



SACRAMENTO SUBURBAN WATER DISTRICT
AND
SAN JUAN WATER DISTRICT

HISTORY AND BACKGROUND OF
COMBINATION DISCUSSIONS

JUNE 25, 2024

AGENCIES BACKGROUND/HISTORY

SSWD

- Arcade Water District and Northridge Water District consolidate into Sacramento Suburban Water District on February 1, 2002
- County Water District

SSWD BOARD OF DIRECTORS

5 Board members elected by Division.

Board of Directors:

Kevin Thomas, President, 2022-2026

Robert Wichert, Vice President, 2022-2026

Craig Locke, 2022-2026

David Jones, 2020-2024

Jay Boatwright, 2022-2024

AGENCIES BACKGROUND/HISTORY

SJWD

- Created in 1950s
 - By vote of people
 - To purchase North Fork Ditch Company Water Rights
 - To negotiate contract with USBR
 - To provide wholesale water supply to CHWD, FOWD, OVWC, City of Folsom (North of the American River), and SJWD retail service area
 - Community Services District

SJWD BOARD OF DIRECTORS

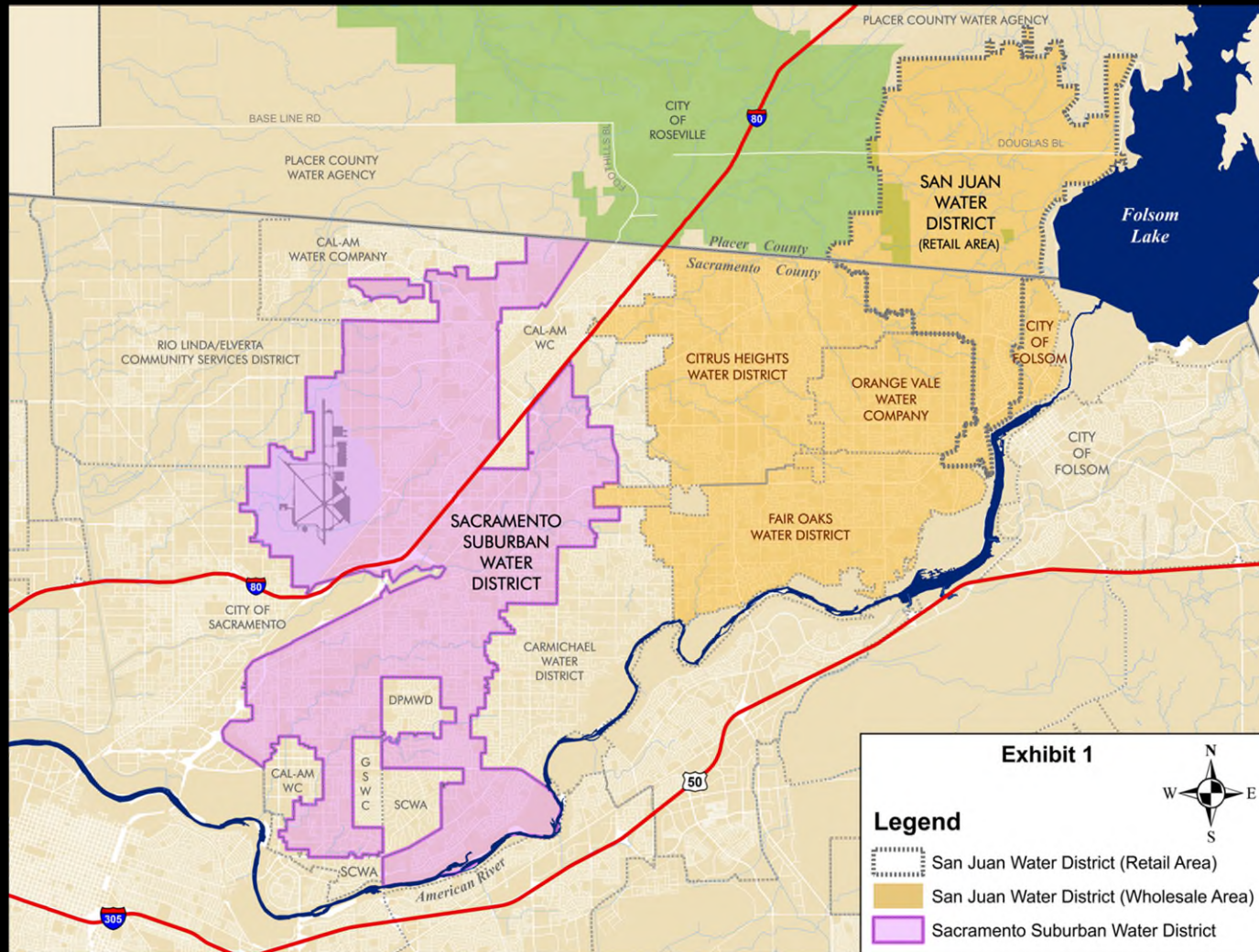
5 Board members elected by Division

- Board of Directors:
- Manual Zamorano – President, 2022-2026
- Edward “Ted” Costa, Vice President, 2022-2026
- Dan Rich, 2022-2026
- Kenneth Miller, 2020-2024
- Pamela Tobin, 2020-2024

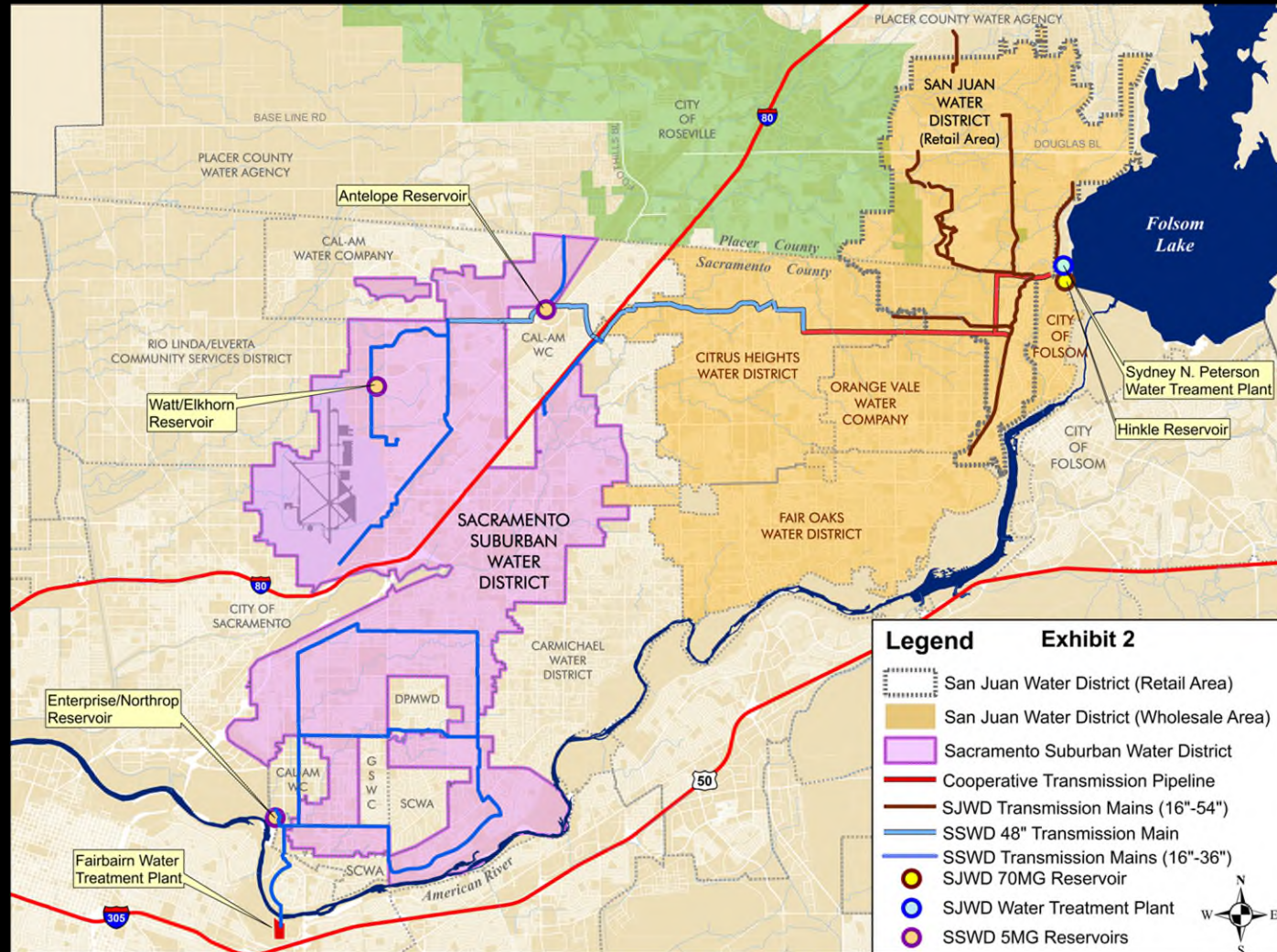
MISSION STATEMENTS

- SJWD - To ensure the delivery of a reliable water supply of the highest quality at a reasonable and equitable price.
- SSWD - To deliver a high quality, reliable supply of water and superior customer service at a reasonable price.

SERVICE AREAS



INFRASTRUCTURE



Legend Exhibit 2

- San Juan Water District (Retail Area)
- San Juan Water District (Wholesale Area)
- Sacramento Suburban Water District
- Cooperative Transmission Pipeline
- SJWD Transmission Mains (16"-54")
- SSWD 48" Transmission Main
- SSWD Transmission Mains (16"-36")
- SJWD 70MG Reservoir
- SJWD Water Treatment Plant
- SSWD 5MG Reservoirs

CURRENT STATISTICS

SERVICE AREA	SSWD	SJWD Wholesale Service Area	SJWD Retail Service Area
No. of square miles	36	45	17
Population served	195,000	~150,000 SJWD wholesale	~30,000
No. of connections	47,000	~52,600 connections total in all SJWD wholesale agencies	~10,900
No. of metered connections	47,000	~51,000 metered connections total (metered)	~10,410

CURRENT STATISTICS

	SSWD	SJWD wholesale	SJWD retail
Budget 2024	\$63,950,000	\$15,200,000	\$40,000,000
Personnel	75 FTE	18.7 FTE	31.3 FTE

SSWD WATER SUPPLIES

Groundwater Supply

- Groundwater wells = 71 groundwater wells (5 new wells; 1 recently activated, 4 under construction)
- Groundwater capacity = 118 MGD
- Storage = 15.8 MG
- 2023 total production = 30,019 AF

Surface Water Entitlements

- 26,064 AF - City of Sacramento
- 29,000 AF - PCWA
- 215 Water - Reclamation

SJWD WATER SUPPLIES

Groundwater Supplies

0

Surface Water Rights

- 33,000 AF – pre-1914 water rights
- 24,200 AF – Bureau – CVP
- 25,000 AF – PCWA

BACKGROUND

- Initially requested by SSWD in 2011
 - feasibility of consolidation of functions (e.g., inventory, purchases, etc.)
 - no additional functions were identified
- Previous effort spanned nearly 4 years
 - Better water management
 - Conjunctive use
 - Shortage conditions (e.g., 2015 Drought)

PHASE 1

- SJWD and SSWD initiated conversations to identify possible functional reorganizations in 2011:
- increase efficiency and effectiveness
- functional items, such as purchasing, outsourcing, sharing of staff, etc.
- Joint Board meeting in March 2013 to discuss opportunities for improvements in regional water management, resource sustainability, and long-term water supply reliability:
 - Do nothing
 - Increase interagency cooperation
 - Consider organizational changes up to and including potential agency reorganization
- Initiated a Phase 1 Study

PHASE I STUDY

- Very high level study focused on water resource management
- Three options for Better Water Management identified and studied:
- Option 1 – continue as separate agencies without changes to water supply or outside agency approvals
- Option 2 – remain separate agencies, but share resources through agreements that require outside agency approvals
- Option 3 – Reorganizing the two districts

PHASE I RECOMMENDATION

Option 3 – Reorganization

Best For Water Management Between Agencies

Districts Have Complementary Assets

Using Assets to Provide a Significant Method For
Achieving Water Supply Reliability For Both Districts

No Fatal Flaws Identified

Joint Board Meeting – April 28, 2014

Phase 1 Study Accepted

Phase 2 Study Approved

PHASE 2

Joint Board Meeting – April 28, 2014

- Phase 2 Study Divided into Part A and B
- 2x2 Committee Instructed To Manage Phase 2A
- End of 2A is a milestone; Go/No Go Decision

2x2 Committee developed the Phase 2A Analysis Process:

- Scope-of-Work
- Budget \$100,000
- Equal Cost Sharing
- Hired Mr. John O'Farrell as Principal Consultant
- Hired MMS Strategies to Conduct Messaging/Outreach

PHASE 2A STUDY

Scope of Work Included:

- Focused, methodical, and transparent effort
- Summarize findings, recommendations of Phase 1
- High level analysis of merger

Formation

Governance

Board of Directors

Administration

Staffing

Customer Assurance

Stakeholder outreach and customer polling

PHASE 2A ANALYSIS

Scope of Work did not have budget to include:

- Customer Outreach
- Performa Financial Analysis
- Human Resource Analysis
- District Operations
- Water Operation Plans

This Scope to be covered if Phase 2B Go Decision is made

PHASE 2A RESULTS

Phase 2A results:

- Summary of Phase 1 benefits
- Identification of stakeholder issues and concerns
- Description of existing districts structure and data
- Elements of possible restructuring
- Type of restructured district
- Potential model of reorganized district
- Affect on customers

PUBLIC COMMENTS RECEIVED ON PHASE 2A ANALYSIS

Eighteen Responses Received by June 5, 2015 deadline

- Eleven from SSWD Customers
- Four from SJWD Customers
- Two from Neighboring Water Agencies
- One from a Water Industry Professional

Comment Assessment:

- Related to the Draft Phase 2A Analysis report
- Required further review/analysis to be answered in Phase 2B Analysis report

PROPOSED PHASE 2B SCOPE

- Respond to Comments Received from Phase 2A
- Governance
- Financial
- Human Resource
- Operations
- Customer Outreach
- Final Phase 2B Report

JOINT BOARD MEETING

JUNE 25, 2015

Reviewed the reorganization process up through Phase 2A milestone

- Consultant Report

 - Phase 2A and 2B combined for final Phase 2 Analysis report

 - Phase 3 would involve the LAFCo application process

- Public Comment.....

JOINT BOARD MEETING

JUNE 25, 2015

Consider Motion to Approve Phase 2B Scope of Work and Proposed Budget

- SSWD motion to pay consultant for Phase 2A Analysis report work, but not accept Phase 2A Analysis report. Passed 4-1
- SJWD motion to accept Phase 2A Analysis report. Passed 4-0 (Director absent)
- SSWD motion to suspend all work on reorganization discussions. Passed 4-1
- No motion from SJWD



QUESTIONS?