



Minutes

Del Paso Manor Water District and Sacramento Suburban Water District Joint Special Board Meeting

June 5, 2024

Location:

3701 Marconi Avenue, Sacramento, CA 95821, and Audio Conference at 1-669-900-6833, and Video Conference using Zoom at Meeting ID #883 4508 4378

SSWD Call to Order – Videoconference/Audioconference Meeting

Sacramento Suburban Water District (SSWD) Board President Kevin Thomas (Chair Thomas) called the meeting to order at 6:00 p.m.

Roll Call

SSWD Directors

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

SSWD Directors

Absent: Robert Wichert.

DPMWD Directors

Present: Carl Dolk, Gwynne Pratt, David Ross, and Robert Matteoli.

DPMWD Directors

Absent: None.

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

DPMWD Staff Present: General Manager Adam Coyan.

Public Present: SSWD Legal Counsel Josh Horowitz, Del Paso Manor Water District (DPMWD) Legal Counsel Lauren Bernadett, Bernadette Grimes, Jose Henriquez, Bill Rose, William Eubanks, Ted Costa, Paul Helliker, Sabrina Gulch, Mike Jenner, Trish Harrington, and Roy Wilson.

Public Comment

None.

Consent Items

- Draft Minutes of the May 22, 2024, Del Paso Manor Water District and Sacramento Suburban Water District Joint Board Meeting**
SSWD Director Boatwright moved to approve the Consent Item; SSWD Director Locke seconded.

The SSWD motion passed by unanimous vote.

SSWD Vote:

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

The DPMWD motion failed by a 2 aye/2 abstained vote.

DPMWD Vote:

AYES:	Dolk and Pratt.	ABSTAINED:	Ross and Matteoli.
NOES:		RECUSED:	
ABSENT:			

Items for Discussion and/or Action

- Sacramento Suburban Water District and Del Paso Manor Water District – Potential Reorganization**
SSWD General Manager Dan York (SSWD GM York) summarized the staff report, noting a majority of the analysis information has already been collected from the previous combination discussions.

Discussion ensued regarding what water rates options are available for DPMWD.

DPMWD Director Matteoli expressed he would not want the SSWD ratepayers to be responsible for any improvements made to the DPMWD system, so he is in favor of proceeding with the Prop 218 rates that were approved for DPMWD.

SSWD GM York expressed the goal would be for the DPMWD customers to eventually have SSWD's rate structure that has the "pay as you go" rate structure for CIP programs.

SSWD Director Locke recommended that any funds collected by the DPMWD ratepayers be used towards the DPMWD service area.

SSWD GM York reminded the Boards that there is a potential for state grant funding for infrastructure improvement and replacement.

The Boards agreed to direct staff to develop a process for which to bring forth a vote to initiate reorganization tasks to dissolve DPMWD.

DPMWD Director Matteoli requested staff include beginning the process to apply for grant funding into the task list.

Both Boards agreed with DPMWD Director Matteoli's request.

3. **Reorganization Benefits, Advantages, and Disadvantages**

SSWD GM York presented the staff report and answered clarifying questions.

DPMWD Director Matteoli inquired if fluoridation equipment would be needed at DPMWD well sites, should the districts combine.

SSWD Assistant General Manager Matt Underwood explained that SSWD could either provide fluoride to DPMWD's existing wells to be optimally fluoridated, or notify the DPMWD customers as required by the Department of Drinking Water of sub-optimal levels.

SSWD GM York explained that SSWD preferred to provide optimal levels of fluoride to its South Service Area.

William Eubanks (Mr. Eubanks) expressed he was not interested in supporting DPMWD with their infrastructure improvement needs, and additionally inquired about the status of the DPMWD customers, noting that in the past they were against combination discussions.

DPMWD Director Dolk expressed that he believed DPMWD ratepayers had a better understanding of the situation DPMWD is in and were now more in favor of combination discussions. He noted that there will be an Open House meeting on July 16, 2024, and that DPMWD has been more active with customer outreach.

Discussion ensued over clarifying questions including rates, funding options, well status, metering, DPMWD infrastructure, and the status of DPMWD existing staff.

SSWD Legal Counsel Josh Horowitz confirmed that DPMWD would be required to be fully metered within 10 years of combining with SSWD, should that take place.

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

SSWD GM York presented the staff report and answered clarifying questions.

Mr. Eubanks withdrew his comment.

Jose Henriquez (Mr. Henriquez) Executive Officer of Sacramento Local Agency Formation Commission (LAFCo) stated that on May 5, 2024, the LAFCo Commissioners voted unanimously to approve a resolution to attempt to dissolve DPMWD due to serious deficiencies and required infrastructure repairs, noting DPMWD had 12 months to correct the deficiencies or LAFCo would dissolve the district. He additionally noted that LAFCo would be holding an Open House for the

residents of DPMWD on July 16, 2024, in the El Camino High School Cafeteria, where they will go over what occurred in order for LAFCo to come to this decision, and what the process would be going forward. He noted that all of the calls he has received from DPMWD customers have been very supportive of this effort.

DPMWD Director Ross expressed concern over the possibility of DPMWD not being able to obtain the grant funding.

DPMWD Director Pratt expressed concern that SSWD staff would not have time to work on this effort.

Chair Thomas and SSWD GM York assured DPMWD Director Pratt that SSWD staff would not have an issue working on this combination effort.

SSWD Director Locke expressed his concern with the DPMWD Board's attendance at Joint Board meetings, noting he wanted to be sure that everyone was working toward the same goal, and wanted to make sure that time is not being wasted. He also expressed concern that DPMWD had three seats up for election in November, and it was unsettling to him that the majority of DPMWD's Board could change in just a few months.

DPMWD Director Pratt agreed with SSWD Director Locke and assured him that she was very interested in continuing to move forward with combination efforts.

SSWD Director Boatwright pointed out that if no efforts were made toward acquiring the grant funding, then nothing would be granted, urging the Boards to move quickly on it before it is gone.

SSWD Director Locke responded that it would be best to have something more formalized before November.

SSWD Director Boatwright additionally commented that he did not recommend DPMWD change their current rate plan and to not delay their rate increase that was approved through their Prop 218 process, and additionally expressed that he would not be in support of additional interties with DPMWD, if there was not a plan to join the two districts together. He urged the Boards to move swiftly on the combination efforts.

Trish Harrington reminded the Boards of the assets that DPMWD has.

Mr. Eubanks withdrew his comment.

5. **Communications Plan**

SSWD GM York presented the staff report and answered clarifying questions.

SSWD Director Locke stated that he would like to get information out to the SSWD customers as soon as possible about the combination efforts currently in progress.

The Boards agreed that the joint communication will be similar for each district, and that the editorial content will be approved by the General Managers, who will bring all final communications materials to the Boards as information.

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

SSWD GM York presented the staff report and answered clarifying questions.

Both Boards agreed to hold all meetings going forward as Joint Board meetings.

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

SSWD GM York presented the staff report.

The Boards agreed to allow the two General Managers to draft the agenda of the next Joint Board meeting based on the discussion that took place at this meeting.

Adjournment

Chair Thomas adjourned the meeting at 7:15 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District