, 2023.

## **Additional Outreach: Carmichael Water District**

### **External Communications**

- Website updated/link added to home page—central location for all audiences to find information.
- Article in May 2023 bill insert.
- Information article in May 19, 2023, Carmichael Times newspaper.

### **CWD Staff Outreach**

- Employee Meeting/staff update on study and Q&A with GM on October 14, 2022.
- The SSWD General Manager attended a Carmichael Water District staff meeting to discuss his experience with consolidations on October 31, 2022.
- Employee Meeting/staff update and Q&A with two CWD Directors on April 21, 2023.

- Internal information hub created for staff members to submit questions.
- Employee Meeting and Q&A opportunity with two CWD Directors on June 23, 2023.

### **Promotion for Public Information Workshops**

#### **Outreach Activities:**

- Press release distributed to media outlets May 11 (early deadlines) and June 5.
- CWD postcard received in mailboxes on May 17.
- Letter to HOAs/Neighborhood Associations into the mail on May 18.
- Outreach to elected officials and other influencers on the stakeholder list starting May 22 (ongoing).
- SSWD postcard received in mailboxes on May 24.
- Outreach via existing CWD and SSWD communication channels, including websites, bill inserts bill messages, etc. in May and June.
- Social media post and monitoring (ongoing) and outreach May 18.
- Digital Advertising (Facebook and news/weather sites via the Google Display Network) May 27-June 21.
- Print ads in Carmichael Times and Arden-Carmichael News on June 9 (both workshops).
- Print ad in Carmichael Times on June 16 (SSWD only).

#### **Note: Mailing List for Postcard**

- *SSWD's list included approximately 81,200 landlords, tenants, and apartment/mobile home residents by individual unit.*
- *CWD's list included 10,887 owners, landlords, tenants, multi-family and commercial accounts.*

#### **Public Information Workshops:**

- Carmichael Water District: Thursday, June 15, 2023, at 6:30 p.m.
- Sacramento Suburban Water District: Wednesday, June 21, 2023, at 6:30 p.m.

#### **Media and Public Exposure Secured:**

- May 18: Carmichael Times story on upcoming information sessions.
- May 19 and June 21: Carmichael Creek Neighborhood Association email to members.
- May 23: Advocates for Arden-Arcade email to members.
- June 13: Email from Supervisor Rich Desmond to constituents.
- June 15: KCRA (interview with CWD Director Jeff Nelson).
- June 13 and 21: NextDoor: Customer post promoting information session.
- June 21: Carmichael Times coverage of CWD information session.
- July Issue: Inside Arden mention of workshops.

#### **Stakeholder Briefings:**

- April 30: Carmichael Colony Neighborhood Association Annual Meeting: CWD invited the public to upcoming workshops.
- May 30: LAFCO Special Districts Advisory Committee: SSWD provided an overview and current status of the CWD-SSWD Combination discussions.

- June 13, 10 a.m.: SSWD presentation to the Women’s Group at the St. Mark’s United Methodist Church in Sacramento).
- July 13: SSWD briefing for Sacramento City Councilmember Lisa Kaplan.
- July 14: CWD-SSWD briefing for Assemblymember Josh Hoover.
- July 18: CWD-SSWD briefing with McClellan Park.
- July 19: Presentation to the Carmichael Kiwanis Club.
- July 26: CWD-SSWD briefing for Assemblymember Kevin McCarty.
- July 26: CWD-SSWD briefing for Supervisor Sacramento Supervisor Sue Frost.
- August 8: CWD-SSWD briefing scheduled for Assemblymember Roger Niello.

DRAFT



**APPENDIX:**

**Samples of Media and Public  
Outreach Materials Developed**



7837 Fair Oaks Blvd  
Carmichael, CA 95608

### PUBLIC INFORMATION WORKSHOP

THURSDAY, JUNE 15, 2023, AT 6:30 P.M.

Carmichael Water District Boardroom  
7837 Fair Oaks Blvd.  
Carmichael, CA 95608

*A virtual option will also be available*

Visit [carmichaelwd.org](http://carmichaelwd.org) to find:

- A copy of the study
- Fact sheet and Frequently Asked Questions
- Details about the upcoming Public Information Workshop, including access for a virtual option



(916) 483-2452  
mail@carmichaelwd.org  
carmichaelwd.org

← Scan the QR code with the camera app on your phone.

**YOU'RE INVITED!**

Public Information Workshop Exploring a Study on Potential Combination with Sacramento Suburban Water District

Thursday, June 15, 2023, at 6:30 p.m.

Carmichael Water District (CWD) and Sacramento Suburban Water District (SSWD) are considering the results of a new study exploring combination opportunities between the two districts.

The study, which was conducted by an independent consulting firm, explores how combining the two neighboring water utilities might improve efficiencies, reduce costs, increase water supply reliability, and enhance customer service.

We invite you to learn more about the study's findings, ask questions and provide input during a public workshop hosted by Carmichael Water District.

*See next side for details.*



3701 Marconi Ave #100  
Sacramento, CA 95821

### PUBLIC INFORMATION WORKSHOP

WEDNESDAY, JUNE 21, 2023, AT 6:30 P.M.

Sacramento Suburban Water District Boardroom  
3701 Marconi Ave.  
Sacramento, CA 95821

*A virtual option will also be available*

Visit [sswd.org](http://sswd.org) to find:

- A copy of the study
- Fact sheet and Frequently Asked Questions
- Details about the upcoming Public Information Workshop, including access for a virtual option



916.972.7171  
feedback@sswd.org  
sswd.org

← Scan the QR code with the camera app on your phone.

**YOU'RE INVITED!**

Public Information Workshop Exploring a Study on Potential Combination with Carmichael Water District

Wednesday, June 21, 2023, at 6:30 p.m.

Carmichael Water District (CWD) and Sacramento Suburban Water District (SSWD) are considering the results of a new study exploring combination opportunities between the two districts.

The study, which was conducted by an independent consulting firm, explores how combining the two neighboring water utilities might improve efficiencies, reduce costs, increase water supply reliability, and enhance customer service.

We invite you to learn more about the study's findings, ask questions and provide input during a public workshop hosted by Sacramento Suburban Water District.

*See next side for details.*

# WATER DISTRICT COMBINATION STUDY

- ▶ Improve Efficiencies
- ▶ Reduce Costs
- ▶ Increase Water Supply Reliability
- ▶ Enhance Customer Service



84°  
5:17

MAY 19, 2023

## Water Districts Explore Combination Study

### SSWD Staff

**CARMICHAEL, CA (MPG)** - The public is invited to learn about a recent study exploring combination opportunities between Carmichael Water District (CWD) and Sacramento Suburban Water District (SSWD). The study, initiated in 2022, was conducted by an independent consulting firm and explores how combining the two neighboring water utilities might improve efficiencies, reduce costs, increase water supply reliability and enhance customer service.

Workshops provide opportunities for customers to hear a briefing on study results, ask questions and provide initial feedback. Two public meetings are scheduled for June with both in-person and virtual options available:

#### BACKGROUND

**The Opportunities:** The goal in examining combination is to see how merging the two districts might encourage efficiencies, reduce costs, improve water supply reliability, and enhance customer service.

**The Threats:** The water industry and local communities are facing several changes and challenges, including the

projected impacts of climate change on water supplies and increasing regulations that will potentially make it difficult to keep rates affordable.

**The Process:** The CWD and SSWD Boards commissioned a study by an independent consulting firm to provide an initial look at the potential benefits and disadvantages to combination.

After a comprehensive public review, the boards accepted the initial study. In doing so, Board members signaled that the initial study offered many potential benefits that should continue to be explored and uncovered no fundamental flaws that should stop discussions. The Boards also requested staff to undertake additional technical analysis that further reviews and defines potential governance structures, water rights assurances, administration, operations, cost savings and other topics.

#### More information

Detailed information is available online on the CWD website at [carmichaelwd.org](http://carmichaelwd.org) and SSWD website at [sswd.org](http://sswd.org), including:

The initial study, *Business Case for a Potential Combination*; Fact sheets and Frequently Asked Questions about combination discussions and the initial study. ★

Thursday, June 15, 2023, at 6:30 P.M.

Hosted by Carmichael Water District

CWD Boardroom  
7837 Fair Oaks Blvd.,  
Carmichael, CA 95608

Info: (916) 483-2452 or [mail@carmichaelwd.org](mailto:mail@carmichaelwd.org)  
[carmichaelwd.org](http://carmichaelwd.org)

Wednesday, June 21, 2023, at 6:30 P.M.

Hosted by Sacramento Suburban Water District

SSWD Boardroom  
3701 Marconi Ave., Sacramento, CA 95821

Info: 916.972.7171 or [feedback@sswd.org](mailto:feedback@sswd.org)  
[sswd.org](http://sswd.org)

# County Fair

Continued from page 3



Additionally, there was one section full of reptiles...turtles, snakes, iguanas and lizards of all shapes and sizes.

Want to hold an alligator?

Yep, there was also a live alligator.

In this discussion about animals, be sure to stop by the livestock barns and talk to the 4-H and Future Farmers of America kids. They are knowledgeable



## Public Information Workshops on Combination Study

Please join us for a special workshop exploring a study on a potential combination of Sacramento Suburban Water District and Carmichael Water District.

Visit [carmichaelwd.org](http://carmichaelwd.org) or [sswd.org](http://sswd.org) to find out how to attend.

**THURSDAY, JUNE 15<sup>TH</sup> 6:30 P.M.**

CWD Boardroom  
7837 Fair Oaks Blvd.  
Carmichael, CA 95608



**WEDNESDAY, JUNE 21<sup>ST</sup> 6:30 P.M.**

SSWD Boardroom  
3701 Marconi Ave.  
Sacramento, CA 95821



facebook



**Sacramento Suburban Water District**

Sponsored · 🌐

Please join us on June 15th o... See more

## Please Join Us at the June Workshops



## Public Information Workshops on Combination Study

**THURSDAY, JUNE 15<sup>TH</sup>  
AND WEDNESDAY, JUNE 21<sup>ST</sup>  
6:30 P.M.**

[sswd.org](http://sswd.org)

**Please Join Us at the June Workshops**

[Learn more](#)



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Menu



## SUMMARY

# Exploring the Combination of Carmichael Water District and Sacramento Suburban Water District

Carmichael Water District (CWD) and Sacramento Suburban Water District (SSWD) are exploring the potential to combine the two neighboring water utilities.

### The Opportunities

The goal in examining combination is to see how merging the two districts might encourage efficiencies, reduce costs, improve water supply reliability, and enhance customer service.



### The Threats

The water industry and our communities are facing several changes and challenges, including the projected impacts of climate change on water supplies and increasing regulations that will potentially make it difficult to keep rates affordable.



### The Process

The CWD and SSWD Boards commissioned a study by an independent consulting firm to provide an initial look at the potential benefits and disadvantages to combination.

After a comprehensive public review, the Boards accepted the initial study. In doing so, Board members signaled that the initial study offered many potential benefits that should continue to be explored and uncovered no fundamental flaws that should stop discussions. The Boards also requested staff to undertake additional technical analysis that further reviews and defines potential governance structures, water rights assurances, administration, operations, cost savings and other topics.



### Learn More

Detailed information is available online on the CWD website at [carmichaelwd.org](http://carmichaelwd.org) and SSWD website at [sswd.org](http://sswd.org), including:

- The initial study, "Business Case for a Potential Combination"
- Fact sheets and Frequently Asked Questions about combination discussions and the initial study
- Public information workshops exploring combination discussions that provide opportunities for the public to ask questions and offer input



Learn more about the CWD-SSWD combination discussions on the CWD website at [carmichaelwd.org](http://carmichaelwd.org) and SSWD website at [sswd.org](http://sswd.org).

- **Higher levels of customer service**, allowing more specialization of staff, greater levels of scale efficiency, and perhaps new or expanded services.
- **More rate and financial stability** with a larger and more stable supply of water resources, a broader customer base, and an improved ability to address changes in operating conditions brought on by water resource challenges, staffing shortages, and inflation.
- **Upward mobility for staff** at a larger organization will create more opportunities for staff increasing staff retention and attracting a wider base of potential candidates.
- **Transparent and public process** with LAFCo and SSWD history of success.



### Potential Disadvantages to Combination

- **A perceived loss of local control and the dilution of representation:** A combined entity would have Board members representing a larger number of constituents, assuming the Board is the same size as the current Boards.
- **More bureaucracy that could come with a larger organization:** Sound leadership will need to ensure scale efficiency is created while avoiding the pitfalls of a larger organization.
- **Adapting to changes can be challenging for staff:** This will require attention and management effort to effectively navigate and thoughtfully consider as a new organization takes shape.
- **Challenges to combining existing water resources:** The current regulatory framework may make it difficult to combine water resources and maximize their utilization and efficiency. Political and environmental needs and could even invite some challenges to current arrangements.



CWD and SSWD are continuing to consider initial study findings and are conducting additional technical analysis to further review and define potential governance structures, water rights assurances, administration, operations, cost savings and other topics.




**FACTSHEET**  
**Perceived Advantages and Disadvantages to Combination**



on the CWD website at [carmichaelwd.org](http://carmichaelwd.org) and SSWD website at [sswd.org](http://sswd.org).

Carmichael Water District (CWD) and Sacramento Suburban Water District (SSWD) are currently exploring combination opportunities. The goal is to examine how combining neighboring water utilities might encourage efficiencies, reduce costs, improve water supply reliability, and enhance customer service.

The following are potential advantages and disadvantages of combination, as outlined in Section 8 of the study by an independent financial consulting firm. The study explores trends in the water industry and community, such as changing water demand, pressure to keep rates affordable, regulatory change, water supply reliability, and expansion to meet regional needs, and the feasibility for addressing those trends through combination.

The full study, "A Business Case for a Potential Combination," is available at [sswd.org](http://sswd.org) and [carmichaelwd.org](http://carmichaelwd.org).

### Potential Advantages to Combination

- **Ability to achieve greater scale efficiencies through a larger organization:** Each organization has different areas of strengths and expertise and combining the two entities could provide efficiencies if resources are used strategically.
- **Greater water resource sharing and utilization:** CWD possesses numerous surface water supplies and groundwater wells. CWD also has access to additional surface water supplies that it has not yet fully activated. SSWD obtains its water supplies from groundwater extraction and surface water supplies delivered under contracts with neighboring water agencies. All of these supplies could be integrated to maximize benefit for both districts through a combination effort.
- **Greater political advocacy:** A larger organization that covers a broader service area will likely be able to increase its political advocacy in the region, helping it protect resources and ensure customer needs are represented.



Learn more about the CWD-SSWD combination discussions: on the CWD website at [carmichaelwd.org](http://carmichaelwd.org) and SSWD website at [sswd.org](http://sswd.org).

## Attachment 2

### **Strategic Timing Recommendations for Public Information Workshops**

#### **Introduction:**

With the acceptance of the Technical Analysis, Step 3 of the public outreach process begins (see diagram). This is an essential phase in the outreach process that should occur before the CWD and SSWD boards vote on a resolution to combine.

The following is a recommended timeline for the public information workshops and constituent engagement activities designed to facilitate a responsive and open dialogue with customers that demonstrates how the districts are addressing their questions and also provides opportunities for directors to share their perspectives.

#### **Public Information Workshops:**

Public information workshops during this phase provide a crucial opportunity for the districts to answer customer questions raised during June 2023 workshops using information from the Technical Analysis. Workshops will also provide an opportunity for board members to share their insights and perspectives on the analysis findings and benefits to combination.

Furthermore, post-workshops, directors will ideally have an opportunity to engage with their constituents, share their opinions and address any remaining questions before the boards proceed to the vote.

#### **Proposed timing for Steps 3 and 4 in the Outreach Process is as follows:**

##### **January: Conduct Two Public Information Workshops**

In January, we recommend hosting two public information workshops. Ideally, two workshops will be hosted during the same week on different evenings—one by Carmichael Water District for their customers, and a second by Sacramento Suburban Water District for their customers.

- Timeframe: Week of January 22
- Alternate timeframe: January 8 (simultaneous meetings that would occur instead of the next joint board meeting)

##### **January-February: Board Member Engagement with Constituents**

During January and February, board members can take the opportunity to engage with their constituents, sharing their perspectives and gathering opinions on the proposed combination.

##### **February or March: Board Resolution Vote:**

In either February or March, the boards of directors can proceed to vote on the combination resolution. They may choose to do this during individual meetings for their respective boards, convene a joint board meeting in February, or opt to defer the vote to the scheduled March joint board meeting.

### STEP 1:

#### **Exploring the Possible:**

*Discussing and Analyzing Potential Combination*

**COMPLETE:**  
Occurred when the combination study was in progress.

Educated audiences that CWD and SSWD are in the process of identifying collaboration opportunities and that an independent, third-party researcher conducted an analysis.

### STEP 2:

#### **Community Conversation:**

*Sharing the Case for Considering Combination and Initial Study Results*

**WE ARE HERE:**  
Began when the initial study was released and accepted as complete by the CWD and SSWD Boards.

Educate audiences about the study findings, taking a neutral, fact-based perspective.

The goal is to share information and hear initial questions and feedback for consideration by the Boards of Directors and to help shape the ongoing technical work.

### STEP 3:

#### **A Deeper Dive:** *Exploring the Findings of the Additional Technical Analysis*

Begins when the Additional Technical Analysis is complete and accepted by the CWD and SSWD Boards.

Educate audiences about the findings of the Additional Technical Analysis.

The goal is to share information and hear questions and feedback for consideration by the Boards of Directors as they consider whether to move forward.

### STEP 4:

#### **Decision Time:** *Providing Perspectives on Combination*

Begins when the CWD and SSWD Boards take a position on whether to move forward with the LAFCO process.

Educate audiences about the position and perspective of the CWD and SSWD Boards of Directors and next steps.

- If the position is to stop moving forward, then educate audiences about the reasons. Outreach concludes.

- If the position is to move forward with combination, then outline next steps for action by the Boards of Directors, including opportunities for audiences to learn more and provide input.

The goal is to share information about the position of the Boards of Directors either in favor of or against combination.

### STEP 5:

#### **Seeking Approval:** *Engaging in the LAFCO Process*

Occurs during the LAFCO Process.

Educate audiences about the position of the Boards of Directors in favor of combination, next steps for combination, the LAFCO process and how the public can provide input.

The goal is to share information about the position of the Boards of Directors and to hear questions and feedback per the LAFCO process.



## Agenda Item: 3

**Date:** October 24, 2023

**Subject:** Draft Further Analysis of Combining Carmichael Water District and Sacramento Suburban Water District

**Staff Contact:** Dan York, SSWD General Manager  
Cathy Lee, CWD General Manager

### **Recommended Board Action:**

Based on the recommendation at the October 11, 2023, Carmichael Water District/Sacramento Suburban Water District 2x2 Committee meeting, approve the Draft Further Analysis of Combining Carmichael Water District and Sacramento Suburban Water District as final.

### **Discussion:**

Staff has developed a Draft Further Analysis of Combining Carmichael Water District and Sacramento Suburban Water District (Report) that identifies specific areas that needed to be analyzed/compared for both Carmichael Water District (CWD) and Sacramento Suburban Water District (SSWD).

Staff has completed collecting/compiling the necessary data that provides guidance to the Board of Directors of SSWD and CWD on the decision to make a final determination on whether to proceed with a combination of SSWD and CWD, either by a consolidation or reorganization.

The Report was presented at the October 11, 2023, CWD/SSWD 2x2 Committee meeting, where, with some additional edits, the Committee recommended approving the report once presented as final.

### **Attachment:**

1. Draft Further Analysis Report



**DRAFT**

# Further Analysis of Combining Carmichael Water District and Sacramento Suburban Water District

**OCTOBER 2023**

## ACKNOWLEDGEMENTS

We want to thank all of the participants who have been involved in the Combination Process to provide data and input for duration of this process including:

<b>CARMICHAEL WATER DISTRICT</b>	<b>SACRAMENTO SUBURBAN WATER DISTRICT</b>
Cathy Lee, General Manager	Dan York, General Manager
Debbie Martin, Finance Manager	Matt Underwood, Assistant General Manager
	Susan Schinnerer, Human Resources Manager
	Jeff Ott, Director of Finance and Administration
	Heather Hernandez-Fort, Executive Assistant
<b>BOARD OF DIRECTORS</b>	
Ronald Davis, Division 1	David Jones, Division 1*
Mark Emmerson, Division 2*	Jay Boatwright, Division 2
Jeff Nelson, Division 3*	Robert Wichert, Division 3
Ron Greenwood, Division 4	Kevin Thomas, Division 4
Paul Selsky, Division 5	Craig Locke, Division 5*
* 2X2 Representatives	
<b>OTHER PROCESS PARTICIPANTS</b>	
Jose Henriquez, Executive Officer, LAFCo	
Joshua M. Horowitz, Bartkiewicz, Kronick & Shanahan	
<b>CONSULTANTS</b>	
IN Communications	
Strategy Driver, Inc	
JP & Company	

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## ACRONYMS

ACWA	Association of California Water Agencies
af	acre foot
AMI	Advanced Metering Infrastructure
ASR	Aquifer Storage Recovery
AWD	Arcade Water District
AWWA	American Water Works Association
CalPERS	California Public Employees' Retirement System
CCF	One-Hundred Cubic Foot
CCR	California Code of Regulations
CFS	cubic feet per second
CIS	Customer Information System
CMMS	Computerized Maintenance Management System
COTP	California-Oregon Transmission Line
CSM	Cogsdale's Customer Service Management System
CWD	Carmichael Water District
CY	Calendar Year
DDW	Division of Drinking Water
EDMS	Electronic Document Management System
FFC	First Five Commission
FTE	Full Time Employees
GIS	Geographic Information System
GM	General Manager
GPM	Gallons Per Minute
GSP	Groundwater Sustainability Plan
JPIA	Joint Powers Insurance Authority
LAFCo	Local Agency Formation Commission
MGD	Million Gallons per Day
MOU	Memorandum of Understanding
MW	Megawatts
NSA	North Service Area
NWD	Northridge Water District
O&M	Operations and Maintenance
PCWA	Placer County Water Agency
PEPRA	California Public Employees Pension Reform Act
SAWWA	Sacramento Area Water Works Association
Sf	Square Feet
SGA	Sacramento Groundwater Authority
SGMA	Sustainable Groundwater Management Act
SJWD	San Juan Water District
SMUD	Sacramento Municipal Utility District
SSA	South Service Area
SSWD	Sacramento Suburban Water District
SWRCB	State Water Resources Control Board
WTP	Water Treatment Plant

## EXECUTIVE SUMMARY

The purpose of this report is to shed additional light on issues and questions the Directors, executive staff, and stakeholders of the Carmichael Water District (CWD) and Sacramento Suburban Water District (SSWD) have raised with respect to combining the two agencies to improve long term sustainability for the rate payers including the water reliability, operational efficiencies, financial strength, and positive political position.

This investigatory effort began in 2021 with staff beginning a dialogue on how to better serve all of the customers of the two districts. There have been two Joint Board meetings, the creation of the 2x2 Committee (two directors from each district), and the joining of General Managers and senior staff to form an Executive Team to lead and direct the study effort.

In 2021, a consulting firm was retained to perform a Business Case for a Potential Combination Study Report (Raftelis 2021) to determine if there are any fatal flaws associated with a potential combination of CWD and SSWD. The study was accepted by the CWD/SSWD Board of Directors in January/February 2023 and suggested moving to the next level of analysis, looking into organizational issues of combining districts and implementing an outreach and communication strategy to touch stakeholders, customers, and employees from both districts.

The purpose of an evaluation process for reorganization of SSWD and CWD is to guide the Board of Directors and General Managers to ensure all areas within the operational parameters of both districts are prioritized and thoroughly analyzed in a timely manner.

This reports details major aspects of both districts including governance, district wide policies and regulations, finance, and employee benefits. In summary, both districts provide the same core service: municipal drinking water to mostly residential customers. Both districts even have similar mission statements which focus on *providing the best quality water with the lowest reasonable rates*.

Currently, both agencies are public agencies governed by an elected Board of Directors comprised of five Board members elected by voters in their districts for a 4-year term on a staggered election cycle of two years. CWD was established in 1916 as an Irrigation District while SSWD was a consolidation of two districts in 2002 as a County Water District. CWD relies on its surface water rights on the American River as a primary source with auxiliary groundwater wells, while SSWD utilizes mainly groundwater with supplemental surface water contract entitlements.

Financially, water revenues for both districts are predominantly from residential customers whose monthly water bills consist of a fixed charge and a volumetric usage. Both districts are financially solvent with typical operating and capital budgets, reserves, and debts for their respective size. Services provided by both districts are the same with similar employee to customer account ratios and the difference is less than half of a full-time equivalent personnel per 1,000 accounts.

Both agencies participate in the California Public Employee Retirement System (CalPERS) for employee retirement and medical health insurance benefits. The slight differences in other employee benefits and their related costs are financially immaterial for both districts and can be adjusted by the Board of Directors for each district. However, a portion of CWD's employees are unionized and benefits adjustments are negotiated. If the districts combine, continued representation is contingent on a majority vote of all rank and file employees of the new district in favor of unionizing.

Additionally, combination of CWD and SSWD would need to be approved by the Local Agency Formation Commission (LAFCo) whose application process include a determination of the combination process (consolidation or reorganization), type of the new district, name of new district, number of Directors on the new district, and main office location. Detailed analysis of advantages and disadvantages of each combination process, type of district for the new organization, and number of Directors are discussed herein.

To ensure a transparent process with public knowledge and support, both districts developed extensive outreach materials and engagement process. Both districts' staff dedicated a webpage on their websites with overview, detailed summary, FAQs and fact sheets, along with the previous Business Case Analysis and Boards and committee meeting information. Each district also held a public information workshop facilitated by an executive facilitator to listen and engage with the public. Directors and staff also reached out to other elected officials, neighboring agencies, and neighborhood associations informing them about the process and upcoming meetings.

The 2x2 Committee recommended that the combination of CWD and SSWD should undergo a "consolidation" process with LAFCo by dissolving both districts as they are currently and forming a new county water district under County Water District Law, Water Code sections 30000 through 33901 with 11 Board of Directors. The 2x2 Committee further recommends that the number of Directors transition to 5 directors by 2028 and the new main office building be located at 3701 Marconi Ave, Sacramento, CA 95821.



# 1 HISTORY AND BACKGROUND

As a follow up to the Business Case Analysis for the purpose of combining CWD and SSWD, the Boards of Directors of both districts requested staff to review and analyze detailed operations of both districts and provide information on issues and questions raised by the Directors, staff, and the public with respect of combining.

## 1.1 Carmichael Water District

CWD was established as an Irrigation District in 1916 and was the first irrigation district formed in Sacramento County. The district changed its name to Carmichael Water District in the 1980s to reflect the services provided. There are approximately 12,000 service connections that represent a population of approximately 40,000. The district maintains over 160 miles of water lines within its approximately eight square miles of service area.

## 1.2 Sacramento Suburban Water District

SSWD was formed as a County Water District in February 2002, through the consolidation of the former Arcade Water District and Northridge Water District, which were formed in 1954 and 1956, respectively. There are approximately 47,000 service connections representing a population of approximately 200,000. The district maintains over 700 miles of water lines within its approximately 36 square miles of service area.

## 1.3 Sacramento Regional Water Utility Collaboration Study

In late 2018, the respective Boards of SSWD and San Juan Water District (SJWD) directed staff to initiate collaboration discussions with neighboring water agencies that could identify additional operational and financial efficiencies and to potentially improve service provisions to customers. The following agencies were invited, and accepted, to participate in the collaboration discussions: SSWD, SJWD, Citrus Heights Water District, CWD, Rio Linda / Elverta Community Water District, Del Paso Manor Water District, and City of Folsom. The effort was identified as the Sacramento Regional Water Utility Collaboration Study (Study). The Study was completed and accepted by the respective Boards in 2021. Based on the results of the Study, the CWD and SSWD Boards directed staff to continue seeking collaboration/combination opportunities.

## 1.4 Business Case for a Potential Combination Study Report

CWD and SSWD began the Combination Discussions in July 2021, by developing a 2x2 Committee (Committee) to identify opportunities to maximize/enhance the reliability of water supplies, and identify benefits or impacts related to cost saving opportunities, as well as combining into a single organization.

The Committee retained an independent financial consulting firm that specializes in working with government agencies and utilities to conduct a Combination Study Business Case Analysis (Analysis). The goal was to examine how combining the two neighboring water utilities might

encourage efficiencies, reduce costs, improve water supply reliability, and enhance customer service.

The Analysis explored trends in the water industry and community, such as changing water demands, pressure to keep rates affordable, regulatory changes, water supply reliability, expansion to meet regional needs, and the feasibility for addressing those trends through combination. The Analysis included a top-to-bottom review of both water providers, including a comparison of organizational structures, management, customer services, billing, staffing, water treatment operations, capital improvement projects, and finances.

The intent of the Analysis was to determine if there were fatal flaws/deterrents identified that would hinder the combination discussions between CWD and SSWD. Based on the results of the Analysis, there were no obvious or compelling fatal flaws/deterrents in combining the two districts.

## 2 COMMUNICATION AND OUTREACH APPROACH

The Boards directed staff to develop an outreach strategy to ensure the transparency and objectivity for customers, rate payers, and employees. Communication and outreach processes/materials are outlined below, and the Summary Report, Public Outreach and Engagement is attached as Exhibit 1.

### 2.1 Meetings to Identify Stakeholders and Outreach Strategy and Implementation

On January 24, 2023, the CWD and SSWD Boards approved the Memorandum of Understanding for a Communications Plan for Public Outreach on the Combination Discussions. The cost for the Public Outreach as contracted with IN Communications is split 50/50 between CWD and SSWD and was contracted on February 9, 2023.

At the April 10, 2023 CWD/SSWD Joint Board meeting, the two Boards directed staff to enter into an agreement with a consulting firm, Strategy Driver, Inc. and JP & Company, to assist with facilitation of 2x2 Committee meetings, Joint Board meetings, interviewing Board members from each agency, as well as assisting staff in completing the necessary scope of work to finalize the Draft Further Analysis of Combining Carmichael Water District and Sacramento Suburban Water District (Report). The consultant's costs are split 50/50 between CWD and SSWD.

Development and implementation of the Stakeholder and Outreach Plan included the following noticed public meetings conducted according to Brown Act and minutes made available on both districts' websites:

DATE	MEETING DETAIL
July 2021 through Present	Public updates at Individual District Board meetings; Joint Board Meetings; and through the CWD-SSWD 2x2 Committee
July 7, 2021	2X2 Committee
July 23, 2021	2X2 Committee
August 24, 2021	2X2 Committee
September 29, 2021	2X2 Committee
October 6, 2021	Joint Board Meeting
November 18, 2021	2X2 Committee
February 18, 2022	2X2 Committee
June 16, 2022	2X2 Committee
July 20, 2022	2X2 Committee
September 23, 2022	Full draft study provided to SSWD and CWD
October 13, 2022	Draft study delivered to the public via the 2x2 Committee meeting
December 21, 2022	2X2 Committee
February 8, 2023	Study accepted with amendments at the 2x2 Committee meeting
March 3, 2023	2X2 Committee

March 28, 2023	2X2 Committee
April 10, 2023	Joint Board Meeting - approved moving forward with discussions, public information workshops and associated communication collateral
May 4, 2023	2X2 Committee
June 8, 2023	2X2 Committee
June 15, 2023	Individual CWD Public Workshops
June 21, 2023	Individual SSWD Public Workshop
July 11, 2023	2X2 Committee
August 9, 2023	2X2 Committee
October 11, 2023	2X2 Committee
October 24, 2023	Joint Board Meeting
December 13, 2023 (planned)	2X2 Committee Meeting
January 8, 2024 (planned)	Joint Board Meeting

## 2.2 Public Involvement / Communication Collateral

At the April 10, 2023, CWD / SSWD Joint Board meeting, the following foundational materials were approved:

- Comprehensive CWD-SSWD stakeholder list for outreach to elected officials, business groups, neighboring and partnering water providers, homeowners associations, and others.
- Communication Collateral: Supporting materials to communicate with the public about combination discussions, including:
  - **Postcard for public information sessions:** Invites the public to an information session held by each District to learn about combination discussions and the findings of the initial study, ask questions and provide input.
  - **Road map/milestones for the outreach process:** Outlines the steps and overall approach for the public outreach/engagement process.
  - **Summary: Exploring the Combination of CWD and SSWD:** Provides a one-page document highlighting the opportunities, process, and ways to learn more.
  - **Fact Sheet: Perceived Advantages and Disadvantages to Combination:** Highlights perceived advantages and disadvantages to combination.
  - **Overview: About the Combination Study and Process:** Provides an overview of why the districts are discussing combination, activities to date and how the public can learn more.
  - **Fact Sheet: Study: A Business Case for a Potential Combination:** Provides an overview of the initial study findings and seeks to anticipate/answer likely questions.
  - **Map of Voting Divisions:** Shows the CWD and SSWD service areas and divisions for the Boards of Directors.

- **Comment Sheet:** Invites the public to provide written comments on combination discussions.
- **Key Messages (external/internal audiences and on special topics):** Provides a concise means for communicating the status of combination discussions; addresses frequently asked questions about fluoride.
- **PowerPoint presentation** for the Public Information Workshops.

### 2.3 Public Information Workshops

The CWD and SSWD Boards approved two Public Information Workshops (Workshops) to inform the rate payers/stakeholders of both districts regarding the combination discussions and obtain public opinions. The Workshops were held on June 15, 2023, at CWD and June 21, 2023, at SSWD. Both Workshops were facilitated by an Executive Facilitator who assisted with public comments and questions. The Workshops included a presentation by the General Manager of each district followed by a question and comments (Q&A) session from the attendees. The major themes expressed by the attendees are highlighted below. Both districts plan to host additional workshops after the release of this report to engage with the public on the information included in this Report. If the districts decide to combine, there will be additional workshops as part of the Local Agency Formation Commission (LAFCo) process.

**CWD Workshop (June 15, 2023):**

- **Representation and Governance:** Comments were raised about the representation of CWD residents in the new water district, as they would constitute only 17 percent of the population and have only one board member. The desire for more representation from CWD was expressed, and attendees requested clarity on how the geography will be divided to ensure fair representation.
- **Surface Water Availability:** There was a comment about whether the combination would result in decreased surface water availability for CWD customers, especially if there was a water shortage situation and SSWD required more water.
- **Infrastructure Condition:** There was a comment expressed that if SSWD's infrastructure was in poor condition, CWD ratepayers would have to bear the cost of fixing it without receiving any advantage.
- **Water Quality:** Individuals expressed their satisfaction with the current water quality, particularly with the absence of fluoride. They emphasized the importance of maintaining the same water quality.
- **Change in District Status:** The potential change in CWD's status from an irrigation district to adopting county water was mentioned, and the legal distinction and potential gains or losses from such a change were raised.
- **The Cost of Inaction:** Comments were expressed about future water reliability and cost if the combination does not proceed. The Boards and general managers were commended for their efforts, and attendees were encouraged to consider the benefits of moving forward.
- **Previous Consolidation talks and water rights:** The past experience of potential consolidation with other districts was mentioned, highlighting concerns about losing water rights. The possibility of CWD annexing SSWD was suggested, and the idea of a combination of equals was discussed.
- **Concerns about the Business Case Analysis:** Individuals expressed their view that the report was high-level and too preliminary. They desired more in-depth analysis and information, including scenarios and potential risks. An attendee expressed skepticism about the report, questioning the credibility and motivations of the entities involved in its creation.
- **Employee Contracts:** The potential combination raised questions about the voiding of current contracts and the need to rewrite them.
- **Alternatives to Combination:** Attendees expressed their desire to explore alternatives to combination such as joint projects through Memorandums of Understanding or Joint Powers Authorities instead of a full combination.

- **Concerns about Rate Increases:** Attendees expressed their opposition to the combination, citing fears of potential water rate increases. They expressed satisfaction with the current services provided by CWD and question the need for a combination.
- **Influence on the State Water Board:** Attendees expressed frustration with the State Water Resource Control Board and suggested that instead of combining, efforts should be made to have someone fight for their interests at the political level.
- **Decision-making Process and Community Input:** Attendees inquired about who ultimately made the final decision regarding the combination and whether there would be a vote by the community. They expressed a desire for greater involvement.
- **Opposition to the Combination:** Individuals expressed their opposition to the combination and inquired about any CWD Board members who are in opposition.
- **Data to Support Increased Efficiency:** Attendees inquired about the efficiency data that would result from the combination. They expect that merging the districts should lead to increased efficiency, but they sought clarification on specific data regarding the anticipated efficiencies.
- **Potential Cost Savings:** Attendees questioned whether proceeding with the combination would result in unnecessary expenses and suggested that savings could be achieved by not merging.
- **Further Consolidation and Dilution of Voice:** Attendees discussed the potential for CWD and SSWD to further consolidate beyond the current combination, expressing concern that as districts combine and become larger, the individual voices and influence of ratepayers may diminish.
- **Maintaining Water Rights:** Attendees commented about curtailment and the need to demonstrate use of water rights to avoid potential loss. The challenges of perfecting water rights were emphasized.
- **Considering the Bigger Picture:** An attendee emphasized the importance of taking a long-term perspective, looking ahead 15 years, and considering the implications for rates and pay in the future.
- **Appreciating the Process:** Individuals acknowledged that they entered the meeting without preconceived notions and appreciated that it was the first step in a long process. They expressed willingness to absorb the information and pass it along to others.
- **Timeline for Future Steps:** Attendees inquired about the approximate timeline for steps 3, 4, and 5 of the process, seeking clarity on the timeline for future states of combination talks.

**SSWD Workshop (June 21, 2023):**

- **Impact on Incorporation Efforts:** Attendees questioned how the combination of water districts would affect the incorporation efforts of Arden Arcade or Carmichael as cities.
- **Public Vote on the Decision:** Comments were raised regarding whether the decision on the combination or reorganization of the districts would go to a public vote.
- **Discussions with Del Paso Manor Water District:** Attendees inquired about discussions with Del Paso Manor Water District regarding a combination, particularly considering its infrastructure issues.
- **Water Supply Reliability:** Questions were raised about how the combination of different water supplies, rights, permits, and distribution systems would affect water supply reliability.
- **Contracts and Expansion:** Attendees commented about the impact from combination on contracts with the City of Sacramento and Placer County Water Agency (PCWA) if they were curtailed, and inquired about the benefits of the combination if the place of use could not be expanded.
- **Financial Aspects and Consultants:** Comments were raised about the role of consultants and corporations profiting from the project. Attendees requested that financial information and details of consultant fees be made available online. There were also concerns about potential layoffs, benefit cuts, and the overall cost of consultants.
- **Debt and Combination:** Questions were asked about the current debt of each water district and how the debt would be addressed in the event of a combination.
- **Satisfaction with the Status Quo:** An attendee expressed satisfaction with the current state of their water district and a desire to maintain the status quo.
- **Support for Combination and Outreach:** Attendees expressed support for the combination and suggested outreach to other jurisdictions, including recreation and park districts. Continued outreach to the public was also encouraged.
- **Cost Concerns and Rate Increases:** Comments were expressed about the cost of studies, potential rate increases, and temporary short-term increases becoming permanent.
- **Liability and Contamination:** Attendees inquired about liability issues related to contamination potentially infiltrating wells in CWD and whether such liabilities have been addressed.
- **Cost Reductions:** Questions were raised about how costs would go down with the combination.



- **Water Pressure for Fire Protection:** An attendee asked which water district, SSWD or CWD had better water pressure for fire protection.
- **Groundwater Accounting and Excess Water:** Questions were asked about the Groundwater Sustainability Agency groundwater accounting system, SSWD's usage percentage, and the possibility of selling excess stored water.
- **Surface Water Rights and Diversification:** Attendees discussed the potential benefits for SSWD in gaining surface water rights through the combination with CWD.
- **Weighted Vote and Transparency:** Comments were raised about the concept of a weighted vote, and attendees expressed the need for clear explanations regarding this voting system.
- **Support for Combination but Frustration with Process:** Attendees expressed support for the combination but voiced frustration over the lengthy process involved with LAFCo.
- **Support with Careful Execution:** An attendee supported the consolidation effort but emphasized the importance of careful execution, appreciating the opportunity for customer input.
- **Layperson-friendly Information:** Attendees requested more layperson-friendly information in future reports and studies to help customers understand how water supply reliability could be enhanced.

## 2.4 Additional Outreach Efforts

Other outreach stakeholder briefings include:

- April 30, 2023: Carmichael Colony Neighborhood Association Annual Meeting: CWD provided briefing on the process and status of combination and invited the public to upcoming workshops.
- May 11/June 5, 2023: Press release distributed to media outlets
- May 18, 2023: Mailed letter to HOAs/Neighborhood Associations
- May 30, 2023: LAFCO Special Districts Advisory Committee: SSWD provided an overview and status of the CWD-SSWD Combination discussions.
- May 27-June 21, 2023: Digital Advertising (Facebook and news/weather sites via the Google Display Network)
- May/June, 2023: Outreach via existing CWD and SSWD communication channels, including websites, bill inserts, bill messages, etc.
- May/June, 2023: Social media post and monitoring and outreach.
- June 13, 2023: Presentation to the Women's Group at the St. Mark's United Methodist Church in Sacramento.
- June 9, 2023: Print ads in Carmichael Times and Arden-Carmichael News Public Information Workshops.
- July 13, 2023: Briefing for Sacramento City Councilmember Lisa Kaplan.
- July 14, 2023: Briefing for Assembly Member Josh Hoover.
- June 16, 2023: Print ad in Carmichael Times

- July 18, 2023: Briefing with McClellan Park.
- July 19, 2023: Presentation to the Carmichael Kiwanis Club.
- July 26, 2023: Briefing for Assembly Member Kevin McCarty.
- July 26, 2023: Briefing for Supervisor Sacramento Supervisor Sue Frost.
- August 8, 2023: Briefing for Senator Roger Niello.

CWD's external outreach and communications:

- Ongoing: Website updated/link added to home page
- May 2023: Article in May 2023 bill insert
- Ongoing 2023: Social media post on Nextdoor.com and monitoring
- May 19, 2023: Information article in Carmichael Times newspaper

CWD's internal outreach efforts:

- October 14, 2022: Employee Meeting/staff update on study and Q&A with GM
- October 31, 2022: The SSWD General Manager attended a Carmichael Water District staff meeting to discuss his experience with the Arcade/Northridge Water District consolidation
- April 21, 2023: Two Employee Meeting/staff update and Q&A with two CWD Board of Directors
- Ongoing: Internal webpage and various employee meetings

SSWD's external outreach and communications:

- Ongoing: Website updated/link added to home page
- September 15, 2022: Fall newsletter mailed
- October 6, 2022 / October 4, 2023: PowerPoint Slide during Open House
- October 2022: Customer Service monitor regarding combination efforts
- October 7, 2022: Direct mail postcard with QR code mailed to 45,000 SSWD customers
- October -November 2022: Advertising on Facebook and the Google Display Network on Facebook and on November 10<sup>th</sup> on the Google Display Network
- October and November 2022 and July 2023 bill inserts

SSWD's internal outreach efforts:

- July, August, September, October, November, December 2022; January, February, March, April, May, June, July, August, September, October 2023: Employee Meeting/staff update on combination discussions
- September 15, 2022: Internal information Staff hub link for information and questions
- Ongoing: Internal key messages and Frequently Asked Questions provided to SSWD staff and Board members
- Ongoing: Weekly Manager's Meeting
- October 19, 2022: General Manager invitation to staff, inviting questions and providing link to key messages and FAQs

### 3 DISTRICTS' CURRENT BUSINESS & OPERATIONS

This section provides detailed information and characteristics of each agency as it provides the similarities and differences of the two organizations. Information in this section provides a deep dive for analyses in subsequent chapters or steps for discussion throughout the Report.

#### 3.1 Carmichael Water District

##### Existing Governance

CWD is governed by a 5-member Board of Directors elected by division. Elections are held in November of even-numbered years. Below are the CWD Directors and their terms:

Director	Term
Ron Davis	2022-2024
Mark Emmerson	2020-2024
Ron Greenwood	2020-2024
Jeff Nelson	2022-2026
Paul Selsky	2022-2026

##### Personnel, Organizational Structure and Chart

CWD has a total of 25 full-time-equivalent (FTEs) positions, of which 11 are management/administration employees and the remaining 14 in operations (see Exhibit 2).

##### Water Rights and Well Inventory

CWD has three surface water rights with various priorities: 1915 and 1925 licensed rights at 10 and 15 cubic feet per second (cfs) respectively and a 1925 permit at 25 cfs.

CWD has five active groundwater wells with a total capacity of approximately 9.2 million gallons per day (mgd).

CWD also has a backup water supply, which is a remediated groundwater supply from Aerojet that is used based on operational needs.

##### Water Rate Structure

CWD has the following water rate characteristics:

1. Rates are comprised of a fixed charge and usage charge component. The usage charge is based on one-hundred cubic foot (CCF) measurement and the fixed charge is based on meter size.

2. Primary residential meter size is 1.0”.
3. A single tier usage rate for all customers.
4. A Water Shortage Surcharge.
5. Approved a 5-year rate schedule in 2021 that covers the calendar years 2021 – 2025 at 9.5% per year and has implemented scheduled increases through 2023.
6. 11,633 Accounts; 11,053 residential, 580 non-residential

Description	Fixed Rate Charges			Fire Service		
	2023	2024	2025	2023	2024	2025
5/8" Meter	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3/4" Meter	35.05	38.38	42.03			
1" Meter	54.90	60.12	65.83			
1 1/2" Meter	104.53	114.45	125.33			
2" Meter	164.07	179.66	196.73	54.88	60.10	65.82
3" Meter	303.02	331.80	363.33	82.32	90.15	98.73
4" Meter	501.51	549.15	601.32	109.76	120.20	131.64
6" Meter	997.74	1,092.53	1,196.32	164.64	180.30	197.46
8" Meter	1,593.22	1,744.58	,910.31	219.52	240.40	263.28
10" Meter	-	-	-	274.40	300.50	329.10
12" Meter	-	-	-	329.28	360.60	394.92
Condo Living Units	35.05	38.38	42.03			
MF Living Units with Separate Meter	35.05	38.38	42.03			
<b>Usage Rates</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>			
All Customers	\$ 2.06	\$ 2.26	\$ 2.47			

### Finances and Budget

CWD has a Fiscal Year (FY) budget. For FY 2022-23, operations and maintenance (O&M) is \$9,772,660, capital expenditure is, \$10,036,944 with a revenue of \$20,489,240. Outstanding debt as of 06/30/2022 is \$31,023,528.

### Facilities and Equipment

The Carmichael Administration Building, located at 7837 Fair Oaks Blvd., houses approximately 15 administrative staff positions. The building also includes a 90-person capacity Boardroom with an adjoining warehouse, parking garage, and loading dock. The building is approximately 9,700 square feet on an almost 2.5-acre lot. The parcel is also CWD's Corporation Yard where equipment and materials are stored for operations. The 2.5-acre parcel also has a large parking area with a solar generating shade structure.

Bajamont Water Treatment Plant (BWTP) is located at 3501 Bajamont Way in Carmichael. The BWTP includes a surface water treatment plant and intake facilities that is located on approximately 18 acres. The BWTP includes above-ground filtration and treatment facilities and

an underground 2-million-gallon concrete tank. Five groundwater facilities are located throughout the district's service area. There are seven parcels for wells and CWD is in negotiations with San Juan Unified School District to acquire additional properties. CWD has two water storage reservoirs at two separate locations containing a 1-million-gallon (MG) steel tank and a 3-MG steel tank, equipped with booster pump stations.

CWD has a total fleet of 34 vehicles that range from passenger vehicles to a large 5-yard dump truck. CWD's large equipment includes 4 backhoes, 1 mini excavator, 2 vacuum trailers, 1 valve exerciser, 1 mini excavators, 1 forklift, and flatbed trailers.

#### California Oregon Transmission Line:

The CA-OR Transmission Pipeline/Project (COTP) is an electric transmission project consisting of 340 miles of 500-kilovolt alternating current transmission line between Southern Oregon and Central California. The COTP has a capacity of 1,600 megawatts (MW) of which CWD has 1 MW. CWD sits on the Board of the COTP.

#### **Policies and Procedures**

CWD has 22 Directors' Policies (Policies) and general 37 Policies (Procedures). (See Exhibits 3 and 4)

#### **Communities Served**

CWD provides water service to customers in the unincorporated community of Carmichael.

### 3.2 Sacramento Suburban Water District

#### **Existing Governance**

SSWD is governed by a five-member Board of Directors elected by divisions. Directors are elected to serve four-year terms. Elections are held in November of even-numbered years. Below are the SSWD Directors and their terms:

Director	Term
Jay Boatwright	2022-2024
Dave Jones	2020-2024
Craig Locke	2022-2026
Kevin Thomas	2022-2026
Robert Wichert	2022-2026

### **Personnel, Organizational Structure and Chart**

SSWD has a total of 75 full-time-equivalents (FTEs), of which 26 are management/administration, and the remaining 49 being in operations (see Exhibit 5).

### **Water Contract Entitlements, Well Inventory, and Fluoride**

SSWD has a surface water contract entitlement with City of Sacramento to receive 26,064 af per year, a surface water contract entitlement with PCWA to receive 29,000 af per year, and Central Valley Project Section 215 Water from the Bureau of Reclamation, when available.

SSWD has a total of 71 active groundwater wells with a total capacity of approximately 124 mgd. SSWD is currently constructing 5 new groundwater wells, which will be completed and operational in late 2025. SSWD has three 5-MG reservoirs, one 500,000-gallon elevated storage tank, one 150,000-gallon elevated storage tank, and one 125,000-gallon elevated storage tank. SSWD's South Service Area (SSA) is fluoridated. Capital funding was provided by the First Five Commission (FFC) in 2007, with a twenty-year Agreement to fluoridate SSWD's SSA. The existing Agreement with FCC terminates in 2027.

At the April 10, 2023, CWD / SSWD Joint Board meeting, staff was directed to obtain a legal opinion that if CWD and SSWD were to combine, could SSWD discontinue fluoridating water served in the SSA after the Agreement between SSWD and the FFC Expires in 2027. Below is the legal opinion:

*The agreement between SSWD and the FFC for fluoridating the water in SSWD SSA likely will remain in effect through its June 30, 2027, expiration. A combined district (or SSWD, if a combination does not occur) would not be obligated to continue fluoridating the former SSWD SSA after the FFC agreement expires unless SSWD or a combined District voluntarily continue paying the ongoing costs of operating and maintaining the fluoridation system through rate or other district revenues or are mandated to continue because the state has identified an outside funding source available for this purpose.*

*In accordance with Title 22 of the Code of California Regulations ("CCR"). Health and Safety Code section 116410 states that, if a public water system with multiple water sources is fluoridating a portion of its system, it is not required to fluoridate any portion of its system for which funding is not available.*

### **Water Rate Structure**

SSWD has the following water rate characteristics:

1. Rates are comprised of a fixed charge and usage charge component. The usage charge is based on one-hundred cubic foot (CCF) measurement and the fixed charge is based on meter size.
2. Primary residential meter size is 3/4".
3. A single tier usage rate for non-residential customers. 2 tier usage rate for residential customers.

4. Approved a 5-year rate schedule in 2019 that covers the calendar years 2020 – 2024 at 5%, 4%, 3%, 3%, 3% per year and has implemented scheduled increases through 2023.
5. 45,322 Accounts; 42,496 residential, 2,826 non-residential

Description	Fixed Rate Charges			Fire Service		
	2023	2024	2025	2023	2024	2025
5/8" Meter	\$35.32	\$36.38	\$36.38	\$ -	\$ -	\$ -
3/4" Meter	48.99	50.46	50.46			
1" Meter	76.34	78.63	78.63			
1 1/2" Meter	144.72	149.07	149.07			
2" Meter	226.77	233.57	233.57	15.40	15.87	15.87
3" Meter	445.58	458.95	458.95	28.89	29.769	29.76
4" Meter	691.74	712.49	712.49	47.03	48.45	48.45
6" Meter	1,375.51	1,416.77	1,416.77	93.60	96.41	96.41
8" Meter	2,469.54	2,543.63	2,543.63	165.58	170.55	170.55
10" Meter	3,290.07	3,388.77	3,388.77	258.68	266.45	266.45
12" Meter	4,623.42	4,762.12	4,762.12	288.30	296.95	296.95
Condo Living Units	-	-	-			
MF Living Units with Separate Meter	-	-	-			
<b>Usage Rates</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>			
Residential – 1 <sup>st</sup> Tier (0-15 ccf)	\$0.98	\$1.01	\$1.01			
Residential – 2 <sup>nd</sup> Tier (16 + ccf)	1.28	1.32	1.32			
Multi-Family Residential	1.39	1.43	1.43			
Non-Residential	1.47	1.52	1.52			

### Finances and Budget –

SSWD has a Calendar Year (CY) budget. CY2023 Budget is \$24,860,000 O&M, \$22,805,000 Capital, and \$6,995,000 Debt Service. Revenues are \$54,660,000. Outstanding debt (12/31/2022): \$54,915,515.

SSWD has 45,322 accounts comprised of 39,180 single family residential, 2,306 small multi-family (3 units or less), 1,010 multi-family (4 or more units) and 2,826 non-residential units (commercial, industrial, public agency).

**Facilities and Equipment:**

The Marconi Administration Building, located at 3701 Marconi Avenue, houses administrative and engineering staff. 26 employees report to this facility with a building size of approximately 18,000 square feet (sf). The maximum occupancy of the Boardroom is 125 people. The building also includes a separate suite that is currently unoccupied. This particular area is approximately 6,800 sf. The building has an underground parking garage with the capability to accommodate 50 district/personal vehicles combined.

Walnut Corporation Yard, located at 5331 Walnut Avenue, is approximately 16,000 square feet in size. This building incorporates offices, a maintenance shop, and an inventory warehouse. 49 employees report to this facility.

Auburn Yard, located at 2736 Auburn Blvd., has two buildings and a groundwater well facility. This property is utilized for storing operations materials (e.g., asphalt, sand, and gravel). There is a cell tower located at this facility that currently generates annual revenues.

Antelope Reservoir Facility, located at 7800 Antelope North Road has a two-story building, 18,000 sf in size. The building houses a booster pump station/equipment and includes a separate standby generator room, motor control center, two large meeting rooms, kitchen area, locker rooms/showers/bathrooms, office space, storage areas, and a shop. This property also has the Antelope Pump-Back and CPT Booster Pump facilities, as well as a 5 MG reservoir. The large meeting rooms are utilized for training seminars and water related events for associations such as ACWA, AWWA, SAWWA, and JPIA. The yard area has material storage bins for asphalt and sand and gravel. It also houses some of the District's large equipment (e.g., backhoe, dump truck, etc.). In addition, there is a standalone carport structure at this site.

SSWD has a total fleet of 44 vehicles that range from compact electric vehicles to as large as a 5-yard dump truck. SSWD's large equipment includes 3 backhoes, 1 front end loader, 3 vacuum trailers, 1 valve exerciser/vacuum trailer, 3 mini excavators, and 2 forklifts.

**Policies and Procedures** - SSWD has 47 Board-adopted policies and 62 procedures promulgated by the General Manager. (See Exhibits 6 and 7)

**Communities Served** – SSWD provides water service to customers in Arden/Arcade, Foothill Farms, North Highlands and portions of Citrus Heights, Carmichael, Fair Oaks, Sacramento County/City, Antelope, and McClellan Business Park.

### 3.3 Districts – At a Glance

Both CWD and SSWD's provide municipal water supply as its core service with similar mission statements:



CWD		SSWD
Mission Statement	Committed to providing the highest quality water for the lowest feasible cost and to serving our customers with diligence, efficiency, and integrity.	To deliver a high quality, reliable supply of water and superior customer service at the lowest responsible water rate.

Many of the financial metrics, including water rates and staff benefits, are similar as outlined below based on individual districts' data presented above.

### Water Rates

CWD has 11,633 accounts comprised of 9,847 single family residential, 1,206 multi-family residential and 580 non-residential accounts. All accounts are metered. The average monthly bill equals approximately \$99.17 for all accounts. SSWD has 45,322 accounts comprised of 39,180 single family residential, 3,316 multi-family residential and 2,826 non-residential accounts. All accounts are metered. The average monthly bill equals approximately \$92.79.

CWD has 25 FTE staff or 2.14 FTE per 1,000 accounts and SSWD has 75 FTE staff or 1.65 FTE per 1,000 accounts, which is less than half of FTE per 1,000 accounts. As expected, services provided and their values are similar for both districts.

Both CWD and SSWD's water rates include a fixed charge to ensure the districts' sustainable operations and a variable charge based on customers' consumption volumes.

Annual water revenue, by charge type:

	Fixed Charge		Variable Charge	
	Dollars	Percent	Dollars	Percent
CWD	\$7,620,715	55%	\$6,225,489	45%
SSWD	34,920,697	69%	15,545,075	31%

Both districts also have similar types of customers, residential customers and the difference in customer base by revenue is minimal, about 6%.

Average billing per month, by customer type:

	Residential		Non-Residential	
	Dollars	Percent	Dollars	Percent
CWD Billing	\$954,364	83%	\$199,487	17%
Average customer bill	\$86.34		\$343.94	
SSWD Billing	\$3,246,459	77%	\$959,022	23%
Average customer bill	\$76.39		\$339.36	

The majority of CWD's water meters are based on 1-inch connection and SSWD's meters are predominantly ¾-inch on 1-inch connections. The revenues from both types of connections are listed below:

Residential billing rate, ¾" and 1" meters:

	CWD		SSWD	
	Dollars	Units	Dollars	Units
¾" Meter	\$55.65	10	\$58.79	10
	76.25	ccf	70.09	ccf
		20 ccf		20 ccf
1" Meter	75.50	10	86.14	10
	96.10	ccf	97.44	ccf
		20 ccf		20 ccf

### Finance and Budgets

Both district's current budgets share very similar percentages of spending on O&M, Capital, and Debt Service.

CWD's 2022 O&M costs were \$8,014,335, excluding depreciation, or \$689 per account. SSWD 2022 O&M costs, excluding depreciation, were \$22,454,573 or \$495 per account.

As of June 30, 2022, CWD has outstanding debt of \$32,508,528 or \$2,795 per account. Annual debt service of approximately \$2,500,000 or \$215 per account, fully amortized in 2038. SSWD has outstanding debt of \$54,915,515 or \$1,212 per account. Annual debt service of approximately \$7,000,000 or \$154 per account, fully amortized in 2031.

CWD reserves as of June 30, 2022, were \$12,256,384 or \$1,054 per account. Days cash on hand of approximately 939 days. SSWD reserves as of December 31, 2022, were \$42,034,033 or \$928 per account. Days cash on hand of approximately 796 days.

CWD fixed assets, net, as of June 30, 2018, were \$56,080,177 and \$65,454,326 as of June 30, 2022, which is a 17% increase. SSWD fixed assets, net, as of December 31, 2018, were \$286,179,000 and were \$324,541,471 as of December 31, 2022, which is a 13% increase. CWD's net capital assets per account is \$5,627 vs \$7,161 for SSWD.

CWD has higher per account reserves than SSWD (\$1,054 vs \$928). CWD's reserves are designated by its Board to reflect long-term capital planning.

CWD's net assets are \$65,454,326 (\$5,627 per account) as of June 30, 2022, and have increased 17% since June 30, 2018. SSWD's net capital assets are \$324,541,471 (\$7,161 per account) as of

December 31, 2022, and have increased by 13% since December 31, 2018. This shows that both districts have been investing in infrastructure at a comparable rate over the past 5 years.

Financial Metrics	CWD	CWD per Accou nt	SSWD	SSWD per Account
Capital Reserves	\$6,71	\$577	\$16,206,400	\$358
<u>Operating Reserves</u>	2,741	<u>477</u>	<u>25,827,633</u>	<u>570</u>
Total	<u>5,543,</u> <u>643</u> 12,25 6,384	1,054	42,034,033	928
Net Fixed Assets	65,45 4,326	5,627	324,541,471	7,161
Debt	32,50 8,528	2,795	54,915,515	1,212
Net Invest in Capital Assets	43,19 3,529	3,713	270,541,612	5,969
Net Pension Liability*	815,8 54	70	5,806,835	128
Net OPEB Liability	2,285, 307	196	3,139,340	69
Water Revenue	13,84 6,204	1,190	48,973,275	1,113
Operating Expenses**	8,014, 335	689	22,454,573	495
Annual Debt Service	2,500, 000	215	7,000,000	154
Capital Asset Acquisition	6,181, 810	531	24,328,128	537
Days Cash on Hand	939		796	
Debt to Net Asset Ratio	0.497		0.169	
Coverage Ratio	2.87		4.50	
Current Budget%:O&M	44%		45%	
CIP	45%		42%	
Debt Payment	11%		13%	

\*Measurement date 6/30/2021

\*\*Less depreciation expense

Note: Metric comparisons are based on each district's number of accounts and not connections. Staff utilized audited financial statements for CWD as of June 30, 2022, and as of December 31, 2022, for SSWD.

**Employee Benefits**

Both CWD and SSWD are CalPERS members for pension. Both agencies have CalPERS 2.0% @ 55 for classic members and PEPR 2.0% @ 62 Miscellaneous Plans for members hired after 2013 per California Public Employees' Pension Reform Act (PEPRA). SSWD also has a 3.0% @ 60 Miscellaneous Plan for classic members who were hired before January 1, 2003. This plan is closed.

Both CWD and SSWD have similar total OPEB and Pension debt per account, approximately \$266 and \$197, respectively. As of June 30, 2021, CWD is funded 95.2% and SSWD is funded 76.7%.

CWD's OPEB funding percentage is 55.1% compared to 72.5% for SSWD.

Benefit Type	CWD	SSWD
Medical Insurance	<ul style="list-style-type: none"> <li>▪ Contracts with CalPERS under its Region 1 plans for full time employees and eligible retirees as based on CalPERS rules and regulations</li> <li>▪ Contribution is 2023 Blue Shield Trio Rate with a maximum adjustment of 6% per year through 2025</li> <li>▪ Offers \$400 a month for medical insurance opt out</li> </ul>	<ul style="list-style-type: none"> <li>▪ Contracts with CalPERS under its Region 1 plans for full time employees and eligible retirees based on CalPERS rules and regulations</li> <li>▪ Contribution is CalPERS 10/90 rate towards health premiums</li> <li>▪ Offers ½ the lowest cost medical plan rate for medical insurance opt out.</li> </ul>
Dental	<ul style="list-style-type: none"> <li>▪ District pays the dental premiums for all full time employee and eligible dependents for Delta Dental PPO under ACWA/JPIA.</li> <li>▪ New employees are eligible the first of the month after completing 60 days.</li> </ul>	<ul style="list-style-type: none"> <li>▪ District pays dental premiums for all employees and eligible dependents under Cigna Dental.</li> <li>▪ New employees are eligible on 1st day of first full month following hire date.</li> </ul>
Vision	<ul style="list-style-type: none"> <li>▪ District offers VSP through ACWA/JPIA and pays the vision premiums for all full time employee and eligible dependents.</li> </ul>	<ul style="list-style-type: none"> <li>▪ District offers vision premium for all employees and eligible dependents under VSP/Ameritas.</li> <li>▪ New employees are eligible on 1st day of first full month following hire date.</li> </ul>

	<ul style="list-style-type: none"> <li>▪ New employees are eligible the first of the month after completing 60 days.</li> </ul>	
Employee Assistance Program (EAP)	<ul style="list-style-type: none"> <li>▪ District offers Anthem EAP benefits through ACWA/JPIA and pays the EAP premiums for each full time regular employee and eligible dependents.</li> <li>▪ New employees are eligible the first of the month after completing 60 days.</li> </ul>	<ul style="list-style-type: none"> <li>▪ District offers Anthem EAP benefits through ACWA/JPIA and pays the EAP premiums for each full time regular employee and eligible dependents.</li> <li>▪ New employees are eligible on 1st day of first full month following hire date.</li> </ul>
Basic Life and AD&D	<ul style="list-style-type: none"> <li>▪ Fully paid life and accidental death insurance benefits equal to 2 times annual salary up to a maximum of \$200,000.</li> <li>▪ New employees are eligible the first of the month after completing 60 days.</li> <li>▪ District offers The Standard Basic Life/AD&amp;D benefits through ACWA/JPIA and pays the premium for each full time regular employee. The District pays the premium for Basic Life benefits for both spouses and children coverage up to \$1,500 and \$1,000, respectively.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Fully paid life and accidental death insurance benefits equal to 2 times annual salary (uncapped).</li> <li>▪ Effective the first day of the first full month following hire date for active employees.</li> <li>▪ Spouse and children under 26 are insured for \$10,000 (dependents less than 6 months are covered at \$00; this amount automatically increases to \$10,000 at age 6 months). Coverage is through UNUM.</li> </ul>
Short Term Disability	<ul style="list-style-type: none"> <li>▪ District participates in the State of California disability program administered through Employment Development Department.</li> <li>▪ STD is 60% of basic weekly income up to \$5,000 a month and begins on the first day of disability after 7 day waiting period up to 52 weeks.</li> <li>▪ SDI is funded by employee withholding.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Fully paid short-term (STD) disability insurance benefits are effective the first day of the first full month following hire date; coverage is available for active employees only.</li> <li>▪ STD is 66.67% of basic weekly income to a maximum benefit of \$2,000 and begins on the 31st day of disability up to a maximum of 9 weeks.</li> </ul>

		<ul style="list-style-type: none"> <li>▪ Coverage is through UNUM and District does not participate in State of California SDI.</li> </ul>
Long Term Disability	<ul style="list-style-type: none"> <li>▪ District offers Guardian LTD and pays the LTD premiums for each full time regular employee. New employees are eligible the first of the month after completing six months.</li> <li>▪ LTD is 60% of monthly earnings up to \$5,000 a month and begins on the 91<sup>st</sup> day of disability up to 6 months.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Fully paid long-term (LTD) disability insurance benefits are effective the first day of the first full month following hire date; coverage is available for active employees only.</li> <li>▪ LTD is 66.67% of basic monthly income up to a maximum of \$10,000.</li> </ul>
Deferred Compensation	<ul style="list-style-type: none"> <li>▪ Voluntary IRS approved 457 plan that includes a Roth option administered by CalPERS.</li> <li>▪ Employees are eligible to enroll upon date of hire and may change contribution amounts or percentage at end of any pay period.</li> <li>▪ District makes no contribution or match.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Two voluntary IRS 457 plans through Corebridge and CalPERS.</li> <li>▪ Employees are eligible to enroll upon date of hire and may change contribution amounts of percentage at end of any pay period.</li> <li>▪ District makes no contribution or match.</li> </ul>
Retirement	<ul style="list-style-type: none"> <li>▪ Defined benefit CalPERS Retirement System                             <ul style="list-style-type: none"> <li>□ Classic members 2% @ 55 formula: Employees pay the employee share of contribution.</li> <li>□ PEPRAs members: 2% @ 62 formula: Employees pays employees' share of contribution.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Defined benefit CalPERS Retirement System                             <ul style="list-style-type: none"> <li>□ Classic members 2% @ 55 formula: Employees hired after 8/18/2020 must pay the employee share of contribution.</li> <li>□ PEPRAs members: 2% @ 62 formula: Employees pay employees' share of contribution.</li> <li>□ Classic members 3% @ 60 formula: The plan is closed and covered employees hired before 1/1/2003. Employees</li> </ul> </li> </ul>

		do not pay the employee share of contribution.
Social Security	<ul style="list-style-type: none"> <li>▪ The District participates in the Social Security System and pays the employer portion. The employee portion is withheld from the employee.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The District participates in the Social Security System and pays the employer portion. The employee portion is withheld from the employee.</li> </ul>
Retiree Health Coverage	<ul style="list-style-type: none"> <li>▪ District offers CalPERS medical coverage for eligible retirees and eligible dependents based on the CalPERS medical benefits vesting schedule under Public Employees' Medical &amp; Hospital Care Act (PEMHCA).</li> <li>▪ Maximum District contribution is equal to current employees' contribution (2023 Blue Shield Trio rate with 6% escalation per year through 2025) based on CalPERS vesting schedule.</li> </ul>	<ul style="list-style-type: none"> <li>▪ District offers CalPERS medical coverage for eligible retirees and eligible dependents based on the CalPERS medical benefits vesting schedule under Public Employees' Medical &amp; Hospital Care Act (PEMHCA).</li> <li>▪ Maximum District contribution is equal to current employees' contribution (up to the higher of: the higher of the lowest-cost HMO or PPO plan offered by CalPERS, or the CalPERS "100/90 Formula") based on CalPERS vesting schedule.</li> <li>▪ Those employees hired before 1/1/2003 are considered fully vested.</li> </ul>
Holidays	<ul style="list-style-type: none"> <li>▪ 11 paid holidays plus one floating holiday to all full time employees.</li> </ul>	<ul style="list-style-type: none"> <li>▪ 13 paid holidays per year – if less than 13 are designated by GM, personal holidays are received in order to reach the total of 13.</li> </ul>
Vacation	<ul style="list-style-type: none"> <li>▪ Full-time regular employees accrue 12 to 25 days (96-200 hours) each pay period based on length of service to District, for a maximum accrual of 300 hours.</li> <li>▪ Hours over cap stop accrual.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Full-time regular employees accrue from 12 to 25 days (96-200 hours) per year based on length of service for a maximum accrual of 400 hours.</li> <li>▪ Hours over cap are paid out in December each year</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Probationary employees may accrue, but not utilize, vacation during the first six (6) months of employment.</li> <li>▪ Employees receive a payout of unused vacation hours at separation of employment.</li> </ul>	<ul style="list-style-type: none"> <li>▪ unless designated to a deferred compensation plan provided through the District.</li> <li>▪ Unused vacation may be cashed out if the employee has used at least forty (40) hours of vacation in the prior 12 months.</li> <li>▪ Employees receive a payout of unused vacation hours at separation of employment.</li> </ul>
Sick Leave	<ul style="list-style-type: none"> <li>▪ Full time employees earn 3.7 hours of sick time per pay period (12 days or 96 hours per year).</li> <li>▪ Probationary employees may accrue, but not utilize sick leave during the first ninety (90) days of employment unless otherwise required by federal, state or local laws.</li> <li>▪ Accrued sick leave upon termination of employment is forfeited.</li> <li>▪ Upon retirement, accrued sick leave can be converted to service credit with CalPERS upon eligible retirement from the District.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Introductory and regular employees earn 12 days per year (96 hours) beginning the first full pay period after hire date.</li> <li>▪ Employees 55 and over can accumulate sick leave without limit and can cash out leave over 240 hours at ½ their current rate of pay once per year in December.</li> <li>▪ Employees under 55 are paid in December each year for all accumulated sick leave exceeding 240 hours at ½ their current rate of pay unless designated to a deferred compensation plan provided through the District.</li> <li>▪ Upon retirement, accrued unused sick leave can be paid out, converted to additional service credit with CalPERS, or designated to a deferred compensation plan provided by the District.</li> </ul>
Bereavement Leave	<ul style="list-style-type: none"> <li>▪ The District offers 3 paid days with allowance for extra 2 days using</li> </ul>	<ul style="list-style-type: none"> <li>▪ The District offers 3 paid days with allowance for extra 3 days using</li> </ul>



	employees' own leave balances.	employees' own leave balances.
Jury Duty	<ul style="list-style-type: none"> <li>District offers paid jury service time.</li> </ul>	<ul style="list-style-type: none"> <li>District offers paid jury service for up to ten (10) days per calendar year with ability to extend with approval of the General Manager.</li> </ul>
Management/ Administrative Leave	<ul style="list-style-type: none"> <li>At the discretion of the General Manager, the Engineering Manager and the Finance Manager may receive up to 80 hours annually.</li> <li>The leave is not accruable or compensable.</li> </ul>	<ul style="list-style-type: none"> <li>At the discretion of the General Manager, exempt staff may receive up to 5 days of Administrative Leave annually.</li> <li>Max carryover of 10 days per year.</li> </ul>
Parental Leave	<ul style="list-style-type: none"> <li>District participates in State's SDI which offers paid New Parent Leave (NPL), Paid Family Leave (PFL) and Pregnancy Disability Leave (PDL) for up to a total of 12 weeks.</li> <li>District coordinates benefits for employees to use accrued leave hours to compensate for any paid leave shortfall from the state program.</li> </ul>	<ul style="list-style-type: none"> <li>Regular employees receive up to 160 hours for disability due to childbirth, birth or placement of a child in the care of the employee for purposes of adoption.</li> <li>District does not participate in SDI.</li> </ul>
Educational Assistance (off-duty degree program)	<ul style="list-style-type: none"> <li>District offers educational assistance for degree programs that are not required by an employee's present work assignment.</li> <li>District will reimburse up to \$500 per year with a maximum of \$2,500 per employee with a grade of "C" or better.</li> <li>Requires completion of two years of service after reimbursement date.</li> </ul>	<ul style="list-style-type: none"> <li>District offers educational assistance for degree programs that are not required by an employee's present work assignment.</li> <li>Annual reimbursement will not exceed the IRS maximum of \$5,250 per calendar year for a total of \$20,000 per employee.</li> <li>Requires a minimum of 3 years of employment with the District following completion of degree requirements for total</li> </ul>

### 3 DISTRICTS' CURRENT BUSINESS & OPERATIONS

		financial assistance from the District.
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## 4 MODEL MERGED DISTRICT

As part of the combination investigation, both boards considered the types of districts as they are today and what the new district may be. Both CWD and SSWD share the same legal counsel, who represents CWD as a special counsel and SSWD as its general counsel. Below, legal counsel provided the following summary on governance and a detailed comparison matrix of different types of special districts with their respective powers is attached in Exhibit 8:

### ***Discuss Advantages/Disadvantages of Irrigation District vs. County Water District***

*CWD is an Irrigation District and SSWD is a County Water District. At previous 2x2 Committee and Board meetings, staff was directed to obtain a legal analysis on what are the differences in the powers of authority of a County Water District and an Irrigation District, as well as what are the advantages/disadvantages. In addition, a question was asked if there are higher powers and authority obtainable if the two districts were to combine. Legal opinion is provided below and in District Authorized Powers Matrix following this section.*

### ***What are the Differences in the Powers and Authority of County Water Districts and Irrigation Districts and Advantages and Disadvantages of Each?***

*SSWD was formed and operates under the County Water District Law, Water Code sections 30000 through 33901, and CWD was formed and operated under the Irrigation District Law, Water Code sections 20500 through 29978. The different “enabling acts” under which each District was formed and operates provide for somewhat different scopes of authority, although they share many powers in common as will be outlined below.*

### ***Summary of Powers and Authority of Each Form of District***

*Under the County Water District Law, SSWD is authorized to provide water service and to take associated actions to develop water rights and resources, to build, operate, maintain, and upgrade necessary infrastructure, and to engage in related activities to ensure its authority to supply water to its customers. County water districts also may provide wastewater, fire protection, and solid waste services. They also have limited powers for electric (leasing water for hydroelectric generation purposes) and recreational services (construct and operate ancillary recreational facilities on property owned for water supply and distribution services). SSWD, however, does not exercise any of these “latent” additional powers.*

*Under the Irrigation District Law, CWD also is authorized to take all necessary actions to provide water service to its customers. Originally, irrigation districts were authorized to construct projects to provide water to irrigate agricultural lands. Later, the Legislature authorized irrigation districts to also provide treated water service. The Irrigation District Law also permits irrigation districts to provide drainage, retail and wholesale electric power generation and service, and sewer services. Similar to SSWD, CWD only provides treated water service and does not exercise any of these additional powers.*

Under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (called here the “LAFCo Law”), neither District may exercise any latent power -- that is a power it is not actively exercising now -- unless and until that District applies to Sacramento County Local Agency Formation Commission (“LAFCo”) for approval to exercise the proposed latent power and LAFCo approves the application. While either District could apply to the LAFCo to exercise one or more of its latent powers, both Districts serve mainly built out areas that already receive sewer, electricity, and other utility services by other established providers.

***Differences and Advantages and Disadvantages of Each Form of District***

*As noted above, SSWD’s and CWD’s authority under their respective enabling acts are more similar than different. This is particularly the case given their common existing missions and the likely limitations on either District being able to obtain LAFCo approval to exercise any of their additional, latent powers.*

***Are there “Higher Powers and Authority Obtainable if CWD and SSWD Were to Combine?”***

*There is no legal hierarchy of special district enabling acts, so a question regarding which enabling act is higher or lower in power or priority is not consistent with the structure of special water district enabling acts. The discussion should focus more on comparing the relative powers provided under a particular enabling act and their suitability for the specific circumstances of the community being served and whether the type of water district proposed to provide service has sufficient powers to address all service requirements and any changes circumstances that might arise in the future. A related consideration focuses on ease of operations and administrative convenience.*

Legal counsel developed a matrix that identifies/outlines the various types of Powers of Authority in relations to water service/supply, other services, water conservation, property acquisition, facilities and sale of surplus services. See Exhibit 7

#### 4.1 Consolidation vs. Reorganization

Combining two or more public agencies into one can be primarily achieved as either a consolidation or a reorganization. The end results are essentially the same, one agency assumes the rights, responsibilities, assets, and liabilities from the others. The difference lies in the legal process used. There are pros/cons listed below that are more general in nature and may not apply to this specific example.

**Consolidation**

Both agencies are dissolved and a new one is created in their place with a service area that encompasses the previous districts’ service areas. The new agency is the successor entity. Initiation: Both agencies file for consolidation using “substantially similar” resolutions of application to the LAFCo.

## Pros:

- Maximize economies of scale;

## Cons:

- May be difficult to determine which existing board members will be on the new board because of limitations on redistricting director voting divisions;
- There can be complications with determining which district's employment and benefits plans will be used post-consolidation by the new agency – either on an interim or long-term basis (e.g. labor agreements, pension contract with CalPERS, etc.);
- All residents and landowners from both districts can oppose during the protest period;
- May require a new Proposition 218 rate proceeding to set water service rates and charges for the new agency and a new Proposition 26 proceeding to set new connection/capacity fees;
- It is highly disruptive for the same reason as the “Pros.” The potential cancellation of labor contracts can create unnecessary anxiety for affected workers. In addition, the new entity would have to start at the proverbial “square 1” on all of its policies and operations.

**Reorganization**

One district is dissolved and one agency annexes all of the dissolved district's former territory and absorbs all assets and obligations of the former district. The existing agency is the successor entity. Initiation: One district applies to dissolve; the remaining district applies to annex the service area of the dissolved district. Both agencies file simultaneously.

## Pros:

- Because one of the existing agencies remains (albeit now with a larger service area), it is less disruptive than a consolidation. All assets/liabilities/revenues/expenses and all existing policies and operational practices of the remaining district are transferred to successor, and all existing policies and operational practices of the remaining district stay in place;
- Only the residents of the dissolving agency can oppose during the protest period.

## Cons:

- The remaining agency will be unable to shed any legal obligation it might otherwise be able to shed or modify in a consolidation. For example, if the remaining agency had a more generous benefit structure to its labor than the other district, it now may need to extend those benefits to a larger labor pool;
- May be difficult to educate the non-successor agency residents about the benefits of dissolving their home water agency (need community workshops/outreach efforts);
- May be difficult to educate the successor agency residents of the benefit of absorbing the dissolving agency (e.g. dilution of local control, etc.). The annexing agency could be under political pressure to allow a public vote on the matter;

- Need to resolve how the non-successor residents will be represented in the post-reorganization entity.

Either district can initiate a combination by adopting a resolution of application and go through the “normal” LAFCo process. However, there is a sub-LAFCo process that may be applicable: Government Code §56853(a) states that if the combining agencies adopt substantially similar resolutions of application, LAFCo must either approve or conditionally approve the proposal (in other words LAFCo cannot deny the application). In addition, this section says that the reorganization could be ordered without an election unless the conditions under GC §57081(b) are met. After the approval hearing, a second hearing (called a conducting authority hearing or a protest hearing) must still be held, but only to determine if the conditions specified in GC §57081(b) exist.

Under existing statutes in the County Water District Law and Irrigation District Law, a new agency formed either by a consolidation, or by a reorganization, can obtain a “fresh start” by adopting a new name and a board of directors that is larger in size than five members. Because of federal and state constitutional limitations against impairment of contracts, the new agency would not be able to automatically terminate most contracts and agreements as a result of the consolidation or reorganization. The new agency would either have to assume most contracts and agreements or terminate them according to the contract’s termination provisions or by negotiation.

There are typically seven major milestones in the LAFCo process. The overall time for a combination to get from Step 1 through to Step 7 can take as long as a year, with the caveat that this assumes any time before Step 1 is not counted, all goes according to plan with no disruptions (the timing of notice) and if alignment occurs (most prominently no lawsuits). After Step 6, the applicant(s) has/have up to a year to comply with the conditions of approval. LAFCo can record the Certificate of Completion once those conditions are met and this filing finalizes the proceedings and the combination is complete. Following are the 7 Steps:

1. **Project Initiation** – Applicant submits all the forms found here (<https://saclafco.saccounty.gov/Pages/ApplicationForms.aspx>), including the plan for service (please see the section immediately below).
2. **Property Tax Negotiation** – Governed by Revenue and Taxation Code §99. While neither district receives a portion of the property tax, this section cannot be bypassed per R&TC §99(b)6.
3. **LAFCo Staff Analysis** – Upon the receipt of the complete packet of application (see Step 1 above), staff will analyze the documents and follow up with the Districts to ensure there is sufficient information to address the requirements under GC §56668. Once GC §56668 has been satisfied, LAFCo staff will issue a Certificate of Filing, stating the approval hearing date for the proposal. This approval hearing is typically scheduled for the first meeting in which at least 21-days advance notice can be posted (GC §56159).

4. **Approval Hearing** – The Commission considers the facts of the proposal, the staff report, written and oral testimony, the environmental review, the context and setting of the proposal and any other pertinent information to decide on the proposal. The Commission’s discretionary decision could be unconditional approval, approval with conditions or denial. If LAFCo denies the application, the project stops and LAFCo issues a Certificate of Termination. If the decision is approval with or without conditions, then the proposal moves on to Step 5.

5. **The 30-day Reconsideration Period Begins** – Government Code §56895 allows anyone within the County of Sacramento the ability to request that the Commission reconsider its approval. The requirements for reconsideration are strict and the Commission decides whether to grant reconsideration. Historically, reconsiderations rarely succeed.

6. **Conducting Authority Hearings** – For proposals with less than 100% landowner consent, a “conducting authority hearing” (also called a protest hearing) has to be scheduled (also subject to a 21-day advance notice). This provides the opportunity for landowners and registered voters to protest the approval. What happens to the proposal depends on the number of protests received and not withdrawn:

- a. If less than 25% of registered voters or 25% of landowners who own at least 25% of the total assessed value of the land protest, then the Commission’s approval (with or without conditions) stands;
  - b. If more than 50% of registered voters or landowners protest, then the Commission’s decision is overturned and the proposal fails;
- If the number of protests by registered voters or landowners is between a) and b) above, then it goes to an election.

Note:

- The “sub-LAFCo process” under GC §56853(a) referenced above speaks to this step of the process. Normally the dissolution or consolidation of agencies are subject to an election. If the sub process is used, the Conducting Authority Hearing is the mechanism to determine if an election is held, and only if the number of submitted (and not withdrawn) protests is above 25% of registered voters or landowners.
- If the districts choose the reorganization route, there is a way to bypass this step if the resolution of application for the dissolving district(s) is approved unanimously by the governing board(s). Then this step is only taken on the question of annexation.
- LAFCo staff ensures that the 21-day notice for the approval hearing is consistent with the requirements for GC §56663. If so, then this step is also bypassed for the annexation, eliminating the Conducting Authority step altogether.

7. **Final Filings** – These are filed, depending on the outcome in Step 6. If the number of protests submitted are insufficient to overturn the Commission’s approval and/or if the applicants received a conditional approval, then the applicant will have 12 months to complete them. When the conditions are met (or if there were no conditions, soon after the proposal successfully completes Step 6), the LAFCo issues a Certificate of Completion and records it with the County Clerk-Recorder. The combination is complete with the recording of this filing.

## 4.2 Statistics and Demographics

If CWD and SSWD were to combine, the combination would result in a district with these attributes:

- Population = 240,000
- Connections = 59,000
- Registered Voters = 94,000 SSWD / 24,300 CWD for a total of 118,300
- Communities Served = Carmichael, Arden/Arcade, Foothill Farms, North Highlands and portions of Citrus Heights, Fair Oaks, Sacramento County/City, Antelope, and McClellan Park.
- Combined Water Resources: Surface water rights/contractual entitlements = 91,691 af per year. Groundwater Supplies = 149,425 af per year or 133 mgd.

## 4.3 Board of Directors: Interim and Long-Term

The initial Board of Directors of the combined district may have up to eleven members, composed of the members of the current Board of Directors of CWD and SSWD. The eleventh Director seat may remain vacant by operation of law. To ensure that there is an odd number of Directors for the combined district for voting and decision-making purposes, in the interim a Director could voluntarily resign from the Board of Directors. The ultimate size of the Board by statute is 5 members, but can be larger (e.g., 7 or 9 members) upon request of SSWD and CWD and LAFCo approval. Note that both the County Water District Law and Irrigation District Law contain statutes authorizing these options (see, Water Code sections 21552.1 and 30500.1). As an example, if the Board chooses 5 members, terms of the office of Board members shall be the same term of office that he/she was serving as of the effective date of the combination. The number of seats on the Board of Directors of the combined district could be reduced to seven for the general district election scheduled for November 2024, and reduced to five for the general district election in November 2026. If LAFCo approval of any application for consolidation or reorganization filed by SSWD and CWD occurs after the August 2024 closing of the candidate filing period, this process to reduce the board's size would occur in the election schedule for November 2026 and November 2028.

## 4.4 Organizational Executive Structure

The Board of Directors will select a new general manager of the combined district. The new general manager will work with the Board to organize the new combined district as it undergoes transitions of operations and staffing.

## 4.5 Integration of Software

Information technology (IT) and software combination is anticipated to be one of the more expensive and time-consuming items to work through for the new combined agencies. The areas of concerns for software include organizational servers, which are both based on Microsoft Windows based systems, accounting systems, utility billing and customer information system, and



operational systems such as computerize maintenance management system (CMMS), meter reading software, SCADA, and backflow database. The updates will range from merging both organizations' data into one system up to new software purchases and deployment.

#### 4.6 Human Resources

Based on both CWD and SSWD's approved 2024 budgets, a combined agency would have about 105 employees with the following annual employee salary, benefits, and total compensation information and ratios:

Employees and Budget Ratios	Annual Employee Salary	Benefits	Total Compensation
105 employees	\$10,800,000	\$5,200,000	\$16,000,000
% of O&M Budget	31%	15%	45%
% of Total Budget	14%	7%	21%

Both CWD and SSWD provide competitive salaries and benefits with on-going compensation comparison analysis on a regular basis. Salaries for both CWD and SSWD are attached as Exhibit 9.

#### **Retirement**

Both agencies are CalPERS members for retirement and medical insurance coverage which are the biggest portion of the districts' benefits budget. California pension laws, such as the California Public Employees' Pension Reform Act (PEPRA), set forth requirements and eligibility that participating agencies and members must follow. The new combined agency would assume the employer's responsibility of current districts' employees and previously agreed-upon retirement contracts. There would be no additional increases in retirement plan costs as a result of combination and the PEPRA rules would continue to apply. The new Board would set policy and direct CalPERS funding based on CalPERS' requirement and the new agency's financial position at that time.

Both CWD and SSWD participate in social security and participation is generally compulsory.

#### **Health Benefits**

Both CWD and SSWD contract with the CalPERS Health Program for medical health insurance plans for employees and retirees. CalPERS sets the eligibility for enrollment and each contracting agency (employer) elects its own contribution for its employees. CWD and SSWD have various contribution levels for employees and the difference is immaterial in the overall budget. Further, the difference may not be significant to employees as there are many medical insurance plans to choose from and both districts' contributions have escalators built in. Employees would most likely prefer the new Board to stay with CalPERS Health Program for minimal disruption and the future Board would have options to set different contribution rates or even choose different programs.

Dental, vision, and other benefits are different for both agencies. Both employee benefit coverage and employers' contribution levels are different but these variations, most likely, have minimum impacts to employees and immaterial to both districts' budgets.

#### 4.7 Provision of Water Service

If SSWD and CWD combine, there would be no change in the provision of water service to customers within each district's existing service area. Combination should help minimize rate increases by reducing overhead and administrative costs, increasing the rate base, and maximizing operational efficiency. However, capital improvements will continue to be a significant driver of costs for the districts and will likely result in minimal overall reduction in costs. There will be initial (one-time) start-up costs, but it is expected that these costs will be offset by future savings.

#### 4.8 Water Rates – Short/Long Term

Rates will be based on the combined operations and maintenance charges and capital costs related to each service area. Cost savings related to the combination will be passed to both the CWD and SSWD service areas based on an appropriate cost allocation process. Rates will be kept separate for each service area until all outstanding debt has been retired. This avoids rate shifts between areas so that one service area does not pay for capital programs in another service area. However, the Board of Directors of the combined district shall determine from time-to-time which funds derived from the operation of service areas shall be used to pay the cost of administration of the combined district that benefits the combined district as a whole.

## 5 HOW COMBINATION COULD AFFECT CUSTOMERS, EMPLOYEES AND OTHER STAKEHOLDERS

At the April 10, 2023, CWD / SSWD Joint Board meeting, staff was directed to obtain a legal opinion the water rights and entitlements held by CWD and SSWD, as well as what their limitations are if the two agencies combine. Legal opinion is provided below:

### 5.1 Water Reliability: Use of all Water, Both Surface and Groundwater, Conjunctive Use Plan, Perfection of Water Rights and Groundwater

SSWD has rights to groundwater and two contractual surface water entitlements and CWD has surface water rights and ability to pump groundwater. Both agencies also have intermittent access or undeveloped entitlements to other water supplies. But because these supplies are not reliable or permanent, they are not addressed in this report. While there are issues and nuances involved in each district's water rights and entitlements, this presents only a summary of the nature of and key issues involved in each permanent, reliable water right, or entitlement.

#### 1. CWD Water Rights and Entitlements

CWD holds three post-1914 appropriative water rights. It also has limited groundwater pumping capacity. A summary of each of CWD's surface water supplies and its groundwater supplies follows.

##### a. Post-1914 Appropriative Water Right Under License 1387

CWD holds License 1387 issued by the California State Water Resources Control Board ("SWRCB"). This license is the most senior of CWD's water rights with a priority date of September 18, 1915. This makes it one of the most senior post-1914 rights on the American River. License 1387 permits CWD to divert at a maximum rate of 15 cfs and limits total diversions to 10,859 acre-feet annually. This is a year-round water right for irrigation and domestic uses. Water diverted under License 1387 can be used on 4,500 acres within CWD, as further defined and shown on a map filed with the SWRCB in 1964.

##### b. Post-1914 Appropriative Water Right Under License 8731

CWD's License 8731 has a priority date of August 22, 1925. Under this license, CWD may divert water from the American River at the maximum rate of 10 cfs and an annual maximum of 3,669 acre-feet. This water right has a limited season of diversion of May 1 to November 1 each year. The water right permits diversions for irrigation, domestic, and municipal uses and has a place of use of 4,500 acres within CWD, as further defined and shown in a map filed by CWD with the SWRCB in 1968.

c. Post-1914 Appropriative Water Right Under Permit 7356

CWD's final water right is held under Permit 7356. The priority date of this right is March 1, 1948. Under Permit 7356, CWD is authorized to divert water from its Ranney Collector system in the American River at the maximum rate of 25 cfs. Annual diversions are limited to 18,099 acre-feet with the season of use of January 1 through December 31. Water diverted under the permit may be used for domestic and municipal uses on 4,500 acres within CWD, as further defined and shown on a map filed with the SWRCB in 1968. The status of Permit 7356 is unclear because the SWRCB denied CWD's petition for an extension of time to complete perfecting this right in 2009, and the District has not pursued licensing the right to secure at least some portion of the right consistent with its historical use under the permit.

In total, and taking into consideration the varying seasons of diversion, purposes of use, and places of use, in normal to wet years CWD has sufficient surface water supplies to serve the demands of its customers. In fact, the District's total diversions permitted under its surface water rights exceed customer demands. This is due to several reasons, such as CWD serving a largely built-out service area and voluntary and state-mandated conservation measures reducing per-capita customer demand even with some growth in connections and population. This explains in part why CWD has been unable to perfect its right under Permit 7356.

d. Groundwater Supplies

CWD has five active wells and two backup wells with a total extraction capacity of 9.216 mgd. CWD normally uses only five of these wells to serve customers. In addition, CWD is about to begin drilling and constructing two new wells that will have aquifer, storage, and recovery (ASR) capabilities for enhance conjunctive use. CWD also has a potentially significant limitation on pumping groundwater. This limitation results from CWD's proximity to the Aerojet contamination plume, which limits where the District can locate new wells and how hard it can pump wells in order to avoid pulling the Aerojet plume into its pumping zone.

2. SSWD Water Rights and Entitlements

SSWD has three major water sources, including established rights to pump groundwater to supply all customer demands and two contractual entitlements to surface water, one from the City of Sacramento ("City") and one from the Placer County Water Agency ("PCWA"). A summary of each of SSWD's water sources follows.

a. SSWD Groundwater

SSWD has established rights to pump groundwater to supply the entire needs of district customers in any one year. Under California law, SSWD is not required to obtain a permit or other approval from any agency to establish its right to pump this groundwater supply. SSWD is required to comply with all applicable state water quality and drinking water standards. As a municipal pumper, SSWD may extract and serve groundwater anywhere within its service area or outside of it.

SSWD has approximately 71 operable wells to pump groundwater. SSWD pumps from the North American Groundwater Basin, which is jointly managed on behalf of SSWD, CWD, and other municipal pumpers by the Sacramento Groundwater Authority (“SGA”) under a Groundwater Management Plan adopted consistent with state law.

The portion of the basin administered by SGA and the safe yield assigned to it is also subject to the Water Accounting Framework (Framework). The Framework permits SSWD to pump slightly in excess of 35,000 acre-feet of groundwater annually. Customer demands in SSWD have required annual pumping of about 30,000 to 32,000 acre-feet annually in recent years, even with an increase in population and connections due to water conservation resulting from voluntary efforts through customer education and state mandates.

In addition, SSWD has operated an active conjunctive use program since 1998. Under this program, SSWD supplies treated surface water to its customers under its City of Sacramento and PCWA contractual entitlements, which permits its groundwater supplies to be naturally recharged by wet season rains and other water sources. This operation is referred to as “in-lieu recharge.” SSWD’s in-lieu recharge program has resulted in the banking of over 350,000 acre-feet of groundwater since 1998. SSWD files annual reports with the State Water Resources Control Board to document its banked water.

b. City of Sacramento Wholesale Water Supply Agreement

SSWD’s predecessor, Arcade Water District (“AWD”), entered into an agreement with the City of Sacramento (City) to reserve a water supply for AWD’s service area within the City’s American River Place of Use. That agreement committed a portion of the City’s surface water supplies for future use by AWD, subject to annual payments. After SSWD was formed in 2002, it continued AWD’s payments to the City for the American River Place of Use water supply and AWD’s planning and design of facilities that would enable SSWD to receive treated water from the City’s E.A. Fairbairn Water Treatment Plant.

In 2004, SSWD and the City entered into a Wholesale Water Supply Agreement (Agreement) under which the City agreed to supply up to 20 million gallons per day (“mgd”) of treated surface water to SSWD under the former AWD entitlement. The Agreement contains two significant limitations. First, SSWD may use treated surface water received from the City only in the American River Place of Use, which covers most, but not all, of the District’s South Service Area, and none of SSWD’s North Service Area. Second, SSWD may only obtain surface water from the City when flows in the American River exceed the “Hodge Flow Limitations,” which generally means that City surface water is available for limited times in wetter water years.

The American River Place of Use place of use also covers a portion of CWD. Subject to discussion with the City, it may be possible to serve City water when available within the portion of CWD lying within the American River Place of Use.

c. Placer County Water Agency Contract for up to 29,000 Acre Feet Per Year

In 2000, SSWD's predecessor, Northridge Water District, entered into an agreement to purchase water from PCWA. When it was formed in 2002, SSWD assumed this contract. The PCWA water supply contract provides that SSWD would buy an increasing amount of surface water each year from PCWA until the maximum contract amount of 29,000 acre-feet per year was reached in 2014 through the expiration of the contract in 2025. The contract was amended in 2016 to extend its term to December 31, 2045, which then permitted SSWD to secure a Long-Term Warren Act Contract for the same term from the Bureau of Reclamation to wheel PCWA water supplies through Folsom Reservoir to the San Juan Water District for treatment and delivery to SSWD through the Cooperative Transmission Pipeline. The PCWA contract was further amended in 2020 to further reduce SSWD's annual "take or pay" obligation from 12,000 acre-feet to 8,000 acre-feet, with the provision that if PCWA can make additional water available to SSWD in any year, SSWD has the right to take up to 21,000 acre-feet of additional water in that year on a "take-or-pay" basis.

The PCWA entitlement also is limited. PCWA may not deliver water to SSWD in any year when the March through November unimpaired inflow into Folsom Reservoir is less than 1,600,000 acre-feet, although SSWD may take water in the following December through February whenever water is being spilled from the reservoir for flood protection. The contract also is subject to cutback if PCWA needs any portion of the SSWD entitlement to serve PCWA customers in Placer County or to meet PCWA's Middle Fork Project power generation obligations to PG&E. SSWD may use the PCWA water in PCWA's expanded place of use covering the portion of SSWD's North Service Area. SSWD also may sell or transfer any portion of its available PCWA entitlement. CWD's service area is not included in the PCWA expanded place of use.

3. Limitations on Use of CWD and SSWD Water Rights and Entitlements

a. CWD Water Right and Supply Limitations

The greatest risk to CWD's surface water supplies results from their regulation by the SWRCB's curtailment orders. In recent drought years, the SWRCB has curtailed CWD's diversions of surface water under its three post-1914 rights, requiring the District to rely on its groundwater wells and emergency purchase of supplemental surface water supplies.

A related issue is the uncertain status of Permit 7356 and the amount of water CWD may divert under it. The SWRCB's 2009 denial of CWD's petition for an extension of time was based on CWD's inactivity in developing the right by diverting and putting the water to beneficial use in the time allowed in the permit. Since 2009, CWD has continued to divert water under this right and file annual reports with the SWRCB demonstrating water use under Permit 7356. Given the uncertainties and assuming CWD does not pursue licensing Permit 7356 before any combination might occur, a combined district should expeditiously pursue remedying the status of Permit 7356 as soon as possible in order to develop the water right.

The other issue with CWD's rights that should be resolved is the place of use. CWD's service area totals approximately 5,000 acres, but none of its surface water rights cover the entire service area and the individual maps filed to support each right have slightly different coverage. While taken together the three water rights, together with pumped groundwater, ensure that all of CWD's service area can be legally served, the best-case scenario would be for a successor district to petition the SWRCB to amend all three surface water rights to permit use of the water anywhere within the outer boundaries of the new district's service area.

The most significant issue confronting CWD's water supply situation is the lack of reliability in drier and drought years when SWRCB curtailments of post-1914 water rights can significantly reduce or terminate surface water diversions. In response, CWD is in the process of expanding its groundwater pumping capabilities to be able to meet all of its water demands with additional supplemental groundwater supplies. While a combined district could ameliorate this situation because SSWD might have excess groundwater supplies available to backfill some of CWD customer demands, there are some water conveyance constraints due to elevation and capacity that might limit the ability of SSWD to deliver additional water supplies into CWD.

#### b. SSWD Water Right and Supply Limitations

There are some limitations on the use of SSWD's groundwater supplies, although those limitations probably are more theoretical than real. The greatest hypothetical risk is SSWD groundwater pumping in excess of its assigned share of the safe yield of the basin as established by SGA and the Groundwater Sustainability Plan it has prepared as required by the Sustainable Groundwater Management Act.

As discussed above in the summary of SSWD's surface water rights, its City of Sacramento entitlement is limited by the Hodge Flow Limitations, the cost of that supply, and the American River Place of Use limitation. The PCWA water entitlement also is limited by the Folsom unimpaired flow limitation and Placer County use priority discussed above. As combined, however, the total supply portfolio would be more reliable than each separate District's is today. And these surface supplies have the potential to increase reliability longer-term if the regional water bank is developed and the combined water supplies are used when available as banking water to increase supply availability and reliability in dry years through water bank withdrawals.

## 5.2 Impacts of Combination on Other Agencies

A combination of CWD and SSWD will not impact other special/water districts. There will be no expansion in service area, change in governance, or other action that would cause impacts to other public services or agencies. The primary purpose of the combination is to provide cost-effective and efficient water service to customers within the existing territory of each district using existing water supplies and facilities. A map that identifies regional water purveyors is attached as Exhibit 8.

### 5.3 Impacts to Employees

With the ongoing combination discussions and a shortage of available quality workforce in the water industry, both agencies have vacancies. The number of employees of a combined agency would be the total number of employees employed by both districts at that time. There may be a shift in employee assignments within a division, but the overall work may be similar. A bigger organization would provide additional advancement opportunities and upward mobility for employees. Employee layoffs due to the combination are not expected. However, some cost-savings and operational efficiencies may be achieved by not filling vacancies.

A portion of CWD's employees are represented by American Federation of State, County, and Municipal Employees (AFSCME). Continued representation is contingent on a majority vote of all rank and file employees of a combined district in favor of unionizing.

### 5.4 Staff Efficiencies/Employee Opportunities

The organizational structure of each agency is represented as the hierarchy of each agency's functional groupings and staff roles. In general, both agencies are organized into Management & Administration roles such as Executive, Finance, and Customer Services & Billing, as well as Engineering & Capital Improvement, Distribution System Operations, and Production Operations roles. While these similar structures suggest some level of redundancy in staffing, many of these functions will scale up with any larger, unified utility operation given the separate infrastructure components.

Noteworthy differences between the organizational structure of CWD and SSWD go beyond just scale. As a result of the size of the organization, there is a greater role specialization at SSWD relative to CWD. Rather than merely expanding the roster of generalists, a larger organization would have the capacity to hire more specialized staff. This also allows upward mobility for existing staff, as well as more opportunities to transfer to various departments.

One benefit of scale and specialization can be efficiency. Since labor is a significant cost input for utilities, labor efficiency can lead to more cost-efficient service as long as it does not result in declines in infrastructure reliability, an overworked staff, or other signs of an organization stretched thin.

The management and administration functions are the areas of the organizations that may present the largest potential overlaps in roles under a combined agency. However, any identified redundancies are likely best addressed over time to ensure a smooth transition and continuity to any new organizational framework due to challenges that might emerge when attempting such a transition.

In addition to opportunities to achieve leaner executive level staffing under a combined organization, management and administration functions may benefit from certain roles that



currently do not exist, such as an office of strategic affairs, specialized assistant general manager roles.

Ultimately, it will be up to the new district Board and management to determine if available staff numbers are insufficient, adequate, or perhaps excessive in a given function. Current vacancies across the two organizations may be filled by existing staff as roles may change and as the synergies of the combined organizations become clearer.

- Knowledge sharing between the staff of each District can ensure that best practices permeate each District. This can be accelerated further through joint training. The SSWD training facility is already an asset that presents regional training opportunities, but it can be exploited further should the agencies combine.
- Equipment sharing and joint purchasing can also accelerate under a combined organization, particularly if joint facilities are invested in. For now, a centralized distribution deployment and warehouse facility is not contemplated as a near term priority for the combination effort, but over the longer term consolidated real estate could advance at the discretion of the new district's board and management.
- The field operations staff would likely maintain split roles in the interim structure before being combined into one deployable force with a single Superintendent in the future. If teams dedicated to each service area are justifiable given the differences in the infrastructure and geography of the systems, the teams can be kept largely separate except where staff are exchanged to meet any periodic increased workloads or where staff are used to fill in during vacations or absences. This arrangement could be adjusted once more operational experience with the combined system is gained and particularly if infrastructure, expertise, and procedures begin to become more homogenous across the two service areas.

## 6 GOVERNANCE – BOARD OF DIRECTORS

### 6.1 Transition from 11 to 7 to 5

The initial Board of Directors of the combined district will have eleven members, composed of the members of the current Board of Directors of CWD and SSWD and one vacant seat. The terms of the office of Board members would be the same term of office that they are serving as of the effective date of the combination. The eleventh seat on the combined district would remain vacant as permitted by law. The number of seats on the Board of Directors of the combined district then would be reduced to seven for the general district election scheduled for November 2024 or 2026 depending on the timing of LAFCo approval of the consolidation or reorganization.

The Board of Directors of the combined district would be elected by and from divisions at the general district election in November 2024, unless there is a delay in the effective date of the combination which prevents the Board of Directors from establishing the boundaries of the divisions in time to provide the required notice to the Registrar of Voters. In this latter case, the first reduction to seven directors would occur at the November 2026 election.

### 6.2 Election Boundaries for Each Phase

To transition to a 5-member Board of Directors, a set of new voting division maps would be developed and approved by the Board of Directors of the combined district. For each of the two district general elections following approval of the combined district, staff must prepare a proposed voting division map depicting the recommended adjustments to the voting divisions for consideration by the Board of Directors, and for comment by the public. The population deviation (greatest relative difference in size between any two voting divisions) in the proposed voting divisions should be within the 10 percent deviation permitted under federal and state voting rights law. In addition, the board of the combined district must consider the following factors when adjusting voting division boundaries: (1) topography, (2) geography, (3) cohesiveness, contiguity, integrity, and compactness of divisions, and (4) community of interests of each division. The last factor, community of interest, may be an important consideration in drawing up the new voting division maps and in the ultimate size of the board as it would help ensure that former CWD ratepayers have adequate representation. The proposed division maps would be presented at a public hearing at two separate special board meetings before being adopted.

As advised by legal counsel, staff should consult with the Sacramento County Registrar of Voters' office to review the draft proposed voting division maps to ensure that they are in compliance with federal and state voting rights and election laws and consistent with the Registrar's requirements for administering special district elections.

### 6.3 Options for Advisory Committee

In the event a Board member wishes to voluntarily resign from the Board of Directors to ensure that there is an odd number of Directors, or a Board member does not get elected to the combined district, there could be options for the Board member to continue their community service. The

Board of Directors of the combined district could consider forming a community advisory committee that would enable the board to receive input from former directors and other experienced community members.

## 7 LESSONS LEARNED FROM ARCADE/NORTHRIDGE CONSOLIDATION

A Consolidation Evaluation was conducted in 2001 for the purpose of consolidating the former Arcade and Northridge Water Districts. The purpose of the Consolidation Evaluation was to evaluate practices, policies, procedures, rates, financial status, and other factors that would be important to the policy makers to consider the benefits and risks of a consolidation. The Consolidation Evaluation report identified areas that were dissimilar for both agencies and should have been analyzed upon consolidation. Following the consolidation, effective February 1, 2002, the new Board of Directors and management refrained from conducting an analysis on all areas that were noted in the Consolidation Evaluation report. Below are examples of areas that should have been analyzed:

- A detailed assessment of total employee compensation and benefits was not conducted. Promotions and salary increases were given with no consideration of merit.
- There were noted differences in work rules and administrative policies and procedures mentioned in the report. Upon consolidation, management did not conduct an assessment to develop new/revised work rules and administrative policies and procedures.
- Cost of service and rate design principles were not developed.
- Asset management plans for distribution/transmission replacement, groundwater production facilities, buildings, meter retrofit, etc. were not developed.
- Arcade outsourced billing and Northridge conducted billing internally. No analysis was conducted on cost efficiencies regarding outsourcing or internal labor.
- A thorough analysis of staff utilization was not conducted. The Administration Building (3701 Marconi Avenue) was designated. However, there was no plan for utilizing various buildings for operational purposes or if any facilities were surplus.
- No assessment was conducted of vehicles and equipment. There was duplication of many small pieces of equipment and tools, but no plan to surplus redundant tools and equipment.
- No analysis on customer walk-ins, phone calls, operational issues, etc.
- No assessment on which billing software program was to be utilized for the new district.
- No assessment on which work order system should be utilized. One district utilized a vendor-supported system, while the other district sole sourced a one-person Disk Operating System program.
- Both districts had different retirement and post-retirement programs. A thorough analysis of options for combining the programs or operating them separately was not conducted.

It was noted in the report that initial start-up costs were expected to be significant. The report recommended that the first level of evaluation should have been legal fees, reorganization, consumer education, office modifications and accounting systems. The only area initially addressed was the office modifications related to the designated Administration Building. If the Boards approve combining of the two districts, it is management's recommendation to conduct an analysis on each of the above items to ensure they are addressed appropriately and timely.

## 8 RECOMMENDATIONS OF THE 2X2 COMMITTEE

Based on the information provided to date, the 2x2 Committee makes the following recommendations:

- 1) **Combination Process:** To combine CWD and SSWD, the 2x2 Committee recommends the “consolidation” process where both districts dissolve and form a new water district with a new name.
- 2) **Type of New District:** The 2x2 Committee recommends that new district be a county water district organized under the County Water District Law, Water Code sections 30000 through 33901.
- 3) **Governance Body:** The 2x2 Committee recommends that the new district to have a Board of Directors with 11 directors elected from both districts and transition to a 5 Directors by 2028.
- 4) **Main Office:** The 2x2 Committee recommends that the new district’s new main office be located at 3701 Marconi Avenue, Sacramento, CA 95821.



**SUMMARY REPORT**

**Public Outreach and Engagement**

**Carmichael Water District and  
Sacramento Suburban Water  
District Combination Study**

*DRAFT—August 4, 2023*



**Public Outreach  
Community Involvement  
Strategic Communication**

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**SECTION ONE:**

**Overview of Public Outreach  
and Engagement Activities**



## Overview of Public Outreach and Engagement Activities

Carmichael Water District (CWD) and Sacramento Suburban Water District (SSWD) are currently exploring the potential to combine their neighboring water utilities. The goal is to examine how combining these organizations might encourage efficiencies, reduce costs, improve water supply reliability and enhance customer service.

CWD and SSWD are undertaking a deliberative, public process to examine combination opportunities. Since July 2021, this has included public discussions by the CWD/SSWD 2x2 Committee, comprising leadership and management from both water providers, along with regular Board meeting reports for both districts.

The Boards commissioned an independent consulting firm to conduct an initial, high-level study that provides a preliminary look at the potential benefits and disadvantages to combination. Following a comprehensive public review, the boards accepted the initial study, signaling that it identified many potential benefits that should continue to be explored and uncovered no fundamental flaws that should stop discussions.

They also directed their staff to further engage the public in discussions about combination through several Public Information Workshops and additional outreach with the overarching goal of facilitating an open and inclusive dialogue with the public and keeping stakeholders informed about the findings of the Initial Study and the ongoing combination discussions.

A detailed list of public outreach activities and samples of outreach materials can be found in the Appendix. The following is a summary of the outreach and engagement activities undertaken thus far:

### Foundational Materials:

CWD and SSWD worked in partnership to create a comprehensive set of foundational materials aimed at establishing a strong basis for educating and communicating the combination discussions with the community and stakeholders. Key materials included:

- **Summary: Exploring the Combination of CWD and SSWD**—to provide an overview of the combination study, potential opportunities, and ways for the public to learn more.
- **Fact Sheet: Perceived Advantages and Disadvantages to Combination**—to communicate the pros and cons of combination as outlined in the Initial Study.
- **Overview: About the Combination Study and Process**—to outline the reasons behind the combination discussions, the activities undertaken so far, and how the public can stay informed and participate actively in the process.
- **Fact Sheet: Study: A Business Case for a Potential Combination**—to provide a more detailed fact sheet about the Initial Study to provide a deeper understanding of the study's findings.
- **Road Map**—to outline the step-by-step approach for the public outreach and engagement process.

- **Comprehensive Stakeholder Outreach List**—including elected officials, business groups, water providers, homeowners associations, and others with an interest in the discussions and outcomes.

### Customer Outreach:

To help ensure effective communication with their customers and stakeholders, CWD and SSWD have actively utilized a range of outreach channels throughout the discussions. Examples include:

- **Website Enhancement**—creating new pages on their websites with links highlighted on the home page, to provide a central location for audiences to easily access information related to combination discussions.
- **Existing Communication Channels**—including regular updates in existing outreach channels such as newsletters, bill inserts, utility bills and at various events.
- **Social Media Engagement**—outreach and advertising efforts on popular social media platforms like NextDoor, Facebook and the Google Display Network.
- **Direct Mail**—inviting public input via direct mail postcards to all CWD and SSWD customers to promote the Public Information Workshops.
- **Local Publications**—advertising in local publications to promote the Public Information Workshops.
- **Media Outreach**—engaging local and regional news media to help inform stakeholders.
- **Targeted Stakeholder Engagement**—to offer briefings to neighborhood associations and homeowners associations.

### Public Information Sessions:

Public Information Sessions hosted by CWD on June 15, 2023, and SSWD on June 21, 2023, marked a significant milestone in the public engagement process so far. The main objective of these sessions was to actively involve the public in the ongoing combination discussions and provide customers with opportunities to ask questions and share their input. Meetings collectively drew more than 120 people in person and online. A detailed summary of the public feedback received during these sessions is provided in this report.

### Stakeholder and Policymaker Briefings:

As part of their ongoing efforts, the districts are actively conducting stakeholder briefings to keep key individuals and groups informed about the combination discussions. These briefings serve as platforms for open communication, addressing questions, and ensuring that stakeholders are fully aware of the ongoing conversation. Briefings have been delivered to organizations and policymakers, including the LAFCO Special Districts Advisory Committee, management at McClellan Park, Carmichael Kiwanis Club, and Assemblymembers Josh Hoover, Kevin McCarty and Roger Niello, as well as Sacramento County Supervisors Rich Desmond and Sue Frost.

## Employee Outreach:

CWD and SSWD also have actively worked to keep their staff members well-informed and engaged through organized meetings and internal communications. These interactions have aimed to foster understanding about the issues and process during ongoing discussions.

Examples include:

- **Internal Information Hub**—to keep staff updated about the latest developments and provide a means for employees to submit questions anonymously, promoting open communication.
- **Key Messages and FAQs**—to address common questions and promote consistent communication.
- **Briefings for Staff**—hosting staff meetings to facilitate information exchange between the two districts and an opportunity to share firsthand experiences from previous combinations, fostering a deeper understanding of the process.
- **Interaction with Leadership**—providing opportunities for staff members to ask questions directly of Board members during internal meetings to foster a direct exchange of ideas and insights.

The collaborative efforts of CWD and SSWD in conducting extensive public outreach and engagement activities reflect their commitment to ensuring transparency, inclusivity and informed decision-making throughout the process of exploring the combination of their water utilities.



**SECTION TWO:**  
**Major Themes and  
Recommendations**

## Major Themes and Recommendations

The following section highlights the major themes identified during public meetings and other outreach efforts, along with recommendations for further investigation in the ongoing Additional Technical Analysis. It is crucial that the outcomes of the analysis pertaining to each theme are shared with the public through various channels, including public meetings (such as 2x2 Committee and Board meetings and/or additional public briefings), Frequently Asked Questions (FAQs) and other outreach materials and made available on the websites for each district, and other avenues to ensure transparency and accessible information for stakeholders.

**Concerns about the Initial Study:** Attendees desired more in-depth analysis, scenarios, and potential risks. Skepticism was expressed about the credibility and motivations of the entities involved in the creation of the Initial Study (Business Case for a Potential Combination).

- CWD and SSWD have already begun developing an Additional Technical Analysis to provide a more detailed look at combination. This Analysis also provides an opportunity to address specific questions and concerns raised by the public during workshops and provide transparent and credible information to build confidence among stakeholders for the data that provides a foundation to combination discussions.

**Representation and Governance:** Concerns were raised at the CWD meeting about the representation of CWD residents in a larger combined district. Attendees expressed a desire for more representation and clarity on fair representation distribution.

- To address this, the Additional Technical Analysis includes a discussion about Board representation over time, including mechanisms for fair representation allocation.

**Water Supply Reliability:** Attendees at both workshops expressed concerns about how the combination of different water supplies, rights, permits and distribution systems would affect water supply reliability, including potential decreased surface water availability for CWD customers, especially during water shortage situations. They also expressed concerns about the potential loss of CWD's water rights and how combination could impact contracts with partnering water suppliers such as the City of Sacramento and others if they are curtailed.

- To address this, the Additional Technical Analysis includes a discussion about CWD's surface water availability and rights aimed at addressing these concerns, including measures available through combination to improve water supply reliability for each district and mitigate potential water shortage issues.

### **Cost Concerns, Rates and Efficiencies:**

Concerns were raised about potential rate increases, and the possibility of temporary short-term increases from the combination becoming permanent. Attendees also questioned how efficiencies would be realized and costs would be reduced through the combination.

- It is recommended that the Additional Technical Analysis provide a breakdown of the potential costs associated with the combination. The analysis should address any potential rate increases and distinguish between short-term and long-term impacts. In addition, the analysis should identify potential areas of efficiency and cost savings that can be achieved through the combination.

**Water Quality:** During the workshops, several individuals expressed their satisfaction with the existing water quality. At the CWD meeting, some attendees specifically voiced their preference to maintain water that is free from fluoride.

- To address this, the Additional Technical Analysis includes information about each district's water sources, the quality differences between surface water and groundwater, SSWD's fluoridation of the South Service Area and assurances that Carmichael Water District would be under no mandate to fluoridate water should combination occur.

**Liability for Infrastructure Condition and Contamination:** Fears were raised at both workshops about one district's customers bearing the cost of fixing the other's infrastructure without receiving any advantages if it is in poor condition. Customers of both districts also raised concerns about liability to address any contamination in the others' service area.

- To address this, the Additional Technical Analysis includes an evaluation of the infrastructure for both districts, improvements that should be considered as part of the combination process, as well as safeguards in place to prevent existing customers from shouldering the financial burden of improvements for the other district. The analysis should also include details regarding liability for contamination and mitigation.

**Debt and Combination:** Attendees raised questions about the existing debt of each water district and sought clarification on how the debt would be handled if a combination were to occur.

- To address these concerns, the Additional Technical Analysis examines the handling of debt, both in the short term and over an extended period. This analysis should include a discussion about safeguards that ensure the customers of one district would not shoulder the responsibility for the other.

**Change in District Status:** Discussions at the CWD workshop revolved around the potential change in CWD's status from an irrigation district. Attendees raised questions about the legal distinctions between potential organizational structures for a combined organization and potential gains or losses associated with each.

- It is recommended that the Additional Technical Analysis review the implications of various organizational structures, taking into consideration legal requirements, benefits, and potential impacts on stakeholders.

**Employee Contracts:** Questions were raised about the voiding of current contracts and the rewriting of employee contracts. Clarity on this matter is sought.

- It is recommended that the Additional Technical Analysis include a discussion about employee contracts. In addition, communication with the employees should continue to be prioritized to ensure transparency.

**Alternatives to Combination:** Attendees expressed a desire to explore alternatives to combination such as joint projects through Memorandum of Understandings (MOUs) or Joint Powers Associations (JPAs) instead of a full combination. Concerns were also expressed about future water reliability and rates if the combination does not proceed.

- It is recommended that the Additional Technical Analysis include an evaluation of alternative options, including joint projects and partnerships, to outline their feasibility and potential benefits. A cost-benefit analysis should also be added to the Additional Technical Analysis that explores the option for and long-term implications of inaction.

**Consolidation Case Studies:** Attendees discussed past consolidation experiences and expressed concerns.

- It is recommended that the Additional Technical Analysis provide an assessment and lessons learned from past combination experiences, including the consolidation between Northridge Water District and Arcade Water District that produced the SSWD, as well as other relevant water district mergers in California.

**Decision-making Process and Community Input:** Attendees inquired about who ultimately makes the final decision regarding the combination. They also raised questions about the possibility of a community vote.

- To address this, the Additional Technical Report includes language. In addition, an infographic will be developed in consultation with LAFCo that explains their process for evaluating the combination and avenues for community input, including a public vote. Additionally, continuing ongoing community engagement, such as public meetings and workshops, will allow stakeholders to express their opinions and provide valuable input.

**Timeline for Future Steps:** Attendees sought clarity on the approximate timeline for future stages of the combination talks, particularly steps 3, 4, and 5.

- It is recommended that the districts identify timeframes for the next stages of the combination discussions. Sharing a well-defined timeline will help manage expectations and provide stakeholders with a sense of direction. Regular updates should be provided to keep the community informed about the status and progress of the combination talks.

**Layperson-Friendly Information:** Attendees requested more layperson-friendly information in future reports and studies to help customers understand how water supply reliability could be enhanced.

- It is recommended that special attention be paid to language focused on water supply reliability, including water sources, rights and contracts, to help ensure communication is clear and accessible to stakeholders. This may also include infographics and FAQs, to communicate complex concepts in a simplified manner.

**SECTION THREE:**

**Summary: Key Themes and  
Discussion Points**  
Carmichael Water District Public  
Information Workshop



## Summary: Key Themes and Discussion Points

### Carmichael Water District Public Information Workshop

Thursday, June 15, 2023, 6:30 p.m.

More than 50 people attended the meeting in person with 20 online. Most who spoke identified themselves as Carmichael Water District customers.

Carmichael Water District Meeting: Major Themes Expressed by Attendees

*The following summary captures the main themes and viewpoints expressed by the public during the Public Information Session hosted by Carmichael Water District on June 15, 2023. It aims to condense the information while maintaining the essence of the discussions.*

**Concerns about the Initial Report:** Some individuals expressed their view that the report is high-level and too preliminary. They desire more in-depth analysis and information, including scenarios and potential risks. Another attendee expressed skepticism about the report, questioning the credibility and motivations of the entities involved in its creation.

**Representation and governance:** Concerns were raised about the representation of CWD residents in the water district, as they would constitute only 17 percent of the population in a larger district and have only one board member. The desire for more representation from CWD is expressed, and attendees requested clarity on how the pie will be divided to ensure fair representation.

**Change in district status:** The potential change in CWD's status from an irrigation district to adopting county water is mentioned, and the legal distinction and potential gains or losses from such a change are raised.

**Surface water availability:** A concern was expressed about whether the combination would result in decreased surface water availability for CWD customers, especially if there is a water shortage situation and SSWD requires more water.

**Maintaining water rights:** Attendees raised concerns about curtailment and the need to demonstrate use of water rights to avoid potential loss. The challenges of perfecting water rights were emphasized.

**Infrastructure condition:** The fear is expressed that if SSWD's infrastructure is in poor condition, CWD ratepayers would have to bear the cost of fixing it without receiving any advantage.

**Water quality:** Some individuals express their satisfaction with the current water quality, particularly with the absence of fluoride. They emphasized the importance of maintaining the same water quality.

**Alternatives to combination:** Attendees expressed their desire to explore alternatives to combination such as joint projects through Memorandums of Understanding (MOUs) or Joint Powers Authorities (JPAs) instead of a full combination.

**The cost of inaction:** Concerns are expressed about future water reliability and cost if the combination does not proceed. The boards and general managers are commended for their efforts, and attendees are encouraged to consider the benefits of moving forward.

**Previous consolidation talks and water rights:** The past experience of potential consolidation with other districts is mentioned, highlighting concerns about losing water rights. The possibility of CWD annexing SSWD is suggested, and the idea of a combination of equals is discussed.

**Employee contracts:** The potential combination raises questions about the voiding of current contracts and the need to rewrite them. Attendees seek clarity on this matter.

**Concerns about rate increases:** Some attendees expressed their opposition to the combination, citing fears of potential water rate increases. They expressed satisfaction with the current services provided by CWD and question the need for a combination.

**Potential cost savings:** Attendees questioned whether proceeding with the combination would result in unnecessary expenses and suggested that savings could be achieved by not merging.

**Data to support increased efficiency:** Attendees inquired about the efficiency data that would result from the combination. They expect that merging the districts should lead to increased efficiency, but they seek clarification on specific data regarding the anticipated efficiencies.

**Influence on the State Water Board:** Attendees expressed frustration with the State Water Control Board (SWB) and suggested that instead of combining, efforts should be made to have someone fight for their interests at the political level.

**Decision-making process and community input:** Attendees inquired about who ultimately makes the final decision regarding the combination and whether there will be a vote by the community. They expressed a desire for greater involvement.

**Timeline for future steps:** Attendees inquired about the approximate timeline for steps 3, 4, and 5 of the process, seeking clarity on the timeline for further stages of combination talks.

**Opposition to the combination:** Some individuals expressed their opposition to the combination and inquired about any CWD board members who are in opposition.

**Considering the bigger picture:** One attendee emphasized the importance of taking a long-term perspective, looking ahead 15 years, and considering the implications for rates and pay in the future.

**Appreciating the process:** Some individuals acknowledged that they entered the meeting without preconceived notions and appreciated that it is the first step in a long process. They expressed willingness to absorb the information and pass it along to others.

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## Carmichael Water District Workshop: Detailed Discussion Points

One attendee expressed concern about representation in the water district, as CWD residents make up only 17 percent but would have only one board member. She emphasized that CWD has a lot to offer in the deal.

- Director Emerson agreed with her concern about the dissolution of representation.
- Mr. Henriquez from LAFCo discussed different ways of addressing the representation issue in the short and mid-term. He suggested expanding the board to include directors from both districts, forming customer advisory groups, and eventually transitioning to board representation based on population.

One attendee asked about the impact of the combination on surface water availability for Carmichael Water District customers.

- The response was that, initially, there would be no decrease in surface water availability as the system would continue to operate as it is. SSWD also has a significant amount of surface water. However, there is a threat to the water supply due to the State Water Board's Water Quality Control Plan.
- Director Nelson clarified that combining the districts would not result in losing water rights, as the State Water Board is responsible for curtailing them. Combining would help in maintaining water rights.

One attendee raised concerns about losing water rights, potential water shortage, and representation issues.

- Director Nelson reassured that water rights would not be lost, and the combination could help meet the demand.

One attendee expressed concerns about the infrastructure of both districts. He wanted to ensure that infrastructure quality was comparable between SSWD and CWD.

- The response was that a technical study could provide more information on infrastructure quality.
- GM Lee mentioned that SSWD is actively working to keep the infrastructure sound.
- GM York highlighted the importance of CIP (Capital Improvement Programs) and mentioned that SSWD has spent millions over the years to ensure the infrastructure's integrity.

One attendee expressed concerns about water quality and the potential impact of the combination on it.

- Director Nelson clarified that the water would be sourced from the same source and mentioned the existence of interties. He also noted that bringing in water from SSWD would not be a simple switch due to differences in water composition.

The board members discussed the possibility of having a larger board with more representation from CWD and the need for rezoning to accommodate the change.

One attendee voiced concerns about loss of control and suggested having a 7-9 member board. He also asked about the legal distinction between being an irrigation district and adopting a county water structure.

- Director Greenwood explained that there are several options, including becoming a public utility district or a community services district. The goal is to determine the most beneficial option.

One attendee commended the boards and GMs for considering the combination. He emphasized the importance of water reliability and cost and asked for more information on rates and water reliability.

One attendee expressed concerns about potential water sales to Southern California and the impact on water rights.

- The response was that the combination would not bring additional water sales to Southern California, and water rights would be protected.

One attendee expressed interest in the issue of money, debt, and revenue, stating that CWD is in a good financial situation with sufficient income for infrastructure upgrades. She suggested that a combination would combine debt and revenues, resulting in a different financial outlook. She emphasized that the choice between integration and accommodation in governance and language would impact financial management.

- GM York clarified that if CWD and SSWD move forward with combination they would not be responsible for paying each other's debts.

One attendee raised concerns about how CWD customers can communicate their opinions if the Board of Directors wants to proceed with the combination, but the public disagrees.

- Director Greenwood assured that there are multiple opportunities for customer communication, such as attending board meetings and 2x2 public meetings.
- Mr. Henriquez from LAFCo explained that the LAFCo process is open, and if the districts decide to proceed with a combination, it would be subject to LAFCo analysis. The law requires that the finance piece remains separate, ensuring that CWD debt is borne only by CWD customers and SSWD debt by SSWD customers.

One attendee asked about the delinquent account percentage for each water district over the past three years, reflecting socioeconomic factors.

- GM Lee mentioned the delinquent rate is very small, around 10 accounts, while GM York stated it is about 1% of total accounts.

One attendee inquired about the top 10 customers in each water district based on water consumption.

- GM Lee listed larger irrigation areas like golf courses, schools, parks, and large residential apartment complexes.
- GM York mentioned McClellan Park, 27 schools, and no golf courses, with Del Paso Golf Course having a private well.

One attendee expressed her satisfaction with CWD's water and the management of the board and district. She opposes the combination, suggesting that the focus should be on resolving issues with the State Water Control Board instead of combining for political power.

- Director Greenwood clarified that the discussions about the combination were not solely due to the drought but also part of an ongoing effort to coordinate and have more clout among the numerous water agencies in the Sacramento region. He emphasized the importance of efficiency, protecting water rights, and listening to customers' concerns in discussions about combination.

One attendee raised a question about who ultimately makes the final decision regarding the combination and whether there will be an actual vote or a ballot to ensure full representation of the people's opinions.

- Director Greenwood responded by stating that the public process will continue, and participants will have the opportunity to participate. He explained that the decision-making authority lies with the boards. If both boards decide to pursue the combination, it will go through another public process involving LAFCo. The final decision rests with LAFCo's approval.

One attendee requested clarification on when residents would have the opportunity to vote.

- Mr. Henriquez from LAFCo explained that different provisions under the law come into play depending on the specific circumstances.
  - In the case of a consolidation, a vote of the constituents is required to form a new district. If the vote fails, the districts remain the same.
  - If there's a reorganization where one district votes to dissolve and another annexes, two different provisions may come into effect:
    - If the board choosing to dissolve does so unanimously, there will be no election.
    - If there is a split vote, an election of registered voters will be conducted.
- He also mentioned that LAFCo has the authority, similar to the Proposition 218 process for rate increases, to waive the election if an insufficient number of votes is received. There is a period during which residents can submit protests, and if a sufficient number of protests are received, an election will be held.

One attendee expressed the need for clarity on where the public vote will take place to ensure that their voices are heard.

- Director Greenwood assured that there are off ramps, implying that, if necessary, the process can be stopped. He emphasized the importance of such meetings for open communication.

One attendee asked if anyone on the Carmichael Water District board opposes the combination.

- Director Nelson stated that no one has taken a position yet.
- The facilitator clarified that the board members are currently engaged in fact-finding, analysis, and gathering information to understand what additional data needs to be presented.

One attendee raised a question about the efficiency data resulting from the combination and its potential benefits.

- Director Emmerson explained that the initial study showed potential for efficiency improvements in various areas such as litigation and staff in a future combination. However, he noted that further technical study is needed to determine if those efficiencies can be achieved

and to provide specific figures. A fiscal analysis is also part of the next step, the "Deeper Dive: Technical analysis."

One attendee asked whether money can be saved by not proceeding with the combination.

One attendee referred to a comment about the existence of 24 different districts and whether there might be a need for further consolidation beyond the combination with SSWD. He expressed concern that as districts combine and become larger, the individual voices of the constituents may diminish.

One attendee, a SSWD customer, expressed her fear of water rates increasing. As a renter for 13 years, she hasn't encountered any water issues.

One attendee discussed the report's discussion on water rights and praised the understanding displayed by the report's authors. He highlighted the challenges of curtailments and the importance of protecting senior water rights. This attendee expressed the need to demonstrate use to avoid scrutiny from the State Water Board. He suggested exploring alternative approaches like MOUs or JPAs for joint projects instead of combining. The attendee emphasized the need for more ASR wells and called for a deeper analysis of the high-level report. He raised questions about the risks of maintaining the status quo, IT system compatibility in a combination, and referenced examples of SMUD's successful combining.

One attendee attributed rising rates to higher-level (state) elected officials and supported collaboration for ratepayer savings. However, he was uncertain about his stance on the combination and questioned whether there would be too many managers in a combined district. Drawing from 15 years of experience in the water industry, he emphasized considering long-term concerns like rates and pay.

One attendee expressed frustration, criticizing elected officials for misusing ratepayer funds and feeling customer concerns were disregarded. She questioned the study's cost and the meeting's purpose, expressing skepticism about combination.

One attendee said he approached the meeting with an open mind, recognizing it as the first step in a lengthy process. He appreciated the positive outcome of the CWD Water Treatment Plant and expressed gratitude for the meeting.

One attendee asked about the timeline for next steps.

- GM Lee said that a joint BOD meeting is tentatively scheduled for July 25 to discuss feedback and potentially decide whether to continue or explore alternatives. The next phase involves technical analysis and addressing additional questions, with a goal of completing the process in the fall.

One attendee requested more information on the mentioned three bills limiting water rights.

- Board member Davis directed the individual to the CWD BOD packet for Tuesday and a Dan Walters article, where the bills are listed.

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**SECTION FOUR:**

**Summary: Key Themes and  
Discussion Points**

**Sacramento Suburban Water District  
Public Information Workshop**

## Summary: Key Themes and Discussion Points

### Sacramento Suburban Water District Public Information Workshop

Wednesday, June 21, 2023, at 6:30 p.m.

Nearly 30 people attended the meeting in person with about 20 online. Most who spoke identified themselves as Sacramento Suburban Water District customers.

Sacramento Suburban Water District Workshop: Major Themes Expressed by Attendees

*The following summary captures the main themes and viewpoints expressed by the public during the Public Information Session hosted by Sacramento Suburban Water District on June 21, 2023. It aims to condense the information while maintaining the essence of the discussions.*

**Water supply reliability:** Questions were raised about how the combination of different water supplies, rights, permits, and distribution systems would affect water supply reliability.

**Contracts and expansion:** Attendees expressed concerns about the impact from combination on contracts with the City of Sacramento and PCWA if they are curtailed, and inquired about the benefits of the combination if the place of use cannot be expanded.

**Surface water rights and diversification:** Attendees discussed the potential benefits for SSWD in gaining surface water rights through the combination with CWD.

**Groundwater accounting and excess water:** Questions were asked about the Groundwater Sustainability Agency (GSA) groundwater accounting system, SSWD's usage percentage, and the possibility of selling excess stored water.

**Financial aspects and consultants:** Concerns were raised about the role of consultants and corporations profiting from the project. Attendees requested that financial information and details of consultant fees be made available online. There were also concerns about potential layoffs and benefit cuts for employees.

**Debt and combination:** Questions were asked about the current debt of each water district and how the debt would be addressed in the event of a combination.

**Cost concerns and rate increases:** Concerns were expressed about the cost of studies, potential rate increases, and temporary short-term increases becoming permanent.

**Liability and contamination:** Attendees inquired about liability issues related to contamination potentially infiltrating wells in Carmichael Water District and whether such liabilities have been addressed.

**Cost reductions:** Questions were raised about how costs would go down with the combination.

**Public vote on the decision:** Concerns were raised regarding whether the decision on the combination or reorganization of the districts would go to a public vote.

**Weighted vote and transparency:** Concerns were raised about the concept of a weighted vote, and attendees expressed the need for clear explanations regarding this voting system.

**Satisfaction with the status quo:** An attendee expressed satisfaction with the current state of their water district and a desire to maintain the status quo.

**Support for combination and outreach:** Some attendees expressed support for the combination and suggested outreach to other jurisdictions, including recreation and park districts. Continued outreach to the public was also encouraged.

**Support for combination but frustration with process:** Attendees expressed support for the combination but voiced frustration over the lengthy process involved with LAFCo.

**Support with careful execution:** One attendee supported the consolidation effort but emphasized the importance of careful execution, appreciating the opportunity for customer input.

**Layperson-friendly information:** Attendees requested more layperson-friendly information in future reports and studies to help customers understand how water supply reliability could be enhanced.

**Impact on incorporation efforts:** Attendees questioned how the combination of water districts would affect the incorporation efforts of Arden Arcade or Carmichael as cities.

**Discussions with Del Paso Manor Water District:** Attendees inquired about discussions with Del Paso Manor Water District regarding the combination, particularly considering its infrastructure issues.

**Water pressure for fire protection:** An attendee asked which water district, SSWD or CWD, has better water pressure for fire protection.

## Sacramento Suburban Water District Workshop: Detailed Discussion Points

One attendee asked: How would the combination of water districts impact the incorporation efforts of Arden Arcade or Carmichael as cities?

- Mr. Henriquez from LAFCo said it shouldn't have a direct impact on incorporation efforts. When communities apply for incorporation, they specify to the LAFCo (Local Agency Formation Commission) the services the new city would provide. If either Arden Arcade or Carmichael were to incorporate, they would need to indicate whether they want to take over water service and provide a business plan for it. They would also need to describe how it would affect the existing water provider. If the impact is deemed detrimental, LAFCo could deny the new city from providing water service. In some cases, new cities choose not to provide water service either because they are satisfied with the existing service or due to financial constraints.

One attendee asked whether the decision on combination or reorganization of the districts would go to a public vote.

- Mr. Henriquez from LAFCo said it depends on the option the districts choose, either consolidation or reorganization.
  - In the case of a consolidation, a vote of the constituents is required to form a new district. If the vote fails, the districts remain the same.
  - If there's a reorganization where one district votes to dissolve and another annexes, two different provisions may come into effect:
    - If the board choosing to dissolve does so unanimously, there will be no election.
    - If there is a split vote, an election of registered voters will be conducted.

One attendee asked if there have been discussions with Del Paso Manor Water District about combination, considering its significant infrastructure issues.

- Director Locke answered that SSWD is engaged in discussions regarding the Del Paso Manor Water District (DPMWD). DPMWD serves as an example of the challenges faced by small districts. To have essential positions like Human Resources and a Safety Officer, a district needs to reach a certain size. DPMWD demonstrates that it lacks a sufficient rate base to support such positions. If a combination study with DPMWD takes place, the costs of improving facilities and addressing debts would be shouldered by DPMWD's customers. However, in the long term, these costs would not persist indefinitely. An analogy is provided with the merger of Northridge and Arden Arcade, where the improvements in Arden Arcade were not funded by Northridge ratepayers. These considerations align with LAFCo regulations.

One attendee asked how the combination of different water supplies, rights, permits, and distribution systems would affect the water supply reliability.

- GM York answered that in the event of a combination, CWD could become another service area, alongside SSWD's existing four service areas. Interconnections between the different districts' infrastructure are already in place, allowing for the transfer of water between them.
- GM Lee added that any use of excess water rights would still need to go through the State Water Board, which involves a lengthy process and requires further evaluation.

One attendee asked, in the context of expanding the place of use, and noting that SSWD currently has contracts in place with City of Sacramento and PCWA: What happens when those

contracts are curtailed? Also, if SSWD is unable to expand the place of use, what benefits can still be derived from the combination of water districts?

- GM York answered that SSWD has contracts with both the City of Sacramento and PCWA for water supplies. These contracts are in effect during wet years. However, during dry years, SSWD relies on groundwater supplies. The PCWA contracts are valid until 2045, and SSWD has a longer-term Warren Act contract extended to the same year. SSWD also can pursue an extension of the PCWA contract and place of use. While this process is lengthy and costly, SSWD would work on it promptly. In the event that the request is denied, SSWD would seek guidance from legal counsel.
- Director Locke noted that the State actively promotes the combination of water districts. Also, the initial study provides an analysis of water rights and addresses related questions.

One attendee asked why the Finance Director was not present at the meeting to answer financial questions. Also, she expressed concerns about consultants and corporations profiting from the project and requested that this information is made available online. She also asked about potential layoffs, benefit cuts, and the cost of consultants.

One attendee asked about the current debt of each water district, and how the debt would be addressed in the event of a combination.

- GM York expressed that this would be a Board of Directors decision in the future. The resolution to combine would say that debt stays separate so keep billing separate. LAFCO would also have to approve.

One attendee noted that the initial study says that expenses will rise in the short term. She expressed satisfaction with the current state of SSWD, praising its good service, customer service, and the quality of the water. They expressed a desire to maintain the status quo.

One attendee expressed support for the combination and suggested outreach to other jurisdictions. He also supported continued outreach to the public and other entities like recreation and park districts, Metro Fire, and the city of Citrus Heights during this process.

One attendee expressed that studies like this are costly and lead to rate increases. They expressed concern about short-term temporary increases noted in the initial study becoming permanent.

One attendee asked about liability from contamination going under the American River and infiltrating wells of Carmichael Water District, asking what liability may that cause or has that been remedied?

- GM Lee explained that responsible parties have been identified and are responsible for cleaning up the contamination. The impacts on groundwater are being addressed, but the costs associated with the cleanup would not be reflected in the rates.

One attendee asked how the costs will go down if the water districts combine, saying that her Carmichael Water District bills have only increased over time. With ongoing construction in

Carmichael, how can we expect the price of services to decrease? She also asked, in the context of water conservation, where do you see excess water in Carmichael Water District?

- Director Locke explained that the Sacramento County housing element promotes higher density housing, which is not directly related to water availability. However, combining the water districts can increase water supply reliability. During wet years, Carmichael Water District may not utilize all its water rights, while SSWD has extra capacity in its wells during dry years. By operating as one district, it becomes easier to share resources and balance water supply across the broader community.
- GM York explained that one of the decisions the Board of Directors will have to make is determining the rates after the combination. They will consider whether to keep each district's rates as they are or establish uniform rates. CWD's meter size is currently 1 inch, while SSWD's is  $\frac{3}{4}$  inch. There is an opportunity for CWD to reduce its meter size to  $\frac{3}{4}$  inch.
- Director Locke also said the statewide message to promote water efficiency and reduce waste. While the current focus is on conservation, there is still an abundance of water available. The aim is for society as a whole to become more efficient with water usage.
- The facilitator noted that state policy requires water agencies to become more efficient, which includes customers of water agencies. It is not an optional measure but a mandated requirement by the state.

One attendee expressed concerns about the consolidation of districts, drawing parallels with previous instances where power was taken away from the community. They also mentioned water storage and refer to certain legislation. Will the district need to borrow more money for the consolidation?

One attendee asked which water district, SSWD or CWD, has better water pressure for fire protection.

- GM York said that both SSWD and CWD meet the standards for fire flow and provide adequate water pressure for fire protection.

One attendee asked for an explanation of the Groundwater Sustainability Agency (GSA) groundwater accounting system and the percentage SSWD uses each year. Are you using all of your allotment? He also asked if SSWD can sell the excess water that is stored each year.

- GM York explained that SSWD used to produce 45,000 acre-feet of groundwater before the 2015 drought, but it has since reduced to 32,000 acre-feet. The conjunctive use approach involves using groundwater in dry years and using surface water in wet years. The groundwater levels have shown a recovery with conjunctive use.
- GM York also explained that SSWD engages in a practice called groundwater banking, where they store excess water in the basin. While they can transfer and sell water, they cannot sell all of the stored water. However, by transferring water and earning revenues from it, they can reduce the burden on ratepayers.

One attendee asked if the benefits for SSWD is to gain surface water rights through the combination with CWD.

- GM York explained that there are benefits for both agencies in the combination. He emphasized the importance of investing in infrastructure and looking ahead to ensure water supply reliability for the next 20 years and beyond. He highlighted the significant increase in costs for

infrastructure projects over time, mentioning that the cost of Arcade's initial mile of pipeline replacement was \$500,000, but the current cost for a similar project is \$3.2 million. Similarly, a new well in 2018 cost \$2 million, but the present cost has risen to \$8 million to \$10 million. He noted that SSWD has done an excellent job reducing debt while investing in pipeline replacement.

- Director Locke also mentioned that SSWD follows a pay-as-you-go approach, minimizing debt and spreading resources to help guarantee a reliable water supply for the community.
- GM Lee added that CWD's infrastructure dates back to 1916, and there is a need to replace and upgrade it. The shift from groundwater to surface water is aimed at preserving surface water rights and giving the groundwater basin a rest.

One attendee noted that CWD is using fewer groundwater wells than they used to while the state is cutting access to surface water supplies.

- GM Lee clarified that during droughts, when curtailed, CWD relies on groundwater wells and purchases surface water when available. To ensure reliable water supplies for customers, they are investing in new wells and securing grants for infrastructure improvements. The new well at Garfield and Engle is fully grant-funded, and it will contribute to the long-term water supply reliability, particularly in the face of climate change and more frequent droughts. The water treatment plant's flow rate declines during droughts as customers are asked to conserve water.

One attendee asked about a weighted vote and expressed that everyone should know what a weighted vote is.

One attendee noted that, as a long-time ratepayer, has seen the evolution of SSWD. He expressed support the attempt to combine with CWD, saying that it is an opportunity to access surface water, which SSWD currently lacks. With increasing state restrictions on groundwater use and emerging contaminants like PFAS, it is crucial to diversify our water sources. He added that he doesn't expect his rates to decrease or remain the same, as costs tend to rise. However, his concern is the lengthy process involved with LAFCo. He is in favor of the combination but frustrated by the potential delay.

- Mr. Henriquez from LAFCo said that LAFCo takes time to ensure that boundary changes are implemented in a cost-efficient manner without negatively impacting customers. The process can take around a year, but the preparedness of the entities involved can expedite it. Both SSWD and CWD are being thorough in their approach, which will reduce the application cost and streamline the process. The reason for their methodical approach is to inform the public and gather feedback. It's important to note that the consolidation is not a done deal yet, but if the decision to proceed is made, they are well-prepared to present a fully developed application to LAFCo, which will significantly reduce the timeline.

One attendee said that, after reviewing the report and hearing different opinions, they support the consolidation effort but emphasized the need for careful execution. Thank you for listening to customers' input.

One attendee said that the water supply reliability information in the initial study mentioned tonight is informative but not easily understood. If the consolidation moves forward, it would be

beneficial to include more layperson-friendly information in future reports and studies to help customers understand how water supply reliability would improve for both districts.

One attendee asked whether it is possible to obtain a copy of tonight's presentation.

- GM York said it will be posted online for public access.
- GM York remarked that the Boards of Directors have prioritized transparency and encourage public participation in the 2x2 meetings. These meetings involve two members from each district and serve as a platform to share information and ensure accountability.

One attendee asked if there is a representative on LAFCo for the unincorporated area of the county and cities and whether one of the special district representatives is up for election.

- Mr. Henriquez from LAFCo said that the LAFCo composition consists of two county supervisors, two members of the city council representing the seven cities, two directors for special districts, and one member from the public at large. And, yes, the seat for the Harold Protection Fire District representative is up for election.

One attendee requested that districts make the detailed financial statements for the contracts undertaken in the past five years available online, including the amount of money paid to consultants. Additionally, she requested that the districts reduce reliance on consultants.

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**SECTION FIVE:**

**Summary: Key Themes and  
Discussion Points  
Additional Feedback from Other  
Avenues**

## Summary: Key Themes and Discussion Points

### Additional Feedback from Other Outreach Avenues

Major Themes Expressed in “Other” Comments:

*The following summary captures the main themes and viewpoints expressed by the public in comments via direct email, social media (Facebook and NextDoor) and other avenues provided September 2021 through June 2023. It aims to condense the information while maintaining the essence of the discussions.*

**Opposition to Fluoridation:** Several individuals expressed their opposition to combining the SSWD and CWD due to concerns about fluoridating water.

**Water Quality and Hardness:** Customers discussed the quality of water from both SSWD and CWD. While some mentioned that SSWD water is hard, others expressed dissatisfaction with the water quality in CWD, citing issues with mineral deposits damaging appliances and a preference for unfluoridated water.

**Combination Process and Public Input:** Questions were raised about the decision-making process for the potential combination, including whether there would be a district-wide vote and how public input would be considered. There was an expressed desire for more information, transparency, and opportunities to provide feedback.

**Infrastructure, Efficiency, and Rates:** Comments touched on the potential benefits and concerns regarding combining the two districts, including infrastructure consolidation, efficiency improvements, and potential rate changes. There was an expressed interest in understanding the financial aspects of the combination, including employee salaries and benefits, consultant costs, and potential temporary rate increases.

**Water Supply Reliability and Regulations:** There was an expressed concern about future water rates, supply reliability, infrastructure replacement, and water quality regulations. While fluoride was discussed, the focus was more on regulatory aspects rather than the specific issue of fluoridation.

**Support for Combination:** Several individuals voiced support for the combination, citing the potential for improved infrastructure maintenance and upgrades, particularly in areas reliant solely on groundwater. They expressed a belief that a larger water district could better address challenges posed by drought and climate change.

**APPENDIX:**

**Outreach Activities to Date and  
Planned**

*As of August 2, 2023*

## Outreach Activities to Date and Planned

*As of August 2, 2023*

### **Both Carmichael Water District and Sacramento Suburban Water District**

#### **Board of Directors and 2x2 Meetings**

- Public updates at Board meetings and through the CWD-SSWD 2x2 committee since July 2021
- Draft PowerPoint/summary of initial study delivered to SSWD and CWD on September 14, 2022
- Full draft study provided to SSWD and CWD on September 23, 2022
- Draft study delivered to the public via the 2x2 meeting on October 13, 2022
- Study accepted with amendments at the 2x2 meeting on February 8, 2023
- Vote to move forward with discussions and host public information workshops at a joint CWD-SSWD board meeting on April 10, 2023

#### **Foundational Materials**

- Created comprehensive CWD-SSWD stakeholder list for outreach to elected officials, business groups, neighboring and partnering water providers, homeowners associations and others.
- Created fact sheets, messages and materials to communicate with the public about combination discussions, including:
  - **Postcard for the public information sessions:** Invites the public to an information session to learn about combination discussions and the findings of the initial study, ask questions and provide input.
  - **Road map/milestones for the outreach process:** Outlines the steps and overall approach for the public outreach/engagement process.
  - **Summary: Exploring the Combination of CWD and SSWD:** Provides a one-page document highlighting the opportunities, process, and ways to learn more.
  - **Fact Sheet: Perceived Advantages and Disadvantages to Combination:** Highlights perceived advantages and disadvantages to combination.
  - **Overview: About the Combination Study and Process:** Provides an overview of why the districts are discussing combination, activities to date and how the public can learn more.
  - **Fact Sheet: Study: A Business Case for a Potential Combination:** Provides an overview of the initial study findings and seeks to anticipate/answer likely questions.
  - **Map of voting divisions:** Shows the CWD and SSWD service areas and divisions for the Boards of Directors.
  - **Comment Sheet:** Invites the public to provide written comments on combination discussions.
  - **Key messages (external/internal audiences and on special topics):** Provides a concise means for communicating the status of combination discussions; addresses frequently asked questions about fluoride.
  - **PowerPoint presentation** for the Public Information Workshops.

## **Additional Outreach: Sacramento Suburban Water District**

### **External Communications**

- Website updated/link added to home page—central location for all audiences to find information.
- Included in fall 2022 newsletter mailed September 15, 2022.
- Slide included at the monitor during Open House on October 6, 2022.
- Direct mail postcard with QR code mailed to 45,000 SSWD customers (property owners) received on/about October 7, 2022.
- Advertising on Facebook and the Google Display Network began the week of October 10, 2022 and ended on October 30<sup>th</sup> on Facebook and on November 10<sup>th</sup> on the Google Display Network.
- Included in bill inserts for October and November 2022.
- Slide included on the Customer Service monitor PowerPoint starting in October 2022.
- SSWD posted to Facebook page on October 13, 2022.
- Outreach to SSWD stakeholders with postcard distributed electronically on/about October 20, 2022.
- July 2023: Bill insert article.

### **SSWD Staff Outreach**

- Employee Meeting/staff update on study on July 20, 2022, and August 17, 2022.
- Internal information hub for information and questions created/Dan emailed link to staff on September 15, 2022.
- Employee Meeting/staff update on study and internal hub/answer questions on September 21, 2022.
- Internal key messages and Frequently Asked Questions provided to SSWD staff and Board members.
- Update at Managers Meeting with distribution of key messages on October 18, 2022.
- Email from the GM to SSWD team, inviting questions and providing link to key messages and FAQs on October 19, 2022.
- Employee Meeting/staff update on study on March 1, 2023.
- Employee Meeting/staff update and presentation on July 6, 2023.

## **Additional Outreach: Carmichael Water District**

### **External Communications**

- Website updated/link added to home page—central location for all audiences to find information.
- Article in May 2023 bill insert.
- Information article in May 19, 2023, Carmichael Times newspaper.

### **CWD Staff Outreach**

- Employee Meeting/staff update on study and Q&A with GM on October 14, 2022.
- The SSWD General Manager attended a Carmichael Water District staff meeting to discuss his experience with consolidations on October 31, 2022.
- Employee Meeting/staff update and Q&A with two CWD Directors on April 21, 2023.

- Internal information hub created for staff members to submit questions.
- Employee Meeting and Q&A opportunity with two CWD Directors on June 23, 2023.

### **Promotion for Public Information Workshops**

#### **Outreach Activities:**

- Press release distributed to media outlets May 11 (early deadlines) and June 5.
- CWD postcard received in mailboxes on May 17.
- Letter to HOAs/Neighborhood Associations into the mail on May 18.
- Outreach to elected officials and other influencers on the stakeholder list starting May 22 (ongoing).
- SSWD postcard received in mailboxes on May 24.
- Outreach via existing CWD and SSWD communication channels, including websites, bill inserts bill messages, etc. in May and June.
- Social media post and monitoring (ongoing) and outreach May 18.
- Digital Advertising (Facebook and news/weather sites via the Google Display Network) May 27-June 21.
- Print ads in Carmichael Times and Arden-Carmichael News on June 9 (both workshops).
- Print ad in Carmichael Times on June 16 (SSWD only).

#### **Note: Mailing List for Postcard**

- *SSWD's list included approximately 81,200 landlords, tenants, and apartment/mobile home residents by individual unit.*
- *CWD's list included 10,887 owners, landlords, tenants, multi-family and commercial accounts.*

#### **Public Information Workshops:**

- Carmichael Water District: Thursday, June 15, 2023, at 6:30 p.m.
- Sacramento Suburban Water District: Wednesday, June 21, 2023, at 6:30 p.m.

#### **Media and Public Exposure Secured:**

- May 18: Carmichael Times story on upcoming information sessions.
- May 19 and June 21: Carmichael Creek Neighborhood Association email to members.
- May 23: Advocates for Arden-Arcade email to members.
- June 13: Email from Supervisor Rich Desmond to constituents.
- June 15: KCRA (interview with CWD Director Jeff Nelson).
- June 13 and 21: NextDoor: Customer post promoting information session.
- June 21: Carmichael Times coverage of CWD information session.
- July Issue: Inside Arden mention of workshops.

#### **Stakeholder Briefings:**

- April 30: Carmichael Colony Neighborhood Association Annual Meeting: CWD invited the public to upcoming workshops.
- May 30: LAFCO Special Districts Advisory Committee: SSWD provided an overview and current status of the CWD-SSWD Combination discussions.

- June 13, 10 a.m.: SSWD presentation to the Women’s Group at the St. Mark’s United Methodist Church in Sacramento).
- July 13: SSWD briefing for Sacramento City Councilmember Lisa Kaplan.
- July 14: CWD-SSWD briefing for Assemblymember Josh Hoover.
- July 18: CWD-SSWD briefing with McClellan Park.
- July 19: Presentation to the Carmichael Kiwanis Club.
- July 26: CWD-SSWD briefing for Assemblymember Kevin McCarty.
- July 26: CWD-SSWD briefing for Supervisor Sacramento Supervisor Sue Frost.
- August 8: CWD-SSWD briefing scheduled for Assemblymember Roger Niello.

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**APPENDIX:**

**Samples of Media and Public  
Outreach Materials Developed**





7837 Fair Oaks Blvd  
Carmichael, CA 95608

### PUBLIC INFORMATION WORKSHOP

THURSDAY, JUNE 15, 2023, AT 6:30 P.M.

Carmichael Water District Boardroom  
7837 Fair Oaks Blvd.  
Carmichael, CA 95608

*A virtual option will also be available*

Visit [carmichaelwd.org](http://carmichaelwd.org) to find:

- A copy of the study
- Fact sheet and Frequently Asked Questions
- Details about the upcoming Public Information Workshop, including access for a virtual option



(916) 483-2452  
mail@carmichaelwd.org  
carmichaelwd.org

← Scan the QR code with the camera app on your phone.

**YOU'RE INVITED!**

Public Information Workshop Exploring a Study on Potential Combination with Sacramento Suburban Water District

Thursday, June 15, 2023, at 6:30 p.m.

Carmichael Water District (CWD) and Sacramento Suburban Water District (SSWD) are considering the results of a new study exploring combination opportunities between the two districts.

The study, which was conducted by an independent consulting firm, explores how combining the two neighboring water utilities might improve efficiencies, reduce costs, increase water supply reliability, and enhance customer service.

We invite you to learn more about the study's findings, ask questions and provide input during a public workshop hosted by Carmichael Water District.

*See next side for details.*



3701 Marconi Ave #100  
Sacramento, CA 95821

### PUBLIC INFORMATION WORKSHOP

WEDNESDAY, JUNE 21, 2023, AT 6:30 P.M.

Sacramento Suburban Water District Boardroom  
3701 Marconi Ave.  
Sacramento, CA 95821

*A virtual option will also be available*

Visit [sswd.org](http://sswd.org) to find:

- A copy of the study
- Fact sheet and Frequently Asked Questions
- Details about the upcoming Public Information Workshop, including access for a virtual option



916.972.7171  
feedback@sswd.org  
sswd.org

← Scan the QR code with the camera app on your phone.

**YOU'RE INVITED!**

Public Information Workshop Exploring a Study on Potential Combination with Carmichael Water District

Wednesday, June 21, 2023, at 6:30 p.m.

Carmichael Water District (CWD) and Sacramento Suburban Water District (SSWD) are considering the results of a new study exploring combination opportunities between the two districts.

The study, which was conducted by an independent consulting firm, explores how combining the two neighboring water utilities might improve efficiencies, reduce costs, increase water supply reliability, and enhance customer service.

We invite you to learn more about the study's findings, ask questions and provide input during a public workshop hosted by Sacramento Suburban Water District.

*See next side for details.*

# WATER DISTRICT COMBINATION STUDY

- ▶ Improve Efficiencies
- ▶ Reduce Costs
- ▶ Increase Water Supply Reliability
- ▶ Enhance Customer Service



84°  
5:17

MAY 19, 2023

## Water Districts Explore Combination Study

### SSWD Staff

**CARMICHAEL, CA (MPG)** - The public is invited to learn about a recent study exploring combination opportunities between Carmichael Water District (CWD) and Sacramento Suburban Water District (SSWD). The study, initiated in 2022, was conducted by an independent consulting firm and explores how combining the two neighboring water utilities might improve efficiencies, reduce costs, increase water supply reliability and enhance customer service.

Workshops provide opportunities for customers to hear a briefing on study results, ask questions and provide initial feedback. Two public meetings are scheduled for June with both in-person and virtual options available:

#### BACKGROUND

**The Opportunities:** The goal in examining combination is to see how merging the two districts might encourage efficiencies, reduce costs, improve water supply reliability, and enhance customer service.

**The Threats:** The water industry and local communities are facing several changes and challenges, including the

projected impacts of climate change on water supplies and increasing regulations that will potentially make it difficult to keep rates affordable.

**The Process:** The CWD and SSWD Boards commissioned a study by an independent consulting firm to provide an initial look at the potential benefits and disadvantages to combination.

After a comprehensive public review, the boards accepted the initial study. In doing so, Board members signaled that the initial study offered many potential benefits that should continue to be explored and uncovered no fundamental flaws that should stop discussions. The Boards also requested staff to undertake additional technical analysis that further reviews and defines potential governance structures, water rights assurances, administration, operations, cost savings and other topics.

#### More information

Detailed information is available online on the CWD website at [carmichaelwd.org](http://carmichaelwd.org) and SSWD website at [sswd.org](http://sswd.org), including:

The initial study, *Business Case for a Potential Combination*; Fact sheets and Frequently Asked Questions about combination discussions and the initial study. ★

**Thursday, June 15, 2023, at 6:30 P.M.**

**Hosted by Carmichael Water District**

CWD Boardroom  
7837 Fair Oaks Blvd.,  
Carmichael, CA 95608

Info: (916) 483-2452 or [mail@carmichaelwd.org](mailto:mail@carmichaelwd.org)  
[carmichaelwd.org](http://carmichaelwd.org)

**Wednesday, June 21, 2023, at 6:30 P.M.**

**Hosted by Sacramento Suburban Water District**

SSWD Boardroom  
3701 Marconi Ave., Sacramento, CA 95821

Info: 916.972.7171 or [feedback@sswd.org](mailto:feedback@sswd.org)  
[sswd.org](http://sswd.org)

# County Fair

Continued from page 3



Additionally, there was one section full of reptiles...turtles, snakes, iguanas and lizards of all shapes and sizes.

Want to hold an alligator?

Yep, there was also a live alligator.

In this discussion about animals, be sure to stop by the livestock barns and talk to the 4-H and Future Farmers of America kids. They are knowledgeable



## Public Information Workshops on Combination Study

Please join us for a special workshop exploring a study on a potential combination of Sacramento Suburban Water District and Carmichael Water District.

Visit [carmichaelwd.org](http://carmichaelwd.org) or [sswd.org](http://sswd.org) to find out how to attend.

**THURSDAY, JUNE 15<sup>TH</sup> 6:30 P.M.**

CWD Boardroom  
7837 Fair Oaks Blvd.  
Carmichael, CA 95608



**WEDNESDAY, JUNE 21<sup>ST</sup> 6:30 P.M.**

SSWD Boardroom  
3701 Marconi Ave.  
Sacramento, CA 95821



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**Sacramento Suburban Water District**

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Please join us on June 15th o... See more

## Please Join Us at the June Workshops



## Public Information Workshops on Combination Study

**THURSDAY, JUNE 15<sup>TH</sup>  
AND WEDNESDAY, JUNE 21<sup>ST</sup>  
6:30 P.M.**

[sswd.org](http://sswd.org)

**Please Join Us at the June Workshops**

[Learn more](#)



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Friends



Watch



Marketplace



Notifications



Menu



## SUMMARY

# Exploring the Combination of Carmichael Water District and Sacramento Suburban Water District

Carmichael Water District (CWD) and Sacramento Suburban Water District (SSWD) are exploring the potential to combine the two neighboring water utilities.

### The Opportunities

The goal in examining combination is to see how merging the two districts might encourage efficiencies, reduce costs, improve water supply reliability, and enhance customer service.



### The Threats

The water industry and our communities are facing several changes and challenges, including the projected impacts of climate change on water supplies and increasing regulations that will potentially make it difficult to keep rates affordable.



### The Process

The CWD and SSWD Boards commissioned a study by an independent consulting firm to provide an initial look at the potential benefits and disadvantages to combination.

After a comprehensive public review, the Boards accepted the initial study. In doing so, Board members signaled that the initial study offered many potential benefits that should continue to be explored and uncovered no fundamental flaws that should stop discussions. The Boards also requested staff to undertake additional technical analysis that further reviews and defines potential governance structures, water rights assurances, administration, operations, cost savings and other topics.



### Learn More

Detailed information is available online on the CWD website at [carmichaelwd.org](http://carmichaelwd.org) and SSWD website at [sswd.org](http://sswd.org), including:

- The initial study, "Business Case for a Potential Combination"
- Fact sheets and Frequently Asked Questions about combination discussions and the initial study
- Public information workshops exploring combination discussions that provide opportunities for the public to ask questions and offer input



Learn more about the CWD-SSWD combination discussions on the CWD website at [carmichaelwd.org](http://carmichaelwd.org) and SSWD website at [sswd.org](http://sswd.org).

- **Higher levels of customer service**, allowing more specialization of staff, greater levels of scale efficiency, and perhaps new or expanded services.
- **More rate and financial stability** with a larger and more stable supply of water resources, a broader customer base, and an improved ability to address changes in operating conditions brought on by water resource challenges, staffing shortages, and inflation.
- **Upward mobility for staff** at a larger organization will create more opportunities for staff increasing staff retention and attracting a wider base of potential candidates.
- **Transparent and public process** with LAFCo and SSWD history of success.



### Potential Disadvantages to Combination

- **A perceived loss of local control and the dilution of representation:** A combined entity would have Board members representing a larger number of constituents, assuming the Board is the same size as the current Boards.
- **More bureaucracy that could come with a larger organization:** Sound leadership will need to ensure scale efficiency is created while avoiding the pitfalls of a larger organization.
- **Adapting to changes can be challenging for staff:** This will require attention and management effort to effectively navigate and thoughtfully consider as a new organization takes shape.
- **Challenges to combining existing water resources:** The current regulatory framework may make it difficult to combine water resources and maximize their utilization and efficiency. Political and environmental needs and could even invite some challenges to current arrangements.



CWD and SSWD are continuing to consider initial study findings and are conducting additional technical analysis to further review and define potential governance structures, water rights assurances, administration, operations, cost savings and other topics.




**FACTSHEET**  
**Perceived Advantages and Disadvantages to Combination**



on the CWD website at [carmichaelwd.org](http://carmichaelwd.org) and SSWD website at [sswd.org](http://sswd.org).

Carmichael Water District (CWD) and Sacramento Suburban Water District (SSWD) are currently exploring combination opportunities. The goal is to examine how combining neighboring water utilities might encourage efficiencies, reduce costs, improve water supply reliability, and enhance customer service.

The following are potential advantages and disadvantages of combination, as outlined in Section 8 of the study by an independent financial consulting firm. The study explores trends in the water industry and community, such as changing water demand, pressure to keep rates affordable, regulatory change, water supply reliability, and expansion to meet regional needs, and the feasibility for addressing those trends through combination.

The full study, "A Business Case for a Potential Combination," is available at [sswd.org](http://sswd.org) and [carmichaelwd.org](http://carmichaelwd.org).

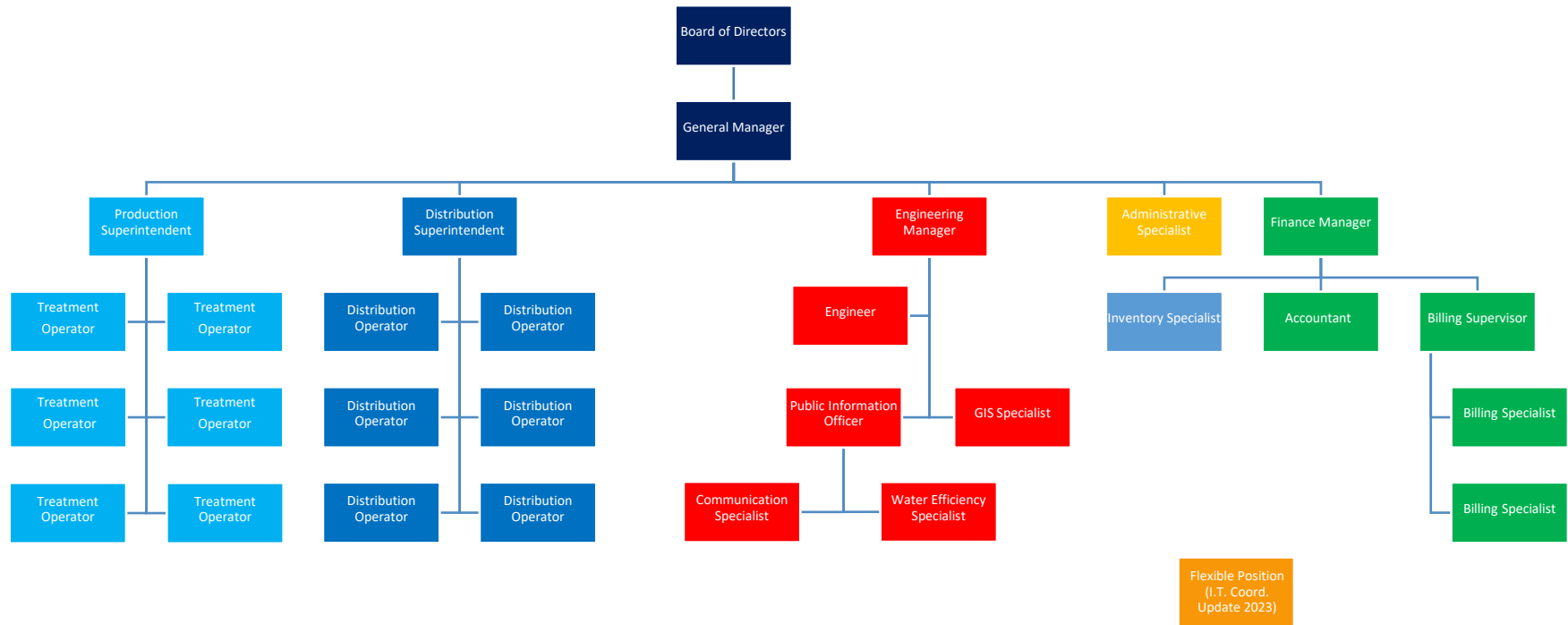
### Potential Advantages to Combination

- **Ability to achieve greater scale efficiencies through a larger organization:** Each organization has different areas of strengths and expertise and combining the two entities could provide efficiencies if resources are used strategically.
- **Greater water resource sharing and utilization:** CWD possesses numerous surface water supplies and groundwater wells. CWD also has access to additional surface water supplies that it has not yet fully activated. SSWD obtains its water supplies from groundwater extraction and surface water supplies delivered under contracts with neighboring water agencies. All of these supplies could be integrated to maximize benefit for both districts through a combination effort.
- **Greater political advocacy:** A larger organization that covers a broader service area will likely be able to increase its political advocacy in the region, helping it protect resources and ensure customer needs are represented.



Learn more about the CWD-SSWD combination discussions: on the CWD website at [carmichaelwd.org](http://carmichaelwd.org) and SSWD website at [sswd.org](http://sswd.org).

# Carmichael Water District Organizational Structure



**CARMICHAEL WATER DISTRICT**  
**Directors' Policy Manual**

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**POLICY #      POLICY TITLE**

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9040	Committees of the Board of Directors
9050	Membership Association List – Advisory Body Meetings
9060	Directors' Compensation and Expense Reimbursement

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**SERIES 9300 -- POLICIES**

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9310	Adoption/Amendment of Policies
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**SERIES 9400 -- BOARD MEETINGS**

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9460	Minutes of Board Meetings

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**CARMICHAEL WATER DISTRICT**  
**Policy Manual**

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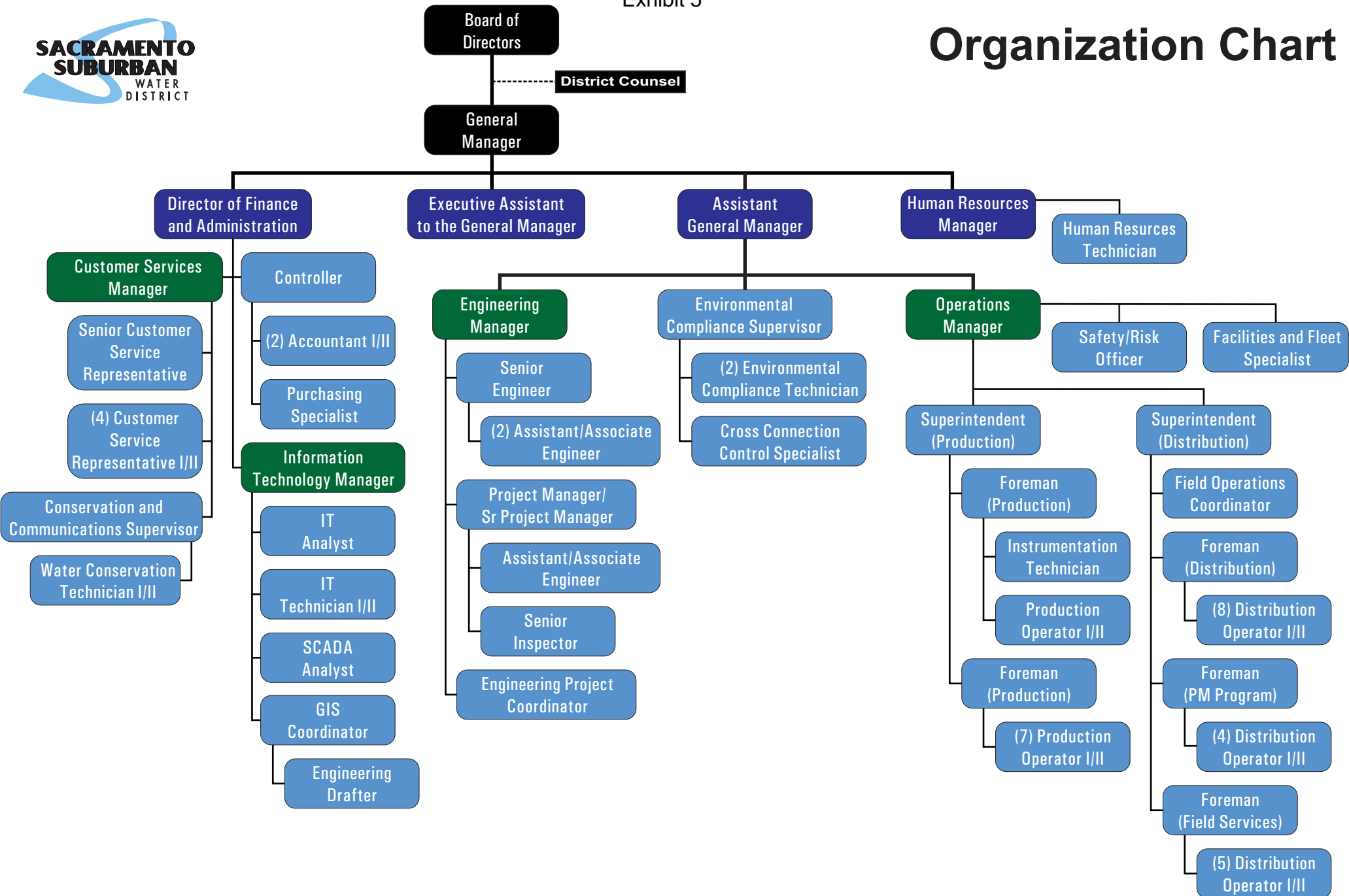
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# Organization Chart



## SSWD Administrative Office

3701 Marconi Avenue, Suite 100 | Sacramento, CA 95821-5346

Phone: 916.972.7171 | Fax: 916.972.7639

Office Hours: 8:00 a.m. to 4:30 p.m. Monday-Friday

Web site: [sswd.org](http://sswd.org)

## Exhibit 6

### **Policies** Table of Contents

#### **1. Administration (PL - Adm)**

PL - Adm 001	Regulations Governing Water Service (bound separately)
PL - Adm 002	Records Management Storage Policy
PL - Adm 003	Disposing of Surplus District Real Property, Vehicles and Large Equipment and Other Personal Property Policy
PL - Adm 004	Legislative Response Policy
PL - Adm 005	Environmental Sustainability Policy
PL - Adm 006	Workplace Dishonesty Policy
PL - Adm 007	Claims Processing Policy
PL – Adm 008	Communication and Team Building Policy

#### **2. Board of Directors (PL - BOD)**

PL - BOD 001	Strategic Plan
PL - BOD 002	Rules for Proceedings of the Board of Directors
PL - BOD 003	Directors' Compensation and Expense Reimbursement Policy
PL - BOD 004	Ethics Policy
PL - BOD 005	Director Sexual Harassment Prevention Training Policy
PL - BOD 006	Water Banking and Transfer Policy

#### **3. Engineering (PL - Eng)**

PL - Eng 001	Improvement Standards and Technical Specifications
PL - Eng 002	Public Works Contracting Policy
PL – Eng 003	Capital Improvement Program Policy

#### **4. Finance (PL - Fin)**

PL - Fin 001	Engagement of Auditor Policy
PL - Fin 002	Capital Asset Policy
PL - Fin 003	Investment Policy
PL - Fin 004	Reserve Policy
PL - Fin 005	Procurement Policy
PL - Fin 006	Purchasing Card Policy
PL - Fin 007	Unclaimed Funds Policy
PL - Fin 008	Impaired Capital Asset Policy
PL - Fin 009	Water Service Charges and Rate Setting Policy
PL - Fin 010	Capacity Fee Setting Policy
PL - Fin 011	Debt Management Policy
PL - Fin 012	Budget Policy
PL - Fin 013	Debt Obligation Disclosure Policy

#### **5. Human Resources (PL - HR)**

PL - HR 001	Employment Rules and Procedures Policy
PL - HR 002	Employee Compensation Policy
PL - HR 003	Employee Performance Evaluation, Merit and COLA Policy
PL - HR 004	Training and Career Development Policy
<del>PL - HR 005</del>	<del>Employee Recognition and Retention Expense Policy</del>
PL - HR 006	Driver Record and Insurance Review Policy
PL - HR 007	Modified/Alternate Duty Policy
PL - HR 008	Catastrophic Leave Policy
PL - HR 009	Employee Recruitment, Hiring and Promotion Policy

- PL - HR 010 Drug and Alcohol Program Policy
- PL - HR 011 Employee Standards of Conduct and Discipline Policy
- PL - HR 012 Discrimination and Harassment Prevention Policy
- PL - HR 013 Workplace Violence Policy
- PL – HR 014 Reasonable Accommodations and Interactive Process Policy

**6. Information Technology (PL - IT)**

- ~~PL - IT 001 Information Technology Policy – Rescinded 04/21/08~~
- ~~PL - IT 002 Information Technology Disaster Recovery Policy – Rescinded 04/21/08~~
- PL - IT 003 Electronic Communication Management and Retention Policy
- PL - IT 004 Technology Maintenance, Security, Protection and Recovery Policy
- PL - IT 005 Technology Use Policy

**7. Customer Service (PL - CS)**

- PL – CS 001 Disconnection of Residential Water Service Policy

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### **Procedures** Table of Contents

#### **1. Administration (PR - Adm)**

PR - Adm 001	Public Records Request Procedure
PR - Adm 002	Declaring and Disposal of Real Property, Vehicles, Equipment and Personal Property Procedure
PR - Adm 003	Marconi Administration Building Security Procedure
PR - Adm 004	Workplace Dishonesty Procedure
PR - Adm 005	Employee and District Gift Procedure
<del>PR - Adm 006</del>	<del>Public Records Information Deposits/Costs Procedure</del> Rescinded 03/20/19
PR - Adm 007	Non-Exempt Employee Meal Allowance for Unscheduled Work Hours Procedure
PR - Adm 008	Claims Processing Procedure
PR - Adm 009	Board of Directors and Employee Communications Procedure
PR - Adm 010	Communication and Team Building Procedure
PR - Adm 011	Sponsorship Funding Request Procedure
PR - Adm 012	Electric Vehicle Charging Station Procedure

#### **2. Board of Directors (PR - BOD)**

PR - BOD 001	Outside Communications to Directors Procedure
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#### **3. Customer Service (PR - CS)**

PR - CS 001	Delinquency Procedure
PR - CS 002	Payment/Cash Handling Procedure
PR - CS 003	Water Billing Accounts Receivable Procedure

- PR – CS 004 Account Adjustments Procedure
- PR – CS 005 Billing Rate Update Procedure
- PR – CS 006 Billing System Access Control Procedure

**4. Engineering (PR - Eng)**

- PR - Eng 001 Public Works Contracting Procedure
- PR - Eng 002 Development Meter Installation Procedure

**5. Finance (PR - Fin)**

- PR - Fin 001 Delegation of General Manager Procurement and Public Works Contracting Authority Procedure
- PR - Fin 002 Expense Disbursement and Employee Business Expense and Travel Reimbursement Procedure
- PR - Fin 003 Purchasing Card Procedure
- PR - Fin 004 Custodian Petty Cash Procedure
- PR - Fin 005 Employee Petty Cash Procedure
- PR - Fin 006 Uncollectable Customer Account Balance Reserve and Write-Off Procedure
- PR - Fin 007 Inventory and Stores Process Procedure
- PR - Fin 009 Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries Procedure
- PR – Fin 010 Debt Obligation Disclosure Procedure

**6. Human Resources (PR - HR)**

- PR - HR 001 Employee Performance Evaluation, Merit and COLA Procedure
- ~~PR – HR 002 Training and Career Development Procedure~~ Rescinded 10/15/07
- PR - HR 003 Driver Record and Insurance Review Procedure
- ~~PR – HR 004 Early Return to Work Procedure~~ Rescinded 09/21/09

- PR - HR 005 Working Out of Class, Temporary Special Assignment, and Acting/Interim Assignment Procedure
- PR - HR 006 Employee Certification and License Incentive Program Procedure
- PR - HR 008 Catastrophic Leave Procedure with Pledge & Donation Form
- PR - HR 009 Employee Recruitment Hiring and Promotion Procedure
- PR - HR 012 Discrimination and Harassment Prevention Procedure
- PR - HR 013 Disciplinary Documents and Retention Periods Procedure
- PR - HR 014 Employment Rules Procedure

**7. Information Technology (PR - IT)**

- PR - IT 001 District Electronic Facility Safety Procedure
- PR - IT 002 Electronic Mail Management and Retention Procedure
- PR - IT 003 Information Technology/Disaster Recovery Procedure
- PR - IT 004 Water Facility Data Update Procedure
- PR - IT 005 Social Media Procedure

**8. Operations and Maintenance (PR - O&M)**

- PR - O&M 001 Standby Procedure
- PR - O&M 002 Protective Footwear Program Procedure
- PR - O&M 003 Temporary Traffic Control Procedure
- PR - O&M 004 Parking and Backing a District Vehicle Procedure
- PR - O&M 005 Out of Service Public/Private Fire Hydrant Procedure
- PR - O&M 006 Disposal of Scrap Metal and Securing New Brass/Copper Materials Procedure
- PR - O&M 007 Chain of Custody Procedure
- PR - O&M 008 Heat Illness Prevention Procedure



- PR - O&M 009 Easement Access Procedure
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- PR - O&M 013 Employee Emergency Action Plan Procedure
- PR - O&M 014 Hazard Recognition Program Procedure
- PR - O&M 015 Lockout/Tagout Procedure
- PR - O&M 016 Hazard Communications Procedure
- PR - O&M 017 Fall Protection Procedure
- PR - O&M 018 Ladder Safety Procedure
- PR - O&M 019 First Aid Procedure

Exhibit 8

District Authorized Powers Matrix

Powers	County Water District	Irrigation District	Municipal Water District	Community Services District	Municipal Utility District	Public Utility District	Water Conservation District	California Water District
<p><b>Water Service and Supply</b></p>	<p>All acts necessary to furnish water in the District for all present and future beneficial uses. (Water Code § 31020)</p> <p>Acquire stock in a mutual water company or corporation for District water supply. (Water Code § 31051)</p> <p>Store and conserve water for future use, and appropriate, acquire, and conserve water and water rights for any useful purpose. (Water Code § 31021)</p> <p>Contract with the United States to acquire works for irrigation, drainage or flood control, or the development of electric power; provide a water supply; or assume indebtedness of the United States. (Water Code §§ 31150-51)</p>	<p>All acts necessary to furnish water in the District for any beneficial use. (Water Code §§ 22075-6, 22231)</p> <p>Allocate water on pro rate basis for irrigation purposes to each landowner. (Water Code § 22250)</p>	<p>Sell treated and untreated water to individuals, corporations, or agencies in the District. (Water Code § 71611)</p> <p>Acquire, distribute, treat, sink, and recycle any water, including sewage and storm water, for District beneficial uses. (Water Code § 71610)</p>	<p>Acquire, distribute, store, treat, purify, and recycle any water, including sewage and storm water, for District beneficial uses. (Gov't Code § 61100(a); Water Code § 71610)</p>	<p>Operate works for the supply of water to District inhabitants. (Pub. Util. Code § 12801)</p> <p>Utilize the Municipal Improvement Act of 1913 for any purpose which a District may carry out. (Pub. Util. Code § 13010)</p> <p>Operate a system for the distribution of irrigation water. (Pub. Util. Code §§ 13021-24)</p>	<p>Operate works for the supply of water to District inhabitants. (Pub. Util. Code § 16461)</p>	<p>Acquire and conserve water and water rights for any useful purpose. The District may sell, deliver, distribute, or otherwise dispose of any water that is controlled by the District. (Water Code §§ 74521, 74526)</p> <p>Conserve and store water and, for such purposes, acquire or construct and operate dams, reservoirs, canals, and pipelines, spreading basins, and wells. (Water Code §§ 74522-25)</p> <p>Contract with any city, county, district, or the United States for a water supply or facilities, and disposal of water rights, and contracts for the acquisition or construction of water works. (Water Code §§ 74590-92, 74611)</p>	<p>Operate the necessary works for irrigation, domestic, industrial, and municipal water purposes. (Water Code § 35410)</p> <p>Contract to perform agreements for the transfer or delivery of any irrigation system, canals, rights of way, or other property owned by the District in exchange for the right to receive water from the other party. (Water Code § 35403)</p> <p>Apportion water for irrigation purposes ratably to each landowner upon the basis of the last assessment to their land. (Water Code § 35420)</p>

### District Authorized Powers Matrix

Powers	County Water District	Irrigation District	Municipal Water District	Community Services District	Municipal Utility District	Public Utility District	Water Conservation District	California Water District
<p style="text-align: center;"><b>Other Services</b> <b>(Exercise of Latent Powers Subject to LAFCo Approval)</b></p>	<p>Operate plants for the generation of hydroelectric power. (Water Code § 31149.1)</p> <p>Operate facilities for the collection and disposal of solid waste. (Water Code § 31135)</p> <p>Operate recreation facilities ancillary to District facilities and water supplies. (Water Code § 31130)</p> <p>Provide fire protection services, subject to District obtaining consent of any local agency providing that service. (Water Code § 31120)</p> <p>Operate wastewater and storm water collection, treatment and disposal facilities. (Water Code § 31100)</p>	<p>Provide drainage made necessary by irrigation in the District. (Water Code § 22095)</p> <p>Generate, distribute, sell, and buy/lease electric power for use inside and outside the District. (Water Code §§ 22115-22124)</p> <p>Operate facilities to protect District land and property from floods and overflow. (Water Code § 22160)</p> <p>Operate sewage collection, disposal mains, and sewage treatment and disposal facilities. (Water Code § 22176)</p> <p>Operate recreational facilities connected to dams, reservoirs, or other works owned or controlled by the District. (Water Code § 22185)</p>	<p>Operate works and facilities for the generation and delivery of hydroelectric power. (Water Code § 71691)</p> <p>Provide fire protection services, subject to obtaining consent of any local agency providing that service. (Water Code § 71680)</p> <p>Operate facilities for, or contract for, solid waste collection. (Water Code § 71689.20)</p> <p>Operate facilities for wastewater and storm water collection, treatment, and disposal. (Water Code § 71670)</p> <p>Supply and deliver water to property outside of the boundaries of the District. (Water Code § 71613)</p>	<p>Sewer and storm water collection, treatment and recycling, and solid waste services. (Gov't Code § 61100(b-c))</p> <p>Fire protection and emergency response. (Gov't Code § 61100(d))</p> <p>Recreation facilities. (Gov. Code, § 61100(e).)</p> <p>Police services. (Gov't Code § 61100(i))</p> <p>Flood control facilities. (Gov't Code § 61100(r))</p> <p>Hydroelectric power generating facilities. (Gov't Code § 61100(u))</p> <p><b>**The CSD Law provides for additional services such as vector control, emergency medical services, animal control, and mail delivery by contract with U.S.P.S. (See Gov't Code § 61100 generally)</b></p>	<p>Operate works for the supply of light, power, heat, transportation, telephone service, or means for the collection, treatment, or disposition of garbage, sewage, or solid waste. (Pub. Util. Code § 12801)</p>	<p>Operate works for the supply of fire services, light, water, power, heat, transportation, telephone service, or means for disposing of solid waste and sewage. (Pub. Util. Code §§ 16461, 16463)</p>	<p>Operate recreational facilities in connection with any dams, reservoirs, or other works owned or controlled by the District. (Water Code § 74540)</p> <p>Contract with municipalities, sanitary districts or other incorporated bodies and operate works necessary to treat sewage or storm water for beneficial uses, and to sell the treated water. (Water Code § 74593)</p>	<p>Operate facilities and services for the collection, treatment, and disposal of sewage, waste, and storm water. (Water Code § 35500)</p> <p>Operate plants for the generation of hydroelectric power. (Water Code § 35570)</p>

**District Authorized Powers Matrix**

<b>Powers</b>	<b>County Water District</b>	<b>Irrigation District</b>	<b>Municipal Water District</b>	<b>Community Services District</b>	<b>Municipal Utility District</b>	<b>Public Utility District</b>	<b>Water Conservation District</b>	<b>California Water District</b>
<b>Water Conservation</b>	<p>Drain and reclaim lands within the District. A District also may divert, store, conserve, transport or dispose of water resulting from such operations, or any flood and storm water within the District, for any beneficial use. (Wat. Code, § 31033.)</p> <p>Establish and implement a program to reduce water use and may require, as a condition of new service, that reasonable water-saving devices and reclamation devices be installed to reduce water use. (Water Code § 31035)</p> <p>Recapture, purify, and redistribute any water for beneficial uses within the District. (Water Code § 31047)</p>	<p>Control, distribute, store, spread, sink, treat, purify, recapture and salvage any water for beneficial use of the District. (Water Code § 22078)</p>	<p>Establish and implement a program to reduce water use and may require, as a condition of new service, that reasonable water-saving devices and reclamation devices be installed to reduce water use. (Water Code § 71610.5)</p> <p>Restrict District water usage during any emergency caused by drought, or other threatened or existing water shortage. (Water Code § 71640)</p>					

### District Authorized Powers Matrix

Powers	County Water District	Irrigation District	Municipal Water District	Community Services District	Municipal Utility District	Public Utility District	Water Conservation District	California Water District
<b>Property Acquisition</b>	<p>Acquire and dispose of by any means, including eminent domain, any property or interest in property required for District purposes. (Water Code §§ 31040-31041)</p>	<p>Acquire by any means any property or interest in property to carry out its purposes. (Water Code § 22425)</p> <p>Exercise the right of eminent domain to take any property necessary to carry out District purposes. (Water Code § 22456)</p>	<p>Acquire, lease, and dispose of real and personal property. (Water Code § 71690)</p> <p>Exercise the right of eminent domain to take any property necessary to carry out District purposes. (Water Code §§ 71693-94)</p>	<p>Acquire real or personal property. A District also may acquire any real or personal property by eminent domain. (Gov't Code § 61060)</p>	<p>Acquire real or personal property. A District also may acquire any real or personal property by eminent domain. A District also may lease, mortgage, sell, or otherwise dispose of property if it is within its best interests. (Pub. Util. Code § 12771)</p>	<p>Acquire real and personal property. (Pub. Util. Code § 16431)</p> <p>Exercise the right of eminent domain to take any property necessary. (Pub. Util. Code § 16404)</p>	<p>Acquire real and personal property. Any property owned by a District may be leased, mortgaged, sold, or otherwise disposed of. (Water Code § 74550)</p> <p>Exercise the right of eminent domain to take any property necessary to be used for District water facilities. (Wat. Code § 74553)</p>	<p>Acquire property necessary for water supply facilities for all District purposes. A District also may sell or lease property if it is in its best interests. (Water Code §§ 35600-04)</p>
<b>Facilities</b>	<p>Construct, purchase, lease, or otherwise acquire works, water rights, or land to convey, supply, store, or otherwise make use of water. (Water Code § 31042)</p> <p>Use any water or land under its control for recreational purposes. The District may also operate facilities necessary for the recreational use. (Water Code §§ 31130-31)</p>	<p>Construct necessary works for the collection of water for the District. (Water Code § 22226)</p> <p>Acquire the right to store water in any reservoir or to carry water through any conduit not owned or controlled by the District. (Water Code § 22227)</p>	<p>Acquire by any means and operate and maintain water system facilities, water rights, lands, rights, and privileges for the benefit of the District. (Water Code §§ 71691-71692)</p>	<p>Enter into and perform all contracts for any enumerated District service. (Gov't Code § 61060)</p>	<p>Construct water facilities pursuant to the Improvement Act of 1911. (Pub. Util. Code § 12921)</p> <p>Rent or lease District facilities that are not being used to their full capacity. (Pub. Util. Code §§ 12805-06)</p>	<p>Construct or acquire public utilities and works by resolution, ordinance, or petition by District voters. (Pub. Util. Code §§ 16801-16, 16841-46.)</p> <p>Contract with any public agency or with any person, firm, or corporation for joint acquisition, construction, maintenance, or use of water supply facilities. (Pub. Util. Code §§ 16880-82.)</p>	<p>Operate the facilities necessary to protect the land or property in the District from damage by flood or overflow. (Water Code § 74524)</p>	<p>Construct any works along, under, or across any stream, watercourse, street, avenue, highway, railway, canal, ditch, or flume. (Water Code § 35603)</p>

**District Authorized Powers Matrix**

<b>Powers</b>	<b>County Water District</b>	<b>Irrigation District</b>	<b>Municipal Water District</b>	<b>Community Services District</b>	<b>Municipal Utility District</b>	<b>Public Utility District</b>	<b>Water Conservation District</b>	<b>California Water District</b>
<b>Sale of Surplus Services</b>	Sell surplus water or its use for any beneficial purpose. (Water Code § 31023)	Lease or sell surplus water or its use when not required for use within the District. (Water Code § 22259)	Sell or otherwise dispose of surplus water to any persons, public corporations or agencies, or other consumers. (Water Code § 71612)		Sell or otherwise dispose of surplus water, light, heat, or power beyond what is required within the District. (Pub. Util. Code § 12804)	Sell or otherwise dispose of surplus water, light, heat, or power beyond what is required within the District. (Pub. Util. Code § 16473)		Contract for the lease, sale, or use of any surplus water not required for use within the District. (Water Code § 35425)

# Exhibit 9

SSWD Non-Exempt Positions	80%		Exempt:		70%	
	D*C1	B*12	C/2080	D/2080		
TITLE	2023 ANNUAL RANGE		2023 HOURLY RANGE			
Accountant I	\$ 73,965.53	\$ 92,456.92	\$ 35.56	\$ 44.45		
Administrative Assistant I	\$ 52,205.71	\$ 65,257.14	\$ 25.10	\$ 31.37		
Administrative Assistant II	\$ 58,006.35	\$ 72,507.93	\$ 27.89	\$ 34.86		
Assistant Engineer	\$ 93,366.88	\$ 116,708.60	\$ 44.89	\$ 56.11		
Cross Connection Control Specialist	\$ 77,377.96	\$ 96,722.45	\$ 37.20	\$ 46.50		
Customer Service Representative I	\$ 51,769.93	\$ 64,712.41	\$ 24.89	\$ 31.11		
Customer Service Representative II	\$ 56,948.07	\$ 71,185.09	\$ 27.38	\$ 34.22		
Distribution Operator I	\$ 63,145.80	\$ 78,932.25	\$ 30.36	\$ 37.95		
Distribution Operator II	\$ 69,458.09	\$ 86,822.61	\$ 33.39	\$ 41.74		
Engineering Drafter	\$ 65,219.35	\$ 81,524.18	\$ 31.36	\$ 39.19		
Engineering Project Coordinator	\$ 76,526.48	\$ 95,658.09	\$ 36.79	\$ 45.99		
Environmental Compliance Technician	\$ 68,885.28	\$ 86,106.61	\$ 33.12	\$ 41.40		
Facilities & Fleet Specialist	\$ 69,458.09	\$ 86,822.61	\$ 33.39	\$ 41.74		
Field Operations Coordinator	\$ 72,929.27	\$ 91,161.59	\$ 35.06	\$ 43.83		
Foreman (Distribution, Production)	\$ 89,288.53	\$ 111,610.66	\$ 42.93	\$ 53.66		
GIS Coordinator	\$ 91,649.01	\$ 114,561.27	\$ 44.06	\$ 55.08		
GIS Technician I	\$ 68,608.72	\$ 85,760.90	\$ 32.98	\$ 41.23		
GIS Technician II	\$ 75,469.59	\$ 94,336.99	\$ 36.28	\$ 45.35		
Human Resources Technician	\$ 70,674.55	\$ 88,343.19	\$ 33.98	\$ 42.47		
Instrumentation & Electrical Technician	\$ 84,465.52	\$ 105,581.91	\$ 40.61	\$ 50.76		
Information Technology Technician I	\$ 69,568.67	\$ 86,961.91	\$ 33.45	\$ 41.81		
Information Technology Technician II	\$ 76,526.48	\$ 95,658.09	\$ 36.79	\$ 45.99		
Production Operator I	\$ 63,145.80	\$ 78,932.25	\$ 30.36	\$ 37.95		
Production Operator II	\$ 69,458.09	\$ 86,822.61	\$ 33.39	\$ 41.74		
Purchasing Specialist	\$ 70,444.39	\$ 88,055.49	\$ 33.87	\$ 42.33		
SCADA Analyst	\$ 102,330.08	\$ 127,912.59	\$ 49.20	\$ 61.50		
SCADA Technician I	\$ 80,084.41	\$ 100,105.51	\$ 38.50	\$ 48.13		
SCADA Technician II	\$ 88,982.67	\$ 111,228.34	\$ 42.78	\$ 53.48		
Senior Accounting Technician	\$ 64,312.87	\$ 80,396.72	\$ 30.92	\$ 38.65		

CWD Non-Exempt Positions		2023-24 ANNUAL RANGE		2023-24 HOURLY RANGE	
TITLE					
Accountant	\$ 71,830.10	\$ 87,310.08	\$ 34.53	\$ 41.98	
Accountant, Senior	85,068.05	103,400.75	40.90	49.71	
Engineer, Assistant	93,582.32	113,750.21	44.99	54.69	
Billing Support trainee			Min. Wage		
Billing Support 1	31,910.74	38,787.63	15.34	18.65	
Billing Support 2	37,028.99	45,008.91	17.80	21.64	
Communications Specialist I	61,058.19	74,216.48	29.35	35.68	
Communications Specialist 2	74,239.15	90,238.10	35.69	43.38	
Billing Specialist 1	47,736.83	58,024.30	22.95	27.90	
Billing Specialist 2	60,554.00	73,603.71	29.11	35.39	
Distribution Operator I	48,276.59	54,566.10	23.21	26.23	
Distribution Operator 2	75,237.34	85,039.34	36.17	40.88	
Distribution Operator 3	85,199.92	96,299.84	40.96	46.30	
Engineer in training	66,374.26	80,678.21	31.91	38.79	
Engineer, Associate Civil	110,821.78	134,704.54	53.28	64.76	
General Office Clerk			Min. Wage		
GIS Specialist	73,859.55	89,776.75	35.51	43.16	
Treatment Operator 1	N/A	N/A			
Treatment Operator 2	74,408.05	84,101.89	35.77	40.43	
Treatment Operator 3	86,366.02	97,583.82	41.52	46.92	
Treatment Operator 4	100,672.42	113,788.06	48.40	54.71	
Public Information Assistant 1	37,255.50	45,284.30	17.91	21.77	
Public Information Assistant 2	47,741.41	58,029.92	22.95	27.90	
Inventory Specialist I	47,424.21	57,644.50	22.80	27.71	
Inventory Specialist 2	60,053.34	72,995.31	28.87	35.09	

### SSWD Non-Exempt Positions

	D*C1	B*12	C/2080	D/2080
TITLE	2023 ANNUAL RANGE		2023 HOURLY RANGE	
Senior Customer Service Representative	\$ 62,642.88	\$ 78,303.60	\$ 30.12	\$ 37.65
Senior Inspector	\$ 79,390.49	\$ 99,238.11	\$ 38.17	\$ 47.71
Water Conservation Technician I	\$ 59,961.01	\$ 74,951.27	\$ 28.83	\$ 36.03
Water Conservation Technician II	\$ 65,952.53	\$ 82,440.67	\$ 31.71	\$ 39.63

### SSWD Exempt Positions

	D*E1	B*12	C/2080	D/2080
TITLE	2023 ANNUAL RANGE		2023 HOURLY RANGE	
Accountant	\$ 71,200.84	\$ 101,715.49	\$ 34.23	\$ 48.90
Assistant General Manager	\$ 133,000.00	\$ 190,000.00	\$ 69.69	\$ 99.56
Associate Engineer	\$ 93,945.41	\$ 134,207.73	\$ 45.17	\$ 64.52
Conservation & Communications Supervisor	\$ 87,801.67	\$ 125,430.96	\$ 42.21	\$ 60.30
Controller	\$ 105,325.89	\$ 150,465.56	\$ 50.64	\$ 72.34
Customer Services Manager	\$ 97,443.81	\$ 139,205.44	\$ 46.85	\$ 66.93
Engineering Manager	\$ 124,119.19	\$ 177,313.13	\$ 59.67	\$ 85.25
Environmental Compliance Supervisor	\$ 95,599.38	\$ 136,570.55	\$ 45.96	\$ 65.66
Executive Assistant to the General Manager	\$ 72,468.29	\$ 103,526.13	\$ 34.84	\$ 49.77
Director of Finance and Administration	\$ 129,500.00	\$ 185,000.00	\$ 62.26	\$ 88.94
Human Resources Manager	\$ 91,151.36	\$ 130,216.23	\$ 43.82	\$ 62.60
Information Technology Analyst	\$ 77,786.64	\$ 111,123.77	\$ 37.40	\$ 53.42
Information Technology Manager	\$ 108,541.68	\$ 155,059.54	\$ 52.18	\$ 74.55
Operations Manager	\$ 120,358.79	\$ 171,941.13	\$ 57.86	\$ 82.66
Project Manager	\$ 89,474.69	\$ 127,820.98	\$ 43.02	\$ 61.45
Safety/Risk Officer	\$ 92,762.58	\$ 132,517.97	\$ 44.60	\$ 63.71
Senior Engineer	\$ 108,039.23	\$ 154,341.76	\$ 51.94	\$ 74.20
Senior Project Manager	\$ 102,896.89	\$ 146,995.56	\$ 49.47	\$ 70.67
Superintendent (Distribution, Field Services, Production)	\$ 93,754.96	\$ 133,935.65	\$ 45.07	\$ 64.39

### CWD Non-Exempt Positions

TITLE	2023-24 ANNUAL RANGE	2023-24 HOURLY RANGE
Water Efficiency Specialist 1	54,929.89	26.41
Water Efficiency Specialist 2	69,464.93	33.40

### CWD Exempt Positions

TITLE	2023-24 ANNUAL RANGE	2023-24 HOURLY RANGE
Administrative Specialist 1	72,095.71	34.66
Administrative Specialist 2	88,699.52	42.64
Billing Supervisor	74,570.95	35.85
Public Information Officer	100,574.86	48.35
Engineering Manager	164,632.21	79.15
Finance Manager	145,075.01	69.75
Engineer, Senior	128,744.72	61.90
Distribution Superintendent	113,913.90	54.77
Production Superintendent	128,874.72	61.96



## Agenda Item: 4

**Date:** October 24, 2023

**Subject:** Consolidation Versus Reorganization

**Staff Contact:** Cathy Lee, CWD General Manager  
Dan York, SSWD General Manager

### **Recommended Board Action:**

Based on the recommendation at the October 11, 2023, Carmichael Water District/Sacramento Suburban Water District 2x2 Committee meeting, approve the option of a consolidation of the two districts rather than a reorganization if a decision is made to combine the two districts.

### **Background:**

This item was brought to the Carmichael Water District (CWD)/Sacramento Suburban Water District (SSWD) 2x2 Committee (Committee) on October 11, 2023, where the Committee recommended to present the item to the October 24, 2023, Joint Board meeting with a recommendation to approve the option of a consolidation of the two districts rather than a reorganization if a decision is made to combine the two districts.

### **Discussion:**

If the Board of Directors for CWD and SSWD vote to combine the two agencies, a decision must be made on whether it is a consolidation or a reorganization. The end results are essentially the same, one agency assumes the rights, responsibilities, assets, and liabilities from the other. The difference lies in what technically happens from a legal standpoint. There are pros/cons listed below that are general in nature and may not apply to this specific example:

*Consolidation* – Both agencies are dissolved and a new one is created in their place with a service area that encompasses the previous districts' service areas. As an example, SSWD was formed by the consolidation of the former Arcade Water District and Northridge Water District. The new agency is the successor entity. To initiate this action, both agencies file an application to LAFCo for consolidation.

#### Pros:

- New district (new identity; new name; fresh start);
- New Board composition;
- Maximize economies of scale;

#### Cons:

- May be difficult to determine which existing Board members will be on the new Board;

## Consolidation Versus Reorganization

October 24, 2023

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- There can be complications with determining who the “successor” plan will be used post-consolidation, either on an interim or long-term basis (e.g., , medical plans, pension contract with CalPERS, etc.);
- All residents from both districts can oppose during the protest period;
- May require a new Proposition 218 vote to re-ratify special taxes/benefit assessments;

*Reorganization* - One agency is dissolved and the other agency annexes all their former service areas. The existing agency is the successor entity. To initiate this action, one district applies to dissolve; the remaining district applies to annex the service area of the dissolved district. Both agencies file an application to LAFCo simultaneously.

### Pros:

- Because one of the existing agencies remains (albeit now with a larger service area), it is less disruptive than a consolidation. All assets/liabilities/revenues/expenses are transferred to successor agency;
- Only the residents of the dissolving agency can oppose during the protest period.

### Cons:

- The remaining agency will be unable to shed any legal obligation it might otherwise be able to shed in a consolidation. For example, if the remaining agency had a more generous benefit structure to its labor than the other district, it now may need to extend those benefits to a larger labor pool;
- May be difficult to educate the non-successor agency residents about the benefits of dissolving their home water agency;
- May be difficult to educate the successor agency residents of the benefit of absorbing the dissolving agency (e.g. dilution of local control, etc.). The annexing agency will be under political pressure to allow the public to vote on the matter;
- Need to resolve how the non-successor residents will be represented in the post-reorganization entity.

Either district can initiate a combination by adopting a resolution of application and go through the “normal” LAFCo process. However, there is a sub-LAFCo process that may be applicable: Government Code §56853(a) states that if the combining agencies adopt substantially similar resolutions of application, LAFCo must either approve, or conditionally approve the proposal (in other words LAFCo cannot deny the application). In addition, this section states that the reorganization could be ordered without an election unless the conditions under GC §57081(b) are met. After the approval hearing, a second hearing (called a conducting authority hearing or a protest hearing) must still be held, but only to determine if the conditions specified in GC §57081(b) exist.

There are typically seven major milestones in the LAFCo process. The overall time for a combination to get from Step 1 through to Step 7 can take as long as a year, with the caveat that this assumes any time before Step 1 is not counted. After Step 6, the applicant(s) has/have up to a year to comply with the conditions of approval. LAFCo can record the Certificate of Completion once those conditions are met. That filing finalizes the proceedings and the combination is complete. Listed below are the required steps:

1. Project initiation – Applicant submits all the forms found here (<https://saclafoo.saccounty.gov/Pages/ApplicationForms.aspx>), including the plan for service (please see the section immediately below).
2. Property tax negotiation – Governed by Revenue and Taxation Code §99. While neither district receives a portion of the property tax, this section cannot be bypassed per R&TC §99(b)6.
3. LAFCo staff analysis – Upon the receipt of the complete packet of application (see Step 1 above), staff will analyze the documents and follow up with the districts to ensure there is sufficient information to address the requirements under GC §56668. Once GC §56668 has been satisfied, LAFCo staff will issue a Certificate of Filing, stating the approval hearing date for the proposal. This approval hearing is typically scheduled for the first meeting in which at least 21-days advance notice can be posted (GC §56159).
4. Approval Hearing – The LAFCo Commission (Commission) considers the facts of the proposal, the staff report, written and oral testimony, the environmental review, the context and setting of the proposal and any other pertinent information to decide on the proposal. The Commission’s discretionary decision could be unconditional approval, approval with conditions, or denial. If the latter, the project stops here and LAFCo issues a Certificate of Termination. If the decision is approval with or without conditions, then the proposal moves on.
5. The 30-day reconsideration period begins – Government Code §56895 allows anyone within the County of Sacramento the ability to request that the Commission reconsider its approval. The requirements for reconsideration are strict and the Commission decides whether to grant reconsideration.
6. Conducting Authority Hearings – For proposals with less than 100% landowner consent, a “conducting authority hearing” (also called a protest hearing) must be scheduled (also subject to a 21-day advance notice). This provides the opportunity for landowners and registered voters to protest the approval. What happens to the proposal depends on the number of protests received and not withdrawn:
  - a. If less than 25% of registered voters or 25% of landowners who own at least 25% of the total assessed value of the land protest, then the Commission’s approval (with or without conditions) stands;

## Consolidation Versus Reorganization

October 24, 2023

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- b. If more than 50% of registered voters or landowners protest, then the Commission's decision is overturned and the proposal fails;
- c. If the number of protests by registered voters or landowners is between a) and b) above, then it goes to an election.

Please note:

- The “sub-LAFCo process” under GC §56853(a) referenced above speaks to this step of the process. Normally the dissolution or consolidation of agencies are subject to an election. If the sub process is used, the Conducting Authority Hearing is the mechanism to determine if an election is held, and only if the number of submitted (and not withdrawn) protests is above 25% of registered voters or landowners.
- If the districts choose the reorganization route, there is a way to bypass this step if the resolution of application for the dissolving district(s) is approved unanimously by the governing board(s). Then this step is only taken on the question of annexation.
- LAFCo staff ensures that the 21-day notice for the approval hearing is consistent with the requirements for GC §56663. If so, then this step is also bypassed for the annexation, eliminating the Conducting Authority step altogether.

Final Filings – These are filed, depending on the outcome in Step 6. If the number of protests submitted are insufficient to overturn the Commission's approval and/or if the applicants received a conditional approval, then the applicant will have 12 months to complete them. When the conditions are met (or if there were no conditions, soon after the proposal successfully completes Step 6), the LAFCo issues a Certificate of Completion with the County Clerk-Recorder. The combination is complete with this filing.

## Agenda Item: 5

**Date:** October 24, 2023

**Subject:** Final Number of Board Members

**Staff Contact:** Dan York, SSWD General Manager  
Cathy Lee, CWD General Manager

### Recommended Board Action:

Based on the recommendation at the October 11, 2023, Carmichael Water District/Sacramento Suburban Water District 2x2 Committee meeting, approve the final number of Board Members of the proposed new district.

The Board can also consider the option of creating an Advisory Committee to allow any Directors that are not elected to one of the available seats, an opportunity to stay engaged with the District at an advisory capacity.

### Background:

This item was brought to the Carmichael Water District (CWD)/Sacramento Suburban Water District (SSWD) 2x2 Committee (Committee) on October 11, 2023.

Legal counsel informed the Committee that clarification needed to be made on whether there was a time frame for when division seat reductions would need to be completed by.

The Committee decided on recommending the following two options to the Joint Boards, pending legal counsel's advice:

The first choice would be to begin the new District with 11 seats, knowing that Director Jones would be willing to excuse himself from the Board, declaring the two seats as vacant. They would then reduce to 9 seats in 2026, 7 seats in 2028, and then ultimately 5 seats in 2030, making for a more gradual reduction.

The second choice the Committee chose to recommend, should there be a time frame for when division seat reductions would need to be completed, would be that they would begin the new District with 11 seats, knowing that Director Jones would be willing to excuse himself from the Board, declaring the two seats as vacant. They would then reduce to 7 seats in 2026, and 5 seats in 2028.

### Discussion:

Since the conclusion of the CWD/SSWD 2x2 Committee on October 11, 2023, legal counsel has provided the following advice:

The initial Board of Directors of the combined district may have eleven members, composed of the members of the current Board of Directors of CWD and SSWD. The eleventh Director may

remain vacant. For voting purposes, to ensure there is an odd number of Directors for the combined district, in the interim, a Director could voluntarily resign from the Board of Directors. This is what occurred upon the consolidation of the former Arcade Water District and Northridge Water District. The ultimate size of the Board by statute is 5 members, but can be larger (e.g., 7 or 9 members) upon request of SSWD and CWD, and LAFCo approval. Note that both the County Water District Law and Irrigation District Law contain statutes authorizing these options. As an example, if the Board chooses 5 members, terms of the office of Board members shall be the same term of office that they were serving as of the effective date of the combination. The number of seats on the Board of Directors of the combined district shall be reduced to seven for the general district election scheduled for November 2024, and reduced to five for the general district election in November 2026. This process could potentially occur in the election schedule for November 2026 and November 2028, respectively. Below are the current terms of the Directors for the respective districts:

CWD Board of Directors

Ron Davis: 2022–2024

Mark Emmerson: 2022–2024

Ron Greenwood: 2020–2024

Jeff Nelson: 2022–2026

Paul Selsky: 2022-2026

SSWD Board of Directors

Jay Boatwright: 2022-2024

Dave Jones: 2020-2024

Craig Locke: 2022-2026

Kevin Thomas: 2022-2026

Robert Wichert: 2022-2026

- a. **Election Boundaries for Each Phase** – To transition down to the approved number of Directors, a new division map will be developed and approved by the Board of Directors of the combined district. For each district general election following approval of the combined district, a proposed voting division map must be developed depicting the recommended adjustments to the voting divisions for consideration by the Board of Directors, and for comment by the public. The population deviation (greatest relative difference in size between any two voting divisions) in the proposed voting divisions must be within the 10 percent deviation permitted under federal and state voting rights law. The combined district must consider when adjusting voting division boundaries, the following factors: (1) topography, (2) geography, (3) cohesiveness, contiguity, integrity, and compactness of divisions, and (4) community of interests of each division.

In addition, at each district general election, the proposed division map must be presented at two separate Special Board meetings for the purpose of holding Public Hearings.

As advised by legal counsel, staff must consult with the Sacramento County Registrar of Voters' office to review the draft proposed voting division map to ensure the draft proposed voting division map is acceptable and in compliance with federal and state voting rights and election laws.

- b. **Options for Advisory Committees** – In the event a Board member wishes to voluntarily resign from the Board of Directors to ensure there is an odd number of Directors, or a Board member does not get elected to the combined district, there could be options for the Board member to continue their community service. The Board of Directors of the combined district can implement opportunities to allow participation on appropriate advisory committees that would enable them to remain involved with their communities.

## Agenda Item: 6

**Date:** October 11, 2023

**Subject:** LAFCo Application Process

**Staff Contact:** Cathy Lee, CWD General Manager  
Dan York, SSWD General Manager

### Recommended Board Action:

Based on the recommendation at the October 11, 2023, Carmichael Water District/Sacramento Suburban Water District 2x2 Committee meeting, direct staff to present the attached draft Resolution to LAFCo to combine Carmichael Water District and Sacramento Suburban Water District, to each respective Board for consideration and edits at their November/December 2023 Regular Board meetings.

### Background:

At the October 11, 2023, Carmichael Water District (CWD)/Sacramento Suburban Water District (SSWD) 2x2 Committee (Committee) meeting, staff provided the Committee with a template Draft Resolution Making Application to the Sacramento Local Agency Formation Commission for Consolidation/Reorganization with Carmichael Water District (see Attachment 1) for discussion and edits.

The Committee agreed to hold two separate Public Information Workshops to address the public's questions on the Technical Analysis Report, prior to presenting a Draft Resolution for approval.

The Committee additionally recommended to present the draft resolution at the CWD/SSWD Joint Board meeting on October 24, 2023, for both Boards to provide comments and edits, noting each respective Board could vote on their resolution at their own Board meetings once appropriate to do so.

### Discussion:

If CWD and SSWD choose to move forward in combining the two districts, it is necessary to submit an application to LAFCo (see Attachment 2) as well as adopting substantially similar resolutions from each district. If the CWD and SSWD Boards make the decision to adopt substantially similar resolutions for the purpose of submitting to LAFCo, it begins the seven major milestones of the required process.

1. **Project Initiation** – Applicant submits all the forms found here (<https://saclafco.saccounty.gov/Pages/ApplicationForms.aspx>), including the plan for service (please see the section immediately below).
2. **Property Tax Negotiation** – Governed by Revenue and Taxation Code §99. While neither district receives a portion of the property tax, this section cannot be bypassed per R&TC §99(b)6.



3. **LAFCo Staff Analysis** – Upon the receipt of the complete packet of application (see Step 1 above), staff will analyze the documents and follow up with the Districts to ensure there is sufficient information to address the requirements under GC §56668. Once GC §56668 has been satisfied, LAFCo staff will issue a Certificate of Filing, stating the approval hearing date for the proposal. This approval hearing is typically scheduled for the first meeting in which at least 21-days advance notice can be posted (GC §56159).
4. **Approval Hearing** – The Commission considers the facts of the proposal, the staff report, written and oral testimony, the environmental review, the context and setting of the proposal and any other pertinent information to decide on the proposal. The Commission’s discretionary decision could be unconditional approval, approval with conditions or denial. If the latter, the project stops here and LAFCo issues a Certificate of Termination. If the decision is approval with or without conditions, then the proposal moves on to Step 5.
5. **The 30-day Reconsideration Period Begins** – Government Code §56895 allows anyone within the County of Sacramento the ability to request that the Commission reconsider its approval. The requirements for reconsideration are strict and the Commission decides whether to grant reconsideration. Historically, reconsiderations rarely succeed.
6. **Conducting Authority Hearings** – For proposals with less than 100% landowner consent, a “conducting authority hearing” (also called a protest hearing) has to be scheduled (also subject to a 21-day advance notice). This provides the opportunity for landowners and registered voters to protest the approval. What happens to the proposal depends on the number of protests received and not withdrawn:
  - a. If less than 25% of registered voters or 25% of landowners who own at least 25% of the total assessed value of the land protest, then the Commission’s approval (with or without conditions) stands;
  - b. If more than 50% of registered voters or landowners protest, then the Commission’s decision is overturned and the proposal fails;
  - c. If the number of protests by registered voters or landowners is between a) and b) above, then it goes to an election.

Note:

- The “sub-LAFCo process” under GC §56853(a) referenced above speaks to this step of the process. Normally the dissolution or consolidation of agencies are subject to an election. If the sub process is used, the Conducting Authority Hearing is the mechanism to determine if an election is held, and only if the number of submitted (and not withdrawn) protests is above 25% of registered voters or landowners.
- If the districts choose the reorganization route, there is a way to bypass this step if the resolution of application for the dissolving district(s) is approved unanimously by the governing board(s). Then this step is only taken on the question of annexation.
- LAFCo staff ensures that the 21-day notice for the approval hearing is consistent with the requirements for GC §56663. If so, then this step is also bypassed for the annexation, eliminating the Conducting Authority step altogether.

7. **Final Filings** – These are filed, depending on the outcome in Step 6. If the number of protests submitted are insufficient to overturn the Commission’s approval and/or if the applicants received a conditional approval, then the applicant will have 12 months to complete them. When the conditions are met (or if there were no conditions, soon after the proposal successfully completes Step 6), the LAFCo issues a Certificate of Completion with the County Clerk-Recorder. The combination is complete with this filing.

**Attachments:**

1. Draft Resolution Making Application to LAFCo
2. LAFCo Application Information Form

**DRAFT**

**SACRAMENTO SUBURBAN WATER DISTRICT**

**RESOLUTION NO. 23-XX**

**A RESOLUTION MAKING APPLICATION TO THE SACRAMENTO LOCAL AGENCY FORMATION COMMISSION FOR CONSOLIDATION WITH CARMICHAEL WATER DISTRICT**

**WHEREAS**, the Sacramento Suburban Water District (SSWD) was formed and is operating under the County Water District Law (Water Code sections 30000 and following), and supports the consideration of consolidation with another water district, provided that both districts consent to the consolidation, and the consolidation would be in the best interest of the customers of each district;

WHEREAS, SSWD has negotiated and reached a decision with the Carmichael Water District, which was formed and is operating under the Irrigation District Law (Water Code sections 20500 and following), to consolidate the two Districts as provided in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (California Government Code sections 56000 and following; the “LAFCo Law”);

**WHEREAS**, SSWD and CWD have conducted an evaluation of the feasibility of consolidating SSWD and CWD through a process that has involved (1) formation of a joint 2-by-2 consolidation investigation committee, (2) seventeen meetings of the joint consolidation investigation committee that have been open to the public, conducted over the course of two years, (3) retention of a consulting firm to conduct an evaluation of the practices, policies, procedures, rates, financial situation and other factors that would be important to policymakers as they consider the benefits and risks of a consolidation of SSWD and CWD, (4) mailing of information on the proposed consolidation to each customer of SSWD and CWD, (5) holding \_\_ joint meetings of the Boards of Directors of SSWD and CWD to present information on the consolidation proposal and receive public comment on it, (6) SSWD and CWD holding two separate public workshop meetings to present information on the consolidation proposal and to receive their respective ratepayers’ input on the proposal, (7) regular discussion of the consolidation proposal during meetings of the Boards of Directors of SSWD and CWD, (8) responding in writing to written questions received from the public concerning the consolidation proposal, (9) briefings on the proposed consolidation for elected officials, other public agencies, and interested parties, and (10) meetings with the respective employees of SSWD and CWD to discuss the consolidation proposal;

**WHEREAS**, the CWD and SSWD General Managers jointly prepared a Further Analysis of Combining Carmichael Water District and Sacramento Suburban Water District Report (Report) on their findings and recommendations concerning the combination discussions at the direction of the 2x2 Committee, which (1) determines that the consolidation would be feasible and would be in the best interests of the customers of SSWD and CWD, and (2) recommends that their respective Boards of Directors adopt a resolution of application to the Sacramento County Local Agency Formation Commission for consolidation of SSWD and CWD; and

**WHEREAS**, the Board of Directors of SSWD and CWD have reviewed the Committee Report and other information that has been developed during the consolidation investigation process that is referred to above, and concurs with the recommendations contained in the Committee Report.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of Sacramento Suburban Water District as follows:

1. The foregoing recitals are true, represent the findings and independent judgment of the SSWD Board of Directors, and are hereby incorporated by reference.
2. Application is hereby made under the LAFCo Law to the Sacramento Local Agency Formation Commission for the consolidation of the Sacramento Suburban Water District and Carmichael Water District into a single successor district that shall include the territory presently included within the boundaries of each existing district.
3. The President of the SSWD Board of Directors and the General Manager/Secretary of the District are hereby authorized and directed to complete and execute all documents required in connection with this application, and to do and perform every action necessary to carry out the purposes of this resolution.
4. This application is expressly made subject to the following special terms and conditions, which Sacramento Suburban Water District requests that LAFCO include within the order approving this consolidation application, the terms and conditions specified in subsections (c) and (d) being made under subdivisions (c), (h), (i), (k), (l), (m), (p), (t), and (v) of Government Code section 56886:
  - a. The effective date of the consolidation shall be **TBD**, or as soon as possible thereafter.
  - b. The name of the consolidated district shall be the "**TBD**," and the [name of consolidated district] shall be deemed to be formed and to operate under the County Water District Law.
  - c. Upon and after the consolidation, the following conditions shall apply to and bind the Board of Directors of the consolidated district:
    - (1) the following contracts, debts and contingent liabilities of the respective districts, although to be assigned to the consolidated district shall, nonetheless, continue to be the exclusive responsibility of the ratepayers within the respective service areas of SSWD and CWD until paid in full: (i) all bonds, certificates of participation and similar indebtedness, including any refunding thereof, (ii) any other debt respecting real estate (including office buildings and other structures, pump stations and well sites), exclusive of such other debt respecting transmission and distribution system facilities, easements and rights-of-way, (iii) liability respecting any claims that have not been asserted in writing as of the effective date of the

consolidation, and (iv) any contracts, debts or liabilities, contingent or otherwise, specified in essentially parallel resolutions adopted by the Boards of Directors of both districts prior to the effective date of the consolidation; and

- (2) the following assets of the respective districts, although to be assigned to the consolidated district shall, nonetheless, permanently inure to the exclusive benefit of the ratepayers within the respective service areas of SSWD and CWD: (1) all cash and investments, water sales receivable, and accrued interest receivable as of the effective date of the consolidation/reorganization, and (2) the equity in real estate (including office buildings and other structures, pump stations and well sites), exclusive of transmission and distribution system facilities, easements and rights-of-way held by the respective districts as of the effective date of the consolidation.

d. Upon the consolidation and for a period of three years following the effective date of the consolidation and for so long thereafter as the Board of Directors of the consolidated district shall determine, the following conditions shall apply to and bind the Board of Directors of the consolidated district:

- (1) all contracts, debts, and liabilities of the respective districts, including contingent liabilities, other than those identified in or pursuant to section 4(c), although to be assigned to the consolidated district shall, nonetheless, continue to be the exclusive responsibility of the ratepayers within the respective service areas of SSWD and CWD rather than the consolidated district,
- (2) previously-authorized charges, fees, assessments and taxes of SSWD and CWD, which have been determined by the Boards of Directors of each respective district to properly allocate the costs incurred among its ratepayers, shall continue to be applied within the affected territory of each district, and any changes made to such charges, fees, assessments and taxes shall be governed by the same principles determined by the Board of Directors of each respective district, unless the Board of Directors of the consolidated district specifically determines that different principles shall apply;
- (3) the funds derived from their respective water systems be accounted for separately, so that the ratepayers benefitting from a water system bear the cost of operation, maintenance, repair, replacement, improvement, and bond debt service of that water system,

- (4) the territory within CWD as of the effective date of the consolidation shall be designated the “Carmichael Service Area” following the consolidation;
  - (5) the territory within SSWD as of the effective date of the consolidation shall be designated the “Sacramento Suburban Service Area” following the consolidation; and
  - (6) the Board of Directors of the consolidated district shall determine from time to time which funds derived from the operation of the Carmichael Service Area water system and the Sacramento Suburban Service Area water system shall be used to pay the cost of administration of the consolidated district, and other costs of activities of the consolidated district that benefit the consolidated district as a whole.
- e. Subject to the foregoing, all assets, revenues, funds on deposit, rights and liabilities under contracts, liabilities for payment of principal and interest on contractual obligations for real property, furnishings and equipment, operating expenses, supplies, licenses and permits, and any contingent liabilities for existing civil litigation shall accrue to the consolidated district.
- f. [NAME], will serve as Interim General Manager of [new district name], until the board of the consolidated district appoints a permanent General Manager under an employment agreement approved by the board of the consolidated district as promptly as possible after the Sacramento LAFCo records the Certificate of Completion finalizing the consolidation.
- g. As of the effective date of the consolidation, all of the respective employees of SSWD and CWD shall become employees of the consolidated district. To the extent practical, every attempt will be made to maintain such employees in the same or similar positions of authority and responsibility with the consolidated district. The compensation, benefits and other terms and conditions of employment of all of the respective employees of SSWD and CWD shall not be reduced by virtue of their becoming employees of the consolidated district. These provisions shall not limit the authority of the General Manager of the consolidated district to exercise his discretion with respect to rights of assignment, transfer, discipline, and discharge of employees in accordance with the County Water District Law and other provisions of law. Notwithstanding the foregoing, the existing unionized employees of CWD are not guaranteed to remain unionized, and any determination as to whether the consolidated district will have union employees will be subject to a post-consolidation vote of all rank and file employees who might potentially be part of a represented class of employees.

- h. As of the effective date of the consolidation, the current employees of CWD shall continue to be covered by the CWD CalPERS retirement program and the current employees of SSWD shall continue to be covered by the SSWD CalPERS retirement program. The Board of Directors of the consolidated district may propose a unified retirement plan to all employees, subject to compliance with all applicable legal requirements governing any change in public employee retirement plans.
- i. In accordance with the provisions of Water Code sections 21552.1 and 30500.1 and subsection(n) of Government Code 56886, the composition and election of the Board of Directors of the consolidated district shall be as follows:
  - (1) The initial Board of Directors of the consolidated district shall consist of eleven members, composed of the existing five members of the Board of Directors of CWD and the existing five members of the Board of Directors of SSWD, each of whom shall serve the same term of office that they were serving as of the effective date of the consolidation. The eleventh seat on the Board of Directors of the consolidated district will be vacant. The Board of Directors recommends that the Board of the consolidated district vote to eliminate the eleventh seat on the Board as provided in subdivision (c) of both Water Code sections 21552.1 and 30500.1. Directors of the consolidated district shall be elected by and from divisions, as set forth below.
  - (2) The number of seats on the Board of Directors shall be reduced to seven in the general district election of the consolidated district to be held in **November 2026 and to the permanent size of five in the** general district election of the consolidated district to be held in **November 2028.**

The Board of Directors of the consolidated district shall be elected by and from divisions within the consolidated district at the general district election in 2026 provided that, in the event that there is a delay in the effective date of the consolidation that prevents the Board of Directors of the consolidated District from establishing the boundaries of divisions in time to provide the notice required by Elections Code section 10522 (125 days prior to the general district election), and by and from divisions at the general district election in **2028.**

- k. Adoption of this resolution of application shall be subject to the adoption of a resolution in substantially the same form by the Board of Directors of CWD.
- 5. This Resolution shall take effect as of **TBD.**

PASSED AND ADOPTED by the Board of Directors of the Sacramento Suburban Water District on the **XXth day of MONTH, 2023**, by the following vote:

AYES:  
 NOES:  
 ABSENT:

By: \_\_\_\_\_

Jay Boatwright  
President, Board of Directors  
Sacramento Suburban Water District

\*\*\*\*\*

I hereby certify that the foregoing resolution was duly and regularly adopted and passed by the Board of Directors of Sacramento Suburban Water District at a regular meeting hereof held on the XXth day of MONTH, 2023.

(SEAL)

By: \_\_\_\_\_  
Dan York  
General Manager/Secretary  
Sacramento Suburban Water District





April 12, 2023

TO: Proponents of Any Change of Organization/Reorganization in the County of Sacramento

FROM: José C. Henríquez Executive Officer

SUBJECT: LAFCo Application Form

Procedures pertaining to the processing and approval of applications by the Sacramento Local Agency Formation Commission are set forth in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 [Government Code Section 56000 et seq] and the California Environmental Quality Act.

Prior to the completion and submittal of an application, it is strongly recommended that the project proponent participate in a pre-application conference with staff. Participation will ensure that the applicant clearly understands the application requirements, possesses a basic understanding of the LAFCo process, and encounters a minimum of obstacles to processing which may occur if the application package is incomplete or contains errors.

During the pre-application conference, staff will review the requirements with the proponent and will inform the applicant of the need to provide additional information within 30 days of receipt of the filing.

For standards regarding the review of proposals before the Sacramento Local Agency Formation Commission, see Policies, Standards and Procedures for LAFCo, (adopted September 1990, Amended May, 1993) located under the “Policy, Standards and Procedures Manual” page, located on the menu on the left hand side of the Sacramento LAFCo website.

Incorporation proposals are unique and complex and require a special set of explanations and instructions and also require that the proponents meet with the Executive Officer in order to clarify requirements prior to circulating petitions proposing incorporation.

If you have questions, you may contact me or any member of the LAFCo staff at (916) 874-6458 or at [CommissionClerk@SacLAFCo.org](mailto:CommissionClerk@SacLAFCo.org).

**The following page includes the application checklist. Please complete and return with the application material.**

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**Commissioners**

*Sue Frost, Rich Desmond, County Members* ■ *Patrick Hume, Alternate*  
*Iva Walton, Sean Loloee, City Members* ■ *Jay Vandenburg, Katie Valenzuela, Alternates*  
*Chris Little, Public Member* ■ *Timothy Murphy, Alternate*  
*Lindsey Liebig, Gay Jones, Special District Members* ■ *Charlea Moore, Alternate*

**Staff**

*José C. Henríquez, Executive Officer* ■ *Desirae Fox, Policy Analyst*  
*Nancy Miller, DeeAnne Gillick, Commission Counsel*

## Application Checklist

LAFCo General Application	<ul style="list-style-type: none"><li><input type="checkbox"/> General Application<ul style="list-style-type: none"><li><input type="checkbox"/> Appendix A: Services Proposed For Project</li><li><input type="checkbox"/> Appendix B: Land Use and Zoning Information</li><li><input type="checkbox"/> Appendix C: Plan For Services</li><li><input type="checkbox"/> Appendix D: Agreement to Pay for Services</li><li><input type="checkbox"/> Appendix E: Legal Indemnification</li><li><input type="checkbox"/> Appendix F: FFPC Party Disclosure form</li><li><input type="checkbox"/> Appendix G: AB 745 required disclosure</li></ul></li> <li><input type="checkbox"/> CEQA Document _____ <span style="margin-left: 150px;">List type of Document</span></li> <li><input type="checkbox"/> Project Maps (<i>see below</i>)</li> <li><input type="checkbox"/> Fees: \$5,000 (<i>made payable to Sacramento LAFCo</i>)</li></ul>
Project Maps	<ul style="list-style-type: none"><li><input type="checkbox"/> Legal Description</li><li><input type="checkbox"/> Boundary Map</li><li><input type="checkbox"/> Vicinity Map</li></ul> <p style="color: red; margin-top: 10px;"><i>All map copies should be submitted electronically, size 8 ½" x 11" and meet the requirements of the State Board of Equalization.</i></p>
Municipal Service Review Sphere of Influence	<ul style="list-style-type: none"><li><input type="checkbox"/> LAFCo General Application</li><li><input type="checkbox"/> MSR-SOI Supplemental Application</li><li><input type="checkbox"/> MSR Questionnaire</li></ul>

## Agenda Item: 7

**Date:** October 24, 2023

**Subject:** Powers of Authority

**Staff Contact:** Dan York, SSWD General Manager  
Cathy Lee, CWD General Manager

### Recommended Board Action:

Based on the recommendation at the August 9, 2023, Carmichael Water District/Sacramento Suburban Water District 2x2 Committee meeting, approve the structure of the new proposed District to be a County Water District.

### Background

Carmichael Water District (CWD) was established as an Irrigation District in 1916 and was the first irrigation district formed in Sacramento County. The District changed its name to Carmichael Water District in the 1980's to reflect the services provided.

Sacramento Suburban Water District (SSWD) was formed in February 2002, through the consolidation of the former Arcade Water District and Northridge Water District, which were formed in 1954 and 1956, respectively, as County Water Districts.

At previous 2x2 Committee and Board meetings, staff was directed to obtain a legal analysis on what are the differences in the powers of authority of a County Water District and an Irrigation District, as well as what are the advantages/disadvantages. In addition, a question was asked if there are higher powers and authority obtainable if the two districts were to combine.

SSWD was formed and operates under the County Water District Law, Water Code sections 30000 through 33901, and CWD was formed and operated under the Irrigation District Law, Water Code sections 20500 through 29978. The different "enabling acts" under which each District was formed and operates provide for somewhat different scopes of authority, although they share many powers in common, as outlined below.

Under the County Water District Law, SSWD is authorized to provide water service and to take associated actions to develop water rights and resources, to build, operate, maintain, and upgrade necessary infrastructure, and to engage in related activities to ensure its authority to supply water to its customers. County water districts also may provide wastewater, fire protection, and solid waste services. They also have limited powers for electric (leasing water for hydroelectric generation purposes) and recreational services (construct and operate ancillary recreational facilities on property owned for water supply and distribution services). SSWD, however, does not exercise any of these "latent" additional powers.

Under the Irrigation District Law, CWD also is authorized to take all necessary actions to provide water service to its customers. Originally, irrigation districts were authorized to construct projects to provide water to irrigate agricultural lands. Later, the Legislature authorized irrigation districts to also provide treated water service. The Irrigation District Law also permits irrigation districts to provide drainage, retail and wholesale electric power generation and service, and

sewer services. Like SSWD, however, CWD only provides treated water service and does not exercise any of these additional powers.

Under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (called here the “LAFCO Law”), neither District may exercise any latent power, that is a power it is not actively exercising now, unless and until that district applies to Sacramento County Local Agency Formation Commission (“LAFCO”) for approval to exercise the proposed latent power and LAFCO approves the application. While either District could apply to LAFCO to exercise one or more of its latent powers, both districts serve mainly built out areas that already receive sewer, electricity, and other utility services by other established providers. In these circumstances, it is unlikely that LAFCO would approve an application by either District to exercise a latent power or that any existing provider (e.g., SMUD) would consent to such a proposal. As noted above, SSWD’s and CWD’s authority under their respective enabling acts are more similar than different. This is particularly the case given their common existing missions and the likely limitations on either District being able to obtain LAFCO approval to exercise any of their additional, latent powers.

District legal counsel developed a matrix (see Attachment 1) that identifies/outlines the various types of Powers of Authority in relations to water service/supply, other services, water conservation, property acquisition, facilities and sale of surplus services.

### **Discussion**

This information was presented at the August 9, 2023, CWD/SSWD 2x2 Committee Meeting, where the Committee unanimously voted that if the two Districts were to combine, the structure would be a County Water District, and requested to report the recommendations to the respective Boards.

### **Attachment:**

1. District Authorized Powers Matrix

## District Authorized Powers Matrix

Powers	County Water District	Irrigation District	Municipal Water District	Community Services District	Municipal Utility District	Public Utility District	Water Conservation District	California Water District
<b>Water Service and Supply</b>	<p>All acts necessary to furnish water in the District for all present and future beneficial uses. (Water Code § 31020)</p> <p>Acquire stock in a mutual water company or corporation for District water supply. (Water Code § 31051)</p> <p>Store and conserve water for future use, and appropriate, acquire, and conserve water and water rights for any useful purpose. (Water Code § 31021)</p> <p>Contract with the United States to acquire works for irrigation, drainage or flood control, or the development of electric power; provide a water supply; or assume indebtedness of the United States. (Water Code §§ 31150-51)</p>	<p>All acts necessary to furnish water in the District for any beneficial use. (Water Code §§ 22075-6, 22231)</p> <p>Allocate water on pro rate basis for irrigation purposes to each landowner. (Water Code § 22250)</p>	<p>Sell treated and untreated water to individuals, corporations, or agencies in the District. (Water Code § 71611)</p> <p>Acquire, distribute, treat, sink, and recycle any water, including sewage and storm water, for District beneficial uses. (Water Code § 71610)</p>	<p>Acquire, distribute, store, treat, purify, and recycle any water, including sewage and storm water, for District beneficial uses. (Gov't Code § 61100(a); Water Code § 71610)</p>	<p>Operate works for the supply of water to District inhabitants. (Pub. Util. Code § 12801)</p> <p>Utilize the Municipal Improvement Act of 1913 for any purpose which a District may carry out. (Pub. Util. Code § 13010)</p> <p>Operate a system for the distribution of irrigation water. (Pub. Util. Code §§ 13021-24)</p>	<p>Operate works for the supply of water to District inhabitants. (Pub. Util. Code § 16461)</p>	<p>Acquire and conserve water and water rights for any useful purpose. The District may sell, deliver, distribute, or otherwise dispose of any water that is controlled by the District. (Water Code §§ 74521, 74526)</p> <p>Conserve and store water and, for such purposes, acquire or construct and operate dams, reservoirs, canals, and pipelines, spreading basins, and wells. (Water Code §§ 74522-25)</p> <p>Contract with any city, county, district, or the United States for a water supply or facilities, and disposal of water rights, and contracts for the acquisition or construction of water works. (Water Code §§ 74590-92, 74611)</p>	<p>Operate the necessary works for irrigation, domestic, industrial, and municipal water purposes. (Water Code § 35410)</p> <p>Contract to perform agreements for the transfer or delivery of any irrigation system, canals, rights of way, or other property owned by the District in exchange for the right to receive water from the other party. (Water Code § 35403)</p> <p>Apportion water for irrigation purposes ratably to each landowner upon the basis of the last assessment to their land. (Water Code § 35420)</p>

### District Authorized Powers Matrix

Powers	County Water District	Irrigation District	Municipal Water District	Community Services District	Municipal Utility District	Public Utility District	Water Conservation District	California Water District
<p style="text-align: center;"><b>Other Services</b> <b>(Exercise of Latent Powers Subject to LAFCo Approval)</b></p>	<p>Operate plants for the generation of hydroelectric power. (Water Code § 31149.1)</p> <p>Operate facilities for the collection and disposal of solid waste. (Water Code § 31135)</p> <p>Operate recreation facilities ancillary to District facilities and water supplies. (Water Code § 31130)</p> <p>Provide fire protection services, subject to District obtaining consent of any local agency providing that service. (Water Code § 31120)</p> <p>Operate wastewater and storm water collection, treatment and disposal facilities. (Water Code § 31100)</p>	<p>Provide drainage made necessary by irrigation in the District. (Water Code § 22095)</p> <p>Generate, distribute, sell, and buy/lease electric power for use inside and outside the District. (Water Code §§ 22115-22124)</p> <p>Operate facilities to protect District land and property from floods and overflow. (Water Code § 22160)</p> <p>Operate sewage collection, disposal mains, and sewage treatment and disposal facilities. (Water Code § 22176)</p> <p>Operate recreational facilities connected to dams, reservoirs, or other works owned or controlled by the District. (Water Code § 22185)</p>	<p>Operate works and facilities for the generation and delivery of hydroelectric power. (Water Code § 71691)</p> <p>Provide fire protection services, subject to obtaining consent of any local agency providing that service. (Water Code § 71680)</p> <p>Operate facilities for, or contract for, solid waste collection. (Water Code § 71689.20)</p> <p>Operate facilities for wastewater and storm water collection, treatment, and disposal. (Water Code § 71670)</p> <p>Supply and deliver water to property outside of the boundaries of the District. (Water Code § 71613)</p>	<p>Sewer and storm water collection, treatment and recycling, and solid waste services. (Gov't Code § 61100(b-c))</p> <p>Fire protection and emergency response. (Gov't Code § 61100(d))</p> <p>Recreation facilities. (Gov. Code, § 61100(e).)</p> <p>Police services. (Gov't Code § 61100(i))</p> <p>Flood control facilities. (Gov't Code § 61100(r))</p> <p>Hydroelectric power generating facilities. (Gov't Code § 61100(u))</p> <p><b>**The CSD Law provides for additional services such as vector control, emergency medical services, animal control, and mail delivery by contract with U.S.P.S. (See Gov't Code § 61100 generally)</b></p>	<p>Operate works for the supply of light, power, heat, transportation, telephone service, or means for the collection, treatment, or disposition of garbage, sewage, or solid waste. (Pub. Util. Code § 12801)</p>	<p>Operate works for the supply of fire services, light, water, power, heat, transportation, telephone service, or means for disposing of solid waste and sewage. (Pub. Util. Code §§ 16461, 16463)</p>	<p>Operate recreational facilities in connection with any dams, reservoirs, or other works owned or controlled by the District. (Water Code § 74540)</p> <p>Contract with municipalities, sanitary districts or other incorporated bodies and operate works necessary to treat sewage or storm water for beneficial uses, and to sell the treated water. (Water Code § 74593)</p>	<p>Operate facilities and services for the collection, treatment, and disposal of sewage, waste, and storm water. (Water Code § 35500)</p> <p>Operate plants for the generation of hydroelectric power. (Water Code § 35570)</p>

**District Authorized Powers Matrix**

Powers	County Water District	Irrigation District	Municipal Water District	Community Services District	Municipal Utility District	Public Utility District	Water Conservation District	California Water District
<b>Water Conservation</b>	<p>Drain and reclaim lands within the District. A District also may divert, store, conserve, transport or dispose of water resulting from such operations, or any flood and storm water within the District, for any beneficial use. (Wat. Code, § 31033.)</p> <p>Establish and implement a program to reduce water use and may require, as a condition of new service, that reasonable water-saving devices and reclamation devices be installed to reduce water use. (Water Code § 31035)</p> <p>Recapture, purify, and redistribute any water for beneficial uses within the District. (Water Code § 31047)</p>	<p>Control, distribute, store, spread, sink, treat, purify, recapture and salvage any water for beneficial use of the District. (Water Code § 22078)</p>	<p>Establish and implement a program to reduce water use and may require, as a condition of new service, that reasonable water-saving devices and reclamation devices be installed to reduce water use. (Water Code § 71610.5)</p> <p>Restrict District water usage during any emergency caused by drought, or other threatened or existing water shortage. (Water Code § 71640)</p>					

### District Authorized Powers Matrix

Powers	County Water District	Irrigation District	Municipal Water District	Community Services District	Municipal Utility District	Public Utility District	Water Conservation District	California Water District
<b>Property Acquisition</b>	<p>Acquire and dispose of by any means, including eminent domain, any property or interest in property required for District purposes. (Water Code §§ 31040-31041)</p>	<p>Acquire by any means any property or interest in property to carry out its purposes. (Water Code § 22425)</p> <p>Exercise the right of eminent domain to take any property necessary to carry out District purposes. (Water Code § 22456)</p>	<p>Acquire, lease, and dispose of real and personal property. (Water Code § 71690)</p> <p>Exercise the right of eminent domain to take any property necessary to carry out District purposes. (Water Code §§ 71693-94)</p>	<p>Acquire real or personal property. A District also may acquire any real or personal property by eminent domain. (Gov't Code § 61060)</p>	<p>Acquire real or personal property. A District also may acquire any real or personal property by eminent domain. A District also may lease, mortgage, sell, or otherwise dispose of property if it is within its best interests. (Pub. Util. Code § 12771)</p>	<p>Acquire real and personal property. (Pub. Util. Code § 16431)</p> <p>Exercise the right of eminent domain to take any property necessary. (Pub. Util. Code § 16404)</p>	<p>Acquire real and personal property. Any property owned by a District may be leased, mortgaged, sold, or otherwise disposed of. (Water Code § 74550)</p> <p>Exercise the right of eminent domain to take any property necessary to be used for District water facilities. (Wat. Code § 74553)</p>	<p>Acquire property necessary for water supply facilities for all District purposes. A District also may sell or lease property if it is in its best interests. (Water Code §§ 35600-04)</p>
<b>Facilities</b>	<p>Construct, purchase, lease, or otherwise acquire works, water rights, or land to convey, supply, store, or otherwise make use of water. (Water Code § 31042)</p> <p>Use any water or land under its control for recreational purposes. The District may also operate facilities necessary for the recreational use. (Water Code §§ 31130-31)</p>	<p>Construct necessary works for the collection of water for the District. (Water Code § 22226)</p> <p>Acquire the right to store water in any reservoir or to carry water through any conduit not owned or controlled by the District. (Water Code § 22227)</p>	<p>Acquire by any means and operate and maintain water system facilities, water rights, lands, rights, and privileges for the benefit of the District. (Water Code §§ 71691-71692)</p>	<p>Enter into and perform all contracts for any enumerated District service. (Gov't Code § 61060)</p>	<p>Construct water facilities pursuant to the Improvement Act of 1911. (Pub. Util. Code § 12921)</p> <p>Rent or lease District facilities that are not being used to their full capacity. (Pub. Util. Code §§ 12805-06)</p>	<p>Construct or acquire public utilities and works by resolution, ordinance, or petition by District voters. (Pub. Util. Code §§ 16801-16, 16841-46.)</p> <p>Contract with any public agency or with any person, firm, or corporation for joint acquisition, construction, maintenance, or use of water supply facilities. (Pub. Util. Code §§ 16880-82.)</p>	<p>Operate the facilities necessary to protect the land or property in the District from damage by flood or overflow. (Water Code § 74524)</p>	<p>Construct any works along, under, or across any stream, watercourse, street, avenue, highway, railway, canal, ditch, or flume. (Water Code § 35603)</p>



**District Authorized Powers Matrix**

<b>Powers</b>	<b>County Water District</b>	<b>Irrigation District</b>	<b>Municipal Water District</b>	<b>Community Services District</b>	<b>Municipal Utility District</b>	<b>Public Utility District</b>	<b>Water Conservation District</b>	<b>California Water District</b>
<b>Sale of Surplus Services</b>	Sell surplus water or its use for any beneficial purpose. (Water Code § 31023)	Lease or sell surplus water or its use when not required for use within the District. (Water Code § 22259)	Sell or otherwise dispose of surplus water to any persons, public corporations or agencies, or other consumers. (Water Code § 71612)		Sell or otherwise dispose of surplus water, light, heat, or power beyond what is required within the District. (Pub. Util. Code § 12804)	Sell or otherwise dispose of surplus water, light, heat, or power beyond what is required within the District. (Pub. Util. Code § 16473)		Contract for the lease, sale, or use of any surplus water not required for use within the District. (Water Code § 35425)