



***SSWD-DPMWD Combination Discussions  
Frequently Asked Questions  
As of February 18, 2025***

**How would a reorganization affect DPMWD water rates?**

The reorganization is not expected to immediately change water rates. DPMWD will continue with its planned rate increases, as approved by the DPMWD Board in 2023. However, reorganization could help DPMWD access state funding for needed infrastructure improvements. Over time, a larger, combined district may provide more stable rates compared to staying separate.

If reorganization moves forward, SSWD is also planning to develop a financial model for the DPMWD service area to compare rates with and without grant funding. This analysis will help provide insights into long-term rates and include a pay-as-you-go plan for maintaining the system, providing both system sustainability and rate stability.

**What is expected to happen to DPMWD employees if a reorganization moves forward?**

SSWD is well-positioned to integrate DPMWD staff into our team.

**What will happen to the existing DPMWD office if the reorganization moves forward?**

The DPMWD office at 1817 Maryal Drive will remain open for several months before transitioning in-person customer services to the nearby SSWD office at 3701 Marconi Avenue. In addition, customers will have access to customer services assistance by phone and online. DPMWD customers will receive ample notice about the office closure and transition.

**About the LAFCo Process**

**What is the process for LAFCo's review and decision?**

- **Application Submission:** The process began when SSWD and DPMWD adopted substantially similar resolutions of application for reorganization, which consists of dissolving DPMWD and transferring its assets, liabilities, and obligations to SSWD on terms and conditions agreed to by the Boards of Directors of the two districts. The districts submitted a Plan for Services and Application to LAFCo on December 23, 2024.
- **Application Review:** LAFCo has 30 days from submission to review the application and determine if it is complete. During this period, LAFCo notifies affected local agencies and initiates the property tax revenue exchange agreement process. Since SSWD and DPMWD do not currently receive any portion of the property tax revenue generated in the county, and instead utilize water rate charges to operate and fund services, it is anticipated that no property tax revenue will be transferred as part of this proposed reorganization.
- **Public Notice:** Once the application is deemed complete, LAFCo will notify both districts and schedule a Public Hearing during a regularly scheduled LAFCo Commission meeting. A 21-day Public Notice will be given in advance of the Public Hearing, and the staff report along with supporting documentation will be posted on the LAFCo website. Members of the public may

provide written comments in advance of the Public Hearing or attend the hearing in person or virtually.

- **LAFCo Application Hearing:** The LAFCo Commission is scheduled to hold the Public Hearing on **March 5, 2025**, where the subject agencies, any affected local agencies, and the public can provide comments on the proposed reorganization. The LAFCo staff report, findings and recommendation will be provided.
- **LAFCo Commission Action:** After reviewing the LAFCo staff report and recommendation, considering public comments, and deliberating on the reorganization proposal, the LAFCo Commission shall approve, or conditionally approve, the proposed reorganization or continue the Public Hearing. LAFCo may adopt terms and conditions for approval. However, LAFCo will not make material changes without notifying the subject agencies (G.C. §56853). Since this application is consistent with prior LAFCo actions, there will be no protest hearing (G.C. §57077.1(c)).
- **Reconsideration:** Approval triggers a 30-day reconsideration period, during which any person or affected local agency may submit a request for reconsideration.

#### **LAFCo hosted a Public Hearing on February 5, 2025, on a combination-related item. What was that hearing about?**

On February 5, 2025, LAFCo approved amendments to the Spheres of Influence (SOI) for DPMWD and SSWD. An SOI is a planning boundary that outlines the expected physical limits and service area of a local agency. These amendments are part of the planning steps for a potential reorganization involving both districts.

The amendments include:

1. Establishing a “Zero” Sphere of Influence for DPMWD, indicating the district's anticipated dissolution as an independent service provider post-reorganization.
2. Expanding SSWD's Sphere of Influence to encompass the current service area of DPMWD, aligning with the proposed reorganization plan.

These SOI amendments do not foresee immediate changes to services or rates. They represent necessary administrative and planning measures required by LAFCo to advance the reorganization process.

For more information, visit [www.saclaafco.org](http://www.saclaafco.org) or call Sacramento LAFCo at (916) 874-6458.

#### **What should we expect at the Application Hearing (scheduled for March 5, 2025)?**

At the LAFCo Application Hearing, here's what you can expect:

- **Introduction:** The Application Hearing will begin with an introduction and opening remarks by the LAFCo Chairperson.
- **Staff Report Presentation:** LAFCo staff will present a staff report summarizing the application, the findings, and the recommendations.
- **Applicant Presentation (optional):** Representatives from SSWD and DPMWD will have the opportunity to present their case, including the benefits and details of the proposed reorganization.

- **Agency Input (optional):** Representatives from affected local agencies (e.g., County departments) will also have the opportunity to provide their input and comments on the proposal.
- **Public Comment:** Members of the public will be invited to provide comment. Individuals can speak in favor of or opposition to the proposal, ask questions, or provide other relevant comments.
- **Commission Deliberation:** The LAFCo Commissioners will discuss the proposal, consider the staff report, applicant presentation (if provided), public testimony, and agency input (if provided). They may ask questions to clarify any points.
- **Decision:** After deliberation, the LAFCo Commissioners will take an action to approve with or without conditions the application. The decision may include specific conditions that need to be met for the reorganization to proceed. Alternatively, the LAFCo Commission may choose to continue the Application Hearing to another date.

#### **What are the opportunities for the public to provide input during the LAFCo process?**

- The LAFCo process provides multiple opportunities for public input. At the Public Hearing (scheduled for March 5, 2025), community members can provide written comments in advance or attend the hearing to share their support, voice opposition, or ask questions about the proposal.
- It's important to note that time limits for public testimony might be in place to ensure everyone has a chance to speak. Additionally, members of the public can submit written comments ahead of the Public Hearing. These written submissions will be included in the official record and considered by the LAFCo Commissioners as part of the decision-making process.

#### **How many Public Hearings are part of the LAFCo process?**

- There are typically two hearings: the LAFCo Application Hearing and a subsequent Protest Hearing, if required. However, **since both agencies adopted substantially similar Resolutions of Application, and the proposed reorganization is consistent with prior LAFCo actions, no Protest Hearing will be held for this application.** The LAFCo Application Hearing, scheduled for March 5, 2025, is for the LAFCo Commission to review and take action on the proposed reorganization.

#### **Is an election required to approve the reorganization?**

- No. Since the proposed reorganization is consistent with prior LAFCo actions, including the Resolution of Intent to Initiate Dissolution of DPMWD adopted on May 1, 2024, no Protest Hearing will be held and no election is required (G.C. §57077.1(c)). Additionally, since DPMWD and SSWD adopted substantially similar Resolutions of Application, LAFCo shall approve or conditionally approve the proposed reorganization (G.C. §56853).

#### **How does a member of the public submit a protest to Sacramento County LAFCo?**

- Since a Protest Hearing will not be held for this application, no official protest forms can be submitted to LAFCo. However, the public is invited to provide written or verbal comments as part of the Public Hearing (scheduled for March 5, 2025). All constructive comments, either for or against the proposed reorganization, will be accepted and considered by the LAFCo Commission.

For more detailed information, you can visit the [Sacramento County LAFCo website](#).

## **General Information**

### **Why is a merger being considered between SSWD and Del Paso Manor Water District (DPMWD)?**

Since 2019, Sacramento Suburban Water District (SSWD) and Del Paso Manor Water District (DPMWD) have engaged in various discussions about potentially combining the two districts. Both are neighboring water providers with the majority of the DPMWD service area surrounded by SSWD's service area. They also have previous experience collaborating through a Mutual Aid Agreement and an Operational Services Agreement.

Combination discussions were reinitiated in the spring of 2024 with renewed focus after the Sacramento Local Agency Formation Commission (LAFCo) adopted a Resolution of Intent to Dissolve DPMWD. LAFCo has identified that DPMWD's aging infrastructure requires extensive investment, estimated at over \$50 million. This would necessitate significant rate increases for DPMWD customers, potentially up to four times the rates of neighboring districts. LAFCo's focus is to ensure that DPMWD customers are provided a long-term safe and reliable water supply, at a reasonable rate.

By merging, DPMWD has the potential to achieve greater financial stability and access to grant funding for upgrading infrastructure that would not be available without a combination. At the same time, SSWD is well-positioned to integrate DPMWD customers and staff without exposing existing SSWD customers to financial risk.

### **What are the key challenges facing DPMWD as identified by LAFCo?**

LAFCo has identified several critical challenges for DPMWD, including extensive infrastructure deficiencies and financial instability. The district's water system requires over \$50 million in upgrades due to aging infrastructure. Additionally, DPMWD has two wells offline because of contamination, which cannot be quickly activated for emergencies, compromising its ability to meet fire flow requirements. Financially, the substantial cost of improvements could lead to significant rate increases, making DPMWD's rates potentially much higher than those of neighboring districts. Additional information from LAFCo can be found at <https://saclafo.saccounty.gov/Pages/Del-Paso-Manor-Water-District.aspx>.

### **What does LAFCo consider "progress" necessary for DPMWD not to dissolve?**

In May 2024, LAFCo adopted a Resolution of Intent to Dissolve DPMWD, giving the district 12 months to address its deficiencies. To avoid dissolution, DPMWD must demonstrate substantial progress, including a clear financial plan and a strategy to complete necessary infrastructure improvements to ensure safe, reliable water at reasonable rates. DPMWD must present an update on any progress to the LAFCo Commission in November 2024.

### **What are DPMWD's alternatives to combination with SSWD?**

Alternatives to combining with SSWD include:

- Raising water rates through another Prop 218 hearing to pay for the \$52 million needed for improvements to the water system. This would result in significant rate increases for DPMWD customers, potentially up to four times the rates of neighboring districts.
- Combining with another water district, such as Golden State Water Company, which also neighbors DPMWD, would significantly raise DPMWD's rates.
- Doing nothing and facing dissolution in May of 2025.

**Could DPMWD be taken over by an investor-owned water utility? Would DPMWD ratepayers continue to have a voice in how their district area was managed with an investor-owned water utility?**

LAFCo has given DPMWD until May 2025 to resolve its infrastructure deficiencies. One option is combining with another water provider, and neighboring options include Sacramento Suburban Water District and the investor-owned Golden State Water Company. Each water provider operates under a different governance structure. SSWD is governed by a five-member elected board. Golden State Water Company is regulated by the California Public Utilities Commission, which is located in San Francisco. You can learn more about SSWD at [sswd.org](http://sswd.org) and Golden State Water Company at [gswater.com](http://gswater.com).

## **Grants and Financial Considerations**

### **How can State grants be used to fund needed improvements to DPWMD's infrastructure?**

DPWMD will have greater access to potential grant funding to improve the district's infrastructure by combining with another public agency. State funding is available in the form of grants and principal forgiveness funding, as well as to help with the costs of consolidating. This includes up to \$20 million per infrastructure project and a consolidation incentive of up to \$5,000 per connection and up to \$500,000 total to cover administrative expenses. Note that grant funding is through a competitive process.

### **Did SSWD and DPMWD submit a grant application to help cover DPMWD's infrastructure improvements and combination costs?**

Yes, SSWD and DPMWD collaborated on a \$20 million grant application to the State Division of Financial Assistance in June 2024, understanding that time is of the essence and the estimated timeline for the State's review and decision is six to nine months. If awarded through the competitive process, the grant would amount to over \$10,000 per DPMWD ratepayer. The application was submitted by SSWD because the funding is contingent upon the combination of two districts. However, a requirement is that grant funds for infrastructure will remain within the DPMWD service area.

For more information, please refer to:

- [SSWD-DPMWD grant application](#), including a list of infrastructure projects proposed for funding
- [The Drinking Water State Revolving Fund \(DWSRF\)](#)

### **Are grant funds available to DPMWD without a combination with SSWD?**

Potential grant funds are available without combining, but the grants would only cover a small portion of the costs. DPMWD has been unsuccessful in obtaining grants/loans in the past due to a lack of consistent governance and management, numerous problems with its infrastructure, and a lack of reliable water supply.

### **Would DPMWD qualify for grants for disadvantaged communities?**

According to the State Water Resources Control Board, DPMWD is not considered a disadvantaged community. However, DPMWD could potentially receive a grant for some of its customers, but the funding would be limited to those customers.

### **How will you make sure that any grant funding is used only for DPWMD customers?**

While the topics of governance and representation are still under discussion, the SSWD and DPMWD Boards have agreed in concept that, if the districts combined, a special advisory committee, comprised of DPMWD Directors, will be established to guide infrastructure improvements within the area. Policies will be developed to clearly define the committee's responsibilities and functions.

### **What is SSWD's financial condition?**

SSWD has a strong financial standing with an AA+ credit rating. The district currently has \$54.9 million in debt, but it is expected to be completely debt-free by 2032. You can learn more about SSWD's financial picture at <https://www.sswd.org/departments/finance>.

**Will customers be responsible for any existing or new debt from either district?**

LAFCo mandates that each agency's debt remains the responsibility of the respective legacy portion of the district, ensuring that the debt does not become a liability of the general combined agency. While operational and maintenance costs are consolidated, rate management keeps rates separate for each service area until all outstanding debt has been retired. This approach allows for the orderly management of financial obligations and avoids one service area bearing the financial burden of capital programs in another area. Both water districts would continue their debt repayment processes as before.

**Will DPMWD have to pay for SSWD's debt?**

No, DPMWD ratepayers would not be responsible for paying SSWD's debt, nor would SSWD be responsible for paying DPMWD's debt. LAFCo mandates that each district's debt remains its responsibility. This ensures that the debt of one district does not become a liability for the combined entity.

**Will one water district's customers be responsible for covering the costs of addressing the other district's infrastructure issues?**

Infrastructure upgrades and maintenance will remain the responsibility of each district's legacy portion. This ensures that customers of one district will not be liable for covering the costs associated with the other district's infrastructure issues until such time the Board determines the rates and improvements can be combined into one organization.

**If the DPMWD and SSWD combine, who will pay for DPMWD's infrastructure upgrades if grant funds are not secured?**

The responsibility for funding DPMWD's infrastructure upgrades will remain with DPMWD ratepayers, not SSWD ratepayers. The DPMWD service area will be assigned as an assessment district to ensure the appropriate funds are allocated towards the prioritized water system improvements.

**What are the financial implications for both districts if the merger occurs?**

By merging, DPMWD has the potential to achieve greater financial stability and access to grant funding for upgrading infrastructure that would not be available without a combination. At the same time, SSWD is well-positioned to integrate DPMWD customers and staff without exposing existing SSWD customers to financial risk.

**Water Rates**

**How would a merger affect my water rates?**

The merger is not expected to impact SSWD water rates as each district will be separately responsible for its debt and infrastructure improvements. DPMWD customers are currently paying more for their water service than SSWD customers. Combining would enable DPMWD to access funding from the State Water Resources Control Board to help with the costs of infrastructure improvements and combining. Over time, a combined organization with a larger customer base could have a greater rate stability rate compared to what would be anticipated if the districts remained separate.

### **Does SSWD's proposed rate increase for 2025-2029 cover increased costs and liabilities associated with a combination?**

The merger will not impact SSWD water rates as each district will be separately responsible for its debt and infrastructure improvements. SSWD's current rate process is separate and covers the needs of SSWD's existing water system.

### **Benefits, Advantages, and Disadvantages**

#### **What work has been conducted to date to understand the potential benefits and challenges of combination?**

Between 2020 and 2023, SSWD and DPMWD analyzed the following areas:

- [Condition Assessment of DPMWD's Infrastructure, production and distribution](#)
- [Groundwater/Surface Water Supplies](#)
- [Municipal Services Review Updates](#)
- [Financial Analysis](#)
- [Water Rate Comparison](#)
- [Combination Benefits – Rates, Costs, Operations](#)
- [Combination Benefits, Advantages, and Disadvantages](#)

#### **Why would SSWD wish to combine with DPMWD given the challenges outlined by LAFCo?**

SSWD and DPMWD are part of the same community, drawing water from the same groundwater basin. All residents have a right to clean, reliable water at an affordable cost, and SSWD is well-positioned to integrate DPMWD customers and staff without exposing existing SSWD customers to financial risk. Here's why:

- **Debt and Liability Management:** LAFCo mandates that each district's debt remains the responsibility of its respective legacy portion. This ensures that the debt of one district does not become a liability for the combined entity. Operational and maintenance costs are consolidated, but rate management keeps rates separate for each service area until all outstanding debt is retired. This approach allows for the orderly management of financial obligations and prevents one service area from bearing the financial burden of another's capital programs.
- **Infrastructure Responsibility:** Infrastructure upgrades and maintenance will remain the responsibility of each district's legacy portion. This means that customers of one district will not be liable for the costs associated with the other district's infrastructure issues.
- **Rate Impact:** The merger will not impact SSWD water rates. Each district will continue to handle its own debt and infrastructure improvements separately. Over time, a combined district with a larger customer base could offer greater rate stability compared to remaining separate.

#### **What are the potential benefits of a combination for DPWMD customers?**

*Note that a detailed discussion on this topic is found at*

<https://www.sswd.org/home/showpublisheddocument/11357>.

Potential benefits from the combination, include:

- **Improved Service and Value:** The larger scale of the combined utilities can optimize overall capacity, enhance operational efficiency, and provide specialized staffing. This can result in better customer service, lower operational costs, and increased responsiveness to customer needs.
- **Financial Benefits:** Economies of scale and operating efficiencies can lower costs. Increased access to capital at a lower cost can support infrastructure investments. Equal customer rates for a specified level of service and revenue stability contribute to affordability and equity.

Improved planning and risk management reduce exposure to regulatory penalties and support economic development.

- **Increased Capital Access:** Water utilities require significant capital for infrastructure. A larger, combined utility can access capital from investors at a lower cost, pooling resources to serve a larger customer base and making systems more resilient.
- **Revenue Stability:** A larger agency can mitigate revenue fluctuations by spreading costs over a diverse customer base, reducing the impact of revenue shortfalls.
- **Regulatory Compliance:** Reorganization can help DPMWD achieve cost-effective regulatory compliance, reducing exposure to penalties related to groundwater wells and aging infrastructure.
- **Lower Operational Costs:** Consolidation can lead to greater efficiency, spreading fixed costs over a larger rate base, and reducing the per-customer share. This optimization of capacity can lower costs per unit of service by eliminating duplicative functions, systems, and infrastructure.

### **What are the potential drawbacks of a combination for DPWMD customers?**

*Note that a detailed discussion on this topic is found at*

<https://www.sswd.org/home/showpublisheddocument/11357>.

Potential drawbacks of the merger include:

- **Reduced Local Representation:** Although DPMWD would continue to be part of a public agency with an elected Board member representing the Del Paso Manor community, the merger would result in fewer board members per ratepayer, increasing the number of constituents each board member represents. However, to help ensure that the area's specific needs are addressed, a special advisory committee made up of DPMWD Directors is planned. This committee will advise the SSWD Board on the needs of the DPMWD service area and guide infrastructure investment in the area for several years after the merger (See Governance and Control).
- **End of a Legacy:** DPMWD, with over 80 years of service to the community, would cease to exist as an independent entity.
- **Challenges in Water Resource Integration:** SSWD's South Service Area (SSA) is fluoridated, and the contract with First Five Commission expires in 2027. Until then, measures will be needed to ensure sufficient water supplies, particularly for peak demands and fire flows. Post-2027, SSWD may seek approval to discontinue fluoridation.
- **Billing Disruptions:** DPMWD customers might experience issues during the transition to a new billing system, such as needing new account numbers, online accounts, and passwords.

### **Governance and Control**

#### **What form will the combination take?**

The planned structure is **reorganization**. With a reorganization, DPMWD will be dissolved, and SSWD will annex the former service area, becoming the successor entity. The process begins when DPMWD applies for dissolution, and SSWD applies to annex the dissolved district's service areas.

#### **How will the districts help ensure fair representation for DPWMD residents in a larger combined district?**

While the topics of governance and representation are still under discussion, the SSWD and DPMWD Boards have agreed in concept that, if the districts combined, the DPMWD service area will be integrated into one of SSWD's existing divisions. Additionally, a special advisory committee, comprised of DPMWD Directors, will be established to advise the SSWD Board on the needs of the DPMWD service area and guide infrastructure improvements within the area. Policies will be developed to clearly define



the committee's responsibilities and functions. (A map of SSWD divisions is available at <https://www.sswd.org/about/board-of-director-division-map.>)

### **Water Quality, Fluoride and Water Rights**

#### **What are the current water supply sources of SSWD and DPMWD?**

Both SSWD and DPMWD rely primarily on groundwater within the same basin. However, SSWD has access to surface water when available through agreements with the Placer County Water Agency and the City of Sacramento.

#### **Are DPMWD customers currently receiving SSWD water?**

Yes, SSWD supplies water to DPWMD through three existing interties, which are used when the pressure in the DPWMD system drops below the required levels for meeting their system demands. Information about the quality of DPWMD's water, including water provided by SSWD, is available in SSWD's Consumer Confidence Report at <https://www.sswd.org/departments/water-quality/consumer-confidence-reports> and DPMWD's Consumer Confidence Report at <https://www.delpasomanorwd.org/files/b49034139/2023+Consumer+Confidence+Report.pdf>.

#### **How will DPMWD's water source change if combined with SSWD?**

If DPMWD combines with SSWD, the current water supply source will not change. Both SSWD and DPMWD rely primarily on groundwater within the same basin. SSWD also has access to surface water when available through agreements with the Placer County Water Agency and the City of Sacramento. Currently, DPMWD customers already receive water from both DPMWD wells and SSWD sources through three existing interties, which are used when the pressure in the DPWMD system drops below the required levels for meeting their system demands. Information about the quality of DPWMD's water, including water provided by SSWD, is available in our Consumer Confidence Report found at <https://www.delpasomanorwd.org/consumer-confidence-report> or <https://www.sswd.org/departments/water-quality/consumer-confidence-reports>.

#### **Would DPMWD customers receive fluoridated water if a combination moves forward?**

Both SSWD and DPMWD rely primarily on groundwater from the same basin. SSWD currently supplies water to DPMWD to maintain pressure and support fire flows. This water comes from SSWD's SSA, which is fluoridated under a contract with the First Five Commission that expires in 2027. If the districts combine, the DPMWD customers will receive fluoridated water that meets State Department of Drinking Water requirements. In the long term, SSWD is considering seeking approval to discontinue fluoridation after the contract with the First Five Commission expires in 2027.

#### **What practices are in place to protect water quality from potential contamination from McClellan and Aerojet?**

Water quality in the McClellan area (SSWD's North Service Area) is monitored through dedicated monitoring wells. These measures help ensure that any potential plume migration is detected early and managed effectively to protect the water supply. In addition, Aerojet is a superfund site, therefore, measures are in place to manage a contamination plume from Aerojet across the river in Rancho Cordova. This includes specialized wells to both monitor water quality and treat contaminated groundwater. If DPMWD merges with SSWD, these practices are in place to protect the combined district from contamination risks.

### **What are the risks to the groundwater supply and associated liabilities concerning the former McClellan Air Force Base and Aerojet General Corporation Superfund sites?**

The U.S. Environmental Protection Agency, along with state and local environmental regulators, is overseeing the cleanup efforts at both Superfund sites. These efforts are designed to thoroughly and safely remediate soil and groundwater, minimizing associated risks. ***Importantly, the water districts and their customers are not liable for these remediation activities***, as they are managed and directed by the relevant environmental agencies. Additionally, SSWD is seeking compensation for ratepayers for the wells that were taken offline near the McClellan site.

If contamination affects a well site, the district is responsible for treating the water or removing the well from service.

### **What is being done to monitor for and address potential contaminant plumes that could migrate into the service area?**

SSWD actively monitors water quality in the South Service Area through two dedicated monitoring wells. These measures help ensure that any potential plume migration is detected early and managed effectively to protect the water supply.

### **How will the merger affect water rights and access for customers?**

There should be no impact on water rights or access for customers. If SSWD and DPMWD choose to combine, the State Water Resources Control Board, Division of Drinking Water, will need to amend their Water System Permits, which typically takes six to 12 months.

## **Employees and Contracts**

### **How would the combination affect current employees?**

SSWD is well-positioned to integrate DPMWD staff and there are no plans to reduce the workforce.

## **Timeline and Process**

### **How long will discussions continue and what are the steps in the process?**

The current expectation is that discussions will persist into early 2025. If the districts decide to move forward, the application to LAFCo could take another year. General milestones are as follows (additional details are available [here](#)):

- **Phase 1** – Public Outreach and Initial Decision to Proceed with or Terminate Combination Proposal
- **Phase 2** – District Form and Governance Decisions
- **Phase 3** – Operational and Financial Decisions—**CURRENT PHASE**
- **Phase 4** – Final decision to submit application to LAFCo
- **Phase 5** – LAFCo Application and Approval Process
- **Phase 6** – Post-Consolidation Actions to Implement New Agency

## **LAFCo's Role**

### **What is the Sacramento Local Agency Formation Commission (LAFCo)?**

In 1963, the State Legislature passed legislation creating the Local Agency Formation Commissions as a way to encourage the orderly growth and development of local governmental agencies including cities and special districts. These independent agencies are led by representatives from local County Board of

Supervisors, city councils, governing boards of special districts, and members of the public. You can learn more about the work of the Sacramento County LAFCo on their website at <https://saclafoo.saccounty.gov/Pages/default.aspx>.

**What role does LAFCo play in the merger process?**

LAFCo works with residents, counties, cities, and special districts to encourage the orderly formation of appropriate local agencies. They have the authority to approve and manage combination efforts, as well as enable the transition from one organizational form to another.

**Who holds the authority to make the final decision on the combination?**

The decision on whether the districts combine lies with the Boards of Directors for SSWD and DPMWD with LAFCo’s approval. In May, LAFCo adopted the Resolution of Intent to Dissolve DPMWD and has given the water district 12 months to either consolidate with another public agency or adequately address their deficiencies.

A public vote is not required with a reorganization unless there is a protest (see next question below).

Regardless of whether a public vote is necessary, our commitment is to actively engage with the community, giving residents a voice in the process. We are dedicated to a comprehensive public engagement process, helping to ensure that all customer concerns and feedback are heard and addressed during this significant decision-making process.

**Is Sacramento County LAFCo encouraging DPMWD to combine with another agency so that the County can build more affordable housing in the Del Paso Manor service area?**

No. [Sacramento County’s efforts to build affordable housing](#) and LAFCo’s Resolution of Intent to Dissolve DPMWD are separate issues. LAFCo has identified that DPMWD's aging infrastructure requires extensive investment, estimated at over \$50 million. This would necessitate significant rate increases for DPMWD customers, potentially up to four times the rates of neighboring districts. LAFCo’s focus is to ensure that DPMWD customers are provided a long-term safe and reliable water supply, at a reasonable rate. Additional information from LAFCo can be found at <https://saclafoo.saccounty.gov/Pages/Del-Paso-Manor-Water-District.aspx>.

**Community Participation**

**How can I stay informed about SSWD-DPMWD combination discussions and voice my opinion?**

SSWD and DPMWD are hosting ongoing joint meetings of their Boards of Directors that the public is invited to attend. In addition, they are posting regular updates to their websites. The minutes and agendas from the joint board meetings are available for viewing at:

- <https://www.sswd.org/about/meeting-agendas-packets-minutes>
- <https://www.delpasomanorwd.org/sswd-dpmwd-joint-meetings>

In addition, the districts are hosting a public meeting on Tuesday, September 24, 2024, at 6 p.m. at Mission Avenue Elementary School, Multipurpose Room/Cafeteria, at 2925 Mission Avenue, Carmichael, CA 95608. We encourage you to submit any questions you’d like addressed during the presentation to [feedback@sswd.org](mailto:feedback@sswd.org). Visit [sswd.org](http://sswd.org) or [delpasomanorwd.org](http://delpasomanorwd.org) or learn more.

You can also learn more on the Sacramento County LAFCo website at <https://saclafoo.saccounty.gov/Pages/Del-Paso-Manor-Water-District.aspx>.

### **Where can I submit questions about combination discussions?**

Please submit questions to [feedback@sswd.org](mailto:feedback@sswd.org).

### **If DPMWD stays independent, do homeowners maintain riparian rights? [the rights that come with the deed to our house--no meters needed—ever]?**

DPMWD will be required to install water meters by 2032 under Senate Bill 552, whether or not they merge with SSWD. If the districts combine, there will be a 10-year timeline to meter all connections. It should be noted that water meters offer several benefits. These include:

- **Insight and Information:** Tracking water use provides valuable insights into consumption patterns, enabling more informed decisions about water use.
- **Leak Detection:** Water meters can help detect leaks or plumbing issues early. Unusual spikes in water use can indicate leaks, allowing for timely repairs before significant damage occurs.
- **Accurate Billing:** Metered billing helps ensure charges are based on actual water consumption rather than estimates.

### **Will DPMWD customers be required to pay \$5,000 per household for new meters?**

The cost of installing meters will be part of DPMWD's capital improvement budget and spread among customers through the water rates. The current estimated cost to install a water meter is approximately \$4,000 per service connection. Grants may be available to help cover some of the costs.

### **Other**

#### **Does SSWD sell water to other parts of the state?**

SSWD participates in a Conjunctive Use Program, which allows the District to access surface water supplies from Placer County Water Agency and the City of Sacramento when excess water is available. In years when there is a surplus supply of surface water in the Sacramento region, and water supplies are low in other parts of the state, SSWD's Board of Directors has authorized the transfer of some of the excess water.

For instance, in 2020, SSWD participated in the Regional Groundwater Substitution Transfer, which transferred 14,000 acre-feet of surface water to Central Valley farmers. By using groundwater instead of surface water locally, SSWD freed up surface water for farming operations, helping sustain agriculture that might have otherwise suffered from drought.

If DPMWD and SSWD were to combine, and the Board decided to transfer water using its shared groundwater supplies, a portion of the funds generated from the water transfer would be allocated for improvements to the DPMWD service area.

This type of water transfer is part of a broader strategy to enhance local water reliability, safeguard the environment of the Lower American River and Delta, and prepare for future challenges like climate change. Additionally, the financial compensation SSWD received from these transfers is reinvested into our water system, helping to offset the cost of future improvements.

#### **Why did the combination discussions between Carmichael Water District and SSWD end?**

After much deliberation and hearing from Carmichael Water District (CWD) customers, the CWD Board of Directors elected to conclude the combination discussions, concluding that there were no relevant reasons for the two organizations to combine.