



Minutes

Del Paso Manor Water District and Sacramento Suburban Water District Joint Special Board Meeting – Public Information Workshop

2925 Mission Avenue
Carmichael, CA 95608

September 24, 2024
6:00 p.m.

Call to Order

Facilitator Dave Suppose introduced the purpose of the meeting.

Del Paso Manor Water District Vice President Dolk called the meeting to order at 6:00 p.m.

Roll Call

Del Paso Manor Water District Board of Directors (DPMWD):

Directors Present: Vice President Carl Dolk, Bob Matteoli, Gwynne Pratt, and David Ross

Vacant Position: One Vacant Position

Staff Present: General Manager Adam Coyan
Office Manager Victoria Hoppe
Assistant Legal Counsel Andreas Booher

A quorum of the Board was present.

Sacramento Suburban Water District Board of Directors (SSWD):

Directors Present: President Kevin M. Thomas
Vice President Robert P. Wichert

Directors Absent: Criag M. Locke
Jay N. Boatwright

Staff Present: General Manager Dan York

A quorum of the Board was present.

Public Comment

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

Trish Harrington spoke about running for the Del Paso Manor Water District Board (DPMWD).

Items for Discussion and/or Action

1. Sacramento Suburban Water District and Del Paso Manor Water District Combination Discussion

Facilitator Dave Chippos reviewed the purpose of the meeting, reviewed meeting expectations and logistics, and provided a brief history of the Sacramento Local Agency Formation Commission resolution of potential dissolution.

Sacramento Local Agency Formation Commission Chair Supervisor Desmond provided a history of the Sacramento Local Agency Formation Commission resolution of potential dissolution and getting to the current date. He noted the challenges for DPMWD in delivering clean safe reliable water, something needed to be done, and the dislike of the idea of changing the district or higher rates. He noted action needed to be done to correct the challenges, which would be either a merger, a dissolution, or a plan that DPMWD can find the funding to provide the required services.

DPMWD General Manager Coyan and SSWD General Manager York provided a presentation (as provided in the record).

Facilitator Chippos opened the floor for public comment and participation.

Steve Bogart commented on SSWD as one of the top in California with an outstanding training program.

Cindy Leidahl expressed concern regarding SSWD service area becoming too large and the burden put on SSWD if a consolidation occurred. She stated she did not like the taste or quality of SSWD water and spoke to the water quality and service pipes conditions in the DPMWD service area. SSWD Board Vice President Wichert and General Manager York provided clarification regarding SSWD water quality reporting and water contamination process.

Tom Russel inquired regarding SSWD's desire to consolidate. SSWD President Thomas and Vice President Wichert noted it was what the industry does to support one another.

David Flute expressed concern to the consolidation and the potential burden on SSWD to take on a service area that is in such a condition as DPMWD. DPMWD General Manager Coyan responded with what the benefits for SSWD would be if consolidation occurred and the financial mechanisms for systems requiring improvement. SSWD General Manager York provided an example of another agency's consolidation and how they successfully managed the consolidation.

Paul DeStefano expressed concern for SSWD current rates increasing to cover costs of improving DPMWD's systems. SSWD Vice President Wichert noted the LAFCo resolution stipulated costs were to be kept separate.

Gerome Maya inquired how long the two district's finances would be kept separated and asked for clarification on how the financials would work. SSWD General Manager York fielded the inquiry and reviewed the stipulations in the resolution.

DPMWD customer inquired about DPMWD's July 1, 2024, rate increases. DPMWD General Manager fielded the inquiry noting it was part of the Prop 218 notice and hearing from the previous summer.

Ed Nuatoa complimented SSWD for the good financial standing, expressed concern for DPMWD not being metered and lack of good governance, and stated the decision should go to a public vote.

Jackie Kelso stated DPMWD may have to start buying water at Raley's.

Kathy Lauer spoke about DPMWD's qualification for grants.

David Boucher spoke in support of the consolidation.

Marcy Hutchinson expressed concern there may be no plan for obtaining funds for the infrastructure.

Carol Allen requested clarification regarding the timeline and expectations of a merger. General discussion ensued regarding the inquiry noting the process.

David Mitchell inquired if the consolidation would go to a public vote. Clarification was provided.

Jennifer Harris expressed concern for fire protection.

Marcy Hutchinson inquired about tax liens for non-payment. SSWD Vice President Wichert confirmed SSWD does impose a tax lien for non-payment of services rendered. Marcy Hutchinson inquired if SSWD had intention of replacing pipes. SSWD General Manager York answered yes, over several years.

Amanda McCallister Wall thanked DPMWD staff for their hard work and expressed concern for safe drinking water, fire safety, and water drought. She noted a consolidation provides security and reliability.

Amy Teebo asked of the status for the DPMWD contaminated wells. DPMWD General Manager Coyan noted there were no plans to do anything with those wells.

Amy inquired if the DPMWD Board of Director was a paid position. DPMWD Vice President Dolk answered Board Members were paid \$100.00 a meeting.

Beverly Burton inquired if loan financing would decrease for DPMWD, if there were any plans of discussions with lenders, and if a loan would lead to a property assessment. DPMWD General Manager Coyan noted DPMWD was pursuing grants and anything not covered by grants, the District would have the ability to get no-interest or low-interest loans to cover the deficit. He stated if additional funding was needed, a Prop218 process would have to occur and charges could not be more than cost of service.

John Hoffman spoke in support of the consolidation.

DPMWD customer spoke in support of the consolidation.

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Dan provided general comments regarding the consolidation.

DPMWD Board of Director Matteoli noted he was currently running for election, provided some historical account of DPMWD, and noted his opinion of LAFCo misstatements. Director Matteoli shared he wanted to stay independent.

DPMWD Board of Director David Ross provided clarification to the statements regarding LAFCo's issue with water quality, inadequate fire flow and fire protection, bond interest, and LAFCo's resolution stipulating SSWD ratepayers would not be responsible for DPMWD's infrastructure costs.

DPMWD Board of Director Pratt thanked the public for attending, noted the most pressing is for her was LAFCo's intent, and the clarity that DPMWD must show progress or dissolution would occur. Director Pratt noted she was interested in staying independent if it were viable.

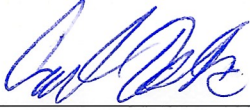
DPMWD Board Vice President Dolk stated he was in support of the resolution of dissolution knowing the costs to stay independent. He noted an agreeable consolidation by the Boards allows DPMWD Board of Directors to advocate terms for the DPMWD ratepayers.

SSWD Board Vice President Wichert stated he supported DPMWD to remain independent and noted how with separate Boards, even after consolidated, DPMWD could elect their own Board to have independent representation.

Adjournment

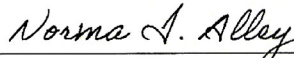
Seeing no further business, DPMWD Vice President Dolk adjourned the meeting at 8:46 p.m.

APPROVAL:



Carl Dolk, Vice President of the Board

ATTEST:



Norma I. Alley, MMC, Clerk of the Board