In 2013, Sacramento Suburban Water District (SSWD) and San Juan Water District (SJWD) entered into an agreement to begin identifying opportunities to improve collaboration and potentially merge operations into one consolidated district.

- A Phase 1 Study, focused on high-level evaluation of three options, was completed in 2014.
- A Phase 2A Study, focused on governance and organizational design of one alternative, was completed in 2015.
BACKGROUND

• At the June 2015 Joint Board Meeting, the SSWD Board of Directors made a decision to suspend all work on the consolidation analysis until SSWD coordinated with the SJWD Wholesale Customer Agencies (Citrus Heights Water District, Fair Oaks Water Districts, Orange Vale Water Company, and City of Folsom) to ensure that a process be developed to incorporate Wholesale Customer Agencies’ issues and concerns.

• In March 2018, SSWD received correspondence from the SJWD General Manager, on behalf of the Board of Directors of SJWD, inquiring about the status of the merger discussions previously conducted by SSWD and SJWD. At SSWD’s March 2018 regular Board meeting, the Board approved implementation of a 2X2 Committee to meet with SSWD’s General Manager and develop goals and discussion points.
BACKGROUND

- The GM’s of SSWD and SJWD were directed to contact local water agencies in the Sacramento Region to determine if there was interest to participate in a regional collaboration effort.
- Due to interests of other local water agencies to move forward in discussions pertaining to collaboration/integration opportunities, it has now evolved into a broader level of involvement in the Sacramento Region.
PARTICIPANTS

The following agencies are currently participating in the Study:

• Carmichael Water District
• Citrus Heights Water District
• City of Folsom
• Del Paso Manor Water District
• Rio Linda/Elverta Community Water District
• Sacramento Suburban Water District
• San Juan Water District
REQUEST FOR PROPOSAL

• Request for Proposal (RFP) was developed and with a Scope of Work intended to determine a range of alternatives, which include potential integration of selected projects, programs and services, up to and including integration or consolidation of two or more of the agencies into a single organization.
CONSULTANT SELECTION PROCESS

• The RFP was sent to selected consultants, of which, five submitted a response.
• Four consulting firms were selected to be interviewed by the participating agencies.
• Interviews were conducted on December 17, 2019.
• Raftellis and Tully & Young was awarded a Professional Services Agreement.
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.
The Study will be overseen by a Management Committee, composed of at least one executive from each of the Agencies. The consultant will meet with the Management Committee as necessary, but at least once to initiate the project, and then at the end of each Activity phase. In addition, during the analysis phase of the consultant’s work, the consultant will need to communicate with each agency’s subject matter expert staff as required.

The consultant will present the results of each Activity phase to an ad hoc committee of members of each Board of Directors/City Council of each of the participating Agencies (3 meetings total). The consultant will present the final results of the Study to a facilitated joint meeting of the Boards of Directors/City Councils of the Agencies.
WORK ACTIVITY 4 - OPTIONAL

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.
COST AND SCHEDULE

• The not to exceed cost to conduct the collaboration/integration effort is $200,000.
• The participating agencies will pay a proportionate share of the cost based on each agencies annual operating budget.
• The collaboration/integration portion of the study will take approximately nine months.
• Consolidation study, if any interest among the participating agencies, will have an additional cost and schedule.
MOU AND AGREEMENT

Memorandum of Understanding among the agencies was effective April 29, 2020.

The Professional Service Agreement with Raftellis was effective March 16, 2020. The subject agreement is between Raftellis and SSWD. Due to the structure of the agreement and organizational purposes, SSWD is serving as the lead or coordinating agency in this Study.
CURRENT STATUS OF STUDY

In final stage of completing Activity 1

- Organization and staffing
- Budget (Financial data)
- Water rates (current)
- CIP (5-year or 10-year plans)
- O&M
- Services (Operational and support, number of customers)
- Shared resources (current)
QUESTIONS?