SACRAMENTO REGION WATER UTILITY COLLABORATION / INTEGRATION STUDY

Paul Helliker
General Manager
San Juan Water District
March 12, 2020
BACKGROUND

2013 agreement between Sacramento Suburban Water District (SSWD) and San Juan Water District (SJWD) to identify collaboration opportunities and potential merger

- Phase 1 Study – looked at no change, enhanced contracting and merger
- Approved by both Boards in 2014
- Phase 2A Study- identified governance and organizational design of merged agencies
- Completed in 2015
PHASE 2A STUDY

• June 2015 Joint Board Meeting – SJWD Board approved 2A study, SSWD Board did not
• SSWD Board wanted further follow up on comments from SJWD Wholesale Customer Agencies (FOWD, CHWD, OVWC, Folsom)
• SSWD management collected further input
2018/19 ACTIVITIES

- March 2018 letter from SJWD to SSWD
- 2x2 Committee reconstituted
- Committee directed GMs to solicit broader participation in new analysis
- RFP issued in October 2019
  - Scope of work includes analysis of existing operations and finances, with assessment of how to improve services and reduce costs
  - Alternatives include business as usual, joint contracting, joint powers authorities, integration of certain units and full merger
- Five teams bid and Raftelis/Tully and Young were selected after interviews in mid-December
PARTICIPANTS

To date, the Board of Directors/City Councils of the following agencies have approved participating in this effort:

• Carmichael Water District
• Citrus Heights Water District
• City of Folsom
• Rio Linda/Elverta Community Water District
• Sacramento Suburban Water District
• San Juan Water District

Del Paso Manor WD in process

Fair Oaks Water District and Orangevale Mutual Water Company were part of the original group, and will have another opportunity to join.
WORK ACTIVITY TASKS

- Work Activity 1 - Describe the utilities, background; Inventory services offered by each Agency; Inventory current collaborations; Describe existing financial approaches; Review and Revise Problem Statements.

- Work Activity 2 – Conduct peer benchmarking; Identify performance measures to evaluate collaboration/integration alternatives/options.

- Work Activity 3 - Identify economies of scale; Identify opportunities and challenges for service integration; Identify opportunities and challenges for facilities integration.
PROJECT PLAN, COST AND SCHEDULE

• Management Committee (GMs and staff) will manage the project
• Ad-hoc Board/Council committee will meet to review each deliverable, meeting of full Boards/Councils at the conclusion of the work
• Budget for the project - $200,000.
• Costs shared proportional to agency operating budgets
• Nine month schedule
• Adding other participants will require revision of scope and budget
Enhancement and implementation activities can be undertaken at the conclusion of the first three Work Activities, as desired by the Agencies.

- Raftelis will identify and prioritize the potential improvements and shared services to tackle first and will prepare recommendations and an implementation plan. The intent is to achieve the desired breakthrough performance through innovative and creative solutions. Together with the Committee, Raftelis will establish measures of success to help the parties influence the outcome of the shared service effort and provide implementation assistance as needed.