



Minutes

Del Paso Manor Water District and Sacramento Suburban Water District Joint Special Board Meeting July 30, 2024

Location:

3701 Marconi Avenue, Sacramento, CA 95821, and Audio Conference at 1-669-900-6833, and Video Conference using Zoom at Meeting ID #840 5975 1669

SSWD Call to Order – Videoconference/Audioconference Meeting

Sacramento Suburban Water District (SSWD) Board President Kevin Thomas (Chair Thomas) called the meeting to order at 6:02 p.m.

Pledge of Allegiance

President Thomas led the Pledge of Allegiance.

Roll Call

SSWD Directors

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

SSWD Directors

Absent: None.

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, Dane Westvik, Julie Nemitz, Susan Schinnerer, 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 Mona Ebrahimi, Jose Henriquez, Bernadette Grimes, Ted Costa, Victoria Hoppe, Paul Helliker, Trish Harrington, Roy Wilson, Carol Allen, Anne Hart, Christine Kohn, Ken Fowler, Kirsten

Fowler, Casey Fowler, Curt Johnson, James Hall, Jan Hall, Judy Bittingon, Kirsten Seifikar, Mary Hutchinson, Ruth Arthur, Cindey Leidehl, Sondra Paschal, Paul Souza, and John Hoffman.

Public Comment

None.

Consent Items

1. **Draft Minutes of the June 5, 2024, Del Paso Manor Water District and Sacramento Suburban Water District Joint Special Board Meeting**
2. **Draft Minutes of the July 10, 2024, Del Paso Manor Water District and Sacramento Suburban Water District Joint Special Board Meeting**

DPMWD Director Pratt expressed that in the Draft Minutes of the June 5, 2024, DPMWD and SSWD Joint Special Board Meeting, on Item 4, SSWD Director Boatwright commented that he did not recommend DPMWD change their current rate plan. DPMWD Director Pratt requested clarification on that comment.

SSWD Director Boatwright clarified that what he meant was that he personally did not advise DPMWD to delay their rate increase that was approved through their Prop 218 process.

DPMWD General Manager Adam Coyan (DPMWD GM Coyan) added that the minutes should be updated to reflect that Mike Jenner and Victoria Hoppe were both there as members of the public, not DPMWD staff.

SSWD Director Boatwright moved to approve the Consent Items with the above stated amendments; SSWD Director Jones seconded.

The SSWD motion passed by unanimous vote.

SSWD Vote:

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

DPMWD Director Ross moved to approve the Consent Items with the above stated amendments; DPMWD Director Matteoli 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

3. Official Vote to Combine Del Paso Manor Water District and Sacramento Suburban Water District

DPMWD GM Coyan presented the staff report.

SSWD Director Wichert expressed he felt the item was premature; however, he noted that if it were to be voted on, he would like to add a modification that the ratepayers of SSWD were not financially responsible for any of the DPMWD expenses, and that those expenses be requested to be reimbursed as part of the grant funding.

DPMWD Director Dolk stated he felt time was of the essence, and that he was interested in showing LAFCo that DPMWD was serious about moving ahead with this process.

DPMWD Director Pratt agreed with DPMWD Director Dolk and SSWD Director Wichert, noting she felt it was very important.

DPMWD Director Matteoli expressed there were several reasons that he did not support moving forward with combination, including that he also felt it was premature, it was not needed, he wanted to see a pros and cons list, and that he felt more discussion was needed before a vote took place.

DPMWD Director Pratt expressed she was concerned for the rate payers of DPMWD and most interested in working collaboratively with SSWD than to have LAFCo involuntary dissolve them. She pointed out that DPMWD was not able to financially support the improvements needed in DPMWD and that she was in full support of combination.

DPMWD Director Ross expressed that he felt consolidation offered a clear benefit to both districts and that voting to move forward would be indicative of proceeding more efficiently and allow the Boards to begin working on projects collaboratively. He expressed that if the vote was in favor of not combining with SSWD there would be no need for additional discussions.

DPMWD Director Dolk recommended for anyone that was opposed to a combination to show the Boards their recommendations to keep DPMWD independent. He noted the reason he was in support of combination was for the safety of the DPMWD ratepayers, so they have adequate fire flows, good working infrastructure, for the future generations of DPMWD. He expressed they needed certainty, and he felt that would be with SSWD.

DPMWD Director Matteoli expressed he felt there was a fire flow fear factor being spread and that DPMWD could fix the fire flow issues.

DPMWD GM Coyan pointed out that in addition to the fire flow and hydrant issues, there were issues that still needed to be identified with their water mains.

SSWD Director Wichert pointed out that a lot of information was presented at the July 16, 2024, Open House that LAFCo held. He pointed out that LAFCo has been very clear that DPMWD is in need of help and that there was an opportunity for DPMWD to acquire around 20 million dollars in grant funding to support their system if they reorganize with another water agency.

SSWD Director Wichert moved to table the item until the Boards have made decisions and by doing that, it would allow the ratepayers to gain confidence that what the Boards are doing was the right thing.

The motion died for a lack of a second.

SSWD Director Locke pointed out that DPMWD only had two staff and that SSWD was operating their system until the Operational Service Agreement concluded in May 2025.

DPMWD Director Ross moved to take a vote to either move forward or drop the issue, with the original modifications from SSWD Director Wichert that the ratepayers of SSWD were not financially responsible for any of the DPMWD expenses, and that those expenses be requested as reimbursement as part of the grant funding. DPMWD Director Pratt seconded.

SSWD Director Boatwright moved the same motion as DPMWD Director Ross; SSWD Director Jones seconded.

DPMWD Director Matteoli clarified that his opposition to the item was not in opposition to continuing discussions with SSWD as previously planned.

Several members of the public spoke in opposition of the combination. Some of those comments were:

- Not opposed to the merger but would like more information provided to the public.
- Further information about the potential grant funding, including if it was necessary to combine in order to obtain the grant funding.
- Would like to see all possibilities and options before agreeing to consolidate.
- AeroJet plume and McClellan Park contaminants and their impact on SSWD water.
- Current SSWD pending litigation.
- SSWD's financial position.
- Clarification on fluoride.

SSWD Director Locke addressed a few of the comments from the public noting that SSWD has \$44 million dollars in reserves and will be debt free in the year 2032, that the AeroJet plume was an issue that all regional water purveyors, including DPMWD, would eventually need to address, that SSWD was currently in litigation and seeking renumeration from the Federal Government where SSWD is claiming that the former McClellan Air Force Base is believed to have contributed to the contamination of Chrom 6 in the groundwater wells, and that he was in support of fluoridation, but that he was not a huge fan of it as he did not feel it was entirely economical to fluoridate the water.

SSWD Director Wichert recommended the Board address customer concerns and questions in a communication document.

Chair Thomas pointed out that combination discussions have been taking place for years and supported additional outreach including an FAQ document.

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

DPMWD Vote:

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

The SSWD motion passed by unanimous vote.

SSWD Vote:

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

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

SSWD GM York presented the staff report.

DPMWD Director Matteoli expressed his opposition to creating a special advisory committee of the DPMWD Directors, noting he felt SSWD Directors were capable of overseeing what goes on with DPMWD.

SSWD Director Locke pointed out that it appeared the majority of the Directors of each District were in favor of a five-member Board, noting that it would not be an equal representation if the combined Board included all 10 Directors, as DPMWD Directors had significantly less constituents than SSWD Directors. He pointed out that the DPMWD bills should remain the responsibility of the DPMWD customers, and same for SSWD. He recommended there be an advisory committee comprised of DPMWD Directors so they have representation and a voice to guide how the grant money would be spent.

SSWD Director Wichert moved to start with the current 9 Board members and then reduce to 7 Board members.

The motion died for a lack of a second.

DPMWD Director Dolk agreed with SSWD Director Locke expressing that DPMWD Directors should not be overseeing SSWD noting it would dilute the ability for SSWD Directors to advocate for their constituents. He agreed with the idea of a special advisory committee comprised of the DPMWD Directors.

DPMWD Director Matteoli agreed with SSWD Director Locke noting that DPMWD would still be responsible for paying for their infrastructure improvements.

DPMWD Director Ross moved for SSWD Board to remain as the 5-member Board with a special advisory committee made up of the current 5 DPMWD Directors who could advise SSWD of the CIP and water quality issues in DPMWD. DPMWD Director Pratt seconded.

SSWD Director Wichert moved the same motion as DPMWD Director Ross. SSWD Director Boatwright seconded.

Several members of the public commented; some of those comments were:

- If there was a possibility of obtaining the grant funding without combination.
- How the November elections affected this vote.
- A member of the public expressed a desire to not have surface water or fluoridated water.

The Boards agreed to include fluoride on a future agenda topic.

The SSWD motion passed by unanimous vote.

SSWD Vote:

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

The DPMWD motion passed by unanimous vote.

DPMWD Vote:

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

SSWD Director Locke added some of the details would still need to be worked out, and that eventually there should be a sunset date for the advisory committee, which could become a part of the resolution to LAFCo.

5. **Sacramento Local Area Formation Commission Resolution**

SSWD GM York presented the staff report.

Legal Counsel Josh Horowitz recommended for the Boards to give staff direction to start working on the draft resolutions. He recommended for the Boards to communicate their recommendations for the resolutions to their General Managers.

SSWD Director Wichert pointed out that the list provided in the attachment to the staff report for item 3 would be a good starting point for the draft resolutions.

The Boards agreed to look at the Carmichael Water District and SSWD draft resolution to use as a starting point.

SSWD Director Locke recommended to additionally include a project list from the list included in DPMWD's Prop 218 project list. He additionally recommended to include addressing the DPMWD staff to ensure they are taken care of.

The Boards agreed with SSWD Director Locke's additions.

The Boards agreed to bring the draft resolutions to a future Special Joint Board Meeting.

6. **Reorganization Tasks Update**

SSWD GM York presented the staff report.

The Boards agreed to hold a Special Joint Board meeting for a Public Information Workshop. Staff was directed to schedule this workshop.

SSWD Director Wichert recommended for the public to provide questions and comments beforehand so the Boards can be prepared to answer those questions.

SSWD GM York noted that staff will continue to work on getting the project list for the grant funding requirements.

SSWD Director Locke recommended to include answers to the questions asked at the meeting on each District's websites.

Adjournment

Chair Thomas adjourned the meeting at 8:05 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District