



Minutes

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

Monday, May 22, 2024

Location:

3701 Marconi Avenue, Sacramento, CA 95821, and Audio Conference at 1-669-900-6833, and Video Conference using Zoom at Meeting ID #895 0601 0403

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.

Roll Call

SSWD Directors

Present: Jay Boatwright (via Zoom), Dave Jones, Craig Locke, Kevin Thomas, and Robert Wichert.

SSWD Directors

Absent: None.

SSWD Staff Present: General Manager Dan York, Jeff Ott, Dane Westvik, Julie Nemitz, and Heather Hernandez-Fort.

Public Present: SSWD Legal Counsel Josh Horowitz, Del Paso Manor Water District (DPMWD) Legal Counsel Lauren Bernadett, Jose Henriquez, Sabrina Coyan, Evelyn David, Trish Harrington, and Roy Wilson.

DPMWD Call to Order – Videoconference/Audioconference Meeting

DPMWD Board Vice President Carl Dolk (Mr. Dolk) called the meeting to order at 6:03 p.m., however, DPMWD did not have a quorum. As a result, DPMWD could not hold a meeting, therefore, the two DPMWD Directors present joined the audience as members of the public.

Roll Call

DPMWD Directors

Present: Carl Dolk and Gwynne Pratt.

DPMWD Directors

Absent: David Ross and Robert Matteoli.

DPMWD Staff Present: General Manager Adam Coyan.

SSWD Director Wichert expressed concern over the participation of the DPMWD Board, noting that if their lack of a quorum was any indication of the interest they have with combination discussions, he would not be interested in continuing.

DPMWD General Manager Adam Coyan (DPMWD GM Coyan) expressed his full support for combination discussions, and urged the SSWD Board to continue discussions, noting he felt it would be beneficial to DPMWD.

SSWD Legal Counsel Josh Horowitz expressed that the SSWD Board could still proceed with the meeting as scheduled, if the Board desired to do so.

SSWD Director Wichert expressed he was not interested in continuing with the meeting, as he did not feel it would be effective.

The majority of the SSWD Board agreed to continue with the meeting, noting that they could at least review and discuss strategies on the Agenda items.

Public Comment

None.

Items for Discussion and/or Action

1. **Sacramento Local Agency Formation Commission – Public Hearing on Del Paso Manor Water District**
SSWD GM York presented the staff report.

Jose Henriquez (Mr. Henriquez) Executive Officer of Sacramento Local Agency Formation Commission (LAFCo) echoed SSWD GM York in stating that the LAFCo Commissioners voted unanimously to approve a resolution to attempt to dissolve DPMWD due to serious deficiencies and required infrastructure repairs. He noted there was roughly 52 million dollars worth of infrastructure repairs needed to be able to provide clean potable water, and that impact would bear too much of a burden on the DPMWD ratepayers. He expressed that there is a state grant program that the district could qualify for, however, he noted to qualify, DPMWD would have to dissolve or combine with another district. Mr. Henriquez assured the SSWD Board that it would not be a burden on SSWD ratepayers if they did absorb DPMWD, noting that it was a necessary step in order to provide the customers of DPMWD with clean, potable water.

Discussion ensued over what the DPMWD deficiencies were, including fire flow, inability to meet peak demands, significant leaks in their system, and upcoming state mandates that DPMWD would have to finance such as meters and treatment.

Further discussion ensued over grant funding, what would be covered by grant funding, and how likely it would be for the districts to qualify for and acquire it.

SSWD Director Locke inquired if there was a list of engineering firms that have successfully submitted for the grant funding that could be provided for assistance.

Mr. Henriquez expressed he did not know the answer but would look into it.

SSWD GM York pointed out that DPMWD's rates were very similar to SSWD's rates during the most recent combination discussions, and with DPMWD's recent rate increase, the longer the combination process takes, the larger the gap would be between SSWD rates and DPMWD rates.

SSWD Director Wichert inquired if DPMWD had made any progress on the three wells that were identified as being needed.

DPMWD GM Coyan expressed that DPMWD did not have the funding to work on those wells at this time.

Discussion ensued over the vacant position on the DPMWD Board.

Clarifying questions were answered regarding a potential 218 process with a combined district.

Roy Wilson, a ratepayer of DPMWD expressed his disappointment in the lack of a quorum of the DPMWD Board, and expressed his support for the combination of the two districts, noting he appreciated all of the help SSWD has provided thus far, and that he was looking forward to having SSWD absorb DPMWD.

Mr. Dolk and Gwynne Pratt (Ms. Pratt) expressed their appreciation for SSWD, noting they felt SSWD is a very professional group and they felt fortunate for the potential to join SSWD.

SSWD Director Locke expressed his desire to move quickly on whatever is decided.

SSWD GM York pointed out that there were additional options for funding that was discussed during the most recent combination discussions.

2. **Sacramento Suburban Water District and Del Paso Manor Water District – Potential Reorganization**

SSWD GM York provided a brief summary of the staff report.

SSWD Director Wichert expressed he was not in favor of SSWD absorbing the full cost of the necessary tasks list included in the staff report.

SSWD Director Locke pointed out that in an effort for the SSWD Board to make an informed decision, they should at least begin to perform an analysis, such as the rate structure and liabilities.

SSWD Director Wichert reiterated that he did not want to take on the funding of the work unless the Board knew that it was not going to burden the SSWD ratepayers.

SSWD GM York pointed out that a lot of the analysis had already been conducted previously and would just need to be reviewed for any updates. He pointed out that if the districts decided to hire a consultant and/or work on a communications plan, those costs would need to be divided between the two districts.

SSWD Director Locke requested to provide the pros and cons list, previously prepared, to the next meeting.

Mr. Henriquez informed the Board that the next step for LAFCo was to hold an Open House meeting to the DPMWD ratepayers on July 16, 2024, at the El Camino High School Cafeteria, to inform the public of the LAFCo options and what the next steps would be for DPMWD.

The Board agreed to review and revise the pros and cons list to provide it to the next Joint Board meeting, but not to spend any money on consulting or communications until both Boards agree to do so.

SSWD Director Locke requested staff reach out to the communications consultant to get an idea of a scope of work for this endeavor.

SSWD Director Boatwright stated that he was not in favor of spending money at all on consultants as he felt this should be the burden of DPMWD.

Further discussion ensued over who would be responsible for bearing the cost of consultants, where the consensus of the Board agreed to discuss it further with the DPMWD Board.

SSWD GM York requested that any messaging or communication sent to ratepayers of each district be identical.

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

SSWD GM York presented the staff report.

SSWD Director Boatwright reiterated that he felt DPMWD should be financially responsible for any consulting or communication expenses going forward.

Discussion ensued over governance and how the district's Board could be structured, should the two agencies be combined.

4. **Communications Plan**

SSWD GM York briefly summarized the staff report and pointed out that the draft communication plan was included in the packet.

Chair Thomas expressed this item would be moved to the next meeting of the Joint Boards.

SSWD Director Locke noted that he wanted to be sure that any communication and outreach going forward between the two districts rate payers should be identical messaging.

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

SSWD GM York presented the staff report.

SSWD Director Locke wanted to ensure that members of both Boards attended if the decision was to only hold Joint Board meetings.

SSWD Director Wichert expressed he was in favor of Joint Board meetings as opposed to 2x2 Committee meetings.

SSWD Director Boatwright expressed he was not in favor of 2x2 Committee meetings, noting that if DPMWD was not able to assemble a quorum during these meetings, then SSWD should cease combination discussions with them until it was mutual.

The Board agreed to hold the next meeting of the Joint Boards as a Joint Board meeting on June 5, 2024, at 6:00 p.m.

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

SSWD GM York presented the staff report.

The SSWD Board agreed to hold the next meeting of the Joint Boards on June 5, 2024, and then every second Wednesday thereafter starting in July. They agreed to bring back the same items from this meeting to the June 5, 2024, meeting.

Mr. Dolk and Ms. Pratt agreed with the Joint Board meeting days proposed.

SSWD Director Locke requested to bring back the communications plan along with the previously presented pros and cons list.

SSWD GM York noted that if DPMWD GM Cohan requested to include additional items on the next agenda, that he would inform the Board of the added topic.

Adjournment

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

Dan York
General Manager/Secretary
Sacramento Suburban Water District