



Minutes

Carmichael Water District/Sacramento Suburban Water District 2x2 Committee Meeting August 9, 2023

Location:

3701 Marconi Avenue, Sacramento, CA 95821, and Audio Conference at 1-669-900-6833, and Video Conference using Zoom at Meeting Id #884 2272 4401

Call to Order – Videoconference/Audioconference Meeting

CWD Director Jeff Nelson (Chair Nelson) called the meeting to order at 3:00 p.m.

SSWD Directors

Present: Dave Jones and Craig Locke.

SSWD Directors

Absent: None.

CWD Directors

Present: Mark Emmerson and Jeff Nelson.

CWD Directors

Absent: None.

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

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

Public Present: Legal Counsel Josh Horowitz, William Eubanks, Ellen Cross, Ted Costa, Jay Boatwright, Paul Helliker, Kevin Thomas, Greg Zlotnick, Christine Kohn, Carl Jones, Ron Greenwood, Jennifer Williams, and Jose Henriquez.

Public Comment

None.

Consent Items

1. **Draft Minutes of the July 11, 2023, Carmichael Water District/Sacramento Suburban Water District 2x2 Committee Meeting**

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

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

Items for Discussion and/or Action

2. **Powers of Authority**

CWD GM Lee presented the staff report and introduced Legal Counsel Josh Horowitz (Mr. Horowitz) who provided a summary of the staff report and answered clarifying questions.

Chair Nelson inquired which power of authority would be the most advantageous for a potential combined district.

Mr. Horowitz answered that many of the powers currently needed already exist under either a County or Irrigation Authority, noting that the County Authority was better administratively.

Jose Henriquez (Mr. Henriquez), Executive Officer of LAFCo, echoed Mr. Horowitz, noting a County Authority provides maximum flexibility in operations.

SSWD Director Jones pointed out that there could be some benefit to having a police force in the future.

SSWD Director Locke agreed, noting that someday in the future it might be nice to have the option of having a police force.

Chair Nelson expressed he was not interested in having parks and recreation.

Mr. Horowitz stated that if security was a concern, the District could always consider additional security and alarm options.

CWD Director Emmerson moved to recommend to both full Boards, that if the two Districts were to combine, the structure would be a County Water Agency; SSWD Director Locke seconded. The motion passed by unanimous vote.

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

CWD Director Emmerson suggested that the 2x2 Committee members report the recommendation to their respective Boards.

3. **Consolidation or Reorganization**

SSWD GM York presented the staff report.

Mr. Henriquez provided further details of the process, the resolution requirements for each option, as well as the pros and cons of consolidation and reorganization. He expressed that the process of a consolidation provides more of a risk, as it is contingent upon the registered voters of both districts approving the formation of a new district.

SSWD Director Locke inquired how much an election generally costs.

Mr. Henriquez expressed it would be roughly \$5 per registered voter, therefore, for both districts it would be roughly \$600,000, depending on what direction the districts decided to go. He provided further clarification on the difference between reorganization and consolidation.

William Eubanks (Mr. Eubanks) encouraged the Committee to consider naming the new proposed district something with more of a historical significance to the area.

CWD Director Emmerson moved to table the item.

SSWD Director Locke reminded the Committee that each Director of both districts would want to have an opportunity to share their opinion on this topic, and recommended tabling the item until it can be presented at a Joint Board meeting.

SSWD Director Jones further supported tabling the item.

Chair Nelson expressed he was slightly more interested in a consolidation, however, he agreed to table the item. He further recommended staff bring the item back to the next 2x2 Committee meeting to allow Mr. Henriquez an opportunity to provide additional details of the voting structure between a consolidation and reorganization. He expressed that at some point, the Committee should make a recommendation to the Joint Boards on this topic.

4. **Final Number of Board of Directors**

CWD GM Lee presented the staff report.

Mr. Horowitz answered clarifying questions and provided details on the number of Directors if the districts were to combine.

Mr. Henriquez provided additional clarification on the LAFCo process.

Chair Nelson recommended the proposed new district start with 11 Directors.

CWD Director Emmerson agreed with Chair Nelson and added a suggestion to gradually phase to either 7 or 5 Directors.

SSWD Director Jones expressed he would be willing to resign from the Board at the time of a combination to avoid additional costs.

SSWD Director Locke recommended to include a phasing out deadline, such as phasing out Director seats every 2 years.

Mr. Horowitz explained that there were statutes that require a timeframe for phasing out Director seats and offered to provide the Arcade and Northridge original Resolutions, as well as the Certificate of Completion as assistance in how the predecessor Districts consolidated.

SSWD Director Locke expressed he would be interested in having 7 Director seats, and then allowing those 7 Directors to decide if they felt it was necessary to reduce to 5 Director seats.

The Committee agreed to table the item until the next meeting of the 2x2 Committee, where the Committee would then make a recommendation to the full Boards, including examples and deadlines.

5. **Board of Director Division Maps**

SSWD GM York presented the staff report.

In an effort to save money, CWD Director Emmerson recommended that staff draft the Director Division Maps.

SSWD Director Jones agreed with CWD Director Emmerson.

SSWD Director Locke expressed that although he was confident staff was capable of creating the Director Division Maps, he felt that hiring an outside independent consultant would assist with the perception of it being an unbiased process.

Chair Nelson expressed that the item was presented a little soon in the process, and recommended that when ready, the Boards should consider an outside independent consultant to draft the Division maps.

CWD Director Emmerson expressed he was not worried so much about the details and expressed that it would save money for staff to draft the maps.

SSWD GM York expressed staff would table the item for now and bring it back at a more appropriate time.

Jennifer Williams expressed that there was current legislation, AB764, pending on this topic.

6. **Implementation Costs**

CWD GM Lee presented the staff report and answered clarifying questions.

Chair Nelson and SSWD Director Locke agreed that there were a lot of unknowns that remain unknown.

Chair Nelson expressed he thought the surface water rights cost estimate was high.

Mr. Horowitz concurred that the surface water rights cost estimate seemed high.

SSWD GM York expressed that if the two districts did decide to combine, they would provide resolutions to LAFCo which would include a more thorough analysis of costs.

CWD Director Emmerson suggested staff of each district work together now to find efficiencies between the districts.

Mr. Eubanks asked clarifying questions about water rights costs and provided his opinion about the item.

7. **Regular Board Meeting – Consider Changing Standing Meeting Day**

SSWD GM York presented the staff report.

CWD Director Emmerson expressed he was open to changing the date of the CWD regular Board meeting if needed.

Chair Nelson pointed out that the CWD regular Board meeting was established for CWD business, and that if the intent was to hold both meetings on the same day, it would make for a very long day for the Directors.

SSWD GM York expressed there were challenges with scheduling the next meeting of the Joint Boards due to vacations; however, a Joint Board meeting has been scheduled for October 24, 2023.

CWD GM Lee suggested to begin attempting to schedule future meetings of the Joint Boards now.

SSWD Director Locke expressed his frustration with how challenging it has been to get the meetings scheduled. He noted that he would be available on the third Tuesday of each month if CWD could possibly move their regularly scheduled meetings. He further suggested to see about scheduling the Joint Board meetings in three months increments.

Ellen Cross (Ms. Cross) suggested to set a standing meeting every two or three months between now and 2025.

SSWD Director Locke suggested staff work on scheduling a Joint Board meeting in January and March of 2024, and if meetings cannot be set, to revisit the topic at the next meeting of the CWD/SSWD 2x2 Committee.

Chair Nelson agreed with the suggestion, requesting to try to schedule meetings in the second or third week in January 2024, one in March 2024, and even one in May 2024. He expressed he was not available on Friday afternoons.

SSWD Director Jones inquired if the meetings could be set with a majority of the Board members, rather than each full Board.

Mr. Horowitz stated that Directors can attend the meetings via teleconference under the Brown Act requirements.

Mr. Eubanks urged the Board to hold meetings with the majority of the Directors, instead of trying to ensure every single Director was there.

8. **Next Public Information Workshop**

CWD GM Lee presented the staff report, noting that SSWD Board requested for this Committee to discuss the consideration of another Public Information Workshop.

SSWD Director Jones expressed he was interested in another Public Information Workshop, but not until after the next Joint Board meeting, and answers to questions from the current agenda were completed.

SSWD Director Locke expressed he did not think another Public Information Workshop should take place until after the next Joint Board meeting.

Chair Nelson agreed with Directors Locke and Jones.

SSWD Director Locke recommended to have this as a topic at the next Joint Board meeting to see if all Directors felt the same way.

Ms. Cross pointed out that the Joint Boards should consider identifying some potential dates at the next Joint Board meeting, so staff can prepare and have time to inform the public.

Chair Nelson recommended staff provide November dates for a Public Information Workshop at the October 24, 2023, Joint Board meeting, to be approved by the Joint Boards.

SSWD Director Locke suggested to propose dates either before Thanksgiving or after Christmas.

Mr. Eubanks asked clarifying questions.

9. **Outreach Summary Report**

SSWD GM York presented the staff report.

Chair Nelson expressed that he and Director Emmerson looked at the questions, and came up with 6 categories, and that they were generating answers for them. He further expressed that Directors Locke and Jones were additionally looking at the questions to provide their answers. He noted he would eventually like the questions and answers to be uploaded to each district's website.

SSWD Director Locke suggested that once all of the Committee members provide their comments, the public relations team should assist with ensuring the final product was customer friendly. He noted he would be interested in seeing the final product before it was available to the public.

Ms. Cross noted that other Directors of each Board have expressed interest in being a part of commenting on public documents before they are posted.

Mr. Horowitz explained that SSWD GM York can send the document to each of the Directors individually for feedback.

SSWD GM York expressed he and CWD GM Lee would collect all of the Committee comments, then provide them to the public relations team, who will reframe the document. Once the document was prepared, SSWD GM York would individually send the document to each Director for their feedback on it.

Ms. Cross noted the final document will be presented at the next CWD/SSWD 2x2 Committee meeting.

Adjournment

Chair Nelson adjourned the meeting at 4:57 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District