



## Agenda

### Carmichael Water District/Sacramento Suburban Water District 2x2 Ad Hoc Committee Meeting

3701 Marconi Avenue, Suite 100  
Sacramento, CA 95821

Tuesday, August 24, 2021  
3:30 p.m.

**This meeting will be conducted both in-person in the Sacramento Suburban Water District's Boardroom at the address above, and by videoconference and teleconference using the information provided below. The public is invited to listen, observe, and provide comments during the meeting by any method provided. The Chairperson will call for public comment on each agenda item at the appropriate time and all votes will be taken by roll call. If a member of the public chooses to participate in this public meeting via videoconference and/or teleconference, please see the instructions below.**

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**Join the meeting from a computer, tablet or smartphone:**

<https://us02web.zoom.us/j/81487819422?pwd=UUwwUkh6YmszNVRVbkFFcmg2Nk51UT09>

**Meeting ID:** 814 8781 9422

**Password:** 362509

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**Please mute your line.**

Where appropriate or deemed necessary, the Committee may take action on any item listed on the agenda, including items listed as information items. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Committee less than 72 hours before the meeting are available for public inspection at each Agency's Administrative Offices.

The public may address the Committee concerning an agenda item either before or during the Committee's consideration of that agenda item. Persons who wish to comment on either agenda or non-agenda items should fill out a Comment Card and give it to either one of the General Managers. The Chairperson will call for comments at the appropriate time. Comments will be subject to reasonable time limits (3 minutes).

In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability-related modification or accommodation to participate in this meeting, then please contact Sacramento Suburban Water District Human Resources at 916.679.3972. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

### **Call to Order**

### **Roll Call**

### **Announcements**

### **Public Comment**

This is an opportunity for the public to comment on non-agenda items within the subject matter jurisdiction of the Committee. Comments are limited to 3 minutes.

### **Consent Items**

The Committee will be asked to approve all Consent Items at one time without discussion. Consent Items are expected to be routine and non-controversial. If any Committee member, staff, or interested person requests that an item be removed from the Consent Items, it will be considered with the Items for Discussion and/or Action.

1. Minutes of the July 7, 2021, CWD/SSWD 2x2 Ad Hoc Committee Meeting  
*Recommendation: Approve subject minutes.*
2. Minutes of the July 23, 2021, CWD/SSWD 2x2 Ad Hoc Committee Meeting  
*Recommendation: Approve subject minutes.*

### **Items for Discussion and/or Action**

3. Vision Statement / Framework
4. Consideration to Change Name of Committee
5. Next Meeting Date and Time
6. Public Comment

**Adjournment**

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I certify that the foregoing agenda for the August 24, 2021, meeting of the Carmichael Water District/Sacramento Suburban Water District 2x2 Ad Hoc Committee was posted by August 20, 2021 in a publicly-accessible location at the Sacramento Suburban Water District office, 3701 Marconi Avenue, Suite 100, Sacramento, California, and at the Carmichael Water District office, 7837 Fair Oaks Boulevard, Carmichael, CA 95608, and was made available to the public during normal business hours.

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Dan York  
General Manager/Secretary  
Sacramento Suburban Water District

## Agenda Item: 1

**Date:** August 24, 2021

**Subject:** Minutes of the July 7, 2021, CWD/SSWD 2x2 Ad Hoc Committee Meeting

**Staff Contact:** Dan York, General Manager

**Recommended Board Action:**

Approve the draft minutes of the July 7, 2021, CWD/SSWD 2x2 Ad Hoc Committee Meeting.

**Attachment:**

1 – Draft Minutes

**Minutes**

**Carmichael Water District/Sacramento Suburban Water District 2x2 Ad Hoc  
Committee Meeting**

Wednesday, July 7, 2021

**Location:**

3701 Marconi Avenue, Suite 100, Sacramento, CA 95821, and Audio Conference at 1-669-900-6833, and Video Conference using Zoom at Meeting Id #817 1159 5801

**Call to Order – Videoconference/Audioconference Meeting**

Director Jones called the meeting to order at 3:00 p.m.

**Roll Call**

SSWD Directors

Present: Craig Locke (joined in person at 3:09) and Dave Jones.

SSWD Directors

Absent: None.

CWD Directors

Present: Jeff Nelson and Mark Emmerson.

CWD Directors

Absent: None.

SSWD Staff Present: General Manager Dan York, Assistant General Manager Matt Underwood, Heather Hernandez-Fort, Jeff Ott, Amy Bullock, Erik Flaa, and Susan Schinnerer.

CWD Staff Present: General Manager Cathy Lee.

Public Present: William Eubanks, Ted Costa, Greg Zlotnick, Kevin Thomas, Paul Helliker, Bob Wichert.

**Announcements**

None.

**Public Comment**

None.

**Items for Discussion and/or Action**

**1. Introduction**

Sacramento Suburban Water District General Manager Dan York (GM York) provided an introduction to the meeting.

**2. Overview of Carmichael Water District and Sacramento Suburban Water District**  
GM York presented the staff report.

GM York and Carmichael Water District General Manager Cathy Lee (GM Lee) presented the PowerPoint presentation of a high level overview of the two Districts.

Director Emmerson inquired if there was an evaporation factor included in the depletion factor.

GM York expressed that there was very different type of calculation methodology that is utilized and that he was unsure if there was an evaporation factor utilized. GM York commented that he can provide the calculation factor at a future meeting.

GM York and GM Lee answered additional clarifying questions.

**3. Goal of the 2X2 Ad Hoc Committee**

GM York presented the staff report.

Director Emmerson expressed he was interested in whatever would be in the best interest of all rate payers involved. He further noted he was committed to the process, but not to any direct result, as he wanted to see where the process lead. He wanted to develop the goals and objectives, noting that if it lead to a consolidation of the two Districts, he was open to that. He expressed he wanted to allow staff to create an environment that allowed for cooperation of projects and programs, and see where it naturally flowed to. He expressed he was interested in getting rid of any political boundaries, identifying how the Districts could work efficiently and effectively together, than seeing what that lead the efforts to.

Director Nelson agreed with Director Emmerson, noting he was interested in using some of the information that was gathered from the Regional Collaboration Study (RCS) to explore efficiencies by working together and sharing resources. He noted he was also interested in doing away with any political boundaries and exploring the operations of the two Districts. He further stated Carmichael Water District (CWD) was smaller than Sacramento Suburban Water District (SSWD) noting the discrepancy in efficiencies due to the limitations CWD has. He expressed he was interested in exploring meeting economies of scale.

Director Jones stated that SSWD was a very strong District and that in time, he was confident consolidation among several local agencies would be inevitable. He additionally expressed interest in using the information gathered from the RCS to aide in exploring consolidation between the two Districts.

Chair Locke noted he was interested in effectively utilizing the operations of both Districts, as he saw efficiencies of daily operations in both. He pointed out that SSWD has well capacity above its daily needs, expressing there was an opportunity for better shared water supply reliability. He noted that the 11 different water agencies in the region could be a stronger voice as a single entity.

GM York expressed he was additionally committed to the process with no defined end goal, expressing he wanted to go through the process and making sure they identified what would be best for all rate payers. He pointed out there would be a cost impact. He additionally requested to get comments from each Director and that staff would go over each of the ideas more thoroughly at the next meeting.

Chair Locke expressed he felt the next step would be to define the process and create an outline of the process.

Director Emmerson noted he wanted to identify the current projects and operations and look at the larger items, as well as any low hanging fruit, additionally identifying what is going to be the most identifiable benefit. He noted he was interested in the option of cross training staff, and wanted to be sure to get people excited about the potential opportunities. He ended with noting once all current projects and operations have been identified, consolidation would likely be an end result.

Director Jones inquired how they would be able to measure the benefit to the rate payers.

Director Emmerson suggested things such as cost, customer satisfaction surveys, as well as measure each Directors opinion on if they were obtaining their objectives.

GM York noted staff could additionally look into how other agencies have handled consolidation for assistance and reference.

GM Lee noted additional benefits would include the future groundwater and surface water recharge as well as water supply reliability.

William Eubanks (Mr. Eubanks) expressed concern over the politics of consolidation, noting he was not confident that a consolidation could happen unless the Districts decided to just do it.

Director Jones expressed he was most interested in consolidation, as they have already been discussing collaboration in the RCS.

Director Emmerson noted he saw consolidation as an end product, but not a beginning product, noting it needed to start at the bottom with looking at all options of collaboration first.

Chair Locke noted he was very interested in looking into moving water more efficiently between the two Districts, noting there were lots of functions to explore which have been identified in the RCS.

Director Emmerson additionally noted staff should list all the operations and projects, rate and evaluate them on criteria, and start at the most beneficial ones on the list.

Director Nelson noted he wanted to be sure the Committee was successful in making progress.

Chair Locke requested staff present a list of some of the projects and operations from each District at the next meeting.

#### **4. Joint Discussion of Consolidation Opportunities**

GM York presented the staff report, noting he was interested in being productive and make progress in the Committee by focusing on the process.

GM Lee added that in order to be successful, they should look at the following areas to analyze:

- Water Management/Supply
- Governance Comparison
- Fiscal Continuity
- Water Rights/Contract Rights
- Operations

GM York recommended the Committee consider looking into a consultant to assist with the process.

Director Emmerson noted he was interested in seeing what staff could find on past consolidations.

GM York expressed he and GM Lee would provide that information.

Director Jones agreed with GM Lee on looking further into the areas to analyze.

Director Emmerson expressed he was reluctant to hire a consultant at this time, noting he was interested in staff presenting information on past consolidations as well as getting through the process. Then, he expressed, the Committee should evaluate if there is a cost benefit in consolidation. He additionally suggested to review other criteria such as cross training of staff, storing water, and/or staffing benefits. Noting that down the road, there might be a need for a consultant, but at this time, he was not interested in it.

The Committee agreed with the staff recommendation.

Chair Locke additionally noted he was interested in discussing ASR wells.

#### **5. Joint Discussion of Collaboration Opportunities**

GM York presented the staff report and answered clarifying questions.

The Committee agreed with the staff recommendation to conduct an investigation of alternatives to consider the benefit of consolidating the Districts into one agency.

Chair Locke pointed out that he wanted to be sure there was a cost sharing between both Districts.

Ted Costa expressed one of the most important topics was banking water. He additionally noted that there was a concern of the AeroJet plume, as well as monitoring the position of Del Paso Manor Water District, and considering the County of Sacramento assessment fees as well, which all needed to be reviewed.

**6. Next Meeting Date and Time**

The Committee agreed to attempt to schedule the next meeting on Friday, July 23<sup>rd</sup> at 3:00 p.m., noting the next meeting would be at CWD.

**7. Public Comment**

None.

**Adjournment**

Chair Locke adjourned the meeting at 4:35 p.m.

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Dan York  
General Manager/Secretary  
Sacramento Suburban Water District

## Agenda Item: 2

**Date:** July 19, 2021

**Subject:** Minutes of the July 23, 2021, CWD/SSWD 2x2 Ad Hoc Committee Meeting

**Staff Contact:** Dan York, General Manager

**Recommended Board Action:**

Approve the draft minutes of the July 23, 2021, CWD/SSWD 2x2 Ad Hoc Committee Meeting.

**Attachment:**

1 – Draft Minutes



**2x2 Ad Hoc Committee Meeting  
Friday, July 23, 2021, 3:00 p.m.**

**Carmichael Water District Board Room  
7837 Fair Oaks Boulevard  
Carmichael, CA 95608**

## MINUTES

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### ATTENDANCE:

**CWD Directors:** Mark Emmerson, Jeff Nelson  
**SSWD Directors:** Craig Locke, Dave Jones  
**CWD Staff:** Cathy Lee, Cecilia Dodge  
**SSWD Staff:** Dan York, Matt Underwood  
**Public:** Paul Helliker and William Eubanks

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### CALL TO ORDER:

Carmichael Water District Director Mark Emmerson (Director Emmerson) called the meeting to order at: **3:02 p.m.**

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### PUBLIC COMMENT:

#### 1. Public Comment

William Eubanks (Mr. Eubanks) commented regarding his opinion of previous water districts consolidations and how poorly they were done; he feels the only savings Sacramento Suburban Water District (SSWD) and Carmichael Water District (CWD) will see will be from the elimination of the duplicate general manager positions.

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### DISCUSSION ITEMS/ACTION CALENDAR:

#### 2. Approval of July 7, 2021 Meeting Minutes

Tabled until next meeting so that all of the Committee members could review the minutes.

#### 3. Guiding Principles and Goals

Presented by Cathy Lee, CWD General Manager (GM Lee).  
Discussed with Board of Directors.

#### 4. Collaboration Opportunities

Presented by GM Lee and SSWD General Manager Dan York (GM York).  
Director Locke commented about CWD's professional services agreement for Geographic Information System (GIS). GM Lee responded that CWD will work with SSWD GIS staff.

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GM York and GM Lee noted that a meet and greet meeting will be held on August 9, 2021 for SSWD and CWD management staff.

Mr. Eubanks commented on consolidation and LAFCo's process for agency consolidation. Director Jones inquired about Aerojet's groundwater contamination plume and how SSWD could contribute and collaborate with Aerojet's discussions. Director Nelson stated that CWD would welcome the participation.

Director Nelson commented about the process of moving forward and financial impact and indicated that we need to have the rate payers impacts in mind. GM York responded that it is preferred to have more joint Board meetings. Director Locke indicated that there are funding opportunities to support consolidation and collaboration and the SSWD/CWD intertie project is a good candidate. Director Jones suggested to purchase bulk chemicals and materials together for cost savings and Director Locke agreed.

Director Emmerson commented that that the work they completed so far is good and should proceed to the specifics and suggested a matrix of recommended projects evaluation process and steps.

The discussion focused on a potential consolidation analysis being conducted. The Committee directed staff to bring back a vision/mission statement, core values, goals, timelines and a roadmap to determine if a consolidation is feasible and in the best interest of the rate payers.

**5. Next Meeting Date/Time**

Discussed with Board of Directors.

Tuesday, August 24, 2021, at 3:30 pm. Meeting to be held at SSWD.

Paul Helliker commented about the previous attempt of SSWD and SJWD collaboration process and suggested to set some goals.

Mr. Eubanks commented that he sees no advantage for SSWD to merge with CWD.

**6. Adjournment**

Director Emmerson adjourned the meeting at: **4:26 p.m.**

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**Mark Emmerson, Board President**

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**Cathy Lee, Board Secretary**

## Agenda Item: 3

**Date:** August 24, 2021

**Subject:** Vision Statement / Framework

**Staff Contact:** Dan York, SSWD General Manager  
Cathy Lee, CWD General Manager

**Recommended Committee Action:**

Accept the Vision Statement listed below:

Long Term: To provide a safe, reliable drinking water supply and increase service reliability, at a reasonable cost, by spreading capital, operational, and maintenance costs over a large rate base. Enhance our ability to positively influence/affect water policies and manage current water supplies successfully.

**Discussion:**

At the July 23, 2021, 2x2 Ad Hoc Committee meeting, staff was given direction to develop a Vision Statement that would also include a framework stating mission, core values, goals, timelines and milestones going forward in the analysis of a potential consolidation between Carmichael Water District and Sacramento Suburban Water District.

Staff will present a PowerPoint presentation at the 2x2 Ad Hoc Committee meeting that will address the Committee's direction to date.

## Agenda Item: 4

**Date:** August 24, 2021

**Subject:** Consideration to Change Name of Committee

**Staff Contact:** Dan York, SSWD General Manager  
Cathy Lee, CWD General Manager

**Recommended Committee Action:**

Respective agencies change the name of the current 2x2 Ad Hoc Committee to Ad Hoc Consolidation Evaluation Task Force.

**Background:**

The Board of Directors of Carmichael Water District (CWD) and Sacramento Suburban Water District (SSWD) agreed to develop a 2x2 Ad Hoc Committee to identify opportunities to maximize/enhance the reliability of water supplies, and identify benefits or impacts related to cost saving opportunities, as well as consolidation into a single organization.

To date, the 2x2 Ad Hoc Committee has had two meetings, July 7<sup>th</sup> and July 23<sup>rd</sup>. At each of the meetings, discussion evolved around both collaboration and consolidation, with the July 23<sup>rd</sup> meeting focusing on consolidation.

**Discussion:**

Typically when regional water agencies initiate committees to discuss collaboration, water supplies, etc., the committees are titled as a 2x2 Ad Hoc Committee. If a committee provides direction to continue discussions/analysis on consolidation into a single organization, staff recommends that the current 2x2 Ad Hoc Committee be re-titled to better fit the purpose of the committee. Staff is recommending the new title be Ad Hoc Consolidation Evaluation Task Force. This was the committee title when Arcade and Northridge water districts conducted their consolidation analysis in 2001.