

Agenda Item: 2

Date: August 8, 2022

Subject: Overview of Del Paso Manor Water District and Sacramento Suburban Water District

Staff Contact: Dan York, SSWD General Manager
Alan Gardner, DPMWD General Manager

Recommended Committee Action:
Receive PowerPoint presentation.

Discussion:
The General Managers of each agency will jointly present a high-level overview of the respective agencies.

2X2 COMMITTEE MEETING

DEL PASO MANOR WATER DISTRICT AND SACRAMENTO SUBURBAN WATER DISTRICT

AUGUST 8, 2022

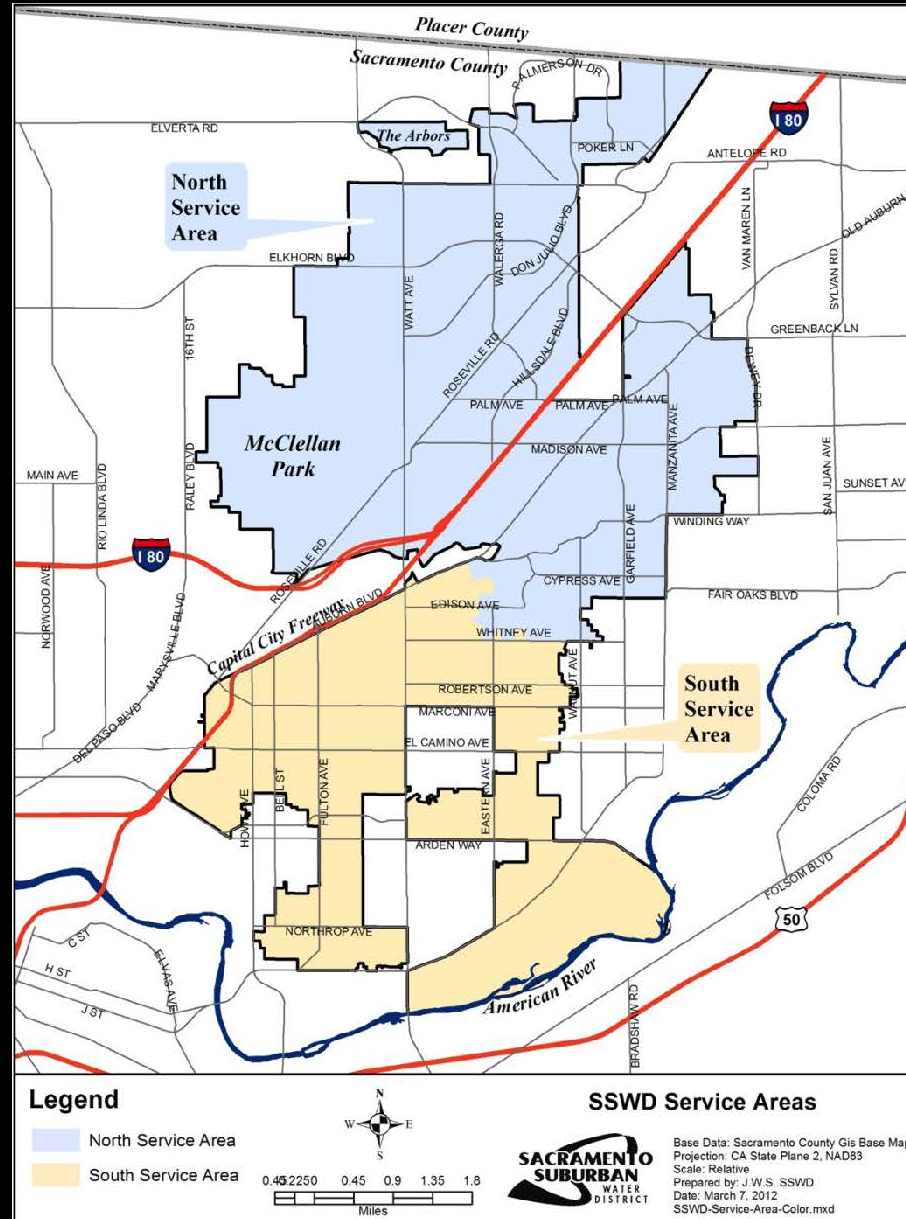
Alan Gardner
General Manager, DPMWD

Dan York
General Manager, SSWD

SSWD OVERVIEW

- Arcade Water District (1954) and Northridge Water District (1956) consolidate into Sacramento Suburban Water District on February 1, 2002
- 5 Board of Directors
- 73 Regular full time employees
- 47,000 Service Connections
- 194,000 Population served
- 36 square miles of service area

SSWD SERVICE AREA



SSWD FINANCIALS

CY22 Budget = \$56.1 Million

CY22 Capital Budget = \$24.7 Million

CY22 Operating Budget = \$23.8 Million

Reserves = \$46.8 Million (12/31/21)

Debt Service = \$60.9 Million (06/30/2022)

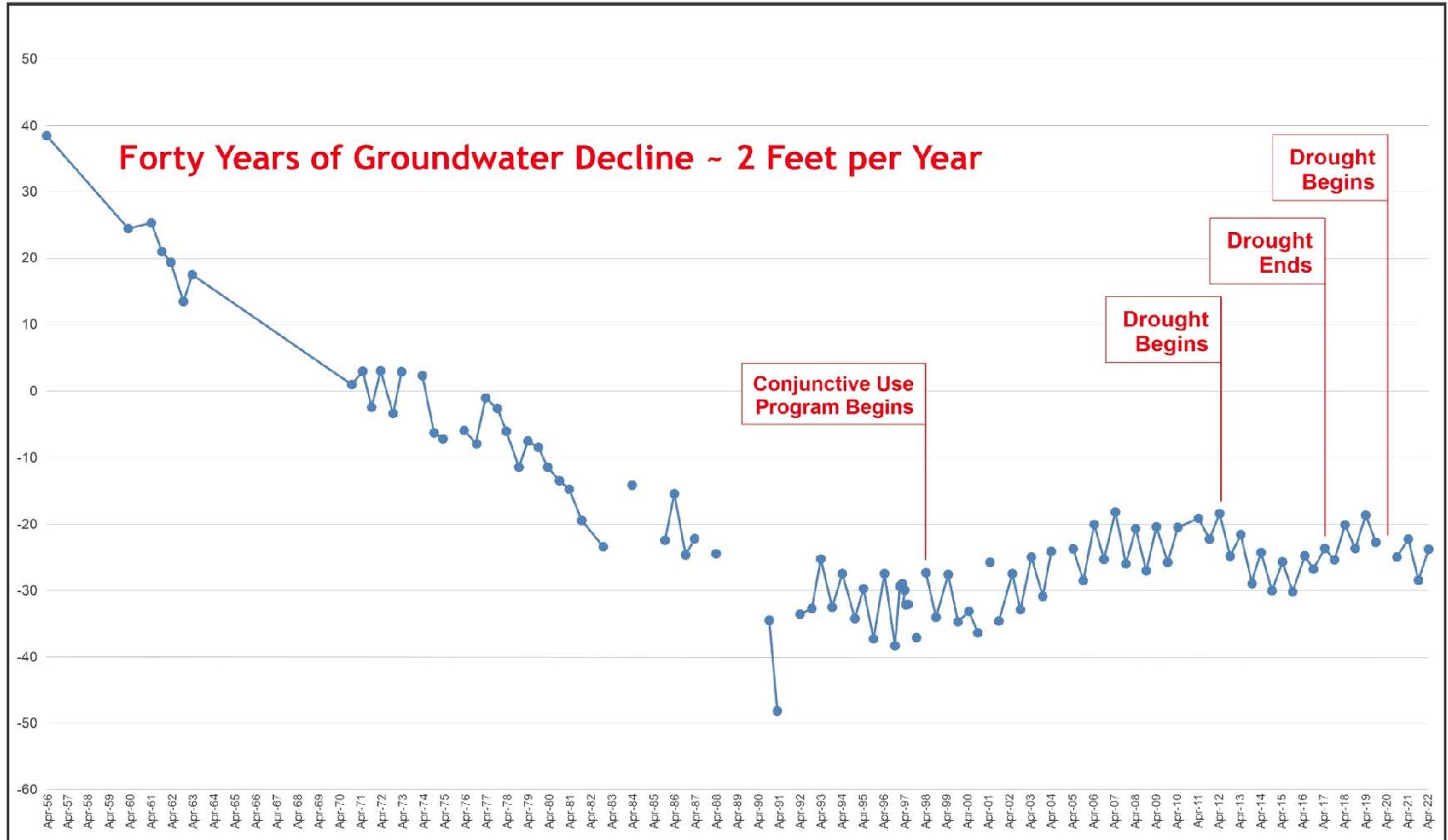
SSWD WATER SUPPLIES

- 70 groundwater wells = 115.8 Million Gallons Per Day (SSA = 58.7 MGD).
- North Service Area is non-fluoridated and South Service Area is fluoridated.
- City of Sacramento surface water contract right = 26,064 acre feet (af).
- Placer County Water Agency surface water contract right = 29,000 acre feet. 8,000 af take or pay. After 20 years, SSWD now has a Long Term Warren Act Contract that expires in 2045.
- SSWD purchasing conservation water from San Juan Water District.

SSWD CONJUNCTIVE USE PROGRAM

- 100% groundwater in dry and very dry years.
- Surface water available in average and wet years
- Contract rights for surface water totaling 55,064 acre feet per year in average and wet years
- \$120 million investment in conjunctive use infrastructure
- Over 250,000 acre feet of groundwater banked

Groundwater Levels, Well 10N05E14Q002M Sacramento Valley (Sacramento County)



SSWD WATER METERS

- Approximately 47,000 services are metered in SSWD.
- Approximately 200 services remaining.
- Current SSWD schedule is set to comply with State law requirements in advance of the 2025 mandate.

WATER RATES

SSWD (Residential)

5/8" Meter: \$34.29 + \$0.95/ccf to 15ccf

*3/4" Meter: \$47.56 + \$0.95/ccf to 15ccf

1" Meter: \$74.12 + \$0.95/ccf to 15ccf

DPMWD

5/8" Flat rate: \$45.50 (commercial)

3/4" Flat rate: \$45.50 (commercial)

1" Flat rate: \$62.85 (commercial)

SSWD flat rate based on \$2.52 per 1,000 square feet of parcel and Fixed Charge.

(e.g., 8,000 sf = \$20.16 + \$47.56 for 3/4" connection = \$67.72)

DPMWD flat rate per month (combination of Flat Rate Charge and System Maintenance Charge):

0-5,000 sf = \$49.95

5,001-8,000 sf = \$58.25

8,001-11,000 sf = \$64.45

11,000-14,000 sf = \$70.65

14,001-17,000 sf = \$76.85

17,001-20,000 sf = \$83.10

SqFt Low	SqFt High	DPMWD	SSWD Low	SSWD High	Diff Low	Diff High
1,000	5,000	49.95	50.08	60.16	0.13	10.21
5,001	8,000	58.25	60.16	67.72	1.91	9.47
8,001	11,000	64.45	67.72	75.28	3.27	10.83
11,001	14,000	70.65	75.28	82.84	4.63	12.19
14,001	17,000	76.85	82.84	90.40	5.99	13.55
17,001	20,000	83.10	90.40	97.96	7.30	14.86

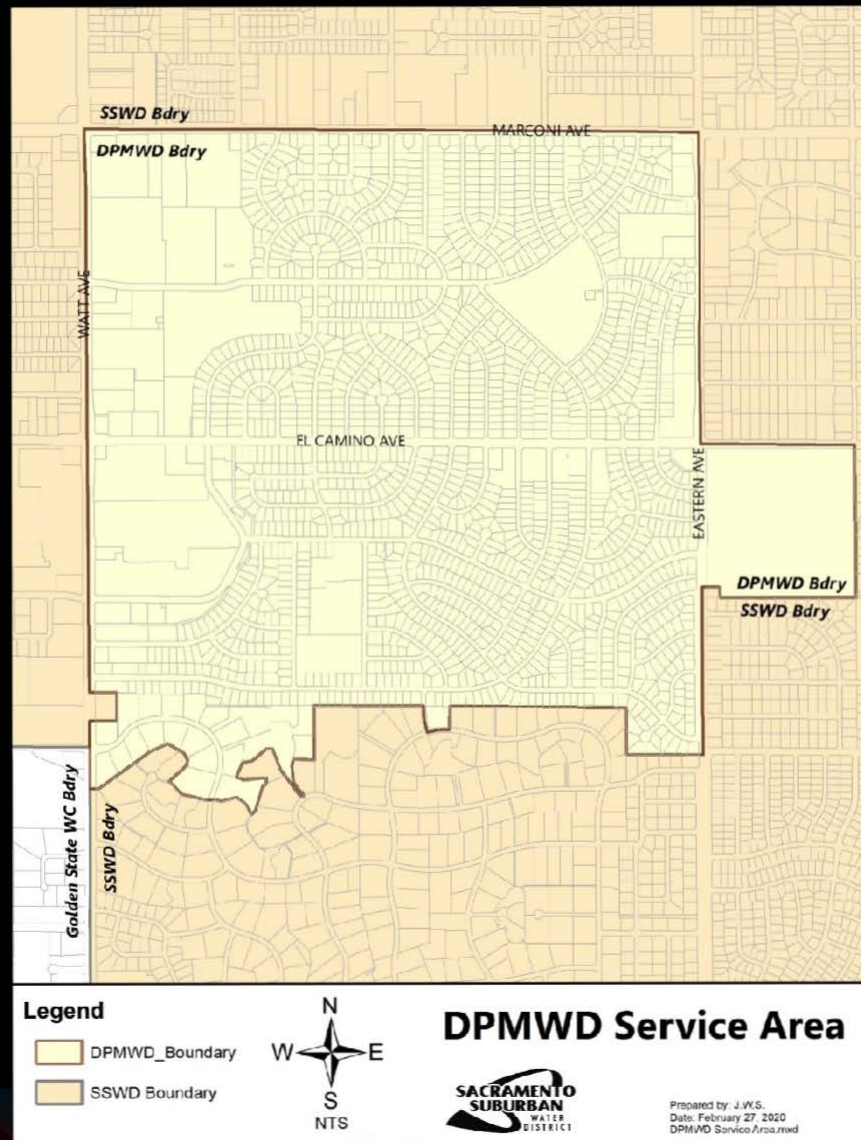
* 3/4" metered rate is the major portion (~85%) of SSWD's rate structure.

- O&M/CIP and debt service are built into the rate structure. Approximately \$17.7 million received annually for CIP and \$6.8 million received for debt service.

DPMWD OVERVIEW

- Established in 1956
- 5 Board of Directors
- 4 Regular full time employees
- 1,800 Service connections
- 5,000 Population served
- 1.3 square miles of service area

DPMWD SERVICE AREA



DPMWD FINANCIALS

FY 22/23 Funds Available = \$5,111,000

FY 22/23 CIP = \$1,975,000 Million

FY 22/23 Operating Budget = \$1,870,000 Million

Debt Service = \$4 million

Reserves = \$1.3 Million

DPMWD WATER SUPPLIES

- 4 operational groundwater wells = 8.4 Million Gallons Per Day.
- City of Sacramento surface water contract rights * = 2,460 af.

*DPMWD does not have the facilities or approvals to use this water at this time.

DPMWD WATER METERS

- Residential services are not metered.
- 100% of commercial services are metered.
- Per 2009 Master Plan, goal of DPMWD is to install meters at each service connection by 2030.



QUESTIONS?

Agenda Item: 3

Date: August 8, 2022

Subject: Goals and Priorities of the 2X2 Committee

Staff Contact: Dan York, SSWD General Manager
Alan Gardner, DPMWD General Manager

Recommended Committee Action:

Establish goals and priorities of the 2X2 Committee regarding a potential reorganization of Del Paso Manor Water District and Sacramento Suburban Water District into one agency.

Discussion:

The 2X2 Committee will discuss the goals and priorities of the subject committee and direct staff as appropriate.

Agenda Item: 4

Date: August 8, 2022

Subject: Condition of Del Paso Manor Water District Infrastructure

Staff Contact: Dan York, SSWD General Manager
Alan Gardner, DPMWD General Manager

Recommended Committee Action:

Receive staff presentation.

Discussion:

Receive an update on the current status of the condition of Del Paso Manor Water District's (DPMWD) infrastructure and safety issues resulting from a Condition Assessment conducted in 2020 by Sacramento Suburban Water District (SSWD) staff and DPMWD's insurance carrier, ACWA/JPIA.

In addition, discuss conducting a Condition Assessment utilizing SSWD's Asset Management Plans (AMP) related to production, distribution and meters. This will assist in determining the current condition of DPMWDs infrastructure in relations to where it's system would rate in SSWD's AMP's in the event a reorganization is approved by the respective Boards.

Agenda Item: 5

Date: April 1, 2020

Subject: Safety Condition Assessment

Staff Contact: Dan York, SSWD General Manager

At the last Sacramento Suburban Water District (SSWD) and Del Paso Manor Water District (DPMWD) 2X2 Ad Hoc Committee meeting on March 2, 2020, DPMWD Director Burt (Director Burt) requested SSWD to administer a safety condition assessment. DPMWD Director Lenahan (Director Lenahan) requested if SSWD staff could generate a list of critical items to be addressed to improve the well sites. SSWD Director Wichert (Director Wichert) requested SSWD try to put together the informal list of critical items before DPMWD's next Board meeting. SSWD General Manager York (GM York) expressed that SSWD staff could provide an informal list of critical items to be addressed immediately.

Following the direction of the Committee, Joint Powers Insurance Authority (JPIA) staff conducted a safety inspection at three DPMWD well sites on March 10, 2020. SSWD's Operations Manager and Safety/Risk Officer and Ken Ingle from DPMWD (Mr. Ingle) were on site for the inspection. JPIA documented findings and provided to Mr. Ingle. SSWD staff did not receive the findings. JPIA will be submitting a formal report to DPMWD.

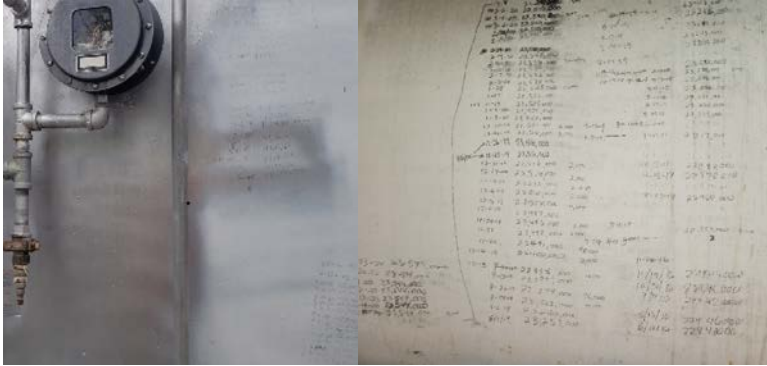
Additionally, during site visits, SSWD staff reviewed well conditions and found the following:

- There are no arc flash warning items, required by OSHA.

COMPLETED



- There are few records of daily operations. On the left and right, there well production records for Well #2 and Well #4, respectively, written on the hydro pneumatic tanks.



COMPLETED

Well #2

- Tank is water logged at 90% water and site tube is warping from the sun. The air charge in the tank is necessary and is used to absorb system shock and reduce water hammer, which can cause leaks in distribution system.

COMPLETED



- The eyewash station position introduces potential hazards. There are tank appurtenances that could cause injury in the event an operator is in need of the eyewash station.



COMPLETED

- Electrical conduit and equipment sealed with tape rather than the correct means. Electrical cables are strung across the tank and draped in the air presenting additional hazards.

COMPLETED



- The path of travel is restricted and also has overhead hazard. The second photo shows that there is no room to travel on other side of tank.

COMPLETED



- An unpermitted generator and overhead hazards. Both pictures show cables hanging and barbwire through the middle of the facility.



COMPLETED

- Ladder is left at this site permanently so DPMWD staff can turn the air compressor on and off manually during the business day.



COMPLETED

Well #4

- The chemical injection is located directly into the tank
 - The water in the tank could short circuit and not be adequately disinfected.
 - There is a leak on the injection system causing corrosion on the piping below. A rag was present to absorb drips.



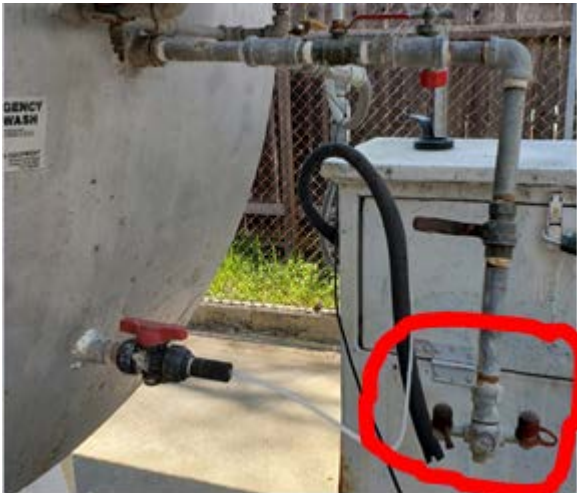
COMPLETED

- There are no identifiers of what is contained within this locked container. This is where the liquid sodium hypochlorite is stored.

COMPLETED



- The eyewash station is level with chemical injection, less than 12 inches away. The eyewash sign is small and on the tank. There are three valves on this eye wash station where one is left open, the second is closed but needs to be opened to flow water, and the third is a push button to make the water flow through the two nozzles. Cal-OSHA requires only one valve maximum to operate an eyewash station. The caps were sun damaged and shrunk requiring force to remove them.



COMPLETED

- Compressor wiring is left unsecured.



COMPLETED

- Electrical LB junction box is secured with Duct Tape instead of the appropriate two screws holding the plate and gasket to seal against weather conditions.



COMPLETED

- Exposed utility power line is a safety hazard. SSWD staff requested that DPMWD staff notify SMUD. It has been corrected.



COMPLETED

Well #6B

- The sodium hypochlorite double containment tank is compromised by placing drain valves at bottom of tank through both walls. Leaks have turned into build up on tank appurtenances. If the valve is broken off, the entire contents of the tank will empty, defeating the double containment requirement.



COMPLETED

**We completed leak repair on 6B NO LEAKS
Separately —decided to replace tank. Tank
purchased not yet installed cuz takes 2**

- There is no double containment on pressurized tubing and there are leaks where the tubing connects to the PVC piping. Lubricant spray was left sitting on top of chemical dosing pump.



COMPLETED

- Chemical pumps have leaks and build up. Rags are used to absorb chemical drips.



COMPLETED

- Chemical degas pump discharges into an open bucket.



COMPLETED

Well #8

- Paint tray used to catch chemical leak.



COMPLETED

Well #9

- Chemical pumps have leaks and has build up.



- The double containment tank is compromised by placing drain valves at bottom of tank through both walls. Leaks turned into build up on tank appurtenances. If the valve is breaks off, the tank contents will empty, defeating the double containment requirement.



- Sodium Hypochlorite Tank will drain if ball valve opens, fails, or breaks off.



- Eyewash station bowl assembled incorrectly. The rubber gasket goes below the bowl and currently dams up the water from draining causing algae build up in the bowl.



COMPLETED

- Overhead hazards at eye level.



COMPLETED

- Instead of double containment, tubs and lids that are placed to catch drips.



COMPLETED

Agenda Item: 6

Date: April 1, 2020

Subject: Groundwater Facility Assessment

Staff Contact: Dan York, SSWD General Manager

Following the 2X2 Ad Hoc Committee meeting on March 2, 2020, SSWD staff visited well sites and took pictures and documented the Groundwater Facility Sanitary conditions. There were some universal conditions to note and some specific well site conditions to note. Following is the documentation and pictures obtained by SSWD staff:

- All hose faucets are missing hose connection vacuum breakers. Some faucets have caps that are easily removed. DDW typically requires this if identified during an inspection.



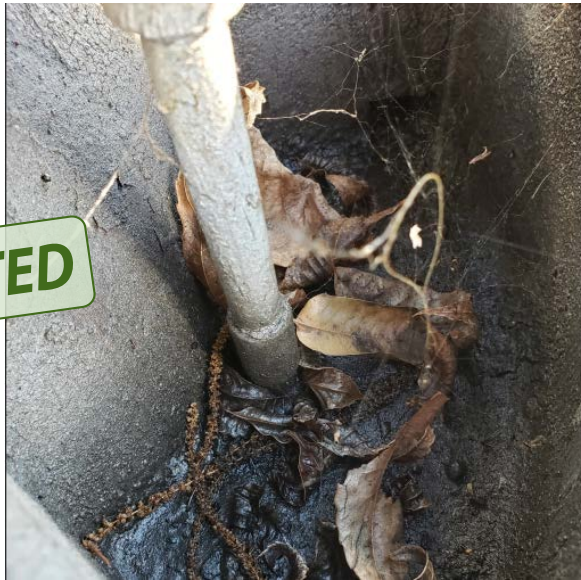
- The sodium hypochlorite degrades and creates disinfectant byproducts. The photos are a 5-gallon container from two facilities that remains full and are dated 12/17/2019 (over 100 days old). SSWD staff have found that 30 to 90 days, depending on conditions, is the chemical's useful life. Also, there is not a seal where feed line enters into container, which allows bugs, etc. to potentially enter liquid.

COMPLETED



Well #2

- The sanitary conditions of the pump bases are in a state of severe neglect. The base of the pipe entering the pump base has a seal that is no longer secure or sealed. When the well turns off, contaminants from this area has the potential to be sucked into the aquifer.



- Chemical injection was isolated (off) at the injection assembly. SSWD staff went to restore the chemical injection into service and found the assembly broken in multiple locations. SSWD made immediate repairs. Well #2 has history of raw water Bac-T positive samples and DDW allowed DPMWD to keep it in service only if continuously chlorinated.



- The pump base Air Release Valve (ARV) discharge does not meet the minimum required 36" from ground surface. Reference: *Water Well Standards (Bulletins 74-81 & 74-91) – Section 10, Surface Construction Features.*



COMPLETED

Well #4

- The sanitary conditions of the pump bases are in a state of severe neglect. The base of the pipe entering the pump base has a seal that is no longer secured or sealed. When the well turns off, contaminants from this area can potentially be sucked into the aquifer. Fortunately, the holes that allow the chambers of the pump base to drain into each other are clogged.

COMPLETED



- Pump base seal is separating. When the well turns off, contaminants could potentially be sucked into the aquifer.



Well #6B

- ARV vent screens are not a minimum of 36" above ground surface. Installed pursuant to American Water Works Association Standard C512-04 and Manual M51 (2001)



- Raw water sample ports are not threaded, but they are barbed. Required by DDW based upon *Chapter 16 – California Waterworks Standards - Article 3 - Water Sources §64560*



COMPLETED

Well #8

- Motor oil was used for dripper oil causing the well to be placed in off position. SSWD staff secured the discharge piping valve with chain and lock to physically isolate the well from the distribution system.



COMPLETED

Well #9

- Backflow prevention device failures



COMPLETED

Agenda Item: 5

Date: August 8, 2022

Subject: Joint Discussion of Reorganization Opportunities

Staff Contact: Dan York, SSWD General Manager
Alan Gardner, DPMWD General Manager

Recommended Committee Action:

Conduct an analysis of alternatives to consider the benefit of reorganizing Del Paso Manor Water District and Sacramento Suburban Water District into one organization.

Discussion:

If there is an agreement to analyze the benefits of reorganizing the two agencies into one organization, focus should be considering the impacts of potential benefits to the ratepayers of Del Paso Manor Water District (DPMWD) and Sacramento Suburban Water District (SSWD) and demonstrate how these benefits can be maintained in a long-term, sustainable manner. In addition, to ensure a reorganization would be in the public's best interest, meeting the following objectives: (1) Providing increased water supply reliability, and (2) Resulting in greater economies in the form of less cost, or reduced costs, and a higher level of service for the general public. If these two objectives are met, a combined agency would place the two districts in a better position to control their destiny; manage and protect their respective water supplies; and provide the ability to address federal, state and regional influences impacting water supply reliability.

If there is a consensus of the two agencies to initiate developing criteria to implement an analysis on reorganization opportunities, below are three principal options to consider:

- 1. Continue Existing Process** – Define as continuing business as usual. Any action that can be done now to increase water supply reliability, without any outside permissions or involvement from local, state or federal agencies.
- 2. Inter-Agency Agreements** – Analyze and agree that various alternatives, along with inter-agency agreements, be considered. This option considers actions that would be available if the two governing boards remained independent, and could obtain execute agreements or implement programs required for more flexible operations and enhanced water supply reliability, etc.
- 3. Reorganization of DPMWD and SSWD:** This option acknowledges that current governance, and institutional requirements, can impede efficient water management practices and therefore presumes that a consolidated and uniform governance structure could be created to maintain or increase overall water supply reliability, etc.

One tool that could be utilized is based on the requirements of the Sacramento Local Agency Formation Commission (LAFCo) outlined for the Municipal Services Review (MSR). LAFCo has specific requirements for considerations when changing, adjusting or modifying service area boundaries. The MSR provides a written determination for the following factors:

- Infrastructure needs and deficiencies
- Growth and population projections for the affected areas
- Financial constraints and opportunities
- Cost avoidance opportunities
- Opportunities for rate restructuring
- Opportunities for shared facilities
- Government structure options including advantages and disadvantages of consolidation or reorganization of service providers
- Evaluation of management efficiencies
- Local accountability and governance.

In addition, below are a few other areas for consideration to be analyzed:

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

Financial Considerations

Initial work to be completed to be entirely conducted by the staff and board members of the agencies. If a consultant is contracted to conduct specific tasks, each agency would have to agree to split the costs 50/50, as well as any legal costs, if necessary.