



## Agenda

### Del Paso Manor Water District/Sacramento Suburban Water District Joint Board Meeting

3701 Marconi Avenue  
Sacramento, CA 95821

Wednesday, May 22, 2024  
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 Chairperson will call for public comment on each agenda item at the appropriate time. If a member of the public chooses to participate in this public meeting via videoconference and/or teleconference, please see the instructions below.

Portions of this meeting will be conducted by teleconference in accordance with Government Code section 54953(b). The teleconference locations for the meeting are as follows: (1) District boardroom at the above address, and (2) 16858 N. Perimeter Drive, Scottsdale, AZ, 85260. Each teleconference location is accessible to the public, and members of the public may address the Board of Directors from any teleconference location.

For members of the public interested in viewing and having the ability to comment at the public meeting via Zoom, an internet-enabled computer equipped with a microphone and speaker or a mobile device with a data plan is required. Use of a webcam is optional. You also may call in to the meeting using teleconference without video. Please use the following login information for videoconferencing or teleconferencing:

**Join the meeting from a computer, tablet or smartphone:**

<https://us02web.zoom.us/j/89506010403?pwd=Y2VJQkhhM1cza1ZDeGZFMG5rZW5hQT09>

**Meeting ID: 895 0601 0403**

**Password: 254442**

**You can also dial in using your phone: 1 (669) 900-6833**

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Zoom uses encryption of data during Zoom meetings. The two Agencies use a secure password to restrict access to scheduled meetings. The meeting host has control of content sharing, recording, and chat.

**Please mute your line.**

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 Boards'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 Chairperson 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**

### **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.

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

- 1. Sacramento Local Agency Formation Commission – Public Hearing on Del Paso Manor Water District**  
*Recommendation: Receive report on the result of the Public Hearing held on May 1, 2024, by the Sacramento Local Agency Formation Commission on the intent to initiate dissolution of Del Paso Manor Water District.*
- 2. Sacramento Suburban Water District and Del Paso Manor Water District – Potential Reorganization**  
*Recommendation: Direct staff to develop a process for which to bring forth a vote to initiate reorganization tasks to dissolve Del Paso Manor Water District by combining under Sacramento Suburban Water District.*
- 3. Del Paso Manor Water District and Sacramento Suburban Water District Board of Directors – Comments and/or Concerns**  
*Recommendation: Receive input from the Del Paso Manor Water District and Sacramento Suburban Water District Board of Directors on any concerns or issues related to the potential reorganization efforts.*

4. **Communications Plan**

*Recommendation: Director staff to develop a Communications Plan for a reorganization of Del Paso Manor Water District under Sacramento Suburban Water District for outreach to customers/stakeholders of each district.*

5. **Joint Board Meetings vs 2x2 Committee Meetings**

*Recommendation: Discuss preference to conduct Joint Board meetings or appoint a 2x2 Committee going forward on the potential reorganization of Del Paso Manor Water District into Sacramento Suburban Water District. Direct staff as appropriate.*

6. **Future Meeting – Draft Agenda Topics**

*Recommendation: Discuss agenda topics to be presented at the next meeting of Del Paso Manor Water District and Sacramento Suburban Water District and direct staff as appropriate.*

**Adjournment**

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I certify that the foregoing agenda for the May 22, 2024, meeting of the Del Paso Manor Water District/Sacramento Suburban Water District Joint Board was posted by May 20, 2023, in a publicly-accessible location at the Sacramento Suburban Water District office, 3701 Marconi Avenue, Sacramento, CA 95821, and at the Del Paso Manor Water District office, 1817 Maryal Drive, Suite 300, Sacramento, CA 95864, 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:** May 22, 2024

**Subject:** Sacramento Local Agency Formation Commission – Public Hearing on Del Paso Manor Water District

**Staff Contact:** Dan York, SSWD General Manager  
Adam Coyan, DPMWD General Manager

### Recommended Board Action:

Receive report on the result of the Public Hearing held on May 1, 2024, by the Sacramento Local Agency Formation Commission on the intent to initiate dissolution of Del Paso Manor Water District.

### Discussion:

The Sacramento Local Agency Formation Commission (LAFCo) held a Public Hearing on May 1, 2024, with a staff recommendation to approve the following:

1. Adopt CEQA Statutory Exemption §15061(b)(3) for the following two actions
2. Adopt the Addendum to the Municipal Service Review for Del Paso Manor Water District (LAFCo Project #2022-01); and
3. Serves as a Resolution of Intent to Initiate Dissolution of Del Paso Manor Water District. This resolution gives Del Paso Manor Water District a 12-month remediation period during which the district may take steps to remedy the specified deficiencies. At the end of that 12-month period, the Commission may either approve the dissolution of the Del Paso Manor Water District in May 2025, or rescind the Resolution of Intent to Initiate Dissolution, and no further action will be taken.

LAFCo staff's recommendation to initiate dissolution of the Del Paso Manor Water District (DPMWD) is based on a preponderance of evidence that DPMWD's service is not meeting industry standards, or government regulations, and is based on the 2021 Grand Jury Report, the adopted LAFCo Municipal Service Review (MSR), including the recommended MSR Addendum, and independent studies and information provided by DPMWD related to the current infrastructure. The recommendation is based on the further determination that DPMWD's Board is not actively engaged in efforts to remediate the documented service deficiencies.

LAFCo Commission Chair Rich Desmond began the meeting by reading a statement on the purpose and responsibility of LAFCo.

Jose Henriquez, LAFCo Executive Officer, conducted the presentation providing the necessary information to support the recommendation to adopt the subject resolution.

DPMWD Directors Dolk, Mattioli, Pratt, Ross, and General Manager Coyan were present at the meeting and provided comments during the Public Comment period.

During Public Comment, DPMWD Directors Ross and Mattioli requested that the LAFCo Commission delay considering adopting the resolution so the Board and constituents can review and respond to the LAFCo report. Directors Dolk, Pratt, and DPMWD GM Coyan commented that they supported LAFCo's recommendation to adopt the resolution.

Each Commission Member made it very clear that they were not going to delay a decision that evening. They also made it clear to the DPMWD Board, by adopting the resolution it doesn't restrict that Board from doing their due diligence as Board members by choosing their path going forward. The Commission Members were very adamant on making the point that their major concern for DPMWD customers is their health, safety, and affordability of water, now and into the future.

Once the Public Comment period concluded, the LAFCo Commission, by a 7-0 vote, adopted LAFCo staff's recommendation, which adopts the Addendum to the Municipal Service Review for DPMWD and a Resolution of Intent to Initiate Dissolution of DPMWD.

## Agenda Item: 2

**Date:** May 22, 2024

**Subject:** Sacramento Suburban Water District and Del Paso Manor Water District – Potential Reorganization

**Staff Contact:** Dan York, SSWD General Manager  
Adam Coyan, DPMWD General Manager

### Recommended Board Action:

Direct staff to develop a process for which to bring forth a vote to initiate reorganization tasks to dissolve Del Paso Manor Water District by combining under Sacramento Suburban Water District.

### Background:

Since 2019, Sacramento Suburban Water District (SSWD) and Del Paso Manor Water District (DPMWD) have been in various discussions to combine the two districts, as well as SSWD operating DPMWD’s water system by way of a Mutual Aid Agreement and an Operational Services Agreement. This was due to three of their four staff members retiring/resigning on May 31, 2019, as well as the 2021 Grand Jury Report.

Between 2020 and 2023, SSWD and DPMWD conducted an analysis on the following areas:

- Condition Assessment of DPMWD’s Infrastructure
- Groundwater/Surface Water Supplies
- Municipal Services Review Updates
- Financial Analysis
- Water Rate Comparison
- Combination Benefits – Rates, Costs, Operations
- Developed Pros and Cons

The above items were presented at the SSWD - DPMWD 2X2 Committee meetings, with report backs to the full Board of each agency. However, at the May 22, 2023 Joint Board meeting, the DPMWD Board of Directors made the decision to move forward with the Proposition 218 process and let their customers choose to pass a potential rate increase, or not.

### Discussion:

On April 10, 2024, the Sacramento Local Agency Formation Commission (LAFCo), provided a Public Notice informing the public that LAFCo scheduled a Public Hearing on May 1, 2024, for the purpose of adopting an addendum to DPMWD’s Municipal Services Review and adopt a Resolution of Intent to Initiate Dissolution of DPMWD.

On April 16, 2024, DPMWD held a Special Board meeting to discuss LAFCo’s intent mentioned above. One of the options stated was to re-initiate discussions with SSWD. Per the minutes of

DPMWD's Special Board meeting, the DPMWD Board of Directors voted to initiate discussions with SSWD. The vote was 3-1.

On May 1, 2024, LAFCo approved the adopting an addendum to DPMWD's Municipal Services Review and adopt a Resolution of Intent to Initiate Dissolution of DPMWD. The vote was 7-0 on both items.

If SSWD and DPMWD choose to continue the path of combining the two agencies, a list of necessary tasks needs to be developed. For example, State Water Resources Control Board, Division of Drinking Water (DDW) will need to initiate amending SSWD and DPMWD's Water System Permits, which typically takes approximately 6-12 months. However, during the Water System Permit amendment process, DDW can temporarily re-appoint DPMWD's Water System Permit to SSWD, which provides SSWD with the authority/responsibility to operate DPMWD's water system until the Water System Permit amendment process is completed.

In addition, there are several tasks that need to be outlined and assigned as priorities. Below is an example of various tasks that would need to be conducted if the process is approved by both districts:

- Financial System – Determine how cash receivables and liabilities are transferred. Inventory non-bonded loans/grants, etc. Notify bond holders.
- Water Rates – Determine rate setting process.
- LAFCo resolutions
- Insurance Claims/Litigation. Identify outstanding claims and litigation.
- Real property disposition inventory and transfer
- Vehicle and equipment inventory

Note: The above items are not in order of priority.

## Agenda Item: 3

**Date:** May 22, 2024

**Subject:** Del Paso Manor Water District and Sacramento Suburban Water District Board of Directors – Comments and/or Concerns

**Staff Contact:** Dan York, SSWD General Manager  
Adam Coyan, DPMWD General Manager

**Recommended Board Action:**

Receive input from the Del Paso Manor Water District and Sacramento Suburban Water District Board of Directors on any concerns or issues related to the potential reorganization efforts.

**Discussion:**

The Joint Board meeting between Del Paso Manor Water District (DPMWD) and Sacramento Suburban Water District (SSWD) will provide an opportunity for each Director from the respective districts to provide input on their thoughts and/or concerns related to the potential of a reorganization in which DPMWD is dissolved into SSWD.



## Agenda Item: 4

**Date:** May 22, 2024

**Subject:** Communications Plan

**Staff Contact:** Dan York, SSWD General Manager  
Adam Coyan, DPMWD General Manager

**Recommended Board Action:**

Director staff to develop a Communications Plan for a reorganization of Del Paso Manor Water District under Sacramento Suburban Water District for outreach to customers/stakeholders of each district.

**Discussion:**

If the respective Board of Directors of Del Paso Manor Water District (DPMWD) and Sacramento Suburban Water District (SSWD) choose to initiate the process of reorganizing DPMWD into SSWD, it is imperative that a draft Communications Plan is developed that will reach internal and external stakeholders of each district. The Communications Plan, at a minimum, should address potential efficiencies, water supply reliability, and enhanced customer service. Attached to this staff report is a Draft Communications Plan that identifies outreach phases and options for communicating the discussions to internal and external stakeholders.

If DPMWD and SSWD choose to develop a Communication Plan, the cost of the effort will be split 50/50 between the two agencies.

**Attachment:**

1 – Draft – Communications Plan

# Draft – Communications Plan

## Outreach Outline for Del Paso Manor Water District and Sacramento Suburban Water District

### OUTREACH PHASES AT A GLANCE

#### PHASE 1: Reorganization discussion progress

- Educate audiences that SSWD and DPMWD are in the process of a potential reorganization.
- Postcards, newsletter, website, bill inserts, etc.

#### PHASE 2: Once the SSWD and DPMWD Boards takes a position on reorganization:

- Educate audiences about the SSWD and DPMWD Board’s position, and next steps.
  - If the Board’s position is to move forward with reorganization, then outline next steps for Board action, including opportunities for audiences to learn more and provide input.
    - Recommend providing ample time, robust outreach and several opportunities for audiences to learn more and provide input.

#### Target Audiences

*Note that priority levels for target audiences will change depending upon the outreach phase.*

#### Internal

- SSWD and DPMWD employees

#### External

##### Priority

- Customers
  - Parks departments within SSWD and DPMWD service areas
  - Civic and business organizations within the SSWD and DPMWD service areas
  - HOAs within the SSWD and DPMWD service areas
- Local elected officials that represent the SSWD and DPMWD service areas (County Board of Supervisors, CA Assembly and Senate, and Congressional)
- Taxpayer advocacy groups
- LAFCo (already engaged)
- Regulators, especially the State Water Resources Control Board, Division of Drinking Water

##### Secondary

- Regional Water Authority/Sacramento Groundwater Authority
- Regional water providers

**PHASE 3: Once the SSWD and DPMWD Boards vote on whether to move forward with Reorganization:**

- Educate audiences about the SSWD and DPMWD Board's position and perspective on reorganization, and next steps.

**Outreach Activities**

Outreach Activities are TBD, but will generally include those above, customized to the Board's decision/direction.

## Agenda Item: 5

**Date:** May 22, 2024

**Subject:** Joint Board Meetings vs 2x2 Committee Meetings

**Staff Contact:** Dan York, SSWD General Manager  
Adam Coyan, DPMWD General Manager

### **Recommended Board Action:**

Discuss preference to conduct Joint Board meetings or appoint a 2x2 Committee going forward on the potential reorganization of Del Paso Manor Water District into Sacramento Suburban Water District. Direct staff as appropriate.

### **Discussion:**

The Del Paso Manor Water District (DPMWD) and Sacramento Suburban Water District (SSWD) conducted combination discussions from 2020 to 2023. During that timeframe, the DPMWD and SSWD Board of Directors chose to appoint a 2x2 Committee to receive the information and analysis provided by staff. The 2x2 Committee would then report back to the full Boards with recommendations, if appropriate.

However, the 2x2 Committee does not have the authority to approve critical points of a reorganization between the two districts. Due to this, a 2x2 Committee has the potential to delay important tasks throughout the process and can ultimately extend critical decision points.

In directing staff to schedule Joint Board meetings to present information, or critical decision points, the process is more efficient as all of the Directors of each district receive the same information and allows making decisions in a more timely manner.

## Agenda Item: 6

**Date:** May 22, 2024

**Subject:** Future Meeting – Draft Agenda Topics

**Staff Contact:** Dan York, SSWD General Manager  
Adam Coyan, DPMWD General Manager

**Recommended Board Action:**

Discuss agenda topics to be presented at the next meeting of Del Paso Manor Water District and Sacramento Suburban Water District and direct staff as appropriate.

**Discussion:**

Direct staff on which topics need to be placed on the agenda for the next meeting of Del Paso Manor Water District and Sacramento Suburban Water District.