



Agenda Item: 2

Date: December 10, 2018

Subject: SSWD/SJWD Water Management/Re-organization Update

Staff Contact: Dan York, General Manager, SSWD
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Recommended Committee Action:

Information only. Provide direction as appropriate.

Background:

The SSWD/SJWD 2x2 Committee met on October 3, and reviewed the history of the discussions between SSWD and SJWD on water management and reorganization issues. The committee had received background materials that included extracts of the problem statements, current status of various issues and the three potential options that were analyzed to address those issues.

At the meeting, representatives of San Juan's wholesale customer agencies and other water agencies interested in the deliberations attended and presented their perspectives on the topic. The committee directed the SSWD and SJWD General Managers to organize a meeting with the General Managers of these agencies, to discuss their interest in participating in a broader effort to define problems and opportunities and potential solutions.

On October 29 and on November 16, representatives of the following water agencies participated in discussions about this topic: SSWD, SJWD, Citrus Heights Water District, City of Folsom, Fair Oaks Water District, Orange Vale Water Company, Carmichael Water District, Del Paso Manor Water District and Rio Linda/Elverta Community Water District. At the first meeting, the group reviewed the history of the deliberations between SSWD and SJWD, and discussed the problem statement document that had been presented to the 2x2 Committee on October 3. The group decided to meet again to attempt to make more progress on defining a potential scope for a broader regional effort on collaboration and re-organization, and did so on November 16. At that meeting, the problem statements, goals and potential tasks described in the attached document were discussed and generally agreed upon.

Fiscal Impact:

Unknown at this time.

**Sacramento County Water Agencies
Collaboration/Integration Study
11-20-18**

Problem Statements

1. Water supplies in the American River basin are becoming more variable and likely less reliable than in the past, due in part to climate change, environmental regulatory requirements and competing demands.
2. The areas served by the participating agencies were extensively developed during the second half of the last century and the water supply infrastructure installed at that time is in need of repair and replacement.
3. Water supply infrastructure among the agencies in this analysis has varying levels of underutilized collection, treatment, storage and delivery capacity.
4. The agencies in this analysis face various financial and operational challenges in providing services to their customers and performing business functions.
5. The agencies in this analysis face increasing operational costs.
6. The sizes of the agencies in this analysis limit their ability to dedicate staff time to legislative, policy and regulatory issues.

Goals

The participating agencies will collaborate to:

1. Enhance water supply reliability by optimizing the use of surface water and groundwater supplies. Plan for and develop resilient responses to changes in water supplies that result from climate change and new regulatory requirements.
2. Repair, replace and improve water supply infrastructure in the most efficient and cost-effective manner possible.
3. Provide excellent service and the best value to customers.
4. Achieve more effective advocacy and the best outcomes possible on legislation and regulations in both Sacramento and Washington, D.C.

Project Tasks

1. Solidify problem statements/goals for the study
2. Inventory existing conditions of each potential partner agency (quantitative and qualitative review) (governance, legal, non-legal technical and organizational)
3. Identify options, identify evaluative factors or benchmarks to study each option
4. Winnow down to a preferred alternative or option (which may include a synthesis of parts of one or more discrete options identified in Phase 3)
5. Development of an implementation action plan for each Agency (includes public outreach strategy for each agency)
6. Governing Board/Council buy-in/support for preferred option