



**REGULAR BOARD MEETING
AGENDA PACKET**

DECEMBER 17, 2024

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Regular Board Meeting - Tuesday, December 17, 2024, 6:00 p.m.

Carmichael Water District Board Room
7837 Fair Oaks Boulevard
Carmichael, CA 95608

Join from computer, tablet or smartphone. Click on this URL to join:

<https://us02web.zoom.us/j/83596878004?pwd=bOfVj6ch85NMSco2p52u9ox3O33J6v.1>

Join by phone: Dial US [+1 669 900 6833](tel:+16699006833)

Meeting ID: [835 9687 8004](https://us02web.zoom.us/j/83596878004) **Passcode:** 564283

AGENDA

The Board will discuss all items on its agenda, and may take action on any of those items, including information items and continued items. The Board will not take action on or discuss any item not appearing on the posted agenda, except: (a) upon a determination by a majority vote of the Board that an emergency situation exists; or (b) upon a determination by a two-thirds vote of the Board members present at the meeting, or, if less than two-thirds of the members of the Board are present, a unanimous vote of those members present, that the need to take immediate action became apparent after the agenda was posted. Agenda packets can be found at our website at carmichaelwd.org.

The Board of Directors welcomes and encourages participation in meetings. This meeting is being conducted in person and via videoconference and will be recorded. Public comment may be given on any agenda item as it is called and limited to three minutes per speaker. Matters not on the posted agenda may be addressed under Public Comment. Please follow Public Comment Guidelines found on the District's website at carmichaelwd.org/public-comment-guidelines/.

In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the General Manager at 916-483-2452. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

CALL TO ORDER AND STATEMENT REGARDING PUBLIC PARTICIPATION: President Selsky

ROLL CALL

PRESIDENT'S COMMENTS

2022 DISTRICT ELECTION - OATH OF OFFICE: Ronald Davis, Ron Greenwood, & Mark Emmerson

PUBLIC COMMENT

1. Public Comment

Any member of the public may address the Board on any item of interest to the public that is within the subject matter jurisdiction of the Board.

PRESENTATION

2. Annual Financial Statement Audit Presentation – Richardson & Company LLP

3. Annual Special Benefit Audit Presentation – Richardson & Company LLP

ANNOUNCE CLOSED SESSION AND ADJOURN OPEN SESSION TO CLOSED SESSION

CLOSED SESSION:

- 4. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION; Government Code sections 54954.5(c) and 54956.9(a) and (d)(1);**
Koch & Koch, Inc. v. Carmichael Water District, et al., Sacramento Superior Court Case No. 24CV000659
- 5. PUBLIC EMPLOYEE PERFORMANCE EVALUATION – INVOLVING THE GENERAL MANAGER (Government Code sections 54957 and 54957.6)**

ADJOURN CLOSED SESSION AND OPEN REGULAR SESSION

REPORT OUT OF CLOSED SESSION

CONSENT CALENDAR

Consent Calendar items are expected to be routine and non-controversial, to be acted on by the Board in one motion. Should any Board member, staff member, or interested person request discussion on an item, the Board will consider the item separate from the Consent Calendar.

6. **Minutes for the Regular Board Meeting – November 19, 2024**
7. **Monthly Expenditure Report – November 2024**
8. **Budget to Actual Report – October 2024**
9. **Annual Financial Statement Audit for the Fiscal Year Ending June 30, 2023**
10. **Annual Special Benefit Audit Report by Richardson & Company LLP**

ACTION ITEMS

11. **Sacramento Regional Water Bank – Phase 3 Agreement and Recent Activities**

Staff recommends that the Board of Directors discuss previously banked water and provide direction to staff on the topic and participation in the modeling cost share.

12. **Public Outreach Program Development and Consultant Agreement**

Staff recommends that the Board of Directors 1) discuss utilizing a consultant for an outreach program instead of hiring an employee and provide direction to staff and 2) approve the Public Outreach Program Development with Kim Floyd Communications and authorize the General Manager to execute a Service Agreement for a not-to-exceed amount of \$131,770.

13. **Change Regular Board Meeting Day**

Staff recommends that the Board of Directors approve Resolution 12172024-01 - A Resolution Changing the Regularly Scheduled Board Meeting Date and Amending Directors Policy Manual and Policy 9400 and make the changes effective March 2025 due to the holidays in January and February.

14. **2025 Meeting and Holiday Schedule**

15. **LAFCo – Nominations for Membership on SDAC**

INFORMATIONAL ITEMS:

16. **Water Forum 2.0 Update**

17. **Unregulated Contaminants Monitoring Rule (UCMR) 5 Sampling Update**

18. **Cal OES – Notification of Payment**

COMMITTEE REPORTS

19. **Sacramento Groundwater Authority Board Meeting**

Director Selsky Reports Out.

20. **Regional Water Authority Executive Committee and Regular Meeting**

Director Greenwood Reports Out.

21. **Carmichael Chamber of Commerce**

Director Greenwood and Nelson Report Out

22. **Other Committee Reports**

Directors Report Out

STAFF REPORTS

23. **General Manager and District Activity Report – November 2024**

24. **Director's Expense Reimbursement Summary – November 2024**

GENERAL CORRESPONDENCE/INFORMATION

25. **Director's Written and/or Oral Reports**

The next meeting of the Board of Directors will be a Regular Board Meeting held on:

Tuesday, January 21, 2025 at 6:00 p.m.



**Regular Board Meeting
Tuesday, November 19, 2024, 6:00 p.m.**

**Carmichael Water District
7837 Fair Oaks Boulevard
Carmichael, CA 95608**

MINUTES

The Carmichael Water District Board of Directors met in Regular Session this 19th day of November at 6:00 p.m. in person and via teleconference.

ATTENDANCE:

Directors: Ronald Davis, Mark Emmerson, Ron Greenwood, Jeff Nelson, Paul Selsky
Staff: Cathy Lee, Gaby Padilla, Greg Norris, Sarah Lee, Robert Good, Stephen Repace, Aaron Ferguson
Guest: Dane Wadle, Kim Floyd
Public: Three (3) Members of the Public

CALL TO ORDER: President Selsky called the meeting to order at: **6:01 p.m.**

PRESIDENTS COMMENTS: None.

PRESENTATIONS

President Selsky moved these items up.

2. California Special District Association – District Transparency Certificate of Excellence

Mr. Wadle presented Carmichael Water District with the California Special District Association's (CSDA) District Transparency Certificate of Excellence. He commented that the program was created about ten years ago to highlight the transparency efforts of special districts and meeting the local government's requirements. To earn this certificate, a district must meet the requirements of transparency, outreach, and website presentation. Mr. Wadle explained that CWD has met all three requirements and further thanked staff for executing and gathering all the information that was required noting how much work was required. He also mentioned that there are roughly about 2,000 special districts with in the state of California and only 185, including CWD, who have earned this certificate.

Directors commented that the ACWA Certificate of Excellence (ACE) found it to be necessary to earn this certificate as a prerequisite before you can apply for the ACE program because it takes care of the a lot of the documentation for transparency and outreach.

Directors thanked Mr. Wadle for the presentation of the certificate.

Directors inquired if districts have to apply to get this certificate.

Mr. Wadle informed the Board of Directors that it is a voluntary decision and there is a long checklist of items that the District must have in order to be awarded the certificate.

Directors inquired as to how many certificates Mr. Wadle does a year and how often do we have to recertify for this. Mr. Wadle informed the Board of Directors that the certificate is good for three years and because the governmental requirements are constantly changing it gets harder throughout the years in order to be compliant. He then mentioned that he has done about 20-25 of these certificates within the past year.

3. Engineering Staff and Projects Update

The Engineering staff presented information on current projects.

Directors thanked staff for all their hard work.

Directors inquired as to how many service lines and service connections are in CWD's GIS.

The GIS Specialist informed the Board of Directors that there are 14,000 laterals and 12,000 service connections and for each one there is detailed information.

Directors commented that it appears that staff is laying the foundation with the GIS information so that when the State starts making CWD do rates on a budget based mechanism this will generate most of the information we will need.

Directors inquired if they had to determine the type of solder used as well.

The Assistant Engineer informed the Board of Directors that construction standards never specified the soldering material but, anecdotally, prior to the lead ban it is highly suspected that the lead solder was used for copper. However

the levels of lead do not rise to the level EPA requires replacement of lines.

Directors inquired about the difference between the numbers of laterals in the GIS database compared to the actual number of unique laterals.

The Assistant Engineer informed the Board of Directors that when the lines were drawn in Auto CAD, the software interpreted a curvature in a line and as several small pieces. When the data was uploaded from AutoCAD to GIS, the software interpreted each line segment as a separate lateral instead of just one curved lateral.

Directors then inquired as to how many connections there are.

The General Manager informed the Board of Directors that there are about 11,999.

Directors inquired if they had to do any field work to determine the type of lateral.

The Assistant Engineer informed the Board of Directors that they did not have to do any field work because CWD has complete maps and the construction standards from the late 1980's to present show that lead in the pipes was not an allowable option for pipe material.

Directors commented that they think the Flume study is an important study. They also commented that the district should use the data to evaluate the meter sizing criteria for connections because they feel one inch connections and meters are too big for most customers. This data will show the range of the flow rate for different household uses.

The Assistant Engineer informed the Board of Directors that the limitation of the Flume devices is that they only read the meter itself. Therefore, if the meter hardware is unable to capture a certain low flow, then the Flume device will not capture that either.

Directors inquired if the customer has really bad Wi-Fi, how will the Flume devices work and what if the customer does not even have Wi-Fi, does that make them ineligible to participate.

The Assistant Engineer informed the Board of Directors that the Flume receiver is also acting as a booster. For people who do not have Wi-Fi or are unable to install it, Flume will request that the device be sent back and the customer will receive a refund.

Directors commented that they are concerned that about a third of CWD's customers will not be able to participate and most likely they are the ones that actually need it. Their goal is to allow everyone the opportunity.

The General Manager informed the Board of Directors that in CWD's CIP, there is the Automatic Reading Infrastructure (AMI) system funding to be able to transmit data on a regular interval for all customers. But, it is something that will be discussed with the Board at a later date.

Directors inquired what the construction cost would be for the 8 inch water main replacement of 132 feet.

The Assistant Engineer informed the Board of Directors that they do not have an estimate of the construction cost yet, but they just finished potholing the yesterday. The design engineer will be putting together the cost estimate and specifications soon.

The General Manager informed the Board of Directors that based on the Stanley pipeline and the Grant pipeline replacements that this project is anticipated to be about \$2.25 million.

Directors inquired about the Ladera well and what makes staff think that it will produce better quality water than the previous Ladera well.

The General Manager informed the Board of Directors that the old well was cased from 490 feet down to 600 feet and the new well will be cased in a different zone at 510 feet.

PUBLIC COMMENT**1. Public Comment**

None.

CONSENT CALENDAR**4. Minutes for the Regular Board Meeting – October 15, 2024****5. Paid Expenditure Report – October 2024****6. Budget to Actual Report – September 2024****7. Directors Expenses and Reimbursements****8. Resolution 11192024-01 – A Resolution of Appreciation for Jeffrey Scott Bair**

Directors highlighted the resolution of appreciation and thanked Jeffrey Scott Bair for all their hard work throughout his years of service.

M/S Nelson / Greenwood to approve the consent calendar.

Mark Emmerson	Aye	✓	Nay		Absent		Abstain		
Jeff Nelson	Aye	✓	Nay		Absent		Abstain		
Ronald Davis	Aye	✓	Nay		Absent		Abstain		
Ron Greenwood	Aye	✓	Nay		Absent		Abstain		
Paul Selsky	Aye	✓	Nay		Absent		Abstain		

Board Totals:	Ayes:	5	Nays:	0	Absent:	0	Abstain:	0
Passed Unanimously:		✓						

ACTION ITEMS**13. Public Outreach Program Development and Consultant Agreement**

Staff recommends that the Board of Directors approves the Public Outreach Program Development with Kim Floyd Communications and authorize the General Manager to execute a Service Agreement for a not-to-exceed amount of \$131,770.

President Selsky moved this item up.

Directors commented that they would have liked to have had a discussion as to whether or not this should be a consultant or a staff person. But that question was not in front of them which was a part of their request.

Directors also commented that they were surprised with this item and, although the consultant is very well qualified, they would like to have a discussion prior to an Action.

Directors proposed that the General Manager hold this item so that staff could prepare a report with the pros and cons of having a person on staff or a consultant. The report would aid the Directors in discussion.

Directors commented that since the previous Public Information Officer left, CWD has not had a structured outreach program. They believe that CWD needs someone to teach us first on how to make that program and what the most effective ways to do outreach are.

Directors inquired if there was an RFP process on the selection of this consultant.

The General Manager informed the Board of Directors that there was not a RFP process because they know Ms. Floyd is very qualified. They also mentioned that other consultant's hourly rates seemed excessively high. Ms. Floyd proposed a time and materials program which is not offered by other consultants.

Directors commented that the Board is not ready to take action on this item right now and they want to discuss it further. They also commented that they appreciate the effort that was made so far and that they think CWD needs to do a hybrid approach where a consultant helps establish an Outreach program which eventually is turned over to a designated staff member.

Directors thanked Ms. Floyd for her proposal and for attending the meeting.

Directors inquired about the customer survey in the proposal and whether the non-structured approach was the best way and if Ms. Floyd had any experience with structuring surveys.

Ms. Floyd informed the Board of Directors that she uses a third party consultant to do the surveys and the structured surveys are \$40,000. She mentioned that the structured survey does give data, but it only captures what people think in that moment. It does not capture the why or the motivations of people. Ms. Floyd mentioned that type of information requires follow up questions. She recommends doing the surface level survey to gather trends and then match that to the Districts priorities and objectives.

Directors commented that if a staff was hired for this position at about \$150,000 yearly salary plus benefits it could potentially be \$200,000 every year. They also mentioned that \$131,770 for 714 hours of work is reasonable.

Directors inquired as to how many staff works with Ms. Floyd.

Ms. Floyd informed the Board of Directors that it is just her and she works with small and very reliable contractors/consultants to conduct her work.

Directors commented that even with previous staff they have never felt that there was enough public outreach and the response was always the same. They feel like more needs to be done to reach the rate payers in a more effective way. Ms. Floyd informed the Board of Directors that this is why in her proposal there is a section where there is an assessment to determine what the necessities of the District are and what the main goals of the Directors are.

M/S Nelson / Davis to table this item.

Mark Emmerson	Aye	✓	Nay		Absent		Abstain	
Jeff Nelson	Aye	✓	Nay		Absent		Abstain	
Ronald Davis	Aye	✓	Nay		Absent		Abstain	
Ron Greenwood	Aye	✓	Nay		Absent		Abstain	
Paul Selsky	Aye	✓	Nay		Absent		Abstain	
Board Totals:	Ayes:	5	Nays:	0	Absent:	0	Abstain:	0
Passed Unanimously:		✓						

ANNOUNCED CLOSED SESSION AND ADJOURNED OPEN SESSION TO CLOSED SESSION: 7:49 PM**CLOSED SESSION**

9. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION; Government Code sections 54954.5(c) and 54956.9(a) and (d)(1);

Koch & Koch, Inc. v. Carmichael Water District, et al., Sacramento Superior Court Case No. 24CV000659

10. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant Exposure to Litigation Pursuant to Paragraph (2) or (3) of Subdivision (d) of Government Code Section 54956.9 – one case

11. PUBLIC EMPLOYEE PERFORMANCE EVALUATION – INVOLVING THE GENERAL MANAGER (Government Code sections 54957 and 54957.6)

ADJOURNED CLOSED SESSION AND OPENED REGULAR SESSION: 9:50 PM**REPORT OUT OF CLOSED SESSION**

The Board of Directors gave direction to legal counsel and to staff.

ACTION ITEMS

12. Sacramento Regional Water Bank – Phase 3 Agreement and Recent Activities

Staff recommends that the Board of Directors 1) authorize the General Manager to execute a Sacramento Regional Water Bank Phase 3 Agreement with the Regional Water Authority for a total not-to-exceed amount of \$33,360 and 2) discuss previously banked water and provide direction to staff.

Directors commented that they would like to bring this item back for further discussion and asked for more clarification on questions one and two.

M/S Greenwood / Selsky to approve staff's recommendation.

Mark Emmerson	Aye	✓	Nay		Absent		Abstain		
Jeff Nelson	Aye	✓	Nay		Absent		Abstain		
Ronald Davis	Aye	✓	Nay		Absent		Abstain		
Ron Greenwood	Aye	✓	Nay		Absent		Abstain		
Paul Selsky	Aye	✓	Nay		Absent		Abstain		
Board Totals:	Ayes:	5	Nays:	0	Absent:	0	Abstain:		0

Passed Unanimously:

14. ACWA Membership Meeting Voting

President Selsky designated Director Emmerson to vote and to accept the plaque.

15. LAFCo – Nominations for Membership on SDAC

Directors asked staff to bring this item back to the next Board meeting.

INFORMATIONAL ITEMS

16. Lead Service Line Inventory (LSLI) Results

This item was discussed in agenda item 3.

17. Water Forum 2.0 Update

Directors asked staff to bring this item back to the next Board meeting.

18. Proposal to Change Regular Board Meeting Day

Directors agreed that changing the meeting to Mondays worked for them all.

Directors agreed that if a Board meeting falls on a holiday then the meeting shall be held on the third Tuesday.

19. Unregulated Contaminants Monitoring Rule (UCMR) 5 Sampling Update

Directors asked staff to bring this item back to the next Board meeting.

20. RWA and SGA Holiday Social

Directors Selsky, Greenwood, Nelson, and Emmerson reported that they will be in attendance.

21. Cal OES – Notification of Payment

COMMITTEE REPORTS

22. Sacramento Groundwater Authority (SGA) Board Meeting

Director Selsky Reports Out.

No Report.

23. Regional Water Authority Executive Committee and Regular Meeting

Director Greenwood Reports Out.

No Report.

24. Other Committee Report

Directors Report Out.

No Reports.

STAFF REPORTS:

25. General Manager and District Activity Report – October 2024

Discussed with the Board.

26. Director's Expense Reimbursement Summary – October 2024

No comments.

GENERAL CORRESPONDENCE/INFORMATION:

27. Director's Written and/or Oral Reports

No Reports.

ADJOURNMENT: President Selsky adjourned the meeting at: **10:04 p.m.**

Paul Selsky, Board President

Cathy Lee, Board Secretary

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CARMICHAEL WATER DISTRICT
MONTHLY EXPENDITURES REPORT
For the period November 1 to November 30, 2024

Check #	Check date	Payee	Description: "Division: Department - Object - detail data"	Amount
76614	11/14/2024	ACI formerly Official Payments Corp	Admin svcs: Finance: Customer Service - Payment processing fees - September	59.25
76615	11/14/2024	ACWA JPIA (WC Insurance)	Admin svcs: General- Auto and Liability Ins, Production: General- Auto and Liability Ins.	127,198.78
76616	11/14/2024	ACWA JPIA (WC Insurance)	All Depts: Salaries, Benefits, Taxes: Workers' comp insurance FQE 9/30/24	9,117.16
76617	11/14/2024	Adobe	Admin svcs: IT -General software/licensing	219.96
76618	11/14/2024	American River Parkway Foundation	Production: WTP Ops - Water Quality	500.00
76619	11/14/2024	Bare Bones Workwear	Production: Admin - Uniforms	1,546.61
76620	11/14/2024	Bay Alarm Company	Admin svcs: General admin - Facility expense, Prod: WTP Ops - Security, CIP - District wide security	1,525.16
76621	11/14/2024	Best Cleaning Team LLC	Production: WTP Ops, Admin: General Admin - Facility Maint - Janitorial - October	1,500.00
76622	11/14/2024	BSK Associates	Production: WTP Operations - Water quality, CIP - La Sierra Well	8,430.00
76623	11/14/2024	Buckmaster Office Solutions	Admin svcs: IT - Equipment repairs and maintenance	231.02
76624	11/14/2024	California Surveying and Drafting Supply	Admin svcs: Engineering - Software and licensing - GIS monthly software fees - September and November	400.00
76625	11/14/2024	Capitol Barricade Safety & Sign	CIP - Claremont MLRP	2,000.00
76626	11/14/2024	Carmichael Chamber of Commerce	Admin svcs: General- Dues and memberships	350.00
76627	11/14/2024	Cisco Air Systems Inc	Production: WTP Ops - Systems maintenance	5,494.00
76628	11/14/2024	Comcast	Admin svcs: IT - Telecommunication	961.97
76629	11/14/2024	Core & Main LP	Inventory	3,198.73
76630	11/14/2024	Deluxe checks	Admin svcs: Finance: Bank charges	157.11
76631	11/14/2024	Dugan Management and Engineering Inc	CIP - Claremont MLRP	14,793.99
76632	11/14/2024	Earthitects LLC	Hydrant meter deposit refund	1,750.00
76633	11/14/2024	EMA Inc	CIP - SCADA upgrade	4,469.00
76634	11/14/2024	Ferguson Waterworks	Inventory	5,966.55
76635	11/14/2024	GEI Consultants Inc	CIP - Ladera Well, Winding Way, Barret Rd Well, Dewey Well, Garfield-Engle Trans Pipeline, La Sierra	39,497.16
76636	11/14/2024	Iconix Waterworks (US) Inc	Inventory	17,414.71
76637	11/14/2024	Inland Business Systems Inc	Admin svcs: IT - Equipment repairs and maintenance	92.74
76638	11/14/2024	Liebert Cassidy Whitmore	Admin svcs: HR - Personnel legal	1,305.00
76639	11/14/2024	Network Design Associates Inc	Admin svcs: IT - Network monitoring/Risk assessment, IT- Contract services	3,525.00
76640	11/14/2024	New Answernet Inc	Admin svcs: IT - Telecommunications - November answering services	200.00
76641	11/14/2024	New Image Landscape Company	Admin svcs: Gen admin, Production: WTP Ops - Facility Maint, Well Ops - Repairs/Maint - Sept/Oct	4,160.00
76642	11/14/2024	Olin corp - Chlor Alkali	Production: WTP Operations - Chemicals	15,750.77
76643	11/14/2024	Pace Supply Corp	Inventory	17,874.52
76644	11/14/2024	Patron Trucking Inc	Distribution: Transmission and distribution - Road materials	4,665.33
76645	11/14/2024	PG&E	Production: WTP Ops - Power	18.64
76646	11/14/2024	Planet Paving & Grading	CIP - Service Line Replacement, Main line repair	53,332.35
76647	11/14/2024	Quillcom	Admin svcs: Gen admin - Office Supplies	320.17
76648	11/14/2024	Rawles Engineering Inc	Capital assets: Service line replacements,	18,810.77
76649	11/14/2024	Red Wing Business Advantage Account	Admin svcs: General admin - Safety	255.00
76650	11/14/2024	Sacramento County Utilities	Production: WTP Operations - Utilities	151.97
76651	11/14/2024	Sierra National Construction	CIP - La Sierra Well	391,875.00
76652	11/14/2024	SMUD	Production: Well Ops and WTP Ops - Power, Admin svcs: General admin - Facility expenses - Power	47,157.30
76653	11/14/2024	SMUD	CIP - Winding way well replacement	14,310.00
76654	11/14/2024	SMUD	Production: WTP Operations - Power	43,094.25
76655	11/14/2024	Somach Simmons & Dunn	CIP - Ladera well, Admin svcs: Board - Water rights, legal	4,741.00
76656	11/14/2024	Univar USA Inc	Production: WTP Operations - Chemicals	8,734.63

CARMICHAEL WATER DISTRICT
MONTHLY EXPENDITURES REPORT
For the period November 1 to November 30, 2024

Check #	Check date	Payee	Description: "Division: Department - Object - detail data"	Amount
76657	11/14/2024	Waste Management of Sacramento	Admin svcs: General Admin, Production: WTP Ops - Facility expenses: Utilities, CIP - La Vista Pump and tank	1,409.11
76658	11/14/2024	Well Industries Inc DBA North State Drill	CIP - Ladera Well	288,876.00
76659	11/22/2024	ACI formerly Official Payments Corp	Admin svcs: Finance: Customer Service - Payment processing fees - October	64.40
76660	11/22/2024	Bay Alarm Company	Admin svcs: General admin - Facility expense, Prod: WTP Ops - Security	1,093.02
76661	11/22/2024	Best Cleaning Team LLC	Production: WTP Ops, Admin: General Admin - Facility Maint - Janitorial - November	1,500.00
76662	11/22/2024	BSK Associates	Production: WTP Operations - Water quality	523.28
76663	11/22/2024	CA Dept of Tax & Fee Administration	Production: WTP Operations - Water quality	4,961.83
76664	11/22/2024	CA Laboratory Services Inc	Production: Well Operations - Water quality	500.00
76665	11/22/2024	Carolyn Potts	Admin: Public Outreach and Water Efficiency - Outreach - Turf replacement	1,044.00
76666	11/22/2024	Cashco Inc	Capital assets: Pumping plant - Compressors: Pressure loaded reducing regulator	8,961.71
76667	11/22/2024	Cathy Lee	Admin svcs: HR - Training/Certification/ Travel and meetings - GM (CalPERS Educational Forum)	625.53
76668	11/22/2024	Clark Pest Control	Admin svcs: General admin, Production: WTP Ops - Facility expenses - Pest control	296.00
76669	11/22/2024	Comcast	Production: WTP Ops - Telecommunication	669.38
76670	11/22/2024	Core & Main LP	Inventory	15,610.16
76671	11/22/2024	County of Sacramento - Encroachment Perm	Distribution : Admin - Inspection services	297.50
76672	11/22/2024	DataProse LLC	Admin svcs: Finance: Customer service - Billing expense- October	6,110.79
76673	11/22/2024	Gabriela Padilla	Admin svcs: HR - Training/Certifications: Travel and meetings	127.37
76674	11/22/2024	GEI Consultants Inc	CIP- Ladera Well, Winding Way Well Replacement, Barret Rd well, Garfield-Engle Transmission Pipeline	44,652.16
76675	11/22/2024	Grainger	Production: Admin -Safety, Production: WTP- System maintenance	459.77
76676	11/22/2024	Harris Industrial Gases	Distribution: Admin - Equipment rental	29.05
76677	11/22/2024	Home Depot	Distrib: Admin - Tools	350.98
76678	11/22/2024	Hunt & Sons Inc	Distribution: Transmission and distribution - Fuel	3,348.93
76679	11/22/2024	Invoice Cloud Inc	Admin svcs: Finance: Customer service - Payment processing fees - October	2,336.80
76680	11/22/2024	Marvin Marshall	Admin: Public Outreach and Water Efficiency - Outreach - Turf replacement	1,388.00
76681	11/22/2024	O'Reilly Auto Parts	Distribution: Admin - Vehicle repairs	68.37
76682	11/22/2024	Pace Supply Corp	Inventory	2,066.60
76683	11/22/2024	Patron Trucking Inc	Distribution: Transmission and distribution - Road materials	1,524.10
76684	11/22/2024	PG&E	Admin svcs: General admin - Facility expenses - Power	45.00
76685	11/22/2024	PG&E Non- Energy Collection Unit	Admin svcs: General admin - Licenses, fees and permits: COTP - November	10.00
76686	11/22/2024	Quillcom	Admin svcs: Gen admin - Office Supplies	155.22
76687	11/22/2024	Rawles Engineering Inc	CIP - Claremont, Distribution: Transmission and distribution- Mainline repair, CIP- Service line replacement	29,890.00
76688	11/22/2024	Richardson & Company LLP	Admin svcs: Finance- Audit/ accounting services	7,000.00
76689	11/22/2024	Sacramento County Recorder	Admin svcs: Finance: Customer Service - Lien release fee	20.00
76690	11/22/2024	Sacramento County Utilities	Production: WTP Operations, Admin svcs: General admin - Facility expenses - Utilities	694.99
76691	11/22/2024	SMUD	Production: Well Operations - Power	23,134.79
76692	11/22/2024	Telstar Instruments Inc	Production: WTP Ops - Systems maintenance	1,868.00
76693	11/22/2024	US Bank	See "Credit card expenses" below	
76694	11/22/2024	USA BlueBook	Production: Well Ops - Repairs and maintenance	1,573.48
76695	11/22/2024	Verizon Wireless	Admin svcs: Information technology - Telecommunications, Production: WTP Operations - Telecommunications	696.01
76696	11/22/2024	West Coast Energy Systems LLC	CIP - La Vista Tank and pump station	1,198.00
EFT				
34503	11/1/2024	CalPERS (Medical)	All Depts: Benefits - November Medical insurance premium	67,178.97
34504	11/1/2024	CalPERS 457 Plan	457 Payment for the pay period 10/14/24-10/27/24	5,666.36

CARMICHAEL WATER DISTRICT
MONTHLY EXPENDITURES REPORT
For the period November 1 to November 30, 2024

Check #	Check date	Payee	Description: "Division: Department - Object - detail data"	Amount
34505	11/12/2024	CalPERS 457 Plan	457 Payment for the pay period 10/28/24-11/10/24	5,753.85
34506	11/25/2024	CalPERS (Pension contribution)	Pension Contribution (ER and EE) Pay period 10/14/24-10/27/24	18,501.14
34507	11/12/2024	CalPERS (Pension contribution)	Pension Contribution (ER and EE) Pay period 9/30/24-10/13/24	19,640.37
34508	11/1/2024	Mutual of Omaha	All Depts: Benefits -November LTD and life insurance premiums	1,529.09
34509	11/18/2024	Pitney Bowes	Admin svcs: Gen admin - Postage	200.00
34510	11/27/2024	CalPERS 457 Plan	457 Payment for the pay period 11/11/24-11/24/24	5,409.10

Credit Card Expenses

76693	11/22/2024	US Bank		2758.38
		PPG Paints	Production: Well Operations - Repairs and Maint - La Vista Reservoir	56.20
		CA Laboratory Services	Production: Well Operations - Water quality	253.00
		Ace Hardware	Production: Well Operations - Repairs and Maint - La Vista Reservoir	24.95
		Expedia	Admin svcs: HR - Training/Certification/ Travel and meetings - GM (CalPERS Educational Forum)	511.20
		Expedia	Admin svcs: HR - Training/Certification/ Travel and meetings - HR (CalPERS Education Forum)	511.20
		Southwest Airlines	Admin svcs: HR - Training/Certification/ Travel and meetings - HR (CalPERS Education Forum)	197.96
		Rocket Restrooms	CIP - La Vista Tank and pump station	53.88
		Super Clean	Production: Admin, Admin svcs: General admin - Vehicle maintenance and repairs	41.98
		BC Water Jobs	Admin svcs: HR- Employment advertising - Distrib Superintendent	200.00
		Governmentjobs.com	Admin svcs: HR- Employment advertising - Business Operations Specialist	199.00
		BC Water Jobs	Admin svcs: HR- Employment advertising - Business Operations Specialist	200.00
		Costco	Admin svcs: HR - Employee recognition (Water Professionals Appreciation Week)	109.40
		Food Maxx	Admin svcs: HR - Employee recognition (Water Professionals Appreciation Week)	54.61
		GFOA	Admin svcs: Finance- Audit/ accounting services (Distinguished Budget Award Program)	345.00
Check register total				1,458,973.19
Payroll				249,406.78
Total cash expenditures				1,708,379.97

*******INFORMATIONAL*******

Bond expenditures to be reimbursed to the General Fund from the Bond Proceeds account

76657	11/14/2024	Waste Management of Sacramento	CIP - La Vista Tank and pump station	1,409.11
76693	11/22/2024	Rocket Restrooms	CIP - La Vista Tank and pump station	53.88
76696	11/22/2024	West Coast Energy Systems LLC	CIP - La Vista Tank and pump station	1,198.00
Total Bond expenditures				2,660.99

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CARMICHAEL WATER DISTRICT
Budget to Actual
For the four months ended October 31, 2024
34% of the Budget expired

	October Actual	Fiscal YTD Actual	Fiscal Year Amended Budget*	Budget Available	% of Budget Used
Revenue					
District revenue					
Water sales	\$ 1,662,388	\$ 7,540,090	\$ 17,820,000	\$ 10,279,910	42.31%
Water service fees and charges	3,753	15,059	80,000	64,941	18.82%
Other service fees	25,496	68,935	107,000	38,065	64.43%
Grant revenue	-	216,376	7,650,000	7,433,624	2.83%
Interest income	83,615	131,006	400,000	268,994	32.75%
Miscellaneous	-	8,006	50,000	41,994	16.01%
Facility fees	-	-	50,000	50,000	0.00%
Total District revenue	1,775,252	7,979,472	26,157,000	18,177,528	30.51%
Outside boundary sales					
Treatment and delivery charges	85,311	341,245	1,452,000	1,110,755	23.50%
Total Outside boundary sales	85,311	341,245	1,452,000	1,110,755	23.50%
TOTAL REVENUE	1,860,563	8,320,717	27,609,000	19,288,283	30.14%
Expenditures					
Bond interest expense					
COPS Interest	80,326	321,305	947,131	625,826	33.92%
Administrative Services					
Board of Directors					
Director's Fees, taxes, insurance	3,436	5,890	37,948	32,058	15.52%
Board expenses	6,891	7,620	98,438	90,818	7.74%
Total Board of Directors Department	10,327	13,510	136,386	122,876	9.91%
Office of the General Manager					
Salaries, benefits, taxes	33,292	111,316	344,073	232,757	32.35%
Studies, contracts	-	7,800	180,000	172,200	4.33%
Total Office of the General Manager	33,292	119,116	524,073	404,957	22.73%
Engineering/Technical Services					
Salaries, benefits, taxes	76,600	231,448	760,041	528,593	30.45%
Departmental staff allocation to Production	(12,872)	(51,488)	(154,469)	(102,981)	33.33%
Software licensing, supplies, general office	1,117	4,317	28,500	24,183	15.15%
General engineering/contract services	17,503	23,219	45,000	21,781	51.60%
Total Engineering Department	82,348	207,496	679,072	471,576	30.56%
Finance					
Salaries, benefits, taxes	47,875	152,975	546,429	393,454	28.00%
Professional and contract services	-	700	80,000	79,300	0.88%
Fees and charges	1,493	4,419	17,160	12,741	25.75%
Total Finance Department	49,368	158,094	643,589	485,495	24.56%
Customer Service					
Salaries, benefits, taxes	40,006	123,110	392,781	269,671	31.34%
Billing expense	6,267	18,773	76,000	57,227	24.70%
Payment processing and collection fees	8,586	26,800	116,900	90,100	22.93%
Professional and contract services	-	-	5,000	5,000	0.00%
Total Customer Service Department	54,859	168,683	590,681	421,998	28.56%
Human Resources					
Salaries, benefits, taxes	13,287	38,985	127,402	88,417	30.60%
Recruitment, exams/screenings	1,159	1,159	9,000	7,841	12.88%
Legal and litigation expense	-	-	62,000	62,000	0.00%
Training/certification/travel/meetings	1,483	1,483	17,200	15,717	8.62%
Employee recognition	-	-	3,000	3,000	0.00%
Total Human Resources Department	15,929	41,627	218,602	176,975	19.04%

CARMICHAEL WATER DISTRICT
Budget to Actual
For the four months ended October 31, 2024
34% of the Budget expired

	October Actual	Fiscal YTD Actual	Fiscal Year Amended Budget*	Budget Available	% of Budget Used
Information Technology					
Contract services	4,226	8,381	70,200	61,819	11.94%
Software, licensing, website maintenance	7,828	37,475	153,500	116,025	24.41%
Hardware and supplies	-	55	20,500	20,445	0.27%
Equipment repairs/maintenance	211	1,166	10,000	8,834	11.66%
Telecommunications	1,679	4,469	15,000	10,531	29.79%
Allocation of IT expenses to Production	(3,592)	(14,368)	(43,100)	(28,732)	33.34%
Total Information Technology Department	10,352	37,178	226,100	188,922	16.44%
Public Outreach and Water Efficiency					
Public Outreach					
Outreach Printing, mailing, postage	-	-	15,000	15,000	0.00%
Total Public Outreach	-	-	15,000	15,000	0.00%
Water Efficiency					
Salaries, benefits, taxes	11,061	34,206	114,293	80,087	29.93%
Dues and memberships	1,312	5,249	15,500	10,251	33.86%
General expenses	-	-	5,250	5,250	0.00%
Water efficiency outreach	55	1,405	10,000	8,595	14.05%
Grant program and conservation supply expenses	3,814	6,572	140,270	133,698	4.69%
Total Water Efficiency	16,242	47,432	285,313	237,881	16.62%
Total Public Outreach/Water Efficiency Department	16,242	47,432	300,313	252,881	15.79%
General Administration					
Dues and memberships	10,092	44,856	169,001	124,145	26.54%
Facility expenses	5,023	17,185	116,500	99,315	14.75%
Fees and permits	3,540	3,570	13,570	10,000	26.31%
General administration expenses	1,135	2,948	17,850	14,902	16.52%
Retiree medical	20,037	82,769	275,000	192,231	30.10%
Insurance	9,508	36,396	163,900	127,504	22.21%
Total General Administration Department	49,335	187,724	755,821	568,097	24.84%
Total Administrative Services expenses	322,052	980,860	4,074,637	3,093,777	24.07%
Production expenses					
Production Administration					
Salaries, benefits, taxes	128,056	414,718	1,336,319	921,601	31.03%
General administration expenses	17,777	65,638	214,850	149,212	30.55%
Training/certification/travel/meetings	425	1,775	7,000	5,225	25.36%
Total Production Administration Department	146,258	482,131	1,558,169	1,076,038	30.94%
Treatment Plant Operations					
Facility expense	1,975	7,579	49,300	41,721	15.37%
Water quality	9,477	12,513	33,200	20,687	37.69%
Chemicals	23,749	88,359	257,000	168,641	34.38%
Power	115,925	332,927	951,600	618,673	34.99%
Systems maintenance	16,712	35,368	85,500	50,132	41.37%
Fees, permits, services	4,661	20,836	96,875	76,039	21.51%
Total Treatment Plant Operations Department	172,499	497,582	1,473,475	975,893	33.77%
Well Operations					
Power	41,749	123,305	367,750	244,445	33.53%
Well site/Reservoir maintenance	3,738	32,041	46,956	14,915	68.24%
Total Well Operations Department	45,487	155,346	414,706	259,360	37.46%
Total Production Expenses	364,244	1,135,059	3,446,350	2,311,291	32.94%

CARMICHAEL WATER DISTRICT
Budget to Actual
For the four months ended October 31, 2024
34% of the Budget expired

	October Actual	Fiscal YTD Actual	Fiscal Year Amended Budget*	Budget Available	% of Budget Used
Distribution Expenses					
Distribution Administration					
General administration and facility expenses	3,231	12,641	76,800	64,159	16.46%
Fees, permits, services	2,368	8,350	30,400	22,050	27.47%
Vehicle repairs and maintenance	13	1,018	56,000	54,982	1.82%
Fuel	3,269	10,205	45,000	34,795	22.68%
Training/certification/travel/meetings	1,058	1,288	12,000	10,712	10.73%
Total Distribution Administration Department	9,939	33,502	220,200	186,698	15.21%
Transmission and Distribution Maintenance					
Salaries, benefits, taxes	119,960	384,196	1,473,797	1,089,601	26.07%
Capitalized labor, benefits, taxes	(21,225)	(61,177)	(493,319)	(432,142)	12.40%
Infrastructure repairs	21,221	56,944	505,500	448,556	11.26%
Road restoration	1,380	13,646	436,000	422,354	3.13%
Total Transmission and Distribution Maintenance Department	121,336	393,609	1,921,978	1,528,369	20.48%
Total Distribution Expenses	131,275	427,111	2,142,178	1,715,067	19.94%
TOTAL O&M EXPENSES	897,897	2,864,335	10,610,296	7,745,961	27.00%
Capital expenditures					
Capital funded by rates and grants					
Administrative Services- Capital improvements	25,001	25,001	40,000	14,999	62.50%
Production - WTP Facility improvements	125,736	145,826	1,275,000	1,129,174	11.44%
Production - Wells (Includes grant funded projects)	248,302	473,377	9,280,000	8,806,623	5.10%
Production - Vehicle and equipment	-	-	90,000	90,000	0.00%
Distribution - In house constructed assets	38,901	201,755	493,319	291,564	40.90%
Distribution - Mainline projects	14,694	32,192	2,750,000	2,717,808	1.17%
Distribution - Vehicles and equipment	-	-	270,000	270,000	0.00%
Total Capital funded by rates and grants	452,634	878,151	14,198,319	13,320,168	6.18%
Capital funded by reserves					
Membrane replacement expense	-	89,128	200,000	110,872	44.56%
Sacramento County impact projects	4,532	6,420	200,000	193,580	3.21%
Total Capital Funded by reserves	4,532	95,548	400,000	304,452	23.89%
Debt Service, Other sources/Uses of funds					
Series B (2010 COP's Refinanced)	-	-	1,545,000	1,545,000	0.00%
PERS unfunded Liability	-	-	300,000	300,000	0.00%
OPEB Liability Funding	-	-	200,000	200,000	0.00%
Total Debt Service, Other sources/Uses of funds	-	-	2,045,000	2,045,000	0.00%
Reserve Funding/(Uses)					
Filter skid replacement	-	-	650,000	650,000	0.00%
Membrane Replacement	-	-	200,000	200,000	0.00%
Facilities Fees	-	-	50,000	50,000	0.00%
Ranney Collector Reserve	-	-	500,000	500,000	0.00%
Capital replacement reserves (Board approved October, 2024)	(3,254)	(3,254)	(1,100,000)	(1,096,746)	0.30%
Total Reserve Funding/(Uses)	(3,254)	(3,254)	300,000	303,254	(1.08%)
Total Expenditure, Debt Service, Fund Sources/(Uses), Reserves	1,351,809	3,834,780	27,553,615	\$ 23,718,835	13.92%
Budget surplus (deficiency)	\$ 508,754	\$ 4,485,937	\$ 55,385		
Capital projects funded by Bonds					
CIP- La Vista Tank and Pump Station	\$ 5,195	\$ 11,336	\$ -	\$ (11,336)	0.00%
Total Capital projects funded by Bonds	\$ 5,195	\$ 11,336	\$ -	\$ (11,336)	0.00%

CARMICHAEL WATER DISTRICT
Budget amendments
As of October 31, 2024

Amendment #	General ledger account	Account description	Adopted Budget	Add (reduce)	Amended Budget
	10-011105-33	Claremont/ Coda MLR	2,500,000.00	(250,000.00)	2,250,000.00
	10-011105-34	Dewey Well destruction		250,000.00	250,000.00

Board Meeting 9/16/24

Agenda Item #7

Net effect on total appropriations

—

Amendment #	General ledger account	Account description	Adopted	Budget	Add (reduce)	Amended Budget
	10-011106-20	Garfield Well electrical impr's	-	1,100,000.00	1,100,000.00	
	10-030100-07	Capital replacement reserves	-	(1,100,000.00)	(1,100,000.00)	

Board Meeting 10/15/24

Agenda Item #8

Net effect on total appropriations

—

CARMICHAEL WATER DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Years Ended June 30, 2024 and 2023



Carmichael, California

Prepared by
The Finance Department

CARMICHAEL WATER DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT

June 30, 2024 and 2023

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INTRODUCTORY SECTION

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Carmichael Water District
Carmichael, California

Report on Financial Statements

We have audited the accompanying financial statements of Carmichael Water District (the District), which comprise the statement of net position as of June 30, 2024, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2024, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Emphasis of Matters

As discussed in Note F to the financial statements, the District's actuary did not consider it necessary to use age adjusted health insurance premiums in the calculation of the District's net other postemployment benefits (OPEB) liability. Had the actuary included age adjusted health insurance premiums in the calculation of the net OPEB liability, the OPEB liability may have been significantly larger in amount. Our opinion is not modified with respect to this matter.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of the District as of June 30, 2023, were audited by other auditors whose report dated December 12, 2023 expressed an unmodified opinion on those statements.

To the Board of Directors
Carmichael Water District

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

To the Board of Directors
Carmichael Water District

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory and statistical sections listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

_____, 2024

BASIC
FINANCIAL STATEMENTS

CARMICHAEL WATER DISTRICT

STATEMENTS OF NET POSITION

June 30, 2024 and 2023

	2024	2023
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 25,779,673	\$ 23,564,467
Accounts receivable		
Current services	2,103,948	1,769,791
Outside boundary	746,295	419,632
Grants	506,712	1,296,838
Other	101,798	6,290
Accrued interest receivable	80,557	39,388
Inventory	495,605	513,025
Prepaid expenses	143,580	187,209
Total Current Assets	<u>29,958,168</u>	<u>27,796,640</u>
Noncurrent Assets:		
Restricted assets:		
Cash and cash equivalents	8,549,472	7,831,687
Total Restricted Assets	<u>8,549,472</u>	<u>7,831,687</u>
Capital Assets:		
Nondepreciable	14,499,951	13,635,094
Depreciable, net of accumulated depreciation	62,018,048	57,439,694
Total Capital Assets, Net	<u>76,517,999</u>	<u>71,074,788</u>
Other Assets:		
Lease receivable	13,250	
Investment in electrical power	142,892	143,321
Total Other Assets	<u>142,892</u>	<u>156,571</u>
Total Noncurrent Assets	<u>85,210,363</u>	<u>79,063,046</u>
TOTAL ASSETS	<u>115,168,531</u>	<u>106,859,686</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on refunding	73,979	87,430
Pensions	1,963,018	2,136,538
Other postemployment benefits (OPEB)	1,503,775	1,590,613
TOTAL DEFERRED OUTFLOWS	<u>3,540,772</u>	<u>3,814,581</u>

Continued

CARMICHAEL WATER DISTRICT

STATEMENTS OF NET POSITION (Continued)

June 30, 2024 and 2023

	2024	2023
LIABILITIES		
Current Liabilities:		
Accounts payable	\$ 1,385,684	\$ 1,809,830
Accrued expenses and other liabilities	98,038	53,481
Unearned revenue	89,725	95,536
Unearned grant revenue	2,500,000	
Accrued interest payable	160,653	165,887
Retention payable	297,415	422,918
Current portion of noncurrent liabilities	1,546,414	1,516,414
Total Current Liabilities	<u>6,077,929</u>	<u>4,064,066</u>
Noncurrent Liabilities:		
Certificates of participation, net of current portion	27,555,976	29,304,752
Compensated absences	216,997	184,838
Unearned lease revenue	115,017	116,431
Net pension obligation	3,325,825	3,244,862
Net OPEB obligation	2,262,991	2,763,783
Total Noncurrent Liabilities	<u>33,476,806</u>	<u>35,614,666</u>
TOTAL LIABILITIES	<u><u>39,554,735</u></u>	<u><u>39,678,732</u></u>
DEFERRED INFLOWS OF RESOURCES		
Pensions	270,958	230,495
OPEB	590,596	187,053
Leases	6,129	18,386
TOTAL DEFERRED INFLOWS	<u>867,683</u>	<u>435,934</u>
NET POSITION		
Net investment in capital assets	51,972,227	44,739,310
Restricted for debt service	2,820	851
Restricted for capital facilities	238,264	1,140,084
Unrestricted	<u>26,073,574</u>	<u>24,679,356</u>
TOTAL NET POSITION	<u><u>\$ 78,286,885</u></u>	<u><u>\$ 70,559,601</u></u>

The accompanying notes are an integral part of these financial statements.

CARMICHAEL WATER DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Years Ended June 30, 2024 and 2023

	2024	2023
OPERATING REVENUES		
Retail water sales	\$ 16,653,401	\$ 14,899,690
Water transfers	1,212,246	
Others fees and charges	92,952	108,918
Total retail water sales	<u>16,746,353</u>	<u>16,220,854</u>
Outside boundary sales		
Water treatment and delivery charges	1,504,342	1,479,373
Total outside boundary sales	<u>1,504,342</u>	<u>1,479,373</u>
TOTAL OPERATING REVENUES	18,250,695	17,700,227
OPERATING EXPENSES		
Pumping and treatment	2,719,871	3,934,968
Transmission and distribution	1,647,259	1,664,734
General and administrative	3,017,514	2,663,124
Depreciation and amortization	2,543,024	2,122,475
Pension expense adjustment	994,892	591,669
Other post-employment benefits (OPEB)	432,285	556,666
TOTAL OPERATING EXPENSES	<u>11,354,845</u>	<u>11,533,636</u>
NET INCOME FROM OPERATIONS	6,895,850	6,166,591
NON-OPERATING (EXPENSES) REVENUES		
Other revenue	18,187	26,810
Grant revenue	962,429	1,283,922
Interest from investment in electrical power	11,828	11,644
Investment income earned	489,050	248,793
Reimbursements	10,031	10,289
Gain (loss) on disposal of capital assets	71,383	(77,636)
Interest expense	(784,061)	(814,586)
TOTAL NON-OPERATING (EXPENSES) REVENUES	<u>778,847</u>	<u>689,236</u>
Net Income before Capital Contributions	7,674,697	6,855,827
CAPITAL CONTRIBUTIONS		
Facility fees and other capital revenues	52,587	484,953
TOTAL CAPITAL CONTRIBUTIONS	<u>52,587</u>	<u>484,953</u>
CHANGE IN NET POSITION	7,727,284	7,340,780
Net position at beginning of year	<u>70,559,601</u>	<u>63,218,821</u>
NET POSITION AT END OF YEAR	<u>\$ 78,286,885</u>	<u>\$ 70,559,601</u>

The accompanying notes are an integral part of these financial statements.

CARMICHAEL WATER DISTRICT

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	\$ 17,638,983	\$ 18,806,368
Cash payments to suppliers for goods and services	(3,597,640)	(6,813,978)
Cash payments to employees for services	(3,564,714)	(2,453,048)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>10,476,629</u>	<u>9,539,342</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from grant revenues	<u>1,752,555</u>	<u></u>
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>1,752,555</u>	<u></u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisitions and construction of capital assets	(9,882,622)	(7,837,808)
Proceeds from capital grant revenues	2,500,000	77,636
Proceeds from sale of capital assets	81,775	77,636
Principal paid on long-term debt	(1,515,000)	(1,485,000)
Interest paid on long-term debt	(993,071)	(1,023,156)
Facility fees collected	<u>52,587</u>	<u>484,953</u>
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(9,756,331)</u>	<u>(9,783,375)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income received	447,881	217,559
Receipts from investment in electrical power	<u>12,257</u>	<u>12,257</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>460,138</u>	<u>229,816</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,932,991	(14,217)
Cash and cash equivalents at beginning of year	<u>31,396,154</u>	<u>31,410,371</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 34,329,145</u></u>	<u><u>\$ 31,396,154</u></u>
Cash and cash equivalents - financial statement classification		
Cash and cash equivalents	\$ 25,779,673	\$ 23,898,296
Restricted cash and cash equivalents	<u>8,549,472</u>	<u>7,497,858</u>
TOTAL CASH AND CASH EQUIVALENTS	<u><u>\$ 34,329,145</u></u>	<u><u>\$ 31,396,154</u></u>

CARMICHAEL WATER DISTRICT

STATEMENTS OF CASH FLOWS (Continued)

For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
RECONCILIATION OF NET INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income		
	\$ 6,895,850	\$ 6,166,591
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,543,024	2,122,475
Amortization of unearned lease revenue	(1,414)	(1,414)
Amortization of deferred amortization on refunding	13,451	13,451
Write-off construction in process costs	1,253,351	
Nonoperating revenues received	28,218	1,260,619
Deferred inflows from leases	13,250	18,386
(Acrease) Decrease in:		
Accounts receivable	(756,328)	(378,699)
Grants receivable		(1,192,752)
Inventory	17,420	(61,538)
Prepaid expense	43,629	(106,938)
Noncurrent capacity sale receivable		1,400,000
Deferred outflows	260,358	(1,193,997)
Accounts payable	82,995	249,898
Accrued expenses and other liabilities	44,557	9,694
Unearned revenue	(5,811)	30,902
Compensated absences	32,159	12,037
Net OPEB obligation	(500,792)	478,476
Net pension obligation	80,963	2,429,008
Deferred inflows	<u>431,749</u>	<u>(1,716,857)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 10,476,629</u>	<u>\$ 9,539,342</u>

**NONCASH INVESTING, CAPITAL AND
FINANCING TRANSACTIONS:**

Amortization of deferred amount on refunding	\$ 13,451	\$ 13,451
Amortization of premium on certificates of participation	203,776	203,776
Gain on investment in electrical power	429	613
Gain on disposal of capital assets	71,383	

The accompanying notes are an integral part of these financial statements.

CARMICHAEL WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024 and 2023

NOTE A – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Carmichael Water District (District) have been prepared in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Reporting Entity: The District was established in 1916 as an irrigation district located in the central portion of Sacramento County northeast of the City of Sacramento and north of the lower American River. The area served by the District encompasses approximately eight square miles and serves a population of approximately 37,897. The District is predominately residential in character, with interspersed commercial areas. The District is governed by a Board of Directors consisting of five directors elected by residents of the District. The accompanying basic financial statements present the District and its component unit. The component unit discussed below is included in the District's reporting entity because of the significance of its operational and financial relationship with the District.

The District has created the Carmichael Water District Financing Corporation (the Corporation) to provide assistance to the District in the issuance of debt. Although legally separate from the District, the Corporation is reported as if it were part of the primary government because it shares a common Board of Directors with the District and its sole purpose is to provide financing to the District under the debt issuance documents of the District. Debt issued by the Corporation is reflected as debt of the District in these financial statements. The Corporation has no other transactions and does not issue separate financial statements.

Basis of Presentation – Fund Accounting: The District's resources are allocated to and accounted for in these basic financial statements as an enterprise fund type of the proprietary fund group. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other policies. Net position for the enterprise fund represents the amount available for future operations.

Basis of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The enterprise fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. Net position is segregated into amounts invested in capital assets, net of related debt, amounts restricted and amounts unrestricted. Enterprise fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

The District uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Grant revenue is recognized when program expenditures are incurred in accordance with program guidelines. When such funds are received they are recorded as unearned revenues until earned. Earned but unbilled water services are accrued as revenue.

Water lines are constructed by private developers and then dedicated to the District, which is then responsible for their future maintenance. These lines are recorded as capital contributions when they pass inspection by the District and the estimated costs are capitalized as transmission and distribution.

CARMICHAEL WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE A – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the District. Operating revenues consist primarily of charges for services. Non-operating revenues and expense consist of those revenues and expenses that are related to financing and investing types of activities and result from nonexchange transactions or ancillary activities.

When both unrestricted and restricted resources are available for use, it is the District's policy to use unrestricted resources first, then restricted resources as they are needed.

Deferred Outflows and Inflows of Resources: In addition to assets and liabilities, the statement of net position reports separate sections for deferred outflows and deferred inflows of resources. *Deferred outflows of resources* represent a consumption of net assets by the government that is applicable to a future reporting period and so will not be recognized as an outflow of resources (expense) until then. *Deferred inflows of resources* represent an acquisition of net assets that is applicable to a future reporting period and so will not be recognized as an inflow of resources (revenue) until that time. Deferred outflows and inflows of resources represent amounts deferred related to the District's pension and OPEB plan as described in Notes H and I, and for deferred amounts related to bond refundings.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents: For purposes of the statement of cash flows, the District considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Cash and cash equivalents held include bank deposits and restricted and unrestricted investments in money market mutual funds and LAIF.

Restricted Assets: Certain proceeds of the District's long-term debt are classified as restricted investments on the balance sheet because their use is limited by applicable debt covenants. The "reserve" account is used to report resources set aside to make up for potential future deficiencies in the Certificates of Participation debt service. The District also had unspent facility fees classified as restricted cash and cash equivalents.

Allowance for Doubtful Accounts: Bad debts are recognized on the allowance method based on historical experience and management's evaluation of outstanding accounts receivable. Management believes that all accounts receivable were fully collectible; therefore no allowance for doubtful accounts was recorded as of June 30, 2024 and 2023.

Inventory: Inventory consists primarily of materials used in the construction and maintenance of the water distribution facilities and is valued at average cost.

Lease Receivable: The District is a lessor for noncancelable leases of facilities and transmission capacity. The District recognizes a lease receivable and a deferred inflow of resources in the financial statements related to these leases.

CARMICHAEL WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE A – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. The District uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lease.

The District monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Capital Assets: Capital assets are recorded at historical cost. Donated capital assets are recorded at the acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. Self-constructed assets are recorded based on the amount of direct labor and materials charged to the asset construction. Depreciation is calculated using the straight-line method over the following estimated useful lives:

Description	Estimated Life
Pumping and treatment	10-50 years
Distribution infrastructure	10-75 years
Buildings and improvements	10-40 years
Construction projects	10-75 years
Transportation equipment	7-20 years
Information technology	3-7 years
Machinery and equipment	5-7 years
Furniture and fixtures	5-10 years

Maintenance and repairs are charged to operations when incurred. It is the District's policy to capitalize all capital assets with a cost of \$5,000 to \$10,000 or more, depending on the asset type. Costs of assets sold or retired (and the related amounts of accumulated depreciation) are eliminated from the balance sheet in the year of sale or retirement, and the resulting gain or loss is recognized in operations.

Depreciation expense aggregated \$2,543,024 and \$2,122,475 for the years ended June 30, 2024 and 2023, respectively, and is included with depreciation and amortization expense.

Bond Premiums and Bond Issuance Costs: Bond premiums are deferred and amortized over the lives of the bonds. Bonds payable are reported net of the applicable bond premiums. Bond issuance costs are recognized as an expense in the period incurred.

Deferred Amount from Refunding Debt: The difference between the reacquisition price of refunded debt and the net carrying amount of the previously outstanding debt is deferred and reported as either a deferred outflow or deferred inflow on the balance sheet. These amounts are amortized over the shorter of the term of the old debt or the new debt.

CARMICHAEL WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE A – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Compensated Absences: The District's policy allows employees to accumulate earned but unused vacation which will be paid to employees upon separation from the District's service. The cost of vacation is recognized in the period earned.

Pension Plan: For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to the pension plan, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits (OPEB): For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Reclassifications: Certain 2023 amounts have been reclassified to conform to the 2024 financial statement presentation. The reclassification had no effect on total net position or change in net position.

New Pronouncements: In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for leave that has not been used that is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or paid in cash or settled through noncash means, and leave that has been used but not paid in cash or settled through noncash means. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in the liability for compensated absences. This Statement requires that a liability for certain types of compensated absences, including parental leave, military leave and jury duty leave, not be recognized until the leave commences. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. Governments are allowed to disclose the net change in the liability if identified as such in the footnotes to the financial statements. The provisions of this Statement are effective for years beginning after December 15, 2023.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes a government that reports a liability for revenue debt, vulnerable to the risk of a substantial impact and to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to occur within 12 months of the date the financial statements are issued. The provisions of this Statement are effective for years beginning after June 15, 2024.

CARMICHAEL WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

**NOTE A – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement will result in changes to the financial reporting model including the Management's Discussion and Analysis, display of inflows and outflows of unusual and infrequent items, and changing the definition of proprietary fund nonoperating revenues and expenses. The provisions of this Statement are effective for years beginning after June 15, 2025.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, that requires certain types of assets to be disclosed separately in the note disclosures and establishes requirements for capital assets held for sale. This provisions of this Statement are effective for fiscal years beginning after June 15, 2025.

The District is currently analyzing the impact of the required implementation of these new statements.

NOTE B – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30 are classified in the accompanying financial statements as follows:

	2024	2023
Cash and cash equivalents	\$ 25,779,673	\$ 23,898,296
Restricted assets:		
Cash and cash equivalents	<u>8,549,472</u>	<u>7,497,858</u>
Total cash and investments	<u>\$ 34,329,145</u>	<u>\$ 31,396,154</u>

Cash and cash equivalents as of June 30 consisted of the following:

	2024	2023
Cash on hand	\$ 650	\$ 650
Deposits with financial institutions	<u>23,415,031</u>	<u>23,084,485</u>
Total cash	<u>23,415,681</u>	<u>23,085,135</u>
Money market mutual funds	5,811,478	6,357,773
Investments in Local Agency Investment Fund (LAIF)	<u>5,101,986</u>	<u>1,953,246</u>
Total investments	<u>10,913,464</u>	<u>8,311,019</u>
Total cash and investments	<u>\$ 34,329,145</u>	<u>\$ 31,396,154</u>

Investment policy: California statutes authorize districts to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 - Financial Affairs. The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of

CARMICHAEL WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE B – CASH AND CASH EQUIVALENTS (Continued)

debt proceeds held by the bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

During the year ended June 30, 2024 and 2023, the District's permissible investments included the following instruments:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer
Local Agency Bonds	5 years	30%	None
U.S. Treasury Obligations	5 years	None	None
State Obligations	5 years	30%	None
California Local Agency Obligations	5 years	30%	None
U.S. Agency Securities	5 years	None	None
Bankers Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposits	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20%	None
Medium Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	15%	None
Money Market Mutual Funds	N/A	15%	10%
LAIF	N/A	\$75 million	None
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass-Through Securities	5 years	20%	None
California Local Agency Investment Fund (LAIF)	N/A	None	None
County Pooled Investments	N/A	None	None
Time Deposits	5 years	None	None

*Excluding amounts held by the bond trustee that are not subject to California Government Code restrictions.

The District complied with the provisions of the California Government Code (or the District's investment policy, where more restrictive) pertaining to the types of investments held, the institutions in which deposits were made and the security requirements. The District will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

Investments Authorized by Debt Agreements: Investment of debt proceeds held by the bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy. The 2019 Revenue Certificates of Participation debt agreement contains certain provisions that address interest rate risk and credit risk, but not concentration of credit risk.

CARMICHAEL WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE B – CASH AND CASH EQUIVALENTS (Continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	None	None	None
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Bankers Acceptances	1 year	None	None
Commercial Paper	None	None	None
Certificates of Deposits	None	None	None
Investment Agreements	None	None	None
Repurchase Agreements	None	None	None
Money Market Mutual Funds	N/A	None	None
LAIF	N/A	None	None

Interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity at June 30, 2024 and 2023:

	<u>June 30, 2024</u>	Remaining Maturity (in Months)		
		Total	12 Months or Less	13-24 Months
Held by bond trustee:				
Money market mutual funds		\$ 5,811,478	\$ 5,811,478	
LAIF		<u>5,101,986</u>	<u>5,101,986</u>	
	Total	<u>\$ 10,913,464</u>	<u>\$ 10,913,464</u>	\$ -
<u>June 30, 2023</u>				
		Remaining Maturity (in Months)		
		Total	12 Months or Less	13-24 Months
Held by bond trustee:				
Money market mutual funds		\$ 6,357,773	\$ 6,357,773	
LAIF		<u>1,953,246</u>	<u>1,953,246</u>	
	Total	<u>\$ 8,311,019</u>	<u>\$ 8,311,019</u>	\$ -

CARMICHAEL WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE B – CASH AND CASH EQUIVALENTS (Continued)

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

	<u>June 30, 2024</u>		Exempt from Disclosure	Ratings as of Year End	
	Total	Minimum Legal Rating		AAA	Not Rated
Held by bond trustee:					
Money market mutual funds	\$ 5,811,478	AAA		\$ 5,811,478	
LAIF	<u>5,101,986</u>	N/A	<u> </u>	<u> </u>	<u> </u>
	<u>\$ 10,913,464</u>		<u> </u>	<u> </u>	<u> </u>
			<u>\$ -</u>	<u>\$ 5,811,478</u>	<u>\$ 5,101,986</u>

	<u>June 30, 2023</u>		Exempt from Disclosure	Ratings as of Year End	
	Total	Minimum Legal Rating		AAA	Not Rated
Held by bond trustee:					
Money market mutual funds	\$ 6,357,773	AAA		\$ 6,357,773	
LAIF	<u>1,953,246</u>	N/A	<u> </u>	<u> </u>	<u> </u>
	<u>\$ 8,311,019</u>		<u> </u>	<u> </u>	<u> </u>
			<u>\$ -</u>	<u>\$ 6,357,773</u>	<u>\$ 1,953,246</u>

Concentration of Credit Risk: The investment policy of the District limits the amount that can be invested in any one issuer to the lesser of the amount stipulated by the California Government Code or 5% of total investments, with the exception of U.S. Treasury obligations, U.S. Agency Securities and LAIF. There are no investments in any one issuer (other than mutual funds and external investment pools) that represent 5% or more of total District investments.

Custodial credit risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

CARMICHAEL WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE B – CASH AND CASH EQUIVALENTS (Continued)

At June 30, 2024, the carrying amount of the District's deposits were \$23,415,031 and the balances in financial institutions were \$23,306,005 and of this amount \$23,056,005 was not insured by federal depository insurance. As of June 30, 2024, District investments in the following investment types were held by the same broker-dealer (counterparty) that was used by the District to buy the securities:

Reported Investment Type	Amount
Money market mutual funds	\$ 5,811,478

Investment in LAIF: LAIF is stated at amortized cost, which approximates fair value. The LAIF is a special fund of the California State Treasury through which local governments may pool investments. The total fair value amount invested by all public agencies in LAIF is \$178,255,132,764 managed by the State Treasurer. Of that amount, 3% is invested in structured notes and asset-backed securities. No amounts were invested in derivative financial products. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Fair Value Measurement: The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs, Level 3 inputs are significant unobservable inputs.

The fair values of certificates of deposit are estimated using a discounted cash flow calculation that applies interest rates currently being offered on the certificates to a schedule of aggregated contractual maturities on such time deposits, which are level 2 inputs. The District's investment in the money market mutual fund is considered Level 2 because the value is calculated using amortized cost of the securities held in the fund, not the market value.

CARMICHAEL WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2024 and 2023

NOTE C – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 and 2023 is as follows:

	Balance July 1, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
Capital assets not being depreciated:					
Land, franchises and water rights	\$ 553,227				\$ 553,227
Construction in progress	13,081,867	\$ 6,817,710	\$(1,253,352)	\$ (4,699,501)	18,646,225
	<u>13,635,094</u>	<u>6,817,710</u>	<u>(1,253,352)</u>	<u>(4,699,501)</u>	<u>19,199,452</u>
Capital assets being depreciated:					
Pumping plant	35,675,680	1,305,266	(314,898)	74,297	36,740,345
Transmission and distribution	72,279,383	687,219		4,481,758	77,448,360
Buildings and improvements	10,640,982	99,357		143,446	10,883,785
Transportation equipment	1,244,780	320,222	(236,496)		1,328,506
Information technology	986,117	12,123			998,240
Machinery and equipment	251,704	8,081	(11,674)		248,111
Furniture and fixtures	112,194				112,194
	<u>121,190,840</u>	<u>2,432,268</u>	<u>(563,068)</u>	<u>4,699,501</u>	<u>127,759,541</u>
Less accumulated depreciation:					
Pumping plant	(20,912,172)	(962,438)	314,898		(21,559,712)
Transmission and distribution	(34,663,805)	(1,202,082)			(35,865,887)
Buildings and improvements	(6,063,662)	(262,300)			(6,325,962)
Transportation equipment	(854,392)	(73,490)	226,104		(701,778)
Information technology	(931,867)	(24,461)			(956,328)
Machinery and equipment	(218,525)	(16,885)	11,675		(223,735)
Furniture and fixtures	(106,723)	(1,368)			(108,091)
	<u>(63,751,146)</u>	<u>(2,543,024)</u>	<u>552,677</u>		<u>(65,741,493)</u>
Net capital assets being depreciated	<u>57,439,694</u>	<u>(110,756)</u>	<u>(10,391)</u>	<u>4,699,501</u>	<u>62,018,048</u>
Net capital assets	<u><u>\$ 71,074,788</u></u>	<u><u>\$ 6,706,954</u></u>	<u><u>\$ (1,263,743)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 76,517,999</u></u>

CARMICHAEL WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE C – CAPITAL ASSETS (Continued)

	Balance July 1, 2022	Additions	Deletions	Transfers	Balance June 30, 2023
Capital assets not being depreciated:					
Land, franchises and water rights	\$ 553,227				\$ 553,227
Construction in progress	6,323,323	\$ 7,285,805	\$ (527,261)		13,081,867
	<u>6,876,550</u>	<u>7,285,805</u>	<u>(527,261)</u>		<u>13,635,094</u>
Capital assets being depreciated:					
Pumping plant	35,392,519	283,161			35,675,680
Transmission and distribution	71,682,366	686,683	(89,666)		72,279,383
Buildings and improvements	10,640,982				10,640,982
Transportation equipment	1,240,484	66,401	(62,105)		1,244,780
Information technology	954,033	43,019	(10,935)		986,117
Machinery and equipment	251,704				251,704
Furniture and fixtures	112,194				112,194
	<u>120,274,282</u>	<u>1,079,264</u>	<u>(162,706)</u>		<u>121,190,840</u>
Less accumulated depreciation:					
Pumping plant	(20,336,907)	(575,265)			(20,912,172)
Transmission and distribution	(33,495,185)	(1,163,414)	(5,206)		(34,663,805)
Buildings and improvements	(5,778,394)	(285,268)			(6,063,662)
Transportation equipment	(858,549)	(57,948)	62,105		(854,392)
Information technology	(929,088)	(13,715)	10,936		(931,867)
Machinery and equipment	(193,028)	(25,497)			(218,525)
Furniture and fixtures	(105,355)	(1,368)			(106,723)
	<u>(61,696,506)</u>	<u>(2,122,475)</u>	<u>67,835</u>		<u>(63,751,146)</u>
Net capital assets being depreciated	<u>58,577,776</u>	<u>(1,043,211)</u>	<u>(94,871)</u>		<u>57,439,694</u>
Net capital assets	<u><u>\$ 65,454,326</u></u>	<u><u>\$ 6,242,594</u></u>	<u><u>\$ (622,132)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 71,074,788</u></u>

NOTE D – INVESTMENT IN ELECTRICAL POWER

The District participates in the California-Oregon Transmission Project (Project), a Joint Powers Authority (JPA), which is a project of the Department of Energy, Western Area Power Administration. The Project is governed by a management committee, which is chaired by a representative of the Transmission Agency of Northern California with each participant in the Project having representation on the Management Committee. The District applied for and received an allocation of 1MW (megawatt) of power (capacity and associated energy) in exchange for an investment as a participant in the construction of the transmission line.

The District has a 0.065% equity interest in the net assets of the Project as defined in the Long-Term Participation Agreement. The District also has an obligation to finance 0.065% of the net losses of the Project; it also has the right to receive 0.065% of the operating results of the Project income. The District's net investment and its share of the operating results of the Project are reported as Investment in Electrical Power.

CARMICHAEL WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE D – INVESTMENT IN ELECTRICAL POWER (Continued)

The Project's unaudited financial statements for the year ended June 30, 2024 and 2023, are available from the California-Oregon Transmission Project at Post Office Box 15140, Sacramento, California 95851-5140. The following is the summarized unaudited financial information for the Project as of and for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Statements of Net Position		
Assets	\$ 277,195,575	\$ 276,561,080
Liabilities	(54,281,480)	(53,399,197)
Deferred inflow	<u>(1,383,737)</u>	<u>(1,009,368)</u>
Net Position	<u>\$ 221,530,358</u>	<u>\$ 222,152,515</u>
Statements of Revenues, Expenses, and Changes in Net Position		
Operating revenues	\$ 21,078,005	\$ 18,418,354
Operating expenses	<u>(27,794,067)</u>	<u>(21,679,634)</u>
Operating loss	<u>(6,716,062)</u>	<u>(3,261,280)</u>
Nonoperating revenues (expenses)	<u>347,801</u>	<u>(3,161,424)</u>
Change in Net Position Before Adjustments	(6,368,261)	(6,422,704)
Adjustments to Net Position for Capital Improvements	<u>5,746,104</u>	<u>5,534,279</u>
Change in Net Position	<u>\$ (622,157)</u>	<u>\$ (888,425)</u>
District's Share of Net Position	<u>\$ 142,892</u>	<u>\$ 143,321</u>

NOTE E – LONG-TERM LIABILITIES

The activity of the District's long-term liabilities during the years ended June 30, was as follows:

	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Balance June 30, 2024</u>	<u>Due Within One Year</u>
Certificates of Participation:					
2019 Series A	\$ 16,510,000			\$ 16,510,000	
2019 Series B	11,355,000		\$(1,515,000)	9,840,000	\$ 1,545,000
Add: Unamortized premium	<u>2,954,752</u>		<u>(203,776)</u>	<u>2,750,976</u>	
	<u>30,819,752</u>		<u>(1,718,776)</u>	<u>29,100,976</u>	<u>1,545,000</u>
Compensated absences	184,838	\$ 203,165	(171,006)	216,997	
Unearned lease revenue	117,845		(1,414)	116,431	1,414
Net pension obligation	3,244,862	842,019	(761,056)	3,325,825	
Net OPEB obligation	<u>2,763,783</u>	<u>397,715</u>	<u>(898,507)</u>	<u>2,262,991</u>	
	<u>\$ 37,131,080</u>	<u>\$ 1,442,899</u>	<u>\$ (3,550,759)</u>	<u>\$ 35,023,220</u>	<u>\$ 1,546,414</u>

CARMICHAEL WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE E – LONG-TERM LIABILITIES (Continued)

	Balance July 1, 2022	Additions	(Reductions)	Balance June 30, 2023	Due Within One Year
Certificates of Participation:					
2019 Series A	\$ 16,510,000			\$ 16,510,000	
2019 Series B	12,840,000		\$(1,485,000)	11,355,000	\$ 1,515,000
Less: Unamortized premium	<u>3,158,528</u>		<u>(203,776)</u>	<u>2,954,752</u>	
	<u>32,508,528</u>		<u>(1,688,776)</u>	<u>30,819,752</u>	<u>1,515,000</u>
Compensated absences	172,801	\$ 59,662	(47,625)	184,838	
Unearned lease revenue	119,259		(1,414)	117,845	1,414
Net pension obligation	815,854	4,558,138	(2,129,130)	3,244,862	
Net OPEB obligation	<u>2,285,307</u>	<u>1,072,636</u>	<u>(594,160)</u>	<u>2,763,783</u>	
	<u><u>\$ 35,901,749</u></u>	<u><u>\$ 5,690,436</u></u>	<u><u>\$(4,461,105)</u></u>	<u><u>\$ 37,131,080</u></u>	<u><u>\$ 1,516,414</u></u>

The District's long-term liabilities consist of the following:

2019 Water Revenue Certificates of Participation Series A

In November 2019 the Corporation issued the 2019 Water Revenue Certificates of Participation Series A (Series A Certificates) to finance the acquisition and construction of certain water storage, pumping, treatment, transmission and appurtenant facilities for the water supply, treatment and distribution system of the District; and to pay certain costs incurred in connection with the execution and delivery of the Series A Certificates, including an original issue premium of \$3,667,968, which is being amortized over the life of the Series A Certificates. Amortization of the premium totaled \$203,776 for each of the years ended June 30, 2024 and 2023, and has been included as a reduction of interest expense.

The Series A Certificates have interest rates ranging from 5 to 4% with maturity dates from November 2030 through November 2037. The Series A Certificates outstanding totaled \$16,510,000 at June 30, 2024 and 2023. Accrued interest payable on the Series A Certificates totaled \$119,267 at June 30, 2024 and 2023.

2019 Water Revenue Refunding Certificates of Participation Series B

In November 2019, the Corporation issued the 2019 Water Revenue Refunding Certificates of Participation Series B (Series B Certificates) to refund and defease the 2010 Water Revenue Refunding Certificates of Participation, and to pay certain costs incurred in connection with the execution and delivery of the Series B Certificates.

The Series B Certificates have interest rates ranging from 1.834% to 2.739% with maturity dates from November 2020 through November 2029. The Series B Certificates outstanding totaled \$9,840,000 and \$11,355,000 at June 30, 2024 and 2023, respectively. Accrued interest payable on the Series B Certificates totaled \$41,386 and \$46,620 at June 30, 2024 and 2023, respectively.

Although the refunding resulted in a deferred amount on refunding of \$134,507, the District in effect reduced the aggregate debt service payments by \$4,187,218 over the next ten years and obtained an economic gain (difference between the present values of the old debt and the new debt service payments) of \$1,583,903. The deferred amount on refunding is being amortized over the remaining life of the refunded debt. Amortization of the 2010 deferred amount on refunding totaled \$13,451 for each of the

CARMICHAEL WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE E – LONG-TERM LIABILITIES (Continued)

years ended June 30, 2024 and 2023, and is included in interest expense. The deferred amount or refunding was \$73,979 and \$87,430 at June 30, 2024 and 2023, respectively.

Pledged Revenue: The District pledged future water system revenues, net of specified expenses, to repay the 2019 Certificates of Participation in the original amount of \$32,285,000. The Certificates of Participation are payable solely from water customer net revenues and are payable through November 2037 for Series A and November 2029 for Series B. Total principal and interest remaining to be paid on the Certificates of Participation was \$34,313,379 and \$37,305,659 at June 30, 2024 and 2023. Total principal and interest paid was \$2,494,620 and the total water system net revenues were \$11,001,782 for the year ended June 30, 2024. Total principal and interest paid was \$2,494,705 and the total water system net revenues were \$9,870,524 for the year ended June 30, 2023.

The District maintains a ratio of at least 120% in such fiscal year. For the years ended June 30, 2024 and 2023, the District's net revenues were 441% and 396% of debt service payments, respectively.

The following is a schedule of maturities for the certificates of participation:

For the Year Ended June 30:	Principal	Interest
2025	\$ 1,545,000	\$ 947,131
2026	1,580,000	911,566
2027	1,615,000	872,786
2028	1,655,000	830,946
2029	1,700,000	786,252
2030-2034	9,295,000	2,880,298
2035-2038	<u>8,960,000</u>	<u>734,400</u>
	<u><u>\$ 26,350,000</u></u>	<u><u>\$ 7,963,379</u></u>

NOTE F – LEASE

Facilities Lease: The District entered into a long-term lease agreement in November 2007, with a private company for certain District facilities, to construct a groundwater extraction treatment system, water conveyance facilities and groundwater extraction wells that benefit the District's operations. The District received \$140,000 when the lease was executed, and recognizes revenue annually using an estimated discount rate of 3.4% through October 2106. The unearned lease revenue totaled \$116,431 and \$117,845 at June 30, 2024 and 2023, respectively. The District recognized \$1,414 of lease revenue for each of the years ended June 30, 2024 and 2023.

Other Leases: On January 1, 2006, the District entered into an agreement to lease its share of transmission capacity to the Sacramento Municipal Utility District (Lessee). The lessee is required to make annual fixed payments ranging from \$24,480 to \$13,536 with an estimated discount rate of 2.14%. The lease expires December 31, 2024. The District recognized \$12,257 of lease revenue during each of the years ended June 30, 2024 and 2023. The lease was paid off as of June 30, 2024.

CARMICHAEL WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE G – NET POSITION

Restrictions: Restricted net position consists of constraints placed on net asset use through external requirements imposed by creditors (such as through debt covenants), grantors, contributors, or laws and regulations of other governments or constraints by law through constitutional provisions or enabling legislation. Restricted net position consisted of the following at June 30:

	2024	2023
Debt service reserve on 2010 Certificates of Participation	\$ 2,820	\$ 851
Facility Fees - expansion of facilities	<u>238,264</u>	<u>1,140,084</u>
Total restricted net position	<u>\$ 241,084</u>	<u>\$ 1,140,935</u>

The restrictions are for the following:

Restricted for debt service payments represents debt service reserves required by the related debt covenants.

Restricted for capital facilities represents unspent facility fees, which are restricted to capital expenses by Section 66013 of the Water Code of the State of California.

Designations: Designations of unrestricted net position may be imposed by the Board of Directors to reflect future spending plans or concerns about the availability of future resources. Designations may be modified, amended or removed by Board action. Designations included the following as of June 30:

	2024	2023
Sacramento County impact projects	\$ -	\$ 592,920
Rate stabilization	500,000	500,000
Capital replacement	9,797,266	8,293,444
Water treatment plant filtration	1,974,354	1,300,000
Operating reserve	5,982,004	5,625,831
Membrane replacement	<u>83,608</u>	
Total designated net position	<u>\$ 18,337,232</u>	<u>\$ 16,312,195</u>

The designations are for the following:

Designated for rate stabilization represents the amount to be used to make up a revenue deficiency in a future year in order to assist in meeting the debt coverage requirements.

Designated for capital replacement is to provide funds in support for the on-going capital replacement program.

Designated for water treatment plant filtration represents amounts set aside for the eventual replacement of the entire filtration process including skids and appurtenance at the District's water treatment plant.

Designated for operating reserve, which represents 50% of budgeted operating and maintenance costs, plus debt service, is to ensure an adequate balance for working capital requirements, as well as unanticipated expenditures for operations, maintenance or asset acquisition.

CARMICHAEL WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE G – NET POSITION (Continued)

Designated for the replacement of membrane submodules represents amounts budgeted but not yet spent for membrane replacements.

Designated for Sacramento County projects that impact District infrastructure.

NOTE H – PENSION PLANS

Plan Descriptions: All qualified employees are eligible to participate in the District's cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). PERS acts as a common investment and administrative agent for participating public employers within the State of California. The District participates in the Miscellaneous and PEPRA Miscellaneous rate plans.

Benefit provisions under the Plans are established by State statute and Board resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

Benefits Provided: CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 (52 for PEPRA Miscellaneous Plan) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is the following: the 1957 Survivor Benefit or the Optional Settlement 2W Death Benefit. The cost of living adjustments are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2024 and 2023 are summarized as follows:

	Classic Miscellaneous Plan (Prior to January 1, 2013)	PEPRA Miscellaneous Plan (On or after January 1, 2013)
Hire date		
Benefit formula (at full retirement)	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates - 2023/24	7.00%	8.00%
Required employer contribution rates - 2023/24	10.411%	7.383%
Required employee contribution rates - 2022/23	6.92%	7.25%
Required employer contribution rates - 2022/23	11.65%	7.65%

In addition to the contribution rates above, the District was also required to make payments of \$162,398 and \$221,932 toward its unfunded actuarial liability during the years ended June 30, 2024 and 2023, respectively. Furthermore, the District made additional discretionary payments of \$300,000 to pay down the unfunded liability during each of the years ended June 30, 2024, and 2023.

CARMICHAEL WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE H – PENSION PLANS (Continued)

The Classic Miscellaneous Plan is closed to new members that are not already CalPERS eligible participants.

Contributions: Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The contributions recognized as part of pension expense for the Plans were \$738,887 and \$753,209 for the years ended June 30, 2024 and 2023, respectively.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions: As of June 30, 2024 and 2023, the District reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$3,325,825 and \$3,244,862, respectively.

The District's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability as of June 30, 2024 and 2023 is measured as of June 30, 2023 and 2022, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 and 2021 rolled forward to June 30, 2023 and 2022 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2024 and 2023 was as follows:

Proportion - June 30, 2023	0.06935%
Proportion - June 30, 2024	0.06651%
Change - Increase (Decrease)	-0.00284%

For the years ended June 30, 2024 and 2023, the District had pension expense of \$944,400 and \$694,607 at June 30, 2024 and 2023, respectively. The District reported deferred outflows of resources and deferred inflows of resources related to all Plans combined from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 738,887		\$ 753,209	
Differences between actual and expected experience	169,901	\$ (26,356)	79,822	\$ (53,004)
Changes in assumptions	200,795		403,822	
Change in employer's proportion	228,491	(73,504)	109,640	(51,195)
Differences between the employer's contribution and the employer's proportionate share of contributions	86,463	(171,098)	44,868	(126,296)
Net differences between projected and actual earnings on plan investments	538,481		745,177	
Total	<u>\$ 1,963,018</u>	<u>\$ (270,958)</u>	<u>\$ 2,136,538</u>	<u>\$ (230,495)</u>

CARMICHAEL WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE H – PENSION PLANS (Continued)

The \$738,887 and \$753,209 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as net deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30	2024	2023
2024	\$ 289,904	
2025	\$ 358,113	258,770
2026	178,592	140,891
2027	401,017	463,269
2028	<u>15,451</u>	
	<u>\$ 953,173</u>	<u>\$ 1,152,834</u>

Actuarial Assumptions: The total pension liabilities in the actuarial valuations for each of the Plans were determined using the following actuarial assumptions:

	June 30, 2024	June 30, 2023
Valuation Date	June 30, 2022	June 30, 2021
Measurement Date	June 30, 2023	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate (1)	6.90%	6.90%
Inflation	2.30%	2.30%
Projected Salary Increases	Varies by age and service	Varies by age and service
Mortality	Derived using CalPERS Membership Data for all Funds	Derived using CalPERS Membership Data for all Funds

(1) Net of pension plan investment expenses, including inflation

The underlying mortality assumptions was developed based on CalPERS-specific data. The rates for June 30, 2024 and 2023 incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. Further details can be found on the CalPERS website.

Discount Rate: The discount rate used to measure the total pension liability was 6.90% for both the years ended June 30, 2024 and 2023. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rate is appropriate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

CARMICHAEL WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE H – PENSION PLANS (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class for the Plan as of the measurement dates of June 30. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	2024		2023	
	New Strategic Allocation	Real Return Years 1 - 10(a)	New Strategic Allocation	Real Return Years 1 - 10(a)
Global Equity - cap weighted	30.0%	4.54%	30.0%	4.54%
Global Equity non-cap-weighted	12.0%	3.84%	12.0%	3.84%
Private Equity	13.0%	7.28%	13.0%	7.28%
Treasury	5.0%	0.27%	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%	10.0%	1.56%
High Yield	5.0%	2.27%	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%	5.0%	2.48%
Private Debt	5.0%	3.57%	5.0%	3.57%
Real Assets	15.0%	3.21%	15.0%	3.21%
Leverage	<u>-5.0%</u>	<u>-0.59%</u>	<u>-5.0%</u>	<u>-0.59%</u>
Total	<u><u>100.0%</u></u>		<u><u>100.0%</u></u>	

(a) An expected inflation of 2.3% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability for the Plans, calculated using the discount rate for the Plans, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

CARMICHAEL WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2024 and 2023

NOTE H – PENSION PLANS (Continued)

	<u>2024</u>	<u>2023</u>
1% Decrease	5.90%	5.90%
Net Pension Liability	\$ 5,945,979	\$ 5,707,462
Current Discount Rate	6.90%	6.90%
Net Pension Liability	\$ 3,325,825	\$ 3,244,852
1% Increase	7.90%	7.90%
Net Pension Liability	\$ 1,169,213	\$ 1,218,754

Pension Plan Fiduciary Net Position: Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan: At June 30, 2024, the District reported payables for the outstanding amount of contributions to the pension plan of \$7,155.

NOTE I – OTHER POST-EMPLOYMENT BENEFITS

Plan Description: The District's defined benefit OPEB plan (the Plan) is a single employer OPEB plan that provides OPEB benefit for all eligible general employees that have five years of District eligible service and retire from the District after age 50 to 52. In addition to 5 years of District eligible service, a retiree must have an additional 5 years of service with any contracting PERS agency for a total of 10 years of eligible service subject to a vesting schedule up to 20 years of service. Employees must retire directly from the District and provide 120 days notice requesting the benefit. Eligible employees' surviving spouses and dependents until the age of 18 are also eligible for benefits. Benefits continue through the employees or spouses lifetime. The Plan is administered by CalPERS through participation in California Employers' Retiree Benefit Trust (CERBT) Fund. The Board of Directors grants the authority to establish and amend the benefit terms to the CalPERS Board of Trustees (CalPERS Board). CalPERS issues a publicly available financial report for the CERBT that can be obtained at www.calpers.ca.gov under Forms and Publications. The District's plan does not issue a publicly available financial statement.

Benefits Provided: The Plan provides healthcare benefits for retirees, surviving spouses and their dependents. Benefits are provided through a third-party insurer, and the full cost of the benefits are covered by the Plan.

Employees Covered by Benefit Terms: At June 30, 2024, the following current and former employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	15
Active employees	24
Total	39

CARMICHAEL WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE I – OTHER POST-EMPLOYMENT BENEFITS (Continued)

Contributions: The Board of Directors grants the authority to establish and amend the contribution requirements of the District and employees. Employees are not required to contribute to the Plan. During the fiscal year ended June 30, 2024, the District's cash contributions to the trust were \$200,000 and benefit payments were \$242,698 resulting in total payments of \$442,698. During the fiscal year ended June 30, 2023, the District's cash contributions to the trust were \$200,000 and the benefit payments were \$197,454 resulting in total payments of \$397,454.

Net OPEB Liability: The District's net OPEB liability as of June 30, 2024 and 2023 was measured as of June 30, 2023 and 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023 and 2022, respectively.

Actuarial Assumptions: The total OPEB liability in the June 30, 2023 and 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

	2024		2023
Valuation date	June 30, 2023		June 30, 2022
Measurement date	June 30, 2023		June 30, 2022
Actuarial cost method	Entry-age normal cost method		Entry-age normal cost method
Actuarial assumptions:			
Discount rate	6.75%		6.75%
Inflation	2.50%		2.50%
Salary increases	2.75%		2.75%
Investment rate of return	6.75%		6.75%
Mortality rate	Derived using CalPERS membership data		Derived using CalPERS membership data
Pre-retirement turnover	Derived using CalPERS membership data		Derived using CalPERS membership data
Healthcare trend rate	4% annually		4% annually

For the year ended June 30, 2024, mortality information for active and retired employees was based on 2021 CalPERS tables. The pre-retirement turnover information was developed based on the 2021 CalPERS Turnover for Miscellaneous Employees table created by CalPERS. For the year ended June 30, 2023, mortality information for active and retired employees was based on 2017 CalPERS tables. The pre-retirement turnover information was developed based on the 2017 CalPERS Turnover for Miscellaneous Employees table created by CalPERS.

The assumed gross return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	2024		2023	
	Percentage of Portfolio	Assumed Gross Return	Percentage of Portfolio	Assumed Gross Return
Global Equity	49.0%	4.82%	59.0%	7.55%
Fixed Income	23.0%	1.47%	25.0%	4.25%
Treasury Inflation Protected Securities	5.0%	1.29%	5.0%	3.00%
Real Estate Investment Trusts	20.0%	3.76%	8.0%	7.25%
Commodities	3.0%	0.84%	3.0%	7.55%
	<u>100.0%</u>		<u>100.0%</u>	

CARMICHAEL WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE I – OTHER POST-EMPLOYMENT BENEFITS (Continued)

Discount Rate: The discount rate used to measure the total OPEB liability was 6.75% at both June 30, 2024 and 2023. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2023	\$ 5,375,077	\$ 2,611,294	\$ 2,763,783
Changes in the year:			
Service cost	140,391		140,391
Interest	360,384	190,368	170,016
Differences between expected and actual experience	(501,053)		(501,053)
Changes in assumptions	86,508		86,508
Contributions - employer		397,454	(397,454)
Benefit payments	(197,454)	(197,454)	-
Administrative expenses		(800)	800
Net changes	<u>(111,224)</u>	<u>389,568</u>	<u>(500,792)</u>
Balance at June 30, 2024 (measurement date June 30, 2023)	<u><u>\$ 5,263,853</u></u>	<u><u>\$ 3,000,862</u></u>	<u><u>\$ 2,262,991</u></u>
Balance at June 30, 2022	\$ 5,089,804	\$ 2,804,497	\$ 2,285,307
Changes in the year:			
Service cost	136,634		136,634
Interest	341,659	(392,484)	734,143
Differences between expected and actual experience	5,111		5,111
Contributions - employer		398,131	(398,131)
Actual investment income			
Benefit payments	(198,131)	(198,131)	-
Administrative expenses		(719)	719
Net changes	<u>285,273</u>	<u>(193,203)</u>	<u>478,476</u>
Balance at June 30, 2023 (measurement date June 30, 2022)	<u><u>\$ 5,375,077</u></u>	<u><u>\$ 2,611,294</u></u>	<u><u>\$ 2,763,783</u></u>

CARMICHAEL WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE I – OTHER POST-EMPLOYMENT BENEFITS (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates: The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
2024 Net OPEB liability	\$ 2,957,851	\$ 2,262,991	\$ 1,687,675
2023 Net OPEB liability	3,490,316	2,763,783	2,164,091

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
2024 Net OPEB liability	\$ 1,614,758	\$ 2,262,991	\$ 3,057,940
2023 Net OPEB liability	2,040,972	2,763,783	3,657,963

OPEB Plan Fiduciary Net Position: Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CERBT financial report at www.calpers.ca.gov.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the years ended June 30, 2024 and 2023, the District recognized OPEB expense of \$432,287 and \$452,686, respectively. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions after the measurement date	\$ 442,698		\$ 397,454	
Differences between actual and expected experience	514,019	\$ (590,596)	616,629	\$ (187,053)
Changes in assumptions	368,287		352,554	
Net differences between projected and actual earnings on plan investments	178,771		223,976	
Total	\$ 1,503,775	\$ (590,596)	\$ 1,590,613	\$ (187,053)

CARMICHAEL WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE I – OTHER POST-EMPLOYMENT BENEFITS (Continued)

The \$442,698 and \$397,454 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended	2024	2023
June 30		
2024	\$ 172,750	
2025	\$ 112,567	171,620
2026	103,205	162,258
2027	192,099	251,152
2028	74,400	133,451
2029	75,867	114,875
Thereafter	(87,657)	
	<u>\$ 470,481</u>	<u>\$ 1,006,106</u>

Recognition of Deferred Outflows and Deferred Inflows of Resources: Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss. The net difference between projected and actual earnings on OPEB plan investments is recognized over 5 years. All other amounts are recognized over the expected average remaining service lifetime (EARSL), which was 7.2 years at June 30, 2024 and 8% at June 30, 2023.

Age-adjusted Premiums Not Used: As a general rule, Actuarial Standard of Practice 6 (ASOP 6) indicates retiree costs should be based on actual claim costs or age-adjusted premiums. However, the Plan's net OPEB liability was not computed using age-adjusted premiums because the District's actuary did not consider the use of age-adjusted premiums to be appropriate under the circumstances. This is due to the District participating in the CalPERS health insurance plan, PEMHCA. PEMHCA uses blended premiums for active and retired participants and is expected to continue this practice into the future. Contributions based on age-adjusted premiums would be larger than contributions based on actual premiums charged by PEMHCA. The actuary believes this would overstate contributions to the CERBT that would not be able to be recovered by the District. Many other actuaries believe it is appropriate to use age-adjusted premiums when computing net OPEB liabilities under GASB Statement No. 75. The District's net OPEB liability would have been significantly larger had it been computed using age-adjusted premiums.

NOTE J – INSURANCE

The District participates in the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA) a public entity risk pool of California water agencies, for general and auto liability, public official's liability, property damage, fidelity insurance and workers compensation liability. ACWA/JPIA provides insurance through the pool up to a certain level, beyond which group purchased commercial excess insurance is obtained.

CARMICHAEL WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE J – INSURANCE (Continued)

The District pays an annual premium to ACWA/JPIA that includes its pro-rata share of excess insurance premiums, charges for the pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the ACWA/JPIA. The District's deductibles and maximum coverage are as follows:

Coverage	ACWA/JPIA	Commercial Insurance	Deductible
General and Auto Liability (includes public officials liability)	\$ 5,000,000	\$ 55,000,000	None
Property Damage	10,000,000	500,000,000	\$500 to 50,000
Fidelity	100,000		1,000
Workers Compensation liability	2,000,000	Statutory	None
Cyber		3,000,000	50,000 to 100,000

The District continues to carry commercial insurance for all other risks of loss to cover all claims for risk of loss to which the District is exposed. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE K – ECONOMIC DEPENDENCY

Under normal operating conditions, the District extracts approximately 80% of its water from the American River and 20% from groundwater wells. Actions taken by the State Water Resources Control Board (SWRCB) can affect the amount of water the District is able to extract from the American River. Water conservation continues to be a focus of the SWRCB with recently proposed legislation focused on long term water use reductions. The District has continued to monitor and provide input on the proposed legislation that will have future financial impacts.

NOTE L — COMMITMENTS AND CONTINGENCIES

Contracts: The District has entered into various contracts for the construction of Aquifer Storage and Recovery (ASR) wells, main line replacements, and other facility improvements. The amounts contracted are based on the contractors' estimated cost of construction at time of bid award. At June 30, 2024, the total unpaid amount on these contracts totals approximately \$11,320,841.

Litigation: Certain claims, suits and complaints arising in the ordinary course of operations have been filed or are pending against the District. The District's management and legal counsel estimate that the potential claims against the District not covered by insurance resulting from such litigation would not materially affect the operations or financial condition of the District.

Outside Boundary Sales and Agreements: The District completed the American River Pipeline Conveyance Project with Aerojet Rocketdyne and Golden State Water Company (GSWC) to annually provide 5,000-acre feet of replacement water supply to GSWC.

The District entered into a second agreement in August 2016 with GSWC for the diversion, treatment, and delivery of water through the American River Pipeline. GSWC pays a proportionate share of three components: 1) the fixed and variable operations and maintenance costs associated with the production of water; 2) the capital asset costs of the Water Treatment Plant (WTP) and Ranney intake structures; 3)

CARMICHAEL WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE L — COMMITMENTS AND CONTINGENCIES

and the costs incurred by the District for the replacement of membranes at the WTP. The District billed GSWC \$1,504,342 and \$1,479,373 under the terms of this agreement during the years ended June 30, 2024 and 2023, respectively.

Grant Funding: The District has received grant funding for various purposes that may be subjected to review and audit by the funding agencies. Such potential audits could result in a request for reimbursement for expense disallowed under the terms and conditions of the funding source. Management is of the opinion that no material liabilities will result from such potential audits.

The District also received \$2,500,000 in advanced grant funding from the State of California Department of Water Resources under the 2023 Budget Act for the State of California for the construction of an ASR Well, which is reflected in the financial statements as unearned revenue. These funds are committed for use only for the construction of the ASR well with expenditures expected to commence in the fiscal year ending June 30, 2025.

NOTE M – SUBSEQUENT EVENT

The District committed to the sale of its share of the California-Oregon Transmission Project (COTP) transmission line in December 2024 to Turlock Irrigation District and the City of Roseville. Proceeds from the sale are expected to be \$150,000.

REQUIRED SUPPLEMENTARY INFORMATION

CARMICHAEL WATER DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2024

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY (UNAUDITED)**
Last 10 Years

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Proportion of the net pension liability	0.066511%	0.069350%	0.015085%	0.024954%	0.070371%	0.065394%	0.063790%	0.058553%	0.046392%	0.048538%
Proportionate share of the net pension liability	\$ 3,325,825	\$ 3,244,862	\$ 815,854	\$ 2,715,129	\$ 2,817,998	\$ 2,464,518	\$ 2,514,648	\$ 2,034,074	\$ 1,272,753	\$ 1,199,609
Covered payroll - measurement period	\$ 2,259,890	\$ 2,234,517	\$ 1,954,140	\$ 2,055,406	\$ 1,975,298	\$ 2,031,070	\$ 1,854,585	\$ 1,822,452	\$ 1,756,975	\$ 1,760,777
Proportionate share of the net pension liability as a percentage of covered payroll	147.17%	145.22%	41.75%	132.10%	142.66%	121.34%	130.67%	111.61%	72.44%	68.13%
Plan fiduciary net position as a percentage of the total pension liability	77.97%	82.04%	95.19%	83.04%	81.40%	82.74%	81.35%	82.90%	78.40%	79.82%
Notes to Schedule:										
Reporting valuation date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Reporting measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Discount rate	6.90%	6.90%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.65%	7.50%

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014 as they have minimal cost impact.

SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN (UNAUDITED)
Last 10 Years

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution (actuarially determined)	\$ 438,887	\$ 453,209	\$ 440,468	\$ 405,655	\$ 358,226	\$ 311,796	\$ 257,968	\$ 222,301	\$ 198,100	\$ 160,692
Contributions in relation to the actuarially determined contributions	(738,887)	(753,209)	(740,395)	(405,655)	(807,154)	(311,796)	(257,968)	(222,301)	(198,100)	(160,692)
Contribution deficiency (excess)	\$ (300,000)	\$ (300,000)	\$ (299,927)	\$ -	\$ (448,928)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll - fiscal year	\$ 2,715,603	\$ 2,259,890	\$ 2,234,517	\$ 2,078,028	\$ 2,065,530	\$ 2,096,870	\$ 2,025,447	\$ 1,854,585	\$ 1,822,452	\$ 1,756,975
Contributions as a percentage of covered payroll	27.21%	33.32%	33.13%	19.52%	39.08%	14.87%	12.74%	11.98%	10.86%	9.15%

Notes to Schedule:

Valuation date:	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012

Methods and assumptions used to determine contribution rates:

Actuarial method										
Amortization method										
Remaining amortization period										
Asset valuation method										
Discount rate	6.80%	7.00%	7.00%	7.25%	7.375%	7.50%	7.50%	7.50%	7.50%	7.50%
Inflation	2.300%	2.50%	2.50%	2.50%	2.625%	2.75%	2.75%	2.75%	2.75%	2.75%
Payroll growth	2.800%	2.75%	2.75%	2.875%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Salary increase										
Retirement age										
Mortality										

50-67 years. Probabilities of retirement are based on the most recent CalPERS Experience Study

Most recent CalPERS Experience Study

CARMICHAEL WATER DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2024

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)

	2023	2022	2021	2020	2019	2018	2017
Measurement Period							
Total OPEB liability:							
Service cost	\$ 140,391	\$ 136,634	\$ 88,995	\$ 86,613	\$ 79,528	\$ 77,400	\$ 75,328
Interest	360,384	341,659	253,468	240,101	246,402	234,160	221,503
Differences between expected and actual experience	(501,053)	5,111	814,174	2,124	(280,671)		
Changes in assumptions	86,508		470,074		(18,058)		
Benefit payments	(197,454)	(198,131)	(183,717)	(135,337)	(135,113)	(122,291)	(105,162)
Net change in total OPEB liability	(111,224)	285,273	1,442,994	193,501	(107,912)	189,269	191,669
Total OPEB liability - beginning	5,375,077	5,089,804	3,646,810	3,453,309	3,561,221	3,371,952	3,180,283
Total OPEB liability - ending (a)	<u>\$ 5,263,853</u>	<u>\$ 5,375,077</u>	<u>\$ 5,089,804</u>	<u>\$ 3,646,810</u>	<u>\$ 3,453,309</u>	<u>\$ 3,561,221</u>	<u>\$ 3,371,952</u>
Plan fiduciary net position:							
Contributions - employer	\$ 397,454	\$ 398,131	\$ 383,717	\$ 575,337	\$ 575,113	\$ 562,291	\$ 545,162
Net investment income	190,368	(392,484)	444,492	73,557	84,137	64,131	39,214
Benefit payments	(197,454)	(198,131)	(183,717)	(135,337)	(135,113)	(122,291)	(105,162)
Administrative expenses	(800)	(719)	(824)	(917)	(289)	(1,086)	(156)
Other			147,878		(5,640)		
Net change in plan fiduciary net position	389,568	(193,203)	791,546	512,640	518,208	503,045	479,058
Plan fiduciary net position - beginning	2,611,294	2,804,497	2,012,951	1,500,311	982,103	479,058	-
Plan fiduciary net position - ending (b)	<u>\$ 3,000,862</u>	<u>\$ 2,611,294</u>	<u>\$ 2,804,497</u>	<u>\$ 2,012,951</u>	<u>\$ 1,500,311</u>	<u>\$ 982,103</u>	<u>\$ 479,058</u>
Net OPEB liability - ending (a)-(b)	<u>\$ 2,262,991</u>	<u>\$ 2,763,783</u>	<u>\$ 2,285,307</u>	<u>\$ 1,633,859</u>	<u>\$ 1,952,998</u>	<u>\$ 2,579,118</u>	<u>\$ 2,892,894</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>57.01%</u>	<u>48.58%</u>	<u>55.10%</u>	<u>55.20%</u>	<u>43.45%</u>	<u>27.58%</u>	<u>14.21%</u>
Covered-employee payroll - measurement period	<u>\$ 2,471,409</u>	<u>\$ 2,234,517</u>	<u>\$ 2,078,028</u>	<u>\$ 2,065,530</u>	<u>\$ 2,096,870</u>	<u>\$ 2,025,447</u>	<u>\$ 1,854,585</u>
Net OPEB liability as percentage of covered-employee payroll	<u>0.91566835</u>	<u>123.69%</u>	<u>109.97%</u>	<u>79.10%</u>	<u>93.14%</u>	<u>127.34%</u>	<u>155.99%</u>
Notes to schedule:							
Valuation date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2017	June 30, 2017
Discount rate	6.75%	6.75%	7.00%	7.00%	7.00%	7.00%	7.50%

Benefit changes. None.

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

CARMICHAEL WATER DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2024

SCHEDULE OF CONTRIBUTIONS TO THE OPEB PLAN (UNAUDITED)

	2024	2023	2022	2021	2020	2019	2018
Statutorily required contribution - employer fiscal year	\$ 242,698	\$ 197,454	\$ 198,131	\$ 135,337	\$ 135,113	\$ 126,380	\$ 105,162
Contributions in relation to the actuarially determined contributions	<u><u>(442,698)</u></u>	<u><u>397,454</u></u>	<u><u>398,131</u></u>	<u><u>(383,717)</u></u>	<u><u>(575,337)</u></u>	<u><u>(566,380)</u></u>	<u><u>(562,291)</u></u>
Contribution deficiency (excess)	<u><u>\$ (200,000)</u></u>	<u><u>\$ (200,000)</u></u>	<u><u>\$ (200,000)</u></u>	<u><u>\$ (248,380)</u></u>	<u><u>\$ (440,224)</u></u>	<u><u>\$ (440,000)</u></u>	<u><u>\$ (457,129)</u></u>
Covered-employee payroll - employer fiscal year	\$ 2,715,603	\$ 2,471,409	\$ 2,234,517	\$ 2,078,028	\$ 2,065,530	\$ 2,096,870	\$ 2,025,447
Contributions as a percentage of covered-employee payroll	8.94%	7.98%	8.86%	6.44%	6.54%	6.03%	5.19%

Notes to Schedule:

Valuation date	June 30, 2023	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2023	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2017

An actuarially determined contribution rate was not calculated. The required contributions reported represent retiree premium payments.

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

STATISTICAL SECTION



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GOVERNANCE LETTER

To the Board of Directors
Carmichael Water District
Carmichael, California

We have audited the financial statements of the Carmichael Water District for the year ended June 30, 2024, and have issued our report thereon dated _____, 2024. Professional standards require that we provide you with the information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards (GAAS)

As stated in our engagement letter dated August 21, 2024, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the District. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involves judgment about the number of transactions to be examined and the areas to be tested.

Our audit included obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We noted no internal control related matters that are required to be communicated under professional standards.

We are required by the audit standards to identify potential risks of material misstatements during the audit process. We have identified the following significant risk of material misstatement as part of our audit planning: Management override of controls and revenue recognition. These are the areas that the audit standards require at a minimum to be identified as significant risks.

We performed the audit according to the planned scope previously communicated to you in our engagement letter dated August 21, 2024.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transaction entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were: depreciable lives and methods used to depreciate capital assets, the discount rate used to calculate the leases receivable and the accrual for postemployment and pension benefits. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole. The accrual for postemployment and pension benefits was determined by actuarial valuations, which are required to be performed by a District contracted actuarial every two years for postemployment benefits and by CalPERS every year for pension benefits.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was the following:

Pension Liability: Information on the District's pension plans, including the District's share of the unfunded pension liability, is shown in Note H. The District's share of the unfunded pension liability at June 30, 2023, the most recent measurement date, was \$3,325,825 which is reflected as a liability in the District's financial statements as of June 30, 2024. As a result of the changes in the net pension liability and related deferred inflows and outflows, the District's pension expense is \$944,400 primarily because of the Plan's difference between projected and actual investment earnings on pension investments.

Liability for Other Postemployment Benefits: The postemployment benefit (OPEB) disclosure in Note I shows that because the District's share of the unfunded OPEB liability at June 30, 2023, the most recent measurement date, was \$2,262,991 which is reflected as a liability in the District's financial statements as of June 30, 2024. As a result of the recording of the net OPEB liability and related deferred inflows and outflows, the District's OPEB expense is \$432,287 primarily to record changes in the net OPEB liability and deferred outflows and inflows.

In calculating the District's OPEB liability, the District's actuary did not include age-adjusted healthcare premiums in the computation of the net OPEB liability. Many other actuaries consider it necessary under actuarial standards to use age-adjusted premiums in the computation of the OPEB liability. Had age-adjusted premiums been used, the District's OPEB liability would have been significantly larger. This is an apparent lack of consensus in the industry that was disclosed in Note I to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We noted no adjustments as a result of our audit. Eleven closing entries were provided to us during the course of the audit.

Disagreements With Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated _____, 2024.

Management Consultations With Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants, other than consultation with another firm regarding the accounting for various agreements and contracts.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to required supplementary information (RSI) as reported in the table of contents of the financial statements that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

This information is intended solely for the use of the Board of Directors and management of the District and is not intended to be and should not be used by anyone other than these specified parties.

_____, 2024

Carmichael Water District
 Summary of Unadjusted Differences
 June 30, 2024

Description (Nature) of Audit Difference	Financial Statements Effect - Amount of Overstatement (Understatement) of:				
	Total Assets	Total Liabilities	Equity	Total Operating Expenses	Net Income (Loss)
Discrepancies in inventory count at September 3 reconciled to June 30, compared to the June 30 inventory listing	\$ 23,887		\$ 23,887	\$ 23,887	\$ (23,887)
Net Unadjusted Audit Differences - This Year	23,887	0	23,887	23,887	(23,887)
Financial Statement Captions	54,810,609	32,199,313	22,611,296	8,452,621	(223,081)
Net Audit Differences as % of F/S Captions	0.04%	0.00%	0.11%	0.28%	10.71%



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MANAGEMENT LETTER

To the Board of Directors and Management
Carmichael Water District
Carmichael, California

In planning and performing our audit of the financial statements of the Carmichael Water District (the District) as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given those limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

* * * * *

We would like to take this opportunity to acknowledge the courtesy and assistance extended to us during the course of the examination. This communication is intended solely for the information and use of management, the Board of Directors, and others within the organization, and is not intended to be, and should not be, used by anyone other than the specified parties.

_____, 2024

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**INDEPENDENT ACCOUNTANT'S REPORT
 ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors
 Carmichael Water District
 Carmichael, California

Carmichael Water District (the District) contracted with Richardson & Company, LLP to perform the procedures enumerated below to verify compliance with approved benefits policies from July 2023 through June 2024. The District's management staff, and Board has agreed to and acknowledge that procedures performed are appropriate to meet the intended purpose of the Special Procedures as enumerated in the engagement letter. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Background: The District's Board of Directors approves the Policy Manual, which includes a discussion of compensation, leave, health and welfare, and retirement benefits provided to employees. The Board of Directors also approves the contracts for the General Manager. Previous special procedures performed disclosed that management had developed various "management handbooks" that contained "employee benefits packages" that do not appear to be approved by the Board. Those handbooks were not used since May 2020.

1. Leave Benefits for Exempt Employees

Procedure: Review payroll register for up to 6 management employees and 4 other employee positions from accounting and human resources and quantify the amount of management and administrative leave granted to each employee, and the amount of any vacation payouts between July 2023 and June 2024 that were not specifically provided for within the Board-approved Personnel Manual.

Finding: None noted.

Administrative/Management Leave: District Policy 5000, approved by the Board on December 13, 2022, allows for the General Manager to provide Administrative/Management Leave, up to 80 hours a year, to Engineering and Finance Manager positions for recruitment and retention purposes and indicates such leave is not accruable or compensable. Administrative/Management Leave of 80 hours each was awarded to two employee, Finance Manager and Engineering Manager, during the year in accordance with employment offer and District Policy 5000, of which 195.5 was used during the year. No Administrative/Management Leave was paid out upon separation and no Administrative/Management leave was accrued.

Compensating time off (CTO): The District does not appear to have a policy that allows for CTO. No CTO was awarded or taken between July 2023 to June 2024.

Floating holiday pay-out: The District provides a floating holiday to all employees on January 1 every year to be used within the calendar year. The policy had been updated to indicate that floating holiday is treated as vacation and paid out upon separation.

Other Leave (All Employees)

Procedure: Review the calendar year-end payroll report for July 2023 to June 2024 for other leave granted to employees other than the 6 management employees and 4 other employee positions, not provided for within the Policy Manual.

Finding: None noted.

2. 457 Deferred Contribution

Procedure: Obtain remittances of deferred compensation payments to the plan administrator for July 2023 to June 2024 showing amounts by person and determine from payroll register whether there was a corresponding withholding from the employees or if the District made the contribution, for 6 management employees and 4 other employee positions. Summarize any District contributions made to the plan.

Finding: Both the District Policy and the labor agreement changed in July 2022 to no longer provide a match to employees. The General Manager's contract stipulates a match as part of her employment contract. Employee contributions were withheld from employees' pay. The District made no matching contributions to the plan in accordance with approved District Policy and the labor agreement with represented employees.

Education Benefits

Procedure: Examine 1) the general ledger detail for charges to the training and certifications general ledger account and corresponding invoices and 2) management approvals of education requests to determine whether such benefits were authorized by the District's policies or other Board approval. Summarize amounts received that are not consistent with the Board-approved policies.

Finding: The District's policy includes an annual maximum reimbursement amount as well as a cap on the amount of education expenses reimbursed. No education expense reimbursements were made from July 2023 to June 2024.

Other Health Benefits

Procedure: Examine lists of payments to up to 6 management employees and 4 other employee positions for July 2023 to June 2024 for other health-related benefits, including the health and wellness program established under the employee benefits packages. Scan the benefits expense general ledger accounts for health payments and determine they are consistent with the Board-approved manual. Summarize amounts received that are not in accordance with the approved policies.

Finding: No unapproved employee benefits packages in effect in July 2023 to June 2024 provided for reimbursements to exempt employees for health and education-related expenses. No expenditures of this nature were noted between July 2023 to June 2024.

3. Auto allowances

Procedure: Obtain list of expense reimbursements for July 2023 to June 2024 for up to 6 management employees and 4 other employee positions covered under the employee benefits packages. Determine whether auto allowances were provided that were not covered by District policy or employment agreements. Determine that mileage reimbursements were not provided to employees receiving auto allowances. Summarize amounts that are inconsistent with policies or IRS code.

Finding: We noted no auto allowances were granted between July 2023 and June 2024.

4. Cell Phone and Other Allowances

Procedure: Examine payroll reports for July 2023 to June 2024 for cell phone and other allowances received by up to 6 management employees and 4 other employee positions covered under the employee benefits packages. In review of expense reimbursements, determine whether payments were made to employees for cell phones and other allowances not provided for in District policies. Obtain a list of employees with District-owned cell phones. Summarize any payments not consistent with District policies.

Finding: The District provides cell phones for 22 of the District's employees and 3 iPads for crew and on-call staff. All twelve of the production and distribution employees have phones. The General Manager, Production Superintendent, Distribution Superintendent and seven individuals in the admin department all have phones. The approved District policy 1020.20 states personal use of District equipment is strictly prohibited. All employees who separated from service returned District equipment.

5. Taxes Evaluation

Procedure: Evaluate tax implications of the various benefits listed above and whether amounts were included in W-2 income if required by IRS code.

Finding: Allowing personal use of District equipment such as cell phones could create potential taxable income.

Other Miscellaneous Items

Procedure: Identify any payments to up to 6 management employees and 4 other employee positions not authorized by policies or benefits packages that would indicate personal use of CWD funds or resources by examining a list of payments made to employees from July 2023 to June 2024.

Finding: No unauthorized payments noted.

We were engaged by the District to perform this agreed-upon procedures engagement which was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on specified benefits costs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the District and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedure engagement.

This report is intended solely for the information and use of the District and is not intended to be and should not be used by anyone other than those specified parties.

Richardson & Company, LLP

December 11, 2024

MEMO

TO: Board of Directors

FROM: Cathy Lee, General Manager

DATE: December 11, 2024

RE: Sacramento Regional Water Bank – Previously Banked Water and Modeling

BACKGROUND

As reported to the Board previously, the Water Bank Program Committee's recent focus is to consider the amount of previously banked water in Sacramento Groundwater Authority's Water Accounting Framework (WAF) be included in the starting balance for Water Bank's new Water Accounting System (WAS). Without a starting balance, any future groundwater substitution transfers would be delayed until there is sufficient volume to accommodate the proposed transfer.

SUMMARY

Since the last Board meeting, the Program Committee met on October 16, 2024, November 4, 2024, and November 12, 2024. The Program Committee directed RWA staff to obtain a scope of work and budget to utilize groundwater modeling to evaluate the previously banked water available for Water Bank's Water Account System as a starting balance. Specifically, the modeling is to address two questions:

- **Question #1** – How much water has been banked (recharged) in the North American and South American subbasins (NASb & SASb) by Water Bank Participating Agencies that is above and beyond what (1) is needed for sustainability under SGMA developed GSPs, (2) has already been transferred, and (3) has been lost from the subbasins?
- **Question 2** – If a volume of water were to be recognized as previously banked, what conditions should be imposed to ensure extraction of that banked water (1) does not exceed sustainability thresholds in the NASb & SaSb GSPs, and (2) is not inconsistent with the Water Bank goals, objectives, principles, and constraints?

To address Question #1, RWA's consultant proposed to conduct an analysis of the conditions of the surface water and groundwater system during the historical period without implementation of the WAF. This analysis assumes that the historical conditions would not be different in the area, including trends in population, water demands, development, changes in land use, development of infrastructure, and regulatory environment. This analysis is expected to result in the amount of remaining banked water that is available for use without causing an undesirable effect in the respective subbasins. The cost to conduct the analysis is about \$85,000 with \$15,000 contingency. This cost will be divided evenly among the 5 participating agencies who already have banked water benefits as shown in Attachment 1.

Question #2 is too speculative and beyond the scope of technical work. RWA, SGA, and Program Committee will continue to evaluate through future monitoring and data. The PBW presentation for the November 12, 2024 Program Committee meeting is attached in Attachment 2.

Additionally, the environmental community has taken a keen interest in the Water Bank for several years now. RWA staff also received a comment letter from Environmental Council of Sacramento (ECOS) seeking clarification on the Water Bank's loss accounting, leave behind policy, interaction with GSAs, and public interaction. A copy of the letter is included as Attachment 3.

FINANCIAL CONSIDERATIONS

The District's cost share for Water Bank Phase 3 is \$27,800 with a contingency of \$5,560 for a total not-to-exceed value of \$33,360. This would require a budget adjustment approval from the Board during mid-year adjustment.

RECOMMENDATION

Staff recommends that the Board of Directors discuss previously banked water and provide direction to staff on the topic and participation in the modeling cost share.

ATTACHMENTS

Attachment 1 – Draft Previously Banked Water Modeling Cost Share

Attachment 2 – Program Committee Meeting: Previously Banked Water discussion slides

Attachment 3 – Letter from Environmental Council of Sacramento (ECOS)

ATTACHMENT 1

DRAFT - December 2, 2024			SGA WAF Agency & SASb Agencies with likely Exchangeable Water Balance		
Program Committee Agency	VA Flow Commitment (AF)	Percent of Total Flow	Exchangeable Water Balance ¹	Percent of Total Exchangeable Water Balance	Modeling PBW Analysis Cost Share ²
California American Water	NA	NA	17547	3%	\$ 3,461
Carmichael Water District	3800	13%	78736	16%	\$ 15,529
City of Sacramento	3932	13%	71292	14%	\$ 14,061
Golden State Water Company	763	3%	25000	5%	\$ 4,931
Sacramento County Water Agency	2760	9%	50000	10%	\$ 9,861
Sacramento Suburban Water District	10488	35%	264325	52%	\$ 52,132
	30000	100%	507034	100%	\$ 100,000

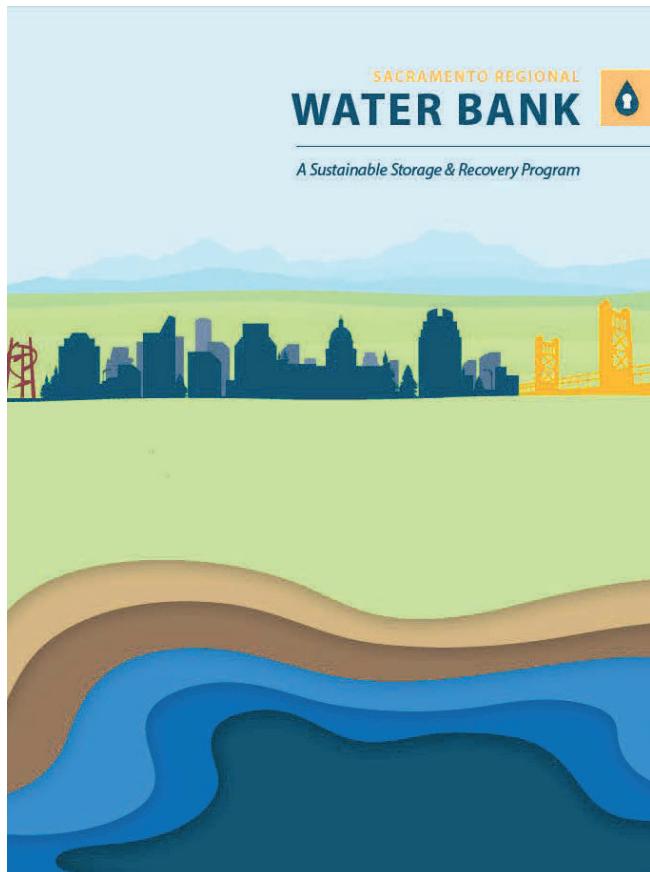
Notes

¹ Based on cumulative Water Accounting Framework value through year 2023, as reported to the SGA Board Meeting April 2024

² Modeling PBW Analysis Cost based on Consulting Estimate of \$85K plus \$15K contingency provided in November 2024.

Highlighted cells assume an estimated Exchangeable Water Balance.

NA - Not Applicable



Program Committee Meeting – Ad Hoc

Previously Banked Water (PBW)

November 12, 2024



Water Bank Project – Tasks/Activities/Deliverables



Completed Tasks

- GOPC
- Governance
- Model Updates/Data Improvements
- Water Accounting System (WAS)

Ongoing Tasks

- Stakeholder Engagement/ Communication
- Modeling – Preliminary Baseline
- CEQA/NEPA strategy – Project Description/NOP

Future Tasks

- CEQA/NEPA analysis
- Modeling – Updated Baseline and Water Bank Scenarios
- Financial Agreements
- Conjunctive Use BMP
- Federal Acknowledgement



3 choose your own adventure options

Option B

WAF integration into the WAS (via a Starting Water Balance)

Recommended policy to maintain integrity/clarity of the WAS

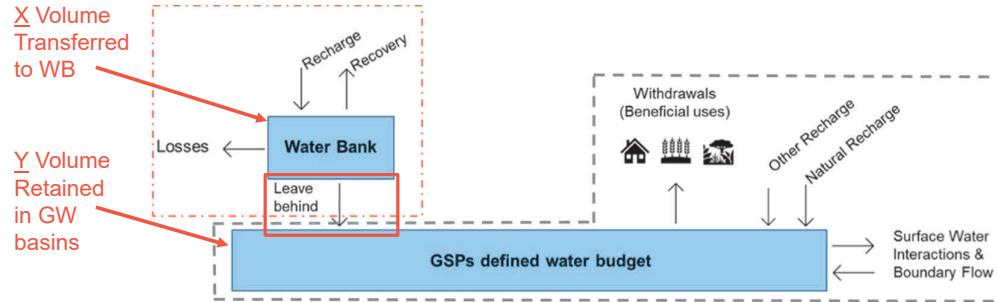
- Agreeing on a “Starting Balance”

Technical considerations

- Storage above 2015 levels ??
- Extractable volume without triggering MTs
- Operational limits to protect sustainability

Policy considerations – PC working with SGA

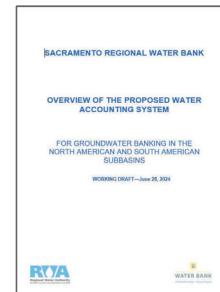
- Allocation of starting balances between WAF agencies
- Legal/administrative mechanisms for transfer of WAF balances into the WAS (one time transfer, or ability to “borrow” as needed for ops flexibility)



SGA WAF

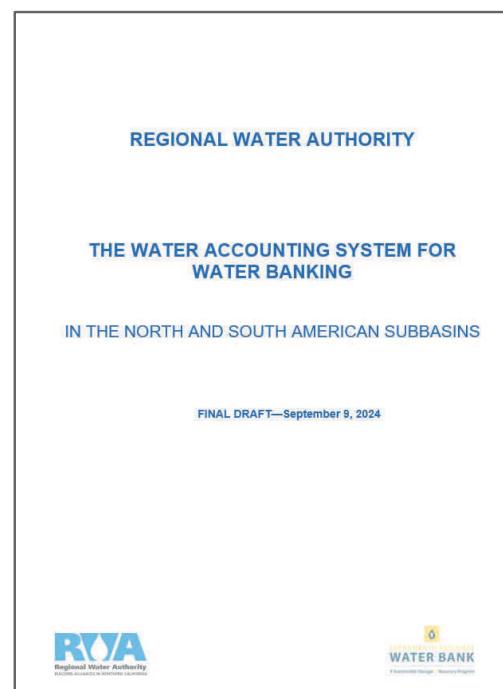
Surface Water Use	Water Transfer out of basin	Credits transferred	Net Banked Water	Exchangeable Water Balance
44,020	0	0	20,524	287,099
36,114	3,000	0	10,813	270,186
23,064	0	0	10,060	307,974
19,874	0	11,880	319,854	
29,733	0	0	20,332	340,186
25,759	0	0	12,743	347,434
24,299	8,302	0	17,760	365,034
34,395	0	0	24,298	389,313
23,807	13,412	0	3,204	392,519
19,375	0	0	7,000	400,600
16,631	10,029	496	496	400,600
39,111	0	0	31,337	432,034

Water Bank WAS



Water Bank Starting Balance, Water Accounting System, and the GOPC

- WBSB builds on existing conjunctive use operations across the subbasins
- Conjunctive use efforts have contributed to basin sustainability
- WAS updates and formalizes accounting:
 - consistent with SGMA, and
 - over larger footprint



Water Bank Starting Balance — Two questions to answer



- **Question #1** - How much water has been banked (recharged) in the North American and South American subbasins (NASb & SASb) by Water Bank Participating Agencies that is above and beyond what (1) is needed for sustainability under SGMA developed GSPs, (2) has already been transferred, and (3) has been lost from the subbasins?
- **Question #2** – If a volume of water were to be recognized as previously banked, what conditions should be imposed to ensure extraction of that banked water (1) does not exceed sustainability thresholds in the NASb & SASb GSPs, and (2) is not inconsistent with the Water Bank GOPC?

Water Bank Starting Balance — Two questions to answer



Question #1 - How much water has been banked (recharged) in the North American and South American subbasins (NASb & SASb) by Water Bank Participating Agencies that is above and beyond what (1) is needed for sustainability under SGMA developed GSPs, (2) has already been transferred, and (3) has been lost from the subbasins?

*How would a Participating Agency get a recognized
WBSB amount?*

1. Groundwater Modeling ?
2. Agency obtains concurrence of its GSA (meets recognition criteria)
3. WB Coordinating Body approves Agency WBSB amount
4. RWA takes administrative action to add WBSB amount to WAS tracking

By when?

- Groundwater Modeling 2-3 months ?
- When SGA "sunsets" the WAF, it will need to rollover any WBSB that has been recognized
- Must occur prior to Water Bank Implementation (anticipated early 2026)

Water Bank Starting Balance — Two questions to answer



Question #2 – If a volume of water were to be recognized as previously banked, what conditions should be imposed to ensure extraction of that banked water (1) does not exceed sustainability thresholds in NASb & SASb GSPs, and (2) is not inconsistent with the Water Bank GOPC?

Adaptive management considerations to protect sustainability:

- Annual recovery limits
- Multi-year drought limits
- Geographic distribution of recovery operations
- Recoverable volume will not trigger MTs
- Recoverable volume will not compromise margin of operational flexibility for other users in the subbasin (especially during drought conditions)
- Subject to future banking losses
- Subject to leave-behind

Water Bank Starting Balance – Status Update



Roles and Responsibilities	Water Bank PC (responsible for developing the Water Bank Project)	SGA Ad-Hoc (responsible for aiding in the development of the Water Bank Project while protecting the sustainability of the NASb and supporting SGA's interest)	SGA Board (responsible for protecting the sustainability of the NASb and supporting projects and management actions (i.e. the Water Bank Project))	RWA Board (responsible for approving elements of the Water Bank Project development)	Other GSAs (responsible for protecting the sustainability of the NASb and SASbs and supporting projects and management actions (i.e. the Water Bank Project))	RWA Team (RWA staff and consultants supporting the PC develop the Water Bank Project)
Recent Activities	<ul style="list-style-type: none">• October 16th meeting discussing and providing direction on modeling• Today's meeting	<ul style="list-style-type: none">• Nov 4th discussion further education on the WAF and opportunities to model PBW	<ul style="list-style-type: none">• Oct 10th meeting discussion on ISW	<ul style="list-style-type: none">• Upcoming Nov 14th meeting – Khadam support contract extension	<ul style="list-style-type: none">• Discussed PBW process further with NASb GSAs	<ul style="list-style-type: none">• Met with many SGA agencies individually discussing data and approach to PBW• Obtained modeling estimates
End Goal or Action	<ul style="list-style-type: none">• Approves PBW outcome to advance Water Bank Modeling and Environmental components	<ul style="list-style-type: none">• Approves any changes to the WAF• Evaluates and decides on any recognition of banked water in the GSA area	<ul style="list-style-type: none">• Approves any changes to the WAF• Evaluates and decides on PBW proposal from Water Bank PC for the SGA GSA area	<ul style="list-style-type: none">• Approves PBW outcome???	<ul style="list-style-type: none">• Support PBW proposal from Water Bank PC	<ul style="list-style-type: none">• Complete PBW and incorporate into Water Bank Modeling and Environmental components

Previously Banked Water (Water Bank Starting Balance) – Groundwater Modeling Scope of Work

- Woodard & Curran provided SOW addressing Question #1
- Estimate \$85K
- If supported next steps include
 - Cost share of SOW and funding agreements with local agencies
 - Contract amendment to be recommended at next RWA Board of Directors meeting
- SOW likely to be started in early January 2025 and take 2-3 months
- Question #2 too speculative to be of value through modeling analysis
 - Question #2 to be addressed through analysis monitoring data and adaptive management

Comments on “Water Bank Q&A Connect” – October 15, 2024

The latest addition of the “Water Bank Q&A Connect”, (August 27, 2024) Page 26, Item 21 “The Role of “Leave Behind” and “Loss” in Sustainable Groundwater Management”, deals with RWA’s proposed Water Bank deposit water “loss” and “leave behind” accounting approaches. ECOS seeks clarification on several key points before RWA reaches a final approach to handling the technical and policy issues of water loss and leave behind.

Loss Accounting

1. What is the geographic and hydrologic area being considered for an individual depositor’s bank deposits? If losses and deposits are calculated across a subbasin then local impacts on points of interaction between surface and groundwater and groundwater dependent ecosystems can be overlooked. What actions will be taken to guard against this kind of unintended consequence?
2. Is a depositor expected to be able to recover its own deposits? If not, who retains title to the portion of the deposit that cannot be recovered? If a neighboring purveyor recovers groundwater that was deposited by another, how is that transaction accounted for?
3. How are natural water losses (deposited water held captive in interstitial spaces for example) accounted for in determining water losses?
4. RWA recently indicated that while a total of 65,000 TAF of water can be banked as part of conjunctive use programs only 55,000 TAF can be recovered which is an approximate 15% water loss. How is this loss attributed to individual deposits?
5. The policy mentions losses attributed to water that is gained by a stream or river or water that leaves the subbasin. How and when are these determinations of loss made?
6. Is there an annual or other timeframe assessment of water loss that results in an adjustment to deposit balances. What tools are used to assess deposits? Is the appropriate GSA involved in the process? How are the losses attributed to individual deposits?
7. Projected climate change will place a burden on maintaining sustainable groundwater subbasins. New industrial/commercial wells or other groundwater use could affect subbasin sustainability and banked deposits. How is RWA planning to interface with GSAs and What considerations have been given to dealing with short- or long-term impacts on bank operations due to a subbasin’s difficulty in maintaining sustainability under SGMA?
8. Some bank participants argue that past conjunctive use programs should be given deposit credit in the new water bank. ECOS does not agree with this approach but is interested in hearing the technical and policy arguments that can be made in support of it. We are especially interested in the required documentation a purveyor would be required to provide to substantiate any past deposits and how the bank could justify that the water is still in the subbasin and available for withdrawal.

Water Leave Behind Policy

ECOS agrees that leaving behind a portion of each deposit is a vitally important component of Bank operations and serves a key role in future groundwater sustainability/availability and climate change resiliency.

9. Why is the leave behind concept only applied to water that leaves the basin?
10. Building up the region's subbasin groundwater storage reserves beyond the sustainable levels established in the Groundwater Sustainability Plans developed under SGMA could be a cost-effective hedge against the uncertainty of climate change and future Bureau of Reclamation operation of the Folsom Reservoir Complex. Has RWA considered a leave behind approach for all groundwater deposits? If so, what are the reasons why such an approach has not been selected?
- Interaction with Groundwater Sustainability Agencies**
11. GSAs are investing/developing shallow domestic well protection programs. How will the Water Bank interact with GSAs to ensure Bank operations do not damage shallow well owners' wells and negatively impact water supply wells and other industrial/commercial and agricultural well owners.
12. GSA's are developing monitoring efforts to better understand and protect Groundwater Dependent Ecosystems (GDE) and areas of surface water/groundwater interaction. How will the Bank interact with the GSA to ensure Bank operations do no harm to these important areas of concern?
13. GSA's have made significant investments in groundwater monitoring systems and will need to continue to invest in these systems to ensure subbasin sustainability. How is the Bank planning to monitor its operations, share this data with the appropriated GSAs, and regulate Bank activities so that Bank operations do not negatively impact GSA monitoring systems and subbasin sustainability.
14. Current GSA monitoring protocols allow several years (from 2 to 4 years) of a percentage of monitoring well exceeding groundwater level action points before actions are taken to return the subbasin to sustainability. How will the Bank's operations including the monitoring of deposits and withdrawals prevent the creation of cones of depression that may only affect a few monitoring well's exceedance levels but may have a significant short or long term impact on subbasin sustainability, GDEs, and/or groundwater/surface water interactions?

Bank Governance document

15. The Bank Governance document seems to place the Coordinating Body in a decision-making position without any process for public involvement while shifting the responsibility for public

involvement as an administrative duty of the Bank staff. Why is there no public involvement in the Coordinating Body decision process?

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MEMO

TO: Board of Directors
FROM: Cathy Lee, General Manager
DATE: December 11, 2024
RE: Public Outreach Program Development and Consultant Agreement

BACKGROUND

Per direction from the Board, the District needs to be more engaged with elected local officials, their staff, and our rate payers to further educate on the status and concerns regarding the District's programs, operations, and needs.

SUMMARY

The District participates in Carmichael Chambers of Commerce's monthly Government Affairs Committee Meeting which is represented by staff members from Congressman Bera's office, Senator Niello's office, Assembly Member Hoover's office, Supervisor Desmond's office, and one or two of the District's Board of Directors. District staff attends the meetings as a business member of the chamber. Additionally, the District participates in several local events in the Carmichael area and has also hosted a legislative day and will continue to do so in the future.

To further reach out to our elected officials and customers, staff proposes to develop an outreach implementation program by initially using a consultant rather than hiring an in-house staff person. A consultant would be able to efficiently develop a program which promotes the District's mission and programs, and further supports the Board's goals and objectives. The implementation of the program would be carried out by staff. The advantage of utilizing consultants for program development is that they are subject matter experts with experience on outreach ideas and activities for maximum effectiveness without the overhead costs of an employee with competing demands.

Many water agencies in the region employ consultants for their outreach programs with success. As such, staff contacted Kim Floyd Communication to assist with the following scope of work:

- strategic planning – to identify the best methods to reach out to customers and gauge customers' interest areas,
- outreach materials and content – for District's webpages and other preferred means of communication including social media such as Nextdoor.com, and
- media relation management – to address posts and articles in the media or online

Kim Floyd Communications' proposed scope of work is attached as Attachment 1 for the Board's review and the fee for the service is based on time and materials with a not-to-exceed amount of \$131,770 for the next 12 months.

RECOMMENDATION

Staff recommends that the Board of Directors 1) discuss utilizing a consultant for an outreach program instead of hiring an employee and provide direction to staff and 2) approve the Public Outreach Program Development with Kim Floyd Communications and authorize the General Manager to execute a Service Agreement for a not-to-exceed amount of \$131,770.

ATTACHMENTS

Attachment 1 – Kim Floyd Communications Proposed Public Outreach Scope of Work

ATTACHMENT 1



Proposed Public Outreach Scope

Carmichael Water District

11.11.24

The Carmichael Water District (district) is proposing to develop and implement a comprehensive public outreach program to strengthen relationships with customers and maximize awareness of the district's services and programs. The program will include activities designed to:

- Increase & maintain awareness of District's mission, goals and objectives
- Provide meaningful opportunities and avenues for two-way communication
- Provide easy-to-understand, detailed information about District services
- Increase participation in District programs
- Communicate and address potential issues of concern in a proactive, straightforward manner

Strategic Planning

Prior to initiating the public outreach program, the district should conduct an online survey of customers to determine communication preferences for prioritization of investment in year one public outreach tactics. The survey should also gauge customers' interest areas, general awareness of district programs and services, and satisfaction with levels of service. Incentivizing customer participation is recommended to increase survey response rates. This task would include the development, programming and management of an online survey, along with a report and analysis of findings. The survey would be advertised via NextDoor and monthly bill inserts.

Deliverables:

- Survey development and programming
- Report of findings

Outreach Materials

The public outreach consultant will work with the district to develop the content and design for a semi-annual newsletter to share updates on district programs and projects. The newsletter will be posted to the district's website and distributed to customers according to preferences identified via the survey. In the remaining months, outreach materials – such as fact sheets, post card mailers, FAQs, and program marketing materials – will be developed to highlight topics of interest and promote opportunities for engagement. A schedule for content for the website will be created in partnership with the district. The consultant will also assist the district in developing outreach materials specific to district priorities, such as increasing participation in the Cash for Grass program.

Deliverables:

- Newsletters (2)
- Outreach materials (12)

- Website content schedule and content development

Community & Small Group Meetings

The district will host one open house to engage with customers on areas of interest as identified in the customer survey (water wise landscaping, projects, water quality, water conservation, etc.). The district will also build a portfolio of presentations on topics of interest and actively seek opportunities to speak to business and civic groups – such as the Chamber, Rotary and Kiwanis - within the district's boundaries. Additionally, the district will host bi-monthly brown bag lunch presentations on topics of interest, and offer at least one water treatment plant open house/tour per year.

Deliverables:

- Open House
- WTP tour
- Brown bag lunch presentations (6)
- Presentations to civic/business groups (6)

Community Booth/Events

The consultant will work with the district to continue its participation in community events, such as the Carmichael Farmer's Market, Carmichael 4th of July Parade, Senior Resource Fair, Taste of Carmichael, and the Founder's Harvest Festival. The district will also partner with the Mission Oaks Recreation & Parks District to identify other event opportunities.

Deliverables:

- Improvements to community event booth

Media Relations

Media relations will be conducted to ensure project information is accurately relayed to local and regional media, to include organizations that publish regular newsletters (e.g. business and civic organizations). The public outreach consultant will also provide strategic guidance to the district on crisis communications/responsive media engagement.

Deliverables:

- Media advisories/releases (up to 12/per year)

Social Media

The district will maximize the use of NextDoor to share information with customers within the district's boundaries. At a minimum, the district will develop and manage two posts per month. The district will also explore creation of a Facebook page, if identified as a preferred means of communication in the customer survey.

Deliverables:

- NextDoor posts (24)

- Development and maintenance of one other social media platform, if supported by customer survey findings (1)

Team Meetings

The consultant will participate in a program kick off meeting and regular meetings with the client to coordinate on district communication priorities and deliverables.

Deliverables:

- Kick off meeting agenda and summary (1)
- Participation in bi-weekly team meetings (24)

Project Management

The consultant will produce monthly reporting on program metrics/deliverables and expenditures.

- Monthly summary of activities and expenditures

Kim Floyd Communications
Proposed Budget Spreadsheet

Prepared by Kim Floyd

Project name:	Carmichael Water District
Estimated length of project:	12 months

Rates		\$155												
Tasks	Total Hours	Principal										Total Fees	Direct Costs	Project TOTAL
Strategic Communications Planning		30										\$ 4,650	\$ 100	\$ 4,750
Outreach Materials/Website Content		180										\$ 27,900	\$ 15,000	\$ 42,900
Community & Small Group Meetings		100										\$ 15,500	\$ 500	\$ 16,000
Community Booth/Events		60										\$ 9,300	\$ 2,000	\$ 11,300
Media Relations		70										\$ 10,850		\$ 10,850
Social Media		120										\$ 18,600	\$ 1,500	\$ 20,100
Team Meetings		130										\$ 20,150		\$ 20,150
Project Management/Ancillary Expenses		24										\$ 3,720	\$ 2,000	\$ 5,720
														\$ -
SUBTOTAL	-	714.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ 110,670	\$ 21,100	\$ 131,770	
Optional Tasks														
												\$ -	\$ -	\$ -
SUBTOTAL	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ -	\$ -	\$ -	\$ -
GRAND TOTAL	-	714.00	0.00	\$ 110,670	\$ 21,100	\$ 131,770								

Budget is not to exceed proposed amount without approval from client. This is a time and materials budget.

Budget may be adjusted based upon district priorities and public opinion research findings. Out of scope items will be subject to separate cost/budget approval.

Budget assumes CWD will pay direct costs for printing and mailing.

Other direct costs will be billed as incurred. There will be a 5% markup on all direct costs.

Mileage will be billed from Galt, CA

Rates will not increase during the term of the contract.

Kim Floyd

PRINCIPAL



Principal Kim Floyd is a leading practitioner in meaningful public outreach for integrated flood management, water resources, and land use issues. She opened her practice in 2009 after recognizing a need within the public sector for affordable, effective approaches to public outreach. Over the past decade, Kim has developed unmatched expertise in public outreach programs for Proposition 218 assessment elections for flood risk reduction projects and programs. Many of her long-term clients, including the Sutter Butte Flood Control Agency and the Three Rivers Levee Improvement Authority, retained Kim for all public outreach services following the success of her Proposition 218 outreach. She is as much valued for her strategic counsel as she is for her "no task is too small" commitment to getting the job done. She's at her best when acting as an extension of her clients' staff and is trusted by many to represent them at the local and state levels. And, Kim is a respected voice on local-level flood management issues by state and federal agencies.

In general, Kim has a strong track record in the successful design and implementation of public outreach programs both in rural and urban environments. In the Central Valley, She currently works with the San Joaquin Area Flood Control Agency, the Sutter Butte Flood Control Agency, and the counties of Colusa, San Joaquin and Madera, among others, in support of more than \$1 billion in public works projects and programs. Kim has served as the Coordinator for the Central Valley Flood Protection Board's Coordinating Committee since its inception in 2012.

PROFESSIONAL EXPERIENCE SUMMARY

From 2007 to 2009, Kim served as the client services manager for a Sacramento-based public outreach firm that specialized in water resources. In that role, she acted as principal and was responsible for overseeing project managers and outreach specialists, developing and implementing strategic communication programs, and marketing on behalf of the firm, among other duties. She also led the firm's public opinion research group.



AREAS OF EXPERTISE

Grassroots Public Outreach

Strategic Communications

Public Affairs

Community Relations

EDUCATION

Bachelor of Arts,
Communication and Public
Relations,
University of the Pacific

Earlier in her career, Kim served as the manager of government and corporate communications for one of the nation's largest electric utility cooperatives. She was responsible for developing and managing a public outreach strategy to gain community support for the siting and construction of new energy generation facilities. She was also responsible for monitoring and negotiating local and state legislation, along with planning and land use policies and regulations. In that capacity, she successfully represented the utility's interests in dealings with local municipalities and government agencies, elected officials, key stakeholders and members of the public.

Kim also spent six years as a public information specialist in Alaska's second-largest K-12 public school system, during which time she led four successful school bond campaigns and facilitated hundreds of public meetings on issues as diverse as school closures, budget cuts, boundary changes and privatization of district operations. She was responsible for all legislative relations, and represented the district at the local, state and federal levels on policy and funding issues.

Kim began her career as an account executive at a mid-size Sacramento-based public relations firm where she worked on public awareness programs, water conservation programs, and transportation and special land use projects. She is an honors graduate of University of the Pacific in Stockton, California, having earned a B.A. in Communications and Public Relations.



WOODLAND-DAVIS
Clean Water Agency

Woodland-Davis Clean Water Agency

Public Outreach Budget: \$350,000

Year Completed: ongoing

Project Manager: Kim Floyd, Principal

Client Contact: Dennis Diemer, Former General Manager

dennis@diemerengineering.com (925) 876-0111

KEY TASKS

- Agency Naming Process
- Agency Branding
- Public Opinion Research
- Strategic Public Outreach Plan
- Outreach Materials
- Hotline
- Construction Outreach
- Rate Increase Outreach
- Events & Tours
- Legislative Advocacy Messaging & Materials
- State/Federal Agency Coordination
- Member-Agency Coordination
- Coordination with local, State & Federal Elected Officials

In October 2009, Kim was retained to conduct strategic public outreach planning and implementation for the Woodland-Davis Clean Water Agency, a joint powers authority responsible for developing a surface water supply project to serve two-thirds of Yolo County. The project was completed in 2016.

Kim created a strategic public outreach plan, conducted public opinion research, "branded" the agency and developed a comprehensive website (www.wdcwa.com). She assisted both the cities of Woodland and Davis with Prop 218 processes for water rate increases necessary to support the project, managed a Speakers' Bureau and separate Key Communicators Network, created outreach materials (brochure, fact sheet, quarterly newsletter), planned public meetings and special events, provided strategic input and key messaging for water right acquisition and purchase and federal funding, wrote opinion pieces for elected officials, and handled media relations. She continues to provide on-call assistance to the Agency, as needed.

The collage includes the following elements:

- Newsletter Header:** "Get to Know the WDCWA Newsletter" featuring a map of the Regional Water Treatment Facility construction site.
- Regional Water Project Construction Update:** A map showing the location of the facility near Interstate 5 and County Road 22.
- Regional Water Treatment Facility Dedication Ceremony:** A map showing the facility's location at 42929 County Road 24, Woodland, California.
- WDCWA REGIONAL WATER TREATMENT FACILITY:** A banner for the Dedication Ceremony on July 28, 2016.
- Introduction to Surface Water:** A banner for a March 2016 event.
- Frequently Asked Questions:** A section of the website with numbered answers to common questions.
- Why does my drinking water come from groundwater?** An answer to a frequently asked question.
- Why are we augmenting groundwater with surface water?** An answer to a frequently asked question.
- Will I be affected by surface water?** An answer to a frequently asked question.
- Where can I get more information?** An answer to a frequently asked question.
- DAVIS WOODLAND WATER SUPPLY PROJECT:** A banner for the project.
- INTRODUCTION:** A section of the website.



San Joaquin Area FLOOD CONTROL Agency

KEY TASKS

- Prop 218 Ballot & Ballot Information Guide
- Outreach Materials (fact sheets, newsletters)
- Community Meetings
- Small Group Meetings
- Hotline
- Specialized Stakeholder Outreach
- Presentation Materials
- Strategic Counsel

San Joaquin Area Flood Control Agency & RD 1614

Public Outreach Budget: \$150,000, since inception

Year Completed: ongoing

Project Manager: Kim Floyd, Principal

Client Contact: Juan Neira, Senior Civil Engineer

juan.neira@stocktonca.gov (209) 937-8113

In 2013, Kim designed and implemented the key messaging and public outreach program for SJAFCAs and RD 1614's successful benefit assessment election for the Smith Canal Gate Project. In addition, she worked with RD 1614 on its related successful benefit assessment election, the proceeds from which will pay the local cost share for the Wisconsin Pump Station fix. The approval of the assessments was especially significant given the City's tough economic conditions at that time.

She was retained to continue public outreach for the design and environmental phases of the Smith Canal Gate Project. The comprehensive outreach program included key messages, outreach materials (newsletters, fact sheets, and presentation documents), public meetings and workshops, media relations and website content. She is also a member of the Construction Management team and will provide public outreach services throughout project construction.

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MEMO

TO: Board of Directors

FROM: Paul Selsky, Division 5 Director
Mark Emmerson, Division 2 Director

DATE: November 5, 2024

RE: Change Regular Board Meeting Day

BACKGROUND

California Water Code Section 21378 provides the authority and procedure to establish regular monthly meetings, and requires such date and time to be adopted in a resolution. The resolution must then be published in a newspaper once a week for two successive weeks.

SUMMARY

Carmichael Water District (District) Board of Director (Board) meetings are currently held on the third Tuesday of each calendar month at 6:00 PM. This was a change in August 2020 from the previous Regular Board Meetings which were on the third Monday of each month. Members of the Board propose Resolution attached to change the meeting date to the third Monday of every month to minimize scheduling conflicts. The meeting start time will remain the same at 6:00 pm. The proposed change would need to be reflected in Policy 9400: Board Meetings.

In the January and February months, the third Monday of the month lands on holidays. At the previous Board meeting, Directors decided that in the event that the Board meeting falls on a holiday, the regular Board meeting will be held on the third Tuesday of the month.

RECOMMENDATION

Staff recommends that the Board of Directors approve Resolution 12172024-01 - A Resolution Changing the Regularly Scheduled Board Meeting Date and Amending Directors Policy Manual and Policy 9400 and make the changes effective March 2025 due to the holidays in January and February.

ATTACHMENTS

Attachment 1 – Resolution 12172024-01 - A Resolution Changing the Regularly Scheduled Board Meeting Date and Amending Directors Policy Manual
Attachment 2 – Policy 9400: Board Meetings (clean and redline)

CARMICHAEL WATER DISTRICT
RESOLUTION 12172021-01
A RESOLUTION CHANGING THE REGULARLY SCHEDULED
CARMICHAEL WATER DISTRICT BOARD MEETING DATE AND
AMENDING DIRECTORS POLICY MANUAL

WHEREAS, California Water Code Section 21378 (Section 21378) provides the authority and procedure to establish regular monthly meetings, and requires such date and time to be adopted in a resolution;

WHEREAS, Section 21378 states the change shall not be effective until the resolution proposing it has been published once a week for two successive weeks in a newspaper;

WHEREAS, regular meetings of the Carmichael Water District (District) Board of Directors (Board) were previously held on the third Tuesday of each calendar month at 6:00 PM in the Board Room at the Carmichael Water District Office;

BE IT RESOLVED, by the Board of Directors of the Carmichael Water District as follows:

1. Regular monthly meetings of the Carmichael Board of Directors shall be held on the third Monday of each calendar month at 6:00 PM in the Board Room at the Carmichael Water District Office commencing during the month of March 2025.
2. The General Manager is hereby directed to publish this resolution once a week for two successive weeks in a newspaper.
3. Policy 9400: Board Meetings is hereby amended to reflect this change and added to the Directors Policy Manual.
4. Existing policies or resolution in conflict with this resolution are hereby repealed.

PASSED AND ADOPTED by the Board of Directors by the following vote:

Jeff Nelson	Aye	<input type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Mark Emmerson	Aye	<input type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Paul Selsky	Aye	<input type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Ron Greenwood	Aye	<input type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Ron Davis	Aye	<input type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Board Totals:	Ayes:	<input type="checkbox"/>	Nays:	<input type="checkbox"/>	Absent:	<input type="checkbox"/>	Abstain:	<input type="checkbox"/>

Passed Unanimously:
Motion Carried:
Motion Not Carried:

Signed after its passage this 17th day of December 2024:

Paul Selsky, President
Board of Directors

ATTEST: _____

Cathy Lee, Secretary

CARMICHAEL WATER DISTRICT

Directors' Policy Manual

POLICY TITLE: **Board Meetings**

POLICY NUMBER: **9400**

9400.10 Regular meetings

Regular meetings of the Board of Directors (Board) shall normally be held on the third Monday of each calendar month at 6:00 PM in the Board Room at the Carmichael Water District (District) Office. If the Regular Board meeting falls on a holiday, then the meeting shall be held on the third Tuesday of the month. The Board meeting may, however, be scheduled at another date and time at the previous Board meeting. The date, time and place of regular Board meetings shall be approved annually by the December meeting of the Board for the next calendar year.

9400.20 Special meetings (non-emergency)

Special meetings (non-emergency) of the Board may be scheduled at a Regular Board meeting, may be called by the President of the Board (President) and one other member, or by three Board members.

9400.21 All Directors shall be notified by the General Manager of a special Board meeting and the purpose(s) for which it is called. Said notification shall be in the form of an agenda, delivered to them at least twenty-four (24) hours prior to the meeting.

9400.30 Special Meetings (emergency)

In the event of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities, the Board may hold an emergency special meeting without complying with the twenty-four (24) hour notice required in 9400.21, above. An emergency situation means a crippling disaster which severely impairs public health, safety, or both, as determined by the General Manager, President, or Vice President in the President's absence.

9400.40 Adjourned Meetings

A majority vote by the Board may terminate any Board meeting at any place in the agenda to any time and place specified in the order of adjournment, except that if no Directors are present at any regular or adjourned regular meeting, the General Manager may declare the meeting adjourned to a stated time and place.

9400.50 Conduct of Meetings

All meetings of the Board shall comply with the Ralph M. Brown Act (California Government Code section 54950 et. seq.).

9400.51 The President of the meetings described herein shall determine the order in which agenda items shall be considered for discussion and/or action by the Board.

9400.52 The President and the General Manager shall insure that appropriate information is available for the audience at meetings of the Board, and that physical facilities for said meetings are functional and appropriate for the expected audience.

9400.60 Organizational Meeting - Every Year

The Board shall hold an organizational meeting at its first meeting in January. At this meeting the Board will elect a President and Vice President from among its members to serve for a one-year period, and will appoint the General Manager as the Board's Secretary and a District staff member as Assessor Collector/Treasurer.

CARMICHAEL WATER DISTRICT

Directors' Policy Manual

POLICY TITLE: **Board Meetings**

POLICY NUMBER: **9400**

9400.10 Regular meetings

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2025 HOLIDAY SCHEDULE

HOLIDAY	HOLIDAY DATE	DATE OBSERVED
New Year's Day	Wednesday, January 1	Wednesday, January 1
Civil Rights Leaders Day	Monday, January 20	Monday, January 20
President's Day	Monday, February 17	Monday, February 17
Memorial Day	Monday, May 26	Monday, May 26
Independence Day	Friday, July 4	Friday, July 4
Labor Day	Monday, September 1	Monday, September 1
Veterans Day	Tuesday, November 11	Tuesday, November 11
Thanksgiving Day	Thursday, November 27	Thursday, November 27
Day after Thanksgiving Day	Friday, November 28	Friday, November 28
Christmas Eve	Wednesday, December 24	Wednesday, December 24
Christmas Day	Thursday, December 25	Thursday, December 25
1 Floating Holiday	1 Day	1 day pre-approved

2025 BOARD MEETING SCHEDULE

January	21*
February	18*
March	17
April (PH)	21
May (PH)	19
June	16
July	21
August	18
September	15
October	20
November	17
December	15

**Third Tuesday of the month*

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SDAC FAQS

:::::::::::

- ✓ The SDAC is Sacramento LAFCo's Special District Advisory Committee.
- ✓ SDAC Members Formulate and Recommend Policies to LAFCo.
- ✓ SDAC Members Network With Directors Representing Special Districts Throughout Sacramento County.
- ✓ SDAC Members Serve 2 Year Terms With No Compensation.
- ✓ SDAC Meets Quarterly on the 5th Tuesday of the Month or as Needed



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January 31, 2025



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SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
1112 I Street, Suite 100 • Sacramento, CA 95814 • (916) 874-6458
www.saclafco.org

DATE: November 13, 2024

TO: Independent Special Districts

SUBJECT: Nominations for Membership on SDAC

You are cordially invited to nominate a Member of your Board to join the Special District Advisory Committee (SDAC). The purpose of the Committee is to provide Sacramento LAFCo with input on issues related to Special Districts, as well as to receive information on issues before the Commission.

The SDAC membership is composed of the two LAFCo Special District Commissioners, and the Alternate Special District Commissioner, and representatives from recreation and park, fire, water, flood control, cemetery and other types of special districts. SDAC meetings are held quarterly on the fifth Tuesday, or as needed at the SMUD Administration Building.

SDAC members serve 2-year terms without compensation. There will be 14 vacant seats and an option to serve two different term types:

Office "A" a full two-year term (JAN. 2025 – DEC. 2026)

Office "B" one year term (JAN. 2025 – DEC. 2025)

New members will be selected by the SDAC *Sub-committee on Membership* from the pool of nominees provided by the Special Districts, subject to confirmation by the Commission.

A nomination form is attached. If you wish to nominate a member of your Board, please complete the form and return it to me no later than ***Friday, January 31, 2025***.

Please feel free to contact me by email or phone if you have questions about this process.

Sincerely,



José C. Henríquez,
Executive Officer

Commissioners

*Sue Frost, Rich Desmond, County Members ■ Patrick Hume, Alternate
Iva Walton, Lisa Kaplan, City Members ■ Jay Vandenburg, Katie Valenzuela, Alternates
Chris Little, Public Member ■ Timothy Murphy, Alternate
Lindsey Carter, Gay Jones, Special District Members ■ Charlea Moore, Alternate*

Staff

*José C. Henríquez, Executive Officer ■ Desirae Fox, Kristi Grabow, Policy Analysts
Nancy Miller, DeeAnne Gillick, Commission Counsel*

SPECIAL DISTRICT ADVISORY COMMITTEE

NOMINATION FORM

Recommendation to the SDAC Selection Committee

Please return this form no later than **Friday January 31, 2025.**

In accordance with the bylaws of the Special District Advisory Committee, the Governing Board of the _____ District nominates _____ (Board Member) for the following term limit on Sacramento LAFCo's SDAC.

- Office "A" a full two-year term (JAN. 2025 – DEC. 2026)
- Office "B" one-year term (JAN. 2025 – DEC. 2025)

Signature: _____

Board Chairperson

Date: _____

ATTEST:

District Manager or District Secretary

Date of Meeting

E-mail Address

Please send the nominee's resumé along with the completed nomination form by email to commissionclerk@saccounty.gov or to the following address:

José C. Henríquez, Executive Officer
Sacramento LAFCo
1112 "I" Street, Suite 100
Sacramento, CA 95814

Contact Information of Nominee (Please Complete)

Nominee's Phone Number:	
Nominee's Email Address:	

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MEMO

TO: Board of Directors
FROM: Cathy Lee, General Manager
DATE: November 10, 2024
RE: Water Forum 2.0 Update

BACKGROUND

As reported to the Board previously, Water Forum 2.0 negotiation is currently underway with an expected draft agreement language for review in first part of 2025. Sacramento County informed the Water Forum (WF) in 2022 that the Zone 13 funding contribution will conclude at the end of FY 2024/25. Water Forum will continue to function under the City of Sacramento administratively with funding support from Water Forum Water Caucus signatories whose customers benefit from the WF effort.

SUMMARY

Over the summer, water purveyors developed each purveyor's specific agreement with future projected diversions under different scenarios (normal, dry, driest, and critically low storage conditions) and a list of projects seeking WF support. The draft Summary of Purveyor Specific Agreement Proposals was presented to other caucus members around mid-October and a copy of the summary document is in Attachment 1. In particular, the District's proposed Purveyor Specific Agreement included surface water diversions to 14,000 in normal conditions and 12,000 AF or consistent with the District's Water Shortage Contingency Plan of 10 – 20% demand reduction during dry and driest conditions. The District is buildout and the diversions are similar to the original Water Forum Agreement.

Water Caucus members are also working to fund future WF operations whose proposed budget is about \$2,000,000 a year. It is assumed that about \$250,000 will be funded by interested participating public entities such as SMUD, Sacramento Area Council of Governments (SACOG), and Sacramento Area Flood Control Agency (SAFCA), East Bay Municipal Utility District (EBMD), and El Dorado Water Agency. The remainder \$1,750,000 will come from 16 water agencies based on 1) connection counts (population), 2) American River surface water production, and 3) groundwater production. Depending on the final weighting factors assigned to each category, the cost range allocated to the District would be around \$50,000 to \$53,700.

The last few pieces of the WF 2.0 negotiations center around the Governance, Funding and Administration (GFA), which was not a topic in the original WF Agreement, and Water Supply Sustainability which includes demand management and dry year actions/water shortage actions incorporating groundwater and Water Bank elements. Elements with the most interests from the Water Caucus comprised of 1) the role and function of the Coordinating Committee (similar to RWA's Executive Committee), 2) Diversity, Equity, and Inclusion (DEI) and water affordability, and 3) land use decision. A copy of the working draft GFA language is in Attachment 2.

FINANCIAL CONSIDERATIONS

Staff will report back to the Board on the final cost allocation to fund Water Forum 2.0. A budgetary estimate of \$55,000 should be sufficient.

RECOMMENDATION

None, information only.

ATTACHMENTS

1. Water Forum 2.0 – draft Summary of Purveyor Specific Agreement Proposals
2. Working Draft GFA Language

Purveyor Specific Agreement Proposals – Summary

This package includes a summary of the Purvey Specific Agreement (PSA) proposals from the Water Forum 2.0 participating agencies. In addition to the contents of the proposals, background data is also included for context. The packet includes the following tables and figures:

Table 1. Overview of Agency Water Deliveries, Demands, Growth, and Entitlements

Figure 1. Uses of American River Water

Table 2. List of Proposed Regional Projects (as included in the PSA proposals)

Table 3. Surface Water Management Proposals (as included in the PSA proposals)

Figure 2. Sacramento Regional Water Purveyors Map

In the tables, the agencies are organized based on location relative to their diversions from the American River, as follows:

- Upstream (EID, PCWA)
- Folsom Reservoir (Folsom, Roseville, SJWD)
- Lower American River (Carmichael, City of Sacramento, and SMUD and Golden State [with diversions from the Folsom South Canal])
- Sacramento River, Purchase Contracts (SSWD, Cal-Am, SCWA, EBMUD)

A list of acronyms is offered at the end of the package.

Agency Overview

Table 1 includes an overview of the Water Forum 2.0 purveyors to help orient members to the relative supply portfolios, sizes, and locations of each agency.

Internal Draft

Table 1. Overview of Agency Water Deliveries, Demands, Growth, and Entitlements

Purveyor	Water Production ¹ 2014-23 Average (AFY)			American River Diversions	Connections	Demands ² (AFY)		Growth Model		Diversion Source				Entitlement				
	SW	GW	Total	2014-23 Average (AFY)	12-31-2023 Count	2020	2040	Built out	Growing	U/S	Folsom Reservoir	Folsom South Canal	LAR	Sac R	WR	CVP Contract	Purveyor Contract	
EID	32,000	0	32,000	15,000	43,568	36,221	42,130 ⁶		X	X						CVP Contract: 7,550 AF CVP Fazio ⁵ : 7,500 AF		
PCWA	26,700	80	26,780	12,948	11,798	29,067	52,637 ⁷		X	X					Storage of 342,583 AF	35,000 AF	From PG&E: 100,400 AF (Zone 1) From PG&E: 25,000 AF (Zone 3)	
City of Folsom	18,200 ⁸	0	18,200	18,200 ⁸	23,726	19,898	25,145		X		X					Pre-1914: 22,000 AF Pre-1914: 5,000	7,000 AF	
City of Roseville	28,000	200	28,200	28,000	49,791	32,300	57,614		X		X						32,000 AF	From PCWA: 34,000 AF
San Juan Water District- Wholesale	33,000	3,400	36,400	33,000	52,421	40,640	39,994	X			X					Pre-1914: 28,418 AF 1928: 4,582 AF	24,200 AF	From PCWA: up to 25,000 AF
San Juan Water District - Retail	11,500	0	11,500	11,500	10,941	12,543	11,400											
<i>Citrus Heights Water District</i>	9,700	1,300	11,000	9,700	20,340	12,484	12,906											
<i>Fair Oaks Water District</i>	6,900	2,100	9,000	6,900	14,380	10,452	10,792											
<i>Folsom (Ashland)</i>	1,100	0	1,100	1,100	1,032	1,180	1,096											
<i>Orange Vale Water District</i>	3,800	0	3,800	3,800	5,728	3,981	3,800											
SMUD	--	--	--	6,131 to 3,674	--	--	--					X			260,000 AFY			
Golden State WC	5,700	8,200	13,900		17,189	14,206	14,662	X				X		X	Pre-1914: 10,000 AF			
Carmichael WD	4,800	3,500	8,300	4,800	11,731	9,200	9,200	X						X		1915: 10,860 AF 1925: 3,670 AF 1948: 18,100 AF		
City of Sacramento	68,500	21,200	89,700	30,000	146,321	96,876	126,564		X					X	X	Sacramento River: 145,700 American River: 81,800 AF		
SSWD	8,200	22,700	30,900	8,200	46,821	33,087	36,574	X			X			X				From PCWA: up to 29,000 AF From City of Sac: 26,064 AF From SJWD: up to 6,000 AF ³
Cal-Am	2,600	24,600	27,200	< 2,600 ⁴	65,518	32,638	36,674		X	X				X	X			City of Sac: 3.46 MGD (non-firm) + 2.3 MGD (Firm) SCWA: 50 gpm PCWA: 2.02 MGD SSWD: 2,000 AF
SCWA	15,100	22,500	37,600	0	62,117	46,555	77,359		X					X		1918: 805 AF 1995: 71,000 AF	SMUD Contract: 30,000 AF Fazio Contract: 15,000 AF	Aerojet: 8,900 AF
Totals	242,800	106,380	349,180	152,748	531,001	390,688	518,553											

1. Production data as collected and distributed by the Regional Water Authority, which includes treated retail water used within each respective service area

2. Demands For retail water as reported in the 2020 Urban Water Management Plans (except where noted).

3. Water from SJWD to SSWD is not delivered under a standing agreement; these values represent recent annual volumes sold to SSWD.

4. Cal-Am purchases surface water from multiple agencies, some of which have access to American River water. The value above is a crude estimation of CalAm's American River water uses within their service area

5. Fazio subject to EDWA negotiations

6. Projected demands for EID include treated and untreated retail and wholesale water. Wholesale agreements are included as they are not with a WF member(s).

7. Projected demands for PCWA include treated retail water only. Wholesale demands are not included as agreements include WF members. PCWA untreated retail demands for 2020 were 75,548 AF, and 2040 projections are 66,313 AF.

8. Includes non-potable water delivered to Willow Hill Reservoir

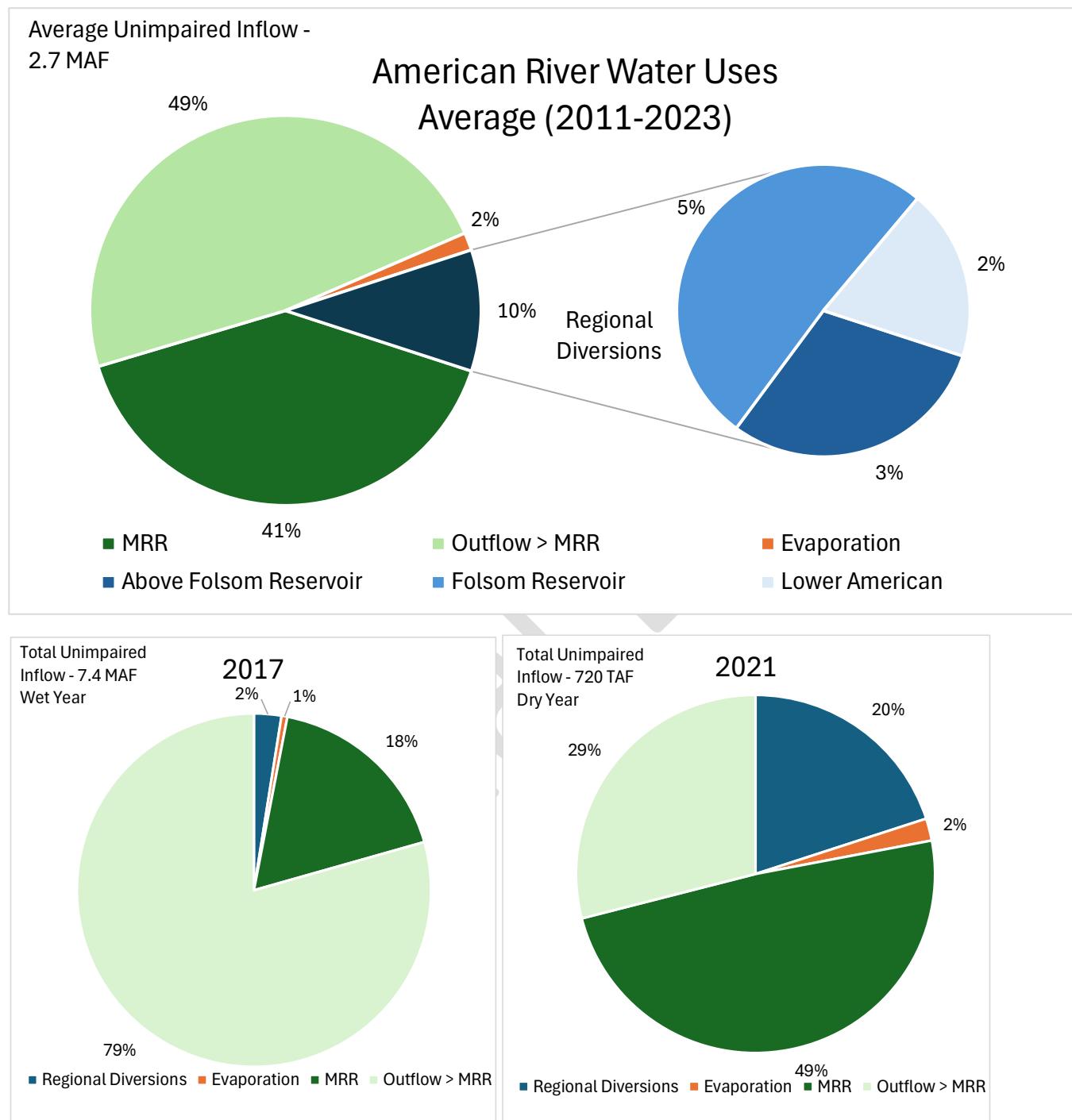
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American River Water Uses

The figures below summarize historical “uses” of American River water relative to the total water based on available data. The uses of the water were categorized and quantified annually based on their application within the American River watershed, as follows:

- **Minimum Release requirements (MRRs)** – Water released on the Lower American River (LAR) in accordance with the Flow Management Standard (FMS).
- **Outflow > MRR** – Water released on the LAR above the MRR
- **Evaporation** – Water that evaporates from Folsom Reservoir
- **Regional Diversions** – These volumes are grouped based on their location of diversions (upstream, Folsom Reservoir, Lower American River).

The information is summarized to show the average for the years 2011-2023, and wet and dry years (2017 and 2021) are included to show how the relative proportions change based on the hydrology for a given year. Regional diversions can range from as low as 2% of the available water in the American River in wet years, to closer to 20% in dry years. The average proportion of regional diversions relative to other uses of American River water was 10% for the 13-years summarized.



Notes: Includes various datasets from California Data Exchange Center (CDEC) and RWA water production data.

Figure 1. American River Water Uses

Regional Projects

Table 2 provides a summary of the projects include in the agencies' PSA proposals. These are projects that are envisioned to support the Water Forum's coequal goals. In addition, there are two major regional projects currently in different phases of planning and study: the Regional Water Bank, and River Arc. Each agency's participation in each of those projects is included for ease of reference.

Internal Draft

Table 2. Summary of Agency Projects

Agency	Structural	Non-Structural	River Arc Partner	Regional Water Bank Partner
EID	<ul style="list-style-type: none"> • Sly Park Intertie (construction to begin in 2024) • Silver Lake Dam Replacement • Addition of upstream point of diversion to Permit 21112 • Improved and expanded transmission within the District distribution system (as described in Water and Recycled Water Master Plan) • Expanding treatment capacity at El Dorado Hills Water Treatment Plant • Recycled water storage project • Infrastructure hardening (i.e. convert flumes to concrete, hypalon cover replacement, etc.) 	<ul style="list-style-type: none"> • Regional water transfers and agreements (partnerships) • Addition of upstream point of diversion to Permit 21112 • Negotiation of agreement with EDCWA to utilize Fazio water 		X
PCWA	<ul style="list-style-type: none"> • Ecological Forest Health • RiverArc Project • Untreated Water Conservation Program • Placer County Conservation Program <ul style="list-style-type: none"> • Land Use • Auburn Ravine Fish Passage • Infrastructure 	<ul style="list-style-type: none"> • American River Water Rights Extension Project <ul style="list-style-type: none"> • Expanded Water Rights Place of Use • Warren Act Contract • Water Transfers • Treated and Untreated Water Conservation • Placer County-Wide Masterplan • Groundwater: <ul style="list-style-type: none"> • Conjunctive Use • Prohibition on use for development • Wholesale Water Supply Contracts <ul style="list-style-type: none"> • City of Roseville • SJWD • SSWD • Supplemental contract for cooperative pipeline • EBMUD 	X	X
City of Folsom	<ul style="list-style-type: none"> • New or improved interties with other purveyors that have access to groundwater and surface water • New surface water storage opportunities upstream of Folsom Reservoir • Groundwater storage opportunities in the Sacramento Regional Water Bank • Non-potable infrastructure to deliver remediated groundwater for non-potable irrigation purposes within the City's water service area • Alternative raw water supply projects to improve reliability and redundancy of delivering raw water from Reclamation to the City 	<ul style="list-style-type: none"> • Agreements with neighboring purveyors for conjunctive use opportunities • Continued water use efficiency programs for the City • Funding for water use efficiency rebates for the City • Conserved water transfers consistent with the California Water Code that do not negatively impact the Lower American River • Water banking transfers consistent with SGMA 		X
City of Roseville	<ul style="list-style-type: none"> • Additional Aquifer Storage and Recovery (ASR) wells to be added into the service portfolio • Raw water pipeline connecting PCWA's Foothills Water Treatment Plant to Roseville's Barton Road Water Treatment Plant designed as a redundant way to access contracted water supplies and mitigate the potential future risk of “dead pool” conditions at Folsom Reservoirs intake structure • Treated water capacity improvements in PCWA's system and shared interties to build more capacity to serve water demands in case there is an emergency or Roseville experiences a constriction of water supply deliveries due to “dead pool” conditions at Folsom Reservoir. • Support other redundant water access projects at Folsom Reservoir that reduce the risk posed to water supplies by potential future “dead pool” conditions. • Support Roseville's participation in the RiverArc Project, which could reduce diversions from the American River, once constructed and operational 	<ul style="list-style-type: none"> • Support Roseville's participation in the RiverArc Project, which could reduce diversions from the American River, once constructed and operational 	X	X

Table 2. Summary of Agency Projects

Agency	Structural	Non-Structural	River Arc Partner	Regional Water Bank Partner
SIWD	<ul style="list-style-type: none"> • Alternative raw water supply projects to improve reliability and redundancy of delivering raw water from Folsom Reservoir. • Renovation or installation of groundwater production and injection facilities, including those necessary to support expansion of the regional water bank. • Infrastructure repair and replacement projects. 	<ul style="list-style-type: none"> • Expansion of water use efficiency programs to reduce demands on American River supplies. • Development and implementation of projects to meet all new regulatory requirements. 		X
SMUD		<ul style="list-style-type: none"> • Water transfer agreement with Roseville for 2,000AF per year (goes through February 2026). 		
Golden State WC	Pending	Pending		
Carmichael	<ul style="list-style-type: none"> • Rehabilitation and/or replace Ranney collector laterals to ensure river bank integrity. • Complete additional well replacement projects to increase ASR capabilities. • System pressure zone modifications for efficiency water use and energy management. 	<ul style="list-style-type: none"> • Additional groundwater storage opportunities in the Regional Water Bank. • Regional water efficiency/conservation campaigns. 		X
City of Sacramento	<ul style="list-style-type: none"> • New or improved interties with other purveyors, in particular ones that promote groundwater recharge and conjunctive use • Rehabilitation and modernization of existing water facilities • New or expanded facilities on the Sacramento River (e.g., RiverArc or SRWTP expansion) and treatment, storage, and conveyance systems necessary to provide clean, safe, potable water. • New groundwater facilities consistent with adopted groundwater sustainability plans • Expanded groundwater monitoring infrastructure and data transparency platforms • Projects as defined in basin GSPs. • Structural and Non-structural projects and programs to ensure success of the Healthy Rivers and Landscape Program (i.e. Voluntary Agreement) or a similar tributary-specific program that improves the ecosystem, protects local water entitlements, and maintains better cold water pool conditions in Folsom and the Lower American River. 	<ul style="list-style-type: none"> • Agreements with neighboring purveyors for conjunctive use opportunities • Continued water use efficiency programs and funding support for the City • Water transfers consistent with GSPs and the CWC • Points of diversion on Sacramento River (e.g. RiverArc, SRWTP, and Freeport) • Implementation of contractual agreement for water exchange between City and SMUD • Extension and/or License of Water Entitlements. • Support for identifying underground storage as a beneficial use of surface water. • Changes in water rates to support projects supporting coequal objectives • Continued staffing support, when requested, for implementation of LAR ecosystem projects • Additional funding support from the City for science and ecosystem benefits as part of the 2024 Healthy Rivers proposal to SWRCB or a tributary-specific alternative. • Local and Statewide advocacy for the FMS on the lower American River and improved carryover storage within Folsom Reservoir. • Support for MAR/ FIRO where beneficial to the coequal objectives • Management actions as defined in basin GSPs and periodic 5-year evaluations and updates. 	X	X
SSWD	<ul style="list-style-type: none"> • Aquifer Storage and Recovery wells • New or improved interties with other purveyors, in particular ones that promote groundwater recharge • Rehabilitation and modernization of existing water facilities • New replacement groundwater facilities consistent with adopted groundwater sustainability plans • Structural projects and programs to help ensure the success of the Healthy Rivers and Landscapes Program (aka Voluntary Agreements) or similar tributary-specific programs (e.g., the ARTESIAN program) improve the ecosystem, protect local water entitlements, and maintain better cold water pool conditions and management in Folsom Reservoir and the Lower American River 	<ul style="list-style-type: none"> • Agreements with neighboring purveyors for conjunctive use opportunities • Continued water use efficiency programs and funding support • Water transfers consistent with Groundwater Sustainability Plans and the California Water Code • Support for identifying underground storage as a beneficial use of surface water • Support and active participation in management and other actions under the groundwater sustainability plans for the NASb • Local and statewide advocacy for the FMS. 		X
Cal-Am	<ul style="list-style-type: none"> • Well Rehabilitation and Replacement Program • Pipeline Replacement Program • Advanced Metering Infrastructure 	<ul style="list-style-type: none"> • Water Conservation Program • Supports River Arc 		

Table 2. Summary of Agency Projects

Agency	Structural	Non-Structural	River Arc Partner	Regional Water Bank Partner
EBMUD	<ul style="list-style-type: none"> • Evaluation of Dedicated storage in LVE (up to 30 TAF) • Expanded water conservation programs • Expanded DREAM project - Expanded yield still to be determined. • Expanded recycled water, including evaluation of potable reuse potential and feasibility- Current goal: 20 MGD by 2040 (non-potable reuse). • Long-Term Water Purchase Agreement with PCWA for Water Forum releases • Mokelumne Aqueducts Resiliency Project (MARP) 	<ul style="list-style-type: none"> • Evaluate potential participation in the Sacramento Regional Groundwater Bank. • 10 TAF CVP Contract Assignment from SMUD to participate in LVE or potentially Sacramento Regional Groundwater Bank. • Long-Term Water Transfer Agreement with Yuba Water Agency for Yuba Accord releases • Mokelumne Voluntary Agreement 		
SCWA	<ul style="list-style-type: none"> • Improved interties • Improved groundwater infrastructure including possible aquifer storage and recovery • Expanding Treatment Capacity at VSWTP • Provide surface water supplies to groundwater-only service areas 	<ul style="list-style-type: none"> • Regional Water Transfers and Agreements (partnerships) 	X	X

PSA Surface Water Management Proposal

Table 3 provides a summary of the PSA surface water management proposals submitted for inclusion in the Water Forum 2.0 agreement. These proposals were developed based on the guidance provided by the Water Supply Sustainability (WSS) working group (WG). Each proposal is intended to support the coequal objectives and implement the surface water management guiding principles identified by the WSS WG and vetted with each of the caucuses.

Surface Water Management Guiding Principles:

1. Prioritize alternative supplies to surface water from the American River system in dry conditions to provide flow and water quality¹ benefits for the Lower American River.
 - a. Pursue opportunities for increased groundwater pumping to allow surface water to remain in the Lower American River.
 - b. Pursue opportunities for increased diversions from the Sacramento River as an alternative to surface water from the American River system.
2. Ensure surface water commitments are in balance with regional efforts for groundwater sustainability.
 - a. Prioritize surface water diversions in wet conditions to allow groundwater recharge.

Table 3 includes a narrative description for each of the proposals, as well as a quantification of proposed American River diversions (where possible based on interpretation of proposals). The quantifications of American River diversions are offered for context, and (in most cases) does not represent a firm proposed commitment. The proposals were developed based on the hydrologic conditions defined below, which are consistent with the current Water Forum Agreement (WF 1.0).

Notes on Definitions:

Unimpaired Inflow to Folsom Reservoir (UIFR) – Representation of Folsom Reservoir unimpaired inflows from March through November. Includes the summation of Bulletin 120 estimation of inflows for the months of March through September and assumes 30 TAF total unimpaired inflows for both October and November (60 TAF total for the two months combined).

Normal Conditions – UIFR > 950 TAF

Drier Conditions – 950 TAF > UIFR > 400 TAF

Driest Conditions – UIFR < 400 TAF

¹ Including temperature, dissolved oxygen, and potentially other characteristics.

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Table 3. Proposals for WF 2.0 Surface Water Management

			WF 2.0 Quantification of American River Diversions (where possible) These Values Do Not Necessarily Represent Proposed Commitments (please see relevant descriptions)								
WF 2.0 Description of Surface Water Diversions			Current Conditions Estimate (AFY)			Future Conditions Estimate (AFY)					
	Normal Conditions (UIFR > 950 TAF)	Drier Conditions (950 > UIFR > 400 TAF)	Driest Conditions (UIFR < 400 TAF)	Normal Conditions (UIFR > 950 TAF)	Drier Conditions (950 > UIFR > 400 TAF)	Driest Conditions (UIFR < 400 TAF)	Normal Conditions (UIFR > 950 TAF)	Drier Conditions (950 > UIFR > 400 TAF)	Driest Conditions (UIFR < 400 TAF)	WF 1.0 PSA Notes	
EID	Use American River supplies to meet up to 65% of its forecasted 5-year total potable demand and potentially provide transfer water for conjunctive use to improve groundwater conditions	Maintain "normal" diversions Provide downstream benefits through the reoperation and transfer of stored supplies and entitlements to LAR purveyors (quantity dependent on watershed conditions and storage)	Maintain "normal" diversions Provide downstream benefits through the reoperation and transfer of stored supplies and entitlements to LAR purveyors (quantity dependent on watershed conditions and storage)	22,750	22,750	22,750	26,000	26,000	26,000	NA	
PCWA	155,000 AFY (total of water rights permits and CVP contract)	155,000 AFY from the American River and will replace up to 47,000 AFY (27,000 AFY for PCWA and 20,000 AFY for City of Roseville) of water through reoperation of MFP reservoirs	Conference with stakeholders on how available water should be managed. Likely reductions deliveries (50% reduction in irrigation water, 20% reduction in treated water)	120,000	120,000	-- ²	120,000	120,000	-- ²	Previous normal conditions diversions were stated at 35.5 TAF/year. Replacement water values are consistent in the 2.0 proposal (47 TAF).	
City of Folsom	The current 5-year UWMP projections will serve as the basis of diversions	Reduce surface water diversions up to 10 percent or as required by the City's Water Shortage Contingency Plan, whichever is greatest	Reduce surface water diversions up to 20 percent, as required by the City's Water Shortage Contingency Plan, or as required by any mandates issued by the State of California, whichever is greatest	20,500	18,450	16,400	25,145	22,631	20,116	Previous normal conditions diversions were stated at 34 TAF/year with a step function down to driest conditions at 20 TAF/year.	
City of Roseville	Diversions would be defined by the most recent UWMP's 5-year projected demand	Diversions would decrease linearly from normal levels to the driest conditions ²	Reduce surface water diversions from Normal Diversions by 20%.	50,600	50,600-40,480 (linear reduction)	40,480	57,600	50,600-40,480 (linear reduction)	46,080	Previous normal conditions diversions were stated at 58.9 TAF/year with a linear reduction down to driest conditions at 43.8 TAF/year.	
SJWD Consortium	SJWD will divert and the SJWD Consortium will use 38,603 AF within the current SJWD wholesale service area	SJWD will divert and the SJWD Consortium will use a decreasing amount of surface water from 38,603 AF to 30,882 AF within the current SJWD wholesale service area. SJWD Consortium will reduce its surface water demand by additional conservation (up to 20%) and use of groundwater	SJWD will reduce its diversion to 30,882 AF for use within the current SJWD wholesale service area. SJWD Consortium will reduce its surface water demand by additional conservation (up to 20%) and use of groundwater	38,603	38,603-30,882	30,882	38,603	38,603-30,882	30,882	Previous normal conditions diversions were stated at 82.2 TAF/year with a linear reduction down to driest conditions at 54.2 TAF/year.	

Table 3. Proposals for WF 2.0 Surface Water Management

			WF 2.0 Quantification of American River Diversions (where possible) These Values Do Not Necessarily Represent Proposed Commitments (please see relevant descriptions)								
WF 2.0 Description of Surface Water Diversions			Current Conditions Estimate (AFY)			Future Conditions Estimate (AFY)			WF 1.0 PSA Notes		
	Normal Conditions (UIFR > 950 TAF)	Drier Conditions (950 > UIFR > 400 TAF)	Driest Conditions (UIFR < 400 TAF)	Normal Conditions (UIFR > 950 TAF)	Drier Conditions (950 > UIFR > 400 TAF)	Driest Conditions (UIFR < 400 TAF)	Normal Conditions (UIFR > 950 TAF)	Drier Conditions (950 > UIFR > 400 TAF)	Driest Conditions (UIFR < 400 TAF)		
SMUD	Entitlements total 45,000 AFY, though the maximum diverted in the last 10-years is around 6,100 AFY (2013).	Cosumnes Power Plant will need to operate during drier years to meet critical local and regional electrical demands. In fact, the need to operate the CPP could increase in drier years due to dry year reductions in hydroelectric supply or potentially higher temperatures leading to increased use of air conditioning	Cosumnes Power Plant will need to operate during drier years to meet critical local and regional electrical demands. In fact, the need to operate the CPP could increase in drier years due to dry year reductions in hydroelectric supply or potentially higher temperatures leading to increased use of air conditioning	-- ²	-- ²	-- ²	-- ²	-- ²	-- ²	Previous normal conditions diversions were stated at 30 TAF/year (to be taken at the FSC), with a linear reduction down to driest conditions at 15 TAF/year. An additional 15 TAF/year from the CoS to be used within the CoS POU (in all years).	
Golden State WC	Pending	Pending	Pending	--	--	--	--	--	--	Previous commitments for surface water are stated as 5 TAF/year in all conditions.	
Carmichael WD	Future diversions from the American River may increase during normal and wet years by 1,500 to 3,000 AFY for storage into the groundwater basin	Implement water conservation measures to reduce demands by 10% or as required by the District's Water Shortage Contingency Plan	Implement water conservation measure to reduce demands by 10 – 20% or as required by the District Water Shortage Contingency Plan	14,000	12,000	12,000	14,000	12,000	12,000	Previous diversions were stated to be 14 TAF/year in all conditions, with the expectation that Water Conservation BMPs would reduce demand to 12 TAF/yr for all years.	
City of Sacramento ¹	Diversion up to 200 MGD so long as the flow bypassing the diversion at the FWTP is greater than the Hodge Flow Criteria, otherwise diversions will conform with Hodge Flow Criteria and corresponding diversion rates. City water diverted at FWTP in drier conditions in accordance with the foregoing limitations could be used anywhere within the City's authorized POU as it exists now and in the future	Diversion up to 200 MGD so long as the flow bypassing the diversion at the FWTP is greater than the Hodge Flow Criteria, otherwise diversions will conform with Hodge Flow Criteria and corresponding diversion rates. City water diverted at FWTP in drier conditions in accordance with the foregoing limitations could be used anywhere within the City's authorized POU as it exists now and in the future	Diversions at FWTP to be no greater than 155 cfs and not greater than 50,000 AFY	-- ²	89,000 ¹	50,000 (from FWTP)	-- ²	89,000 ¹	50,000 (from FWTP)	Previous commitments stated operations per Hodge Flows, and limiting diversions from FWTP in the driest conditions to 155 cfs and no more than 50 TAF/year. Included additional constraints on wholesaling water to neighboring agencies based on Hodge Flows. Key WF PSA terms were added to WR in 2001.	

Table 3. Proposals for WF 2.0 Surface Water Management

			WF 2.0 Quantification of American River Diversions (where possible) These Values Do Not Necessarily Represent Proposed Commitments (please see relevant descriptions)								
WF 2.0 Description of Surface Water Diversions			Current Conditions Estimate (AFY)			Future Conditions Estimate (AFY)					
	Normal Conditions (UIFR > 950 TAF)	Drier Conditions (950 > UIFR > 400 TAF)	Driest Conditions (UIFR < 400 TAF)	Normal Conditions (UIFR > 950 TAF)	Drier Conditions (950 > UIFR > 400 TAF)	Driest Conditions (UIFR < 400 TAF)	Normal Conditions (UIFR > 950 TAF)	Drier Conditions (950 > UIFR > 400 TAF)	Driest Conditions (UIFR < 400 TAF)	WF 1.0 PSA Notes	
SSWD	Utilize contracts with neighboring agencies (currently CoS and PCWA) to access surface water and allow groundwater to replenish.	Use groundwater to meet customer demands in a discretionary fashion to support regional conjunctive use goals, operational levels of service, and the WF coequal objectives.	Use groundwater to meet customer demands in a discretionary fashion to support regional conjunctive use goals, operational levels of service, and the WF coequal objectives.	-- ²	-- ²	-- ²	-- ²	-- ²	-- ²	Previous PSA was based on unique service areas within SSWD with specific stipulations for purchase contracts (i.e., 29 TAF of PCWA water when UIFR>950). PSA also included contingencies for the future construction of the "Sacramento Pipeline" (now termed River Arc).	
Cal-Am	Use surface water as it is available through purchase water agreements with the CoS, PCWA, SCWA, and SSWD	Use groundwater to meet customer demands in a discretionary fashion to support regional conjunctive use goals, operational levels of service, and the WF coequal objectives.	Use groundwater to meet customer demands in a discretionary fashion to support regional conjunctive use goals, operational levels of service, and the WF coequal objectives.	-- ²	-- ²	-- ²	-- ²	-- ²	-- ²	Previous PSA was based on unique service areas within CalAM with specific stipulations for purchase contracts (i.e., 4.83 TAF from CoS when LAR flow > Hodge).	
East Bay MUD	Diversions are from the Sacramento River. Proposals do not include specific diversions based on defined hydrologic conditions. Proposals articulate contributions to the coequal objectives beyond American river diversions.			-- ²	-- ²	-- ²	-- ²	-- ²	-- ²	NA	
SCWA	Diversions are from the Sacramento River. Proposals do not include specific diversions based on defined hydrologic conditions. Proposals articulate contributions to the coequal objectives beyond American river diversions.			-- ²	-- ²	-- ²	-- ²	-- ²	-- ²	Previous commitments for surface water are stated as 87 TAF/year in all conditions, with water assumed to be diverted at the mouth of the American River or the Sacramento River (SCWA constructed Freeport to support these diversions and avoid impacts to the LAR).	

1. "Drier" Conditions quantification assumes that Hodge flows control for the whole year and FWTP is operated at allowable capacity full-time. This volume is a high bookend offered for context. Historical diversions have been around 30 TAF/year.

2. Quantification either not possible or does not offer helpful context. Empty cells do not indicate a proposal without American River diversions when conditions apply. Please refer to the relevant narrative description.

INTENTIONALLY BLANK

Critical Storage Conditions

Critical storage conditions are of keen interest to all of the caucuses and there is a strong desire to understand how the region will function when Folsom Reservoir storage reaches critically low levels (which is forecasted to occur more frequently under climate change). Within the PSA proposals, each agency provided a description of anticipated operations under critically low storage levels – both impending low storage and real-time low storage. Critically low storage was defined as 110,000 TAF (a level at which the function of Municipal and Industrial (M&I) intakes on Folsom Dam is severely threatened).

The consequences of such low reservoir storage vary depending on the agency and their relative reliance on Folsom Reservoir. However, those agencies that divert from Folsom Reservoir clearly have a greater risk. The agencies diverting from Folsom Reservoir have access to emergency pumps/barges that today could provide only a total of approximately 90 cfs from the reservoir if the lake dropped below the functional level necessary to maintain operation of the M&I intakes (the 90 cfs would be shared by Folsom, Roseville, and SJWD). This diversion capacity compares to a 2024 peak delivery of about 320 cfs through those intakes.

In the coming months there will be additional materials synthesizing the information offered in the PSA proposals related to critical storage conditions.

Regional Map

Figure 2 below shows the respective service areas for the Sacramento area regional purveyors.

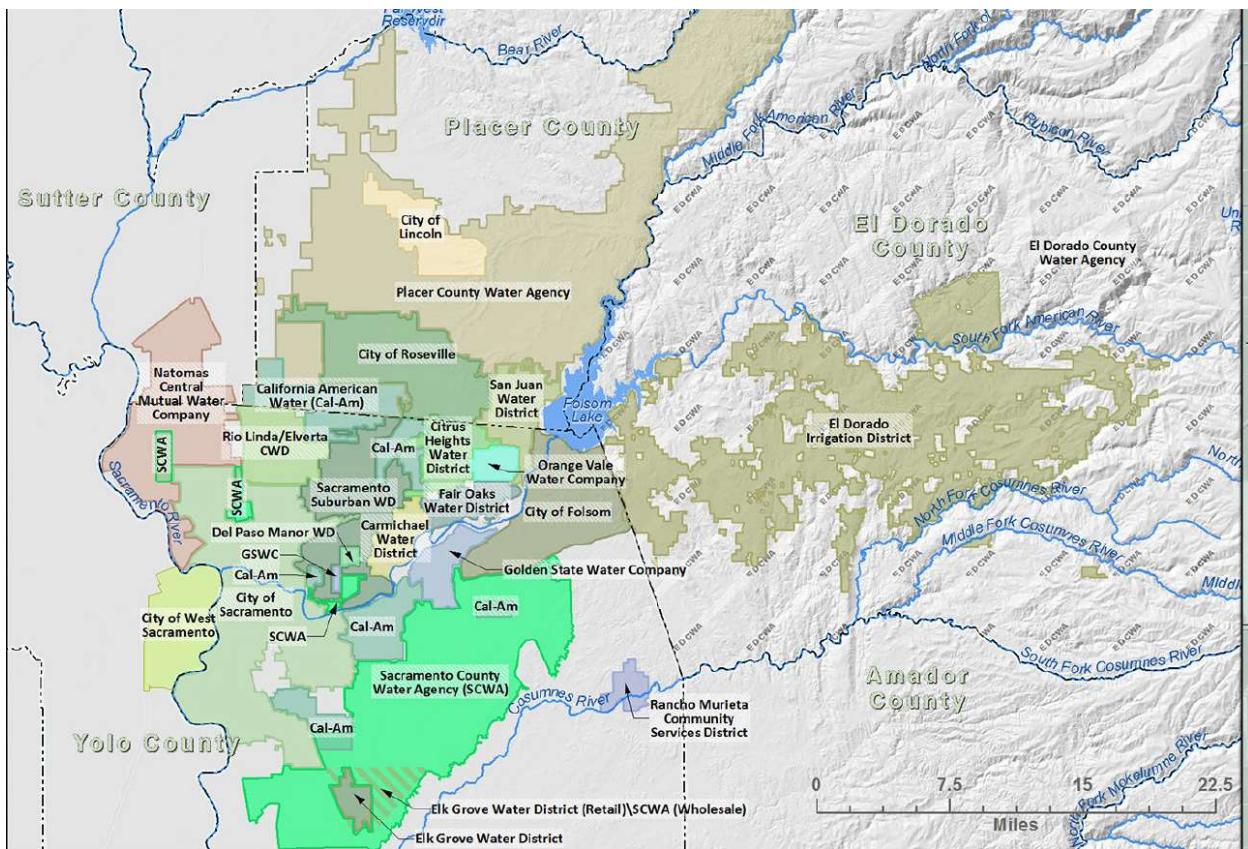


Figure 2. Sacramento Regional Water Purveyors Map

List of Acronyms

AF	acre-feet
AFY	acre-feet per year
ASR	Aquifer Storage and Recovery
CoS	City of Sacramento
CVP	Central Valley Project
CWC	California Water Code
EBMUD	East Bay Municipal Utility District
EID	El Dorado Irrigation District
FIRO	Forecast Informed Reservoir Operations
FMS	Flow Management Standard
FSC	Folsom South Canal
FWTP	Fairbairn Water Treatment Plan
gpm	gallons per minute
GSP	Groundwater Sustainability Plan
LVE	Los Vaqueros Reservoir
MAF	million acre-feet
MAR	Managed Aquifer Recovery
MARP	Mokelumne Aqueducts Resiliency Project
MFP	Middle Fork Project
MGD	million gallons per day
MRRs	minimum release requirements
NASb	North American Subbasin
PCWA	Placer County Water District
PSA	Purveyor Specific Agreement
RWA	Regional Water Authority
SASb	South American Subbasin
SCWA	Sacramento County Water Agency
SGMA	Sustainable Groundwater Management Act
SJWD	San Juan Water District
SMUD	Sacramento Municipal Utility District
SRWTP	Sacramento River Water Treatment Plant
SSWD	Sacramento Suburban Water District
SWRCB	State Water Resources Control Board
TAF	thousand acre-feet
U/S	upstream
UIFR	Unimpaired Inflow to Folsom Reservoir
UWMP	Urban Water Management Plan
WF	Water Forum
WR	Water Right

ATTACHMENT 2

Updated as of 10/30/24 (based on 10/21/24 Working Group discussions)

Water Forum Agreement Governance, Funding, and Administration Working Draft Language – October 2024

Note to Working Group: This is a working draft document; updated as of October 30, 2024, based on the 10/21 Working Group discussion. All language should be considered confirmed by the working group unless otherwise noted by underline/strikeout or in a comment. Language is written as it would appear in a draft Water Forum (WF) Agreement (present tense). Comments throughout the document identify outstanding topics for deliberation.

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Commented [1]: Consistent protocols:

- * Refer to this agreement as Water Forum Agreement or Agreement
- * Plenary in caps
- * Refer to WF members as Members, Signatories, Signatory Agencies or Member organizations
- * If referring to past WF Agreement, refer to as Water Forum Agreement (2000)

To decide:

- * Capitalize member or not?
- * Want to think about how to refer to Sac City and County in this document given the likely shift in funding burden to other water purveyors
- * Serial commas or not

Governance

Intent

Water Forum commits to sustaining a robust governance, funding, and administrative structure for the organization, in service of the coequal objectives:

To provide a reliable and safe water supply for the region's economic health and planned development through; and

To preserve the Lower American River's fishery, wildlife, recreational, and aesthetic values.

The structure of the organization builds on the success of the existing Water Forum and is intended to support the programs through the 25-year life of the Water Forum Agreement (referred to as Agreement).

Guiding Principles

These guiding principles are crucial to maintaining the long-term integrity and efficacy of the Water Forum as an interest-based organization. These principles serve as both a touchstone to guide our work, as well as a scorecard to measure the extent to which an evolving governance approach is consistent with and likely to further these principles. Collectively, these principles work to instill confidence – both internally and externally – in Water Forum direction, decisions, and actions. Water Forum members¹ (also referred to as signatories or member organizations) support and actively practice the principles outlined below.

General

1. **Commitment to The Water Forum Way.** The Water Forum Way is an explicit set of mutual obligations that has guided Water Forum members' engagement with one another since its inception. Members demonstrate adherence to the Water Forum Way through the following practices:
 - Mutual gains approach and collaborative effort to seek consensus and build trust;
 - Participating with an open-minded, respectful, and interest-based approach to all discussions;
 - Working through challenges, search for and find balance across the Water Forum's coequal objectives;
 - Understanding Water Forum processes and players;
 - Surfacing and seeking to understand and accommodate differences and interests among Water Forum members; and
 - Working with diverse groups to enable voices to be heard and to have an opportunity to have a seat at the table.

All members of the Water Forum, as well as staff and consultants, commit to adhere to the Water Forum Way and hold each other accountable for reinforcing the practice.

¹ The term "member" in this document is intended to refer to an organization that is a signatory to the Water Forum Agreement or its designated representative. Member and signatory can be used interchangeably.

2. ***Commitment to bridging differences in perspectives, experiences, and resources.*** Natural resource management and policy can be a place of conflicting and competing interests and resources, both within and across regions. An effective Water Forum governance creates a platform for diverse Sacramento region participants to have the hard conversations necessary to build consensus for the needed actions within the region and to advocate for its interests with others elsewhere. Water Forum members recognize that effective governance is grounded in a process that holds at its core the following:
 - Inclusive and active participation;
 - Governing processes that address potential inequities to achieve a more level playing field and hear all members' perspectives;
 - Encourage novel thinking to address the coequal objectives;
 - Mechanisms that foster timely decision-making (e.g., avoids gridlock or handing any one-party veto power, etc.);
 - A "no surprises" policy that puts a premium on member candor and full disclosure on Water Forum-related issues; and
 - Builds and tests for broad buy-in for any agreed-upon actions and decisions.
3. ***Commitment to open, transparent public process.*** The Water Forum is committed to acting in a manner that improves and strengthens public trust. Water Forum members believe that as public agencies and representatives of diverse interests, it is imperative that our actions are open and transparent, and that we work diligently to maintain accountability and build trust in our work.
4. ***Commitment to understanding how Water Forum work impacts our region's diverse communities.*** Consistent with these principles, Water Forum members are committed to a governance approach that builds in effective and credible mechanisms to understand and consider how the diversity of perspectives and communities in our region intersect with the Water Forum's work and priorities. We recognize that we "don't know what we don't know" and strive to create a structure that fosters shared learning. To that end, the Water Forum embraces a governance structure and culture that fosters the following:
 - Each caucus striving to bring diverse and traditionally under-represented voices into its caucus and discussions
 - Discussions and learning sessions that help Water Forum members understand how their pursuit of the coequal objectives may have the potential to impact – positively or negatively – the full range of individuals and communities within our region and especially those who may have a nexus with historic and current inequities
 - Identify and, as practicable, address barriers to full participation by communities and stakeholders potentially impacted by Water Forum activities; consider partnerships with community groups to increase engagement with/by under-represented groups and ensure their interests are included as part of Water Forum deliberations.Learn from one another and share effective techniques to strengthen outreach and inclusion of communities and people traditionally on the periphery of Water Forum-

related discussions; look to state resources to support these efforts; and consult with known diverse constituencies to advise on best practices.

The Program Element on Diversity, Equity and Inclusion (found elsewhere in this document) speaks to more specific strategies for considering how aspects of Water Forum work under this Agreement may intersect and impact diverse communities and constituencies.

5. **Principles require Practice.** The Water Forum practices the principles of our work on a regular basis through tools such as meeting ground rules, addressing gaps in representation and the practice of disclosures. Consistent with these principles, Water Forum members are committed to a governance approach that builds on effective and credible mechanisms to understand and consider how our region's diversity of perspectives and communities intersect with the Water Forum's work and priorities.

Governance

6. **Governance that is scaled to meet the mission.** The Water Forum's governance structures (including budget, staffing, programs and representation) are appropriately scaled to the Water Forum's mission and related tasks (as defined by the coequal objectives); while balancing the need for robust and inclusive learning, discussion, and decision-making with the reality of member resource and capacity constraints.
7. **Governance that avoids duplication of efforts.** Water Forum governance should be structured to complement, not replicate, efforts undertaken elsewhere (within and outside the region) that have the potential to further (or impact) its coequal objectives.
8. **Governance that supports learning and community engagement.** Given its commitment to build a broad coalition for advancing its coequal objectives, the Water Forum will ensure its governance structure includes ongoing and effective mechanisms and opportunities to learn from one another and to educate and learn from external community groups potentially impacted by Water Forum actions.
9. **Clear roles and responsibilities for all facets of the Water Forum.**
An effective governance structure articulates clear roles and responsibilities for all facets of the Water Forum, including members, staff and consultants, as well as written charters for any established committees that describe their purpose, scope, participation, leadership roles and any decision-making protocols. It also incorporates a clear process to identify and learn about recruitment that improves representation and onboarding and mentoring of new members, as well as ensure current members understand the updated governance structure.
10. **Effective leadership fosters productive dialogue and consensus building.** The Water Forum is an organization that relies on participation of individual member organizations in the Plenary and in interest-based caucuses. This governance structure relies on the active participation of its members and leadership to foster trust within and across caucuses and between and among Water Forum members, staff and consultants. Any leadership for caucuses or committees are

intended to facilitate representative, effective and efficient communication, not replace the Water Forum's consensus-based decision-making structure.

Funding

11. **Finance Mechanisms.** Effective Water Forum governance must provide a clear and reliable finance mechanism to generate the needed funding, as well as a transparent and inclusive vehicle for identifying and confirming funding sources.
12. **Diverse funding sources.** Water Forum activities are to be funded through a mix of water purveyor contributions, state and/or federal grants, and in-kind contributions of non-monetary support for Water Forum initiatives, including advocacy, public outreach, in-kind contributions of time, etc.
13. **Commitment to affordability and cost-effectiveness of actions.** When considering program areas and priorities, the Water Forum has a commitment to understanding the cost-effectiveness and affordability of its actions. The Water Forum further acknowledges that while program and activities are funded through a range of sources, they are primarily funded through local ratepayers and we have a responsibility to provide clear benefit to the public.

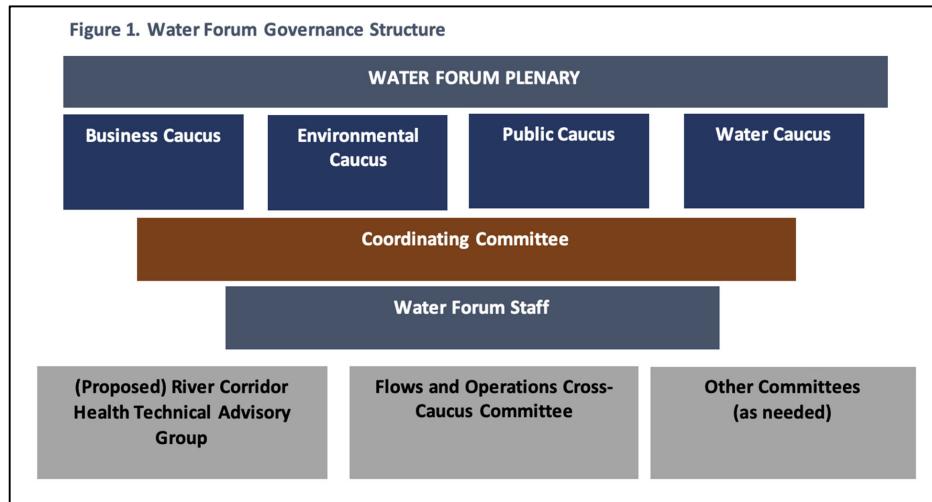
Administration

14. **Authority and Accountability.** Water Forum governance should articulate clear lines of authority and accountability between and among all parties to the Agreement. This accountability is intended to cover all aspects of the Water Forum work, including but not limited to: members to members; members and staff to one another; members and staff to the Water Forum mission and agreed-upon actions and priorities; and the Water Forum to the affected public.
15. **Tracking Progress.** Understanding, tracking and reporting on Water Forum progress is essential to furthering its mission and goals and fostering thoughtful consideration of any needed changes in its work and approach over the life of the Agreement. To that end, Water Forum governance should include clear metrics, benchmarks and an agreed-upon process to ensure that Water Forum members and staff can track and, as needed, adapt its work related to the following:
 - Water Forum-led projects and actions intended to support Water Forum's coequal objectives
 - Water Forum member-led projects intended to support Water Forum's coequal objectives
 - A comprehensive understanding of both river health and water supply reliability

Program Elements: Governance Structure

1. Governance Structure

The Water Forum is a collaborative organization that strives to bring together diverse interests in the Sacramento region and American River watershed to create innovative solutions and, when needed, resolve conflict to help achieve the coequal objectives. Below is a description of the Water Forum's governance structure, outlining the organization's members, various bodies, and participant roles and responsibilities.



2. Water Forum Signatories

The Water Forum Agreement is a voluntary agreement that the organizations listed below (?) have signed to carry out actions in support of the coequal objectives. The signatories to the Agreement acknowledge that by signing the Agreement, they commit to support, advocate for, and carry out all actions specified for them in the Water Forum Agreement and any related Purveyor Specific Agreements (PSAs) or implementing agreements. All signatories to the Water Forum Agreement have equal standing in the Water Forum.

Commented [2]: Will need to update once we know where signatures are included in the document

3. Membership

All signatory organizations are considered members of the Water Forum. Participation as a member is expected of entities that sign the Water Forum Agreement, including business, agricultural, and environmental organizations, community groups, water purveyors, and local governments. The Water Forum will continue the interest-based, Water Forum Way process described earlier in the Principles Section and used successfully in developing and implementing earlier Water Forum Agreements.

Commented [MOU3]: Possible linkage between membership and funding. GFA members recommended revising the possible need for tiered membership once the funding allocation approach comes into focus.

Therefore, all Water Forum participants, acting as representatives of their signatory organizations, have the following responsibilities:

- Commitment to the discipline of interest-based problem solving
- Willingness to invest time and resources to carry out Water Forum Agreement responsibilities
- Willingness to work collaboratively with others
- Commitment to inclusive, fair, and transparent decision-making process;
- Commitment to integrating diversity, equity, inclusion, justice, and accessibility in considerations as part of Water Forum activities and deliberations.

Because the effectiveness of the Water Forum will depend upon cooperation and collaboration among all participants, members will observe the following ground rules:

- Listen carefully and openly discuss issues with others who hold different opinions;
- View a disagreement as a problem to be solved, not a battle to be won;
- Avoid stereotyping and personal attacks on any other representative;
- Avoid questioning or impugning the motivations or intentions of any other representative;
- Respect the integrity and values of other representatives; and
- Honor commitments once made.

Each Water Forum signatory organization may have multiple representatives participating in the Water Forum, but may designate only one signatory representative (and alternate) to participate in formal decision-making actions (see [Section xx](#) below). Signatory organizations are also encouraged to name an alternate to fill in when the designated signatory representative is not [available](#).

Commented [4]: As discussed above, some of this language may need to be refined once the funding allocation approach is better defined.

4. Process for Adding New Members

The Water Forum will utilize the steps below to consider requests by an organization looking to become a new member of the Water Forum once the Agreement has been adopted and is being implemented. New members can be considered at any time.

- Any potential new member contacts the Water Forum Executive Director, an existing member organization, or Caucus to express their interest in becoming a signatory.
- Based on this interest, the Water Forum member or Caucus can nominate the new potential member for consideration. This sponsoring member or caucus is to provide a description of the new member organization. The description includes how and why the proposed member is aligned with, and in support of, the Water Forum's coequal objectives and member participation commitments and responsibilities. The description is distributed to other signatories for their review and consideration.
- If any existing member(s) raises concerns about the proposed new member, the Executive Director – consistent with the Water Forum Way – will bring those members together with the new proposed member to discuss and attempt to resolve any existing conflict prior to their becoming a new member or identify a pathway to address the concerns in a constructive manner through future discussions.
- The new member sponsor works with the Executive Director to put the item on a subsequent Plenary meeting where the prospective member attends. After a discussion, the Plenary votes to accept the new member organization. If the decision to accept the new member organization is not unanimous, the decision-making process (outlined elsewhere in Section xxx of this document) is used to arrive at a final determination.
- Once approved, the new member organization signs the Agreement and their designee joins the

appropriate Caucus.

If the Water Forum is in the midst of updating this Agreement, prospective members organizations can join with the appropriate caucus to participate in discussions related to updating the Agreement. The prospective member organization would only formally join the Water Forum once the new Agreement is put forward for adoption and they opt to sign on as a signatory.

5. Process for Onboarding New Members

When a new organization joins the Water Forum (see section above on adding new members), or a new representative of an existing member organization joins the Plenary, the Executive Director shall implement the Water Forum mentoring program. This Program immediately pairs up the new representative(s) with one or more Caucus representatives (Caucus Mentors). When possible, Caucus Mentors will have at least four years of experience with the Water Forum. The Executive Director will provide briefings regarding the Water Forum Agreement and the full range of Water Forum programs. The Caucus Mentors will provide additional information and insight regarding Caucus operations and interests. Caucus Mentors will also assist the Executive Director in introducing the new member to other Water Forum members outside of their Caucus and join the new members at Plenary sessions. Caucus Mentors will actively mentor new members for the first year of their involvement as a Water Forum member.

6. Process for Handling Consolidations Among Existing Members

In the event two or more distinct signatory organizations already in the Water Forum merge into a single entity, the new entity will inform the Water Forum Executive Director of this change, and that new entity will be considered a single signatory entity within the Water Forum. The new entity will identify its designated representative and alternate.

6.7. Process for Exiting Current Members

When a signatory leaves the Water Forum, the Executive Director will conduct an exit interview with the exiting member to understand their reasons for leaving the Water Forum and share those insights, as appropriate, with the Coordinating Committee, Caucuses and Plenary.

If a member organization is not meeting their stated commitments or its representative(s) is consistently failing to abide by Water Forum participation principles, the issue will first be discussed within the respective caucus. If the issue is not successfully resolved through caucus discussions, a caucus may refer the issue to the Executive Director who will work with the member and the Coordinating Committee to successfully resolve any concerns. If needed, the issue will be referred to the Plenary for further action consistent with the decision-making process described in Process for Renegotiation or Amendment Requests (see [Page xxxx](#))

Program Elements: Roles and Responsibilities

1. Water Forum Plenary

Purpose: The Water Forum Plenary (Plenary) is the main decision-making and information-sharing body for the Water Forum. The Plenary approves the annual Water Forum budget, business plan and Water Forum program directions consistent with the Water Forum Agreement. The Plenary approves the charters of all formed Standing Committees and Technical Advisory Groups. The

Plenary approves and recommends to the Water Forum signatory agencies any necessary changes, amendments, or additions to the Water Forum Agreement.

Composition: The Plenary consists of representatives from the signatory organizations, and each signatory has equal standing in the decision-making process.

The Water Forum recognizes the benefits of the Plenary as a venue for facilitating information-sharing, coordination, and collaboration across a wide range of audiences. To that end, Plenary meetings are considered open forums for both members and non-members. There may be times, based on issues under discussion or particular situations (e.g., litigation or ongoing negotiations), where it is appropriate to limit Plenary meeting participation to signatories only. Such a decision will be made by the Executive Director, in consultation with the Coordinating Committee.

Roles and Responsibilities: Roles and Responsibilities of signatory representatives include engaging in Plenary meetings consistent with the principles stated above.

Disclosures: The Water Forum has a long-standing practice of setting aside time in each meeting (e.g., Plenary, caucus, other) for disclosures. Representatives are encouraged to disclose information about their organization's activities related to the coequal objectives that may be of interest to other participating organizations. These disclosures, typically made verbally at the start of Water Forum Plenary or committee meetings, are intended to keep one another apprised of upcoming communications, actions, testimony at hearings, etc. that may be related to or impact Water Forum activities and / or coequal objectives. For time-sensitive issues, members are encouraged to share disclosures in a timely fashion (e.g., by email or phone to the Executive Director and/or members, as appropriate) rather than waiting for the next available Water Forum meeting. The intent of disclosures is to support a "no surprises" policy among signatories, thereby enhancing collaboration, coordination, and trust among Water Forum members.

Schedule: Plenary meetings are expected to be held quarterly throughout the year; exact meeting times will be scheduled sufficiently in advance to facilitate Water Forum member participation. The Executive Director, the Coordinating Committee or a Plenary member may express the need for changes to the Plenary meeting schedule. The decision to change the meeting schedule shall be made by the Executive Director in consultation with the Coordinating Committee. Plenary meetings are open and inclusive, with updates provided by Water Forum staff on projects and programs being implemented to meet the coequal objectives.

Plenary decision-making processes are discussed in [Section xxxx](#). Process for Renegotiation or Amendment Requests can be found on [Page xxxx](#).

2. Water Forum Caucuses

Purpose: The Water Forum has four caucuses – Business, Environmental, Public, and Water – each of which coalesces diverse interests in the region with a common interest and drive to work collaboratively to further the coequal objectives. The purpose of each caucus is to provide a venue to primarily facilitate information sharing and discussion of issues of interest to the caucus, in an open, collegial framework that seeks to find alignment among the participating entities and enhances consensus opinion. Caucuses, as needed, review Statements of Interest by other caucuses (when drafted and shared) to better understand other Water Forum members' core concerns and aspirations.

While caucuses make decisions related to their internal functions (e.g., naming representatives to committees, designating any internal caucus leadership, etc.), caucuses are not decision-making bodies related to Water Forum decisions unless the Plenary is unable to reach consensus (as described in the Decision-Making Section).

Composition: There are four caucuses within the Water Forum structured around the four main interest groups with interests in the coequal objectives. These caucuses, described below, are tasked with representing the breadth of interests within their caucus, either through direct participation of entities within the caucus or through effective outreach to affected stakeholders affiliated with their caucus. Each caucus is committed to the Water Forum's coequal objectives, while also contributing a distinct and broader focus through their participation.

- **Business Caucus** – The Business Caucus includes representatives from organizations that have a strong interest in maintaining the Sacramento region's economic health, growth, and urban competitiveness through the constant supply of reliable and cost-effective water resources. Participants are motivated to support an Agreement that includes viable solutions for water conservation, a healthy American River Parkway, and conjunctive use of groundwater to augment supplies and prevent unnecessary constraints on growth.
- **Environmental Caucus** – The Environmental Caucus (EC) is made up of organizations with strong interest in protecting regional surface and groundwater Public Trust resources for all beneficial uses and users. The EC advocates for public access to pristine park and recreation spaces, programs that lead to the efficient use of water resources, water-related climate adaptation actions, SMART growth within the Urban Services Boundary, and thriving conditions in and along the Lower American River and its tributaries for all aquatic and terrestrial species that utilize and live near the river, including water temperature, flows, and dissolved Oxygen levels necessary for the healthy lifecycle of Chinook Salmon, Steelhead Trout, and other sensitive aquatic species in the Lower American River.
- **Public Caucus** – The Public Caucus includes organizations that represent current and long-term public interests in water availability and affordability, public access to the Lower American River and its parkway, and communities that are underserved or underrepresented in current civic engagement. Within the context of the coequal objectives, the Public Caucus promotes the following:
 - Redress inequities that result in uneven representation and participation in civic processes; the PC endeavors to fully represent the communities of the Sacramento region and therefore makes special efforts to ensure robust public participation processes in Water Forum work efforts.
 - Balance of land planning efforts with the sustained availability of water, given the impact of climate change on water supply.
 - Implementation of water conservation, demand management, and nature-based solutions to ensure affordable water rates, preservation of the environment, and adequate water supply.
- **Water Caucus** – The Water Caucus includes regional water purveyors serving communities in the American River watershed and region. The Water Caucus members' mission is to provide a reliable, safe and long-term water supply for its customers and support for the Water Forum Agreement's coequal objectives.

New Water Forum members will work with the Executive Director and Caucus leaders/points of contact to identify the relevant caucus to join based on their entity's' focus and interests. (See sections 4 and 5 under Governance above for language regarding the process for approving and onboarding new members.)

Roles and Responsibilities: The Caucus meetings are intended to foster communication within the caucus about issues relevant to the Water Forum.

Each caucus may choose to elect leaders or points of contact to assist with communication and information-gathering within and between caucuses and/or Water Forum staff. Additionally, having an individual (or individuals) selected to help the caucus clarify and sharpen its shared interests is extremely helpful and encouraged. Conversations in the caucus meetings are intended to foster brainstorming among members and generate ideas that can be shared in discussions across caucuses. Each caucus will decide how to handle confidentiality regarding caucus of discussions. To that end, caucus conversations are not considered confidential unless a caucus member specifically asks that a discussion be treated confidentially.

Water Forum staff and consultants typically participate in caucuses to stay abreast of and contribute to caucus deliberations. Staff and consultants draw on these insights to help guide Water Forum discussions and activities and build collaboration across caucuses. In doing so, staff and consultants are asked to treat caucus discussions as confidential and use their discretion in sharing information across caucuses (e.g., not assigning comments to individual members nor with enough specificity to identify the commenter), and Caucuses are encouraged to indicate to staff and consultants sensitive issues that should be treated confidentially (i.e., not appropriate for sharing outside of the caucus).

Land will confirm with caucus or specific agency before are expected to use discretion when sharing information with other Plenary signatories.

Conversations among signatory representatives are encouraged and nothing in this description is intended to limit individual Water Forum members from engaging in dialogue directly with other members.

Schedule: Caucus meetings are held monthly or as needed. Caucuses may request Water Forum staff/consultant support related to facilitation, technical presentations, etc.

3. Water Forum Staff

Purpose: Water Forum staff are the "glue" that hold the Water Forum together and facilitate implementation. To that end, they act as key points of contacts with members and non-members. The Water Forum is staffed by a range of professionals with expertise in water, biology, environmental, engineering, construction, communications and other related disciplines. More detail on Water Forum staff role in external communications is detailed in Section xxx.

Composition: Water Forum Staff includes the Executive Director, and technical leads/program managers for each of the Water Forum elements (Flows and Operations, Water Supply Reliability, Science and Habitat). In addition, fiscal and administrative staff that report directly to the Department of Utilities serve a critical role in implementation including managing meetings, grants and contracts, and other operational needs. These positions and roles are subject to change based

Commented [MOU5]: Language below, supported by the GFA Working Group, is intended to integrate across the range of feedback received from the caucuses. For review at November caucus meetings.

on Water Forum focus, available funding and ongoing discussions with the Plenary and City of Sacramento.

The **Executive Director** plays a vital role in working with member organizations, caucuses and the Plenary to identify opportunities for collaboration and agreement-building across the different entities, as well as surfacing and working to resolve disagreements that may impede pursuit of the co-equal objectives. The Executive Director (in conjunction with other Water Forum staff and consultants) carries out this role through a mix of one-on-one conversations with members, arranging for small within and across-caucus discussions, and conducting ongoing outreach to other implementation partners. The Executive Director provides regular updates on issues of interest to all facets of the Water Forum (Plenary, caucuses, relevant members, Coordinating Committee, etc.).

The **River Corridor Health Program Manager** is the lead on implementing a comprehensive habitat enhancement and science program for the Water Forum. These responsibilities include a range of activities, including technical oversight of design, permitting, and construction/implementation, and monitoring of habitat projects; oversight of science and monitoring programs; development and execution of grant applications and funding; engagement with local, state, and federal agencies on external activities; and implementation of public outreach related to habitat projects. In addition, the position is the lead on special internal/external projects to ensure consistency with the Water Forum's efforts.

The **Water Resources Senior Engineer** is the lead on several core areas of the Water Forum's programs including Flows and Operations, the Flow Management standard, engagement with State and Federal agencies on regulatory processes (e.g., reconsultation of the Long-Term Biological Opinion and the SWRCB Water Quality Control Plan update/Voluntary Agreement Process), Surface Water, Groundwater, and other elements of the Water Forum Agreement. The role requires a high level of technical fluency to direct analysis (e.g., temperature modeling, climate change modeling) as well excellent communications skills to translate for and facilitate discussion with a diverse group of stakeholders.

An organizational chart highlighting both the Water Forum's internal staffing, as well as its connection to the city and county administrative structure, is provided below.

Commented [MOU6]: Note: The WF administrative chart below has been revised to reflect the DOU Director's role in the Water Forum's administrative structure per the City-County MOU. This will be revised, as needed, to be consistent with any updates to the City-County MOU.

Issues related to the role of funders in governance and funding discussions and decisions will be addressed once the funding allocation approach is determined.

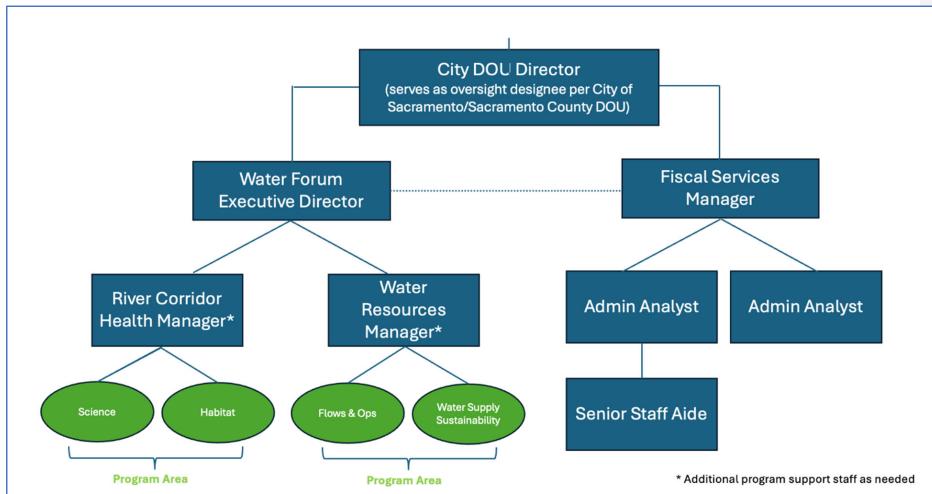


Figure 2 shows the relationship of Water Forum staff to City of Sacramento and Sacramento County and highlights program areas that are the responsibility of each staff lead.

Program Elements: Water Forum Standing Committees and Working Groups

Water Forum makes use of standing committees and working groups to facilitate the accomplishment of the Agreement's program elements and annual priorities. Standing committees have a specific focus and work plan aligned with a major program area within the Agreement. For example, the Flows and Operations Cross Caucus Committee, described below, focuses on critical technical and operational issues that affect the American River during the water year. Water Forum signatory member representatives that serve on committees and working groups serve as effective conduits to their respective caucuses. They provide perspectives from their respective their caucuses and serve to gather input and share information back to their caucuses. Committee and working group members serve as either representatives of their respective caucuses and or their individual organizations, as specified.

1. Coordinating Committee

Purpose: The Coordinating Committee provides fiscal oversight and direction for the Water Forum. This includes working closely with the Executive Director on the annual budget process and recommending a proposed budget to the Water Forum Plenary for approval. In doing so, the Coordinating Committee provides guidance on annual priorities and work plans, to be consistent with the priorities of the Plenary. The Coordinating Committee also considers recommendations and suggestions from the Caucuses, standing committees, and working groups for inclusion in the proposed budget and when developing recommendations for Plenary consideration. Coordinating Committee members are expected to provide guidance informed by and consistent with their

respective caucus' input. ~~To that end, caucus meetings will include a standing item for Coordinating Committee related topics.~~

The Coordinating Committee provides oversight and input into Water Forum strategic communications. At the request of the Executive Director and any affected signatory (if relevant), the Coordinating Committee will review public information releases, Water Forum comment letters, and endorsements prior to their release. The Coordinating Committee will include in its deliberations any affected Water Forum members to get their input into any relevant communication. The Coordinating Committee, at the request of the Executive Director, also will review Plenary meeting agendas, draft standing committee and working group charters, and other staff-generated documents to be provided to Plenary members or directly to the general public.

The Coordinating Committee is responsible for discussing (e.g., identifying additional information needs, etc.) and forwarding to the Plenary for its consideration any formal requests to amend the current agreement. This process is further described in Section [---](#).

The Coordinating Committee, in conjunction with the City of Sacramento and with input from their respective caucuses, will contribute to the hiring and evaluation of the Executive Director, similar to the role of an executive committee or board. For example, the Coordinating Committee will contribute to an annual review. The exact format for providing input is determined in discussion with the city and county to ensure consistency with HR policies and procedures.

Coordinating Committee has the responsibility of accepting feedback from Water Forum signatories. This input will help inform priorities for the Water Forum's annual business strategy and communications strategy.

The Executive Director reports to the County Administrative Officer, or their designee; and the City of Sacramento City Manager, or their designee.

Composition: The Coordinating Committee is made up of two representatives from each of the four caucuses and the Executive Director. These representatives are chosen by their respective caucuses. The Coordinating Committee is not open to observers in order to allow committee representatives to test ideas and preliminary drafts with their cross-caucus colleagues before sharing them more widely. As needed, the Coordinating Committee will open meetings when topics require input from funders or others.

Roles and Responsibilities: Coordinating Committee members will be responsible for sharing items that are ready for discussion beyond the Coordinating Committee with their caucus and are responsible for bringing the perspective of their respective caucus to the Coordinating Committee. Coordinating Committee agendas will be shared with all caucuses in advance to identify relevant caucus interests and if others should participate in pending/upcoming discussions and a standing agenda item will be added to each caucus's monthly agenda to debrief the most recent Coordinating Committee meeting.

Meeting Schedule: The Coordinating Committee will meet monthly or as needed.

The Plenary will assess the effectiveness of measures to address Coordinating Committee transparency and accountability following the first year of implementation of this agreement.

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Commented [TC7]: May be duplicative and consider deleting.

Commented [MOU8]: Deleted here to eliminate redundancy since it is mentioned in the "Roles and Responsibilities" section below.

Commented [MOU9]: The language below is intended to address the range of comments heard from caucuses on this topic.

The overarching intent of the edits is to retain the outlines of the current structure, but add elements to increase transparency and accountability. Key aspects include:

* Retain current structure given strong support from the Business and Environmental caucuses and concerns from some members of the Water and Public caucuses.

* Add several elements to address the concerns raised by some members of the WC and PC: (1) CoCo agendas will be shared ahead of time with caucuses to foster their awareness and input to their CoCo representatives; (2) add a standing agenda item to monthly caucus meetings to debrief CoCo meetings; and (3) open CoCo meetings, as warranted by topic, to foster input from funders and others potentially impacted by issues under discussion. Additionally, we are suggesting the Plenary revisit this approach after a year to gauge its effectiveness.

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2. Flows and Operations Cross-Caucus Committee

Purpose: The Flows and Operations Cross-Caucus Committee (Flows & Ops) enables Water Forum members to coordinate with Water Forum staff on operations of Folsom reservoir and implementation of the Flow Management Standard. Activities include dialogue to develop a recommended approach to current and forecasted reservoir operations and strategize for regional watershed and dam management advocacy. The approach will be informed by best available and current data, including forecasts, reservoir operations, and flows on the LAR. In their meetings with Reclamation and other regulatory agencies, Water Forum staff will advocate for the position developed by the cross-caucus representatives. Representatives often are attending primarily on behalf of their organizations, but will indicate when they are taking a caucus-based interest in a topic.

Composition: Flows & Ops is open to any interested Water Forum member who has knowledge and interest in the real-time flows and operations of the Lower American River. Each caucus will inform the Executive Director of members wanting to be kept apprised of Flows & Ops Committee meetings and work.

Roles and Responsibility: The emphasis of the Flows & Ops Committee will be on the implementation of the FMS under the relevant regulatory framework.

Meeting Schedule: The frequency of the Flows & Ops Committee meetings will depend on the needs of the given water-year and could range from monthly to weekly (drought years will likely require heightened levels of coordination as compared to wetter years).

3. (Proposed) River Corridor Health Technical Advisory Group (TAG)

Purpose: A standing group to support and advise the Water Forum (members and staff) regarding prioritization of proposed projects, performance of implemented projects, and overall River Corridor Health programs and potentially other projects under the purview of the Water Forum relative to furthering the coequal objectives. The TAG, in coordination with Water Forum Staff, will also periodically report out to the Plenary.

Commented [10]: Revisit concurrent with metrics convo

Composition: Representatives from each Water Forum caucus, Water Forum staff, and technical consultants who are subject matter experts on a temporary basis depending upon subject and need and given relevant expertise.

Roles and Responsibilities: The TAG's advice would be provided via the Coordinating Committee. The TAG may schedule meetings as needed at the joint call of the TAG Chair/Co-Chairs and the Water Forum Executive Director (ED). All meetings shall be open to observation by Water Forum members and should be hybrid meetings allowing non-members to observe remotely.

Meeting Schedule: The TAG should meet at least semi-annually, including to inform River Corridor Health-related elements to be included in the annual Business Strategy.

4. Process for Establishing New Standing or Ad-Hoc Committees

The action to initiate the formation of a new standing committee or working group can be initiated by the Executive Director, a Caucus or Caucuses, a Water Forum member representative or organization, or the Plenary. The need for a new committee or working group can stem from a significant change in circumstance, resource or programmatic constraints, need for the application

of adaptive management, or other significant change that is not being addressed by the Water Forum's current structure.

The first step in establishing a new committee or working group is the development of a Charter. The Charter identifies the problem or issue to be addressed, why the problem or issues cannot be effectively addressed within the Water Forum's current structure, and how the needed resources and expertise will be applied from within the Water Forum's existing resources. The individual or Caucus initiating the Charter will work with the Executive Director to prepare the draft document.

The draft Charter is circulated among the Caucuses and the Coordinating Committee for review and discussion. Comments are reviewed and consolidated into a final draft which is reviewed for any budgetary or programmatic considerations by the Coordinating Committee before it is sent to the Plenary for discussion and action.

Program Elements: Decision-Making

Members of the Water Forum will continue to use the same collaborative form of decision-making used in the Water Forum since its inception. This collaborative process respects both the diversity and the legitimacy of the interests of all participants and is grounded in the principles outlined in section xx above. The steps below will guide the Water Forum's ongoing decision-making process, any disputes that arise among members, and any efforts to change or amend the Water Forum Agreement.

1. Decision-Making Process:

- The Water Forum is a consensus-based organization.
- The Plenary is the main decision-making body of the Water Forum and always strives for consensus, meaning all signatories are able to support a particular policy or decision under discussion. (Since its inception, the Plenary has reached a consensus on all decisions.) However, if, after full exploration and discussion of an issue or set of issues, the Plenary cannot come to a consensus agreement, the following process will be used:
 - If one or more Signatory Representative(s) disagrees with the majority of Signatory Representatives in the Plenary, this member may choose to "stand aside" and let the Plenary reach consensus without them. Within the Water Forum, this is still considered a consensus.
 - If the Signatory Representative(s) who disagrees with the rest of the Plenary cannot "stand aside," then the "75% rule" will prevail. The 75% rule requires that 75% of the signatory organizations from each Caucus support a proposal for it to be considered a formal recommendation of the Water Forum. The 75% consists of those signatory organizations present and voting within each caucus (primary or alternate Representative) or, in the event that neither the primary nor alternate is present, represented by a proxy (give another member organization in your caucus the right to vote on your behalf).
- Specific agreements cannot be changed or modified without the expressed approval and consent of the signatories whose interests would be affected by the change.
- Designated Signatory Representatives may identify alternates to participate on their behalf in Water Forum meetings or Plenary sessions in instances of unavoidable absences. However, it remains the responsibility of each Designated Signatory Representative to

make the necessary time available to attend all Water Forum meetings and Plenary sessions as well as the various “Team” meetings, as appropriate.

- Plenary Meetings of all Signatory Representatives will be held periodically throughout the year and are open to all Water Forum participants. Specifics on meeting frequency are included in Section xx on Governance Structure.
- The Plenary shall, as necessary, appoint “teams” of Signatory Representatives to meet on a routine and/or ad hoc basis to: foster implementation of the Water Forum Agreement; finalize procedural agreements; develop “trial balloons” regarding changed conditions; and resolve disagreements related to differing interpretations of the Water Forum Agreement. These “teams” shall use the interest-based collaborative decision-making process as used in the Water Forum negotiations.

Commented [11]: Flag for discussion of whether procedural agreements will be necessary in the updated WF Agreement

2. Dispute Resolution

A major function of a collaborative process, and a tenet of the Water Forum Way, is to prevent disagreements from escalating into full-fledged disputes. With proper facilitation and communication, most potential disputes can be resolved. However, no matter how sophisticated a collaborative process exists, there will inevitably be disputes. Some may arise out of interpretation of specific provisions of the Agreement. Others may result from concerns about non-compliance or differing interpretations of the terms of the Agreement.

It is essential that stakeholders do not resort to litigation as a first response to every perceived problem or transgression. Lawsuits can quickly destabilize the collaborative process and return all Water Forum participants to gridlock. Therefore, while not waiving any of their legal rights, all organizations represented in the Water Forum Agreement agree to initiate alternative dispute resolution procedures, including mediation, before pursuing litigation.

Program Elements: Representing the Water Forum Externally

While the heart of the Water Forum’s work is centered on communication and collaboration across and among its members and four caucuses, the nature of the Water Forum’s work requires frequent interaction with a range of external parties, from state and federal agencies to the media and others.

The Water Forum, in the course of its regular work, implements a robust communications strategy that calls for a range of methods to reach a diverse audience. Typical Water Forum communication products include publications such as the Business Strategy and the State of the River Report that communicate Water Forum progress, priorities and upcoming actions to external audiences. In addition, the Water Forum maintains a presence on social media platforms. The annual communication strategy as well as periodic reports will be developed in close collaboration with the Coordinating Committee and approved by the Plenary before public release.

In addition, the Water Forum implements a robust outreach and engagement effort to support the habitat enhancement work, as described in the River Corridor Health element. This work, which provides critical habitat for salmonids, must also be done in regard to the other uses and values of the American River Parkway. For example, the Water Forum team is conscientious as to how its work impacts neighborhoods, river access, and perceptions of enhancement projects. The Water Forum accomplishes this through project specific outreach as well as general outreach at venues like the Lower American River Task Force (LARTF) meetings and engagement with organizations working along the river. (See River Corridor Health for additional information)

This section is intended to set expectations and procedures for ensuring the Water Forum is represented externally in a way that is transparent, informed by its membership, and consistent with key aspects of the Water Forum Way, most notably the importance of clear communication and “no surprises.” It also speaks to mechanisms the Water Forum will use to ensure its deliberations are informed by affected parties external to the Water Forum.

1. Role of Water Forum Members

Water Forum members have the responsibility of coordinating with the Executive Director on external communications that mention or attribute work to the Water Forum, including educational material, media releases, or in public presentations, in order to ensure consistent and accurate representation. This responsibility is carried out by members in the course of their actions with each other and the Water Forum staff and is practiced through Water Forum meetings (see Disclosures/Member Responsibilities in Section xxxx).

2. Role of Executive Director

The Executive Director is the primary representative of the Water Forum externally. The Executive Director uses their discretion in representing Water Forum activities, policies, and perspectives with external groups and in public settings; as well as building and strengthening relationships with external partners to the benefit of the organization.

Working with Water Forum members and caucuses, the Executive Director will also seek to identify and foster outreach to and connections with a diverse set of potentially affected stakeholders to ensure (1) they are aware of Water Forum activities, and (2) that their perspectives inform relevant Water Forum discussions. These efforts could range from conversations within established venues such as conferences, to one-on-one engagements, focus groups, etc.

Note: The role of the Executive Director relative to internal communications within and across staff and Water Forum members is discussed above in **Section xxx**.

3. Role of Coordinating Committee

The Coordinating Committee serves an important role in review of external communication materials (e.g., media statements, press releases, letters, etc.) to ensure a consistent message that balances the interests of all four caucuses. The level of review and involvement depends on the product, topic, and level of controversy, but as a part of the regular work of the Water Forum, the Executive Director will engage with the Coordinating Committee and any potentially affected members on the following:

- Consult in development of proposed external messages that represent the Water Forum to the public, including news and print media, social media, video, signage, brochures, educational materials, and website content prior to release.
- Confirm proposed external messages that represent the Water Forum in special settings, such as conference, meetings with elected officials or state or local agencies prior to representing the organization’s interest or position on sensitive issues.
- Review and refine comment letters on behalf of the organization, or to form cross-caucus working groups as needed to engage on complex or sensitive topics (e.g., re-consultation of the Biological Opinion) that require public statement (see additional detail in the section below).

- Coordinate with individual Water Forum members and caucuses regarding external discussions on issues that may be of particular relevance or importance to those entities.

Recognizing the unique relationship the Water Forum has with both the City of Sacramento and Sacramento County, the Executive Director (in collaboration with the Coordinating Committee) will maintain close contact with both entities on sensitive legal and administrative issues to foster consistency in Water Forum actions or statements with city and county policy.

Commented [MOU12]: To be revisited once a new MOU has been developed.

4. Requests for Engagement or Support

There may be times when the Water Forum is asked to engage in formal or informal discussions directly with various external partners or asked to endorse or provide input on a specific issue. These requests may come with different timeframes (e.g., a request requiring immediate response versus those that come with weeks or months of lead time) or in different formats (e.g., a written statement, letter, or oral testimony). Requests may be generated by a member or non-member, as well as from Water Forum staff.

The sensitivity of the requests will also likely vary, generally falling under one of two categories:

1) Requests with strong member concurrence or requests needing immediate attention

This type of request includes subjects that fall under the purview of the Water Forum or are consistent with the Water Forum Agreement. For example, a request by a Water Forum member to send a letter to the editor of a newspaper extending support for an action or project that is clearly consistent with the Water Forum Agreement," (e.g. Folsom storage levels) and the statement can be issued with support by all interests.

The Executive Director, in discussion with the Coordinating Committee and affected Water Forum members, determines a path for addressing the request based on timing/urgency and level of concurrence or divergence, as follows:

- The requestor meets with the Executive Director to provide details on the requested action, including timeframe, format, and duration of engagement. The Executive Director meets with Water Forum member(s) most affected/involved in the issue to discuss the Water Forum response in light of the Water Forum Agreement.
- The Executive Director provides the response/proposed approach to the Coordinating Committee and any affected members and then implements the action.
- The Coordinating Committee members inform the caucuses at the next regularly scheduled meeting, and action is then reported on at the next regularly scheduled Plenary meeting.

2) Requests with low member concurrence or controversial

This type of request includes subjects that may or may not be consistent with the Agreement or have the potential to be highly controversial due to the level of interest outside of the Water Forum. For example, being asked to submit testimony to/negotiate with state or federal regulatory agencies on issues that may affect the coequal objective but are not in the Water Forum Agreement (e.g. litigation). These requests often have a longer time frame for response and engagement.

The Executive Director, in discussion with the Coordinating Committee and affected Water Forum members, determines a path for addressing the request based on timing/urgency and level of concurrence or divergence, as follows:

- The Executive Director meets with Water Forum Coordinating Committee and member(s) most affected/involved in the issue to coordinate/discuss the Water Forum concerns/position in light of the Water Forum Agreement and the coequal objectives.
- The Executive Director develops an issue memo that lays out:
 - the purpose of the request and the interested parties
 - the recommended engagement to respond to the request
 - the ground rules and guideposts for the response
 - the outcome being sought
 - the areas that are not to be engaged/negotiated.
- The Executive Director will consult with the Coordinating Committee and any affected members on the issue memo, who will then coordinate its review by and feedback from the Caucuses. All feedback will be shared with the Executive Director, who will coordinate the completion of the issue memo with the author(s).
- Once completed, the Coordinating Committee will redistribute the memo to the Caucuses and schedule the issue memo for discussion at a Plenary meeting where the appropriate individuals will present the issue to the Plenary for discussion and resolution.
- Once the engagement begins, the Executive Director and/or the individual(s) leading the Water Forum engagement team will provide updates as warranted to the Coordinating Committee and the Plenary.
- As engagement progresses, there may be changes in circumstances that warrant changes to the Water Forum response. These needed changes will be brought back to the Coordinating Committee, caucuses and, when appropriate and consistent with the commitment to disclosures as described elsewhere in this document, to the Plenary for agreement and authorization to adopt them into the Water Forum's response.

5. Cross-Learning Among Water Forum Members

Water Forum members routinely engage in outreach activities with their various constituencies. As a result, they have each developed practices and approaches that can inform engagement strategies intended to further the Water Forum's coequal objectives. These can include mechanisms for effectively sharing technically dense information, communicating complex or controversial funding and budgetary needs, reaching out to traditionally under-represented or hard-to-reach communities and stakeholders, etc.

Given this expertise, Water Forum members are encouraged to share these approaches with one another and create spaces or mutual learning. Water Forum members are also encouraged to partner with one another and Water Forum staff to deepen the effectiveness of outreach and engagement strategies.

Program Elements: Implementation Partners

The Water Forum's work towards achieving the coequal objectives demands consistent cooperation and collaboration among its members. While much of this work is accomplished through informal or ongoing efforts of staff and members, it is a given that due to the integrated nature of many of the governmental and non-governmental organizations, there are opportunities for more formal partnerships or agreements.

To that end, the Water Forum governance structure acknowledges the need for “implementing agreements” with other entities who work on and have influence over Lower American River conditions and activities related to and/or furthering the coequal objectives. Implementing agreements are intended to be consistent with the Water Forum Agreement and provide more detail as to the roles and responsibilities of the Water Forum in relationship to our partners. Implementing agreements can be crafted between the Water Forum and members (e.g., Regional Water Authority), or between the Water Forum and non-members, like state and federal partners such as the California Department of Water Resources (DWR), the U.S. Bureau of Reclamation (USBR) and the U.S. Army Corps of Engineers (Corps).

Implementing agreements can be developed, reviewed, and updated on a case-by-case basis. Due to the wide range of activities covered by Water Forum members or partners, the structure of any implementing agreement is unique to the particular issues or topic and can change over time. For example, the Water Forum has an implementing with USBR (2021) to inform operations at Folsom Dam. The Water Forum also has an implementing agreement with City of Sacramento Department of Utilities that outlines roles and responsibilities for fiscal and administrative services.

The Water Forum will use the process below to introduce, consider, and enter into any formal agreements with other entities:

- Any Water Forum member, Water Forum staff, or third-party entity may suggest the need for an implementing agreement with another Water Forum member or external entity. This expression of need should include a brief description of the need for and structure of the intended partnership, highlighting in particular the benefit to the Water Forum’s coequal objectives and any resource obligations (staffing, funding, etc.). This description should be submitted to the Water Forum Executive Director.
- Once received, the Executive Director first refers the proposal to the caucuses and any relevant committees for discussion. Caucuses and committees are encouraged to consider both benefits and concerns, identify any additional information needs and indicate, as warranted, whether the proposed partner agreement is necessary.
- Once the caucuses and committees have had an opportunity to consider the proposal, the request is forwarded to the Coordinating Committee for its discussion. The Coordinating Committee will draw on input from the caucuses and committees to develop a recommendation for consideration by the Plenary.
- The Coordinating Committee is to forward all requests on to the Plenary for its consideration. The Coordinating Committee may, at its discretion, offer an accompanying recommendation to adopt, modify, or reject the agreement. It may also forward it on to the Plenary without any recommendation.
- The Plenary will consider the request and make a final determination using its decision-making protocols described elsewhere in this agreement.

Agreements will be included in the administrative record of the WF (or appended to the Agreement) and are available upon request.

Program Elements: Diversity, Equity, and Inclusion

The Guiding Principles in this section speak to the importance of implementing the Water Forum Agreement in a way that is inclusive of the breadth of perspectives in the region, reaches out to communities and individuals not typically involved, and fully considers how the Agreement and its work to further the coequal objectives may impact all communities and constituencies. The best way to

Commented [13]: Still need to decide where agreements with implementation partners are retained (as part of admin record, appended to agreement, etc.).

accomplish this is to have representation from underserved and historically underrepresented community members on the Water Forum. This emphasis on inclusivity, outreach, and transparency is important not just in the context of the governance and administration of the Water Forum, but should be viewed as an integral part of the Water Forum Way.

To that end, the Water Forum will utilize methodologies to help inform its full range of implementation activities, in order to guide our work in a way that meaningfully considers the Water Forum's commitment to diversity, equity, inclusion and environmental justice. While specific approaches will vary from program to program, implementation activities should consider the following issues:

- How outreach is being carried out to ensure people from historically underrepresented groups are made aware of Water Forum activities (e.g., tribes, environmental justice water leaders and communities, economically disadvantaged communities, etc.);
- How and when input is being gathered to help overcome barriers to meaningful participation (e.g., time of day, location, unseen costs, etc.); and,
- How the Water Forum can evaluate (1) how its actions are seen and / or impact groups throughout the region, and (2) whether there may be a nexus with historic and current inequities that may be ameliorated through Water Forum implementation when appropriate.

Beyond these important but more general practices, the Water Forum and its members participate in several efforts that can help foster equity and inclusion within all communities that are more directly affected by the coequal objectives. These efforts can include: access to our region's natural resources; education about the lower American River; and support for the affordability of our drinking water. These efforts can continue and be strengthened under the Water Forum Agreement .

- **American River corridor health and access** – The Water Forum recognizes that its habitat enhancement work along the American River corridor, in furtherance of the coequal objectives, has the potential to affect historically under-represented communities. The Water Forum is aware of and will continue to work to understand these conditions, from fire risk and waste management, to safety, pollution, river access and use, and other human dimensions of resource management. Recognizing these complexities and with the leadership of the Public Caucus, the Water Forum will work to ensure we are able to draw in speakers and members able to bring this vantage point to Water Forum discussions.
- **Water Affordability** – The Water Forum recognizes there is a potential nexus between its members' commitments and water affordability. In light of this, Water Forum members commit to fostering an ongoing series of dialogues and joint learning sessions as part of the implementation of this Agreement to (1) better understand this connection, (2) consider alternative rate setting methodologies and landscaping strategies that foster water conservation, water use efficiency and affordability, and (3) as appropriate, identify relevant best practices and recommend pilots, policies and infrastructure changes that have the potential to contribute to achieving the Water Forum's coequal objectives while accounting for affordability concerns. Signatories are committed to exploring this topic in a way that honors the Public Caucus's strong interest in this subject while acknowledging that rate-setting rests solely within the purview of each water purveyor's governing body and (consistent in accordance with Proposition 218 and CPUC requirements).
- (1) engaging in joint learning to better understand this connection, (2) consider equitable ways to set water rates and promote landscaping that fosters both water conservation and water use

Commented [14]: From Jim Ray: Wanting to better understand what these "unseen costs" refer to. Has concern if that implies stipends for participants (due to potential cost, water purveyor resistance).

Commented [TC15]: WC supports the intent of this section, urging the focus to be on shared learning and how that shared learning could contribute to greater understanding and potentially inform future activities. Number 2 should either be more general or add an acknowledgement that the suite of projects/investments that contribute to the WF coequal objectives are likely to increase rates for projects (e.g., RiverArc, etc.). Number 3 should be less detailed and be repurposed to center on shared learning. WC has requested that references to specific actions/recommendations be removed.

Commented [TC16R15]: CBI will revise language and bring back.

Commented [TC17R15]: See new draft language in tracks (10/30).

Commented [18]: As an agency that conducts its business in public meetings and whose governing body is elected by the public, San Juan is always amenable to discussing with anyone the issues of water affordability and rate-setting. These subjects have not been a primary focus of the Water Forum, so we would expect that this dialogue would not be the responsibility of the Water Forum to facilitate, but would, as the language of this paragraph states, be the joint responsibility of members. Also, this paragraph conflates "landscaping strategies" with water rates, which are separate and unrelated issues.

The reference to the Public Caucus' interest is unnecessary and out of place.

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~~efficiency~~ and affordability (while recognizing that rate-setting is within the purview of each water purveyor's governing body), and (3) identify best practices and recommend pilots, policies and infrastructure changes that have the potential to address ~~contribute to achieving the Water Forum's coequal goals~~~~coequal objectives~~ while accounting for affordability concerns. The Water Forum is committed to agendize discussions on water affordability as a Plenary topic.

- **Education** – Under the leadership of the Public Caucus, the Water Forum will engage with diverse communities to (1) understand how the coequal objectives resonate with, address and / or impact these communities' needs and priorities, (2) improve public participation processes, and (3) identify opportunities to implement the Agreement in a way that accounts for people having different access to resources due to systemic inequities. This will focus primarily on Water Forum-led activities, but can also include members sharing guidance with one another on strategies they can undertake to deepen their public participation processes.

The Water Forum recognizes that its work to be an inclusive organization is an ongoing effort and welcomes feedback as to how it can be more inclusive while it pursues the coequal objectives.

Funding

Intent

The Water Forum commits to having the governance, finance, and administration of the Water Forum Successor Effort be effectively managed, financially sound and transparent. The administration of the interests of the Water Forum's large group of signatories and interested parties requires a dedicated and consistent effort in order to make progress toward and achieve the ~~goal~~~~co~~equal objectives. This endeavor will take significant time on the part of both the Water Forum staff and Water Forum members.

Guiding Principles

The projected budget for the Successor Effort and cost allocation methodology is based on the following ~~XX principles~~.

1. Cost of the Water Forum Successor Effort.

In order to estimate the actual cost of the Successor Effort, a Preliminary Work Plan which identifies the tasks for the first five years has been developed and is included in the 20XX Water Forum Agreement (Attachment A). The projected annual cost for the tasks set out in that this Work Plan is \$XXX,000 for the first year of operation. Fiscal Year 20XX-20XX budget components include Proposed Expenditures (Table

Commented [19]: Replaced by section immediately above.

Commented [MOU20]: TANIA - I think you and I agreed to cut the Funding section for now since it is sooo drafty and the WC approach to funding allocation is still way up in the air. If that's right, please just delete the entire section and add a note along the lines of: "The funding section is still very much a work-in-progress within the GFA and will be shared with caucuses once it can be better informed by funding allocation discussions still active among water purveyors" - or whatever other language you think makes more sense.

Commented [TC21]: This draft funding section is new content prepared by Kerry, Anne, and Ted. GFA WG members, please read carefully and be prepared to discuss at the 10/21 meeting.

Commented [KS22]: This needs to be revised to reflect WFSE and HME. I'm not sure if these will both be funded by the same funders with the same allocation, but this will need to be clarified throughout the chapter.

XX), Summary of Projected Funding Sources (Table XX), HME Cost Share Projection (Table XX), WFSE Cost Share (Table XX). (A sample budget for the first year of operation is set forth in Attachment X). All signatories have reviewed this Preliminary Work Plan and agree that \$XXX,000 for the first year will be provided as set forth below.

2. First Year Water Forum Successor Effort Budget Review.

Prior to completion of the first year following the signing of the Water Forum Agreement, the Successor Effort shall undertake a careful review of progress to date and shall revise the work plan considering the then existing circumstances. The annual budget and contributions may be revised at that time. Any increase or decrease to the first-year budget would require a consensus among all interest groups and agreement by those agencies providing Successor Effort funding.

3. Annual Budget Review.

On an annual basis, the Successor Effort budget will be reviewed by the Coordinating Committee and approved by the Plenary in accordance with the updated work plan for that year.

4. Consultants.

Consultants shall be used only as needed and the identification and approval of actual expenditures for specific consultant contracts shall be part of the Successor Effort budget process. If consultant contract funds or funds allocated for consultant contracts in a given fiscal year are not spent prior to the end of that year or designated earmarked for future expenditure, the Successor Effort shall modify the next year's budget in an appropriate manner.

5. Funding.

A purveyor's annual contribution to support the estimated cost of the Successor Effort shall be based upon XXXXXXXXXXXXXXXXX methodology as shown in Table XX. The intent of the funding allocation methodology is to represent the benefit that the participating funding agencies receive from the implementation of the Water Forum Agreement. The methodology selected was considered the most equitable and stable basis for sharing Successor Effort and Habitat Management Element costs. Allocation of first year costs for the Successor Effort on a purveyor-by-purveyor basis is contained in Table XXX Attachment X. It should be noted that this cost allocation assumes that all the purveyors identified in Table XXX Attachment X will sign the initial Water Forum Agreement. If fewer purveyors sign the initial Water Forum Agreement, the first year costs allocated to the purveyors that do sign will increase.

Commented [KS23]: Again - need to spell out WFSE and HME funding once this is decided

7. Implementing Agencies.

The annual contribution of implementing agencies (EBMUD, SMUD, EDWA, and SAFC) will be a flat fee

in the first year of \$XXXX and increase annually according to XXXX.

8. Other Funding Parties.

~~The annual contribution of purveyors outside of Sacramento County shall be based upon XXXX methodology and include Georgetown Divide Public Utility District, XXXX.~~

Commented [KS24]: I'm not sure that Georgetown will be a funder - other than their possible participation in the VA which we're not including at this time

9. Small Water Agency Non-Voting Members.

Agencies that are unable to fund the Water Forum Successor Effort per the identified funding allocation methodology are considered to be non-voting members and will be offered a membership rate based upon XXXX methodology.

Commented [KS25]: Should this just be a flat fee? \$10K with an annual inflator?

(INSERT ALL TABLES HERE)

Program Elements: Water Forum Budget

As an entity within the City of Sacramento's administration with a July through June fiscal year, the Water Forum budget also operates on a July through June fiscal year. The Water Forum budget is approved by the member agency governing boards and councils each May. These boards and councils include the Sacramento County Board of Supervisors, the Sacramento City Council, the Roseville City Council, the Folsom City Council, (etc etc)

1. Water Forum Budget Schedule.

- September – November: Internal budget development for future fiscal year with WF staff based on upcoming projects, anticipated grants; review of operating budget, actual expenditures; ED reviews first draft of future fiscal year with Coordinating Committee.
- January – February: Present proposed draft future fiscal year budget to Plenary. Plenary identifies if there is any opposition to proceeding with the budget. ED provides detailed memo to Plenary with proposed budget, expenses, and status of reserve fund. Member agency contributions are calculated in January to allow for inclusion in annual member agency budgeting process.
- February – May: Interagency funding agreements are signed; final approval at City of Sacramento Council for future fiscal year.

Commented [KS26]: Need to confirm that this timeline works with the budget deadlines for the funding agencies

2. Budget Description.

- Includes linkage to annual and multi-year workplans.
- Delineates costs associated with staff, consultant, direct expenses, contingency, etc.
- Reports on status of reserve fund.
- Reports on status of local, state and federal grants

3. Budget Process.

- Role of Water Forum staff, members, committees, Plenary and Sac City in developing, reviewing and approving the annual budget / proposed expenditures
- MOU between Sac City DOU and Water Forum delineates roles and responsibilities for fiscal and administrative services
- Interagency agreements or contracts between Water Forum and signatories identify agreements for fiscal support

4. Budget Oversight Process.

- August: Publish annual report on the business strategy. Review accomplishments and outstanding priorities with plenary.
- August -September: Memo to Coordinating Committee with review of prior fiscal year actual expenditures; balance in reserve funds.
- October: Memo to Coordinating Committee on first quarter (July-Sept) actuals
- January: Memo to Coordinating Committee on second quarter (Oct-Dec) actuals
- April: Memo to Coordinating Committee on third quarter (Jan-March) actuals

Commented [KS27]: Maybe we can simplify this - rather than providing a memo, why don't we have a standard budget report (spreadsheet) showing where we are financially? I want to avoid unnecessary work for ED.

Program Element: Water Forum Funding

As a commitment to the investment in a reliable water supply and a healthy ecosystem, the water agency and other funders have voluntarily entered into a memorandum of understanding that stipulates funding the Water Forum Successor Effort. The funding methodology was agreed upon and is set forth in greater detail below.

1. Description of Funding Methodology and Other Sources.

- Purveyor Specific Agreements: Purveyors with Purveyor Specific Agreements provide funding based on a cost-allocation methodology
 - Criteria for funding model
 - Formula for funding model
 - Reporting obligations
- Implementing Agencies: Agencies with implementing agreements provide funding based on a set-fee model. These include: EBMUD, SAFCA, SMUD, EDWA
- Grants
- Non-government funding
- In-Kind Donations: significant resources are donated on behalf of organizations for participation of staff and members.
- Allocation of funding
 - Water Forum Successor Effort
 - HME
- Fiscal agent: City of Sacramento

▪ Process to amend funding structure: all signatories to the Water Forum 2.0 Agreement must vote before the funding structure is changed in any way.

2. HME Fund Balance.

- Upon signing the Water forum Agreement in 20XX, stakeholder organizations agreed that if undesignated funds in the HME exceed \$X million, annual contributions would be reduced or deferred until the undesignated balance went below \$X million.

K. Five Year Review

Every three years the Water Forum Successor Effort will comprehensively review progress made in achieving both of the coequal objectives. The results of this review will assist funders justify ongoing funding of the Water Forum.

Commented [KS28]: We need to talk about whether a 5 year review cycle is adequate. I heard that the investor owned utilities go to the PUC every 3 years.

L. Changed Conditions and Amendments to the Water Forum Agreement

Given the complexity of issues, level of detail, number of signatories, duration of the Water Forum Agreement, and changed circumstances that will undoubtedly occur between now and the year 2030. Some changes may call for renegotiation of some terms of the Water Forum Agreement. However, a

request for renegotiation does not necessarily mean the Water Forum Agreement will be revised. The Water Forum Agreement, including specific agreements, can be changed or modified only with the expressed approval and consent of the signatories to the Water Forum Agreement. Any proposal to amend this MOU or the attached Water Forum Agreement would be considered in the context of both of the Water Forum's coequal objectives. Specific procedures for amending the Water Forum Agreement consistent with the collaborative decision making process will be developed by the Water Forum Successor Effort within the first year of its operation.

M. Specific Agreement on the Water Forum Successor Effort.

All signatories to the Water Forum Agreement will participate as members of the Water Forum Successor Effort and, where specified, will financially contribute as indicated above.

Administration

Intent

Guiding Principles

Program Elements: Administrative Structure

The Water Forum will continue to be administered under the auspices of the Sacramento City-County Office of Metropolitan Water Planning. Staff will be employees or contractors of the City of Sacramento and all administrative responsibilities with respect to such employees or contractors will continue to be handled by the City. This arrangement will:

- Ensure continuity between the Water Forum Agreement and the priorities of the Water Forum;
- Preserve existing technical expertise;
- Avoid creating another redundant government entity.

The Water Forum Agreement will be an MOU. It will contain provisions to continue the Water Forum organization. All parties which sign the MOU will become full participants in the Water Forum. In addition, there will be a ~~supplementary funding agreement~~ which will include entities which, consistent with the funding principles set forth in ~~xx~~ below, are actually making payments to support the work of the Water Forum.

It is important to note that:

- All signatories to the Water Forum Agreement will have equal standing in the Water Forum whether they are a public agency, investor-owned utility or community interest/advocacy organization.
- Though Water Forum staff will be employees or contractors of the City of Sacramento, the Water Forum Agreement signatories will provide overall policy direction for work by staff.

Program Elements: Reporting and Monitoring

The Water Forum is committed to carrying out the Water Forum Agreement in a manner that tracks and reports out its work in a clear, transparent, and timely fashion to Water Forum members and other interested stakeholders. These mechanisms will focus on both reporting out on projects being implemented as part of the Water Forum Agreement by Water Forum staff and members, as well as tracking and providing ongoing information related to activities contributing to the achievement of the coequal objectives.

As part of this Agreement, Water Forum efforts will be centered on several distinct elements outlined below. The Executive Director will be responsible for developing the various elements above in close collaboration with the Coordinating Committee, other relevant Water Forum bodies and members, and consistent with available resources.

- **Conditions Dashboard:** Develop an online dashboard that provides real-time updates on key indicators and benchmarks of water supply and river health to help inform flow and operation

Commented [29]: Add example of interagency funding agreement

Commented [30R29]: EC comment: Ensure consistency with funding section once drafted.

decisions during the Water Year (October 1 – September 30). Indicators could include, but not be limited to river flows (cfs), Folsom reservoir storage, and water temperature; as well as habitat conditions or likelihood of presence/absence of salmonids based on lifecycle. Data will be presented in a manner that is useful, timely and accessible to those with and without in-depth knowledge of the system and the Water Forum's coequal objectives. The dashboard will, as much as practicable, draw on data from existing sources.

- **Business Strategy:** Produce a 5-year Business Strategy outlining key initiatives to implement the Water Forum Agreement each major program area (e.g., habitat enhancement, flows and operations, science and monitoring, water supply reliability, communications, and administration). The Business Strategy will highlight near-term priority actions, ongoing annual actions, and lower ("as time allows") priority actions and associated milestones, as well as projected revenues and expenses for a 3- to 5-year period.
 - The Executive Director will present an Annual Report on the implementation of the Business Strategy. The Annual Report will be reviewed by the Coordinating Committee and confirmed by the Plenary.
 - The Business Strategy will be developed by Water Forum staff, reviewed by the Coordinating Committee, and approved by the Plenary every 5 years.
- **State of the River Report:** Prepare a State of the River Report every five years that (1) comprehensively reviews progress towards meeting both of the coequal objectives; (2) highlights climate change impacts or other factors that may be impacting the coequal objectives, and (3) suggests any needed revisions or changes to the Water Forum Agreement, or the Business Strategy to address changing conditions. The State of the River Report will be developed with the Technical Advisory Group (TAG) and other partners; and reviewed and confirmed with the Coordinating Committee. Upon completion, this report will be presented at a Plenary meeting for final approval.

When developing these tools, Water Forum staff will strive to use language, graphics and learning and engagement sessions that make both the data and any associated ramifications accessible to an intended audience (Water Forum members, others) that brings varying degrees of expertise in the different topic areas.

Program Elements: Changed Conditions and Amendments to the Agreement

No individual Water Forum member or staff has independent authority to alter the Water Forum Agreement. At the same time, the Water Forum must be able to respond to the changing conditions or other unforeseen circumstances that will arise over the next several decades. The Agreement may be changed only by the signatories employing the same interest-based collaborative process used to negotiate the original Agreement. The Water Forum staff will facilitate and coordinate such negotiations should they prove necessary. Changes to the Agreement are the purview of the

Plenary unless the Plenary decides they need to be referred to signatory members' boards for formal confirmation.

Term of the Agreement

The original Water Forum Agreement, adopted in 2000, was set to expire after a 30-year term. In 2020, then Water Forum Executive Director, Tom Gohring, initiated a renegotiation of the Water Forum Agreement well in advance of the expiration date, with the recognition that the original Agreement took seven years to negotiate, and that regulatory, policy, and physical conditions had substantially changed over the past 20 years. While the renegotiation of the Water Forum Agreement is expected to be completed prior to the original expiration date, and in less time than the original negotiations, it is recognized that due to the nature of the Agreement and the complexity of the issues, members should anticipate and plan for renegotiation in the future.

Therefore, given the complexity of issues and anticipated climate change, this Agreement is to be reviewed through an assessment of key indicators in the State of the River report, including data from Urban Water Management Plans and Groundwater Sustainability Plans (GSPs), on a 5-year basis; with a renegotiation term of 25 years.

The anticipated timeline of review and renegotiation is as follows for the period of 2025-2050:

- 2025: Signing of the New Agreement. Publish a State of the River Report that captures conditions based on metrics and indicators that support Water Forum Agreement program elements. Publish Business Strategy that lays out priorities for the FY 25/26-30/31 period; with annual reports to be published describing the progress.
- 2030: Publish State of the River Report. Review progress on implementation of program elements; develop revised set of Business Strategy priorities to cover the next 5-year period (FY 30/31-35/36) for Plenary approval.
- 2035: Publish State of the River Report. Review progress on implementation of program elements; develop revised set of Business Strategy priorities to cover the next 5-year period (FY 35/36-40/41) for Plenary approval.
- 2040: Publish State of the River Report. Review progress on implementation of program elements; develop revised set of Business Strategy priorities to cover the next 5-year period (FY 40/41-45/46) for Plenary approval.
- 2045-2050: Initiate review and renegotiation of the Water Forum Agreement to coincide with a 25-year renewal period. Provide a 5-year window to complete, with anticipated new agreement to be approved no later than 2050. This 5-year window can be automatically extended with the concurrence of the Plenary and assuming negotiations are seen as productive and on a path towards successful conclusion.

Request for Renegotiation

Renegotiation can be requested outside of the scheduled timeframe. Any proposal to renegotiate the Agreement would be considered in the context of the Water Forum's coequal objectives. Specific engagement processes for renegotiating the Agreement should be developed through a transparent and collaborative process.

Request for Amendment

Amendments to the Agreement can be requested outside of the scheduled timeframe. Any proposal to amend the Water Forum Agreement would be considered in the context of the Water Forum's coequal objectives. Specific engagement processes for amending the Agreement should be consistent with the collaborative decision-making process that was used in the development of the Agreement.

Process for Renegotiation or Amendment Requests

The mechanism to request consideration of amendments is as follows:

- Any signatory, caucus or Executive Director can make a formal call for renegotiation of some terms. The request must include a rationale stating the changed conditions warranting consideration and should include proposed amendment concepts or language.
- The request for renegotiation by a signatory or caucus is to be submitted to the Water Forum Executive Director, who will bring it (or any request they might have) first to the Coordinating Committee for discussion. Coordinating Committee discussions will be informed by input from their respective caucuses and, as appropriate, any guidance from relevant committees.
- The Coordinating Committee is to forward all requests on to the Plenary for its consideration. The Coordinating Committee may, at its discretion, offer an accompanying recommendation to adopt, modify or reject. It may also forward it on to the Plenary without any recommendation.

A request for an amendment or renegotiation does not necessarily mean the Agreement will be revised. The Agreement, including specific agreements, can be changed or modified only with the expressed approval and consent of the Plenary. Changes to the Agreement are the purview of the Plenary, with the caveat that changes that require additional funding will be subject to agreement by the funders. The Plenary may recommend that the proposed changes need to be referred to signatory members' boards / decision-making bodies for formal confirmation.

Specific implementing agreements (e.g., PSAs) cannot be changed or modified without the express approval and consent of the entity whose interests would be affected by the change. These changes also must be approved by the Plenary.

Program Elements: Legal Considerations

1. Administrative Structure

The Water Forum is not a legal entity, but rather a forum for a group of business and agricultural leaders, community groups, environmentalists, public and private water agencies, and local governments. Staffing and administrative support resources for the Water Forum are paid for by water purveyor signatories with personnel management provided by the City County Office of Metropolitan Water Planning ("CCOWMP"). The CCOWMP is not a separate legal entity. The current authority for the CCOWMP is set forth in the Second Interagency Agreement between the City of Sacramento, the County of Sacramento, and the Sacramento County Water Agency executed in 2001. [Please note: this agreement is in the process of being reviewed and updated].

The key points of the 2001 Interagency Agreement are as follows:

Commented [31]: We intend to send the next iteration of this entire GFA agreement to legal for their review and will ask them to weigh in on this section during that review.

Commented [32]: Include footnote clarifying that CCOWMP is one and the same with the WF. Note: it may change and simply be referred to as the WF going forward. This will be updated once agreement/resolution confirmed.

Commented [33R32]: This will change in the next streamlined version.

Commented [34]: GZ - The relationship of the WF and its ED to the CCOWMP isn't described but needs to be. There is mention of an Executive Director (presumably of the CCOWMP), which isn't the WF ED, which adds to confusion.

- The objective of the CCOMWP is to promote the implementation and continued vitality of the Water Forum Agreement.
- The Executive Director of CCOWMP reports jointly to the City Manager and County Executive.
- The City is responsible for providing facilities, budget, and administrative support to the CCOWMP.
- All employees of CCOWMP, including the Executive Director, are City employees.
- CCOWMP contracting follows City procedures.
- The City's signature delegation policy identifies the Executive Director's position as equivalent to a Department Director and authorizes contract authority of up to \$100,000.

The City Attorney's office represents the CCOWMP on matters related to City procedures and general governmental issues. The CCOWMP currently shares the City's outside water counsel for advice on substantive water related issues, but has agreed to terminate the representation if the potential for a conflict with the City's interests arises.

2. Water Forum Meetings – Relationship to Brown Act

The Water Forum is not a local governing body nor is it created by federal or state law. Accordingly, it is not formally subject to the Brown Act.

~~The Water Forum holds a range of meetings on a regular basis, including Caucus meetings, and special meetings with cross-caucus membership. These meetings are held in the regular course of business and are not subject to Brown Act requirements. In addition, the Water Forum agreement is intended to create and ensure confidentiality for "deliberative" and open discussions on sensitive subject matter so that the Water Forum and its members can freely discuss issues, strategize, and then formulate action plans and positions that may become available to the public.~~

~~Nevertheless, t~~he Water Forum strives to be as transparent and inclusive as possible, both with its members and with cooperating entities and affected stakeholders, and with the public generally. To that end, Plenary meetings are open ~~to any interested party~~ unless a specific topic warrants member-only discussions. The Water Forum also strives to hold informational sessions that deepen understanding among its members and others. In the case of open Plenary meetings the Water Forum will provide advance notice of meeting times and materials, so that the public can be informed, ~~while t~~he general intent for ~~the~~ Plenary meetings ~~is~~ to be open to the public so that the formulated plans and positions are made known.

~~While t~~he Water Forum strives to provide meeting materials ~~to its members~~ consistent with good public participation practices (e.g., meetings noticed in advance, discussion topics described in agenda; meetings take place locally and open to the public, etc.).

Water Forum members are responsible for ensuring their engagements with the Water Forum are consistent with their agency's Brown Act obligations.

3. California Environmental Quality Act

The City of Sacramento is considered the lead for any Water Forum actions requiring CEQA (California Environmental Quality Act) review.

~~Development and adoption of the new Water Forum Agreement is not a "Project" subject to CEQA.~~

Commented [35]: Flag deleted item when conducting a review of complete document (specifically related to caucus roles and responsibilities). May consider adding language about any caucus being able to call for a member only session.

Commented [36]: GZ - This paragraph is unnecessary. First paragraph has already stated WF meetings are not subject to the Brown Act. Statements about need for confidentiality won't sell skeptics anyhow. Non-open meetings are the exception rather than the rule so why dwell on this?

Commented [37]: There is interest in providing greater clarity on where and how materials will be made available for Plenary and committee meetings. We recommend that this level of detail, while important, be addressed in operating protocols independent of this agreement.

Commented [38]: GZ - Note this suggested addition just so there's no question about it. Didn't want to have it inadvertently dropped so providing comment box.

Commented [39R38]: May consider getting a memo from an attorney who specializes in CEQA to provide concurrence with statement.

Commented [40R38]: Section ready for caucus review post attorney review.

4. [Risk and Liability](#)5. [Land Use Decisions](#)

Commented [41]: JL: This is a placeholder for you to add language as needed.

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MEMO

TO: Board of Directors
FROM: David Biagi, Production Superintendent
DATE: November 8, 2024
RE: Unregulated Contaminants Monitoring Rule (UCMR) 5 Sampling Update

BACKGROUND

The Safe Drinking Water Act (SDWA) mandates that the Environmental Protection Agency (EPA) publish a list of unregulated contaminants for monitoring by public water systems (PWSs) every five years. The fifth Unregulated Contaminant Monitoring Rule (UCMR 5) was issued on December 27, 2021. UCMR 5 requires the collection of samples for 30 chemical contaminants between 2023 and 2025, using analytical methods developed by the EPA and consensus organizations.

In line with the EPA's PFAS Strategic Roadmap, UCMR 5 aims to provide new data that will enhance the agency's understanding of the occurrence and levels of 29 per- and polyfluoroalkyl substances (PFAS) and lithium in the nation's drinking water systems. This monitoring data will assist the EPA in determining future regulations and actions to protect public health under the SDWA.

For UCMR 5, samples will be collected at entry points to the distribution system for all contaminants. Public water systems drawing from groundwater that is directly influenced by surface water must be monitored four times during a consecutive 12-month period, with sample collections occurring three months apart. Groundwater systems, on the other hand, must be monitored twice during the same 12-month period, with sample events occurring five to seven months apart.

SUMMARY

In May and October 2024, staff collected the second and third rounds of the four sample cycle of UCMR 5 sampling. These two rounds also conclude the groundwater sampling of the District's wells. The Bajamont Water Treatment Plant samples thus far have all come back non-detect for all contaminants. Of the well sites Barrett School, Garfield, Willow Park and La Vista all had zero detection of the UCMR 5 constituents. Winding Way Well, however, was the only water source that returned detectable levels. Of the 30 contaminants sampled, PFHxA and PFPeA were found in the well's May and October samples with concentrations as follows.

Constituents	5/2024 Result	10/2024 Result
PFHxA	0.0046 ug/L (ppb) or 4.6 ng/L (ppt)	0.0060 ug/L (ppb) or 6.0 ng/L (ppt)
PFPeA	0.0059 ug/L or 5.9 ng/L (ppt)	0.0053 ug/L or 5.3 ng/L (ppt)

At this time, there are no federal and state Maximum Contaminant Level (MCL) or Maximum Contaminant level Goals (MCLGs) for these constituents and the source is unknown.

The Winding Way Well is one of our oldest wells and has faced several water quality issues over the years, including problems with color, odor, entrained air, and sand production. Destruction of the well was considered prior to the 2015 Drought, but curtailment of our surface water rights forced the District to return the well to active status. During an inspection in 2022, two small breaks were discovered in the well's casing, which likely contributed to the sand issues. The pump column was also found to be in poor condition due to its age. Recent

groundwater projects included the destruction and re-drilling of the Winding Way Well. Demolition of the well was completed on November 5th. Staff is working closely with the consultant and the driller on the new well to determine satisfactory water quality in the new well.

RECOMMENDATION

None. Information only.

November 12, 2024

Cathy Lee
General Manager
Carmichael Water District
7837 Fair Oaks Boulevard
Carmichael, CA 95608

Subject: Notification of Payment
Public Assistance Grants Program
FEMA-4683- DR-CA, Cal OES ID:067-91002

Dear Cathy Lee

The California Governor's Office of Emergency Services (Cal OES) has enclosed the approved copy of your Request for Reimbursement and/or Small Project Payment documents for your records. Please be advised that state warrants have a one-year period of negotiability.

As the recipient of federal funds, your organization is subject to the Federal Single Audit Act of 1984 and the Single Audit Act Amendments of 1996. Part of your report requirements under the Act and Amendments include the preparation of a Schedule of Expenditures of Federal Awards. You will need the following information in order to accurately complete the Schedule:

Federal Grantor Agency
Pass-Through Agency
Assistance Listings Program Title
Assistance Listings Number
Pass-Through Grantor's Number

U.S. Department of Homeland Security - Federal
Emergency Management Agency
California Governor's Office of Emergency Services
Public Assistance Grants
97.036
FEMA- 4683-DR-CA, Cal OES ID: 067-91002

Please refer to the enclosed information detailing the payment made for this request. For assistance regarding this payment, or your audit requirements, contact the Recovery Financial Processing Unit at (916) 845-8110.

RECOVERY FINANCIAL PROCESSING UNIT

Enclosure(s)
c: Subrecipient's Federal File/Subrecipient's State File

Report Generated on:	02/16/2024 22:39
Disaster Number:	4683
Applicants:	"067-U2BTN-00"
Report Format:	Detail

Fed: \$ 33,574.01
 CDA: \$ 8,393.50
 BS 11/12/24

Date: 02/16/2024 22:39

Federal Emergency Management Agency

Public Assistance Grant Summary (P.5)

OK

Disaster: FEMA-4683-DR-CA

Number of Records: 1 067-91002-00

Applicant ID: 067-U2BTN-00

Applicant: CARMICHAEL WATER DISTRICT

Bundle #	Date Approved	PW #	Cat	Fund Code	Cost Share	Project Amount (\$)	Federal Share (\$)	Subgrantee Admin (\$)	Total Approved (\$)
PA-09-CA-4683-PW-00714(796)	02-07-2024	PA-09-CA-4683-PW-00714(0)	F	06	N	44,765.35	33,574.01	0.00	33,574.01
Applicant Total in Bundle PA-09-CA-4683-PW-00714(796) (1 PW)				06		44,765.35	33,574.01	0.00	33,574.01
APPLICANT TOTAL: 067-U2BTN-00 (1 PW)						44,765.35	33,574.01	0.00	33,574.01
TOTAL for report: (1 PW)						44,765.35	33,574.01	0.00	33,574.01

General Manager's Report

December 2024

1. ACWA Certificate of Excellence (ACE)

ACWA presented the ACE awards at its Fall Conference. Director Emmerson and Director Greenwood were present to receive the award on behalf of the District.



2. Government Finance Officers Association (GFOA) Award

The District received the GFOA's Excellence in Financial Reporting for the District's 6-30-2024 Annual Comprehensive Financial Report (ACFR).

The District has received consecutive awards for its ACFR and Annual Budget for the last 3 years and the Finance staff is commendable for meeting the highest bar in the industry.

3. Landis Avenue Leak

Director Greenwood has received a letter from the owner of 6550 Landis Ave detailing drainage issues onto the property. The drainage culvert from the road, owned and maintained by Sacramento County, appears to drain through the property via a private concrete channel before entering the creek. It is unknown what may have caused the drainage system to stop working properly and water has been ponding on the parcel potentially causing property damage. In the coordinated investigation process with Sacramento County, staff discovered chlorinated water in the drainage indicating a leak from the District's distribution system. Staff attempted to hire a leak detection company as well as requested assistance from Sacramento Suburban Water District (SSWD) for leak detection. SSWD was able to dispatch its staff to help on 12/12/2024 and found a possible leak 90 feet east of the culvert. CWD staff will excavate the area on 12/17/2024 to complete the repair and send a thank you letter to SSWD. As pointed out by the property owner, the existing drainage system should have been able to transport CWD's water away from the property and the overall drainage infrastructure system still poses a problem to the property and its owner as public facility is diverted through private property.

4. Holiday Celebration

The District's annual holiday celebration will be on Friday 12/20/2024 and all directors are welcome.

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CARMICHAEL WATER DISTRICT

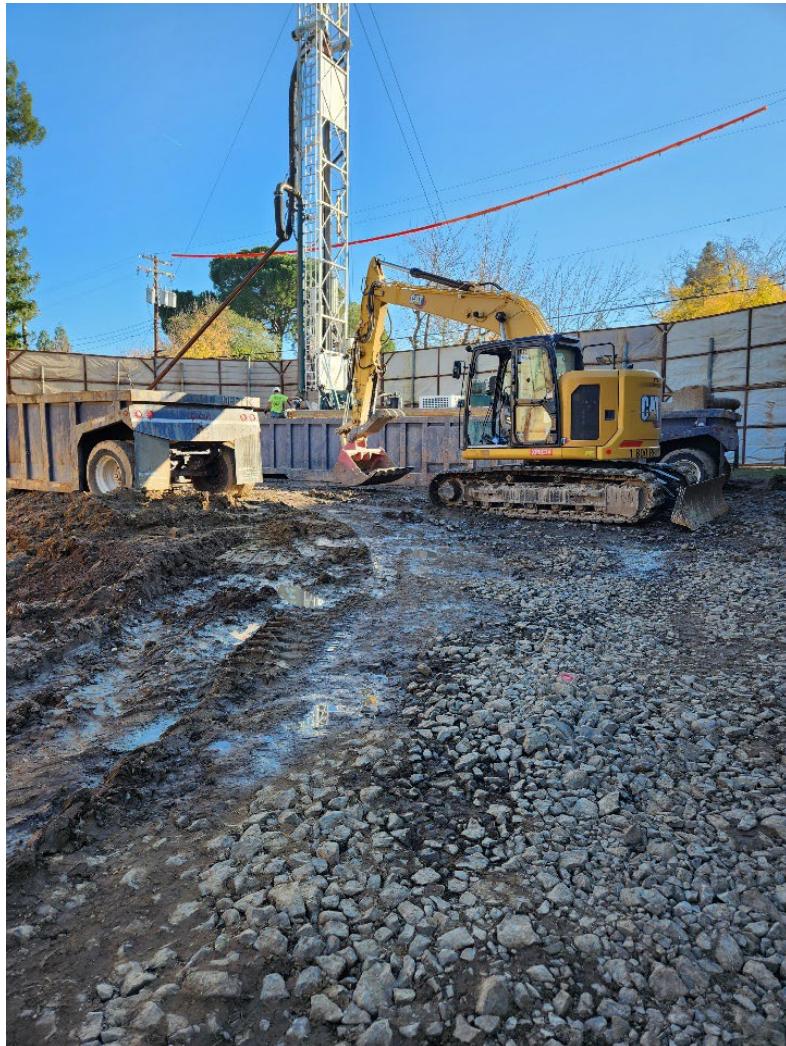
December 2024 Engineering Department Report

Engineering Manager, Greg Norris P.E.

CAPITAL IMPROVEMENT PROJECTS

La Sierra ASR Well Project: The contractor has installed the system tie-ins on Engle and on Garfield Avenues, plus most of the yard pipe and below ground infrastructure. Construction has slowed for this month while the contractor awaits equipment delivery, specifications from the electrical contractor, and SMUD service.

Winding Way ASR Well Project: The sound wall has been installed and the pilot hole for new well has been drilled. The project is shut down for the Holiday Season so to not disturb neighbors. Work is expected to resume on January 6, 2025. During this downtime, materials are being ordered and delivered based on the new well's design. The new well is expected to be similar to the old well in capacity and water quality. Anticipated capacity is 1,300 gpm with treatment for iron (Fe) and manganese (Mn) being anticipated. See photo below for drilling of pilot hole. Note red blanket on power line for safety against possible arcing.



Ladera ASR Well Project: The existing well was destroyed on September 27, 2024. The new well has been constructed to a depth of approximately 520 feet and is currently being developed. Anticipated capacity for this well is at 1,300 gpm. Picture below shows the equipment being used to develop the well and to perform step testing. The portable engine is driving a temporary gear head which then drives temporary turbine pumps in the well.



La Vista Tank and Booster Well Project: Erosion control Best Management Practices (BMPs) have been installed at the site to prevent sedimentation from the project area. All other work has stopped due to a contract dispute between the District and the contractor.

SCADA Project: No update since last month.

Garfield Well Backup Generator Project: No Update since last month. Equipment is still on order.

Claremont Pipeline Engineering Design: Potholing has been completed and Dugan Engineering Management has submitted a draft 60% design to the District for review and comment. Preliminary Cost estimate at this time is between \$2.5M and \$3M.

MISCELLANEOUS

COTP: TID and the City of Roseville are purchasing the Carmichael Water District's 1 MW of transmission for a total of \$150,000. The sale of CWD's 1 MW is expected to be completed on January 1, 2025, one day after SMUD's lease agreement expires. TANC has approved the sale and all conditions have been met.

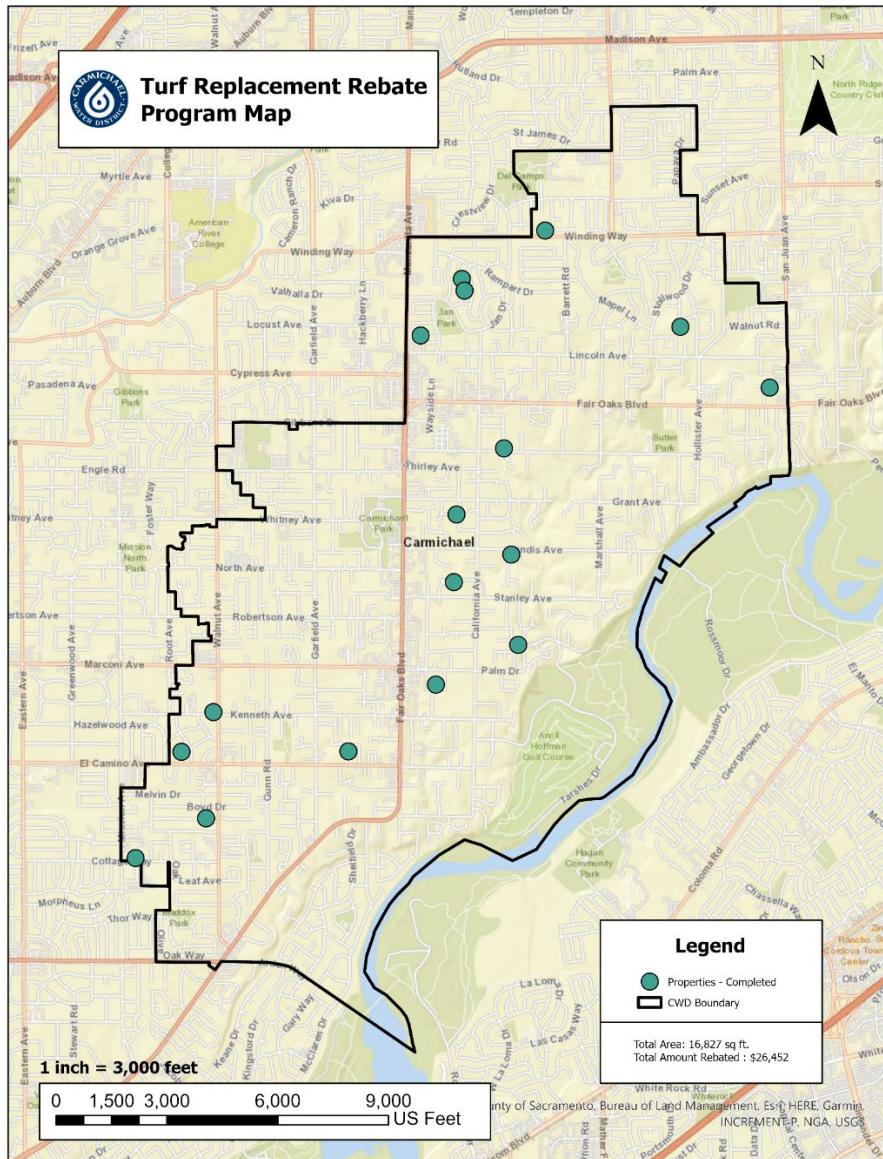
CUSTOMER DELIVERY PROJECTS/ACTIVITIES:

The following items for this month are additional project activities added to the overall project list for new developments and construction.

Project Location	Activity	Project Description	Service/Notes
5XXX Engle Rd.	New Construction Services	New Construction House/ADU	Plan Check for Commercial
4XXX Abraham way	New Construction Services	New Construction House/ADU	Fire Flow Analysis

WATER USE AND CONSERVATION

Turf Replacement Program: One new turf replacement certification for this month. To date, the District has paid through the grant \$26,452 to 17 customers. See Map below. The replacement rate is \$2/SF up to 1,000 SF. Total turf area replaced to date is 16,827 Square Feet. Currently, the District has 2 additional customers that are in process of replacing turf.



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CARMICHAEL WATER DISTRICT
NOVEMBER 2024 BILLING DEPARTMENT REPORT
Billing Supervisor, Cecilia D.

In comparison to October's Billing, there is a decrease of 41% in Billing Units and Total Billing is down 21%. Year to date, Billing Units are 9% higher overall than last year and Total Billing is 15% higher.

BILLING ACTIVITY				FY 24-25	FY 23-24	Previous Year Billing Totals % Difference
Billing Period	Billing Units*	Usage Charges	Service Charges	Billing Totals	Billing Units*	
July	570,813	\$1,290,039	\$ 820,065	\$ 2,110,104	\$ 1,681,005	449,410 26%
August	487,443	\$1,101,622	\$ 820,357	\$ 1,921,979	\$ 1,834,038	523,315 5%
September	453,927	\$1,025,876	\$ 820,304	\$ 1,846,180	\$ 1,573,781	397,982 17%
October	372,814	\$ 842,560	\$ 820,422	\$ 1,662,982	\$ 1,449,177	337,834 15%
November	220,319	\$ 497,922	\$ 820,542	\$ 1,318,464	\$ 1,198,159	216,445 10%
December				\$ -	\$ 1,063,486	151,575
January				\$ -	\$ 1,146,764	143,529
February				\$ -	\$ 1,082,539	115,430
March				\$ -	\$ 1,110,361	127,799
April				\$ -	\$ 1,191,150	163,201
May				\$ -	\$ 1,478,165	289,076
June				\$ -	\$ 1,782,139	422,549
YTD Totals	2,105,318	\$4,758,018	\$4,101,690	\$ 8,859,708	\$ 7,736,160	1,924,986 15%

* 1 Unit = 100 CCF (Centum Cubic Feet) = 748 Gallons.

Billing Units are based on current meter reading period, i.e., Current Billing Period = 10/24/24 – 11/20/24, and may differ from Production reported numbers due to the meter read billing cutoff dates.

COLLECTIONS: Processed & Total Outstanding A/R Amounts

The Total 61-90 Days column displays the delinquent amounts that will be targeted on next month's final notice and collections processes. The Outstanding A/R amounts reflect what was still owing at month end, this is 28% of the amount billed, or approximately 3,100 customers.

October's Total Off has been updated to 7 from 1 which was reported on last month's report.

Date	Total on APS*	Total Off	Total # Liened	Total \$ Liened	Total 61 - 90 Days	Total Outstanding A/R **
June 2024	0	14	8	\$ 5,099	\$ 12,286	\$ 248,577
FY 24-25						
July	0	10	7	\$ 3,088	\$ 9,242	\$ 247,101
August	1	9	7	\$ 3,020	\$ 8,226	\$ 304,965
September	0	7	7	\$ 3,044	\$ 12,683	\$ 242,173
October	0	7	7	\$ 3,068	\$ 14,012	\$ 306,843
November	0	7	7	\$ 4,165	\$ 22,933	\$ 365,946

* APS = Alternative Payment Schedule

** Includes Total Liened and 61-120 Days Amounts

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CARMICHAEL WATER DISTRICT

Production Superintendent, DAVID BIAGI

November 2024 Water Production Board Report

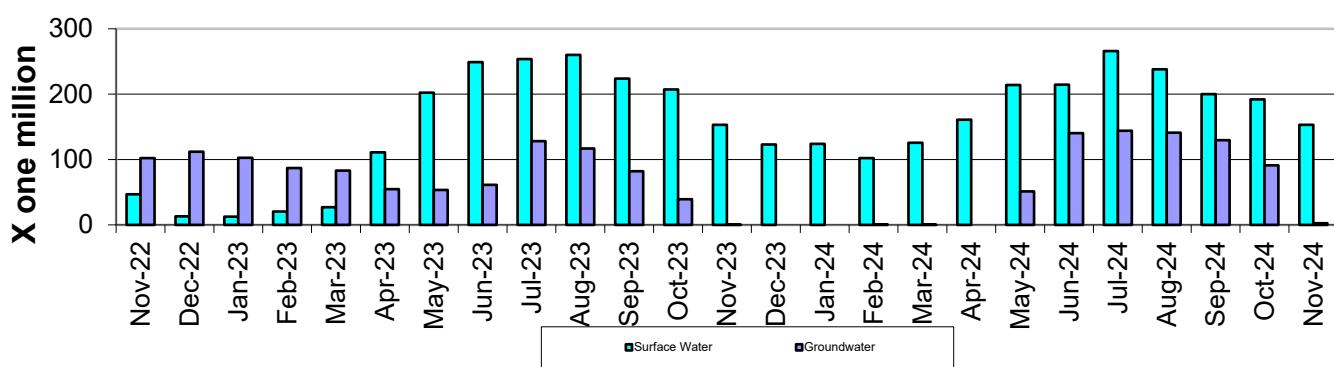


American River at BWTP

CWD Monthly Water Production 2015-2025

FY	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	MGD Totals	Acre/Ft
2024-25	409.91	379.28	329.43	283.13	155.68								1557	4780
2023-24	381.87	376.96	305.79	246.50	153.18	123.06	114.25	102.90	125.55	160.99	265.26	354.84	2712	8322
2022-23	371.77	358.96	299.37	267.16	149.16	124.91	115.19	107.14	109.89	165.79	255.81	310.23	2635	8088
2021-22	381.78	354.31	318.00	232.62	127.07	114.90	116.95	138.86	181.17	183.76	282.17	327.46	2759	8467
2020-21	408.04	402.05	335.66	294.53	188.58	140.24	125.19	110.64	145.91	237.20	332.59	371.58	3092	9490
2019-20	378.84	381.60	314.85	259.58	201.55	122.39	113.09	135.71	153.23	181.81	281.40	360.18	2884	8851
2018-19	387.57	361.56	314.04	259.22	187.67	121.80	111.84	96.07	109.20	158.03	226.19	317.21	2650	8134
2017-18	399.61	383.76	323.74	270.59	140.87	129.07	113.92	117.16	115.88	148.80	258.57	335.23	2737	8400
2016-17	357.82	353.35	299.41	193.38	123.16	115.61	113.47	96.26	116.84	123.76	268.14	332.52	2494	7653
2015-16	287.66	283.68	259.99	213.09	128.89	107.92	100.49	97.72	107.12	148.87	219.44	308.84	2264	6947
Avg.	376.49	363.55	310.03	251.98	155.58	122.27	113.82	111.39	129.42	167.67	265.51	335.35	2692	8261
Daily	12.14	11.73	10.33	8.13	5.19	3.94	3.67	3.98	4.17	5.59	8.56	11.18		

CWD Combined Surface & Ground Water Usage



Nov. CWD Total Production		MG
Surface Water	99%	153.116
Groundwater	1%	2.562

Production	Up/ Down	Month	Up/ Down	10-Year Running Average
Production from same month last year	Up	2%	N/C	0 %
Nov. 2024 Average Daily Production		5.19 MG		
Peak Day – Nov. 7th		7.11 MG		

GSWC Delivery: CWD delivered 135.14 MG or 414.73 Acre/Ft to GSWC in November.

There was one (1) water quality complaint in November. The area where the complaint occurred was thoroughly investigated and flushed as necessary.

Water Quality Activity

- ✓ Taste & Odor: 0
- ✓ Color: 0
- ✓ Turbidity (Air): 0
- ✓ Suspended Solids: 1
- ✓ Low Pressure: 0

Backflow Devices Tested

- ✓ Tested: 67
- ✓ New Devices: 0
- ✓ Failed Tests: 0

Maintenance Activity

- ✓ Secondary Cl₂ CIP: 4
- ✓ Primary NaOH CIP: 16
- ✓ Instrument Calibrations: 7
- ✓ Module Repair: 22

SMUD PowerDirect ADR Program: During the high power demand months of June through September, the Bajamont Water Treatment Plant (BWTP) participates in SMUD's PowerDirect Automated-Demand Response Program (ADR). This program helps relieve strain on the power grid by asking large energy consumers to reduce their power use during peak hours. During an ADR event, the impacts on water deliveries are minimal. Staff will ensure that all of the reservoirs are filled and lower system pressure by 3 psi to reduce flows. We then turn off lights and shut down the secondary filtration systems to reduce power demand further. In return, we receive Capacity Payments of \$5 per kW saved. In November, SMUD Program Manager Phillip J. Sanchez III visited the Treatment Plant to deliver a check for \$5,500.00 and the partnership award for a successful 2024 season.



November atmospheric river

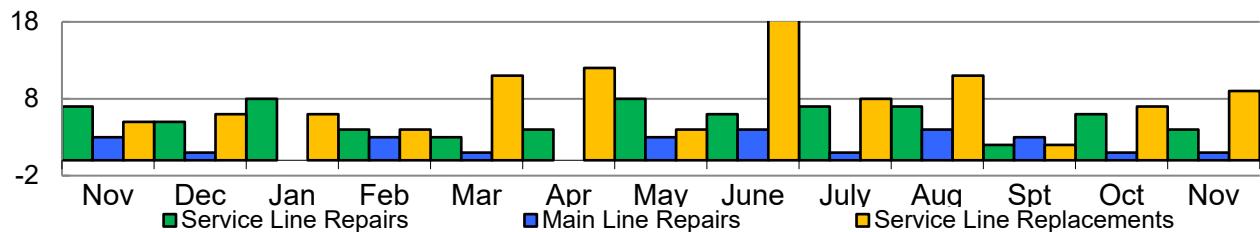
November Operational info: On November 1st, the releases from Folsom Dam were increased from 1,750 cubic feet per second (CFS) to 2,000 CFS. Winter storms brought over four inches of rain and cooler temperatures. The District's demands and water deliveries to Golden State can now be met with surface water from the treatment plant, and all production wells have been turned off for the winter.

CARMICHAEL WATER DISTRICT
DISTRIBUTION SUPERINTENDENT, Lucas Campbell
November 2024 Water Distribution Board Report



Main Break on Cottage Way.

Repairs and Replacements



Capital Improvements/Replacements

- Service Line: 9
- Fire Hydrant: 1
- Main Line Valve: 0
- New Construction Meters: 1
- Air Relief Valves - 0

O and M Repair Work

- Service Line: 4
- Fire Hydrant: 5
- Main Line: 1
- Meter Boxes: 3
- Main Line Valve Boxes: 0
- Meter Change Out: 72
- Registers Change Out: 2
- Hydrant Inspections: 0
- Valves Exercised: 9

Customer Assist

- Call Outs: 40
- Private Repairs: 10
- Water Waste: 1
- Lock/Unlock: 4
- High Pressure: 1
- Low Pressure: 1

- Hello Board Members, I had the pleasure of meeting some of you at Scott Bair's retirement party. I wanted to introduce myself. My name is Lucas Campbell and I come to CWD with 17 years of water utility experience, I currently hold a D5, T2, backflow prevention assembly tester and cross connection control specialist certifications as well as a Bachelor's Degree in Business Administration. I look forward to working with you (Board Members) and servicing CWD's distribution needs and customers.
- CWD has opened the positon of a Distribution Operator II/III in hopes of adding to our already existing knowledgeable staff.

Current Projects

- Ancil Hoffman and River Bend Park Overlay Project (Continued): The District has received the "A" plans for this project. The paving portion of this project will start at the intersection of California Ave. and Tarshes Way, working east into Ancil Hoffman Park to the club house and driving range. District forces are required to lower then raise all main line valve boxes (12 projected) within the limits of construction.
- Sacramento County AC Overlay Phase D (Continued): The District has received "A" plans for an additional overlay project in the areas of Kenneth Ave, west of Walnut Ave continuing south to El Camino Ave. Upon completion of the overlay project, there will be a three (3) year utility trench cut moratorium. In anticipation of this project and the three year moratorium, District staff will be upgrading many water service laterals and saddles at the main. Making these upgrades will help ensure CWD from having to perform construction in the roadway. Staff will GPS all facilities within the limits of the project and update the District map as needed.

BOARD OF DIRECTORS

NOVEMBER 2024 MEETING ATTENDANCE

MEETINGS ATTENDED		DIRECTORS				
DATE	DESCRIPTION	DAVIS	EMMERSON	NELSON	GREENWOOD	SELSKY
11/19	CWD - Regular Board Meeting	1	1	1	1	1
11/14	RWA - Regular Board Meeting				1	
11/7 11/12	RWA - Meeting				1	1
10/30	SGA - Meeting					1
TOTAL MEETINGS ATTENDED		1	1	1	3	3

NOVEMBER 2024 EXPENSE COMPENSATION/REIMBURSEMENT

MEETINGS COMPENSATED						
DATE	DESCRIPTION	DAVIS	EMMERSON	NELSON	GREENWOOD	SELSKY
11/17	CWD - Regular Board Meeting	1	1	1	1	1
11/14	RWA - Regular Board Meeting				1	
10/22	RWA - Executive Committee				1	
10/16 10/29						
11/7 11/12	RWA - Meeting				1	3
10/10	SGA - Regular Board Meeting					1
9/26 10/23						
11/4	SGA - Meeting					3
10/30	WEF Water Summit					1
10/31	Water Forum			1		
10/17	Carmichael Chamber			1		
TOTAL # COMPENSATED		1	1	3	4	9
TOTAL \$ COMPENSATED		\$152.00	\$152.00	\$456.00	\$608.00	\$1,368.00
*TOTAL REIMBURSEMENTS		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

FISCAL YEAR 2024-2025 SUMMARY

	DAVIS	EMMERSON	NELSON	GREENWOOD	SELSKY
FYTD # MEETINGS ATTENDED	7	5	8	16	21
FYTD # MEETINGS COMPENSATED	5	5	10	17	19
FYTD \$ MEETINGS COMPENSATED	\$760.00	\$760.00	\$1,520.00	\$2,584.00	\$2,888.00
FYTD EXPENSE REIMBURSEMENTS	\$0.00	\$0.00	\$0.00	\$0.00	\$44.89

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ACWA JPIA 2024 Fall Conferences

Meeting Notes - M. Emmerson

12/2-5/2024

Joint Powers Insurance Authority (JPIA) Conference

ACWA Update: Eggerton, Exec Director

- Lauds the new Executive Leadership program done in cooperation with JPIA
- Just finished ACWA Strategic Planning exercise primarily directed by ACWA V.P. Avila and ACWA staff, T. Giamonna
- Spoke about IT support and hiring practices

There was really nothing of significance in this presentation. Best to look at the ACWA note following.

Finance: deBernardi, D. Finance

- Added two categories of new investments: Asset-backed Securities with "AA" rating, Placement Service Deposits, which are like institutional savings accounts

Pooled Programs Update:

- General Liability: 348 members in program; largest program within JPIA.
- Liability: 347 members, \$5M pool retention, \$55M total limits, 7.5% rate increase. JPIA covers up to \$30M then the excess carrier covers up to \$55M
- Historical Rates have been relatively flat until 2021/22 then steadily up
- Property: 291 members, Total Insured Value is \$13B, \$10M retention and \$500M limit. Members with have a 15% rate increase. JPIA self-insures the first \$10M.
- JPIA hopes to recover 100% retention within JPIA in the years to come in the Property Program. Historical rates started rising 2021/2022.
- Worker's compensation: 208 members/8300 employees, \$2M self-insured. 2024/2025 rate decrease of 5% with 3% the following year
- Employee Benefits: 267 members, 2025 PPO self-funded + 10%, dental/vision flat, insured programs flat to 25% depending on program. Looking at 8% medical program increases due to inflation.
- Ancillary Programs:
 - Cyber Liability – renews July 1 • Provides coverage from financial losses resulting from data breaches and other cyber events. Includes both first-party and third-party coverage. • 280 members • \$3 million per member / \$5 million aggregate
 - Excess Crime – renews July 1 • Provides coverage for losses related to monetary crimes related to operations (such as theft and embezzlement) which exceed the limits of the primary coverage. • 73 members • \$1 million / \$100,000 deductible (total of 21 claims made over the years)
 - Dam Failure Liability – renews July 1 • Provides coverage for third-party bodily injury or property damage arising out of the partial or complete structural failure of any scheduled dam. • 17 Members • \$4 million / \$1 million retention
 - Public Officials Bond – April July 1 • Provides coverage for the Agency's public official's failure to perform their duties faithfully and honestly. • 11 Members • \$100,000

-Underground Storage Tank Pollution Liability – renews July 1 • Provides coverage for third-party claims arising from bodily injury and property damage caused by environmental incidents resulting from an underground storage tank. It also includes coverage for government mandated clean-up costs. • 10 members • \$3 million / \$10,000 deductible 84

ACWA JPIA E.G. "Jerry" Gladbach Leadership Program Grant Update

- Some 25 graduates of this program in 2023/2024
- Agency and member staffs are encouraged to apply

Risk Management

- Look at the design of the Oakdale service vehicle for employee risk management

H.R. LaBounty Safety Awards and President's Awards

- Awardees recognized
- Of note: Lockable fire hydrant caps, grate lift adapter
- Awards are up to \$500 but usually \$100-\$200 to employee
- CWD is a President Award recipient in Liability Program (<20% paid out of premiums paid)

Legislative/Judicial Update: Greenfield, General Counsel

- Supreme Court ruling that private postings are considered in the public domain if posting office related material
- Shelly Hearing only for termination, not for demotion
- Can't work at home exclusively while being required to do physical labor
- Rest breaks and overtime are not applicable to salaried employees
- Addressing issues of public concern on a private forum is protected by 1st Amendment
- Statues are floors, not ceilings meaning that agencies can adopt stricter rules as necessary

CEO Update: A. Beatty, JPIA CEO

- Employee attrition and growth: a generational issue of inherent gap in skilled employees taking positions of employment
- JPIA number of employees flat but now increasing due to increased programs and membership
- JPIA does overlap of new hires with retiring employees to assure knowledge transfer
- Employee Benefits Program: rates are going up due to inflation and richness of benefits; however, the percent of increase for JPIA is not as high

Anatomy of a Claim

Rob Greenfield General Counsel; Robin Flint, Risk Control Manager; Kayla Villa, Litigation Manager; Dan Steele, Finance Manager

Explains the process of what happens inside JPIA when a claim is submitted to JPIA. JPIA addressed the claims process from start to finish, including interaction between the ACWA JPIA's Risk Management, Claims, and Finance Departments. Subject matter experts explained real-life claims, illustrating common challenges and effective strategies for successful claims management. This session was designed for member agencies to gain insight into best practices

and pitfalls to avoid, strengthen internal claims management practices and leave with valuable knowledge essential to understanding the anatomy of a claim.

Claim Types:

Infrastructure failures

- Drainage canal seepage from border development
- Step1: always report to JPIA to initialize investigation
- JPIA is developing a history of settlements based upon case histories; applies gained knowledge to risk assessment visit walkthrough
- Based on best management practices

Dangerous Conditions case study

- Skylight cracking poses risk to injury including repair contractor
- Obtain risk transfer documentation advising contractor/employee of apparent risk
- Certificate of Liability Insurance does not create a binding contract; can still sue
- Obtain copy of Additional Insured (AI) Endorsement

Liability Losses

- If claim starts to exceed retention level, start process to initialize excess carrier claim coverage
- JPIA looking into AI for analytical and logistical support of received claims
- Loss data sent to actuary for analysis to determine losses by program, which folds into rates for the next year
- Claim of 1st person property damage subrogation: Orville Dam failure
- Got all the JPIA issued monies payed back by State for dam failures
- JPIA Risk Management Department has emergency preparedness and response training and management resources
- Risk Control Grant Program available to JPIA C2E members (there is a maximum ceiling limit)

Each agency should have available emergency preparedness binders, including draft resolutions, ready in case emergencies arise.

ACWA Conference

ACWA Groundwater Committee

DWR Update: Paul Gosselin, DWR

- Bulletin 118 of California groundwater Informational Resources soon to be released
- Two papers have been released by DWR on groundwater depletion
- DWR has technical assistance of recharge (Aquifer Recharge Potential)
- All Exec Orders regarding well permits have been rescinded
- SGMA 10th anniversary is this year
- Prop 4 bond monies will ramp up slowly based upon Governor's budget rollout
- Technical Support and Facilitation services still funded and available at DWR
- Subsidence BMP is soon to be released, basin-by-basin, not prescriptive

ACWA Comments on Inter-connective Surface Water (ISW): Trevor Joseph

- Maintain local control and flexibility to determine groundwater levels
- Sustained local water management practices

- Define location, quantity, and timing of depletion necessary to laws/regulations relating to ISW

Legal Affairs on Groundwater Recharge: Jessica Diaz, Brownstein Hyatt Farber Schreck

- There is an active group on groundwater in the Legal Affairs sub-committee
- What happens to flood flows to use in recharge? CEQA and legal implications
- Differences of opinion in what is a flood flow and ability to divert for recharge

Water Banking and GW Sustainability: Trevor Joseph, RWA

- Possible SWRCB making water banking more complex than necessary
- Advocating for an ACWA Task Force or committee to address issue

GW Quality: Adam ?

- Will focus on salinity in Central Valley and Orange County from seawater intrusion
- Next meeting January 14th, 2025

Water Management Committee

DWR Water Availability Outlook: Janine Jones, DWR

- Still too early in the water year (Oct to Sept) to assess
- CVP initial allocation is at 5% based solely on current storage conditions
- Almost every year running above average in temperature
- Statewide reservoir storage is 117% of normal
- Wildfire about average for last year
- California water allocations from Colorado River is normal but shortage for other states and Mexico
- La Niña years should be drier for Southern California
- There is no skill in making forecast assessments by NOAA for California forecasted weather

Update to Bay-Delta Water Quality Control Plan: Dave Pedersen, Chair and Panel

- SWRCB Staff Workshop of Healthy Rivers and Landscapes (HRL or VA) science, funding, governance, and enforcement with other workshops planned
- Since 1978, CVP water reliability has dropped by 42% due to SWRCB water control regulation
- With 55% unimpaired flow as the standard, drops to 18%
- There have been a number of habitat contributions implemented along waterways in N. California (non-flow habitat measures)
- Governance: Committee directing actions and decisions, analyses, reporting, implementation of science program
- SWRCB will release a revised plan update for Board consideration next year
- The flow-only Board plan will take two years to complete whereas the functional flow is ready for consideration
- Possible mash-up of both proposals might happen. Stakeholders should be attentive to change.
- The HRL proposal went from 15 years to 8 years implementation period
- It is always within the Board's authority to adopt whatever, whenever

- December 12th is deadline to submit comments to current SWRCB draft. ACWA is doing a coalition letter, which apparently can be joined by agencies.

Quench California: Fiona Hutchens & Associates

- Focus has been to communicate importance of benefits investing in CA water infrastructure
- Survey shows that people are focused and support for water infrastructure
- Web site identifies 40 different projects completed or underway as well as educational resources
- Audience target resources available for program partners
- This campaign has received the Capio Award

Making Conservation a Way of Life: Tia Fleming, California Water Efficiency Partnership

- Rebranded as CalWEB with 77% made up by water agencies
- Creates a water budget for every water agency
- The reporting requirements, starting Jan 1, 2025 due date, are extensive. If something is wrong in EIR, correction is necessary
- There are several resources available from CalWEB to assist in compliance

ACWA Strategic Plan

- Key Performance Indicators (KPI) have been adopted
- The plan has been made simpler and more direct
- Highlights climate change and water management as part of Advocacy (from reactive to proactive)

Local Government Committee

ADUs and Water Systems in California: Holland Stewart, Best Best & Krueger LLC

- CA home and rent prices are among highest in nation and homelessness
- Legislature is facilitating ADU development
- ADU has gone up by 42-76% every year since 2016 with the exception of one year
- Cities and counties must permit in accordance with State laws
- Can sell ADUs (mini-HOA) on property
- Cumulative effect of recent laws: more ADUs and less discretionary authority for zoning, more local enforcement authority
- For water agency: can require direct connection and capacity fee if ADU constructed with a new single-family home
- If a conversion, then exempt from a direct utility connection and imposition of capacity charges
- Water system can charge if it has (prior) adopted a rule and ensures charges are proportional to the respective places on the system

Legislative Sub-committee: Rosalie

- Not too much of import

City and County Sub-committee

- Not too much of import

Working Standards Working Group

- Paving standards impacting the bottom line
- Paper now circulating and comments due January 2025 (copy given to CWD)

Blueprint for the San Joaquin Valley: Ewell

- Talked about the blueprint for science-based decisions
- Developed by a coalition of stakeholders from urban, agriculture, and environmental organizations
- \$1M grant funded effort; the audience is Congress
- This year, the State and Feral projects only delivered half of contracted deliveries while all storage facilities were at capacity
- Difference between water regulation not supported by science data is not desirable (FallX2)
- Could save hundreds of thousands of agricultural acreage with implementation science-based decisions
- Unimpaired flow would decimate San Joaquin agriculture; in favor of Healthy Rivers and Landscape proposal
- MOU was signed between MET and San Joaquin Blueprint folks last Spring
- Talked about the number of actions taken by 2016 President Trump to beneficially affect CA water management
- Hopes federal and state will cooperate under new administration

This was one of the driest presentations (monotone and soft-spoken) but the content was tremendous

Decade of SGMA: Lessons Learned and What's Next

Paul Gosselin, DWR

- Out of planning phase and now into implementation
- Can anticipate some litigation

Kristin Sicke, Yolo County Flood Control District

- Part of the Yolo sub-basin, not critically over-drafted and conditionally approved
- DWR review update
- Hopes HRL will be adopted
- Received \$8M SGMA grant to develop plan and implementation
- Will focus on integrated watershed management to maximize conjunctive use

Loren Layne, law firm

- Trying to get out of having clients as probationary basins
- Helping (legal support) with 5-year SGMA updates due January 2025
- Mostly in the data-gathering phase, which will be a big piece of implementation for the next two years
- Some mitigation of GW depletion in critical over-drafted basins
- Governance/enforcement in GSA:
 - Who is responsible and how is the governance/enforcement within a GSA?

Question is not yet answered.

- Bigger issue is future actions could create apprehension within GSA stakeholders
- DWR hopes to keep up with two-year review process and deadlines; agencies should know that during review, agencies are good to implement updated plan

Land Use:

- GSA and Land Use policy-makers are not necessarily congruent, primarily in GW well permitting
- The Drought Executive Order, now rescinded, highlighted GSA versus land use decisions
- Law Suits:
 - Already started and more to come. Prop 218 rate recess will continue against GSAs by landowners
 - Will see more suits once GSAs start to develop and implement regulations
 - Land owners paying a lot more attention to CEQA and GSA policies/decisions
 - Some GSAs do not get a 218 rate passed and cannot implement GSP, therefore; potential lawsuit
 - “public trust” plaintiff suits by environmental groups against GSAs for making perceived poor environmental decisions
- SGMA Future:
 - Changing mindset of landowners, including agriculture, on how stability can be achieved
 - Developing water budgets...many do not want to make changes in the absence of a crisis
 - Continue building of relationships and data gathering keys to success of SGMA
 - SGMA process is a learning experience for all stakeholders including state governance

What's Next for the Bay-Delta Water Quality Control Plan

HRL vs Unimpaired Flows (UIF)

- There is a lack of clarity on implementation of the UIF alternative: ESA, Water rights decisions, coordination of operations, curtailments and enforcement
- UIF alternatives include 55% UIF on a min 7-day average, flow shaping requires right to store UIF, another Exec Director plan
- The last alternative studies on the Plan took 10 years to complete. Can the SWRCB do their UIF studies in two years?

Relating to Other State Program and Goals

- Current regulatory control has diminished Contractor allocations to 18% of normal
- Human right to water has had a significant effect upon regulatory control
- Dual Pathway and Regulatory Backstop
 - Interesting that both pathways meet the objectives of the Plan.
 - Those who do not agree to implement HRL if accepted are free to consider the

UIF implementation

- At the end of eight years of implementation, there will be a body of science-based knowledge on what worked and what did not

Engagement in Governance and Role of SWRCB

- System wide governance at both local and state levels
- HRL would have each tributary/Delta governance entity
- Statewide would incorporate tribal and environmental organizations
- Want to incorporate SWRCB in the HRL decision-making process rather than be strictly regulators/enforcers

Bottom Line: Virtually no water agency sees easy implementation of the UIF pathway and disastrous impacts of the ability to deliver water to various communities.

Balancing Rates with Sustainable Infrastructure Investment: Finance Committee Program

What to do and not do when calling for rate increases

Sanjay Guar: Water Resources Economics

- Coca Cola supplies a product that provides happiness; water agencies supply a product that sustains life
- Significant water rate increases are the norm
- Do the technical analysis quickly, that Prop 218 hearing as outreach; pray that no one shows up
- Make sure that all are on the same page
- Determine what to accomplish - financial plan, cost of service, rate evaluation
- Studies can be done in six months; have a detailed schedule - RFP for consultants add 3 months
- Steps: Rate setting framework workshop with public input; Financial Plan presentation necessary; cost of service is a zero-sum exercise; Rate adoption
- Look at comparing value with honest dialogue

Nick Schneider: outreaching in a potentially hostile environment

- Georgetown Water: Georgetown PUD
- Previous 218 had a 46% protest rate
- Previous board did not have transparency in the establishment of its 2017 rate study
- Water district was facing bankruptcy/insolvency
- Did an 18 month asset study impacted by a fire
- Multiple outreach channels and touch points for informing community; document activities in outreach
- Has its own YouTube Channel

Jennifer Burke: Santa Rosa Water

- 50% of budget is water purchase from provider
- Dealing with significant increase costs in all sectors due to regulation load, aging infrastructure, and climate episodes
- Going out with new bond purchase (from current \$70M adding \$35M)
- Establishing a 5-year rate (2025-2029) schedule from 5.8% to 7% annual increase
- Santa Rosa has a web page dedicated to water rates
- Do not forget to include staff in outreach messaging

Taking Rate Outreach to Next Level

- Minds are usually made up before a single word is read in a public hearing notice
- Response are usually emotional
- One of the risks in using a rate-payer advisory committee is that it can morph into a rate protest committee
- Communication: infographics for everyone; always get lawyer (defendability and clarity) to review and Board to approve written messaging
- Do not argue on social media even if misinformation abounds
- Surfing the Wave of Criticism though multi-scheduled Town Hall meetings
- Print is not dead - the handy handout including field staff pocket handout

- Consider a micro-website for rate information
- Video is priceless in providing context to the issues surrounding proposed rate structure
- For the Board: process, reasons for proposed rate structure, media training
- Create a Master Binder of rate project documentation, including time/activity documentation that includes outreach

Some observations as suggested by the audience: include ratepayers on committees, have water academies for interested ratepayers and schools, keep up a current stream of information going out to community

How Water Conservation Pencils Out

- Data intensive monitoring and reporting of a water-based budget, with no funding!

Russell Ackerman, City of Glendale

- Includes “elevation” charge for pumping water uphill
- Cost of outdoor landscape transformation is not defined
- Will incorporate State’s irrigation landscape map into GIS; cost unknown
- What are the activities needed for CII, schools, HOAs for assessment and outreach
- Good smart water meter program that can detect leaks; have water conservation staff that can assist ratepayers in becoming more efficient including setting up weather-relating irrigation schedules and installing irrigation controllers

Terrence McCarthy, LAWP

- Use less because of conservation; cost of everything going up, gap is wide with conservation mandates
- Base rate mitigation target factor implemented mid-year as an adjustment to rates to meet budget revenue goals

John Tang, San Jose Water Company

- Water budgets/rate payer implemented during each of the last three drought years
- 60-70% of budget are fixed cost...moved a number of categories to variable cost to allow rate payers to “feel” water use
- Can’t predict revenue being impacted by the effect of water availability (climate) upon revenue, but can define fixed cost needs
- With decoupling with fixed versus variable costs, can increase variable rates far easier
- Down by 30% of water use due to sustained water conservation (currently pays \$22.50/AF for raw water)
- Agency does a 3-year sales forecast balancing fixed and viable costs (find that sweet spot)
- Does a customer survey every quarter, most responding with too high a cost
- At some point, asking and mandating conservation levels that affect rate payer quality of life will lead to “conservation fatigue”
- The solution is to increase supply, not piecemeal by fixing leaks and increased conservation, but developing new large water sources
- If you do not have an AMI meter program, should consider starting one

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ACWA '24 Fall Conference Report

By

Director, Ron Greenwood

(12/10/2024)

I attended the ACWA Fall 2024 Fall Conference in Palm Desert, California from Monday, December 2, 2024 to Thursday, December 5, 2024. Tuesday was comprised of mainly Committee meetings. I am a member of both the Energy and Local Government Committees.

A. Energy Committee-This committee is spending a lot of time dealing with the nexus between energy and water and helping water agencies make the transition to dealing with issues such as Clean Air initiatives such as the California Air Resources Board (CARB) Advanced Clean Fleets (ACF) regulations, especially bill AB 1594 and working with CARB on amendments to the ACF State and Local Fleets Provisions that would remove the 13- year requirement for using select ACF exemptions. The committee is asking ACWA members to let us know how their fleet would benefit from what AB 1594 requires, what classes of vehicles are going to be a challenge to electrify, and to let us know if any agency has applies for any other exemptions in the Advance Clean Fleets regulation.

A. We also had a guest speaker, Kevin Howard, manager of the Federal Powers Resource Program. He shared:

- *CVP Hydropower provides approx. 11% of member power needs.
- *We BETTER FORECASTING in order optimize usage
- *2 Major Factors- Generation availability and Flexibility
- *Unimpaired Flow issues can affect values of both (negatively)
- *CVP (Central Valley Project threat remain “Drought”, “Unimpaired Flows”
- *Need to better optimize generation loads and deal with Cal ISO Market fluctuations

B. We also had a 2nd Presenter from Terra Verde Energy representative who shared :

- We are now dealing with the “Post Incentive Era” with regards To alternative energy sources.
- Utilities are demanding “Flexibility”. There are 3 main power Configurations- Solar, Batteries, and Back up generators. He stressed the “Self Generation is the Solution”.

II. **Local Government Committee**- The committee was has been very active and vibrant and working in several “arenas”. The main topic was with regards to ADUs and working with a very active sub-committee.

A. ADU's- We had a special presentation by **Holland Stewart** (attorney) from Riverside. Key points that he made with regards to water providers dealing with the ever growing issue of ADUs (Auxiliary Dwelling Units) which have been “springing” up all over the state since local governments are now allowed home owners to build (attached or detached) ADUs on their existing lots. The issues for water providers centers on the ability of the providers to require any ADUs to have **Separate Connections** PLUS the ability to impose **Capacity Charges or Connection Fees**. He disclosed that the construction of ADUs in the state from increased from 42% to as high as 76% and in San Diego County ADUs permits have outpaced traditional home permits. He spoke to 4 specific bills:

***AB 1033 which allows the homeowner to even sell (separately) the ADU and, even though the intent was to provide more “affordable housing”, the sellers are selling at the same high prices.**

***AB 2533 which deals with unpermitted ADUs and making them subject to various codes and compliance**

***AB 1211 which allows a homeowner to build up to 8 ADUs**

***SB 1077 which deals with the issues of ADUs in coastal areas and their compliance with the Coastal Act.**

- B. Discussion continues regarding potential Brown Act Issues and making sure all committees and subcommittees remain in compliance.**

- C. Paving Standard Issues that many water districts are experiencing. County governments (like Sacramento) having the districts to go way beyond the “Replace as you Found it” standard when repairing or replacing underground fixtures. These are found to be way more than excessive, and the subcommittee is looking for comments and feedback from all agencies. Plus, asking us to take the issue to our own local Board of Supervisors representatives and try and get these excesses corrected.**

III. JPIA Breakfast Presentation-

A. Key Topics in the presentation were regarding:

- **Use of Drones** to map systems and concern for liability
- **Risk Transfer** and the fact that you should always see to make sure that it is possible with any given claims
- **Fall Prevention** and always trying to find ways to prevent them.
- **Wildfire Prevention**
- **Subrogation Recoveries** and the importance of working with them.
- **SEMS and NIMS Training Program** (I will be asking the question, if we have implemented either)
- Discussion included **CALWARN** and importance of looking into it for protection of the district (I will be asking about this too).

IV. Opening Session

Executive Director, Dave Eggerton spoke about all of the accomplishments that his staff and board have been able to do. Especially with regards to **“Headwaters Issues”**, trying to deal with the issue of **Pfas contamination**, plus the **V.A. (Voluntary Agreement)**, now **HRL (Healthy Rivers and Landscapes)**.

- A. Keynote Speaker- Austin Ewell III-** he spoke to the Blueprint for the San Joaquin Valley. SJ Valley produces \$40.5 Billion in agriculture products annually (second only to Iowa). He spoke of further need for a science based Master Plan, more collaboration and partnerships with Ground Water Storage, making smart environmental policies and especially with regards to protecting the Delta Smelt (better temperature management). He said that it

- B. is not working and there is a disconnect between the legislature and science. He was very direct about the NEGATIVE EFFECTS of the VA and in particular, unimpaired flows. This seemed to be a constant throughout the Fall Conference. He also stressed that we need to AMEND the Bay Delta Plan, also need an MOU with Metropolitan WD and work for a better relationship with the new administration in Washington and California, i.e. the WINN ACT.
- C. The Lifetime Achievement Award went to Randy Record.
- D. ACWA-JPIA Presentation- stated that our self- funded medical insurance program is attaining a 7% return. Also, able to provide more plan flexibility, competitive rates and lower rates.

V. **Region 9 Presentation- “Food is Life” –**

An excellent presentation provided with a panel of 4 different farmers from San Joaquin County, Orange County, Kern County, and San Luis Obispo Counties. Key factors that were prevalent in their presentations were:

- Worry about the supply of water not being adequate.
- Labor and energy costs that are soaring
- Costs of farming equipment
- America's food supplies are Dwindling
- Population growth (8 billion world population)
- “Food Deserts”- land taken out of production & some converted to solar arrays, land being sold to corporations or worse
- Drought
- Competition, i.e. Peru is planting over 1 million acres
- Now worried about how the “Tariff Issue” will play out

Keys to keeping our agriculture maintaining itself are things like Aquifer Recharge, use of Recycled Water, plus Dealing with the PFAS issue, development and use of more Robotic Harvesters, etc., and dealing with Invasive Species.

Bottomline they all conveyed and issue that our “FOOD SUPPLY” being at risk in jeopardy!! Some said that we need to look more at things like the robotic harvesters and use of A.I. plus even cleaning up “brackish water”. This was a VERY eye-opening presentation.

VI. What's Next for the Bay-Delta Plan (Update)

- A. Unimpaired Flow are NOT GOOD for achieving goals- will reduce water availability from up to 100% to now an average of as low as 18% and more land being ‘fallowed’, loss of revenues, jobs. The HRL would be more like 42%.
- B. As mentioned before the old V.A. (Voluntary Agreement) is now being referred to the new model called the H.R.L. (Healthy Rivers and Landscapes) and there is an “Uncertainty and Lack of Clarity” in implementing either.
- C. Looking more for the State Water Board to implement better governance principles and the legislature to provide better Back Stops.

VII. INNOVATIONS-

Final Day presentation discussed 4 different projects from differing districts throughout the state. These reports were:

- A. JCSD (Jurupa Services District) Heli-hydrant Project- This district in Riverside County has created a system to create fast response with water for fire suppression utilizing recycled water. They built 15' wide, 15,000 gallon tanks in 4 different locations. Partnering with Cal -Fire they were able to implement access to helicopters to quickly fill their water fighting tanks for quick delivery. The copters can activate the filling of the tanks from as far away as 5 miles.
- B. Rancho Waters “Well Depth Measurement System (WDMS)s- They serve over 45K connections from 46 wells and a population of 49k people. They created a system with enhanced accuracy that self calibrates and enhance modeling for the future.
- C. San Gorgonio Pass Water Agency Gap Funding Program- developed this program to help smaller dis-advantaged communities who can't afford to take advantage of grants and the expense to write them, by providing the gap funding needed.
- D. Western Municipal Water District Manganese Removal System"- located in Murieta, Ca. they provide water to over 1 million people. This system saved money by reducing the need to import water. Took only 3 months to implement with great savings.