



## Minutes

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

July 10, 2024

#### Location:

3701 Marconi Avenue, Sacramento, CA 95821, and Audio Conference at 1-669-900-6833, and Video Conference using Zoom at Meeting ID #886 8640 9642

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

Del Paso Manor Water District (DPMWD) Board Vice President Carl Dolk (Chair Dolk) called the meeting to order at 6:00 p.m.

#### Roll Call

SSWD Directors

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

SSWD Directors

Absent: Jay Boatwright.

DPMWD Directors

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

DPMWD Directors

Absent: None.

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

DPMWD Staff Present: General Manager Adam Coyan.

Public Present: SSWD Legal Counsel Josh Horowitz, DPMWD Legal Counsel Mona Ebrahimi, Jay Boatwright, Jose Henriquez, William Eubanks, Cindy Lidell, Stacey Lidell, Ted Costa, Eric Uppal, Berry Lou Beyer, Bill Rose, Marcy Hutchinson, Desirae Fox, Paul Helliker, Sabrina Gulch, Thomas Spencer, Kathy Lauer, Trish Harrington, Roy Wilson, Mike Jenner, and Victoria Hoppe.

#### Public Comment

Marcy Hutchinson announced that she was planning on running for the Board of Directors of the Del Paso Manor Water District.

Cindy Lidel expressed her desire for DPMWD to stay independent.

Stacey Lidel (Ms. Lidel) additionally expressed her desire for DPMWD to stay independent.

### Consent Items

1. **Draft Minutes of the June 5, 2024, Del Paso Manor Water District and Sacramento Suburban Water District Joint Board Meeting**

DPMWD Director Pratt inquired about a section in the Draft Minutes where SSWD Director Boatwright made a comment about the rates. She was hoping to get clarification on his comment.

SSWD Director Wichert suggested the item be tabled until SSWD Director Boatwright could be present to clarify his comment.

SSWD Director Wichert moved to table the Item; SSWD Director Jones seconded.

The SSWD motion passed by unanimous vote.

SSWD Vote:

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

DPMWD Director Matteoli moved to table the Item; DPMWD Director Ross seconded.

The DPMWD motion passed by unanimous vote.

DPMWD Vote:

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

### Items for Discussion and/or Action

2. **State Water Resources Control Board Grant Funding**

SSWD General Manager Dan York (SSWD GM York) presented the staff report and answered clarifying questions.

Eric Parmdeep, (Mr. Parmdeep) Senior Water Resources Control Engineer with the State Water Resources Control Board, answered several clarifying questions including that reimbursements for grant funding were made after complete approval, noting that payments were not made in advance; there would be a roughly 45-day period before the payments were disbursed; no loans would be eligible for reimbursement if they were taken out prior to the complete approval; complete applications take roughly 9-12 months to approve; a work start date would be established and any work performed after that date would be eligible for reimbursement consideration, noting that if any

construction work started before approval, it would not be eligible for reimbursement; and that there are different funding eligibility amounts per connection associated with the different community types of consolidation.

DPMWD Director Matteoli requested to meet with Mr. Parmdeep offline to ask additional questions.

Kathy Lauer expressed her appreciation for SSWD's assistance with DPMWD and asked additional clarifying questions.

Roy Wilson (Mr. Wilson) expressed he was not confident that DPMWD would be considered a "disadvantaged community" category with the grant funding.

3. **Board of Director Interest in the Reorganization of Del Paso Manor Water District into Sacramento Suburban Water District**

DPMWD General Manager Adam Coyan (DPMWD GM Coyan) presented the staff report and polled each Director on their interest in reorganization discussions going forward.

DPMWD Director Matteoli expressed he was interested in exploring potential partnership options with SSWD but that he was not interested in introducing fluoride into the DPMWD service area, and that ultimately, he wanted DPMWD to stay independent.

DPMWD Director Pratt expressed she was definitely in favor of reorganizing.

DPMWD Director Ross expressed he was interested in continuing with the process and collecting more information. He noted he was concerned about the current position of DPMWD and wanted to continue discussions.

Chair Dolk expressed he too was concerned about the current position of DPMWD and expressed his appreciation for SSWD, noting he felt SSWD was a great organization to combine with, and stated he was in favor of reorganization.

SSWD Director Locke noted he has always been in favor of consolidating water districts and that although there were no immediate advantages for SSWD to consider this consolidation, he felt it was what would be best for the region and expressed he was in favor of moving forward. He additionally pointed out that it would be imperative to be open and transparent with customer outreach and communication, and to clear up any misinformation as soon as possible. He stated he was not interested in a hybrid district, but that he would consider an advisory committee for DPMWD Directors.

SSWD Director Jones echoed what SSWD Director Locke stated, adding that he was also interested in reducing the number of water districts regionally. He stated he was in favor of reorganization discussions.

SSWD Director Wichert expressed his priority was the ratepayers of SSWD, and that he was most interested in providing the lowest bills and the best service possible. He expressed that he agreed with DPMWD Director Mattioli that there were potential funding opportunities available, but that he wanted to be sure SSWD ratepayers were not subsidizing the repairs needed in DPMWD.

SSWD President Thomas echoed what the other SSWD Directors stated, noting he wanted to stay productive.

Ms. Liden commented on the contaminates in the water.

Mr. Wilson commended SSWD for their support over the years with DPMWD and pointed out that the repairs needed in DPMWD were very costly and the longer they waited, the more costly they would become. He expressed his support for consolidation.

William Eubanks, a ratepayer in SSWD, expressed he was not in support of consolidation as he did not see a benefit to the SSWD ratepayers.

4. **Reorganization Tasks**

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

DPMWD GM Coyan expressed that communication should be the highest priority.

DPMWD Director Matteoli and DPMWD Director Pratt both agreed that communication is very important.

DPMWD Director Ross added that it is additionally important to correct any misinformation, as it is critical for the customers of both Districts to develop trust. He additionally agreed with the items on the task list.

Chair Dolk announced that there was a LAFCo meeting taking place on July 16, 2024, at 6:00 p.m., and encouraged the public to stay engaged in the process. He also agreed with the items on the task list.

Ms. Lidel commented that she felt there were inaccuracies in the LAFCo findings.

Mr. Wilson echoed that communication was critical and encouraged DPMWD to update their website with more accurate information.

5. **Communications Plan**

SSWD GM York presented the staff report and recommended holding Public Outreach Workshops for ratepayers to get further information about the combination discussions.

SSWD Director Wichert recommended including Key Messages and Frequently Asked Questions in the outreach materials.

SSWD GM York expressed that staff would provide an update at the August 14, 2024, DPMWD/SSWD Joint Special Board Meeting.

SSWD Director Wichert expressed that he was not in favor of splitting the outreach costs 50/50 long term, as he stated if the combination is successful, DPMWD should be more responsible for the outreach costs.

DPMWD Legal Counsel Mona Ebrahimi (Ms. Ebrahimi) reminded the Boards that there was an option to request reimbursement for outreach efforts through the grant funding under the “soft costs” category.

SSWD Director Locke reinforced that transparency was critical, and that if there were any questions brought from members of the public up at meetings, that they be addressed as soon as possible. He additionally pointed out that 50/50 was not equitable, as SSWD was a lot larger of a District than DPMWD. He also expressed concern over the misconception that DPMWD would be able to remain independent, noting all of the current issues DPMWD was facing up to and including the LAFCo resolution.

Conversation ensued over the SSWD and Carmichael Water District (CWD) combination discussions.

Jose Henriquez, Executive Officer of LAFCo explained that from his perspective it was a lot easier to fail with a reorganization than to succeed, nothing that when people don't understand what a government is doing, they don't trust it. He emphasized the importance of communication and transparency.

Mr. Wilson recommended each District pay for their own postage when sending out mailings.

Kathy Lauer reminded the Boards that communication began with them.

DPMWD Director Pratt moved to approve the staff recommendation; DPMWD Director Ross seconded.

The DPMWD motion passed by 3/1 vote, DPMWD Director Matteoli opposed.

DPMWD Vote:

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

SSWD Director Wichert move to approve the staff recommendation, adding that the cost needed to be included as a reimbursement from the grant funding, if consolidation moved forward, otherwise each agency split the cost 50/50, with each side paying for their own postage.

Ms. Ebrahimi reminded SSWD Director Wichert that the cost share agreement was the next Agenda item.

SSWD Director Wichert’s motion died for a lack of a second.

SSWD Director Locke moved to approve the staff recommendation with the addition that some sort of immediate response to all comments made in Joint Board meetings be addressed, such as by postcard or District websites. SSWD Director Wichert seconded.

The SSWD motion passed by unanimous vote.

SSWD Vote:

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

DPMWD Director Ross moved to approve the staff recommendation with the addition that some sort of immediate response to all comments made in Joint Board meetings be addressed, such as by postcard or District websites. DPMWD Director Pratt seconded.

The DPMWD motion passed by 3/1 vote, DPMWD Director Matteoli opposed.

DPMWD Vote:

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

**6. Communications – Cost Share Agreement**

SSWD GM York presented the staff report.

SSWD Director Wichert moved to work as a staff to have all of the costs paid for by the grant, but if the consolidation did not go forward, and the grant funding did not get approved, then each agency would split the cost 50/50, with each agency paying for their own postage.

Ms. Ebrahimi recommended she be able to make modifications to the Cost Share Agreement (Agreement), including that whatever work product is produced, that it become mutual property of both SSWD and DPMWD; and that the term of contract would end on December 31, 2024, not December 31, 2023 as written; and finally to include in the Agreement that staff would try to have all of the costs reimbursed through the grant funding and exhaust those funds before expending ratepayer funds, however, if that was not approved, each agency would split the cost 50/50, with each agency paying for their own postage.

SSWD Director Wichert agreed to include the modifications made by Ms. Ebrahimi into his motion; SSWD Director Locke seconded.

The SSWD motion passed by unanimous vote.

SSWD Vote:

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

DPMWD Director Matteoli moved the exact same motion as SSWD Director Wichert; DPMWD Director Pratt seconded.

DPMWD Director Ross pointed out that SSWD was a much larger agency and reminded the DPMWD Board that there would be an imbalance in cost per ratepayer, but that he was still in favor of it.

The DPMWD motion passed by unanimous vote.

DPMWD Vote:

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

7. **Governance – Final Number of Board of Directors**

SSWD GM York presented the staff report.

DPMWD Director Matteoli expressed that he was not interested in combining agencies until after the November 2024, election, and that he was in favor of having 5 Directors.

Mr. Henriquez reminded the Boards that the Boards designate how many seats they would want to have on the new combined Board, and that would be included in the application to LAFCo.

SSWD GM York added that the Boards have two separate election periods to ultimately get to the number of seats the Boards agreed upon.

DPMWD Director Matteoli recommended not going above 5 Director seats.

SSWD Director Locke pointed out that SSWD had 50,000 connections, and DPMWD had 1,800 connections, noting that the current ratepayers of DPMWD would have 4 times the voice that SSWD ratepayers would have, if the combined District kept all 5 DPMWD Director seats, and that he was not in support of that. He expressed that he wanted to make sure there would be equal representation.

DPMWD Director Ross suggested that a possible solution could be to create a Special Services District with an Advisory Committee specific to DPMWD that could assist in discussing DPMWD specific projects.

SSWD Director Locke agreed with DPMWD Director Ross's suggestion.

Discussion ensued over the process for reducing Director seats.

SSWD Director Locke requested to hold a DPMWD/SSWD Special Joint Board meeting to address the concerns over governance.

Both Boards agreed with SSWD Director Locke’s request.

**8. Water Rate Comparison Analysis**

Jeff Ott presented the staff report and answered clarifying questions.

It was determined that the SSWD average bill and the DPMWD average bill were very similar.

**9. Condition Assessment**

DPMWD GM Coyan presented the staff report and answered clarifying questions.

**10. Contract Services Agreement Between Sacramento Suburban Water District and Del Paso Manor Water District for Operations Assistance**

SSWD GM York presented the staff report.

SSWD Director Locke expressed he was in favor of assisting on a temporary basis, but that he wanted to be sure there was an end date.

Ms. Ebrahimi pointed out that there was a termination date of December 31, 2024, but noted that there was a term included in the agreement that SSWD could withdraw their resources within a 24-hour notice period.

SSWD Director Locke moved to extend the Contract Services Agreement to coincide with end of the LAFCo period or two months after termination of the combination discussions, whichever came first; SSWD Director Wichert seconded.

Chair Dolk inquired if the DPMWD Board had any issues with the 24-hour termination term, or if they would be more comfortable with including language that it would only be terminated in an emergency.

SSWD Director Locke amended his motion to include “only in an emergency” in reference to the 24-hour termination term. SSWD Director Wichert accepted the amendment to the motion.

The SSWD motion passed by unanimous vote.

SSWD Vote:

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



DPMWD Director Ross moved the exact same motion as SSWD Director Locke; DPMWD Director Pratt seconded.

The DPMWD motion passed by unanimous vote.

DPMWD Vote:

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

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

The Boards agreed to include Reorganization Tasks and Communication Plan in the Agenda for the next SSWD/DPMWD Joint Special Board Meeting:

The Boards asked to be kept informed on the status of the grant funding application.

It was additionally determined that there will be an additional SSWD/DPMWD Joint Special Board Meeting to focus on Governance.

DPMWD Director Ross moved to adjourn the meeting; DPMWD Director Pratt seconded.

The DPMWD motion passed by unanimous vote.

DPMWD Vote:

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

**Adjournment**

Chair Dolk adjourned the meeting at 9:06 p.m.

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Dan York  
General Manager/Secretary  
Sacramento Suburban Water District