



**REGULAR BOARD MEETING
AGENDA PACKET**

FEBRUARY 20, 2024

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Regular Board Meeting - Tuesday, February 20, 2024, 6:00 p.m.

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

AGENDA REVISED

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. 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 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

PRESIDENTS COMMENTS

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.

ANNOUNCE CLOSED SESSIONS AND ADJOURN OPEN SESSION TO CLOSED SESSION

CLOSED SESSION

2. 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

ADJOURN CLOSED SESSION AND OPEN REGULAR SESSION

REPORT OUT OF CLOSED SESSION

PRESENTATION:

3. Ranney Well Cleaning and Evaluation Update by Layne

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.

- 4. Minutes for the Regular Board Meeting – January 16, 2024**
- 5. Minutes for the Special Board Meeting – January 24, 2024**
- 6. Minutes for the Special Board Meeting – January 25, 2024**
- 7. Minutes for the Special Board Meeting – January 30, 2024**
- 8. Minutes for the Special Board Meeting – February 3, 2024**
- 9. Paid Expenditure Report – January 2024**
- 10. Budget to Actual Report – December 2023**
- 11. Capital Improvement Project Status Report**
- 12. Resolution 02202024-01 - A Resolution Authorizing Signatories for Westamerica Bank**

ACTION CALENDAR:

13. **Claremont Road Pipeline Replacement Project, Professional Services Agreement Award**
Staff recommends that the Board of Directors authorize the General Manager to execute a Professional Services Agreement with Dugan Management & Engineering for a not-to-exceed value of \$198,929 for the Claremont Road Pipeline Replacement Project.
14. **La Sierra ASR Well Project – Notice of Completion and Release of Retention**
Staff recommends that the Board of Directors:
 - 1) Accept the "below-ground" construction of the La Sierra Well as complete; and
 - 2) Authorize the General Manager to file the Notice of Completion for the well drilling and installation and release \$73,644.30 in retention to the contractor, Zim Industries, Inc. after such required public review time is complete and when any objections are resolved.
15. **Consumer Price Index (CPI) for Fiscal Year 2024-2025**
Staff recommends that the Board of Directors approve a 4.4% COLA adjustment effective July 1, 2024 for all non-represented and represented employees, and direct the General Manager to develop the FY 2024-2025 budget with a 4.4% COLA salary adjustment.
16. **Purchase Cancellation and New Authorization to Purchase Replacement of District Vehicle #14**
Staff recommends that the Board of Directors authorize the General Manager to purchase the 2024 Dodge Ram 1500 Classic 4X2 Quad Cab for \$38,432.40 from Winner Chevrolet, Inc. under the LPA State Contract ID#1-22-23-20E.
17. **Directors' Compensation Review**
Staff recommends that the Board of Director review and discuss Policy 9060 and Director Compensation and provide direction to staff as appropriate.
18. **Employee Survey and Strategic Plan**
Staff recommends that the Board of Directors:
 - 1) review the proposal from BHI Management Consulting,
 - 2) evaluate the public feedback received and combination efforts with SSWD,
 - 3) discuss approach to identify and assess issues to be reviewed,
 - 4) authorize the General Manager to negotiate with BHIM Management Consulting for a fix-priced contract, and
 - 5) take any action necessary and provide direction to staff

INFORMATIONAL ITEMS:

19. **Landscape Maintenance Service Update**
20. **Ranney Well Cleaning and Evaluation Update**
21. **Annual Finance Audit Recommendations**
22. **Municipal Services Review for Carmichael Water District – Public Review Draft**
23. **RWA Comment Letter – Sacramento/Delta Draft Staff Report**
24. **California Special Districts Association Priorities – Take Action Brief**
25. **ACWA Spring Conference Flier**
26. **2023 LAFCo Special District Election Update**

COMMITTEE REPORTS:

27. **Sacramento Groundwater Authority Board Meeting**
Director Selsky Reports Out.
28. **Regional Water Authority Executive Committee and Regular Meeting**
Director Greenwood Reports Out.
29. **Other Committee Reports**
Directors Report Out

STAFF REPORTS:

30. **General Manager and District Activity Report – January 2024**
31. **Director's Expense Reimbursement Summary – January 2024**

GENERAL CORRESPONDENCE/INFORMATION:

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

**The next meeting of the Board of Directors will be a Regular Board Meeting held on:
Tuesday, March 19, 2024 at 6:00 p.m.**


**CARMICHAEL
WATER DISTRICT**

**Regular Board Meeting
Tuesday, January 16, 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 16th day of January at 6:00 p.m.

ATTENDANCE:

Directors: Ronald Davis, Mark Emmerson, Ron Greenwood, Jeff Nelson, Paul Selsky
Staff: Cathy Lee, Aaron Ferguson, Lisa Nicolls
Public: Three (3) Members of the Public
Guest: Zero (0)

CALL TO ORDER: President Davis called the meeting to order at: **6:00 p.m.**

PRESIDENTS COMMENTS:

President Davis expressed his appreciation to the Board and staff for their patience and support during his time as President.

ORGANIZATIONAL MEETING:

Per District Policy 9400.60 "The Board of Directors 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 the Finance Manager as Assessor-Collector/Treasurer."

Directors thanked President Davis for taking the time to be the Board President and that he did an excellent job.

Director Nelson nominated Director Selsky for President.

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:								

Director Davis nominated Director Greenwood for Vice President.

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:								

President Selsky appointed the General Manager as the Board's Secretary and the Finance Manager as Assessor-Collector/Treasurer.

PUBLIC COMMENT:

1. Public Comment

Mr. Fields commented that he resides in division 5 and he will be making comments on the governance aspects on the proposed combination between Carmichael Water District and Sacramento Suburban Water District. He stated that he is in favor of the proposed merger and overall is offers a solid well-reasoned approach in dealing with the challenges facing the District. He also commented that the Board and its staff should be commended for their initiative and hard

work that has gone into developing the plan and moving it forward and because of those efforts the District's residents will have the prospect of a more stable and secure water supply. He stated that the Board should, however, consider a slight modification relating to governance in section 6.1 in the Further Analysis Report which provides for a two stage process for reducing the size of the new Board from eleven to seven and then seven to five members over multiple election cycles; this approach is more complicated, costly, and time consuming than is necessary. He continued that it would be simpler and more efficient to get the merger done in one step going from eleven to five members in a single election cycle and using the community advisory committee provided for section 6.3 as a vehicle to ensure input from anyone who feels their vote is being diluted by the creation of larger Districts and perceived loss of representation. He explained that this modification would avoid the cost and delays associated with preparation and legal review of the second voter map, and it would also complete the merger sooner and avoid voter confusion caused by multiple changes in District boundaries and representation over excessive election cycles. He commented that as the plan moved forward, momentum for completion will build and this simpler, faster, and more efficient approach should become increasingly attractive. He then stated that regardless of ultimately how the Board decides to proceed on this issue, he hopes the Board is successful in seeing the merger through to its completion. He then thanked the Board for their attention.

Directors inquired Mr. Fields about his opinion on the optimal number of Board Members for a combined District/ Mr. Fields informed the Board of Directors that the studies that he read stated that the optimal size for Board Members tends to be five or seven and anything higher tends to be too many. He then stated that the advisory committee that is being contemplated is a different story because they do not have management or decision making authority and so an optimal size for this committee could be bigger up to eleven.

ANNOUNCED CLOSED SESSION AND ADJOURNED OPEN SESSION TO CLOSED SESSION: 6:09 PM**CLOSED SESSION:****2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

Potential Initiation of Litigation pursuant to paragraph (4) of Subdivision (d) of Gov. Code Section 54956.9: One Potential Case.

ADJOURNED CLOSED SESSION AND OPENED REGULAR SESSION: 6:42 PM**REPORT OUT OF CLOSED SESSION**

Provided direction to legal counsel and staff.

CONSENT CALENDAR:

- 3. Minutes for the Regular Board Meeting – December 12, 2023**
- 4. Paid Expenditure Report – December 2023**
- 5. Budget to Actual Report – November 2023**
- 6. Treasurer's Report – Quarter Ending December 31, 2023**

No comments.

M/S Emmerson / 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**7. Board of Directors 2024 Conferences and Meetings Schedule**

Per District Policy 9060.311 "Director Conference attendance must be approved annually at the January Board meeting. Resolution No. 3573-2 limits attendance at all conventions, meetings, seminars, symposia or other water agency related business, outside a radius of fifty (50) miles from Sacramento to three (3) District representatives approved by the Board. The Board will annually review all such functions and decide on District participation. Exceptions to the above require special Board consideration and approval."

Directors inquired what the ACWA Region 4 Tour was.

The General Manager informed the Board of Directors that on the most recent tour they went to Jones Pumping Plant and in previous years they also went to Shasta. Most sites that they go to are usually within region 4 boundaries. Directors informed the General Manager as to which conferences they would like to attend.

8. Board Representatives 2024 Committees Assignments

Per District Policy 9050.30 "Representative Committee Assignments: Meetings of the approved list of membership associations on which the District is officially represented attended by the representative or alternate of the Board who has been appointed to represent the District. Board Representatives and Alternates will be approved annually at the January Board meeting."

Directors agreed to not make any changes to the committee assignments.

9. Resolution 01162024-01 A Resolution Adopting an Annual Statement of Investment of District Funds for Carmichael Water District

Staff recommends that the Board of Directors review and discuss the Directors' Policy Manual 9600 – Investment of District Funds and Resolution 01162024-01 – A Resolution Adopting an Annual Statement of Investment of District Funds for Carmichael Water District, and if the Board of Directors agree, approve Resolution 01162024-01 – A Resolution Adopting an Annual Statement of Investment of District Funds for Carmichael Water District.

M/S Nelson / 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:								

10. La Sierra Well Topside Improvements Contract Award and Professional Services Agreement Amendment

Staff recommends that the Board of Directors authorize the General Manager to: 1) Execute an amendment to the existing agreement between GEI and the District that increases the contract's not-to-exceed value from \$366,170.00 to \$908,120.00 to include the additional costs of construction management and well construction costs; 2) Award and execute a Construction Contract with Sierra National Construction, Inc. for the amount of \$3,423,000.00; and 3) Authorize an additional ten percent (10%) contingency under the Sierra National Construction contract of \$342,000 for a total not-to-exceed contract value of \$3,765,300.00.

Directors inquired what GEI's billing rates are.

The General Manager informed the Board of Directors that the billing rates are in the original contract.

Directors inquired about the schedule and whether there was one.

The General Manager informed the Board of Directors that the construction management portion is until December 31, 2024.

M/S Emmerson / Davis 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:								

11. Garfield Well Electrical Design and Construction Services Agreement Amendment

Staff recommends that the Board of Directors authorize the General Manager to execute Amendment 1 to the Professional Services Agreement with Frisch Engineering, Inc. for Electrical Engineering Design and Construction Services for \$35,230. Approval of Amendment 1 will increase the approved not to exceed fee for this work to \$115,320 which includes an \$8,705 contingency approved with the original agreement authorization.

Directors inquired if the equipment that is going to be installed going to be compatible with the future well.

The General Manager informed the Board of Directors that they were correct.

M/S Nelson / Greenwood 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: <input checked="" type="checkbox"/>								

12. Surplus Items

Staff recommends that the Board of Directors declare the equipment and items stated in the memo, surplus, and authorize the General Manager to sell profitable items at public auction and recycle unprofitable items in accordance with District Regulations 1020.

No comments.

M/S Emmerson / 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: <input checked="" type="checkbox"/>								

12.1 Budget Amendment – Ranney Collectors Cleaning

Staff recommends that the Board of Directors approve a budget amendment to the Fiscal Year 2023-24 CIP budget to increase the CIP Project "Ranney Collector cleaning" by \$900,000 and decrease the CIP Project "Winding Way Well Replacement".

Directors commented that they think this is a good investment.

Directors inquired whether the tests that have been run as far as efficiencies have been obtained.

The General Manager informed the Board of Directors that staff has some of the data that is presented to the Board in the staff report and a presentation will be done at the next regular Board Meeting when the consultants finalized the data and findings.

Directors thanked the company for their work on the Ranney Collectors.

M/S Nelson / Davis 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: <input checked="" type="checkbox"/>								

INFORMATIONAL ITEMS

13. LAFCo Memo - Request For Comments on MSR Policies

No comments.

14. Director Selsky's ACWA Fall Conference Report

Director Selsky highlighted the importance of groundwater recharge in the state during high flow flood events and the new water demand objectives and the challenges to meet them.

Directors thanked Director Selsky for such a detailed report.

15. Combination Discussion with Sacramento Suburban Water District

Directors commented that they would like to have the Combination Workshop be as interactive as possible and that maps of the District should be displayed for everyone in attendance to see.

Directors inquired if the LAFCo Executive Director is going to be in attendance at the workshop.

The General Manager informed the Board of Directors that he will not be in attendance as he will be on vacation.

Directors informed staff that they would like their legal counsel to be present at the workshop.

Directors commented that they would like to not put fluoride in the water.

The General Manager informed the Board of Directors that the next 2x2 meeting is February 7th and the next Joint Board meeting is March 7th. At the Joint Board meeting the directors will have the draft resolution to LAFCo and the Boards will be deciding what will be included in the resolution.

ANNOUNCED CLOSED SESSION AND ADJOURNED OPEN SESSION TO CLOSED SESSION: 7:38 PM**CLOSED SESSION:****16. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

Significant Exposure to Litigation pursuant to paragraph (2) of Subdivision (d) of Gov. Code Section 54956.9: One Potential Case.

ADJOURNED CLOSED SESSION AND OPENED REGULAR SESSION: 8:43 PM**REPORT OUT OF CLOSED SESSION**

Consulted with legal counsel.

COMMITTEE REPORTS**17. Sacramento Groundwater Authority Board Meeting**

Director Selsky Reports Out.

Director Selsky reported that they discussed the SGA water accounting framework and how it is going to be a priority this year because this will be able to tell you how much groundwater each district has. There is going to be several water banks including the Central Valley Project (CVP) bank, non-CVP banks, one for harvest water, and maybe others. Another item he reported was that he was elected chair and he gets to appoint one of the members on the RWA Executive Committee and he appointed Chris Peterson, Director of Fair Oaks Water District.

18. Regional Water Authority Executive Committee and Regular Meeting

Director Greenwood Reports Out.

Director Greenwood reported on the meeting on December 19th. RWA also presented the financial audit report by Richardson Company and it showed that the assets were down \$400,000 primarily because of liability reserves plus a decline in investments and because of the new building/office location. There was also a report by Michelle Banonis about the ARTESIAN Support Agreement where she recommended they approve the Executive Director to enter into an agreement with West Yost, which was approved. There was also a legislative update and the main thing that was brought up was the SB 366 which are attempts to increase the State water supply.

19. Other Committee Report

Directors Report Out.

Director Greenwood reported attending two Cap 2 Cap organizational meetings in December. They made a long list of topics for the conference and it was narrowed down to the RiverARC, Water Bank, water management, and infrastructure. They also determined that PFAS is a big topic that everyone wants to bring to the legislators so they are looking into how to present this to them.

STAFF REPORTS:**20. General Manager and District Activity Report – December 2023**

Discussed with the Board.

21. Director's Expense Reimbursement Summary – December 2023

No comments.

GENERAL CORRESPONDENCE/INFORMATION:

22. News Articles

Directors commented that this Cal Matters article is based on a report written by a legislator's Leg. Analyst and it is criticizing how stringent the water conservation bill is.

23. Director's Written and/or Oral Reports

Director Emmerson:

1. Award of Excellence Program by ACWA
 - a. Our District is in the pilot of this program.
 - b. The committee is still working out the fine details.

ADJOURNMENT: President Selsky adjourned the meeting at: **9:07 p.m.**

Paul Selsky, Board President

Cathy Lee, Board Secretary

DRAFT



Special Board Meeting
Wednesday, January 24, 2024, 6:30 p.m.

Carmichael Water District
7837 Fair Oaks Boulevard
Carmichael, CA 95608

MINUTES

The Carmichael Water District Board of Directors met in Special Session this 24th day of January at 6:30 pm, in person and via teleconference.

ATTENDANCE:

Directors: Ronald Davis, Mark Emmerson, Ron Greenwood, Jeff Nelson, Paul Selsky
Staff: Cathy Lee, Gaby Padilla, Aaron Ferguson
Guest: Dan York, Jennifer Persike
Public: Sixty Seven (67) Members of the Public

CALL TO ORDER: President Selsky called the meeting to order at: **6:30 p.m.**

PRESIDENTS COMMENTS:

No Comment.

PUBLIC COMMENT:

- 1. Public Comment**
No Comments.

WORKSHOP

- 2. Public Information Workshop: Exploring a Study on Potential Combination with Sacramento Suburban Water District**

Discussed with the Board on topics including impact on reduced voice and vote, water rights and supply reliability, public vote on the decision, financial costs and consultants, support for outreach, rates and cost increases, and cost reduction.

ADJOURNMENT: President Selsky adjourned the meeting at: **8:48 p.m.**

Paul Selsky, Board President

Cathy Lee, Board Secretary

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Special Board Meeting
Thursday, January 25, 2024, 2:30 p.m.

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

MINUTES

The Carmichael Water District Board of Directors met in Special Session this 25th day of January at 2:30 p.m.

ATTENDANCE:

Directors: Ron Greenwood, Jeff Nelson, Ronald Davis, Paul Selsky, Mark Emmerson
Staff: Cathy Lee, Aaron Ferguson
Public: Zero (0) Members of the Public

CALL TO ORDER: President Selsky called the meeting to order at: **2:30 p.m.**

PUBLIC COMMENT

1. **Public Comment**
No comments.

ANNOUNCED CLOSED SESSION AND ADJOURNED OPEN SESSION TO CLOSED SESSION: 2:32 p.m.

CLOSED SESSION:

2. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
Significant Exposure to Litigation pursuant to paragraph (2) of Subdivision (d) of Gov. Code Section 54956.9: One Potential Case.
3. **PUBLIC EMPLOYEE PERFORMANCE EVALUATION INVOLVING THE GENERAL MANAGER**
Public Employee Performance Evaluation Involving the General Manager under Government Code Section 54954.5(e) and 54957.

ADJOURNED CLOSED SESSION AND OPENED REGULAR SESSION: 4:32 p.m.

REPORT OUT OF CLOSED SESSION

Discussed items with legal counsel and the General Manager.

ADJOURNMENT: President Selsky adjourned the meeting at: **4:34 p.m.**

Paul Selsky, Board President

Cathy Lee, Board Secretary

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Special Board Meeting
Tuesday, January 30, 2024, 1:30 p.m.

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

MINUTES

The Carmichael Water District Board of Directors met in Special Session this 30th day of January at 1:30 p.m.

ATTENDANCE:

Directors: Ron Greenwood, Jeff Nelson, Ronald Davis, Paul Selsky, Mark Emmerson
Staff: Cathy Lee, Aaron Ferguson
Public: Zero (0) Members of the Public

CALL TO ORDER: President Selsky called the meeting to order at: 1:30 p.m.

PUBLIC COMMENT

1. **Public Comment**
No comments.

ANNOUNCED CLOSED SESSION AND ADJOURNED OPEN SESSION TO CLOSED SESSION: 1:31 p.m.

CLOSED SESSION:

2. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
Significant Exposure to Litigation pursuant to paragraph (2) of Subdivision (d) of Gov. Code Section 54956.9: One Potential Case.
3. **PUBLIC EMPLOYEE PERFORMANCE EVALUATION INVOLVING THE GENERAL MANAGER**
Public Employee Performance Evaluation Involving the General Manager under Government Code Section 54954.5(e) and 54957.

ADJOURNED CLOSED SESSION AND OPENED REGULAR SESSION: 4:34 p.m.

REPORT OUT OF CLOSED SESSION

Discussed items with legal counsel and the General Manager.

ADJOURNMENT: President Selsky adjourned the meeting at: 4:35 p.m.

Paul Selsky, Board President

Cathy Lee, Board Secretary

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**Special Board Meeting
Saturday, February 3, 2024, 9:00 a.m.**

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

MINUTES

The Carmichael Water District Board of Directors met in Special Session this 3rd day of February at 9:00 a.m.

ATTENDANCE:

Directors: Ron Greenwood, Jeff Nelson, Ronald Davis, Paul Selsky, Mark Emmerson
Staff: Cathy Lee, Aaron Ferguson
Public: Zero (0) Members of the Public

CALL TO ORDER: President Selsky called the meeting to order at: **9:06 a.m.**

PUBLIC COMMENT

1. **Public Comment**
No comments.

ANNOUNCED CLOSED SESSION AND ADJOURNED OPEN SESSION TO CLOSED SESSION: 9:08 a.m.

CLOSED SESSION:

2. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

Significant Exposure to Litigation pursuant to paragraph (2) of Subdivision (d) of Gov. Code Section 54956.9: One Potential Case.

3. **PUBLIC EMPLOYEE PERFORMANCE EVALUATION INVOLVING THE GENERAL MANAGER**

Public Employee Performance Evaluation Involving the General Manager under Government Code Section 54954.5(e) and 54957.

ADJOURNED CLOSED SESSION AND OPENED REGULAR SESSION: 10:59 a.m.

REPORT OUT OF CLOSED SESSION

Discussed items with legal counsel and the General Manager.

ADJOURNMENT: President Selsky adjourned the meeting at: **11:05 a.m.**

Paul Selsky, Board President

Cathy Lee, Board Secretary

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CARMICHAEL WATER DISTRICT

PAID EXPENDITURES REPORT

For the period January 1 to January 31, 2024

AGENDA ITEM 9

Check Number	Date Issued	Payee	Description	Amount
75714	1/9/2024	Koch & Koch Inc	CIP- La Vista Tank and pump station	139,835.65
75715	1/9/2024	Koch & Koch Inc	CIP- La Vista Tank and pump station	67,454.35
75716	1/12/2024	ACI formerly Official Payments Corp	Payment processing fees - November	60.85
75717	1/12/2024	ACWA JPIA (Dental vision life et al)	February dental, vision, life, EAP	3,348.23
75718	1/12/2024	American River Parkway Foundation	Production: Admin: SWRCB Drinking Water	500.00
75719	1/12/2024	Brightview Landscape Service DBA Emerald	General Admin Facility maint, Prod Well Maintenance: Landscape services - January	2,080.00
75720	1/12/2024	BSK Associates	Water Quality: Bacteriological, Wells - Aerojet testing	2,938.00
75721	1/12/2024	Buckmaster Office Solutions	General admin: Equipment repairs and maintenance	221.09
75722	1/12/2024	CCDS Inc DBA Industrial Door Company	Admin: General facility maintenance	661.25
75723	1/12/2024	California Surveying and Drafting Supply	Engineering: Software and licensing - GIS monthly software fees - January	150.00
75724	1/12/2024	Comcast	IT: Telecommunications- Admin	618.93
75725	1/12/2024	Forensic Analytical Consulting Services	CIP- La Vista Tank and pump station	6,081.79
75726	1/12/2024	Grainger	Prodution: Safety, WTP system maintenance, Distribution: Shop supplies	174.39
75727	1/12/2024	Hach Company	Production: Lab supplies	982.19
75728	1/12/2024	Harris Industrial Gases	Distribution: Equipment rental	29.05
75729	1/12/2024	Inland Business Systems Inc	IT: Equipment repairs and maintenance	43.36
75730	1/12/2024	Jeffrey S Bair	Distribution: Training and certification	105.00
75731	1/12/2024	LaFleur Excavating Inc	CIP- San Juan MLP	267,900.00
75732	1/12/2024	Layne Christensen Co	CIP- Ranney collector cleaning	600,400.00
75733	1/12/2024	Network Design Associates Inc	IT: Contract services-IT (November), Network monitoring and risk assessment (December)	2,940.00
75734	1/12/2024	Olin corp - Chlor Alkali	Production: Chemicals - Sodium hypochlorite	13,601.00
75735	1/12/2024	Pace Supply Corp	Inventory	232.17
75736	1/12/2024	Pitney Bowes	General Admin: Office supplies	98.36
75737	1/12/2024	Pitney Bowes Global Financial Services	IT: Equipment rental	148.59
75738	1/12/2024	Quill.com	Production, Admin: Office supplies	737.54
75739	1/12/2024	Sacramento County Planning & Environment	Production: Wells: Barret Road Well repairs and maintenance	31.35
75740	1/12/2024	Sacramento County Utilities	Production: Utilities- County services	89.29
75741	1/12/2024	SMUD	Production, Admin: Power	46,715.73
75742	1/12/2024	State Water Res Control Brd (NPDES)	Production: Fees and permits: SWRCB Drinking water	55,931.40
75743	1/12/2024	Telstar Instruments Inc	Production: SCADA maintenance	1,828.80
75744	1/12/2024	Ultra Truck Works Inc	Capital asset: Transportation equipment	2,223.80
75745	1/12/2024	Univar USA Inc	Production: Chemicals - Sodium hydroxide	9,683.75
75746	1/12/2024	USA BlueBook	Production: Chemicals - Dchlor	1,199.93
75747	1/26/2024	Bartkiewicz Kronick & Shanahan	Board legal - December	770.00
75748	1/26/2024	Bay Alarm Company	Production, Admin: Security	639.69
75749	1/26/2024	Brower Mechanical Inc	Capital asset: WTP Raw Water pump room HVAC	64,107.00
75750	1/26/2024	BSK Associates	Water quality: Bacteriological, CIP- San Juan mainline	510.00
75751	1/26/2024	Comcast	Production: Telecommunications	667.90
75752	1/26/2024	County of Sacramento - Encroachment	CIP- San Juan waterline	4,168.68
75753	1/26/2024	DataProse LLC	Customer service: Billing expense- December	5,789.27
75754	1/26/2024	Domenichelli and Associates Inc	Engineering: Fire flow engineering services	436.01
75755	1/26/2024	Filmtec Corp (formerly Evoqua)	Production: WTP Systems Maintenance: CMF-Filtrate	1,631.56
75756	1/26/2024	FIRST AMERICAN TITLE CO	Customer refund	131.86

CARMICHAEL WATER DISTRICT
PAID EXPENDITURES REPORT
For the period January 1 to January 31, 2024

Check Number	Date Issued	Payee	Description	Amount
75757	1/26/2024	Home Depot	Distribution: Facility maintenance, shop supplies, small tools	581.14
75758	1/26/2024	Hunt & Sons Inc	Distribution: Fuel	2,392.37
75759	1/26/2024	Inland Business Systems Inc	IT: Equipment repairs and maintenance	57.53
75760	1/26/2024	Invoice Cloud Inc	Customer service: Payment processing fees - December	8,636.10
75761	1/26/2024	Murphy Austin Adams Schoenfeld LLP	CIP- La Vista Tank and pump station	450.00
75762	1/26/2024	Network Design Associates Inc	IT: Network monitoring and risk assessment - December	300.00
75763	1/26/2024	New Answernet Inc	IT: Telecommunications	200.00
75764	1/26/2024	O'Reilly Auto Parts	Distribution, Production: Vehicle maintenance	57.21
75765	1/26/2024	Pace Supply Corp	Inventory	957.20
75766	1/26/2024	PG&E	Production: Power	70.02
75767	1/26/2024	Quill.com	General Admin: Office supplies	159.92
75768	1/26/2024	R&S Overhead Doors and Gates of Sacramento	Production, Admin: General building maintenance	1,092.14
75769	1/26/2024	Red Wing Business Advantage Account	Production: Safety	234.89
75770	1/26/2024	Richard Keil	Claims expense	297.00
75771	1/26/2024	Sacramento County Planning & Environment	Production: Well maintenance and repairs - Barret School Well	31.35
75772	1/26/2024	Sacramento County Recorder	Customer service: Lien release fee	40.00
75773	1/26/2024	Sacramento County Utilities	Production, Admin: Utilities- County services	627.66
75774	1/26/2024	San Juan Water District	Board: Water management - December and January	1,500.00
75775	1/26/2024	SMUD	Production: Power	6,460.60
75776	1/26/2024	Somach Simmons & Dunn	Board legal, Board Water rights, CIP- Ladera Well, CIP- La Sierra	31,135.18
75777	1/26/2024	US Bank	See "Credit card expenses" below	
75778	1/26/2024	Waste Management of Sacramento	Production, Admin: Utilities- Garbage	639.48
75779	1/26/2024	WorkSmart Automation Inc	Production: SCADA contract services	1,152.00

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33399	1/10/2024	CalPERS (Pension contribution)	Pension Contribution (ER and EE) Pay period 12/11/23-12/24/23	16,984.72
33400	1/10/2024	CalPERS 457 Plan	457 Payment for the pay period 12/25/23-1/7/24	5,101.54
33401	1/26/2024	CalPERS 457 Plan	457 Payment for the pay period 1/8/24-1/21/24	5,008.07
33402	1/25/2024	CalPERS (Medical)	February Medical insurance premium	76,182.88
33403	1/24/2024	Mutual of Omaha	February LTD and life insurance premium	1,525.15
14750	1/19/2024	CalPERS (Pension contribution)	Unfunded Accrued Liability (UAL) Additional payment	300,000.00
33404	1/31/2024	Pitney Bowes	Postage refill	200.00

CARMICHAEL WATER DISTRICT
PAID EXPENDITURES REPORT
For the period January 1 to January 31, 2024

Check Number	Date Issued	Payee	Description	Amount
<u>Credit Card Expenses</u>				
75777	1/26/2024	US Bank		4,101.28
		Western Feed and Pet Supply	CIP- La Vista Tank and pump station	226.15
		Rocket Restrooms	CIP- La Vista Tank and pump station	125.78
		Sacramento Bee	CIP- La Sierra	685.72
		Quick Quack	Admin, Production: Vehicle maintenance	41.99
		Renaissance Esmeralda	Directors travel and meetings	166.46
		eBay	SCADA repairs	2,257.36
		Costco	Office supplies	69.77
		Cantina Azteca	Employee recognition	506.51
		Amazon	Office supplies	21.54
Check register total				1,774,073.24
		Payroll	Employee wages, payroll taxes, payroll processing fees	217,002.50
		Total paid expenditures		1,991,075.74

*****INFORMATIONAL*****

January Bond Expenditures to be reimbursed to the General Fund from the Bond Proceeds account

75714	1/9/2024	Koch & Koch Inc	CIP- La Vista Tank and pump station	139,835.65
75715	1/9/2024	Koch & Koch Inc	CIP- La Vista Tank and pump station	67,454.35
75725	1/12/2024	Forensic Analytical Consulting Services	CIP- La Vista Tank and pump station	6,081.79
75761	1/26/2024	Murphy Austin Adams Schoenfeld LLP	CIP- La Vista Tank and pump station	450.00
75777	1/26/2024	Western Feed and Pet Supply	CIP- La Vista Tank and pump station	226.15
75777	1/26/2024	Rocket Restrooms	CIP- La Vista Tank and pump station	125.78
				214,173.72

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CARMICHAEL WATER DISTRICT
Budget to Actual
For the six months ended December 31, 2023
50% of the Budget expired

	December Actual	Fiscal YTD Actual	Fiscal Year Amended Budget*	Budget Available	% of Budget Used
Revenue					
District revenue					
Water sales	1,062,080	8,795,206	14,530,000	5,734,794	60.53%
Water service fees and charges	8,989	40,537	95,500	54,963	42.45%
Other service fees	8,054	56,917	100,000	43,083	56.92%
Grant revenue	410,201	443,653	3,430,000	2,986,347	12.93%
Interest income	24,054	149,854	404,365	254,511	37.06%
Miscellaneous	1,880	9,589	709,064	699,475	1.35%
Facility fees	-	31,155	50,000	18,845	62.31%
Total District revenue	1,515,258	9,526,911	19,318,929	9,792,018	49.31%
Outside boundary sales					
Treatment and delivery charges	39,044	410,614	1,324,022	913,408	31.01%
Total Outside boundary sales	39,044	410,614	1,324,022	913,408	31.01%
TOTAL REVENUE	1,554,302	9,937,525	20,642,951	10,705,426	48.14%
Expenditures					
Bond interest expense					
COPS Interest	-	331,774	979,620	647,846	33.87%
Administrative Services					
Board of Directors					
Director's Fees, taxes, insurance	5,072	13,240	29,274	16,034	45.23%
Board expenses	19,743	47,712	102,500	54,788	46.55%
Total Board of Directors Department	24,815	60,952	131,774	70,822	46.26%
Office of the General Manager					
Salaries, benefits, taxes	20,652	162,668	328,841	166,173	49.47%
Studies, contracts	-	5,510	50,000	44,490	11.02%
Training/certification/travel/meetings	1,451	2,685	5,000	2,315	53.70%
Total Office of the General Manager	22,103	170,863	383,841	212,978	44.51%
Engineering/Technical Services					
Salaries, benefits, taxes	49,166	231,590	827,268	595,678	27.99%
Software licensing, supplies, general office	983	6,228	21,450	15,222	29.03%
General engineering/contract services	5,274	5,968	55,000	49,032	10.85%
Training/certification/travel/meetings	-	-	3,000	3,000	0.00%
Total Engineering Department	55,423	243,786	906,718	662,932	26.89%
Finance					
Salaries, benefits, taxes	36,293	242,550	511,872	269,322	47.38%
Professional and contract services	2,160	44,975	53,700	8,725	83.75%
Fees and charges	951	6,271	16,310	10,039	38.45%
Training/certification/travel/meetings	-	595	3,000	2,405	19.83%
Total Finance Department	39,404	294,391	584,882	290,491	50.33%
Customer Service					
Salaries, benefits, taxes	22,503	180,137	364,015	183,878	49.49%
Billing expense	5,778	23,044	77,000	53,956	29.93%
Payment processing and collection fees	8,691	41,857	116,600	74,743	35.90%
Professional and contract services	-	-	4,000	4,000	0.00%
Total Customer Service Department	36,972	245,038	561,615	316,577	43.63%

CARMICHAEL WATER DISTRICT
Budget to Actual
For the six months ended December 31, 2023
50% of the Budget expired

	December Actual	Fiscal YTD Actual	Fiscal Year Amended Budget*	Budget Available	% of Budget Used
Human Resources					
Salaries, benefits, taxes	7,404	56,748	115,475	58,727	49.14%
Recruitment, exams/screenings	894	2,700	4,250	1,550	63.53%
Legal and litigation expense	120	7,962	62,000	54,038	12.84%
Training/certification/travel/meetings	-	12	1,200	1,188	1.00%
Employee recognition	17	146	3,000	2,854	4.87%
Total Human Resources Department	8,435	67,568	185,925	118,357	36.34%
Information Technology					
Contract services	3,235	20,185	60,700	40,515	33.25%
Software, licensing, website maintenance	6,738	46,248	102,056	55,808	45.32%
Hardware and supplies	156	9,738	15,500	5,762	62.83%
Equipment repairs/maintenance	484	1,942	10,000	8,058	19.42%
Telecommunications	2,098	11,965	30,000	18,035	39.88%
Total Information Technology Department	12,711	90,078	218,256	128,178	41.27%
Public Outreach and Water Efficiency					
Salaries, benefits, taxes	4,627	111,082	144,397	33,315	76.93%
Outreach	36	5,255	53,650	48,395	9.79%
Training/certification/travel/meetings	-	-	2,000	2,000	0.00%
Grant/other program expense	1,972	8,408	125,900	117,492	6.68%
Contract services	-	4,000	4,000	-	100.00%
Total Public Outreach/Water Efficiency Department	6,635	128,745	329,947	201,202	39.02%
General Administration					
Dues and memberships	10,226	83,075	160,273	77,198	51.83%
Facility expenses	12,883	35,417	69,884	34,467	50.68%
Fees and permits	4,453	10,164	11,695	1,531	86.91%
General administration expenses	328	4,320	21,400	17,080	20.19%
Retiree medical	21,420	137,088	245,000	107,912	55.95%
Insurance	16,451	96,335	171,071	74,736	56.31%
Total General Administration Department	65,761	366,399	679,323	312,924	53.94%
Total Administrative Services expenses	272,259	1,667,820	3,982,281	2,314,461	41.88%
Production expenses					
Production Administration					
Salaries, benefits, taxes	73,925	536,279	1,263,935	727,656	42.43%
General administration expenses	3,544	15,581	41,300	25,719	37.73%
Training/certification/travel/meetings	60	3,350	7,000	3,650	47.86%
Total Production Administration Department	77,529	555,210	1,312,235	757,025	42.31%
Treatment Plant Operations					
Facility expense	2,349	12,439	41,720	29,281	29.82%
Water quality	4,240	24,908	48,700	23,792	51.15%
Chemicals	1,005	100,554	248,500	147,946	40.46%
Power	57,463	486,433	901,600	415,167	53.95%
Systems maintenance	432	15,515	211,000	195,485	7.35%
Fees, permits, services	4,451	13,328	108,900	95,572	12.24%
Total Treatment Plant Operations Department	69,940	653,177	1,560,420	907,243	41.86%

CARMICHAEL WATER DISTRICT
Budget to Actual
For the six months ended December 31, 2023
50% of the Budget expired

	December Actual	Fiscal YTD Actual	Fiscal Year Amended Budget*	Budget Available	% of Budget Used
Well Operations					
Power	10,603	144,903	425,600	280,697	34.05%
Well site/Reservoir maintenance	400	11,545	32,750	21,205	35.25%
Total Well Operations Department	11,003	156,448	458,350	301,902	34.13%
Total Production Expenses	158,472	1,364,836	3,331,005	1,966,169	40.97%
Distribution Expenses					
Distribution Administration					
General administration expenses	2,199	15,403	60,300	44,897	25.54%
Fees, permits, services	-	12,182	30,200	18,018	40.34%
Vehicle repairs and maintenance	42	2,693	54,000	51,307	4.99%
Fuel/fuel tank maintenance	2,982	22,620	50,000	27,380	45.24%
Training/certification/travel/meetings	-	3,505	8,000	4,495	43.81%
Total Distribution Administration Department	5,223	56,403	202,500	146,097	27.85%
Transmission and Distribution Maintenance					
Salaries, benefits, taxes	81,293	584,221	1,201,478	617,257	48.63%
Capitalized labor, benefits, taxes	(10,777)	(52,556)	(196,377)	(143,821)	26.76%
Infrastructure repairs	20,681	127,542	502,500	374,958	25.38%
Road restoration	1,401	120,927	446,000	325,073	27.11%
Total Transmission and Distribution Maintenance Department	92,598	780,134	1,953,601	1,173,467	39.93%
Total Distribution Expenses	97,821	836,537	2,156,101	1,319,564	38.80%
TOTAL O&M EXPENSES	528,552	4,200,967	10,449,007	6,248,040	40.20%
Capital expenditures					
Capital funded by rates					
Administrative Services- Capital improvements	-	-	208,000	208,000	0.00%
Production - WTP Facility improvements	434,901	468,351	1,163,203	694,852	40.26%
Production - Wells (Includes grant funded projects)	132,268	483,459	4,761,797	4,278,338	10.15%
Production - Vehicle and equipment	-	2,660	140,000	137,340	1.90%
Distribution - In house constructed assets	15,154	296,372	388,899	92,527	76.21%
Distribution - Mainline projects	5,140	1,169,289	2,500,000	1,330,711	46.77%
Distribution - Vehicles and equipment	-	120,222	480,000	359,778	25.05%
Total Capital funded by rates	587,463	2,540,353	9,641,899	7,101,546	26.35%
Capital funded by reserves					
Membrane replacement expense	-	-	200,000	200,000	0.00%
Sacramento County impact projects	-	-	200,000	200,000	0.00%
Total Capital Funded by reserves	-	-	400,000	400,000	0.00%
Debt Service, Other sources/Uses of funds					
Series B (2010 COP's Refinanced)	-	1,515,000	1,515,000	-	100.00%
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	-	1,515,000	2,015,000	500,000	75.19%

CARMICHAEL WATER DISTRICT
Budget to Actual
For the six months ended December 31, 2023
50% of the Budget expired

	December Actual	Fiscal YTD Actual	Fiscal Year Amended Budget*	Budget Available	% of Budget Used
Reserve Funding/(Uses)					
Filter skid replacement	-	-	650,000	650,000	0.00%
Use of membrane reserve-CY	-	-	(200,000)	(200,000)	0.00%
Facilities fees	-	-	50,000	50,000	0.00%
County impact reserve- One time funding use	-	-	(592,920)	(592,920)	0.00%
Total Reserve Funding/(Uses)	-	-	(92,920)	(92,920)	0.00%
Total Expenditure, Debt Service, Fund Sources/(Uses), Reserves	1,116,015	8,256,320	22,412,986	14,156,666	36.84%
Budget surplus (deficiency)	438,287	1,681,205	(1,770,035)	(3,451,240)	(1)
Undesignated surplus funding source	-	-	1,770,035	1,770,035	-
Final budget surplus (deficiency)	438,287	1,681,205	-	(1,681,205)	
Capital projects funded by Bonds					
CIP- La Vista Tank and Pump Station	15,047	502,819	1,450,000	947,181	34.68%
Total Capital projects funded by Bonds	15,047	502,819	1,450,000	947,181	34.68%

*Includes budget amendments through December 31, 2023 (See attached Budget Amendment listing)

CARMICHAEL WATER DISTRICT
Budget Amendments
As of December 31, 2023

Amendment # 1	General ledger account	Account description	Adopted		Amended
			Budget	Add (reduce)	Budget
	28-101103-01	Payroll- Full time- Public Outreach	185,810.00	(102,000.00)	83,810.00
	28-101521-01	Taxes- Public Outreach	94,751.00	(7,700.00)	87,051.00
	28-105101-00	Medical- Public Outreach	14,536.00	(41,000.00)	(26,464.00)
	22-101103-01	Payroll- Full time- Engineering	454,878.00	102,000.00	556,878.00
	22-101521-01	Taxes- Engineering	186,409.00	7,700.00	194,109.00
	22-105101-22	Medical- Engineering	35,281.00	41,000.00	76,281.00

Board Meeting 10/17/2023

Board Meeting 2018 Agenda Item #12

Net effect on total appropriations

Amendment # 2	General ledger account	Account description	Adopted		Amended
			Budget	Add (reduce)	Budget
	10-011105-28	Winding Way well replacement	1,250,000.00	(88,203.00)	1,161,797.00
	10-011101-15/16	Raw Water Building/Dewey Pump Station, HVACS		88,203.00	88,203.00

10-01
Board Meeting 10/17/2023

Board Meeting 10

Net effect on total appropriations

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Capital Improvement Project Status Report

As of December 31, 2023

RATE FUNDED PROJECTS

Distribution	Fiscal Year 2023-2024 Total Budget	Fiscal Year 2023-2024 Expenditure to date	Fiscal Year 2023-2024 Remaining Balance	Percent of 23-24 Budget Used	Prior Years Expenditures	Total Project Expenditure to Date	Project Completed Percentage
San Juan Water Line Replacement	2,500,000	1,169,289	1,330,711	47%	179,163	1,348,452	54%
Distribution Infrastructure - In house projects	388,899	296,372	92,527	76%	0	296,372	76%
Service Trucks	140,000	86,580	53,420	62%	0	86,580	62%
Backhoe and other equipment	250,000	8,081	241,919	3%	0	8,081	3%
Trailer mounted air compressor, Other equipment	90,000	25,561	64,439	28%	0	25,561	28%
Total Distribution	3,368,899	1,585,883	1,783,016	47%	179,163	1,765,046	
Production							
SCADA Improvement w/ PLC Upgrade	250,000	15,841	234,159	6%	-	15,841	15%
Raw Water Pumps 300 HP (2 of 3)	100,000	-	100,000	0%	-	-	0%
Breaker Replacement	100,000	-	100,000	0%	-	-	0%
BWTP Building Rehab	125,000	-	125,000	0%	-	-	0%
Ranney Collector	500,000	452,510	47,490	91%		452,510	100%
Compressor Replacement	140,000	2,660	137,340	2%	140,785	143,445	100%
Raw water Room HVAC and Dewey Pump Station Cooling units	88,203	-	88,203	0%			
WELLS							
La Sierra Well - GRANT FUNDED	2,100,000	379,629	1,720,371	18%	1,491,666	1,871,295	40%
Ladera ASR Well # 2	1,250,000	54,273	1,195,727	4%		54,273	0%
Winding Way Well Replacement	1,161,797	46,679	1,115,118	4%	858,232	904,911	0%
Garfield Generator	250,000	2,878	247,122	1%	23,038	25,916	10%
Total Production	6,065,000	954,470	5,110,530	16%	2,513,721	3,468,191	
Administration/Engineering							
District Wide Security Improvements	208,000		208,000	0%	43,019	43,019	0%
Total Administration	208,000	-	208,000	0%	43,019	43,019	
TOTAL RATE FUNDED CAPITAL PROJECTS	9,641,899	2,540,353	7,101,546	26%	2,735,903	5,276,256	

FUNDED BY RESERVES

Distribution	Fiscal Year 2023-2024 Total Budget	Fiscal Year 2023-2024 Expenditure to date	Fiscal Year 2023-2024 Remaining Balance	Percent of 23-24 Budget Used	Prior Years Expenditures	Total Project Expenditure to Date	Project Completed Percentage
Membrane Replacement (Paid out of Membrane Reserve)	200,000	-	200,000	0%	-	-	0%
Sacramento County Impact Project	200,000	-	200,000	0%	-	-	0%
Total Distribution	400,000	-	400,000	0%	-	-	0%

BOND FUNDED PROJECTS

BOND Funded Capital Projects

La Vista Tank & Pump Station	1,450,000	722,257	727,743	50%	8,385,602	9,107,859	65%
TOTAL BOND FUNDED CAPITAL PROJECTS	1,450,000	722,257	727,743	50%		9,107,859	

TOTAL CAPITAL PROJECTS \$ 11,491,899 \$ 3,262,610 \$ 8,229,289 28% \$ 2,735,903 \$ 14,384,115

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MEMO

TO: Board of Directors

FROM: Debbie Martin, Finance Manager

DATE: February 12, 2024

RE: Resolution 02202024-01 - A Resolution Authorizing Signatories for Westamerica Bank

BACKGROUND

On July 20, 2020, a resolution was provided to Westamerica Bank authorizing the District's Board of Directors, Secretary, and Assessor Collector/Treasurer as signatories for the District's deposit accounts held at Westamerica Bank. As the Finance Department has been working with the Bank to enhance internal controls and upgrade processes for electronic payments, the bank noted that the signatories on the deposit accounts were outdated. The bank has since requested an updated resolution that provides the titles of the authorized signatories for the deposit accounts, the names of the individuals who hold those titles, and the authorized actions the signatories can take with respect to the deposit accounts.

Staff proposes the following individuals holding the so named titles be designated and authorized as signatories for the Westamerica Bank deposit accounts:

Board of Directors: Ronald Davis, Mark Emmerson, Ron Greenwood, Jeff Nelson, Paul Selsky
General Manager: Cathy Lee

SUMMARY

Westamerica Bank has requested the District provide an updated resolution stating 1) the authorized signatories for the bank accounts, by name and title 2) the authorization from the Board of Directors for the named signatories to deposit, transfer, and initiate payment and/or give instructions on behalf of the District with respect to its deposits accounts.

RECOMMENDATION

Staff recommends that the Board of Directors review and approve Resolution 02242024-01 – A Resolution Authorizing Signatories for the Westamerica Bank.

ATTACHMENT(S)

1. Resolution 02202024 – A Resolution Authorizing Signatories for Westamerica Bank

CARMICHAEL WATER DISTRICT

RESOLUTION 02202024-01

A RESOLUTION AUTHORIZING THE SIGNATORIES FOR WESTAMERICA BANK

WHEREAS, Carmichael Water District (The District) has the authority to establish bank accounts with financial institutions as allowable by law that provides the required services to manage the financial assets of the District;

WHEREAS, The District holds funds at Westamerica Bank (Bank) for its use in depositing revenues, paying expenses and other obligations, and accumulating reserves;

WHEREAS, The District maintains internal controls over the authorized signatories on bank accounts and the authorized acts as approved by the Board of Directors;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Carmichael Water District the following individuals so named and titled are hereby authorized as signatories on the deposit accounts held at Westamerica Bank and shall have the authority to make deposits, sign checks, withdraw and/or transfer funds, execute deposit service agreements with Westamerica Bank and otherwise give instructions on behalf of the District with respect to its deposit accounts.

Board of Directors: Ronald Davis, Mark Emmerson, Ron Greenwood, Jeff Nelson, and Paul Selsky
General Manager: Cathy Lee

FURTHER RESOLVED that this authorization is in addition to any authorization in effect and shall remain in force until the Bank receives written notice of its revocation at the address(es) and to the manager designated by the Bank. Existing resolutions 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"/>
Ronald Davis	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"/>
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 20th day of February, 2024:

Paul Selsky, President
Board of Directors

ATTEST: _____
Cathy Lee, Secretary

MEMO

TO: Board of Directors

FROM: Greg Norris, Engineering Manager

RE: Claremont Road Pipeline Replacement Project, Professional Services Agreement Award

DATE: February 6, 2024

BACKGROUND

Carmichael Water District (CWD) would like to replace the current pipeline on Claremont Road between Fair Oaks Blvd and Jeffrey Lane. This section of pipeline along Claremont Road is 60 to 74 years old and is exhibiting high occurrence of leaks that require frequent repair work. The existing pipeline consists of deteriorating 4-inch and 6-inch steel and asbestos concrete pipe. These aging water mains are expensive to maintain and can contribute to water quality problems such as color or poor taste and odor.

This project will install a new 8-inch ductile iron pipe to replace the existing infrastructure to provide better water service to the existing customers and improve water quality, volume, and pressure to existing homes. The new pipes will upgrade this section of the distribution system to standard material and sizing. The project will also allow the District to be more efficient and reliable in maintaining these assets.

SUMMARY

CWD sent out a Request for Proposal to design firms to provide management, design, and engineering services for the Claremont Road project. Four proposals were received in December 2023 and were reviewed by the Engineering Department proposal review committee based on value, experience, and cost. Dugan Management & Engineering, Inc. (DME) was selected by the review committee and have accepted the terms and conditions of District's standard professional services agreement.

FINANCIAL IMPACTS

The Capital Improvement Plan 10-year projection includes Claremont Road pipeline for \$2,280,000 as part of the Distribution projects. The cost of the management, design, and engineering services portion of this project is \$198,929.

RECOMMENDATION

Staff recommends that the Board of Directors authorize the General Manager to execute a Professional Services Agreement with Dugan Management & Engineering, Inc. for a not-to-exceed value of \$198,929 for the Claremont Road Pipeline Replacement Project.

ATTACHMENT(S)

1. Draft Professional Services Agreement between CWD and DME
2. Claremont Pipeline Replacement Project Map

CARMICHAEL WATER DISTRICT
PROFESSIONAL SERVICES AGREEMENT

This Consultant and Professional Services Agreement ("Agreement") is made as set forth below, by and between **Carmichael Water District**, ("District"), and **Dugan Management & Engineering, Inc.**, ("Consultant"), who agree as follows:

1. Services. Subject to the terms and conditions set forth in this Agreement, Consultant shall provide professional services to District as specified in Exhibit A, entitled "Consultant's Scope of Services" ("Services") including schedule, personnel, and payment.

2. Payment. District shall pay Consultant for Services rendered pursuant to this Agreement at the times and in the manner set forth in Exhibit A, for a not to exceed amount of (One Hundred Ninety-Eight Thousand Nine Hundred Twenty-Nine Dollars) \$198,929.

Invoices. Consultant will submit monthly invoices for services rendered and District will make prompt payments in response to Consultant's invoices. Items shall be separated into Services and Reimbursable Expenses. Consultant shall submit one monthly invoice for its services. Such invoices shall be delineated by task, the person performing the services, and the hourly rate, which shall be stated in time increments of no less than one quarter (1/4) hours. District shall pay invoices within thirty (30) calendar days after receipt, if the services specified in the invoice have been satisfactorily completed. Reimbursable Expenses shall be limited to actual expenditures of Consultant for expenses that are necessary for the proper completion of the Services and shall only be payable if specifically authorized in advance by District. Billings that do not conform to the format outlined above shall be returned to Consultant for correction. District shall not be responsible for delays in payment to Consultant resulting from Consultant's failure to comply with the invoice format described above.

Consultant will retain receipts for reimbursable expenses in general accordance with Internal Revenue Service rules pertaining to the support of expenditures for income tax purposes. Receipts will be available for inspection by District's auditors upon request.

If District disputes any items in Consultant's invoice for any reason, including the lack of supporting documentation, District may temporarily delete the disputed item and pay the remaining amount of the invoice. District will promptly notify Consultant of the dispute and request clarification and/or correction. After any dispute has been settled, Consultant will include the disputed item on a subsequent, regularly scheduled invoice or on a special invoice for the disputed item only.

Taxpayer Identification Number. Consultant shall provide District with an IRS Form W-9, Request for Taxpayer Identification Number and Certification, containing an original signature and any other State or local tax identification number requested by District.

3. Facilities and Equipment. Consultant shall, at its sole cost and expense, furnish all facilities and equipment which may be required for furnishing Services pursuant to this Agreement.

4. Indemnification. To the extent permitted by law, Consultant shall hold harmless, defend at its own expense, and indemnify Carmichael Water District ("District"), its directors, officers, employees, and authorized volunteers, against any and all liability, claims, losses, damages, or expenses, including reasonable attorney's fees and costs, arising from all acts or omissions of Consultant or its officers, agents, or employees in rendering services under this contract; excluding, however, such liability, claims, losses, damages or expenses arising from District's sole negligence or willful acts.

5. Insurance Requirements. Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries or death to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Consultant, his agents, representatives, employees or sub-contractors.

Liability Insurance - The Consultant shall provide and maintain at all times during the performance of the work under this agreement, the following commercial general liability, professional liability and automobile liability insurance:

Coverage - Coverage shall be at least as broad as the following:

Coverage for Professional Liability appropriate to Consultant's profession covering Consultant's wrongful acts, negligent actions, errors or omissions. The retroactive date (if any) is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least five (5) years after the completion of the contract work. Consultant shall purchase a five-year extended reporting period i) if the retroactive date is advanced past the effective date of this Agreement; ii) if the policy is canceled or not renewed; or iii) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

Insurance Services Office (ISO) Commercial General Liability Coverage (Occurrence Form CG 0001)

Insurance Services Office (ISO) Business Auto Coverage (Form CA 0001), covering Symbol 1 (any auto)

Limits - Consultant shall maintain limits no less than the following:

Professional Liability - Two million dollars (\$2,000,000) per claim and annual aggregate.

General Liability - Two million dollars (\$2,000,000) per occurrence or the full per

occurrence limits of the policies available, whichever is greater for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit or products-completed operations aggregate limit is used, either the general aggregate limit shall apply separately to the project/location (with the ISO CG 2503, or ISO CG 2504, or insurer's equivalent endorsement provided to Carmichael Water District) or the general aggregate limit and products-completed operations aggregate limit shall be twice the required occurrence limit.

Automobile Liability - One million dollars (\$1,000,000) for bodily injury and property damage each accident limit.

Excess Liability (if necessary) - The limits of Insurance required in this agreement may be satisfied by a combination of primary and umbrella or excess Insurance. Any umbrella or excess Insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the District (if agreed to in a written contract or agreement) before District's own primary or self-insurance shall be called upon to protect it as a named insured

Required Provisions - The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

District, its directors, officers, employees, and authorized volunteers are to be given insured status at least as broad as ISO endorsement CG 2010 11 85; or both CG 20 10 10 01 and CG 20 37 04 13 (or the CG 20 10 04 13 (or earlier edition date) specifically naming all of the District parties required in this agreement, or using language that states "as required by contract"). All Sub-Consultants hired by Consultant must also have the same forms or coverage at least as broad; as respects (via CG 20 38 04 13): liability arising out of activities performed by or on behalf of Consultant; and premises owned, occupied or used by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to District, its directors, officers, employees, or authorized volunteers.

For any claims related to this project, Consultant's insurance shall be primary insurance as respects District, its directors, officers, employees, or authorized volunteers. Any insurance, self-insurance, or other coverage maintained by District, its directors, officers, employees, or authorized volunteers shall not contribute to it using the ISO endorsement CG 20 01 04 13 or coverage at least as broad.

Any failure to comply with the reporting or other provisions of the policies including breaches and warranties shall not affect coverage provided to District, its directors, officers, employees, or authorized volunteers.

Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

Such liability insurance shall indemnify Consultant and his/her sub-consultants against loss

from liability imposed by law upon, or assumed under contract by, the Consultant or his/her sub-consultants for damages on account of such bodily injury (including death), property damage, personal injury, completed operations, and products liability.

The general liability policy shall cover bodily injury and property damage liability, owned and non-owned equipment, blanket contractual liability, and completed operations liability.

The automobile liability policy shall cover all owned, non-owned, and hired automobiles.

Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to District. All of the insurance shall be provided on policy forms and through companies satisfactory to District.

Workers' Compensation and Employer's Liability Insurance - Consultant and all sub-consultants shall cover or insure under the applicable laws relating to workers' compensation insurance, all of their employees employed directly by them or through sub-consultants in carrying out the work contemplated under this contract, all in accordance with the "Workers' Compensation and Insurance Act", Division IV of the Labor Code of the State of California and any Acts amendatory thereof. The Consultant shall provide employer's liability insurance with limits of no less than \$1,000,000 each accident, \$1,000,000 disease policy limit, and \$1,000,000 disease each employee. The Workers' Compensation Policy shall be endorsed with a waiver of subrogation in the favor of District for all work performed by Consultant, its employees, agents and sub-Consultants.

Deductibles and Self-Insured Retentions - Insurance deductibles or self-insured retentions must be declared by Consultant, and such deductibles and retentions shall have the prior written consent from District. At the election of District, Consultant shall either 1) reduce or eliminate such deductibles or self-insured retentions, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses. Policies containing any self-insured retention (SIR) provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named or additional insureds, co-insurers, and/or insureds other than the First Named Insured.

Acceptability of Insurers - Insurance is to be placed with insurers having a current A.M. Best rating of no less than A-:VII or equivalent or as otherwise approved by District.

Evidences of Insurance - Prior to execution of the agreement, Consultant shall file with District a certificate of insurance (Acord Form 25 or equivalent) signed by the insurer's representative evidencing the coverage required by this agreement. Such evidence shall include an additional insured endorsement signed by the insurer's representative and evidence of waiver of rights of subrogation against District (if builder's risk insurance is applicable). Such evidence shall also include (1) attached additional insured endorsements with primary & non-contributory wording, (2) Workers' Compensation waiver of subrogation, and (3) a copy of the CGL declarations or endorsement page listing all policy endorsements, and confirmation that coverage includes or has been modified to include

Required Provisions above. The District reserves the right to obtain complete, certified copies of all required insurance policies, at any time. Failure to continually satisfy the Insurance requirements is a material breach of contract.

Consultant shall, upon demand of District, deliver to District such policy or policies of insurance and the receipts for payment of premiums thereon.

Continuation of Coverage - If any of the required coverages expire during the term of this agreement, the Consultant shall deliver the renewal certificate(s) including the general liability additional insured endorsement to District at least ten (10) days prior to the expiration date. Consultant shall provide five (5) year tail on Professional Liability Coverage.

Sub-Consultants - In the event that the Consultant employs other consultants (sub-consultants) as part of the services covered by this agreement, it shall be the Consultant's responsibility to require and confirm that each sub-consultant meets the minimum insurance requirements specified above.

Payment Withhold - In addition to all other rights and remedies available to District, including terminating this Agreement, District may withhold payments to Consultant if the certificates of insurance and endorsements required above are canceled or Consultant otherwise ceases to be insured as required herein.

6. Safety. Consultant shall at all times exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed, and be in compliance with all applicable federal, state and local statutory and regulatory requirements. Consultant shall immediately report (as soon as feasible) to District any accident or other occurrence causing injury to persons or property during the performance of this Agreement.

7. Conflict of Interest. Consultant warrants and represents that to the best of its knowledge, there exists no actual or potential conflict between Consultant's family, business, real property or financial interests and the Services to be provided under this Agreement. If District has adopted a Conflict of Interest Policy, Consultant agrees to comply with such Policy, and agrees not to enter into any contract or agreement during the performance of this Agreement which will create a material conflict of interest with its duties to District under this Agreement. In the event of a change in Consultant's family, business, real property or financial interests occurs during the term of this Agreement that creates an actual or potential conflict of interest, Consultant shall promptly disclose such conflict in writing to District.

8. Independent Contractor. Consultant is an independent contractor. Neither Consultant nor any of Consultant's officers, employees, agents or subcontractors, if any, is an employee of District by virtue of this Agreement or performance of any Services pursuant to this Agreement. District shall have the right to control Consultant only insofar

as the results of Consultant's services rendered pursuant to this Agreement; however, District shall not have the right to control the means by which Consultant accomplishes services pursuant to this Agreement.

9. Licences. Consultant represents and warrants to District that all consultant services shall be provided by a person or persons duly licensed by the State of California to provide the type of services to be performed under this Agreement and that Consultant has all the permits, qualifications and approvals of whatsoever nature which are legally required for Consultant to practice its profession. Consultant represents and warrants to District that it shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals which are legally required for Consultant to practice its profession.

10. Standard of Performance. Consultant shall provide products and perform all services required pursuant to this Agreement in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised under similar conditions by a member of Consultant's profession currently practicing in California.

Consultant is responsible for making an independent evaluation and judgment of all conditions affecting performance of the work, including without limitation applicable federal, state, and local laws and regulations, and all other contingencies or considerations.

Consultant's responsibilities under this section shall not be delegated. Consultant shall be responsible to District for acts, errors, or omissions of Consultant's subcontractors.

Whenever the scope of work requires or permits review, approval, conditional approval or disapproval by District, it is understood that such review, approval, conditional approval or disapproval is solely for the purposes of administering this Agreement and determining whether Consultant is entitled to payment for such work, and not be construed as a waiver of any breach or acceptance by the District of any responsibility, professional or otherwise, for the work, and shall not relieve Consultant of responsibility for complying with the standard of performance or laws, regulations, industry standards, or from liability for damages caused by negligent acts, errors, omissions, noncompliance with industry standards, or the willful misconduct of Consultant.

11. Force Majeure. Neither party shall be considered in default of this Agreement to the extent performances are prevented or delayed by any cause by circumstances beyond either party's reasonable control, such as war, riots, strikes, lockouts, work slowdown or stoppage, acts of God, such as floods or earthquakes, and electrical blackouts or brownouts.

In the event that Consultant is unable to meet the completion date or schedule of services, Consultant shall inform the District Representative of the additional time required to perform the work and the District Representative may adjust the schedule in his or her reasonable discretion.

12. Time is of the Essence. Time is of the essence in this Agreement. Any reference to days means calendar days, unless otherwise specifically stated.

13. Personnel. Consultant agrees to assign only competent personnel according to the reasonable and customary standards of training and experience in the relevant field to perform services under this Agreement. Failure to assign such competent personnel shall constitute grounds for termination of this Agreement.

Consultant will identify in writing the individuals who will be providing the Services as specified in Exhibit A due to their unique expertise and depth and breadth of experience. In such case, there shall be no change in the personnel so identified by Consultant without the prior written approval of the District Representative. Any substitutes shall be persons of comparable or superior expertise and experience.

14. Consultant Not Agent. Except as authorized under this Agreement or as District may authorize in a letter of authorization signed by the General Manager or their designee, Consultant shall have no authority, express or implied to act on behalf of District in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, under this Agreement, to bind District to any obligation whatsoever.

15. Term. The term of this Agreement shall commence on the Effective Date and shall continue in full force and effect until the Expiration Date unless terminated earlier or extended pursuant to the terms of this Agreement.

16. Termination or Abandonment by District. District has the right, at any time and in its sole discretion, to immediately terminate or abandon any portion or all of the services to be provided under this Agreement by giving notice to Consultant. Upon receipt of a notice of termination, Consultant shall perform no further work except as specified in the notice. Before the date of termination, Consultant shall deliver to District all work product, whether completed or not, as of the date of termination and not otherwise previously delivered.

District shall pay Consultant for services performed in accordance with this Agreement before the date of termination. If this Agreement provides for payment of a lump sum for all services or by task and termination occurs before completion of the work or any defined task which according to the performance schedule was commenced before the notice of termination, the fee for services performed shall be based on an amount mutually agreed to by District and Consultant for the portion of work completed in conformance with this Agreement before the date of termination. In addition, District will reimburse Consultant for authorized expenses incurred and not previously reimbursed. District shall not be liable for any fees or costs associated for the termination or abandonment except for the fees, and reimbursement of authorized expenses, payable pursuant to this section.

17. Products of Consulting Services. The work product, including without

limitation, all writings, work sheets, reports, recordings, drawings, files, detailed calculations and other work products, whether complete or incomplete, of Consultant resulting from Services rendered pursuant to this Agreement, shall become the property of District. Consultant agrees that all copyrights which arise from creation of the work under this Agreement shall be vested in District and waives and relinquishes all claims to copyright or other intellectual property rights in favor of District. District acknowledges that its use of the work product is limited to the purposes contemplated by the scope of work and that the Consultant makes no representation of the suitability of the work product for use in or application to circumstances not contemplated by the scope of work.

Documents submitted to District in electronic format shall be formatted according to specifications provided by District, or if not otherwise specified, in Microsoft Word, Excel, PowerPoint or other Microsoft Office Suite format as appropriate for the particular work product, or, if directed by District Representative in Adobe Acrobat PDF format.

18. Successors and Assigns. All terms, conditions, and provisions of this Agreement shall apply to and bind the respective heirs, executors, administrators, successors, and assigns of the parties. Nothing in this section is intended to affect the limitation on assignment.

19. Notices. All notices or instruments required to be given or delivered by law or this Agreement shall be in writing and shall be by personal service or delivered by depositing the same in any United States Post Office, registered or certified mail, postage prepaid, addressed to representatives:

District: Cathy Lee
 General Manager
 Carmichael Water District
 7837 Fair Oaks Boulevard
 Carmichael, CA 95608

Consultant: Tom Dugan
 President
 Dugan Management & Engineering, Inc.
 3250 19th Street
 Sacramento, CA 95818

Notices served as specified above shall be effective upon receipt thereof, provided that, in the case of mailed notice, notices shall be effective on the third (3rd) business day after proper mailing if delivery is refused or rejected. Any party may change its address for receiving notices by giving written notice of such change to the other party in accordance with this section.

20. Integration Clause. This Agreement, including all Exhibits, contains the entire agreement between the parties and supersedes whatever oral or written understanding they may have had prior to the execution of this Agreement. This Agreement shall not be

amended or modified except by a written agreement executed by each of the parties hereto.

21. Severability Clause. Should any provision of this Agreement ever be deemed to be legally void or unenforceable, all remaining provisions shall survive and be enforceable.

22. Law Governing. This Agreement shall in all respects be governed by the law of the State of California without regard to its conflicts of law rules. Litigation arising out of or connected with this Agreement shall be instituted and maintained in the courts of Sacramento County in the State of California or in the United States District Court, Eastern District of California, Sacramento, California, and the parties consent to jurisdiction over their person and over the subject matter of any such litigation in such courts, and consent to service of process issued by such courts.

23. Waiver. Waiver by either party of any default, breach or condition precedent shall not be construed as a waiver of any other default, breach or condition precedent or any other right hereunder.

24. Ambiguity. The parties acknowledge that this is a negotiated agreement, that they have had the opportunity to have this Agreement reviewed by their respective legal counsel, and that the terms and conditions of this Agreement are not to be construed against any party on the basis of such party's draftsmanship thereof.

25. Gender. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identifications of the person or persons, firm or firms, corporation or corporations may require.

26. Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

27. Compliance with Laws. Consultant will comply with all applicable federal, state and local statutory and regulatory requirements in performance of all services under this Agreement.

28. Confidentiality of District Information. During the performance of services under this Agreement, Consultant may gain access to and use District information regarding, but not limited to, procedures, policies, training, operational practices, and other vital information (hereafter collectively referred to as "District Information") which are valuable, special and unique assets of the District. Consultant agrees that it will not use any information obtained as a consequence of the performance of services under this Agreement for any purpose other than fulfillment of Consultant's scope of work, to protect all District Information and treat it as strictly confidential and proprietary to District, and that it will not at any time, either directly or indirectly, divulge, disclose or communicate in any manner any District Information to any third party, other than its own employees, agents or subcontractors who have a need for the District Information for the performance

of services under this Agreement, without the prior written consent of District, or as required by law.

Consultant shall treat all records and work product prepared or maintained by Consultant in the performance of this Agreement as confidential.

A violation by Consultant of this section shall be a material violation of this Agreement and will justify legal and/or equitable relief.

Consultant's obligations under this section shall survive the completion of services, expiration or termination of this Agreement.

29. News and Information Release. Consultant agrees that it will not issue any news releases in connection with either the award of this Agreement, or any subsequent amendment of or efforts under this Agreement, without first obtaining review and approval of said news releases from District through the District Representative.

30. Counterparts. The parties may execute this Agreement in one or more counterparts, each of which shall be deemed an original, but all of which together shall be deemed one and the same instrument.

31. Facsimile Signature; Electronic Signature. This Agreement shall be binding upon the receipt of facsimile signatures or e-mailed by PDF or otherwise. Any person transmitting his or her signature by facsimile or electronically shall promptly send an original signature to the other party pursuant to the notice provision of this Agreement. The failure to send an original shall not affect the binding nature of this Agreement.

32. Authority. The person signing this Agreement for Consultant hereby represents and warrants that he/she is fully authorized to sign this Agreement on behalf of Consultant.

33. Exhibits. The following exhibits are attached hereto and incorporated herein by reference:

Exhibit A, entitled "Consultant's Scope of Work," including any attachments.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year shown below the name of each of the parties.

DUGAN MANAGEMENT &
ENGINEERING, INC.

By: Thomas Dugan
Name: Thomas Dugan
Title: President
DATE: 1-19-24

CARMICHAELWATER
DISTRICT,
a special district duly formed and
existing under the laws of the State
of California

By: _____
Name: Cathy Lee
Title: General Manager
DATE: _____

EXHIBIT A

F) SCOPE OF SERVICES

The following scope provides the general description of our services and deliverables to be provided on either project outlined in the Mainline Replacement Project RFP.

The following is DME's scope of services defined by task and deliverables for the Claremont Road Mainline Replacement Project.

Task 1 – Project Administration and Management

1a. Project Management – DME will prepare monthly invoices and narratives that describe the project's status, issues and concerns, and upcoming items to be completed.

1b. Project Design Reviews – DME will meet with the District staff for design review at the 60% and 90% completion milestones. This will include review of specifications, plans, the engineer's opinion of probable construction cost, and the permitting process.

Task 1 Deliverables – Monthly Invoicing and Narrative; Meeting minutes for 60% and 90% design team meetings.

Task 2 – Design Services

2a. Survey – Psomas will survey the project area; this survey will become the Project base maps. The survey data will be based on the local County benchmarks and datums, provided 1-foot contours, identify all surface features (e.g. any stakes, road pins or markers to extrapolate the property lines and road centerline, any existing facilities and utility markings), utility rim and inverts (e.g. sanitary sewer and storm drain manholes, drain inlets and culverts), and have adequate surface elevations to generate accurate profiles.

DME has budgeted an additional optional day of surveying to record the District pothole locations, which would aid in the accuracy of utility base maps. This optional service will not be utilized unless authorized by the District.

2b. Utility Coordination – DME will prepare and distribute utility request "ABC Letters" pertaining to the Project area. Utility information obtained will be incorporated and/or compared to the utility information recorded in the survey data. DME assumes the District will provide system utility maps

and as-built plans of their system within the Project boundary.

In the event a conflict arises with any utility, DME will contact the utility to refine mapping alignments, discuss procedures to address conflicts, discuss utility relocation options, obtain crossing conditions and design requirements, and coordinate with the utility and conflict mitigation efforts.

2c. Design Plans – DME will prepare design plans at a 1:40 scale (horizontal) and 1:4 scale (vertical); plan border and plan and profile format will be presented early for the District's review and approval. The plans are anticipated to include the following sheets, which will be reviewed with the District and adjustments made during the preliminary plan layout.

- Project cover page
- G Sheets:
 - Abbreviations, Symbols, and General Notes
 - Overall Site and Sheet Key
 - Abandonment Plan
 - Service Reconnection Table
 - Pavement Restoration Limits
- P Sheets:
 - Plan and Profiles Sheets
- D Sheets:
 - District Standard Details
 - Other Project Specific Details
 - DDW Utility Separation and Crossing Details
- T Sheets:
 - Tie-in Details

The plans will show the new water main alignments relative to street centerline and other street features. Stationing and northern/easting coordinates will be shown relative to fittings, valves, hydrants, laterals and service locations, and other existing features as determined necessary. The plans will include the other utility lines clearly designating size, material, flow direction, and horizontal/vertical position.

The new pipe will be aligned to avoid utility conflicts. Separation distances, both horizontal and vertical, will be indicated pertaining to the DDW requirements, and reference made to any specific details related to utility crossing and/or pipe restrain conditions.

Details will be provided for significant utility conflicts along with all appropriate District Standard Details. The plans will also identify any County and/or private property conflicts that may need protection, repair or replacement during construction, and areas where certain construction methods will be required such as boring or hand digging.

2d. Technical Specifications – DME will utilize the District boilerplate specifications and augment them to include project specific technical specifications, special provisions, and/or details not included in the District's boilerplate specifications. DME will review with the District any recent modifications to the District specifications and/or construction forms to ensure the most current documents are being implemented. DME will submit the specifications with the 90% plan submittal for the District's review and comment.

2e. Contract Documents – DME will assemble the Contract Documents comprised of District standard boiler plate documents and contract forms, District Construction Standards, Project specific special provisions and technical specifications, final plans, and necessary permit documentation.

2f. Engineer's Estimate – DME will prepare and submit an Engineer's Opinion of Probable Construction Costs (EOPCC) with the 60%, 90% and final (100%) design submittals.

Task 2 Deliverables:

- *60% Design – 2 half-sized (11x17) and 1 full-size (22x34) sets of 60% plans for District review; 1 half-sized (11x17) and 1 full size (22x34) sets of 60% plans for Field Investigative Potholing; and the EOPCC (Hard & PDF)*
- *90% Design – 2 half-sized and 1 full-size sets of 90% plans; 2 bound 90% Specifications; and the EOPCC (Hard & PDF)*
 - *Final Bid Documents – 4 full-sized sets of 100% plans; 2 bound 100% Specifications; and the EOPCC (Hard & PDF)*

Task 3 – Permitting and Environmental Documentation Support

3a. Environmental Assistance for Initial Study/Negative Declaration (Optional) – DME anticipates that the Project will be classified as Categorically Exempt and that the District will take

the lead to file for the Categorical Exemption. If the Project requires an IS/MND, DME will coordinate and assist the District's environmental firm during their development of the Initial Study/Negative Declaration document as described above.

3b. Encroachment Permit – DME will prepare and submit the County Encroachment Permit applications along with any supporting documentation; the District will be responsible for any associated fees. This scope assumes submittal of 90% plans to the County. The County Encroachment Permit conditions will be included as an appendix to the Contract Documents and specific conditions/requirements will be highlighted in the Special Provisions.

3c. SWRCB DDW Separation Waiver – Pending the water main final alignment, DME will prepare and submit the necessary documentation and address any comments necessary to obtain a separation waiver from the SWRCB – Department of Drinking Water. DME will support the District in their efforts to formally submit the DDW waiver documentation.

3d. Fire District Coordination – DME will submit fire hydrant spacing plans to the Sacramento Metropolitan Fire District showing the location of fire hydrants and any fire services that will be impacted by the project for their review and comment. Coordination will take place at the 60% submittal level. Any comments received from the SMFD will be reviewed with the District and incorporated as applicable.

Task 3 Deliverables:

- Environmental Assistance (Optional)
- *Encroachment permit application and final approved permit.*
- *SWRCB DDW Separation Waiver documentation and final waiver*
- *SMFD coordination and request for approval*

Task 4 – Bid Support Services

4a. Bidding Support – DME intends to utilize a local printer “ARC – Plan Room Services” who will serve as the clearing house to track and make the Contract Documents available to potential Bidders. DME will notify prospective contractors and other clearing houses regarding the Project's advertisement and bidding dates.

DME will conduct a pre-bid meeting at the District office (or the field) to review the Project and field questions from prospective bidders. All questions will be followed up with an official addendum. During the Project advertisement period, DME will answer questions, provide clarifications, and will prepare and issue addenda (assuming three (3) addenda) will be issued during the bidding period.

During the bid opening, DME will open and read the bids aloud and verify all required contract documents are included in the bid package. DME will review the apparent low bidders' documents, call references, and provide the District a letter recommending award if all documents and contract values are in order.

DME will compile all addendum items and modifications provided during the bid periods and prepare the Conformed for Construction Plans and Specifications.

Task 4 Deliverables – Pre-bid meeting agenda and minutes, written addenda (3), and prepare Conformed for Construction Plans and Specifications

- *District: One (1) bound specifications, one (1) half-size plans, one (1) full-size plan set and electronic copies of each.*
- *Contractor: Two (2) bound specifications, two (2) half-size plans, two (2) full-size plan set*

Task 5 – Engineering Services During Construction

Engineering Services During Construction (ESDC) will include at a minimum the following: 1) submittal (20 original & 5 resubmittals); 2) RFI (assume 3) review and response; 3) claim review and response (assume 2); 4) in-field construction meetings (assume 3); 5) verification of the District's documentation of DDW separations that will be incorporated into the Record Drawings, and 5) develop record drawings based on District approved as-built plans.

This task is listed as a milestone to consolidate the schedule. We anticipated the ESDC extending one (1) month beyond the time the District provides the DDW field documentation and the as-built plans to complete the Record Drawings and close out the DDW waiver.

Task 5 Deliverable – Prepare written response to submittals and RFIs, updated DDW documents and

engineer's letter of compliance base on engineer's review of District DDW reporting and documentation, and prepare record drawings based on the District's accepted as-built plans.

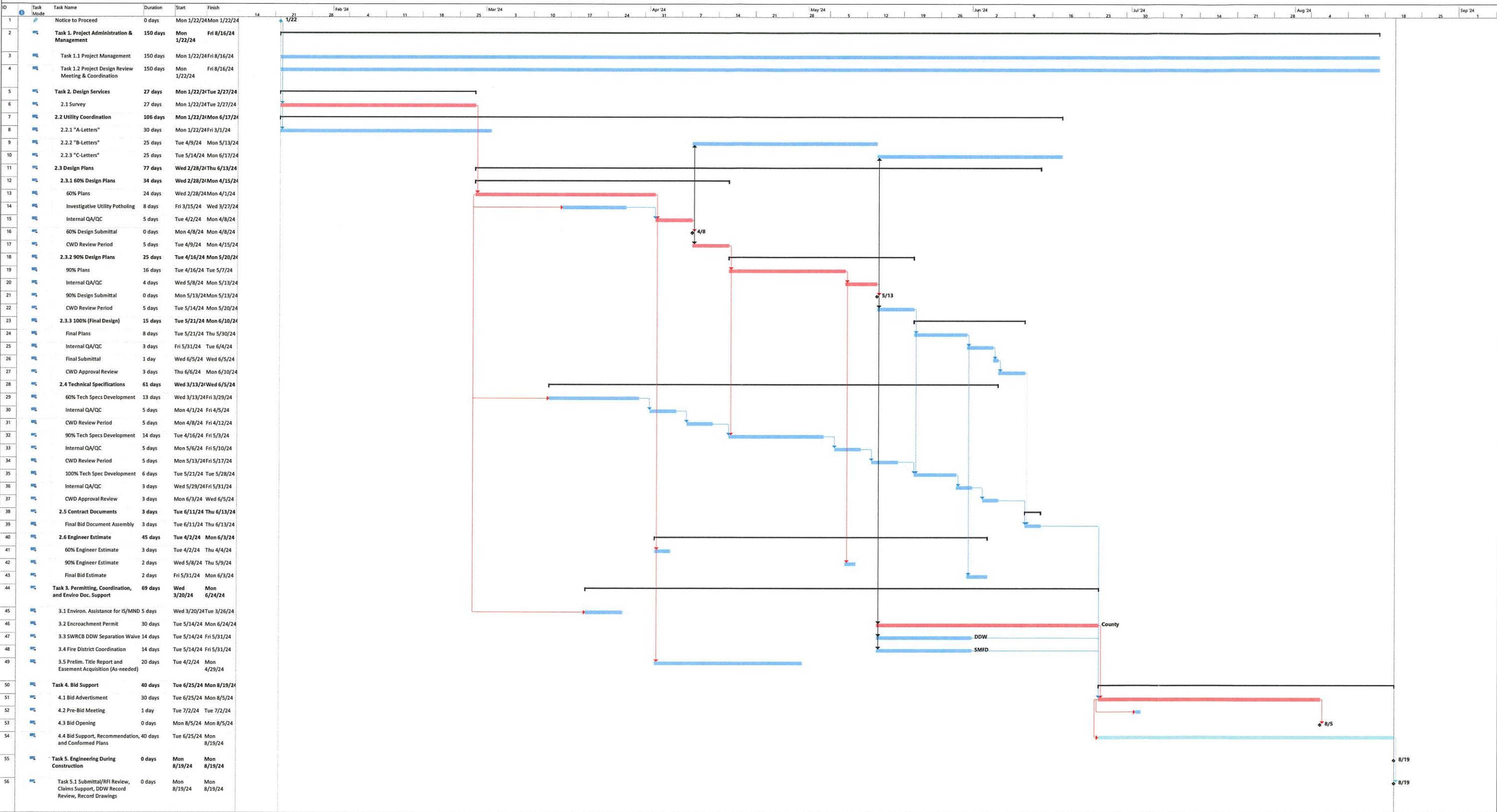
Record Drawings will be provided electronically (PDF and CAD) along with one (1) full-size and one (1) half-size set of the plans.



Management & Engineering, Inc

Claremont Road Mainline Replacement Project

Proposal Design Schedule



Project: Claremont Road MRP - Task Split

Task Summary: Milestone Summary

Project Summary: Inactive Task

Inactive Milestone: Inactive Summary

Manual Task: Duration-only

Manual Summary Rollup: Manual Summary

Manual Summary: Finish-only

External Tasks: External Milestone

Deadline Critical: Critical

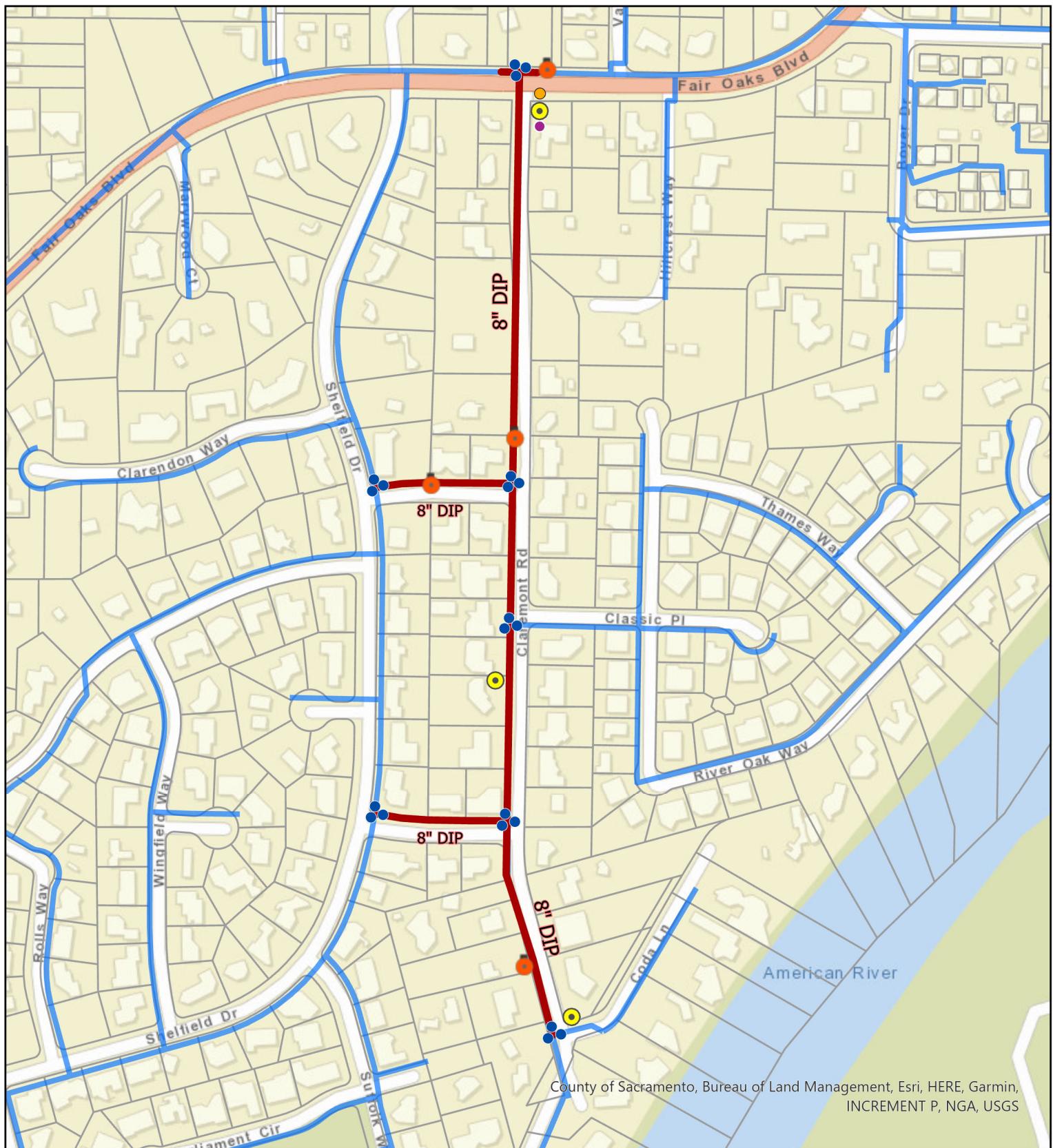
Progress Critical: Progress

Manual Progress: Manual Progress

Fee Estimate

Tasks	Labor				Outside Services				Total Fee			
	Tom Dugan		Sara Rogers		Cecil & Cecil Enterprise		PSomas					
	PI/C/PW/PE	QA/QC	PROJECT ENG 1	\$130	CADD	SURVEY	ARC Platroom	BID HOUSE				
Task 1: Project Administration & Management	24				24	\$4,680			\$0	\$0		
1.1 Project Management					36	\$7,020			\$0	\$7,020		
1.2 Project Design Review Meetings & Coordination	32	4	0		60	\$0	\$0		\$0	\$11,700		
Subtotal Task 1:	56	4	0									
Task 2: Design Services												
2.1 Survey	8		8		16	\$2,600	\$26,375		\$29,013	\$31,613		
2.1.1 Post District Pothole			4		520	\$520	\$3,925		\$4,318	\$4,838		
2.2 Utility Coordination	4		60		64	\$8,580			\$0	\$8,580		
2.3 Design Plans	48	16	116		180	\$27,560	\$39,004		\$42,904	\$70,464		
2.4 Technical Specifications	16	16	48		80	\$12,480			\$0	\$12,480		
2.5 Contract Documents	4	4	20		28	\$4,160			\$0	\$4,160		
2.6 Engineer's Estimate			8		12	\$1,320			\$0	\$1,820		
Subtotal Task 2:	84	36	264		384	\$57,720	\$39,004	\$30,300	\$0	\$76,235		
Task 3: Permitting, Coordination and Environmental Documentation Support												
3.1 Environ. Assistance for IS/MND	4	2	4		10	\$1,690			\$0	\$0		
3.2 Encroachment Permit	4	2	12		18	\$2,730			\$0	\$2,730		
3.3 SWRCB DDW Separation Waiver	4	2	20		26	\$3,770			\$0	\$3,770		
3.4 Fire District Coordination	4	2	20		26	\$3,770			\$0	\$3,770		
3.5 Prelim. Title Report and Easement Acquisition (As-needed)	4		12		16	\$2,340			\$0	\$2,340		
Subtotal Task 3:	20	8	68		96	\$14,300	\$0	\$2,400	\$0	\$2,400		
Task 4: Bid Support Services												
4.1 Bid Support	4		36		40	\$5,460	\$7,840		\$6650	\$8,490		
Subtotal Task 4:	4	0	36		40	\$5,460	\$7,840	\$0	\$6650	\$8,490		
Task 5: Engineering Services During Construction												
5.1 Submittal Review (Assume 20 & 5 resubmittal)			24		24	\$3,120			\$0	\$3,120		
5.2 RFI & Design Clarifications (Assume 3)		2	12		14	\$1,950			\$0	\$1,950		
5.3 Claims Review and Response (Assume 2)	8	2	10		10	\$1,950			\$0	\$1,950		
5.4 In-field Construction Meetings (Assume 3-2hr/mtg)			12		12	\$1,560			\$0	\$1,560		
5.5 District DDW Documentation Verification	2	2	16		20	\$2,860			\$0	\$2,860		
5.6 Record Drawings			8		8	\$1,040	\$8,232		\$8,232	\$10,095		
Subtotal Task 5:	10	6	72		88	\$12,480	\$8,232	\$0	\$8,232	\$9,055		
TOTAL	174	54	440		848	\$186,940	\$55,076	\$32,700	\$650	\$88,426		
TOTAL WITHOUT OPTIONAL/AS-NEED ITEMS	170									\$198,929		

1. The individual hourly rates include salary, overhead and profit.
2. Subconsultants will be billed at actual cost plus 10%.



Claremont Pipeline Replacement Project Map

N

0 200 400

800

US Feet

1 inch = 400 feet

- Parcels
- Active Main Pipeline
- Proposed Main Pipeline
- Proposed Single Valve
- Proposed Three Way Valve Pack
- Proposed Air Release Valve
- Proposed New Hydrants

*Hydrant (Types)

- Dry Barrel Steamer
- Steamer
- Wet Barrel Steamer
- Wharf

* Existing hydrants will be replaced with a new hydrant

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MEMO

TO: Board of Directors

FROM: Greg Norris, Engineering Manager

DATE: January 29, 2024

RE: La Sierra ASR Well Project – Notice of Completion and Release of Retention

BACKGROUND

The District is investing in a new production well located on the northwest corner of Garfield and Engle Avenues. Construction of the well consists of two phases, the “below-ground” construction and the “top-side” construction. Each phase of construction will be under different contracts. The “below-ground” construction consists of drilling into the ground, installation of well casing, and production testing.

The construction of the “below-ground” portion of the well was completed on August 4, 2023 by Zim Industries, Inc (Zim). GEI Consultants, Inc., who is the design engineer for the La Sierra Well, provided an in-depth Well Completion Report. Per the report, Zim completed the construction of the La Sierra Well in conformance with the approved plans and specifications, final well design, and according to the written and unwritten instructions provided by GEI.

SUMMARY

An invoice for final payment for the retention amount of \$73,644.30 was submitted to the District by Zim on January 12, 2024. Before retention can be released, the District must file a Notice of Completion with Sacramento County to notify potential mechanics lien claimants (subcontractors) that a specific construction project has been completed. The subcontractors will have 30 days to file a lien on the project if they have not been paid. If there is no lien filed against the project after 30 days the District will then issue final payment to Zim Industries.

FISCAL IMPACT

The Notice of Completion does not have a fiscal impact.

RECOMMENDATION

Staff recommends that the Board of Directors:

- 1) Accept the “below-ground” construction of the La Sierra Well as complete; and
- 2) Authorize the General Manager to file the Notice of Completion for the well drilling and installation and release \$73,644.30 in retention to the contractor, Zim Industries, Inc. after such required public review time is complete and when any objections are resolved.

ATTACHMENT(S)

- 1) Draft Notice of Completion for the “below-ground” construction of the La Sierra Well.
- 2) La Sierra Well Completion Report dated December 2023, by GEI, w/o attachments.

No Fee for Recording under Government Code:
§ 27383 Fees (Political Subdivision)

Recording requested by and when Recorded mail to:

CARMICHAEL WATER DISTRICT
7837 FAIR OAKS BOULEVARD
CARMICHAEL, CA 95608

NOTICE OF COMPLETION

1. That the interest or estate stated in paragraph 3 herein in the real property herein described is owned by:
Carmichael Water District located at 7837 Fair Oaks Blvd, Carmichael, CA, 95608.
2. That the full name and address of the owner of said interest or estate, if there is only one owner, and the full names and addresses of all the co-owners who own said interest or estate as tenants in common, as joint tenants, or otherwise, if there is more than one owner, are set forth in the preceding paragraph.
3. That the nature of the title of stated owner, or if more than one owner, then of the stated owner and co-owners is:
La Sierra Aquifer Storage and Recovery Well.
4. That on the 4 day of **August, 2023**, a work of improvement on the real property herein described was completed.
5. That the name of the original contractor, if any, for said work of improvement was: **Zim Industries, Inc.**
6. That the name and address of the transferor is: N/A.
7. That the real property herein referred to is situated in the City of CARMICHAEL, County of SACRAMENTO, State of California and is described as follows: La Sierra Storage and Recovery Well.

Date: January 17, 2024

Carmichael Water District

Owner

By: Greg Norris

Owner's Agent (Print)

By:

Owner's Agent (Signature)

I, Cathy Lee, state: I am the **General Manager**
(“Owner”, “President”, “Authorized Agent”, “Partner”, etc.) of the owner identified in the foregoing Notice of Completion.
I have read said Notice of Completion and know the contents thereof; the same is true of my own knowledge.
I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on _____, 2024____ (date), at Carmichael (City), CA (State).

Signature of Owner or Owner's Authorized Agent

ATTACHMENT



SITE MAP

N.T.S.

3700 Garfield Avenue
Carmichael, CA 95608

1/17/2024

LA SIERRA ASR WELL COMPLETION REPORT

Submitted to:

Carmichael Water District
7837 Fair Oaks Boulevard
Carmichael, CA 95608

Submitted By

GEI Consultants, Inc.
2868 Prospect Park Drive, Suite 400
Rancho Cordova, CA 95670

December 2023
2103671

Prepared by:

Pauline Espinoza

Pauline Espinoza
Staff Geologist, GIT 1780

Reviewed by:

Richard W. Shatz

Richard W. Shatz, CHG 84
Senior Hydrogeologist

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- Appendix C. Pilot Hole Geophysical and Deviation Log
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- Appendix F. DWR Well Completion Report
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1. Introduction

The purpose of the report is to document drilling, well construction activities and production testing for the Carmichael Water District's (CWD) La Sierra Aquifer Storage and Recovery Well (ASR). The well is located on Assessor Parcel Number 258-0040-015, at 3700 Garfield Avenue in Carmichael, California.

GEI Consultants, Inc. (GEI) provided design and inspection services during the construction of the La Sierra ASR Well (La Sierra Well). The well was constructed by Zim Industries, Inc. (Zim) of Fresno, California under contract to the CWD. GEI prepared the plans and specifications, approved submittals, observed construction activities, and provided written design instructions to Zim. Zim mobilized to the site and started installation of the sound walls on April 5, 2023. The conductor casing was installed on occurred on April 13, 2023. Pilot hole drilling commenced on April 26, 2023, and production testing of the well was completed on July 31, 2023. Additional development of the well to reduce turbidity was completed on August 4, 2023.

This report documents construction of the La Sierra Well, including pilot hole drilling, geophysical surveys, isolation zone aquifer testing, final design, well construction, well development, aquifer testing, water quality testing, plumbness and alignment surveying, video logging and well disinfection. Hydraulic performance characteristics and final water quality results are also presented.

2. Permitting

Zim obtained Well Construction Permit WP 63778 for the La Sierra Well from the Sacramento County Environmental Management Division – Environmental Compliance Division (SCEMD) in advance of well construction. The permit was approved on March 21, 2023. A copy of the well permit is included in Appendix A.

3. Conductor Casing Installation

The conductor casing was installed on April 13, 2023. Zim used an auger to drill a 42-inch diameter borehole to a depth of 60 feet below ground surface (bgs) into a low permeability material zone. Zim then installed a 36-inch diameter, 3/8 inch thick conductor casing from ground surface to 60 feet bgs. A 10.3 sack sand-cement seal was placed between the borehole wall and the conductor casing from ground surface to a depth of 60 feet bgs. A SCEMD inspector was present during the placement of the seal.

4. Pilot Borehole and Testing

4.1 Drilling and Logging

Zim drilled a pilot borehole using a reverse circulation rotary drill rig and potable water obtained from CWD distribution system. An 18-inch diameter borehole was drilled from the bottom of the conductor casing to 630 feet below ground surface (bgs). Drilling of the pilot hole began on April 26, 2023, and was completed on May 2, 2023. Zim collected samples of the drill cuttings at 10-foot intervals during drilling of the pilot hole. The lithologic log of the sediments, as classified by GEI staff, are provided in Appendix B. The logging showed multiple sand intervals (aquifers) separated by fine grained silt and clay layers which effectively isolate the aquifers. The largest sand interval was present between 440 and 570 feet bgs. Another thick sand interval was encountered between 590 and 630 feet bgs.

The Mehrten Formation sediments were encountered at 460 feet bgs and continued to 630 feet bgs. The continental Valley Springs Formation or marine Ione Formations, which can contain brackish water, were not encountered.

Geophysical and borehole deviation surveys of the pilot hole were performed by Pacific Surveys on May 2, 2023. The geophysical survey confirmed the lithologic log developed by GEI and refined the depths where the materials changed. The borehole deviation survey of the pilot hole was conducted to ensure a plumb pilot hole before reaming of the final borehole and installation of the well casing. At 240 feet the horizontal deviation was 0.17 feet (2.04 inches) which meets the alternative alignment tolerance requirement of less than 2.5 inches of deviation for the first 235 feet bgs. The specification also required the borehole deviate less than 2.8 inches for every 100 feet after for the remainder of the borehole. Between 240 feet and 630 feet bgs the deviation was 0.16 feet (1.95 inches)/100 feet which also met the tolerance requirement. Appendix C contains copies of the geophysical and borehole deviation logs for the pilot hole.

4.2 Isolation Zone Water Quality Sampling

Isolation zone aquifer water quality sampling was recommended due to the potential presence of NDMA, elevated concentrations of total dissolved solids, manganese and iron, and hydrogen sulfide gases. Isolation zone aquifer testing was conducted between May 3, 2023 and May 8, 2023. The geophysical surveys and lithologic logging showed there were four potential aquifers which could contribute water to the new well. Isolation zone sampling intervals were selected to obtain water quality samples from each aquifer. The isolation zone test intervals recommended for sampling are listed in **Table 1**.

Isolation zone sampling tools and a tremie pipe (for placing bentonite and sand) were installed in the pilot hole by Zim on May 3, 2023. The isolation zone sampling tool consisted of a 5.5-inch diameter, 20-foot long section of mills knife perforated steel casing, which was adapted to thread onto the drill rods.

The procedure and materials used for each zone consisted of setting a bottom bentonite clay seal. A medium grained sand (SRI 8 x 16 sand) was placed around the isolation zone tool to act as a filter pack. A bentonite clay top seal was then placed over the tool. All fill materials were placed into the annulus through the tremie pipe. Each zone was developed by airlifting water for about 6 hours through the interior of the drill rods and from the attached isolation zone sampling tool. After the water cleared, a submersible pump was placed into the drill rods to continue the development process. Pumping duration ranged from about 5 to 10 hours. During pumping electrical conductivity (EC) measurements were obtained at hourly intervals by the Contractor until the measurements were within ten percent and the water was clear. GEI then measured the EC for one additional hour at 15-minute intervals to confirm the field parameters had stabilized. A water sample was collected from the zone when EC measurements were within ten percent of each other. The approximate purge volumes are summarized in **Table 1**. Static water level measurements were made after allowing the water levels to recover for about one-half hour after pumping stopped. Upon completing work for each zone, the tools were pulled free and the procedure repeated. Intervals between each zone were filled with a gravel.

During isolation zone testing, field measurements were made to confirm that the tool was isolated and to obtain some initial chemical parameters. Water in the annular space was maintained at 4 feet above ground surface, and the water used for drilling had an EC of 82 microsiemens. The differences in water levels and EC measurements demonstrated the zones were isolated. **Table 1** summarizes the results of these measurements. Hydrogen sulfide odors and gas bubbles were noticed during purging and sampling of Zone 1.

Table 1. Isolation Zone Aquifer Test Intervals Field Measurements

Zone #	Isolation Interval ¹ (feet bgs)	Field Parameters							
		Purge Volumes (gallons)	Electrical Conductivity (μ S/cm)	pH	Dissolved Oxygen (mg/L)	Turbidity (NTU)	Sand in Water	Dissolved Gases	Odor (Hydrogen Sulfide)
4	240-270	90,000	392	7.9	5.66	267	no	no	no
3	390-435	72,000	227	7.64	1.75	3.38	no	no	no
2	450-510	59,040	215	8.23	0.56	0.68	no	no	no
1	590-630	69,000	194	8.00	2.85	5.6	no	yes	slight
<hr/>									
Drill Water	---	---	82	8.52	6.43	0.9	---	none	none

Notes:

¹ Filter pack interval surrounding well screen

bgs = below ground surface

uhmos/cm = micro-ohms per centimeter

NTUs = Nephelometric Turbidity Units

Water samples collected from each zone were analyzed by California Laboratory Services of Rancho Cordova, Eurofins of Pasadena, California. The samples were analyzed for the elements contained in **Table 2**, which could be in the aquifers and the ability to serve the water.

Appendix D contains a copy of their analyses. The analysis did not detect N-nitrosodimethylamine (NDMA) except in Zone 4, where the concentrations were less than the reportable limit, but still detectable. Manganese (dissolved), after filtration by the laboratory,

was detected above the secondary maximum contaminant level (SMCL) in samples from Zones 3 and 4, but were below the SMCL for Zones 1 and 2.

After completion of isolation zone testing, Zim filled the pilot hole with pea gravel from the 230 feet bgs to the bottom of the conductor casing to stabilize the borehole while waiting for the final design and construction materials to arrive on site.

Table 2. Isolation Zone Water Quality Results

Zone #	Water Quality (ELAP Laboratory Results)								
	Total Dissolved Solids (mg/L)	Hexavalent Chromium (ug/L)	Total Manganese (ug/L)	Dissolved Manganese (ug/L)	Total Iron (ug/L)	Dissolved Iron (ug/L)	Perchlorate (ug/L)	1, 2, 3 TCP (ug/L)	NDMA (ng/L)
4	270	1.1	23	25	110	< 100	< 4	< 0.005	1.1J
3	180	< 0.1	14	10	380	< 100	< 4	< 0.005	< 2
2	170	< 0.1	87	89	270	< 100	< 4	< 0.005	< 2
1	160	< 0.1	58	56	230	< 100	NA	< 0.005	NA
MCLs	500 ³	10 ¹	50	50	300	300	0.006	0.005	10 ²

Notes: MCL not adopted at this time. Subject to change.

Notification Level

Secondary Standard, Recommended Level

NA = Not analyzed

J = Result is less than the Reporting Limit but greater than or equal to the Minimum Detection Level and the concentration is an approximated value.

Zone 4 samples were field filtered using a 5 micron filter prior to placing samples into bottles for metals analyses. All other samples were filtered by the laboratory prior to analyses.

Final well design does not obtain water from this zone

5. Well Construction

5.1 Borehole Reaming

Zim reamed the pilot borehole from May 22, 2023 to May 27, 2023. Zim reamed the pilot borehole to a 34-inch diameter borehole from 60 to 250 feet bgs and a 30-inch diameter borehole from 250 to 600 feet bgs. Pacific Surveys performed a caliper survey of the reamed borehole on May 28, 2023. The caliper survey confirmed the planned borehole diameters and was used to calculate the necessary amount of annular fill material. The borehole for the most part was within 1-inch of the bit diameters, except for the section between 250 to 270 feet bgs where the borehole was 3-inches over the bit diameter. Although slightly oversized in the one section, the borehole reamed borehole diameter met the specification requirements. A copy of the caliper survey for the final reamed borehole is provided in Appendix E.

During reaming the drillers lost circulation, water and drill cutting ceased to return to ground surface at 498 ft bgs. Two bags of Magma Fiber (Lost Circulation Specialists, Inc.) were added and circulation returned at 512 ft bgs. Magma Fiber can be easily removed from the aquifers by treatment with Aqua-Clear (Bariod).

5.2 Well Construction

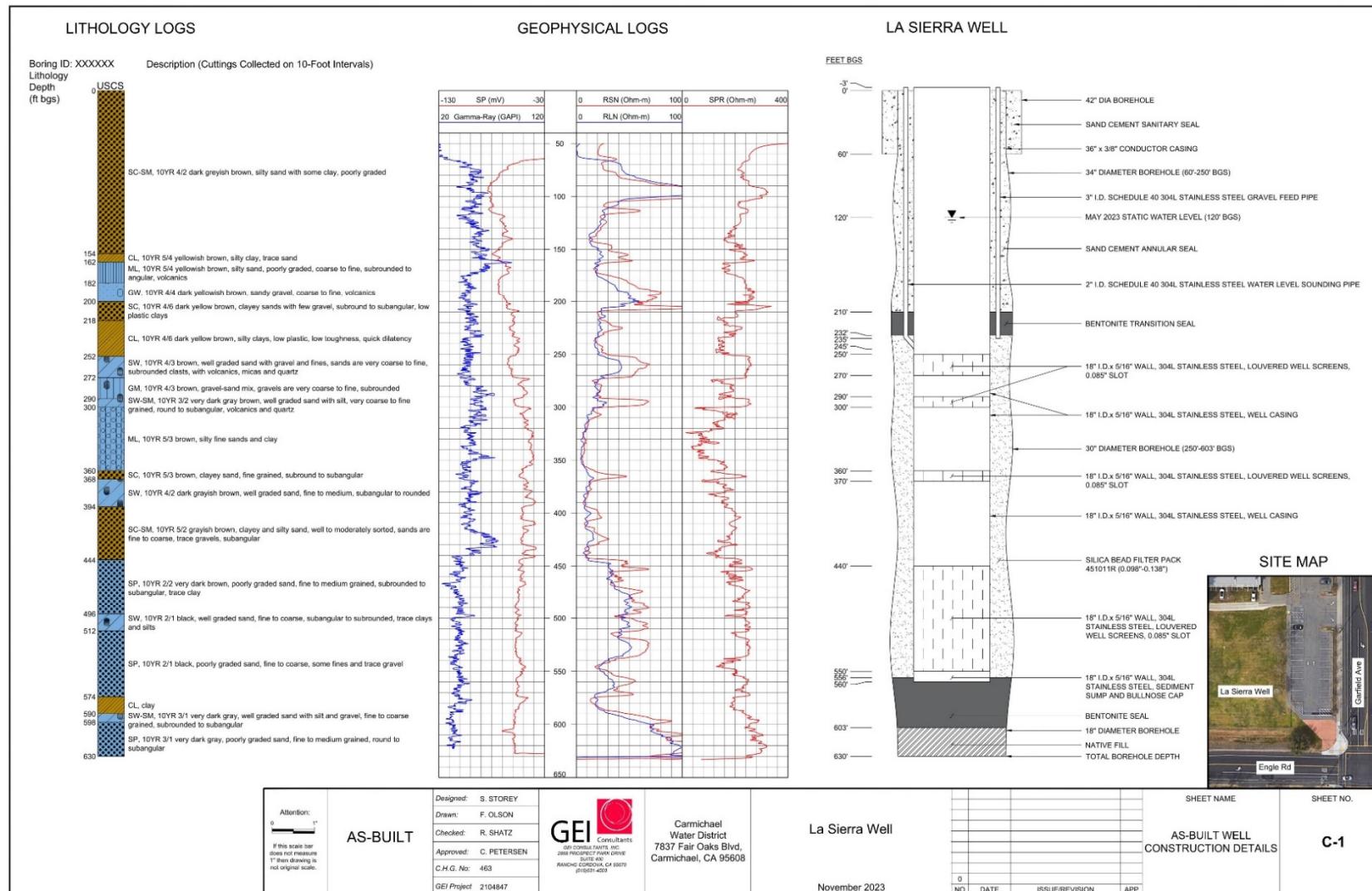
The well construction began on May 28, 2023, and continued through May 31, 2023. A tremie pipe was installed to place the bottom bentonite seal, filter pack, transition seal and the concrete annular seal.

The well casing and screen assembly consisted of 5/16-inch wall, 304L stainless steel, 18-inch inside diameter (I.D.) casing and louvered screen with 0.085-inch openings. **Figure 1** provides the as-built construction details. The DWR Well Completion Report (DWR Form 188) is provided in Appendix F. Louvered screen sections are located from 250 to 270 feet bgs, 290 to 300 feet bgs, 360 to 370 bgs, and 440 to 550 feet bgs. The blank casing sticks up 3 feet above ground surface, and extends down to 250 feet bgs, and between screened sections at 270 to 290 bgs, 300 to 360 bgs, and 370 to 440 bgs. A 10-foot section of blank stainless steel casing with an end cap extends from 550 to 560 feet bgs to serve as a sump. A 2-inch stainless steel sounding tube was welded to the well casing and connects to the well casing at 245 feet bgs. A 3-inch stainless steel gravel feed pipe was placed into the borehole and extends into the filter pack at 235 feet bgs. Casing centralizers were placed as required in the specifications.

After the well casing and screens were installed, a 40-foot bentonite seal was placed into the bottom of the reamed borehole to prevent poor quality water from Zone 4 from entering the well. The filter pack was placed after this bentonite seal was installed.

Carmichael Water District
La Sierra ASR Well Completion Report
December 2023

Figure 1. As-Built Well Construction Diagram



The filter pack material consisted of Sigmund Linder 451011R glass beads with diameters ranging from 2.5 to 3.5 millimeters. The filter pack was installed in the annular space between the casing and the borehole wall from 230 to 556 feet bgs. A bentonite transition seal was placed from 210 to 230 feet bgs. A sand-cement annular seal was placed from 210 feet bgs to ground surface to on May 31, 2023. A SCEMD inspector observed the placement of the annular seal. The sand-cement annular seal was allowed to cure, undisturbed, for over 24-hours prior to commencement of well development using the drill rig.

Table 3. Summary of La Sierra ASR Well Construction and Initial Performance

Item	Description
Well Borehole Diameter, inches	42-inch from 0-60 ft bgs, 32-inch from 60-250 ft bgs, 30-inch from 250-603 ft bgs
Borehole Depth, ft bgs	630
Conductor Casing: 0 to 60 ft bgs	36-inch O.D. by 3/8-inch wall Steel Conductor Casing
Well Casing: -3 to 250 ft bgs, 270 to 290 ft bgs, 300 to 360 ft bgs, 370 to 440 ft bgs	18-inch I.D. by 5/16-inch wall Type 304L Stainless Steel Blank Casing
Well Screen: 250 to 270 ft bgs, 290 to 300 ft bgs, 360 to 370 ft bgs, 440 to 550 ft bgs	18-inch I.D. Ful-Flo Louvered Well Screens with 0.085-inch Slots, 304L Stainless Steel
Well Sump: 550 to 560 ft bgs	18-inch I.D. by 5/16-inch wall 304L Stainless Steel Well Casing
Constructed Well Depth, ft bgs	560
Sounding Tube Type	2-inch SCH 40 304L Stainless Steel
Sounding Tube Depth, ft bgs	245
Gravel Feed Tube Type	3-inch SCH 40 304L Stainless Steel, ASTM A312
Gravel Feed Tube Depth, ft bgs	235
Filter Pack Type	Sigmund Linder SiLibeads (Glass Beads) 451011R 0.098"-0.138" Diameter
11.8 (10.3 minimum) Sack Sand-Cement Sanitary Seal Interval, ft bgs	0-210
Bentonite Transition Seal Interval, ft bgs	210-230
Glass Bead Filter Pack Interval, ft bgs	230-556
Bentonite/Gravel Fill Interval, ft bgs	556-603
Native Fill, ft bgs	603-630
Static Depth to Water on July 31, 2023 ft bgs	120
Specific Capacity on July 31, 2023 after Pumping for 24 hours at 2,200 gpm	81.1 gpm/ft

6. Well Development

6.1 Rig Development

Initial well development was conducted by Zim using the drill rig to swab and air-lift from June 1, 2023 to June 4, 2023. Residual drilling fluids were removed during the first approximately three hours using an open-ended drill pipe. The drilling fluids was properly disposed of off-site.

Initial swabbing and airlifting was conducted using the drill rig and a ten-foot dual swab tool for approximately 48 hours. The swab tool was methodically raised from the bottom of the well screen to the top at a rate of five minutes per foot of screen to initially develop the well. This process was then repeated from the top of the well screens to the bottom to further clean the well.

During the development Aqua-Clear Phosphate Free Dispersant (PFD) was applied in the well at 32-hours into development, as required in the specifications to remove any effects of the lost circulation drilling fluid additive. The PFD (10.3 gallons) was swabbed into the well using the drill rig and the dual swab tool for approximately 3 hours and was left to sit in the well for 12 hours before being removed the following day.

Following this development, the drill rig was disassembled to allow access to the completed well for a test pump.

6.2 Pump Development

Pump development was conducted by Zim using a deep well turbine test pump capable of pumping up to 3,000 gpm, with the top of the pump set at 240 feet bgs.

Pump development began on July 24, 2023 and continued for about 24 hours, operating only 8 hours per day. The pump development consisted of a combination of gradually increasing pumping rates and surging (stopping the pump and then restarting the pump until water reached ground surface and then stopping the pump allowing the water to drop back into the well). Three to five surges were made each time. The pump and surge continued at the same rate until the water, when the pump was turned on, was clear or until there was no significant improvement. Pumping rates ranged from approximately 350 gallons per minute (gpm) to 2,700 gpm.

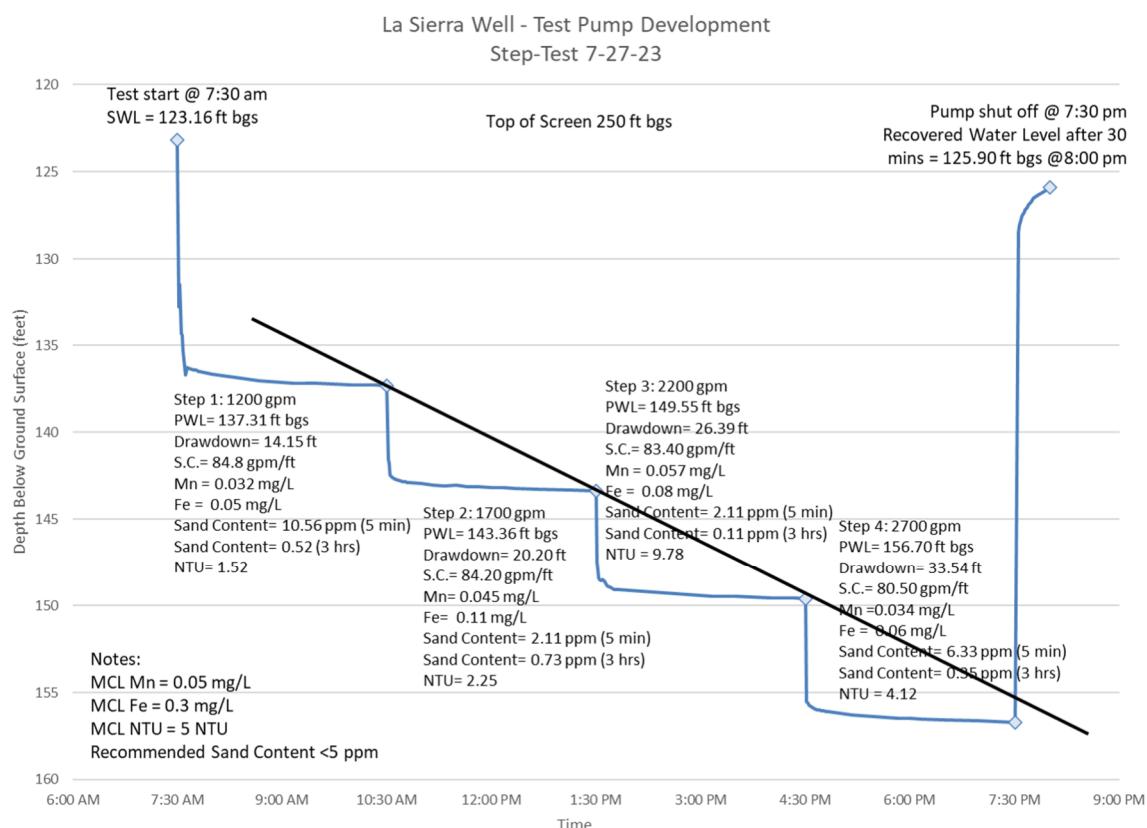
The sand content and turbidity decreased over the course of pumping development. At start up of the pump, on the last day of development, the field measured turbidity was 40 NTU and the sand content ranged from 0.31 ppm to 0.69 ppm during the first 10 minutes of testing, within the recommended sand concentrations of 5 parts per million (ppm) listed in the specification. Because testing of the well was going to continue to pump water from the well and further develop the well, the decision was made to proceed to testing, even though the turbidity was still slightly elevated.

7. Pumping Tests

7.1 Step-Rate Pumping Test

A step-rate drawdown test was conducted on July 27, 2023, after completion of the pumping development. The well was pumped at rates of 1200, 1700, 2200, and 2700 gpm for approximately three hours per step. The specific capacity at these pumping rates ranged from about 80 to 85 gpm per foot of drawdown. A plot of the test results is shown on **Figure 2**. A straight line is shown through the ending water level of each step. When a measurement falls below the straight line projection, it indicates the pumping capacity of the aquifers is being exceeded. As shown on **Figure 2**, the drawdowns for the first three steps 1,200 to 2,200 gpm remain along this projected drawdown line. At 2,700 gpm additional drawdown is present suggesting this rate is exceeding the capacity of the aquifers. The results of the step-rate drawdown test indicate the optimum pumping rate of about 2,200 gpm should be used for the 24-hour constant rate test.

Figure 2. Step Drawdown Test Results



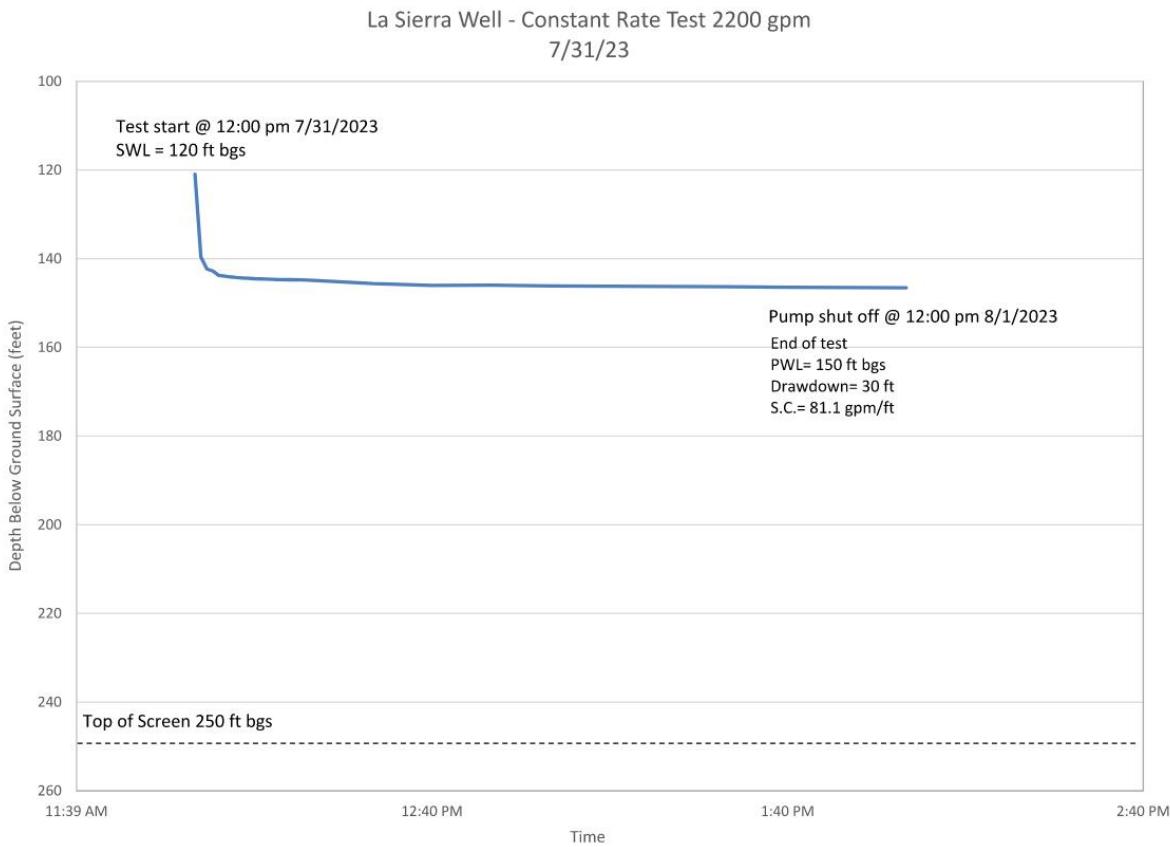
Water quality samples were collected at the end of each step and were analyzed by CWD's in house laboratory for manganese and iron concentrations. The results of this analysis did not

show a significant difference between the various pumping rates that would infer a lower pumping rate should be used for the constant rate test.

7.2 Constant-Rate Pumping Test

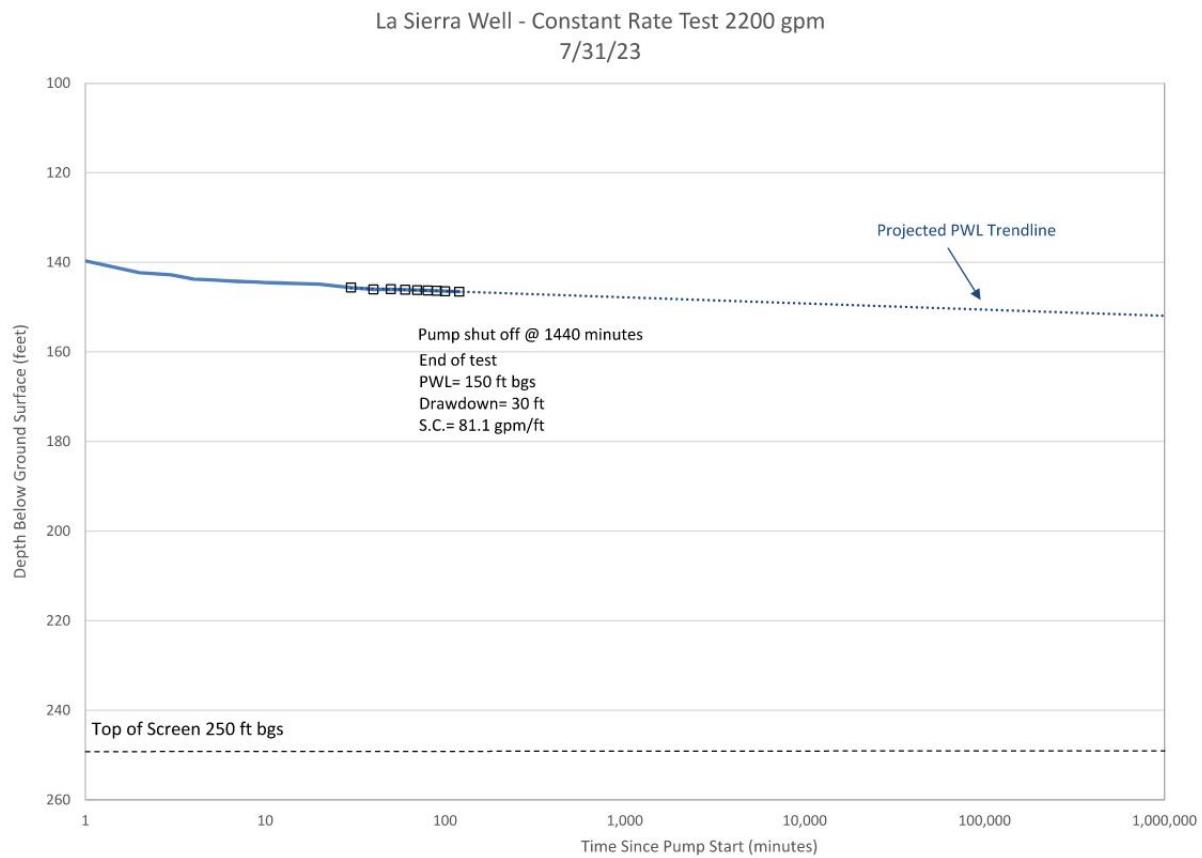
A 24-hour constant-rate pumping test was performed at 2,200 gpm, beginning at 12:00 PM on July 31, 2023. A plot of the test results is shown on **Figure 3**. The static depth to water at the beginning of the test was approximately 123 ft bgs. The pumping water level at the end of the test was 150 feet bgs or a total drawdown of 27 feet. The pumping water levels were still 100 feet above the top of the first well screen. The water levels recovered to within six feet of static water level 1 hour after the pump was shutdown. After 24 hours the groundwater levels had returned to 123 feet or 100 percent recovery indicating the aquifer is not being depleted by the pumping. The specific capacity was estimated to be 81.1 gpm/ft after 24 hours of pumping at 2,200 gpm.

Figure 3. Constant Rate Pump Test Results



The long-term pumping capacity of the well is demonstrated by plotting the constant rate test data on semi-log graph and projecting the data for 3-log cycles, equivalent to 695 days of continuous pumping. **Figure 4** shows this projection and that the pumping water level would be about 155 feet bgs.

Figure 4. Long Term Projection of Pumping



The sand content within the first two hours of pumping using a minimum of 10 measurements (per AWWA A100-20) was 2.37 ppm, below the recommended standard of 5 ppm. The turbidity at the end of the test was 1.44 NTU, below the SMCL of 5 Nephelometric Turbidity Units (NTUs), when water quality samples were collected. However, even though the sand and turbidity met the standards, the NTUs within the first 50 minutes of pumping were well above the 5 NTU standard, suggesting the well needed further development.

8. Additional Pump Development

After the testing was completed, additional development was performed as water from the well had higher than the SMCL standard for turbidity (SMCL of 5 NTUs) and the recommended level for the sand content (AWWA recommendation of less than 5 ppm) for up to 40 minutes of after the pump was started. Operationally, higher turbidity and sand contents occur within the first few minutes of pumping and can be handled by pumping the well to waste for 5 to 10 minutes.

Three additional days of pump development began on August 2, 2023. Each day of additional pump development started with the pumping of the well at 2,200 gpm for a period of 1 hour and monitoring the water for turbidity and sand content. The results of the short-term tests were compared to the previous day's results to assess if there was continued improvement and a shorter pumping duration before the water met drinking water standards for turbidity and sand content ppm less than 5 ppm. After the short test, the well was developed the rest of the day using pump and surge techniques. **Table 4** provides the results of this testing and shows the duration for the turbidity to drop below 5 NTUs improved from 50 minutes to 6 minutes. The sand content did not follow the turbidity trend, although the average sand content over the 60-minute period did decreased daily, but had some spikes in concentration.

On August 4, the final day of additional development, two additional tests were performed at 1,800 and 2,000 gpm, in addition to the standard one-hour of pumping at 2,200 gpm, to evaluate whether the pumping rate would influence the turbidity and sand content and assist in further selection of the long-term pumping rate. The turbidity at all three pumping rates was less than 5 NTUs with 7 minutes of starting pumping. The sand content continued its variable nature of being below 5 ppm with occasion spikes. At a pumping rate of 1,800 gpm the sand content spiked after 50 minutes. The cause is unknown but could be related to development of laminar flow in the well or irregularity in the diesel engine driving the pump. **Table 5** provides these results.

Table 4. Summary of Sand and Turbidity at Various Rates

Time since Pumping Started (Minutes)	Variable Rate Development Results, August 4, 2023					
	Total Sand (ppm by minute) ¹			Turbidity (NTUs) ²		
	1,800 (gpm)	2,000 (gpm)	2,200 (gpm)	1,800 (gpm)	2,000 (gpm)	2,200 (gpm)
1	16	52	26	6.7	18.6	14.1
2	16	0	5	12.2	15.1	16.2
3	10	5	5	12.2	9.0	9.2
4	10	0	11	8.1	8.5	9.3
5	5	0	5	5.3	7.2	6.7
6	5	0	0	5.5	6.3	4.5
7	0	0	5	4.7	4.7	5.0
8	5	0	5	4.3	2.8	3.7
9	5	0	0	4.1	2.5	2.9
10	5	5	0	3.4	2.2	2.7
11	5	10	5	3.0	2.2	2.4
12	0	5	0	3.0	2.7	2.1
13	5	0	0	2.6	2.1	2.3
14	0	0	5	2.7	1.4	1.7
15	5	0	5	3.0	1.7	1.8
16	0	5	0	2.9	1.8	2.1
17	5	5	5	2.6	2.4	1.9
18	5	0	5	2.4	1.9	1.5
19	0	0	5	2.4	1.2	1.6
20	5	5	11	1.7	1.4	1.8
30	5	0.5	0	1.2	1.0	1.5
40	5	0	0	1.3	1.3	1.0
50	10	0.5	0	2.2	0.9	1.0
60	26	0	0	2.4	0.8	0.9
Average	6.4	3.9	4.4	4.2	4.2	4.1

Notes:

¹ = No MCL or SMCL for Sand Content, AWWA recommended level of 5.0 parts per million (ppm) within the first 2 hours of pumping using a

² = SMCL for Turbidity is 5 Nephelometric Turbidity Units (NTUs)

Time at which concentrations remain below the recommended level

Table 5. Additional Develop Summary

Time since Pumping Started (Minutes)	2200 gpm Development Results							
	Total Sand (ppm by minute) ¹				Turbidity (NTUs) ²			
7/31/2023	8/2/2023	8/3/2023	8/4/2023	7/31/2023	8/2/2023	8/3/2023	8/4/2023	
1	158	106	53	26	175.0	116.0	52.8	14.1
2	53	0	26	5	131.0	128.0	26.4	16.2
3	0	26	16	5	86.7	94.7	15.8	9.2
4	0	16	11	11	35.8	39.7	10.6	9.3
5	0	11	5	5	32.1	19.7	5.3	6.7
6	0	5	11	0	28.6	17.5	10.6	4.5
7	0	11	5	5	29.1	11.1	5.3	5.0
8	0	11	5	5	27.0	8.9	5.3	3.7
9	0	5	5	0	25.3	8.4	5.3	2.9
10	53	0	5	0	22.6	7.4	5.3	2.7
11	0	0	5	5	21.6	8.3	5.3	2.4
12	0	0	11	0	17.3	7.3	10.6	2.1
13	0	0	0	0	15.2	6.7	0.0	2.3
14	0	5	0	5	12.1	6.6	0.0	1.7
15	0	0	0	5	10.9	6.3	0.0	1.8
16	0	0	0	0	10.5	6.0	0.0	2.1
17	0	5	0	5	11.0	5.8	0.0	1.9
18	0	5	0	5	9.8	5.6	0.0	1.5
19	0	0	5	5	9.7	5.5	5.3	1.6
20	0	0	5	11	9.4	5.4	5.3	1.8
30	0	2	0		4.6	1.6		1.5
40	0	2	0		6.8	3.7	1.6	1.0
50		1	0		3.8	3.02	0.5	1.0
60			1	0		2.74	0.5	0.9
Average	13.2	9.4	7.2	4.4	73.2	23.8	7.2	4.1

Notes:

¹ = No MCL or SMCL for Sand Content, AWWA recommended level of 5.0 parts per million (ppm) within the first 2 hours of pumping using a minimum of 10 measurements

² = SMCL for Turbidity is 5 Nephelometric Turbidity Units (NTUs)

Time at which concentrations remain below the recommended level

9. Water Quality Sampling

Water samples for Title 22 analyses were collected from the La Sierra Well near the end of the constant-rate pumping test on August 01, 2023 by GEI staff. The samples were submitted to BSK Laboratories of Rancho Cordova, California. The results are summarized in **Table 6** along with pertinent MCL, SMCL or Notification Levels. The laboratory analytical reports are provided in Appendix G. The results for all tested parameters met applicable primary and secondary drinking water standards. No volatile or semi-volatile organic compounds were detected.

Manganese was detected in the water from the well 18 micrograms per liter (ug/L). Manganese is currently a regulated contaminant with a secondary drinking water maximum contaminant level (SMCL) of 50 $\mu\text{g}/\text{L}$. A secondary standard was established to address issues of aesthetics (discoloration), not health concerns. However, recent studies are showing there may be health concerns associated with manganese. The Division of Drinking Water (DDW) has initiated the process to establish a maximum contaminant level (MCL) and it could be established at about 20 $\mu\text{g}/\text{L}$. Concentrations of manganese in the water from the well were 18 $\mu\text{g}/\text{L}$, just below the proposed MCL. Treatment of the water may be necessary to remove manganese to meet the proposed MCL.

Table 6. La Sierra ASR Well Water Quality Results

ANALYTE	ANALYTICAL TESTING METHOD	UNITS	REPORTING LIMIT	MCL or SMCL	RESULTS
<u>General Chemistry</u>					
Aggressive Index	---	AGGR	0	---	11.6
Akalinity as CaCO ₃	SM 2320B	mg/L	3.0	---	130
Bicarbonate as CaCO ₃	SM 2320B	mg/L	3.0	---	130
Carbonate as CaCO ₃	SM 2320B	mg/L	3.0	---	ND
Hydroxide as CaCO ₃	SM 2320B	mg/L	3.0	---	ND
Chloride	EPA 300.0	mg/L	1.0	250/500	10
Color, Apparent	SM 2120B	color units	5.0	15	ND
Cyanide (total)	SM 4500-CN E	ug/L	5.0	150	ND
Conductivity @ 25C	SM 2510B	umhos/cm	1.0	600/1600	280
Hardness as CaCO ₃	SM 2340B	mg/L	0.41		120
Fluoride	EPA 300.0	mg/L	0.1	2	ND
Langelier Index	SM 2330-B	---	---	---	-0.44
MBAS, Calculated as LAS, mol wt 340	SM 5540C	mg/L	0.05	0.5	ND
Nitrate + Nitrite as N	EPA 300.0	mg/L	0.2	10	1.3
Nitrate as N	EPA 300.0	mg/L	0.2	10	1.3
Nitrite as N	EPA 300.0	mg/L	0.05	1	ND
pH	SM 4500-H+ B	pH units	0	6.0 to 8.0	7.7
Sulfate as SO ₄	EPA 300.0	mg/L	1.0	250/500	3
Total Dissolved Solids (TDS)	SM 2450C	mg/L	5.0	500/1000	210
Turbidity	SM 2130B	NTU	0.1	5	0.46
Threshold Odor	SM 2150B	T.O.N	1.0	3	ND
<u>Metals</u>					
Aluminum	EPA 200.7	ug/L	50	200	ND
Antimony	EPA 200.8	ug/L	2.0	6	ND
Arsenic	EPA 200.8	ug/L	2.0	10	ND
Barium	EPA 200.7	ug/L	50	1000	100
Beryllium	EPA 200.8	ug/L	1.0	4	ND
Cadmium	EPA 200.8	ug/L	1.0	5	ND
Calcium	EPA 200.7	ug/L	0.1	---	25
Chromium (total)	EPA 200.8	ug/L	10	50	ND
Copper	EPA 200.8	ug/L	5.0	1300	ND
Hexavalent Chromium	EPA 218.7	ug/L	0.2	---	1.8
Iron	EPA 200.7	ug/L	30	300	ND
Lead	EPA 200.8	ug/L	1.0	15	ND
Magnesium	EPA 200.7	ug/L	0.1	---	15
Manganese	EPA 200.7	ug/L	10	50	18
Mercury	EPA 200.8	ug/L	0.2	2	ND
Nickel	EPA 200.8	ug/L	10	100	ND
Potassium	EPA 200.7	ug/L	2.0	---	4.1
Selenium	EPA 200.8	ug/L	2.0	50	ND
Silver	EPA 200.8	ug/L	10	100	ND
Sodium	EPA 200.7	ug/L	1.0	---	11
Thallium	EPA 200.8	ug/L	1.0	2	ND
Zinc	EPA 200.7	ug/L	50	5000	ND
<u>Volatile Organics</u>					
Various	EPA 524.2	ug/L	varies	varies	ND
<u>Semi-Volatile Organics</u>					
Various	EPA 524.2	ug/L	varies	varies	ND

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ANALYTE	ANALYTICAL TESTING METHOD	UNITS	REPORTING LIMIT	MCL or SMCL	RESULTS
<u>Organohalide Pesticides and PCBs</u>					
Various	EPA 524.2	µg/L	varies	varies	ND
<u>Chlorinated Acid Herbicides</u>					
Various	EPA 524.2	µg/L	varies	varies	ND
<u>Carbamates by HPLC</u>					
Various	EPA 524.2	µg/L	varies	varies	ND
<u>Glyphosate</u>					
Glyphosate	EPA 547	µg/L	25	700	ND
<u>Endothall</u>					
Endothall	EPA 548.1	µg/L	45	100	ND
<u>Diquat</u>					
Diquat	EPA 549.2	µg/L	4	20	ND
<u>1,2,3-Trichloropropane</u>					
1,2,3-Trichloropropane (1,2,3 TCP)	SRL 524M-TCP	µg/L	0.005	0.005	ND
<u>EDB and DBCP</u>					
1,2-Dibromo-3-chloropropane (DBCP)	EPA 504.1	µg/L	0.01	0.2	ND
Ethylene Dibromide (EDB)	EPA 504.1	µg/L	0.02	0.05	ND
<u>Dioxin</u>					
2,3,7,8-TCDD (dioxin)	EPA 1613	pg/L	5	30	NA
<u>Radionuclides</u>					
Uranium	EPA 200.8	µg/L	1	---	ND
Uranium, Radiological	EPA 200.8	pCi/L	0.67	20	<0.67
<u>Asbestos</u>					
Asbestos	EPA 100.2	MFL	0.2	7	NA
<u>Special/Unlisted</u>					
Perchlorate	EPA 314.0	µg/L	0.5	6	ND
<u>Microorganisms</u>					
Total Coliforms (includes E. Coli)	SM 9221	MPN/100mL	1.8	0	NA

Notes:

Dash (--) indicates no current standard or no available information

NA = Not Analyzed

ND = Not Detected

NTU = Nephelometric Turbidity Units

MCL = Maximum Contaminant Level (California Drinking Water Standards)

SMCL = Secondary Maximum Contaminant Level (California Drinking Water Standards)

MFL = million fibers per liter

10. Final Well Acceptance

10.1 Plumbness and Alignment Testing

Plumbness and alignment testing of the constructed well was conducted by Pacific Surveys on August 11, 2023. The plumbness and alignment report is included as Appendix H. Plumbness results indicate that the well has less than 0.52 feet of net deviation at the bottom of the casing, which is within the required maximum deviation of the alternative alignment tolerance set in the technical specifications. The alignment survey indicated that the well will accept a maximum 16-inch diameter pump, not including annular room for water to pass into the pump intake. With allowance for water to pass into the pump the maximum diameter would be 14-inches.

10.2 Video Surveying

A video camera survey of the completed La Sierra Well was conducted by Pacific Surveys on August 11, 2023. Review of the video confirmed that the well was constructed according to the approved specifications and final well design as directed in the written instructions from GEI. There was no damage to the well casing or screens during development or from the test pump. A copy of the video survey and results are provided in Appendix I.

11. Well Disinfection and Capping

Final disinfection of the well took place on August 14, 2023, per the specifications using a two-foot dual swab tool to disperse the chlorine throughout the screen interval. Before disinfection began, Zim bailed remaining sediments from the bottom of the well. Approximately twelve (12) gallons of Chem Chlor sodium hypochlorite at a concentration of 100 parts per million (ppm) was used for the disinfectant. The solution was placed using a swab tool with a dispersal mechanism that was opened when placed in the well screen zone to properly disperse it into the filter pack.

The tops of the well casing, sounding pipe, and gravel fill pipe were capped after disinfection was completed.

12. Conclusions and Recommendations

Zim completed the construction of the La Sierra Well in conformance with the approved plans and specifications, final well design, and according to the written and unwritten instructions provided by GEI. Based on GEI's field observations and review of the well performance data, the La Sierra Well meets all specified requirements, and Zim has completed all contract requirements.

The well is capable of producing up to 2,200 gpm. After 180 days of pumping at 2,200 gpm the maximum drawdown is projected to be 154 feet bgs. For long-term production the well should be equipped with a pump designed to be most efficient at 1,800 gpm and be equipped with a variable frequency drive motor controls which would allow the well to pump when needed at 2,200 gpm. The maximum pump diameter should be 14-inches. The top of the pump should be set at 220 feet bgs. An ASR control valve should be placed above the pump at 180 feet bgs.

The pump to waste cycle should be set up for a purge time of 10 minutes to reduce the turbidity below drinking water standards before turning the water to the system. With this duration the sand content should also not affect the delivery of water to customers. With use of the well the purge time can be reduced.

Water from the well is of good quality and meets all current drinking water standards. However, with the proposed lowering of the MCL for manganese, treatment of the water from the well is recommended. A sample for Total Coliform will need to be obtained from the well, after it is disinfected and the permanent pump is installed.

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MEMO

TO: Board of Directors

FROM: Debbie Martin, Finance Manager
Cathy Lee, General Manager

DATE: February 1, 2024

RE: Consumer Price Index (CPI) for Fiscal Year 2024-2025 - UPDATED

BACKGROUND

District Policy Manual, Policy 4010 – Compensation Section 4010.50.1 states that the District's salary ranges keep pace with the economy and remain comparable and competitive with water agencies in the region. As a matter of practice for employee retention and attraction, market value salary ranges are also an important tool for attracting candidates from other governmental agencies or private sector companies.

The District's policy stipulates that at each budget cycle, the Consumer Price Index (CPI) will be reviewed using the West Region "A" category of the previous calendar year. Using this information, the Board, in its discretion and based on budgetary limitations, may apply any positive change there is in the CPI to the salary ranges, with a minimum of one percent (1%) up to a maximum of five percent (5%). Whereas the Agreement between Carmichael Water District and American Federal State, County, Municipal Employees (AFSCME) Union (Agreement), the represented employees, states that COLA increases will be based on the West "A" index.

The West "A" category of CPI is a measure of the average change in prices over time in a fixed "market basket" of goods and services. This "market basket of goods and services" includes items such as food, clothing, shelter, fuels, charges for doctor's and dentist's, drugs, and many other goods and services that people buy for everyday living.

SUMMARY

The CPI averaged 4.4 for the calendar year 2023 as indicated below.

West A Index of CPI for 2023:

2023 CPI Index Table													
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG	
6.6	6.2	5.0	5.0	4.5	3.4	3.4	4.1	4.0	3.4	3.4	3.7	4.4	

While the early part of the year was reflecting CPI indexes above 6.0, the Index has been flattening out and moderating midway between 3.5 and 4.0, with an average for the year of 4.4. According to the U.S. Bureau of Labor Statistics, the CPI advanced 3.6 percent over the last twelve months. The drivers were food prices advancing 3.0 percent and energy prices (primarily electric) increasing 3.6 percent.

In order for staffing salary ranges to keep pace with the economy and remain competitive, staff recommends a minimum COLA adjustment of 4.4% for FY 2024-2025 considering the agreed upon adjustment stipulated in the Agreement, equality for all employees, and immediate budgetary impacts and the long-term impact of the wage increases on related benefits.

FISCAL IMPACT

Based on current budgeted wages for the 2023-24 budget year, every 1% CPI rate applied to the current budget estimates will increase labor and related benefit costs by approximately \$40,000 for the next budget year. This estimate does not include the increased costs for the long-term effects on the pension liability, which would require an actuarial valuation to estimate the impact.

RECOMMENDATION

Staff recommends that the Board of Directors approve a 4.4% COLA adjustment effective July 1, 2024 for all non-represented and represented employees, and direct the General Manager to develop the FY 2024-2025 budget with a 4.4% COLA salary adjustment.

MEMO

TO: Board of Directors

FROM: Heather Palmer, Inventory Specialist
Scott Bair, Distribution Superintendent
Debbie Martin, Finance Manager

DATE: February 13, 2024

RE: Purchase Cancellation and New Authorization to Purchase Replacement of District Vehicle #14

BACKGROUND

The Distribution Superintendent's vehicle, Unit #14, is a 2002 F-150 with 72,000 miles that, as an aged 21 year old vehicle, has become unreliable. The vehicle has had numerous large repairs over the years creating a financial and operational burden to the Distribution Division and is slated for replacement this budget year. As previously reported to the Board at the December 20, 2023 meeting, Staff selected a suitable replacement by accessing the competitively bid Leveraged Procurement Agreement through the State of California Department of General Services, Contract ID number 1-22-23-20D. Staff had selected a 2024 Chevrolet Silverado 1500 2WD Double Cab work truck from the State contract with Winner Chevrolet, Inc. as the contract supplier for contract pricing of \$42,785.50.

SUMMARY

Staff was notified by Winner Chevrolet that the vehicle order was not approved by the manufacturer. They had submitted an order of about 2,600 vehicles for the state contract, but only 700 received approval and CWD's was not one of them. This Report is to notify the Board that the previous purchase has been cancelled and a new purchase has been initiated with Winner Chevrolet through the State of California Department of General Services competitively bid Leveraged Procurement Agreement (LPA) Contract ID number 1-22-23-20E. Staff has selected a 2024 Dodge Ram 1500 Classic 4x2 Quad Cab for \$38,432.40. Vehicle #14 for the Distribution Division will be replaced with a 2024 Dodge Ram 1500 Classic 4X2 Quad Cab under LPA #1-22-23-20E in the amount of \$38,432.40. The previous purchase for a 2024 Chevrolet Silverado 1500 2WD Double Cab in the amount of \$42,785.50 under LPA contract #1-22-23-20D has been cancelled.

FISCAL IMPACT

The District's approved 2023-24 Fiscal Year Capital Budget provides \$50,000 for the replacement of Unit #14. A revised purchase price of \$38,432.40 for the replacement will leave \$11,567.60 in the Distribution Vehicle Capital Budget.

RECOMMENDATION

Staff recommends that the Board of Directors authorize the General Manager to purchase the 2024 Dodge Ram 1500 Classic 4X2 Quad Cab for \$38,432.40 from Winner Chevrolet, Inc. under the LPA State Contract ID#1-22-23-20E.

ATTACHMENT(S)

1. Winner Chevrolet quote and purchase order for the 2024 Dodge Ram 1500 Classic 4X2 Quad Cab
2. LPA contract cover page for the State of California Statewide Contract for Fleet Vehicles – Trucks



CARMICHAEL WATER DISTRICT

7837 FAIR OAKS BOULEVARD
CARMICHAEL, CALIFORNIA 95608
TELEPHONE (916) 483-2452
FAX (916)483-5509

PO Number

HP_010424

THIS NUMBER MUST APPEAR ON ALL
CORRESPONDENCE, INVOICES, SHIPPING
PAPERS AND PACKAGES.

VENDOR:
Winner Chevrolet
8575 Laguna Grove Dr.
Elk Grove, CA 95757

SHIP TO:
Carmichael Water District
7837 Fair Oaks Blvd
Carmichael, CA 95608

DATE ORDERED	DATE WANTED	SHIPPING TYPE	ORDERED BY
1/4/2024	TBD	Pick Up	Heather Palmer
GL Account #		GL Account Name	FY 23-24 Budget
10-011100-10		Capital Asset Clearing	

PLEASE ENTER ORDER FOR THE FOLLOWING - TO BE SHIPPED AS DIRECTED

ITEM #	DESCRIPTION	QTY	UNIT PRICE	TOTAL PRICE
	2024 Dodge RAM 1500 Classic	1	\$ 34,025.00	\$34,025.00
	4x2 Quad Cab			
	Options	1	\$ 1,550.00	\$1,550.00
	(Refer to Window Sticker)			
	STATE CONTRACT# 1-22-23-20E			
	Tax	1	\$ 2,763.65	\$ 2,763.65
	Tire Fee	1	\$ 8.75	\$ 8.75
	Doc Fee	1	\$ 85.00	\$ 85.00

GRAND TOTAL \$ 38,432.40

SEE TERMS AND CONDITIONS ON BACK

BY ACCEPTING THIS PURCHASE ORDER YOU ARE AGREEING TO
CARMICHAEL WATER DISTRICT'S TERMS AND CONDITIONS. SEE
TERMS AND CONDITIONS ON BACK OR AT:
WWW.CARMICHAELWD.ORG

Heather Palmer
REQUISITIONER'S SIGNATURE

Heather Palmer
SUPERVISOR'S SIGNATURE

Heather Palmer
FINANCE MANAGER'S SIGNATURE

Cathy Lee 01/24/2024
GM'S SIGNATURE (IF OVER \$5,000.00)

1. **Acceptance.** By accepting this Purchase Order ("PO"), Vendor agrees to comply with these terms and conditions. Vendor shall sell and deliver, and District shall purchase, the goods and/or services, material and/or items described above. The goods and/or services must comply with this PO and the notice inviting bids/quotes and information to bidders, (if any). The goods and/or services shall be sold and purchased at prices set forth above. Vendor's acceptance of this PO or shipment of all or any portion of the goods and/or services covered by this PO shall constitute unqualified acceptance of all its terms and conditions.
2. **Compliance with Law.** The design and manufacture of the goods and/or services shall comply with all applicable federal, state and local laws and regulations and all District specifications. Vendor shall comply with all applicable laws and regulations including, but not limited to, all applicable requirements of the California Labor Code including Section 3700 regarding Workers' Compensation Insurance. All questions of validity, interpretation or performance of any of the terms or of any rights or obligations of the parties to this PO shall be governed by California law, and any action brought by either party to enforce any of the terms of this PO shall be filed in the Superior Court or federal district court for the County of Sacramento, California.
3. **Substitutions.** No substitution will be permitted without the advance written consent of District. If Vendor proposes any substitution, Vendor guarantees that the substitution is equal in quality, capacity, durability, ease of maintenance, and ease of installation to the goods and/or services originally specified. The District will not incur any restocking fees or charges.
4. **Changes.** District, by written order, may delete goods and/or services to be supplied under this PO, and the PO price will be equitably reduced. District, by written order, may order an increase in goods and/or services to be supplied, and the PO price will be equitably increased. If unit prices are stated, the reduction or increase shall be calculated at the unit prices stated in the PO. If no unit prices are stated, Vendor shall promptly, at the request of District, quote prices, and District shall promptly accept or reject the quote.
5. **Delivery.** Vendor's carrier shall deliver the goods and/or services at the location designated by District in this PO. Vendor to pay all packing, freight and other shipping costs unless otherwise noted in this PO. Goods and/or services shall be delivered and/or rendered no later than the date stated on this PO. Vendor shall notify District of delivery and/or rendering of the goods and/or services in writing or by telephone at least 24 hours before the time set estimated for delivery. Vendor shall bear all risk of loss of or damage to the goods and/or services until such time as District takes ownership.
6. **Inspection and Testing.** All goods and/or services will be subject to final inspection/testing and approval after delivery and/or services rendered. District's payment for the goods and/or services will not constitute final acceptance. Vendor at its cost shall remove and replace any goods and/or services that District determines are nonconforming or defective.
7. **Indemnification.** Vendor shall indemnify, defend, protect, and hold harmless District, and its directors, officers, employees, and agents from and against any and all liability, losses, claims, damages, expenses, demands, lawsuits, administrative proceedings, arbitrations, and costs (including, but not limited to, attorney, expert witness and consultant fees, and litigation costs) of every nature arising out of breach of this PO or the negligent or wrongful conduct of Vendor in the performance of this PO. This indemnification provision shall not apply to claims, liability, loss or damage caused by the sole negligence or willful misconduct of District.
8. **Warranty.** Vendor warrants that all goods and/or services to be supplied by it under this PO are fit and sufficient for the purpose intended; that all goods and/or services will conform to the specifications, drawings, samples or other descriptions specified by the District; that the goods and/or services are new, merchantable, good quality and free from defects (whether patent or latent) in material and workmanship; that all workmanship and goods and/or services to be provided are of the best workmanship, grade and quality; and, that Vendor has good and clear title to all goods and/or services to be supplied by it and the same are free and clear from all liens, encumbrances and security interests. For a minimum of one year after delivery of the goods and/or services, Vendor shall at its own expense replace or repair defective goods and/or services at the request of District.
9. **Records.** Vendor shall maintain records and documents relating to delivered goods and/or services for a minimum of three years after final payment, or longer as required by law, for District review and audit by the State of California or federal agency having interest.
10. **Payment.** Payment will be made after delivery. Payment Terms are net 30 days upon acceptance of the goods and/or services and District's receipt of a complete and accurate invoice presented by Vendor. District may withhold 5% of the price until the goods and/or services are installed, rendered, tested, and operating. District shall pay all applicable labor, sales and use taxes. Invoices shall contain the following information: Vendor's PO number, invoice date and number, item number, description of the goods and/or services provided, quantities and units of measure, unit and labor prices and extended totals. Sales, and use tax, if any, must be shown on the invoice as a separate line item.
11. **Termination.** District may terminate this PO in any of the following circumstances: if Vendor fails to deliver the goods and/or services within the time specified; if Vendor fails to perform any other provision of this PO; if Vendor is adjudged bankrupt or makes a general assignment for the benefit of its creditors; or if a receiver is appointed for Vendor.
12. **Integration.** This PO constitutes the sole, final, complete, exclusive and integrated expression and statement of the terms of the contract between District and Vendor concerning the subject matter addressed herein, and supersedes all prior negotiations, representations or agreements, either oral or written, that may be related to the subject matter of this PO, except for any other documents that are expressly referenced in this PO. The terms of any proposal prepared by Vendor and accepted by District for the goods and/or services is expressly incorporated into and made a part of this PO to the extent it specifies the goods and/or services ordered, the price for the goods and/or services, and the terms of their delivery, and then only to the extent that the proposal's terms are consistent with the terms and conditions of this PO.
13. **Waiver.** The waiver at any time by any party of its rights with respect to a default or other matter arising in connection with this PO shall not be deemed a waiver with respect to any subsequent default or matter. No payment by District to Vendor shall be considered or construed to be an approval or acceptance of any defective goods or any other breach or default.
14. **Insurance.** Vendor and any common carrier hired by vendor shall have insurance coverages sufficient in scope and amount to cover all risks or loss or damages to the goods and/or services, including their transportation and delivery to District's designated point of delivery. Additional insurance may be required. If so, it will be stated on front of this PO or an authorized attachment. District reserves the right to require Vendor to provide insurance certificates and endorsements evidencing the insurance coverages required in this paragraph.

Elk Grove Auto

8575 Laguna Grove Drive
Elk Grove, CA 95757
O: 916-509-8595
C: 916-813-4592

To: Heather Palmer
Carmicheal Water
7837 Fair Oaks Blvd
Carmichael, CA 95608

DATE January 3, 2024
Quotation # C5667G

(916) 483-2452 Ext. 15

Prepared by: Casey De Koning

Comments or special instructions: Vehicle build and options are in additional pages.

State Contract # 1-22-23-20E

If you have any questions concerning this quotation, contact Casey De Koning at 916-813-4592 or email at cdekoning@LasherAuto.com

THANK YOU FOR YOUR BUSINESS!



Elk Grove Auto Group/Winner Chevrolet, Inc.

Casey De Koning | 916-813-4592 | cdekoning@lasherauto.com

Vehicle: [Fleet] 2024 Ram 1500 Classic (DS1L41) Tradesman 4x2 Quad Cab 6'4" Box





Department of General Services
Procurement Division
707 Third Street, 2nd Floor
West Sacramento, CA 95605-2811

State of California
STATEWIDE CONTRACT
Fleet Vehicles – TRUCKS
MANDATORY

CONTRACT NUMBER: 1-12-23-20 A through K

DESCRIPTION: Fleet Vehicles – Trucks

CONTRACTOR(S): Lithia Nissan (1-22-23-20A)
Ocean Honda (1-22-23-20B)
Freeway Toyota (1-22-23-20C)
Winner Chevrolet (1-22-23-20D)
Elk Grove Auto (1-22-23-20E)
Downtown Ford (1-22-23-20F)
Watsonville Fleet Group (1-22-23-20G)
CA Car Group (1-22-23-20H)
Riverview International (1-22-23-20I)
Sacramento Truck Center
(1-22-23-20J)
Bonander Truck & Trailer (1-22-23-20K)

CONTRACT TERM: 05/01/2022 through 04/30/2025

STATE CONTRACT ADMINISTRATOR: Phillip Robinson
279-799-4651

Phillip.Robinson@dgs.ca.gov

The contract User Instructions, products, and pricing are posted on the DGS Website.

DGS Website link: <https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/Statewide-Contract-Fleet-Vehicles>

MEMO

TO: Board of Directors
FROM: Cathy Lee, General Manager
DATE: February 12, 2024
RE: Directors' Compensation Review

BACKGROUND

Directors' Policy 9060 - Directors' Compensation and Expense Reimbursement governs the compensation for Directors. The Policy was updated and approved at the August 2021 Regular Board meeting and the Directors' compensation is currently at a rate of \$152 per day updated in August 2017.

SUMMARY

Irrigation Districts are within the definition of Water District's pursuant to Water Code section 20200, so Carmichael Water District (CWD) is allowed to adjust director's compensation up to 5% for each calendar year following the date of last adjustment. Board compensation action requires a public hearing.

The Board of Directors of CWD is currently compensated at a rate of \$152 per day, with a maximum limit of 10 days per month. Compensation rates for nearby water districts are listed below:

District	Compensation Rate	Max Number per Month
Carmichael Water District	\$152 per day	10 days
Citrus Heights Water District	\$150 per day	10 days
Del Paso Manor Water District	\$100 per day	10 days
Elk Grove Water District	\$0 – voluntary position	Not applicable
Fair Oaks Water District	\$100 per day	10 days
Rancho Murieta Community Services District	\$100 per day	3 days
Sacramento Suburban Water District	\$125 per day	10 days
San Juan Water District	\$125 per day	10 days

RECOMMENDATION

Staff recommends that the Board of Director review and discuss Policy 9060 and Director Compensation and provide direction to staff as appropriate.

ATTACHMENT(S)

Director Policy 9060 – Directors' Compensation and Expense Reimbursement

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MEMO

TO: Board of Directors

FROM: Cathy Lee, General Manager

DATE: February 12, 2024

RE: Employee Survey and Strategic Plan

BACKGROUND

The combination discussion between Carmichael Water District (CWD or District) with Sacramento Suburban Water District (SSWD) began in July 2021 with the appointment of a 2x2 Ad Hoc Committee (Committee). To date, there have been 20 2x2 Committee meetings, 2 joint Board meetings, and 4 public information workshops, 2 held at CWD and 2 held at SSWD. Both districts have also jointly 1) conducted a Business Case Analysis by a third party consultant, 2) developed the *Further Analysis of Combining Carmichael Water District and Sacramento Suburban Water District* by staff from both organizations, and 3) retained facilitation services and public outreach consultants.

SUMMARY

The combination effort has been on-going for about two and a half years and the Board has discussed items including, but not limited to, water quality, water rights, governance, rates, and other entities' combination, etc. The total consultant costs for the Business Case Analysis, public outreach, and facilitation services is \$268,018.98 of which CWD's share is \$134,009.49.

The District held a public information workshop on 1/24/2024 to hear feedback from our rate payers on the combination effort. There were over 60 people in attendance in person and via video conferencing. The main issues range from water quality, water rights, CWD's independence, and governance. Consequently, the Carmichael Creek and Carmichael Colony Neighborhood Associations submitted a letter of opposition, Attachment 1. The District also received other letters, emails, and contacts through the District's website.

Moreover, the American Federation of State, County, and Municipal Employees (AFSCME) union who represents CWD's staff in the Production and Distribution departments, sent in a formal letter to CWD, Attachment 2, and SSWD stating its position. There has been an email campaign from AFSCME members opposing the combination with 40 emails received by the District so far.

As part of the combination discussion, both CWD and SSWD Boards requested an employee survey at the October 2023 joint board meeting. In addition, CWD Board directed staff to incorporate data gathered from the employee survey as part of a CWD strategic plan should combination with SSWD not proceed. Staff developed a brief "project description", Attachment 3, and solicited three firms, BHI Management Consulting, MRG, and Experience Counts LLC, for this effort. All three firms submitted a proposal, are qualified to perform the work, and have successfully completed employee surveys in the past.

Additionally, the Board also requested the upcoming 3/4/2024 Joint Board Meeting be cancelled and replaced with a 2x2 Committee meeting. The Board also expressed a desire to discuss the consolidation effort thus far,

public feedback, employee survey, approach to assess the issues raised, CWD's unique situation and opportunities, and establishing a strategic plan.

Based on the items listed above, staff recommends BHI Management Consulting to assist with the employee survey as well as provide consulting services to the Board for organizational management including establishing a strategic plan. BHI Management Consulting's proposal is attached as Attachment 4. Staff further recommends that the Board discuss the items outlined above and provide direction to staff on a fixed-price contract for BHI Management Consulting as well as other items as necessary.

FINANCIAL IMPACT

The consultant expenditure for the combination analysis is about \$134,010. Staff will negotiate with BHI Management Consulting for a fixed-priced contract.

RECOMMENDATION

Staff recommends that the Board of Directors:

- 1) review the proposal from BHI Management Consulting,
- 2) evaluate the public feedback received and combination efforts with SSWD,
- 3) discuss approach to identify and assess issues to be reviewed,
- 4) authorize the General Manager to negotiate with BHIM Management Consulting for a fix-priced contract, and
- 5) take any action necessary and provide direction to staff.

ATTACHMENT(S)

1. Carmichael Colony and Carmichael Creek Neighborhood Associations Letter,
2. AFSCME Letter,
3. Employee Survey Description, and
4. BHI Management Consulting Proposal

February 11, 2024

Cathy Lee, Director
Carmichael Water District
7837 Fair Oaks Boulevard
Carmichael, CA 95608

Subject: Carmichael Water District and Sacramento Suburban Water District Combination

Dear Ms. Lee,

The boundaries of the Carmichael Colony Neighborhood Association and the Carmichael Creek Neighborhood Association (both referred to as "CCNA") span from Oak Avenue to the south, Fair Oaks Blvd (N-S) to the west, the American River to the east, and Fair Oaks Blvd (E-W) to the north. The area that the two CCNA represent encompasses approximately 1,800 single family homes, various apartment complexes and businesses. Both CCNA Boards are very appreciative of the time your organization has taken to educate us on the proposed combination currently being considered between the Carmichael Water District (CWD) and the Sacramento Suburban Water District (SSWD). We appreciate the considerable analysis and attention that has been given to determine if a combination is in the best interests of CWD customers. Our two CCNA Boards of Directors would like to take this opportunity to offer the following comments on the proposed combination.

From our perspective, CWD has good water rights; a high-quality surface water supply with state-of-the-art filtration; a high-quality ground water supply with finances identified for additional new wells; a consolidated office and field operations center; a long-term capital improvement and infrastructure replacement program with a rate structure to support that program; and a strong and competent team that maintains top-tier water service and has excellent rapport with the Carmichael community and regional water agencies. Given all this, we wonder how the district would benefit from a combination with SSWD. What is the problem that would be solved by this combination? We don't see the problem and cannot see the benefit of the combination.

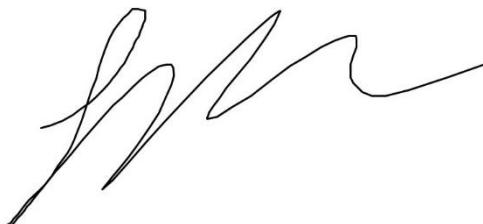
Both CCNA Boards believe that CWD has some of the highest water quality in the region, while SSWD water, while fully potable, is harder and does not taste as good as CWD water. We also understand that the system water pressure in the SSWD is lower than that of CWD. We are concerned with growth rates occurring and projected in the SSWD boundaries which may threaten our water rights and draw down our water supply to meet SSWD needs in the future. Further, we are concerned CWD will face higher fees in the long run with the incorporation of SSWD. If the two systems were connected, we have significant concerns about long-term water security, diminished water quality and water pressure that would likely result for our CWD system. While SSWD will appear to benefit from this proposed combination, it does not appear that CWD will benefit or has a need for this combination to continue its excellent service.

Given all the evidence presented in written materials and response to public comments in public meetings, the two **CCNA Boards have conferred and at this time do not support the proposed water combination.** If discussions are to continue towards a combination, we request CWD revisit its analyses

to provide clear, demonstrable justification and assurances that the CWD's water rights will not be lessened or compromised, that our level of service will not be diminished, and that our rates will not rise with this a combination. Further, we request that a vote among CWD customers be conducted before any combination is formally pursued by the CWD Board. Again, at present, given our current understanding and without compelling justification coming to light, both CCNA Boards are opposed to the proposed combination.

Thank you again for all your efforts Cathy.

Sincerely,



Lorie Moreno, President
Carmichael Colony Neighborhood Association
ccna.carmichael@gmail.com



Gareth Lacy, President
Carmichael Creek Neighborhood Association
postmaster@carmichaelcreek.org



SACRAMENTO

2295 Gateway Oaks Dr. Ste 140
Sacramento, CA 95833-4210
Toll Free 800-858-0442
Phone: (916) 923-1860
Fax: (916) 923-1877
www.afscmeloal57.org
www.afscmeloal146.org

Attachment 2

To Esteemed Board members of Carmichael Water District:

I am writing on behalf of the **AFSCME** members we represent at **CWD**.

AFSCME DOES NOT SUPPORT THE MERGER OF CWD AND SSWD.

Wendy Pelletier

AFSCME Council 57
Staff Union Representative
1/25/2024

Carmichael Water District Employee Survey

Consolidation Survey

Carmichael Water District (CWD) is in discussion with Sacramento Suburban Water District (SSWD) to combine/consolidate. It seems that all CWD's employees are against it and CWD's Board of Directors would like to conduct an employee survey to hear what they think and, perhaps, include a broader set of questions for use in the future if we don't consolidate. SSWD would also like to do the same survey since their employees would be affected if both Boards do choose to consolidate. SSWD would only be interested in questions related to consolidation.

CWD serves an area about 8 square miles along the American River in central Sacramento County with almost 12,000 customers (42,000 people). SSWD serves 47,000 connections with about 200,000 population. CWD has a staff of 26 including a general manager who reports to the Board. The staffing is broadly incorporated into 4 divisions, Engineering, Finance, Distribution, and Production divisions. CWD's leadership team consists of the General Manager and the division managers and an Admin Specialist reports to the General Manager. Distribution and Production employees, about 11 people, are part of the American Federation of State, County, and Municipal Employees (AFSCME) union.

To date, both Boards have held 3 joint board meetings as to what the new district might look like. The final decision as to the districts should combine has not yet been made. The Boards voted that the new district should be a county water district with 11 directors to be decreased to 7 board members beginning with 2026 election.

CWD has held two employee engagement events, with two board members each time, to discuss employee opinions with the directors. CWD Board is interested in the following questions in addition to others that would be relevant to the consolidation. The answers should include a drop down boxes and ranking along with additional comments:

- What benefits do you see to combine CWD/SSWD?
- What potential benefits do you see?
- To what extent do you understand the rationale and benefits behind a possible combination?
- What do you believe could be the most significant benefits for your agency's customers and staff if the combination occurs? [provide list and ask for ranking on scale to 1 to 5]
- As an employee, what aspect of a combination would you look forward to?
- As an employee, what aspect of a combination concerns you?
- What is your perception of change if we combine?
- What do you see as your career growth with your agency?

- What do you see as your growth with your agency? How about with a new combined agency?
- What additional information would be beneficial to you or you would like to see?
- What other thoughts would you like to share?

Strategic Plan Survey

The second part of the employee survey is to use the information gathered above and expand the scope for a strategic plan should CWD choose not to consolidate. The additional questions would include improvements to CWD's processes, efficiencies, employee growth, and customer engagement. Additional inputs from consultants are welcome.

CWD is soliciting proposals from three firms for this work with the intention of awarding a contract at its February 20 Board meeting. The "Consolidation Survey" should roll out as soon as possible if the "Strategic Plan Survey" needs additional time. CWD Board of Directors would like to review the questions before the survey goes out.

Ms. Cathy Lee, General Manager
Carmichael Water District
P7837 Fair Oaks Blvd.
Carmichael, CA 95608

January 22, 2024

Subject: Proposal to conduct an Employee Survey

Dear Ms. Lee,

This proposal outlines the scope of work, the associated costs and anticipated schedule necessary to conduct an employee survey for the Carmichael Water District and more. The proposal also contains Options to add a similar survey to the employees of the Sacramento Suburban Water District employees and an Option for consulting hours to provide perspective for the CWD Board of Directors while considering District combination/consolidation. The proposal outlines the approach for each option, a hours/cost table of the for each option and the anticipated schedule for the work.

Brent Ives, Principal of BHI Management Consulting, will manage this project for this project and will prepare for the survey and offer direct consultations. Brent has over 22 years of experience with the design, distribution and analysis of such assessment/surveys. He also served for 23 years as an elected official, and is a trainer for the California Special District Association for such topics as the foundational elements of Board work, strategic planning, governance, Board roles, dynamics and policy making in the local public sector.

Approach – The project will take place upon indication of District acceptance of the following scope of work and will proceed as follows. As mentioned, the proposal is organized into three options.

Option 1: - Survey the CWD employee base for both combination (Basic survey) and strategic topics

1. Survey basis and design - The consultant will begin by working through the District staff and Board President to assure that all elements and procedures for the survey are clear and met. The Consultant will proceed to develop a survey that focusses specifically on the desired District deliverables. In general, keeping the survey as short as possible allows for better response ratio. The initial work envisioned in this option is for the CWD employees only. The final design of the survey will be fully vetted and accepted by the District prior to its distribution.
2. Survey Distribution - The survey will be sent by Survey Monkey or like online survey method. Care will be taken so that employees can be sure that their responses are anonymous and cannot be tracked back to them. Part of this assurance to the employees will require that either the Consultant or District Management communicate with them to provide that assurance. The proposal does not anticipate that any direct meeting with employees will be required, however, that can be added if needed.
3. Survey Analysis and Reporting of Results - Consultant will prepare all response data and prepare for reporting to the District. The report will include the analysis

the determination of results from employees, highlighting the both highs and low responses. Correlation of narrative feedback will be studied and provided as well. Comments that repeat will be duly noted. All raw data will also be contained in an appendix to the report. The District will have full access to all data collected.

4. Reporting - Trainer/facilitator will prepare a report directly to the Board regarding the survey results, discussions and recommendations or follow-up actions necessary resulting from the workshop will be noted and acted upon as needed.

Option 2: Add SSWD employees in Basic combination survey

1. Survey basis and design - The consultant will prepare and perform in the same way as described in Option 1 above for SSWD except use only jointly developed survey design relating to combination/consolidation.
2. Survey Distribution - The survey will be sent by Survey Monkey or like online survey method. Care will be taken so that employees can be sure that their responses are anonymous and cannot be tracked back to them. Part of this assurance to the employees will require that either the Consultant or District Management communicate with them to provide that assurance. The proposal does not anticipate that any direct meeting with employees will be required, however, that can be added if needed.
3. Survey Analysis and Reporting of Results - Consultant will prepare all response data and prepare for reporting to the District. The report will include the analysis the determination of results from employees, highlighting the both highs and low responses. Correlation of narrative feedback will be studied and provided as well. Comments that repeat will be duly noted. All raw data will also be contained in an appendix to the report. The District will have full access to all data collected.
4. Reporting - Trainer/facilitator will prepare a report directly to the Board regarding the survey results, discussions and recommendations or follow-up actions necessary resulting from the workshop will be noted and acted upon as needed.

Option 3: Add Consultant hours for CWD Board to utilize the perspective of consultant Brent Ives regarding District combination/consolidation.

1. Working with CWD Board on combination factors - This addition calls for simple hours directly with the Board of Directors attending two meetings. (6 hours)

Cost - The cost for the work outlined above is represented in the table below. Mr. Ives' client hourly rate is \$390/hr. Associates of BHI will assist with the administration of the survey(s) as well as the collection and organization of results. It is anticipated that the Consultant will need two trips into the District to accomplish the tasks above. Expenses related to this travel are anticipated to be \$700.00.

Should the District(s) desire, a fixed-price contract can be negotiated, inclusive of all expenses. Invoices will be sent monthly and related to the tasks above and associated expenses.

Employee Survey - CWD/SSWD Proposed Effort Costs	Principal (Ives) @ \$390/hr.	BHI Associate @ \$90/hr.	LaborHours/task Total	Task Estimate	Comments
TASK SET - OPTION 1	Hours	Hours	Hours		
1 - Survey basis and design	6	0	6	\$ 2,340.00	Completed via phone or Zoom
2- Survey Distribution	16	8	24	\$ 6,960.00	
3. - Survey collection and analysis	14	8	22	\$ 6,180.00	
4. Report - in writing and to the Board	8	0	8	\$ 3,120.00	ONE TRIP
TOTAL OPTION 1	44	16	60	\$ 18,600.00	
TASK SET - OPTION 2	Hours	Hours	Hours		
1 - Survey basis and design with SSWD	6	0	6	\$ 2,340.00	ONE TRIP
2- SSWD Survey Distribution	16	10	26	\$ 7,140.00	
3. - SSWD Survey collection and analysis	24	14	38	\$ 10,620.00	
4. Report to SSWD - in writing and to the Board	8	12	20	\$ 4,200.00	ONE TRIP
TOTAL OPTION 2	54	36	90	\$ 24,300.00	
TASK SET - OPTION 3	Hours	Hours	Hours		
1. Consultation hours with CWD Board of Directors	6	0	6	\$ 2,340.00	ONE TRIP
TOTAL OPTION 3	6	0	6	\$ 2,340.00	
EXPENSES					
Travel Related costs				\$ 700.00	
BHI Office overhead expenses (project related programs)		FIXED		\$ 500.00	
TOTALS				OPTION 1 \$18,950 OPTION 2 \$25,000 OPTION 3 \$2,690	

Schedule – it is anticipated that the project may begin as early as February 2024 and complete by June 2024 or sooner dependent on the constraints of all parties.

Summary – I believe that this proposal, along with the qualification presented earlier to the District, adequately presents the scope of work and process necessary to fulfill your requirements assisting you and the Board with this effort. for both District to conduct this important employee survey the cost and time are quoted above. Please understand that this scope and these hours are negotiable. Please feel free to call or email me with any questions or need for clarification. Your signature below and/or a purchase order or District professional services agreement will allow the project to begin.

Cathy Lee
General Manager
Carmichael Water District

<signature>
Brent H. Ives
Principal
BHI Management Consulting

Appendix 1: Brent Ives and BHI Management Consulting information:

BRENT H. IVES, PRINCIPAL BHI Management Consulting

Mr. Ives has 25 years of management consulting experience after 25 years as a technical manager at Lawrence Livermore National Laboratory. Brent served for 23 years as a City Councilman, with the last 8 years as the directly elected Mayor of the City of Tracy, CA, a city of 97,000 in the central valley of California. He served as a charter commissioner of the Altamont Commuter Express (ACE Train) Joint Powers Authority, and a Chair/Director of the San Joaquin County Council of Governments. Brent is now the former Mayor of Tracy, having termed out of office in December 2014.

Brent Ives, through his firm BHI Management Consulting (BHI), has trained staff of hundreds of local agencies and individual decision makers, Council members, Board members and managers from all walks of the public sector and business. He teaches best governance practices for the California Special District Association. Brent and other BHI associates have decades of experience leading public agencies to improve, including the special relationship of the Board/Council and Executive manager. Brent also runs the web-based Board training site, www.GoodBoardWork.com. In 2016, Brent also wrote and published the book, *52 Ways to Be a Better Board*, available on Amazon. Brent holds a BS in Org. Behavior from the Univ. of San Francisco. He has a clear vision for looking over the horizon with the public to form practical and clear public policy and strategy.

Public Agency Planning and Development

- Assisted over 100 public agencies in California with strategic planning.
- Facilitated over 50 public meetings on various issues in California regarding access reliability, risk, planning, management, administration, culture, and overall organizational health.
- Co-directed public outreach element for Lawrence Livermore National Laboratory and interface with the Defense Nuclear Facilities Safety Board in 1998 for the LLNL Environmental Health and Safety Plutonium and HEU Vulnerability Assessment.
- Led local effort as Mayor to assess and institute Mayors Community Youth Support Network, assisting at-risk youth and their parents/care-givers with information and programs to learn about, extricate themselves from and avoid gang lifestyle altogether.

Partial Listing of Agencies Served:

Town of Yountville
City of Pleasanton
City of Westminster
City of Richmond
Nickel Farms
City of San Ramon
City of Citrus Heights
Marin/Sonoma Mosquito-Vector Control District
West Side Cemetery District
Cordova Recreation and Parks District
Cosumnes Community Services District
Central Contra Costa Sanitation District
Cordova Recreation and Parks District
Livermore Area Recreation and Parks District
Auburn Recreation and Park District
Phelan-Pinon Community Services District
Greater Vallejo Recreation and Park District
Pleasant Hill Recreation and Park District
Pleasant Valley Recreation and Park District
Conejo Recreation and Park District
Apple Valley Recreation and Park District
Rodeo Sanitary District
LWR Engineering
South Coast Water District
Big Bear Airport District
Palmdale Water District
Yorba Linda Water District
Orange County Water District
Orange County Sanitation District
Central Contra Costa Sanitary District
Dublin-San Ramon Sanitation District
Castro Valley Sanitation District
Rosamond CSD
Marina Coast Water District
Grossmont Healthcare District
West Bay Sanitary District
Costa Mesa Sanitary District
Monterey Regional Water Pollution Control Agency
Lawrence Livermore National Safety
Sacramento Metro Fire
Monterey Regional Fire Authority
City of San Ramon
Fairfield-Suisun Sewer District
East Bay Regional Park District
Kensington Fire Protection District
South Coast Water District
Rainbow Municipal Water District
Sweetwater Water District
City of Westminster
Lewiston CSD
East Kern Healthcare District
City of Ione
Town of Yountville
Otay Water District
Sweetwater Water Authority

MEMO

TO: Board of Directors

FROM: Greg Norris, Engineering Manager
Debbie Martin, Finance Manager

DATE: February 7, 2024

RE: Landscape Maintenance Service Update

BACKGROUND

In October 2023, the District entered into a short-term landscape maintenance contract with Brightview Landscape Services to provide landscape maintenance for the properties at the District Office, Bajamont Water Treatment Plant, and 4515 Charleston Drive (part of the Winding Way Well site). The agreement with Brightview was a month-to-month contract.

Previously, Haase Landscaping provided landscape maintenance services for the District. In July 2023 Haase Landscape informed the District that the company owners were retiring and closing the business in August 2023. The Brightview agreement was arranged quickly by District Staff to cover the ongoing landscape maintenance needs until a public bid opportunity could be organized.

SUMMARY

At this time, staff is issuing a request for bids to invite qualified licensed contractors to submit bids to provide the District's landscape maintenance service. Staff will review all bids received and will make a contract award recommendation to the Board at a future meeting for approval.

While Staff reviewed options for a replacement contractor, it became apparent that the District's landscape workload may not automatically attract economical and qualified bids. Unlike Counties and Municipalities that typically have relatively high acreages dedicated to public spaces and parks, the District's landscape maintenance workload is relatively small. Also, because it is a public works contract, a District landscape contractor must comply with all public works contracting requirements including prevailing wage payment to employees. The contractors who are equipped to manage these requirements tend to be large organizations that are often not attracted to a bid invitation for a limited workload.

To incentivize qualified bidders, Staff have added three features to the proposed contract language. First, the contract is a multi-year contract with an initial contract term of three years. This assures contractors that they will have regular District landscaping work for a period of three years without preparing a competitive bid each year to renew the service. The second incentive allows an additional two-year extension to the initial contract term, if both the District and the Contractor agree, for a total possible term of five years. Regardless of the length of the contract term offered, a contractor must continue to fulfill the contract requirements throughout the term of the contract. If the work performed does not meet the contract's requirements, the contract may be terminated at any time by the District. Finally, the third incentive provides a hedge to protect contractors from economic cost increases during the extended term of the agreement. The District contract will offer an annual service price increase based on U.S. Bureau of Labor Statistics Western Region Consumer Price Index (CPI) plus one percent (1%). Staff will apply the appropriate contract price adjustment each year in January during the term of the contract.

Staff intends to advertise for contractor bids beginning in late February or early March 2024. Staff will review contractor bids and prepare a contract award recommendation to the District Board for the April meeting.

FISCAL IMPACT

This item is informational and does not have a fiscal impact at this time. Staff will update the Board on the fiscal impact a new vendor is selected.

RECOMMENDATION

This item is informational and there is no recommendation at this time.

MEMO

TO: Board of Directors

FROM: Greg Norris, Engineering Manager
Dave Biagi, Production Superintendent

DATE: February 7, 2024

RE: Ranney Well Cleaning and Evaluation Update

BACKGROUND

District staff continues to evaluate the condition and performance of the Ranney Well system that the District operates to deliver water to the Bajamont Water Treatment Plant (WTP) from the American River. The system consists of three individual collection systems that each have up to seven horizontal collectors delivering water to a central caisson structure. Water from the three caissons then flows by gravity into a junction structure feeding a single pipeline under the river to the WTP Raw Water Caisson.

To begin, the District contracted with Layne Christensen Company (Layne) to inspect the collectors in May 2022 and then clean and evaluate each of the well's components with a focus on the horizontal collector laterals. This work was completed in January 2024 and Layne is presently preparing a final report on the results and plans to present the results to the Board at the February 2024 Board meeting.

In general, as the Board will hear from Layne, the Ranney Wells are still functioning adequately and cleaning the horizontal collectors increased the production capacity over 17% to nearly 15.5 MGD which is comparable to 2002 levels observed when the capacity was last evaluated. However, some condition concerns were observed that cleaning cannot address including displaced and inaccessible portions of the pipe in the horizontal collectors. Considering that the Ranney Wells are 65 years old and have some condition concerns, Layne's report states that the District should consider the current cleaning effort a temporary measure to regain their capacity.

SUMMARY

District Staff are now working to develop and evaluate recommendations in light of the regulations and requirements surrounding infrastructure projects that are performed in and near scenic and environmentally sensitive water bodies such as the American River. There are several options to consider that provide varying levels of benefit to the District. However, as the benefits of these options increase, so do the regulatory restrictions that will prolong any project implementation and increase cost. Below is a general description of options that have been conceived so far, their benefits, and expected obstacles.

- 1. Completely replace all Ranney Well lateral collectors.** This option will provide the greatest possible increase in water production from the Ranney Wells and will allow the well system capacity to match or exceed the BWTP's treatment capacity of 22 MGD. This option also has the highest environmental impact and is expected to require extensive permitting and mitigation efforts to meet regulatory requirements. This is especially true if well production capacity is increased over the current capability. A long (multi-year) implementation schedule is expected to complete this option.
- 2. Replace only damaged well lateral collectors.** The wells have been in service since 1959 and have incurred some damage over time that was observed during inspection. Physically testing the condition of a horizontal well's components is very difficult. In this case, inspection and observation are the best indicators of condition available. Unfortunately, it is possible that corrosion from the outside of a horizontal collector could reduce its integrity but is hidden from sight and missed when inspection is

performed on the inside of the collector pipe. This option is expected to require a long implementation schedule similar to Option 1.

3. **Construct a new fourth Ranney Well.** This option provides a new set of lateral collectors and a fourth caisson to increase operational flexibility and provide redundancy in the event of a sudden or significant failure in existing parts of the Ranney Well system. This option is expected to require a long implementation schedule similar to Options 1 and 2 but may have somewhat reduced mitigation costs given the reduced project area that is impacted. It is worth noting that there is presently a fourth Ranney Well down river from the three wells discussed here. Previous evaluations have noted that this well has experienced damage and is not a candidate for a rehabilitation effort.
4. **Install monitoring wells.** Monitoring wells will not improve the condition, performance, or production of the existing Ranney Well system but they do provide important information to guide decisions. Capacity decreases observed may be the result of an overdrawn aquifer and not a problem with a well. Without monitoring wells in the present system configuration, it is impossible to definitively know the water levels in the aquifer outside the wells. Collecting monitoring well data over time would also reveal emerging problems in the aquifer itself that limit water production. Regulatory mitigation is still necessary to add monitoring wells but because their footprint is small, it is expected to be greatly reduced relative to the above options. Even if other options are implemented, monitoring wells could be a good additional investment to better track system performance and for early warning signs of developing aquifer problems.

One of the key schedule drivers in each of these options is the regulatory and environmental evaluation that must be completed before physical improvements are constructed. With the possible exception of Option 4, these analyses are expected to be time consuming and will have significant cost given the sensitive setting of the work area. In order to develop informed recommendations including a proposed plan for the Board, District Staff are arranging to meet with specialists who fully understand the necessary environmental studies and regulatory hurdles the options present. This information coupled with the cost and benefits of various improvement options should help to identify the best option to pursue.

FISCAL IMPACT

This item is informational and does not have a fiscal impact. Staff continues to investigate

RECOMMENDATION

This item is informational and there is no recommendation at this time.

MEMO

TO: Board of Directors

FROM: Debbie Martin, Finance Manager

DATE: February 6, 2024

RE: Annual Finance Audit Recommendations

BACKGROUND

Under Government Code Section 26909, Carmichael Water District (District) is required to conduct an annual audit of its books and records and the audit must be performed by an independent certified public accountant (CPA). Accordingly, the District engaged the firm Leaf & Cole, LLP (Auditors) to conduct its audit for the year ended June 30, 2023.

Leaf & Cole timely completed the audit in accordance with Government Code 26909 and in compliance with the 2019 Series A and Series B Bond Covenant Provisions. The results of the audit were presented by Leaf & Cole to the Board of Directors at the December 12, 2023 Board meeting, whereby the District's financials were given a "clean" opinion. This means that, in the opinion of the independent CPA's, based on the performance of their audit in accordance with auditing standards generally accepted in the United States of America, Leaf & Cole believes the District's financials present fairly, in all material respects, the financial position of the District. This is the best opinion that can be given to a set of financial statements. With that, the next step by Staff is to evaluate "lessons learned" during the preparation and completion of the audit.

SUMMARY

In an audit, Staff and the Auditors undergo an extensive review of the financial statement balances and underlying transactions in the books and records of the District with full attention to how transactions are recorded and whether or not they comply with generally accepted accounting principles (GAAP). Out of this process, certain recommendations or suggestions for improvement are often generated by the Auditors and communicated, either directly to the Board, or to the Staff managing the audit. These recommendations are provided to assist the District with strengthening internal controls, enhancing processes to ensure accurate and timely recording of transactions in accordance with GAAP, or providing direction to ensure compliance with regulatory reporting requirements. This Staff Report has been prepared to communicate to the Board and the public the recommendations from the Auditors that were expressed to the Finance Manager during the preparation and completion of this year's audit. The most prominent recommendations are detailed below.

Recommendation #1: Broaden the Finance Committee role to also serve as the Audit Committee

The auditors recommend the Finance Committee also act as the Audit Committee or the District should set up a separate Audit Committee. An Audit Committee's major responsibilities would include oversight of the internal control systems, the audit functions (internal and external) and financial reporting processes, including related risks. Specifically for the District, the Audit Committee would incorporate those oversight functions, but could also be used during the bid process to select the District's Auditors, to receive the annual recommendations from the Auditors upon completion of each year's audit and to provide an avenue for Auditors to address any other findings or concerns directly with the Board. While the District does in fact have an active Finance Committee, it is recommended the Finance Committee be used more frequently to provide a more detailed review process of financial reports and transactions that can then be relied upon by the full Board to ensure continuance of proper oversight of the District's finances is occurring. Last, the Finance/Audit Committee can also serve as the resource for receiving whistleblower/fraud concerns from employees, the public, and other stakeholders.

Recommendation #2: Secure a new actuary for Other Post Employment Benefit (OPEB) valuations

The current actuary is not meeting the Auditor's or the Staff's needs with its reporting functions. While the actuarial valuations themselves are meeting the minimum standards as required by GAAP, the reports generated by the actuary are difficult for Staff and the Auditors to use. The reports are overly complicated and require a significant time investment from the actuarial firm itself, the Auditors and the Staff to extract the most basic data needed to record the OPEB transactions. This is a known condition with this firm and an ongoing complaint for many years with stakeholders in the accounting and auditing industries who have had to work with them and use their reports. The current actuary will be used to complete the June 30, 2023 valuation as the work is already under way, with the new actuary starting with the District for completion of the June 30, 2024 valuation.

Recommendation #3: Update Capital Asset Addition/Deletion and Reconciliation Processes

During the last several years, the District has experienced a higher than normal rate of employee turnover and the Auditors noted that the Finance Department had not been immune to these events. Turnovers in Finance Departments within accounting and finance divisions leave large gaps not only in the continuity of Finance Department responsibilities, but also in the trained review and oversight over the accounting recording functions. The Auditors recognize that the candidate pool for highly technical financial professionals is quite limited as of late and many firms, including their own, have suffered from the lack of highly trained accountants. While the Management and other Staff filled the gaps to ensure internal controls were in place and transactions were recorded during the staffing gaps, some of the more intricate processes needed to ensure full GAAP recording fell to the Auditors over the years during those times when the District did not have highly trained staff under employment. The Auditors were required to spend much more time securing sufficient documentation to support the balances and transactions reported in the financial statements.

One of the most prominent areas the Auditors requested the District improve upon lies with the recording of Capital Assets, both in additions and deletions, as well as the reconciliation of the subsidiary asset ledgers to the control accounts in the general ledger. In the past, the Auditors observed the following items of concern: 1) large deletions of capital assets without sufficient documentation or other corroborating detail to support the deletions, 2) lack of understanding by accounting staff as to how to record deletions in the subsidiary ledger when capital assets have been replaced, and 3) lack of detailed and frequent reconciliation processes to agree the subsidiary ledgers to the control accounts.

The Finance Staff recognized the concerns and is already implementing corrections and enhanced review and control processes to deliver high quality, well documented, work papers and reconciliations for the general ledger and audit work.

Recommendation #4 – Reduce the amount of cash held in the general fund

During the audit of cash, the Auditors noted that the general fund was holding an excessive amount of cash in one bank account. The Auditors recommend the long term operating cash and reserve fund accumulations be transferred to LAIF, or some other pool or brokerage accounts for security and safety purposes until the funds are needed for accomplishing the District's long-term financing needs.

Staff and the Board had already recognized this concern and the Auditors were updated as to the progress of this correction. To date, the following has occurred to address the recommendation: 1) The Board adopted a full scale overhaul of the investment policy in June of 2023 to enhance and protect the District's investment goals, 2) \$3.0 million of long term operating cash/reserves were transferred to LAIF, 3) Staff is in pursuit of appropriate investment services and options, along with cash flow predictions, to better manage the remaining cash reserves. Staff has evaluated the recommendations by the auditor and will implement the procedures and controls necessary. Three of the four recommendations have already been initiated and are in varying stages of progress.

RECOMMENDATION

This item is informational and there is no recommendation at this time.

MUNICIPAL SERVICES

REVIEW for

CARMICHAEL WATER DISTRICT

PUBLIC REVIEW DRAFT – FEBRUARY 2024



Sacramento
LAFCo

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

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Sue Frost, County Member

Gay Jones, Special District Member

Lindsey Carter, Special District Member

Chris Little, Public Member

Lisa Kaplan, City of Sacramento Member

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Katie Valenzuela, City of Sacramento

STAFF

José C. Henriquez, Executive Officer

DeeAnne Gillick, Commission Counsel

Nancy Miller, Commission Counsel

Desirae N. Fox, Policy Analyst

Kristina Grabow, Policy Analyst

PREPARED BY



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1.0 INTRODUCTION

1.1 Role and Responsibility of LAFCO

Local Agency Formation Commissions (LAFCOs) are independent regulatory commissions established by the State legislature in 1963 to encourage the orderly growth and development of local governmental agencies including cities and special districts. Today, there is a LAFCO in each of California's 58 counties. Sacramento LAFCO is a seven-member commission comprised of two members of the Sacramento County Board of Supervisors, two City Council members, two Special District representatives, and one Public Member-At-Large. The Commission also includes one alternate member for each represented category.

LAFCO is responsible for implementing the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH Act") (California Government Code Section 56000 et seq.) for purposes of facilitating changes in local governmental structure and boundaries that fosters orderly growth and development, promotes the efficient delivery of services, and encourages the preservation of open space and agricultural lands. Some of LAFCO's duties include regulating jurisdictional boundary changes and the extension of municipal services. This includes city and special district annexations, incorporations/formations, consolidations, and other changes of organization. LAFCO seeks to be proactive in raising awareness and building partnerships to accomplish this through its special studies, programs, and actions.

The CKH Act outlines requirements for preparing Municipal Service Reviews (MSRs) for periodic Sphere of Influence (SOI) updates. MSRs and SOIs are tools created to empower LAFCO to satisfy its legislative charge of "discouraging urban sprawl, preserving open space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances" (§56301). CKH Act Section 56301 further establishes that "one of the objects of the commission is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities." SOIs therefore guide both the near-term and long-term physical and economic growth and development of local agencies, and MSRs provide the relevant data to inform LAFCO's SOI determinations.

1.2 Purpose of Municipal Service Reviews

As described above, MSRs are designed to equip LAFCO with relevant information and data necessary for the Commission to make informed decisions on SOIs. The CKH Act, however, gives LAFCO broad discretion in deciding how to conduct MSRs, including geographic focus, scope of study, and the identification of alternatives for improving the efficiency, cost-effectiveness, accountability, and reliability of public services. The purpose of a MSR in general is to provide a comprehensive inventory and analysis of the services provided by local municipalities, service areas, and special districts. A MSR evaluates the structure and operation of the local municipalities, service areas, and special districts and discusses possible areas for improvement and coordination. While LAFCOs have no direct regulatory authority over cities and special districts, MSR's provide information concerning the governance structures and efficiencies of service providers – and may also serve as the basis for subsequent LAFCO decisions. The MSR is intended to provide information and analysis to support a sphere of influence update. A written statement of the study's determinations must be made in the following areas:

1. Growth and population projections for the affected area
2. Location and characteristics of any disadvantaged unincorporated communities within or continuous to the sphere of influence

3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies.
4. Financial ability of the agency to provide services.
5. Status of and opportunities for shared facilities
6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by Commission policy.

This MSR is organized according to these determinations listed above. Information regarding each of the above issue areas is provided in this document.

1.3 Purpose of Spheres of Influence

In 1972, LAFCOs were given the power to establish SOIs for all local agencies under their jurisdiction. As defined by the CKH Act, “sphere of influence” means a plan for the probable physical boundaries and service area of a local agency, as determined by the commission” (§56076). All boundary changes, such as annexations, must be consistent with an agency’s sphere of influence with limited exceptions. The municipal service review process is intended to inform the Commission as to the availability, capacity, and efficiency of local governmental services prior to making sphere of influence determinations.

LAFCO is required to make five written determinations when establishing, amending, or updating an SOI for any local agency that address the following (§56425(c)):

1. The present and planned land uses in the area, including agricultural and open space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.
5. For an update of an SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

Service reviews may also contain recommendations for sphere of influence or government structure changes needed to implement positive service changes. Where more detailed analysis of service options is necessary, service reviews may contain recommendations for special studies where there is the potential to reduce service gaps and improve service levels. This MSR Update will provide the necessary background information to make SOI determinations at a later date.

1.4 Environmental Review

The California Environmental Quality Act (CEQA, Public Resources Code §21000 et seq.) requires public agencies to evaluate the potential environmental effects of their actions. Municipal service reviews are intended to support sphere of influence updates, including the creation and amendment of SOI boundaries, as well as other government reorganization proposals. Such activities could influence future growth patterns, and, as such, are considered discretionary projects under CEQA. LAFCO has the principal responsibility for carrying out and approving this service review and, therefore, the principal responsibility for preparing CEQA documents as lead agency.

This service review and accompanying sphere of influence determinations qualify for a statutory exemption as outlined in Public Resources Code §15061(b)(3). These activities are covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen

with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The MSR and sphere of influence update have no possibility for causing a significant effect on the environment. Any future projects that make use of this service review and the information contained herein will be subject to separate environmental review under CEQA.

1.5 Environmental Justice

State law defines environmental justice as “the fair treatment of people of all races, cultures, and incomes with respect to the development, adoption, implementation, and enforcement of environmental laws, regulations, and policies” (Government Code §65040.12(e)). The Governor’s Office of Planning and Research (OPR) explains that “as the primary agency with responsibility for approving changes in boundaries, LAFCOs play an important role in coordinating growth and ensuring that proposed changes are consistent with environmental justice obligations.” Changes of organization must be consistent with spheres of influence, and the information contained in this service review will guide future updates to agency spheres of influence.

OPR identifies several uses for data obtained in the service review process:

1. Improving the community participation process.
2. Identifying low-income/minority neighborhoods under-served by public facilities and services that enhance the quality of life.
3. Considering the equitable distribution of public facilities and services.
4. Considering infrastructure and housing needs.
5. Identifying low-income/minority neighborhoods where facilities and uses that pose a significant hazard to human health and safety may be overconcentrated.
6. Screening of issues for potential environmental justice implications.

Consideration of the issues listed above will assist LAFCO and other public agencies in identifying, preventing, and reversing historical problems of procedural and geographic inequity. In undertaking this service review and making determinations, LAFCO used an open public participation process to screen for and identify environmental justice issues.

1.6 Methodology and Data Sources

Key tasks and activities in the completion of this MSR include data collection, interviews, district profile development, determination analysis, public review of MSR, and the adoption of the final MSR. The MSR began with a complete and thorough review of available data and documents. In collecting data, adopted budgets, comprehensive financial reports, capital improvement plans, strategic plans, and general plans were assessed to develop a comprehensive overview of the agency. Following data collection and interviews, the agency profile was developed based on the information collected and as required for the completion of the MSR per the CKH Act. This includes key characteristics such as municipal services offered, staffing levels, population and growth, service providers, infrastructure, financial condition, and boundary areas and maps.

2.0 DISTRICT BACKGROUND

2.1 Agency Overview

The Carmichael Water District (CWD) serves the community of Carmichael, located in Sacramento County, California. Geographically positioned to the northeast of downtown Sacramento, Carmichael is defined by the American River to its south, which acts as a natural divider between the suburb and the City of Sacramento. The district's eastern boundary aligns with Fair Oaks, while the Arden-Arcade area defines its western limit. As a suburb of Sacramento, Carmichael is an integral part of the broader Sacramento metropolitan area. This region, with its blend of residential, commercial, and other land uses, sources water predominantly from the American River during winter. However, during peak demand from May to October, the district supplements this with groundwater from wells scattered throughout its jurisdiction.

Primary Contact	Cathy Lee – General Manager
E-mail	cathy@carmichael.org
Address	7837 Fair Oaks Blvd, Carmichael, CA 95608
Phone	(916) 483-2452
Website	https://carmichaelwd.org/

2.2 District Principal Act

Irrigation District Law (Water Code §20500, et seq.) serves as the principal act for the District which authorizes irrigation districts to provide water, drainage, hydroelectric power, flood control, sewage (wastewater), and recreation services within their boundaries. CWD is authorized to provide water services only. Other services, facilities, functions, or powers enumerated in the District's principal act but not identified in the formation resolution are considered "latent," meaning they are authorized by the principal act under which the District is formed but are not being exercised. Latent powers and services activation require LAFCO authorization as indicated in Government Code §31001.

2.3 Formation and Development

CWD began operations in 1916 as the Carmichael Irrigation District, following efforts by the Carmichael Colonies Improvement Club to evaluate the feasibility of creating an irrigation district. Establishment of the irrigation district set a precedent for irrigation infrastructure in Sacramento County. In its initial phases, the district predominantly relied on local groundwater wells to meet the community's water demands. As the population grew so did water demand, requiring a diversified and sustainable water source.

In the latter half of the 20th century, the irrigation district began sourcing additional water from the American River. This development enhanced the quality of the water and increased reliability. The district underwent a strategic rebranding in the 1980s to become the Carmichael Water District. However, it is still classified as an irrigation district and is an independent special district as defined by LAFCo law. The rebranding marked its evolution from primarily addressing irrigation needs to serving the comprehensive water demands of an urbanized community. Alongside its infrastructure developments, the district strengthened its governance with the introduction of a five-member elected Board of Directors, ensuring alignment with the community's interests.

2.4 Boundary and Sphere of Influence

CWD serves the unincorporated community of Carmichael, encompassing 5,120 acres or roughly 8 square miles. CWD is located close to several major freeways that facilitate access to and from the district. Interstate 80 (I-80), which runs in an east-west direction, is situated about 5 to 7 miles to the north of the district. Meanwhile, the

Business 80/Capital City Freeway is approximately 4 to 6 miles to the west of CWD. This freeway connects the northeastern part of Sacramento to U.S. Route 50 in the south and primarily follows a north-south route near Carmichael. U.S. Route 50 generally runs east-west along the southern edge of the District. The District's SOI is currently coterminous with the District's boundary. Due to adjacent agency boundaries, it is unlikely that the SOI would be expanded in the future.

Neighboring water districts include the Sacramento Suburban Water District (SSWD) which borders the southernmost point of CWD, extending to its west and northwest portions. The Citrus Heights Water District (CHWD) is situated along CWD's northern boundary. Fair Oaks Water District (FOWD) spans from the northeast to the east of CWD, reaching the American River at the district's easternmost boundary. The Golden State Water Company (GSWC) and California-American Water Company (CAWC) are located across the American River to the southeast and south of CWD respectively.

Figure 1: CWD Regional Communities

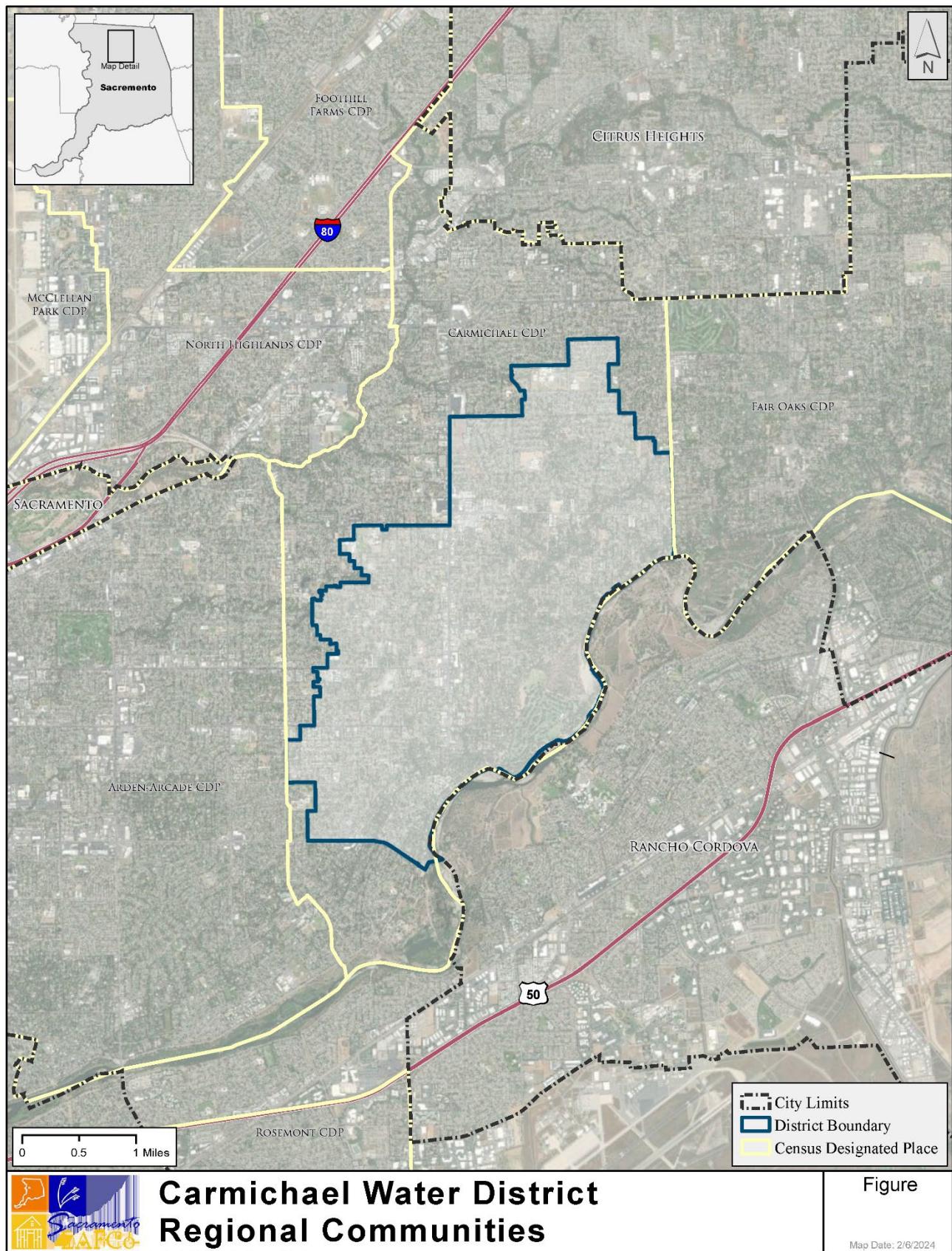
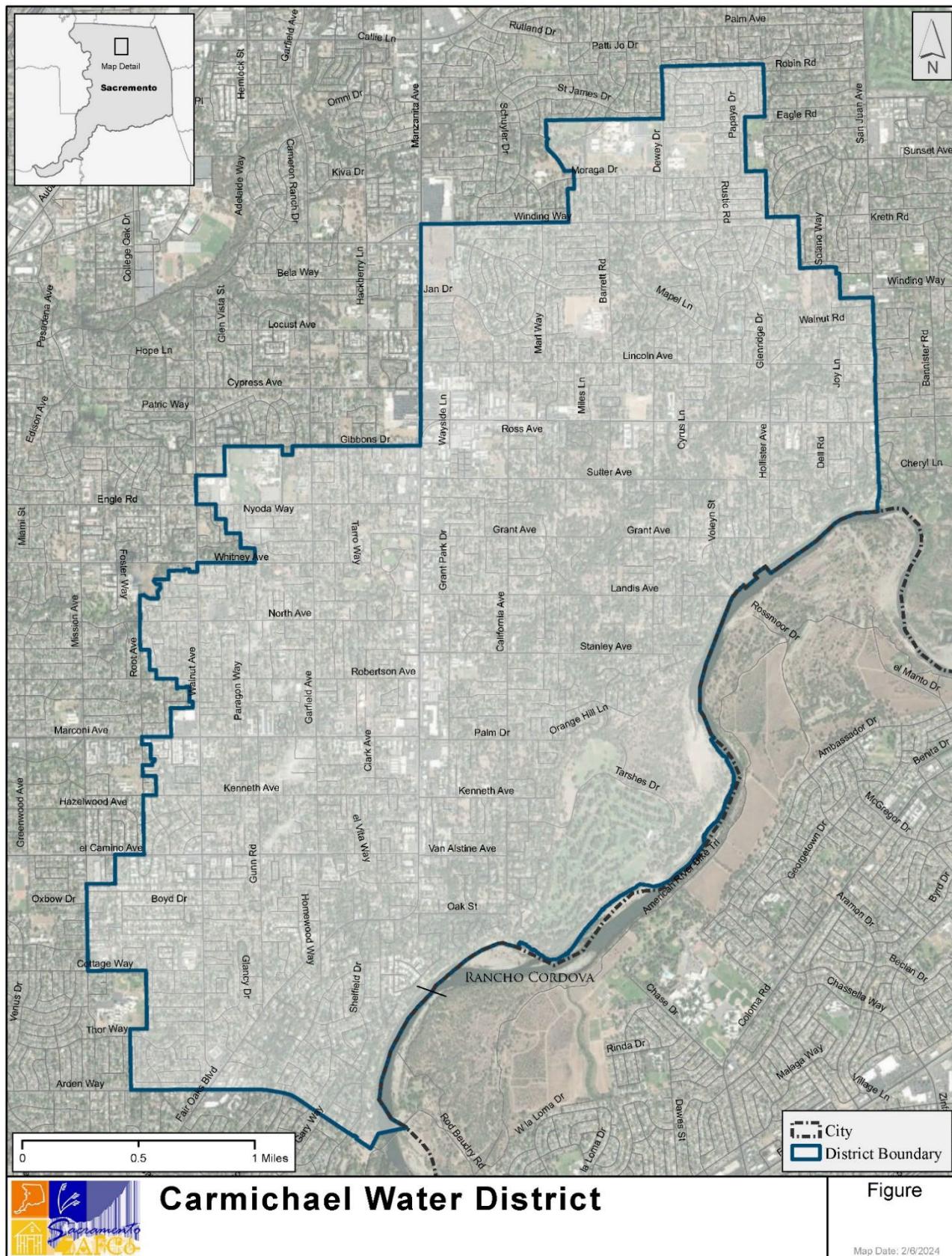


Figure 2: CWD Boundary



Sources: Boundaries, Sacramento County GIS, Roads, Census Tigerline.

2.5 Land Use and Zoning

Land use and zoning within the District is determined by Sacramento County in accordance with the County General Plan and Zoning Ordinance. The majority of land use in the CWD are residential zoning types, with Low Density Residential zones covering 83.5% of the district. High Density Residential zones account for 1.3%, while Medium Density Residential zones make up 7.6% which together accounts for 87.7% of total land use. Within the district, 10.7% has been allocated to Transit-Oriented Development (TOD) which are mixed-use development neighborhoods built around transit stops with a core commercial area (Calthorpe Associates; Mintier & Associates, 2011). Commercial and office spaces make up 0.8% with Natural Preserve and Recreation area representing 0.6% and 0.1% respectively.

Table 1: Land Uses within District Boundary

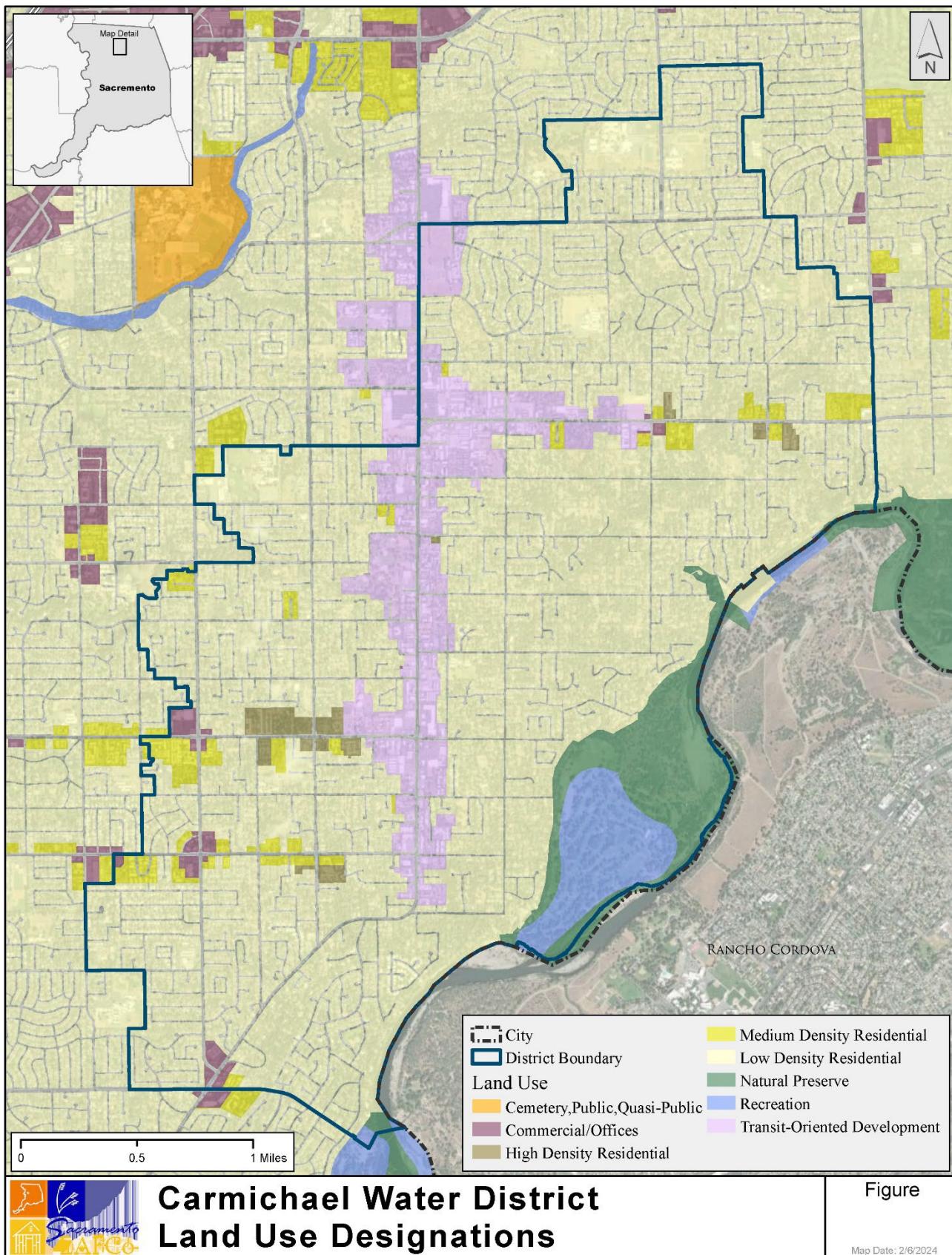
GPLU Code	Land Use Designation	Acres	Percentage
COMM/OFF	Commercial/Offices	35.5	0.8%
HDR	High Density Residential	57.1	1.3%
LDR	Low Density Residential	3,658.5	83.5%
MDR	Medium Density Residential	128.7	2.9%
NAT PRES	Natural Preserve	26.9	0.6%
REC	Recreation	5.9	0.1%
TOD	Transit-Oriented Development	467.0	10.7%

2.6 Growth and Population

As noted above, the CWD serves the unincorporated community of Carmichael. The most recent Sacramento County Housing Element adopted on March 8, 2022 noted that there was a 2.6% increase in population from 2015 to 2019 in unincorporated areas, the City of Sacramento saw a 5.1% increase and the county as a whole saw an average 4.2% increase (Sacramento County, 2022).

The population of CWD is best estimated using GIS analysis based on the District's boundary and available census block data as information on demographic and economic statistics are not reported for unincorporated areas of Sacramento County. According to GIS analysis, CWD grew from 37,500 in 2010 to 41,094 in 2020 which represents a growth rate of approximately 9.6% over the decade (Barnes, 2023). Given the District is near full build-out and infill constraints exist as outlined in the 2020 Urban Water Management Plan (UWMP), a more modest growth rate is anticipated for the next decade (Carmichael Water District, 2021). The projected population for the District in 2030 is estimated to be around 42,249, suggesting a growth rate of approximately 2.8% from 2020 to 2030. In terms of water demand, the anticipated increase in population and the projected new residential and non-residential connections suggest a proportional rise in water usage. The UWMP estimates the addition of 450 new multi-family and 10 new single-family residential units by 2030 which will require planning for water resource allocation.

Figure 3: CWD Land Use



Sources: Boundaries: Sacramento County GIS; Roads: Census TIGERline.

2.7 Disadvantaged Unincorporated Communities

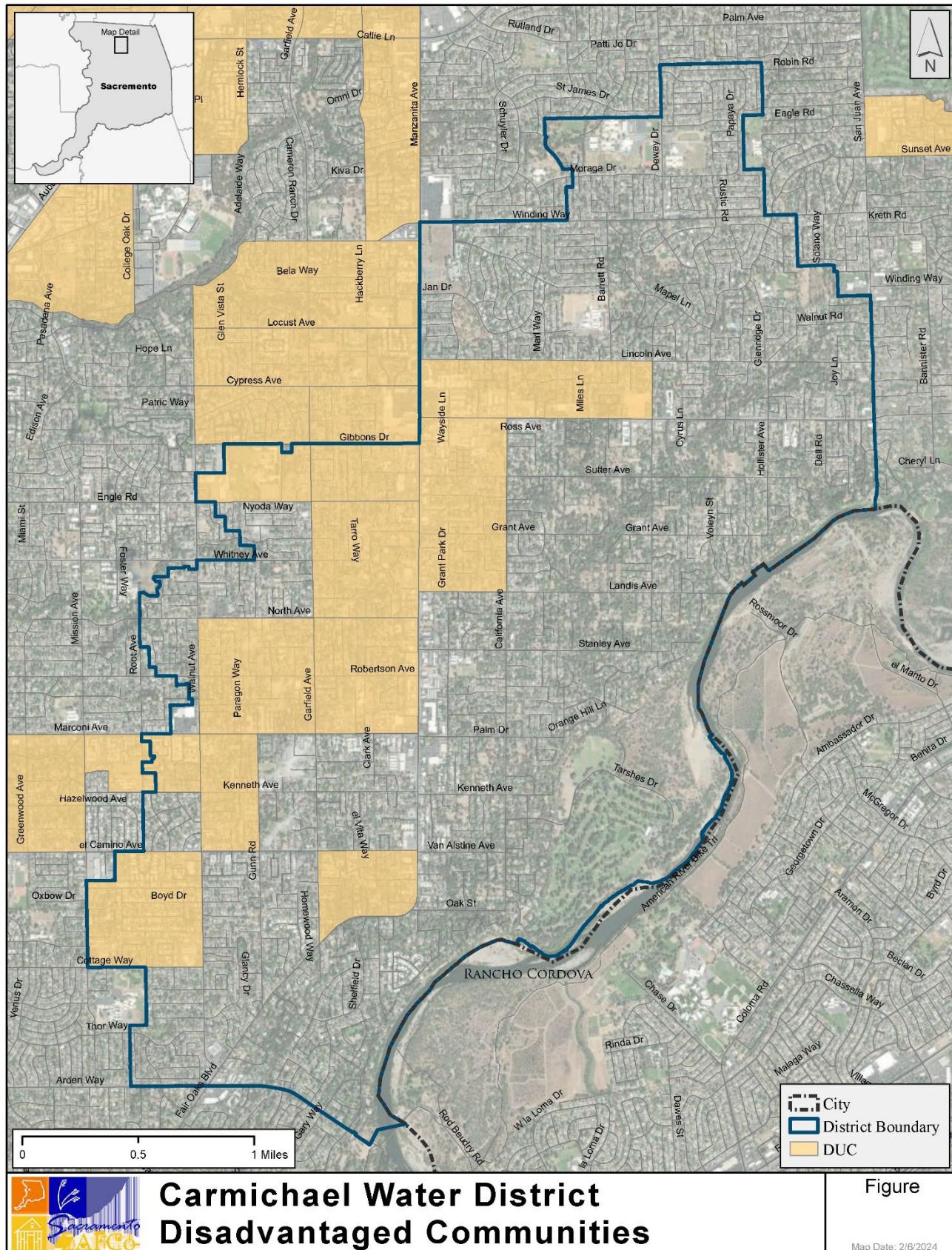
CWD lies entirely within Carmichael CDP and is bordered by Arden-Arcade, Fair Oaks, Foothill Farms, North Highlands, McClellan Park, Rosemont and Rancho Cordova. Table 2 shows the 2021 Median Household Income (MHI) 5-year estimate for each area. Based on the available estimates including the 2021 California MHI of \$84,097, unincorporated areas in Arden-Arcade, Foothill Farms, McClellan Park, and North Highlands can be considered DUCs (US Census Bureau, 2023).

Table 2: 2021 Estimated Median Household Incomes per 2021 ACS 5-Year Estimates

Census Designated Place	2021 MHI	% of CA MHI
Arden-Arcade	\$56,805	67.5%
Carmichael	\$74,184	88.2%
Fair Oaks	\$99,629	118.5%
Foothill Farms	\$57,810	68.7%
McClellan Park	\$27,500	32.7%
North Highlands	\$55,616	66.1%
Rancho Cordova	\$77,044	91.6%
Rosemont	\$77,495	92.1%
Sacramento (City)	\$71,074	84.5%

Additional detail can be obtained by looking at the MHI for block groups within and around the District boundary as shown in Figure 3. CWD is not considered to be a DUC based on overall MHI level. However, areas within the District's central, western and southern portions are less than 60% of State MHI. All areas in and around the District currently receive water service from one of several water suppliers in the area. Fire and emergency response services are generally provided by Sacramento Metropolitan Fire Department (Metro Fire) and wastewater services are provided by the Sacramento Area Sewer District (SASD).

Figure 4: Disadvantaged Unincorporated Communities (DUCs)



3.0 MUNICIPAL SERVICES

3.1 Water Services

Water Source

CWD serves approximately 11,700 connections within the Carmichael region (Carmichael Water District, 2021). CWD obtains its water from two primary sources: surface water from the American River via the Ranney collectors and groundwater from the underground aquifer referred to as the North American Subbasin. Surface water from the American River and water from neighboring agencies is treated at the Bajamont Water Treatment Plant. Additionally, the District taps into the North American Subbasin for groundwater and has secured agreements with the Aerojet Corporation for alternative supplies. The District practices conjunctive use which helps decrease reliance on groundwater wells by using surface water when it is available.

Surface Water Supplies

CWD primarily relies on the American River for its surface water supply which is appropriated via the Ranney collectors. The District holds three water rights and is permitted to divert up to 50 cubic feet per second (cfs) with diversion periods varying dependent on the water right. Diversions serve as the main input of water making up 70-80% of the annual total transported into the CWD water distribution system. They may also collaborate with neighboring entities like San Juan Water District, Fair Oaks Water District and Sacramento Suburban Water District for additional supplies. The District has a contractual arrangement to divert, treat and distribute water to Golden State Water Company under its own water resources portfolio.

Table 3: CWD Water Rights

Water Right	Diversion Rate	Volume (AFY)	Diversion Period	Purposes of Use
License 1387	15 cfs	10,859	Jan – Dec	Irrigation and Domestic
License 8731	10 cfs	3,669	May – Oct	Irrigation, Domestic, and Municipal
Permit 7356	25 cfs	18,099	Jan – Dec	Domestic and Municipal

License 1387: Originating with a 1915 priority date, this senior water right allows CWD to divert 15 cfs from the American River from January to December. The license provides for an annual diversion of 10,860 acre-feet. Over the decade from 2010 to 2020, an average of 6,203.9 AF was utilized, representing approximately 57.1% of the total permissible volume. The District continues to prioritize Water Right License 1387 as its main source of surface water supply, emphasizing its fundamental role in assuring water availability amidst varying hydrological conditions.

License 8731: Established in 1925, this license targets municipal uses, enabling the CWD to divert 10 cfs from the American River during the months of May to October. This period allows for an annual diversion of up to 3,669 acre-feet. Between 2010 and 2020, an average diversion of 535.4 AF was observed, utilizing around 14.6% of the designated amount..

Permit 7356: This post-1914 appropriative right from 1948 permits CWD a diversion of 25 cfs from the American River between January to December. This translates to a potential annual diversion of up to 18,100 acre-feet. The district, from 2010 to 2020, harnessed an average of 1,793.3 AF, utilizing about 9.9% of the stipulated volume. Unlike Licenses 1387 and 8731, Permit 7356 remains in the permit stage, yet to be legally finalized. The permit outlines specific prerequisites that the District must fulfill for the right to be legally recognized. The District remains proactive in addressing these prerequisites and continues working towards licensing of this water right.

Water Treatment & Potable Water System

CWD primarily sources its water from the American River, utilizing three Ranney collectors that were constructed in the 1950's and updated in 2000-01. These collectors are uniquely designed with a concrete caisson housing a series of perforated laterals which harness the river's inherent sand and gravel filtration system which aids in procuring water with reduced contaminants before formal treatment begins. Once collected, this water is channeled through a comprehensive network, with a 48-inch pipeline being instrumental in its conveyance to the Bajamont Water Treatment Plant (WTP).

Upon reaching the Bajamont WTP, raw water undergoes a series of treatment procedures. The WTP has an operating capacity nearing 22.4 MGD. A key component of the treatment is the Continuous Microfiltration (CMF) units. There are two dedicated trains within the WTP, and each train is equipped with eight CMF skids. These skids, working in tandem, hold a total of 1,440 individual membrane filters. This intricate system ensures that the water is purified to the smallest particle and achieves a high standard of purity. Following filtration, the water is further treated with chlorine, ensuring disinfection. Simultaneously, caustic soda is introduced to the mix, acting as a preventive measure against corrosion. This dual-action of disinfection and corrosion control ensures that the water is not only safe to drink but also causes minimal wear to the infrastructure it flows through.

After undergoing the treatment process, water is channeled to a 2-million-gallon reservoir, situated beneath the WTP acting as an intermediary, holding the treated water before it's pumped into the distribution system of over 160 miles of pipeline. Delivery to District customers is carried out at a calibrated pressure of approximately 70 psi ensuring efficient water flow while also maintaining the system's integrity. Recognizing the importance of consistent water supply, the WTP has incorporated an emergency backup diesel generator to guarantee water supply during unforeseen power outages ensuring water treatment and distribution remain uninterrupted.

Groundwater Supply

The District also obtains water from the North American Groundwater Subbasin, colloquially known as "The North Basin", as part of its conjunctive water use strategy. Groundwater in the subbasin generally flows northeast towards a groundwater depression located just south of Sacramento-McClellan Airport. The North Basin covers an area of 548 square miles and is located under Sacramento, Placer, and Sutter Counties. It is considered a high-priority subbasin by the Sacramento County Groundwater Authority due to the high population relying on potable water drawn from it (Sacramento County, 2023). This subbasin is subject to the requirements of the State Groundwater Management Act (SGMA) since 2014 and is overseen by the Sacramento Groundwater Authority (SGA) which was established as a joint powers authority to oversee the North Basin of the Sacramento region covering the territories of several water providers, including CWD.

SGA adopted a groundwater sustainability plan (GSP) in December 2021 and the District worked with the SGA to develop the 2021 GSP as well as the 2014 Groundwater Management Plan (GMP). The District participated in both plans' development to incorporate informed sustainability decisions during development of the District's 2020 Urban Water Management Plan (Carmichael Water District, 2021). The plans analyzed the groundwater dynamics of the North Basin. It observed that groundwater levels were declining for about 40-50 years until the mid-1990s which created a cone of depression, with the lowest point approximately 40 feet below sea level, west of the District's reach. Post the mid-1990s, these levels showed signs of stability and increased in certain areas. Introducing new surface water sources to areas in the central North Basin that traditionally depended on groundwater contributed to the stabilization. Reliance on groundwater is expected to be higher during extended drought periods but increases in surface water accessibility will lead to consistent or increased groundwater storage. SGA estimates the basin's safe yield at 131,000 acre-feet annually.

By the start of 2022, SGA, alongside other Groundwater Sustainability Agencies (GSAs), began implementing the GSP aligned with the State Groundwater Management Act (SGMA) guidelines. The most recent annual report for

the subbasin includes a summary of the Cosumnes, South American, and North American Groundwater Subbasins Integrated Water Resources Model for groundwater extraction, which covers Water Year 2022. According to the model an estimated 300,200 acre-feet of water was extracted from the subbasin with a change in water storage of 3,638 acre-feet. 2022 was still classified as a “Critical” water year since 2021 saw a substantial change in storage (-134,200 acre-feet), and the additional water storage reported in 2022 was minimal. Reported groundwater extraction for 2022 was similar at 292,900 acre-feet (GEI, 2023). Reliance on a higher ratio of groundwater extraction was directly related to curtailment orders from the State Water Resources Control Board restricting the use of the American River surface water diversions. The easing of drought conditions in 2023 due to above average precipitation in both rain and snow at higher elevations will likely assist in the recharge of the aquifer as well as provided more available water for surface diversions.

CWD owns seven groundwater production wells. Five are currently active, with one on standby backup and one inactive. The former Dewey Well was destroyed and is no longer part of CWDs portfolio. During the years from 2010 to 2020, groundwater production fluctuated between 1,200 and 4,700 acre-feet (AF) and averaged 2,667.9 AF (Carmichael Water District, 2015). Looking ahead, the District envisions bolstering its groundwater extraction and storage capabilities, in order to better respond to changing climate patterns which may result in constraints on surface water supplies.

The total well production capacity of the District is approximately 5,790 gallons per minute (gpm) (8.4 MGD) and 25.59 acre-feet per day. Pumps are not operated continuously but rather as needed based on demand. This reduces overall operation costs and extends the lifetime of the equipment. During FY 2021-22, the District secured two grants to build one aquifer storage and recovery (ASR) well with subsequent state and federal funding for two additional wells that will allow for more volume of water storage that can be pumped into the North Basin in the future (Association of California Water Agencies, 2022).

Table 4: CWD Well Inventory

No.	Well Name	Design Capacity (gpm)	Status	Year Constructed	Age	Water Quality
1	Garfield Well	1500	Active	1946	77	Good
2	Willow Park Well	1440	Active	1993	30	Good
3	La Vista Well	1500	Active	1980	43	Good; periodic positive low levels of PCE
4	Winding Way Well	1350	Active	1959	64	Good; well scheduled for replacement
5	Barrett School Well	1300	Active	1992	31	Elevated Iron and Manganese
6	Barrett Road Well	NA	Standby	1989	34	Elevated Iron and Manganese
7	Ladera Well	1500	Inactive	1989	34	odor and taste problems

Source: (Carmichael Water District, 2015)

Current Groundwater Supply Projects

La Sierra Aquifer Storage & Recovery (ASR) Well: The La Sierra ASR Well Project is the District's proactive response to periodic curtailments of surface water supply from the American River due to prolonged and/or extreme drought conditions (Carmichael Water District , 2023). By diversifying its water supply portfolio, the District aims to store surface water during winter and utilize it during the dry summer months, enhancing its drought resiliency and sustainable groundwater management. The project site is strategically positioned near the Engle Road and Garfield Avenue intersection with connections to water mains. Construction commenced in 2023 and is estimated to be completed by 2025. The addition of this ASR well will bolster CWD's portfolio by providing a groundwater production capacity of 1,500 GPM, a recharge capacity of 750 GPM, and access to up to 1,200 acre-feet of banked groundwater. This move is pivotal in realizing the dual goals of building long-term resilience against droughts and minimizing the impacts of emergency response actions on the community.

Ladera Aquifer Storage and Recovery (ASR) Well: The proposed project involves rehabilitating the current well or constructing a new water supply well with ASR capabilities. This Ladera ASR well is designed to produce a maximum of 1,500 gpm and recharge up to 750 gpm. However, actual capacity will not be known until work is completed in mid-2024. The new well and improvements will be located within Schweitzer Elementary School's grass field area, at the existing CWD facility. The introduction of this new ASR well will enable the CWD to store water during normal and wet periods and utilize this stored water during droughts, thereby reducing reliance on the strained American River supply by up to 1,200 acre-feet per year during the peak demand season from May to October. Currently, the CWD operates five groundwater wells, each with both belowground and aboveground infrastructure, and the new well will follow a similar design (Carmichael Water District , 2023).

Winding Way Aquifer Storage & Recovery ASR Well: The Winding Water ASR Well Project is another step taken by the District to bolster its water supply in the wake of drought-induced curtailments. This initiative will enable surplus winter water storage for dry summer use, further aiding the District's ability to plan for drought and promote sustainable groundwater management.

The project encompasses the construction of a replacement Winding Way well with ASR capacity, capable of producing up to 1,500 gpm and recharging up to 750 gpm (Carmichael Water District , 2023). This project includes various infrastructural developments, including a fenced perimeter, site paving, motor pedestal, pump installation, and the erection of a small structure housing disinfecting solution and associated equipment. This ASR well will help the District achieve conjunctive use objectives, lessening the demand on the American River by up to 1,200 AFY when operated from May through October.

Aerojet GET LA & GET LB Facilities: Located at Ancil Hoffman Park and the Bajamont Treatment Plant respectively, these groundwater extraction and treatment (GET) facilities are owned and managed by Aerojet. Their purpose is to treat water to stringent standards, ensuring it meets all drinking water criteria. Treated water from GET LA was previously used to irrigate Ancil Hoffman Park but this operation ceased in 2021.

Distribution System

Water Storage & Distribution Facilities:

Table 5: CWD Tank Inventory

Tank	Capacity (gallons)	Year Constructed	Last Rehabilitation
La Vista Tank	3,000,000	1971	Rehabilitation underway
Dewey Tank	1,000,000	1967	1997

Source: (Carmichael Water District, 2015)

The Dewey Tank and Booster Pump Station: CWD prioritizes effective management and maintenance of its water tanks and booster pump stations. The Dewey Tank and Booster Pump Station, constructed in 1967 and subsequently rehabilitated in 1997, has a capacity of 1 million gallons (MG). During its rehabilitation, significant structural repairs were undertaken, including a recoating and the addition of a cathodic protection system. Most recent video inspection from 2023 indicated excellent interior condition, showing the tank may yet provide decades of service. The associated booster pump station, having undergone a complete reconstruction, is equipped with a modern backup power generation system. Although the booster pumps draw water directly from the tank, there is a limited bypass capacity and expanding the upper pressure zone service area has been suggested but may not be realized due to potential energy cost concerns.

La Vista Tank and Booster Pump: Constructed in 1971, this 3 MG capacity tank and its accompanying booster pump station are instrumental parts of the District's water distribution system. However, age has led to wear and tear, observed corrosion on the inner and outer portion of the tank combined with the pump station's operational challenges and maintenance cost necessitate the need for replacement and upgrades (Carmichael Water District, 2015). The District began the replacement work for this facility in 2021. The pump station's current configuration includes two electric pumps and a third, non-operational natural gas engine-driven pump that is inactive due to lack of replacement parts. Due to this the pumping capacity currently available is significantly less than the recommended level to optimally use the tank but peak demands can still be met through use of wells. CWD's Master Plan, prioritizes replacement of the old infrastructure with construction of a new 3 MG storage tank and booster pump station. The District plans not only for new water line piping and electrical conduits but also comprehensive exterior improvements. Phased demolition of the existing structures began in October 2021 with project completion anticipated by December 2024.

Piping System

CWD employs a diverse piping system, comprised of materials that span from steel pipes used before the 1950s to modern ductile iron pipes, which have become the District's standard (Carmichael Water District, 2015). The system's operational intent varies with the pipe size. Notably, the District's most substantial pipelines are dual 24-inch transmission mains connected directly to the Bajamont WTP. While these large mains are tasked with the bulk water transmission, smaller distribution mains are responsible for channeling water to service laterals, which in turn have finer diameter lines that extend from the mainline to individual service valves. The strategy for pipeline replacement zeroes in on both distribution and transmission elements. Concurrently, service laterals are encompassed within the Planned System Maintenance (PSM) initiative. A more comprehensive evaluation is underway concerning the strategy for their replacement, aligning with future meter retrofit plans. As per the operational guidelines, water transmission mains, designed to convey vast water volumes from the primary source to various District areas, are constructed to prevent potential service interruptions. They often run parallel to smaller distribution mains catering to localized service.

The District completed the Glenbrook Water Line Project in early 2023. Stemming from the District's Master Plan and Capital Improvement Plan, this initiative focused on parts of Glenbrook Lane, Mauer Ave, and several other key avenues and streets (Carmichael Water District , 2023). The project involved laying down new water lines and replacing or relocating specific water service connections.

The District maintains emergency connections with three water agencies: Fair Oaks Water District (FOWD), Citrus Heights Water District (CHWD), and Sacramento Suburban Water District (SSWD). These connections are primarily designed for emergencies and require manual valve operation for activation. Specifically, there's an 8-inch intertie with FOWD, a 6-inch intertie with CHWD, and three interties with SSWD - two 6-inch connections, and an 18-inch connection. If the SSWD connections are activated, customers would need notification about receiving fluoridated water.

Water Demand

According to data from the UWMP, CWD had a total water use of 9,191 acre-feet in 2020 including 990 AF of system loss (Carmichael Water District, 2021). The predominant use type for the District is single-family residential, which accounted for 5,400 acre-feet or approximately 62% of the total demand as illustrated in Table 6. When combined, residential water use, encompassing both single-family and multi-family, contributes to nearly 78% of the overall demand. The CWD 2023-2024 Shortage Assessment showed the highest use in summer months, especially July and August, which can be attributed to increased landscape irrigation and household use (Carmichael Water District, 2023).

Water demand data for the CWD between 2020 and 2023 shows that the District's total water consumption has remained stable, with a demand of 8,840 acre-feet in recent years. The District anticipates a "minor continued increase in water use over the planning horizon" with new developments in the Carmichael Area mainly consisting of multi-family residential units and Commercial/ Institutional mixed-use infill development (Carmichael Water District, 2021). The District projects net customer water use with distribution system water loss factored in to increase to 8,860 acre-feet by 2025. By 2030, this number slightly increases to 8,950 acre-feet. By 2035, the total water use is expected to reach 9,070 acre-feet, indicating a projected net increase of 2.4% per the UWMP underscoring a gradual rise in water consumption over the decade. However, with the recent adoption of water efficiency regulations, the projection is not likely to occur even with planned future developments.

Table 6: Water Demand for 2020

Use Type	Volume (acre-feet)	% of Total
Single Family	5,727	62%
Multi-Family	1,444	16%
Commercial/ Institutional	761	8%
Landscape Irrigation	269	3%
System Loss (Non-Revenue Water)	990	11%
Total	9,191	100%

Source: (Carmichael Water District, 2021)

Analysis of State Mandated Shortage Reports pursuant to Section 10632 of California Water Code (CWC) show CWD as possessing a total aggregate surplus water inventory of 205% in 2022 (California Department of Water Resources, Division of Regional Assistance Water Use Efficiency Branch, 2022) and 189% in 2023 (Carmichael Water District, 2023) underscoring the ability to meet projected demand based on development patterns, success of its conservation programs, resistance to prolonged drought and climate change, ability to increase groundwater storage, ability to accommodate future growth and shows its status as a net-exporter of water resources.

Water Quality

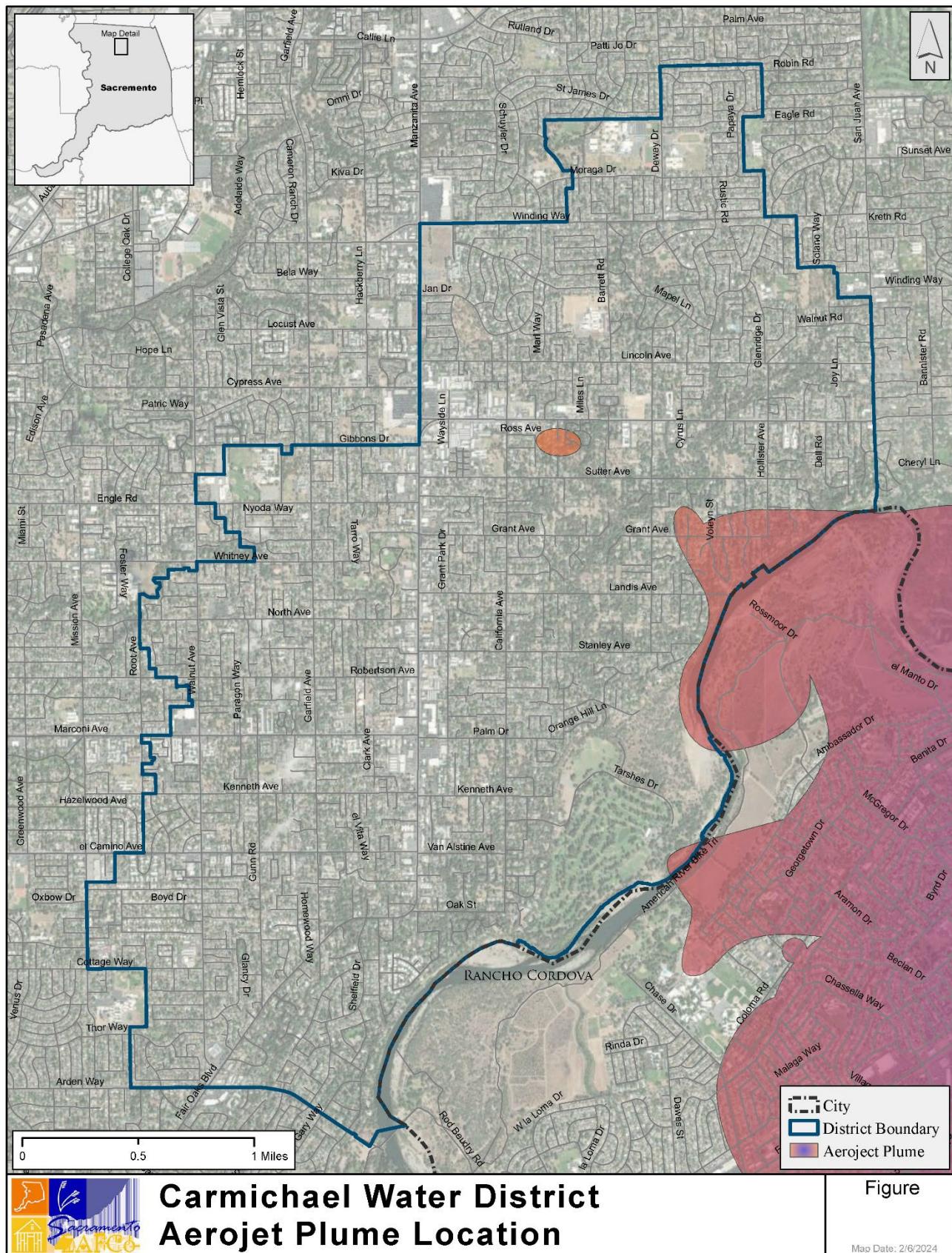
The Carmichael area faces significant environmental challenges due to the Aerojet groundwater contaminant plume. The plume was discovered in 2004 near Grant and Hollister avenues in Carmichael. Its origins stem from historical activities at the Rancho Cordova Aerojet and Cordova Chemical Company sites in Rancho Cordova, which led to N-Nitrosodimethylamine (NDMA), a potential carcinogen and byproduct of solid rocket fuel combustion, entering soil, groundwater and the air (Carmichael Water District, 2021). As a part of its ongoing water remediation program, Aerojet discharged treated water from its GET facilities into the river. According to the 2020 UWMP, the contaminant unexpectedly migrated northward from the Aerojet properties, compromising the surrounding area's groundwater in Rancho Cordova, Fair Oaks, and Carmichael. Addressing this complex and ongoing issue requires multifaceted cleanup plans for both groundwater and soil.

To prevent this contamination from reaching the District's water supplies, CWD signed a Memorandum of Understanding (MOU) in July 2005 to support Aerojet's groundwater remediation project to contain and remediate the plume. Since 2007, Aerojet has treated and discharged remediated water within the District in an effort to contain the plume. Approximately 1,680 af/yr of water was treated within the district during the 2020 UWMP reporting period. In 2020, one of Aerojet's groundwater treatment facilities, GET LA, met its clean-up goals and was taken out of operation.

During the 2014 and 2015 droughts, CWD purchased 2,501 acre-feet in 2014 and 2,169 acre-feet in 2015 of remediated groundwater from Aerojet to counterbalance its supply deficit in order to offset the curtailment order on CWD's appropriative surface water rights on the American River (Carmichael Water District, 2021). CWD diverted this water to its Bajamont WTP for customer distribution. The ongoing efforts showcase a commitment to ensuring safe and reliable water for the community amidst challenging environmental circumstances. The District, under Water Code Section 1010, counts the use of remediated water within its service area towards its water right licenses, ensuring protection of other water sources. This accounting safeguards the District's water assets, emphasizing the importance of considering remediated and reclaimed water in the place of traditional water sources for future demands.

A new contamination of regional concern is per- and polyfluoroalkyl substances (PFAS). This family of chemicals resist grease, oil, water, and heat and are used in hundreds of products including stain- and water-resistant fabrics, cleaning products, paints, and fire-fighting foams which are commonly used at airports (FDA, 2023). The long-term health effects of PFAS are still unknown and research is ongoing. Once PFAS enters the ecosystem it can migrate large distances and contaminate groundwater aquifers. Conventional water treatment that includes coagulation, filtration, and chlorination appears to be ineffective at removing PFAS. However, activated carbon treatment and other methods such as high-pressure membranes and ion exchange resin have had promising results (SWRCB, 2020). The District has sampled and monitored for PFAS with no detectable concentrations in both its surface water and groundwater sources.

Figure 5: Aerojet Groundwater Contamination Plume



Rates

CWD approved a new water rate schedule in January 2021, which took effect on January 2021 billing cycle and is be applicable until December 2025 (Carmichael Water District, 2021). This updated rate structure outlines a series of tiered increases for various meter sizes and customer types. For example, the monthly service charge for a 3/4" meter starts at \$35.05 as of January 1, 2023, and will rise to \$42.03 by January 1, 2025. The water usage rates start at \$2.06 per 100 cubic feet (CCF) in 2023 to \$2.47 per CCF in 2025. Monthly fire service charges per inch of diameter will increase from \$27.54 in 2022 to \$32.91 in 2025. This new fee schedule was instituted to address the operational and capital investment needs of the district, including asset maintenance, energy expenses, and personnel costs.

The District is predominantly metered but some flat rate accounts, less than 1%, do exist. Commercial flat rate accounts are charged at \$1,972 + \$319 per lot with a tiered increase depending on square footage starting at \$1,774 for lots 0-5,000 sq ft. Residential connections are charged based on connection size (Carmichael Water District, 2022). Metered accounts are charged a monthly base rate depending on size of the meter which starts at \$35.05 for a small residential connection (3/4") and then a flat rate of \$1.54 charge per 100 cubic feet (ccf) or 748 gallons. The full list of CWD rates for 2021 to 2025 is provided in Appendix A.

3.2 Other Service Providers

Water

Fair Oaks Water District

The Fair Oaks Water District (FOWD) serves as the primary water utility for the Fair Oaks community in California, covering an area of 6,053 acres and catering to approximately 37,000 residents. Governance for FOWD comes under a board of five directors, elected by those residing within the FOWD jurisdiction. Its water supply is a blend of treated surface water and groundwater. Notably, 90% of this supply is sourced from the San Juan Water District, drawing from the American River. The remaining 10% is derived from wells under FOWD's ownership. As noted previously, CWD has the capability to access emergency water supplies via its emergency interties with FOWD.

Citrus Heights Water District

The Citrus Heights Water District (CHWD) has provided water services to the community of Citrus Heights since 1920 covering regions of Citrus Heights, Fair Oaks, Orangevale, Carmichael, and Roseville. Geographically, CHWD manages a service line spanning 12.8 square miles, maintaining about 19,590 service connections within this expanse. A significant portion of CHWD's water supply is treated surface water, sourced from Folsom Lake. This procurement occurs under an agreement with the San Juan Water District. To complement this, CHWD also pumps water from its proprietary groundwater wells, ensuring a well-rounded supply. CHWD has emergency connections with the CWD. Strategic linkage allows CWD to tap into emergency water supplies when required, fortifying regional preparedness during crises.

Sacramento Suburban Water District

The Sacramento Suburban Water District (SSWD) serves the northeastern Sacramento region, encompassing areas on both sides of Highway 80 and north of Highway 50. This urbanized district encompasses diverse zones, including residential neighborhoods, commercial districts, industrial areas, and significant highway corridors. SSWD primarily draws its water from groundwater sources. SSWD is a public utility, overseen by the State of California Division of Drinking Water and subject to State Water Code regulations. Governance is vested in a five-member Board of Directors, each of whom is elected by the constituents of their respective division. The primary aim of SSWD is to supply high-quality water consistently while ensuring excellent customer service at the most reasonable water rate.

To fulfill its mandate, SSWD utilizes 71 operational groundwater production wells. They also hold contractual rights to 26,064 acre-feet from the City of Sacramento's water entitlement and an agreement allowing the purchase of

up to 29,000 acre-feet of surface water annually from the Placer County Water Agency. SSWD is responsible for approximately 625 miles of water mains, with many installed between the 1940s and 1950s. Their service area spans Arden/Arcade, Foothill Farms, and sections of Citrus Heights, Carmichael, Fair Oaks, North Highlands, Sacramento, Antelope, and the McClellan Business Park.

Golden State Water Company

The Golden State Water Company is a private utility regulated by the Public Utilities Commission and serves water to communities across California, including Artesia, Barstow, Bay Point, Bell-Bell Gardens, Claremont, Cordova, Culver City, Florence Graham, Norwalk, Orcutt, Placentia, San Dimas, Simi Valley, South Arcadia, South San Gabriel, Southwest, and West Orange. The area of Cordova covers a portion of the City of Rancho Cordova and the unincorporated community of Gold River, as well as the Nimbus Aquatic Center and the commercial area between Highway 50 and Nimbus Dam. The area has eight active groundwater wells, a connection to surface water supplies from the Folsom South Canal, an intertie to CWD to receive “replacement water,” two treatment plants, storage facilities, and a distribution network of 187 miles of pipelines divided into two pressure zones.

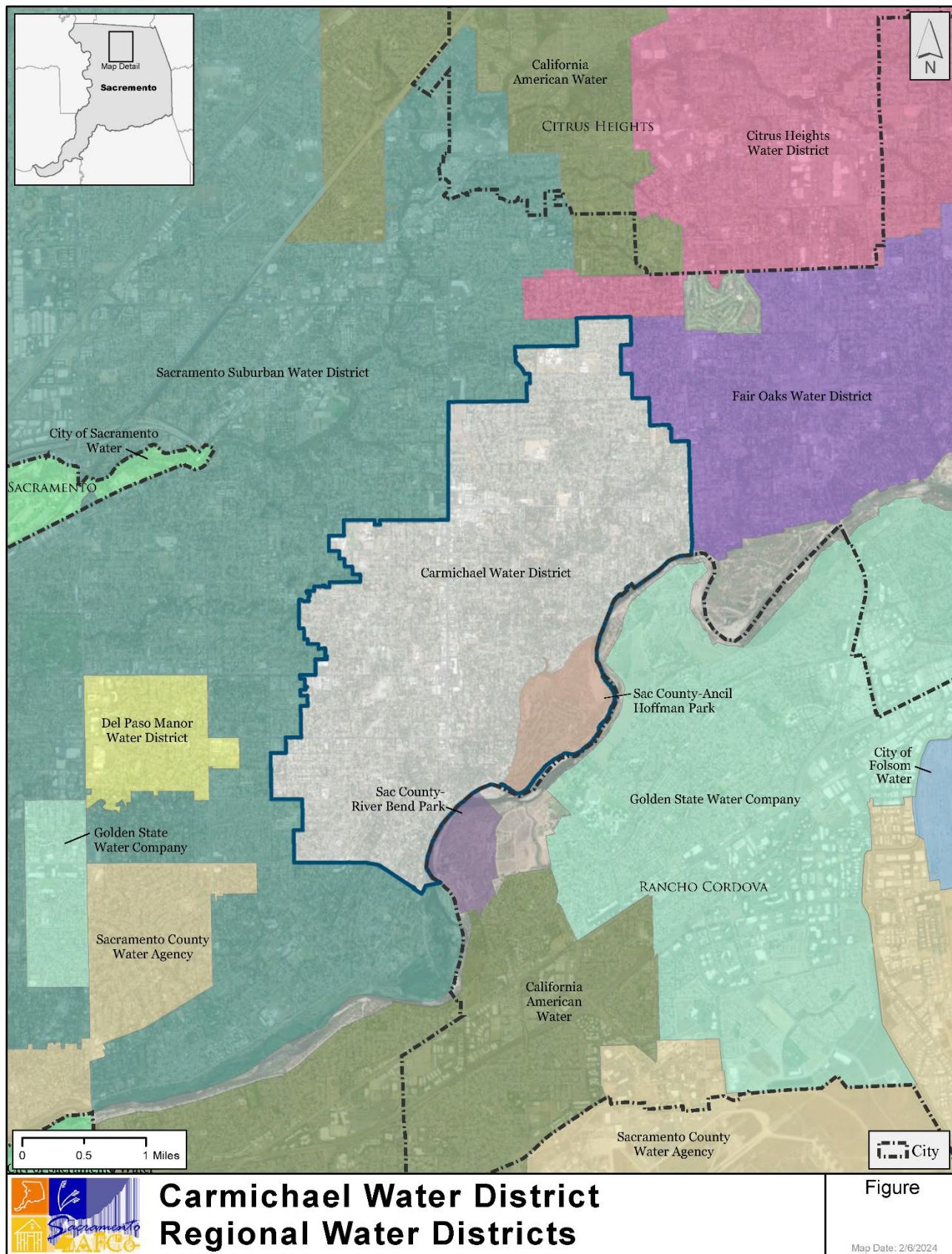
Sacramento County Water Agency

The Sacramento County Water Agency (SCWA) provides planning, development, facilities design, operations and management, and groundwater management services to Laguna Vineyard, Mather-Sunrise, Arden Park-Sierra Oaks, Hood, Northgate, and Southwest Tract. The planning services are responsible for identifying and developing long-term water supplies based on growth in the area. Development services include the review of civil and landscape improvement plans for negotiations with developers in relation to constructing water transmission mains. The staff is responsible for securing sites for wells, treatment plants, and storage facilities in line with the water supply master plan, improvement standards, and entitlement conditions, and to provide cost effective and efficient facilities. The Water Supply Design section oversees design and construction of surface and groundwater production, treatment, storage, and delivery systems for SCWA and other County-owned systems. The Water Supply Engineering and Regulatory section is responsible for regulatory compliance of the groundwater system and some components of the surface water system, engineering support to provide safe and reliable water delivery to customers of SCWA and County-owned water systems, and asset management determining long-term maintenance and financial health of its public water systems. SCWA participates with other local entities in groundwater management efforts in the four groundwater sub-basins in Sacramento County.

Del Paso Manor Water District

The Del Paso Manor Water District (DPMWD) provides water services to the community of Arden/Arcade located in the area generally bounded by Marconi Avenue, Cottage Way, Eastern Avenue, and Watt Avenue. Del Paso Manor is largely a residential area but also includes Country Club Plaza and other shopping centers on its western edge in addition to AT&T corporate offices located on Kings Way. The majority of homes in the area were constructed in the early 1950s, which led to the establishment of DPMWD in 1956. They utilize several wells to provide water to customers and have been monitoring groundwater contamination issues in the area.

Figure 6: Regional Water Purveyors



California American Water

California American Water, a private utility, serves many small communities across California. The communities nearest CWD are Antelope, Arden, Dunnigan, Fruitridge, Lincoln Oaks, Parkway, Security Park, Rosemont, and West Placer. California American Water provides water and wastewater services to their customers.

City of Sacramento

The City of Sacramento offers water, wastewater collection, and drainage services. Most of the City's water supply comes from surface water including the Sacramento and American Rivers. A small portion comes from a system of 28 groundwater wells. The City serves approximately 130,000 customers, providing 46 billion gallons of water each year (SSWD, 2021).

Fire Protection and Emergency Response

Sacramento Metropolitan Fire Department

The Sacramento Metropolitan Fire District (Metro Fire) provides fire suppression, emergency medical, and other public safety and hazard mitigation services to Citrus Heights, Rancho Cordova, most of the unincorporated area of Sacramento County, and a part of Placer County. Metro Fire employs a Fire Chief, three Deputy Chiefs, and has 717 authorized positions. Those positions include safety, prevention, and support personnel that provide all-hazard fire suppression and emergency medical services from 41 fire stations with 51 front line apparatus. They responded to 96,059 calls in 2019, with 68 percent being for medical aid. Metro Fire will routinely be deployed to local, state, and federal emergencies.

Wastewater

Sacramento Area Sewer District

Residential and commercial properties within CWD receive wastewater services from the Sacramento Area Sewer District (SASD) which provides wastewater services to urbanized, unincorporated areas of Sacramento County, the cities of Citrus Heights, Elk Grove and Rancho Cordova, parts of the cities of Sacramento and Folsom, and the delta communities of Freeport, Courtland, and Walnut Grove. SASD's main collection system includes over 3,100 miles of sewer pipelines ranging from 1.25 to 75 inches in diameter. Generally, sewer collectors get flow directly from individual homes and businesses. They are designed to carry less than one million gallons per day (gpd) of peak wet-weather flow (PWWF). The trunk sewers can carry 1 to 10 mgd of PWWF to the SASD Interceptor system. However, some SASD's current pipes can carry more than 10 mgd.

Wastewater is treated at the EchoWater Resource Recovery Facility (or EchoWater Facility) which can treat up to 181 million gallons per day. The plant produces a disinfected tertiary effluent that is discharged to the Sacramento River downstream from the community of Freeport. The principal treatment processes are primary sedimentation, pure-oxygen activated sludge, secondary sedimentation, tertiary filtration, and chlorination/dechlorination (SSWD, 2021).

Solid Waste Disposal

Solid waste disposal is currently provided to residential and commercial customers by multiple agencies including Sacramento Utilities and Waste Management.

4.0 GOVERNANCE & FINANCE

4.1 Governance

The District is an independent district served by a five-member Board of Directors that is elected to four-year staggered terms. Board meetings are held every third Tuesday of the month at 6:00pm. Meetings are held at the District Office located at 7837 Fair Oaks Boulevard in Carmichael. Remote participation is also available via Zoom video conference.

Table 7: Board of Directors

Board Member	Title	Term
Paul Selsky	President	2022-2026
Ron Greenwood	Vice President	2022-2024
Mark Emmerson	Director	2021-2024
Ronald Davis	Director	2020-2024
Jeff Nelson	Director	2022-2026

The CWD Board maintains several committees including two standing committees for Finance, and Drought and Water Use Efficiency, and two ad hoc Committees, the California Oregon Transmission Pipeline (COTP) and Sister Agency. The Carmichael Water District/Sacramento Suburban Water District 2x2 Committee Meetings are also held regularly though the day varies. Special Joint Board meetings involving full board attendance began in 2023 (Carmichael Water District & Sacramento Suburban Water District, 2023). Special Board Meetings occur less frequently and meet on an as needed basis and do not have standing meeting dates and times.

Staffing

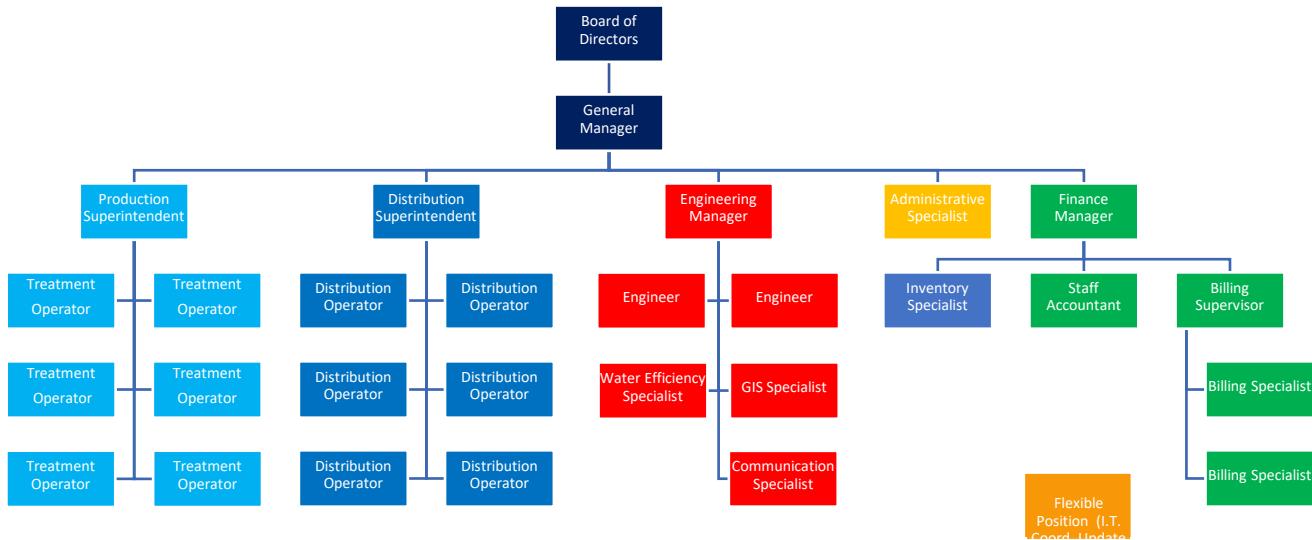
Table 8: District Staffing by Department

Position Category	Positions
Board of Directors	5
Admin Services	15
Production	7
Distribution	6
Total	33

The District currently employs 26 full-time employees and 1 part-time/special assignment employee. These positions are generally divided into three major departments including Administrative Services, Production and Distribution as shown in Figure 7 and Table 8.

Full-time employees are offered a full benefits package including medical, dental, vision and life insurances. The District also participates in the California Public Employee's Retirement System (CalPERS) 2% at 62 plan for new employees which takes effect immediately upon employment. Additional benefits include optional supplemental insurance plans, education reimbursement, employee assistance programs and medical insurance options upon retirement (CWD, 2023).

Figure 7: CWD Organizational Chart



Accountability and Transparency

The District maintains a website in accordance with SB929 regulations (carmichaelwd.org). Board agendas and notices are posted at the District office and online at least 72 hours in advance of scheduled Board meetings. Past meeting agendas dating back to 2019 are also available online along with information about the District's budgets, audits, rate studies and more. Ample information is made available to the public regarding District business and operations indicating a high level of District transparency.

District Awards

CWD has taken pride in establishing a safe workspace and promoting transparency throughout all aspects of operations and administration. The following is a list of awards the District has received over the past several years.

- The Government Finance Officers Association's (GFOA's)
 - Certificate of Achievement for Excellence in Financial Reporting Fiscal Year 2017/2018 through 2020/2021 and awaiting announcement for 2022/2023: CWD has consistently earned this esteemed award each time a Comprehensive Annual Financial Report (CAFR) was prepared. This accolade celebrates the pinnacle of government accounting and financial reporting.
 - Distinguished Budget Presentation Awards Program: CWD has earned this award since its first submittal beginning 2021/2022 fiscal year.
- Safety Center Incorporated's Excellence in Safety Award (2018): The CWD Safety Committee garnered recognition for devising and rolling out health and safety awareness programs.
- Integrated Water Resources Management Award (2017): The American River Pipeline Conveyance Project by CWD was nationally lauded for its exemplary display of Integrated Water Resources Management (IWRM).

Alternative Governance Structures

In 2020, the Carmichael Water District (CWD) and the Sacramento Suburban Water District (SSWD) participated in the Sacramento Regional Water Utility Collaboration Study, collaborating with five other regional water providers. Public 2x2 discussions between the Board of Directors for each District have taken place since July 2021 with the aim of increasing collaboration and further review of combination studies and reviewing public input. A business case analysis study between the districts concluded February 2023, recommending additional collaborations to optimize efficiency, reduce costs, increase water supply reliability and improve customer service (Carmichael Water District, 2023). The study delved into water industry and community trends, such as shifts in water demand, the necessity for rate affordability, regulatory adaptations and regional expansion needs. Additional topics covered included organizational structures, management, customer services, billing processes, staffing, water treatment operations, capital projects and finances of both districts. Following the study's completion, both CWD and SSWD's Boards of Directors deemed the report conclusive and assigned their respective teams to further analyze financial, technical, and operational aspects highlighted during the study's preliminary review.

In August 2023 CWD and the SSWD 2x2 committee meetings examined the viability of combining their districts based on prior discussions (Carmichael Water District & Sacramento Suburban Water District, 2023). These discussions were guided by various stakeholders, including legal counsel and representatives from the Sacramento LAFCo. A central focus was determining the most beneficial form that a combined district could take—either a new consolidated entity or a reorganization under one existing district.

During the October 11th 2x2 meeting governance considerations were put forth, such as the possibility of starting with an 11-member board, later phasing down to 5 or 7 members. Financial aspects, like potential election costs, estimated at around \$600,000, and the risks associated with voter approval, were closely evaluated. Operational matters, including division mapping and implementation costs, were also subject to rigorous discussion. The boards have committed to public and stakeholder engagement efforts (Carmichael Water District & Sacramento Suburban Water District, 2023). Public information workshops were conducted in June 2023 and January 2024. A comprehensive list of stakeholders for outreach was approved, and multiple fact sheets and documents for public education were distributed.

A Joint Board Meeting occurred on October 24, 2023 discussing combining Powers of Authority for a potential consolidated district and the recommendation of forming a County Water Agency for administrative flexibility. During this meeting, a "Draft Further Analysis of Combining Carmichael Water District and Sacramento Suburban Water District" was presented for review along with a draft resolution to consolidate both districts under the CKH Act of 2000 (Carmichael Water District & Sacramento Suburban Water District, 2023). Although the specific timeline for the LAFCo application process has not been formalized, there are several key steps to anticipate. After the boards agree on the resolution, the districts would proceed to submit an application to Sacramento LAFCo.

4.2 Financial Overview

CWD is primarily funded by customer fees for water service with additional funding coming from investments, grants, and other small sources. CWD does not receive any property taxes. The District annually adopts a budget for the fiscal year running from July 1 to June 30 in accordance with generally accepted accounting practices. As can be seen in Table 3, the District has increased expenditures for capital funding projects in order to update aging infrastructure and plan for overall system resiliency. However, this has resulted in a funding deficiency for three of the five years under review.

Table 9: Five Year Budget Summary

Category	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
Revenues					
Water Sales	12,117,735	12,723,622	14,285,000	13,871,000	14,530,000
Water service fees and charges	20,000	-	-	-	95,500
Other service fees	35,154	-	-	-	100,000
Grant revenue	-	-	-	3,075,000	3,430,000
Interest income	20,000	-	-	-	404,365
Miscellaneous	30,000	277,388	263,600	239,062	709,064
Facility fees	25,000	-	-	-	50,000
Outside boundary sales	2,397,681	2,743,536	2,565,000	3,604,125	1,324,022
Total Revenues	14,645,570	15,744,546	17,113,600	20,789,187	20,642,651
Expenses					
O&M	9,094,089	8,926,275	8,258,670	9,890,574	10,449,007
Capital	4,942,816	2,817,006	6,269,055	8,663,444	9,641,899
Debt Service	2,850,250	3,389,828	3,347,695	3,035,000	2,015,000
Reserve funding (uses)	-	-	-	-	(92,920)
Total Expense	16,887,155	15,133,109	17,875,420	21,589,018	22,412,986
Surplus/ (Deficiency)	(2,241,585)	611,437	(761,820)	(799,831)	(1,770,035)
Undesignated surplus funding source	-	-	-	-	1,770,035
Budget Balance	\$ (2,241,585)	\$ 611,437	\$ (761,820)	\$ (799,831)	\$ 0

The District also provides for regular audits of annual revenues, expenditures, debts, and other financial obligations. As seen in Table 9, the District's largest source of revenue (92-93%) comes from its water sales. The second largest source of revenue (29%) comes from treatment and water delivery. The largest single expense category for the District, is Administration and General which ranges from 24-37% and typically includes employee salaries and benefits. Pumping and treatment makes up 23-24% of the District's total expenses. The District regularly invests in capital improvement projects to ensure the pumping and distribution system is well maintained and functions efficiently.

Table 10: Five Year Summary of Net Position

Category	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Total Assets	76,351,858	77,175,739	96,066,060	98,250,659	100,882,893
Total Liabilities	27,426,563	25,567,814	42,453,262	40,222,383	38,163,701
Net Deferred Inflows/Outflows	2,133,202	1,788,831	1,452,970	930,545	499,629
Total Net Position	\$51,058,497	\$53,396,756	\$55,065,768	\$58,958,821	\$63,218,821
<i>Change from Previous Year</i>	<i>-</i>	<i>+2,338,259</i>	<i>+1,669,012</i>	<i>+3,893,053</i>	<i>+4,260,000</i>

Over five fiscal years, from FY 17-18 to FY 21-22, the District demonstrated steady financial growth and stability. Total assets increased from \$76.35 million to \$100.88 million. Total liabilities increased in FY19-20, but decreased steadily the following two fiscal years. Positive net deferred inflows/outflows in each year indicated a focus on long-term financial sustainability. The total net position, reflecting equity, consistently rose and reached \$63.22 million in FY 21-22, with a notable \$4.26 million increase from the previous year. This is largely due to scheduled rate increases that help support the District's Capital Improvement Program.

The vast majority of CWD assets consists of water pumping and distribution infrastructure, including \$35,392,519 in pumping plant assets, and \$66,800,007 in transmission and distribution infrastructure as of 2022. These assets underline CWD's commitment to maintaining a resilient and efficient water distribution system, to ensure

continued operation and service delivery. In addition, CWD's capital assets also include \$53,566,247 in net capital assets being depreciated, after accounting for accumulated depreciation of \$57,491,218, resulting in total net capital assets of \$59,523,688 as of 2022. This comprehensive portfolio reflects CWD's appropriate management and investment in essential infrastructure.

Table 11: Audit Summary

Category	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Operating Revenue					
Water Sales	10,859,913	11,392,509	12,279,163	13,331,681	13,846,204
Connection, Tap, and Other Fees	53,627	78,714	112,147	109,466	112,830
Water treatment and delivery charges	817,991	853,543	835,734	919,389	974,050
Total Operating Revenue	11,731,531	12,324,766	13,227,044	14,360,536	14,933,084
Operating Expenses					
General and Administrative	3,185,882	2,424,011	2,621,140	2,814,357	2,940,707
Transmission and Distribution	1,649,564	1,729,627	2,119,602	1,539,061	1,952,453
Pumping and Treatment	2,306,629	2,082,719	2,534,363	2,327,072	2,457,654
Depreciation and Amortization	2,337,538	2,344,652	2,285,472	2,250,686	2,121,368
Pension Expense Adjustment	-	514,216	718,394	683,775	56,963
Other Post-Employment Benefits	-	260,703	203,511	186,969	246,770
Water Treatment Membranes	-	90,300	291,130	163,018	359,788
Total Operating Expenses	9,479,613	9,446,228	10,773,612	9,964,938	10,135,703
Nonoperating Revenue (Expenses)					
Investment Income Earned	33,558	124,212	142,410	33,496	4,797,381
Other Revenue	21,857	59,585	35,650	144,599	18,373
Grant Revenue	-	-	-	-	159,992
Investment in Electrical Power Income	14,161	13,800	13,338	14,962	12,446
Reimbursements	13,723	43,234	48,895	41,707	29,653
Gain (Loss) on Disposal of Capital Assets	(25,406)	4,689	15,473	13,615	(11,328)
Interest expense	(905,671)	(850,121)	(1,237,820)	(869,994)	(842,833)
Total Nonoperating Revenues (Expenses)	(847,778)	(604,601)	(982,054)	(621,615)	(592,001)
Capital Contributions	39,229	64,322	197,634	119,070	54,620
Net Gain/(Loss)	1,443,369	2,338,259	1,669,012	3,893,053	4,260,000

Over the five fiscal years from FY 2017-18 to FY 2021-22, CWD exhibited notable financial trends. The District experienced consistent growth in its operating revenue due to water use proportional to population growth as discussed in Section 2.6. Water sales, the primary revenue source for the District, steadily increased from \$10.86 million to \$13.85 million consistent with rate adjustments. Connection, tap, and other fees also saw growth, rising from \$53,627 to \$112,830, potentially reflecting new development. Concurrently, water treatment and delivery charges exhibited a gradual increase, reflecting higher operational costs.

The District's total operating revenue for FY 2021-22 reached \$14.93 million, indicating financial stability and sufficient revenue-generating capacity. However, in terms of operating expenses, certain trends emerged. General and administrative expenses increased over the years, suggesting potential administrative growth or rising costs. While transmission and distribution expenses fluctuated, a significant increase in FY 2019-20 likely indicates investments in infrastructure or maintenance.

Total operating expenses amounted to \$10.14 million for FY 2021-22. Pumping and treatment costs remained relatively stable along with depreciation and amortization expenses. Pension and other post-employment benefits costs notably increased in FY 2018-19 due to net asset value market adjustments in the pension plans administered by CalPERS, alongside the District's increased financial obligations towards unfunded actuarial liability.

Total nonoperating revenues and expenses showed fluctuations but improved notably in FY 2021-22, due to investment gains and lower interest expenses. Additionally, capital contributions increased over the years, reflecting investments or grants into the District's infrastructure. Investment income earnings fluctuated, with a significant increase in FY 2021-22. Conversely, interest expenses fluctuated but remained substantial which impacts overall net income. These financial trends culminated in consistently positive net gains, with substantial increases in FY 2020-21 and FY 2021-22. This indicates sound financial performance, building financial reserves for future projects or contingencies.

Long Term Liabilities

Liabilities are financial obligations of the District that will become due at a future point in time. This includes capital improvement loans, pensions, accrued vacation time, bonds, and other such obligations. Long-term liabilities are financial obligations and/or debt that are ongoing and will not be due in full for periods longer than one year, or one operating cycle, such as pensions or capital improvement loans for water main repairs/replacements and well upgrades.

CWD has several long-term financial obligations that are typical of most agencies as of the latest Annual Comprehensive Financial Report. The 2019 Series A Certificates of Participation (COPs) were issued 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 (Carmichael Water District, 2022). The 2019 Series B COPs were issued to refund and decease the 2010 Water Revenue Refunding COPs. The Series A and Series B COPs have balances of \$16,510,000 and \$12,840,000 respectively, as of June 30, 2022, with the latter seeing a reduction of \$1,460,000 for debt service from the previous year. The unamortized premium associated with these COPs amounted to \$3,158,528 as of June 30, 2022. Other noncurrent liabilities include compensated absences, unearned lease revenue, net pension liability, and net OPEB liability, totaling \$3,361,100 (with an additional \$32,121 due within one year), a decrease from the previous year due to various adjustments. The debt service for the coming years is outlined with a total of \$29,350,000 in principal and \$10,464,746 in interest due through 2038. Additionally, CWD has entered into several lease agreements, one of which generated a lease revenue of \$1,414 for the years ended June 30, 2022, and 2021.

CWD is also a participant in the California-Oregon Transmission Project, a Joint Powers Authority (JPA) initiative of the Department of Energy, Western Area Power Administration, with a 0.069% equity interest. This involvement entitles CWD to an allocation of 1 MW (megawatt) of power and corresponds to certain financial obligations and benefits concerning the project's operations and results. The project's financial summary for the fiscal year ended June 30, 2022, illustrates a net position of \$223,040,940 with operating revenues and expenses resulting in an operating loss of \$6,557,453. CWD's share of the net position in the project is reported as \$143,934.

Capital Improvement Funding

CWD regularly plans for capital improvements. Their Capital Improvement Plan (CIP) outlines asset replacement recommendations for the next 50 years, from 2015 to 2065, based on the lifecycle of the District's standard ductile iron (DI) pipe, which has an assumed lifespan of 100 years (Carmichael Water District, 2015). Recognizing that long-term projections inherently carry uncertainties, the CIP is organized into three distinct periods:

1. A 10-year plan with specific projects, schedules, and quantifiable attributes.
2. A 25-year plan with general project suggestions and programmatic schedules, allowing for alternative project components.
3. A 50-year plan highlighting overarching impacts of major initiatives, with elements and schedules being conceptual.

The CIP encompasses elements such as production facilities, underground infrastructure, operation and maintenance, and programmatic components including storage funds and metering. This broadened perspective assists the Financial Business Plan in modeling rate effects and formulating fund and reserve policies. The CIP aligns with the business planning process, presenting multiple implementation options detailed in the Financial Business Plan.

The estimated cost of all projects included in the plan totaled \$238.7 million including \$10.8 million in existing bond debt. While not a financial obligation, having a CIP in place allows the District to prioritize projects and plan for adequate funding over the course of the plan. This helps keep the system in good working order so the District can provide high quality water to customers.

5.0 CWD MSR DETERMINATIONS

As set forth in Section 56430(a) of the CKH Act- In order to prepare and to update the SOI in accordance with Section 56425, the commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission. The commission shall include in the area designated for a service review the county, the region, the sub-region, or any other geographic area as is appropriate for an analysis of the service or services to be reviewed, and shall prepare a written statement of its determinations with respect to each of the following:

(1) Growth and population projections for the affected area

- a) The estimated 2020 population for CWD is 41,094. This is an increase of 9.6% from the 2010 estimated population of 37,500. Since the District is near full build-out and infill constraints exist, a more moderate growth rate of approximately 2.8% is anticipated from 2020 to 2030. This could result in a population of 42,249 by 2030 and a moderate increase in demand for services throughout the current CWD boundary.

(2) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence

- a) Several Census Designated Places in and around the District can be considered DUCs based on 2021 MHI estimates. This includes Arden-Arcade (MHI \$56,805), Foothill Farms (MHI \$57,810), McClellan Park (MHI \$27,500), and North Highlands (\$55,616).
- b) The DUCs identified in and around CWD are largely in developed areas with high densities of residential and commercial development. All of the DUCs currently receive water from either CWD or other area water providers, wastewater services from Sacramento Area Sewer District, and fire/emergency response services from Sacramento Metropolitan Fire Department.

(3) Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies

- a) CWD is a retail water provider with 11,700 connections. In 2020, the District reported a total demand of 9,191 AF. Approximately 78% of the total demand is attributed to residential uses.
- b) CWD has seven active groundwater wells with a combined pumping capacity of 8,590 gallons per minute. The District also has two surface water licenses and one permit for a total diversion rate of 50 cfs with a maximum annual diversion of 32,627 AF.
- c) Based on the District's current water supply from active wells and surface water diversions, and the 2020 annual demand of 9,191 AF, CWD has ample supply to meet current and future demands for water service.

(4) Financing ability of agencies to provide services

- a) The District currently adopts an annual budget and conducts annual audits in accordance with generally accepted best accounting practices and irrigation district law.
- b) Over the last five fiscal years reviewed, the District has seen an overall increase in their net position from \$51.1 million in FY 2017-18 to \$63.2 million in FY 2021-22.
- c) While the District adopts conservative budgets that at times show expenditures exceeding revenues, their annual financial statements have been positive over the last five fiscal years reviewed. According to the FY 2021-22 Annual Comprehensive Financial Report, CWD saw a net gain of \$4.2 million.

(5) Status of and, opportunities for, shared facilities

- a) CWD continues to coordinate with Sacramento Suburban WD on potential reorganization efforts. This may result in the establishment of a new water provider or annexation of one of the districts into the other.
- b) CWD previously worked with Aerojet to obtain water from their groundwater extraction and treatment (GET) facilities. This remediated water was used to irrigate Ancil Hoffman Park. However, this operation ceased in 2021.
- c) The District continues to participate in regional groundwater management efforts with other water suppliers in the area to help ensure sustainable groundwater use practices.

(6) Accountability for community service needs, including governmental structure and operational efficiencies

- a) CWD is governed by a five-member Board of Directors that meets regularly in accordance with Brown Act regulations. Board meetings are held in-person on the third Tuesday of the month at 6:00pm.
- b) There are two standing committees that focus on different aspects of district business including Finance, and Drought and Water Use Efficiency. These standing committees report to the full Board of Directors and provide recommendations as appropriate. There are also two ad hoc committees including the California Oregon Transmission Pipeline and Sister Agency committees.
- c) CWD maintains an active website that provides information on District business, Board meetings, and water services. Board and committee meeting agendas are posted at least 72 hours in advance of meetings in accordance with the Brown Act. The District also provides current financial information such as adopted budgets and Annual Comprehensive Financial Reports.

(7) Any other matter related to effective or efficient service delivery

- a) There are no other matters related to effective or efficient service delivery at this time.

6.0 CWD SOI DETERMINATIONS

In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development of local governmental agencies to advantageously provide for the present and future needs of the county and its communities, the commission shall develop and determine the sphere of influence of each local agency, as defined by G.C. Section 56036, and enact policies designed to promote the logical and orderly development of areas within the sphere. In determining the sphere of influence of each local agency, the commission shall consider and prepare a written statement of its determinations with respect to the following:

(1) Present and planned land uses in the area, including agricultural and open-space lands.

- a) The area in and around CWD is highly urbanized. The predominant land use type is Low Density Residential (83.5%) followed by Transit-Oriented Development (10.7%). As the area is largely built-out and there are limitations on infill potential, it is unlikely there will be a substantial increase in demand over the next five to ten years. However, the potential for increased density through development of ADUs or other housing types could lead to a moderate increase in demand for water service.

(2) Present and probable need for public facilities and services in the area.

- a) The region is densely populated and continues to experience growth. As such, there is an existing and continued need for water services.

(3) Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

- a) CWD maintains seven active wells and has several surface water rights in place which allows the District to operate a conjunctive use program. This allows the District to rely on surface water in normal to high precipitation years and reduce well production so that the groundwater basin may recharge overtime.
- b) CWD faces challenges from groundwater contamination including the larger Aerojet plume that has migrated into the District's boundary. However, due to active monitoring and remediation programs, in addition to the District's primary use of surface water, CWD's water quality remains good and there are no pressing contamination concerns.

(4) Existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

- a) Three cities are located within or in close proximity to CWD including Sacramento, Citrus Heights, and Rancho Cordova. These cities and the surrounding unincorporated areas provide numerous employment and housing opportunities. The City of Sacramento is also the state capital and is the headquarters for numerous state agencies which employ thousands of people who likely seek residences in the greater Sacramento region.

(5) For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere.

- a) The CWD SOI is coterminous with its jurisdictional boundary. There are currently no proposed changes to the CWD SOI. However, any potential future annexations and/or reorganizations will require a SOI amendment.

APPENDIX A

CARMICHAEL WATER DISTRICT CURRENT RATES AND FEES

Water Rates

Water Rate Schedule

Current water rate schedule approved on December 14, 2021 – Effective January 1, 2022

Water Rates Structure for January 1, 2022 – December 31, 2025

Effective Dates	Jan. 1, 2022	Jan. 1, 2023	Jan. 1, 2024	Jan. 1, 2025
Water Usage Rates (In CCF)				
All Customer Type Water Use	\$ 1.88	\$ 2.06	\$ 2.26	\$ 2.47
Monthly Service Charge				
3/4" meter	\$ 32.01	\$ 35.05	\$ 38.38	\$ 42.03
1" meter	\$ 50.14	\$ 54.90	\$ 60.12	\$ 65.83
1 1/2" meter	\$ 95.46	\$ 104.53	\$ 114.45	\$ 125.33
2" meter	\$ 149.84	\$ 164.07	\$ 179.66	\$ 196.73
3" meter	\$ 276.73	\$ 303.02	\$ 331.80	\$ 363.33
4" meter	\$ 458.00	\$ 501.51	\$ 549.15	\$ 601.32
6" meter	\$ 911.18	\$ 997.74	\$ 1,092.53	\$ 1,196.32
8" meter	\$ 1,455.00	\$ 1,593.22	\$ 1,744.58	\$ 1,910.31
Condominium Living Units	\$ 32.01	\$ 35.05	\$ 38.38	\$ 42.03
MF Living Units w/Separate Meter	\$ 32.01	\$ 35.05	\$ 38.38	\$ 42.03
Monthly Fire Service Charges				
Per Inch of Diameter	\$ 25.06	\$ 27.54	\$ 30.05	\$ 32.91

Notes:

(1) Water Usage = CCF = 100 cubic feet = 748 gallons

(2) Multi-Family includes duplexes, triplexes, fourplexes, and apartment complexes

Water Shortage Surcharge Rate Structure

The following water shortage rate surcharges are applied as a percentage increase to the water usage rates in effect if and when a water shortage is declared by the District's Board of Directors. The fixed monthly service charges would be unaffected by the rate surcharges. Any implementation of a water shortage surcharge would be temporary, lasting only during the period of water shortage. Under the water shortage surcharges, customers achieving required water use reduction goals may have lower water bills than they would have with normal water rates and normal water usage. Customers that don't meet water use reduction goals may see higher water bills. The table below presents the proposed water shortage rate surcharge percentages and illustrates how they would apply to the proposed water usage rate for January 2021. The same surcharge percentages would apply to any water usage rates as they may be adopted in subsequent years for normal supply conditions.

Water Shortage Surcharge							
Normal Supply Conditions							
	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6	
Use Reduction Goals	None	0% - 10%	10% - 20%	20% - 30%	30% - 40%	40% - 50%	50% - 60%
Water Shortage Usage Rate Surcharge	n/a	n/a	5%	15%	20%	25%	30%

APPENDIX B

ANNOTAED REFERENCES

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January 19, 2024

VIA ELECTRONIC MAIL TO:

SacDeltaComments@waterboards.ca.gov (without attachments)
and VIA FTP SUBMITTAL (per email exchange)

Courtney Tyler
Clerk to the Board
State Water Resources Control Board
P.O. Box 100
Sacramento, California 95814-0100

Re: Regional Water Authority
Comment Letter – Sacramento/Delta Draft Staff Report

Dear Ms. Tyler:

The Regional Water Authority ("RWA") appreciates this opportunity to submit comments on the State Water Resources Control Board's September 2023 "Draft Staff Report/Substitute Environmental Document in Support of Potential Updates To The Water Quality Control Plan For The San Francisco Bay/Sacramento-San Joaquin Delta Estuary for the Sacramento River and Its Tributaries, Delta Eastside Tributaries, and Delta." Consistent with the November 14, 2023 "Revised Notice of Availability and Opportunity For Public Comment, Hearing, and Staff Workshops on the Potential Sacramento/Delta Updates," these comments are being submitted to you on behalf of RWA and the following individual agencies / municipal water suppliers within the American River region: Carmichael Water District, El Dorado Irrigation District, Fair Oaks Water District, Golden State Water Company, Placer County Water Agency, Sacramento County Water Agency, Sacramento Suburban Water District, San Juan Water District, City of Folsom, City of Roseville, and City of Sacramento

Based on our reading of the Draft Staff Report (DSR), we understand the proposed Plan amendments include an Inflow Objective described as a percentage of unimpaired flow with an adaptive range of 45% - 65 % and a default of 55%, and a Cold Water Fisheries Objective.

These comments address those Plan amendments as well as aspects of the related Draft Staff Report.

RWA is a joint powers authority representing two dozen water providers and affiliates in the greater Sacramento region. Its members include cities, water and irrigation districts, mutual water companies, investor-owned water utilities and community services districts. RWA's mission is to improve water supply reliability, availability, quality and affordability for its members. RWA is recognized as a leader for its integrated and collaborative approach in promoting effective management of this region's water resources and supporting a sustainable environment, healthy communities, a vibrant economy, and water supply reliability and resilience.

RWA's members have a long history of implementing habitat and flow measures in a complimentary manner to improve conditions for the cold water fishery in the Lower American River. Many RWA members participate in the Sacramento Water Forum and are signatories to the Water Forum Agreement, which serves co-equal goals to: (1) provide a reliable and safe water supply for the region's economic health and planned development through 2030; and (2) preserve the Lower American River's fishery, wildlife, recreational, and aesthetic values.

To that end, RWA members worked with the Water Forum to develop the 2017 Modified Flow Management Standard ("MFMS"), the essential temperature and flow components of which are incorporated into the 2019 Biological Opinion of the National Marine Fisheries Service ("2019 NMFS Biological Opinion") governing the long-term operations of the Central Valley Project and the State Water Project. The 2017 MFMS is implemented cooperatively through a Memorandum of Understanding between the Water Forum and Reclamation; this means that the American River region already has an operational and functional flow regime designed to protect the cold water fishery in the lower American River. (See Weaver, J., "Minimum Flows," Attachment 9.) Reclamation and the Water Forum also cooperate to fund and undertake habitat restoration and construction projects in the river, which have a long-proven track record of success.

Understandably, RWA's members are particularly concerned about the Plan amendments' potential impacts on Folsom Reservoir and the lower American River. As set forth in more detail below, the Draft Staff Report ("DSR") indicates the Plan amendments would not only increase summer and fall temperatures in the Lower American River but also deplete water supplies upon which our municipal water suppliers rely, thereby causing multiple direct and indirect impacts. Decades of research confirm that temperatures in the Lower American River are the key limiting factor for steelhead, which, as noted above, are protected under the federal Endangered Species Act. Actions that reduce cold water pool at Folsom Reservoir are, therefore, concerning to our members. Likewise, our members are troubled by the impacts the Plan amendments would have on municipal water supplies and the resulting challenges this will present for regional economic development and construction of needed housing units. Each of these issues is addressed in more detail in the comments included below.

1. The Draft Staff Report's Discussion of the Plan Amendments Is Not Adequate to Satisfy CEQA

A. As Confirmed by the Draft Staff Report's Temperature Modeling, None of the Unimpaired Flow Scenarios Constitutes a Feasible Project Because They All Deplete the Reservoirs' Cold Water Pools and Therefore Cannot Be Implemented without Violating the NMFS Biological Opinion

None of the unimpaired flow scenarios is feasible because none of them is capable of being implemented consistent with the terms of the Incidental Take Statement in the 2019 NMFS Biological Opinion. The DSR discloses that all of the unimpaired flow scenarios would result in temperatures that exceed 69°F (7DADM) at Watt Avenue. (DSR, at p. A6-406.) While the temperatures would be much worse with the higher scenarios, such as 75% or 65%, even the lowest range evaluated (35%) would exceed 69°F (7DADM) at Watt Avenue. (DSR, at p. A6-406.)

Under CEQA, an alternative that is not "capable of being accomplished in a successful manner within a reasonable period of time, taking into account . . . legal . . . and [other specified] factors" cannot be deemed "feasible." (See State CEQA Guidelines, Cal. Code Regs., tit. 14 ("State CEQA Guidelines"), § 15364 [defining "feasible"].) The Draft Staff Report acknowledges that the 2019 Biological Opinion is an applicable legal requirement imposed on the water operations of the federal Bureau of Reclamation and on certain aspects of the water operations of the State Water Project. (DSR, at pp. A1-4, 1-16, 6-5 to 6-6.)

One of the species covered by the 2019 NMFS Biological Opinion is California Central Valley steelhead, a coldwater salmonid species which inhabits the American River. For this species, the 2019 NMFS Biological Opinion treats temperature as a surrogate for "take" because "Reduced survival is anticipated at temperatures at or above 68°F." (2019 NMFS BiOp, Attachment 10 at p. 805.) Consequently, the 2019 Biological Opinion includes the following term to protect California Central Valley steelhead on the American River:

The ecological surrogate to define the amount or extent of take of CCV steelhead juvenile life stage is daily average temperature at Watt Avenue May 15 to October 31. The anticipated level of take will be exceeded if temperatures at Watt Avenue exceed 68°F from May 15 to October 31 for more than seven consecutive days [7DADM] unless it is a critical year based on the Sacramento Valley index or a year following one or more critical years. In critical years, and years immediately after a critical year, anticipated level of take is exceeded if temperature exceeds 68°F at Hazel Avenue.

(2019 NMFS BiOp, Attachment 10, at pp. 805-806.)

Under the federal Endangered Species Act, the Incidental Take Statement of a biological opinion "constitutes a permit authorizing the action agency to 'take' the endangered or threatened species so long as it respects the Service's 'terms and conditions.' The action agency is technically free to disregard the Biological Opinion and proceed with its proposed action, but it does so at its own peril (and that of its employees), for 'any person' who knowingly 'takes' an endangered or threatened species is subject to substantial civil and criminal penalties, including imprisonment. See [Endangered Species Act, 16 U.S.C.] §§ 1540(a) and (b) (authorizing civil fines of up to \$ 25,000 per violation and criminal penalties of up to \$ 50,000 and imprisonment for one year). . . ." (*Bennett v. Spear* (1997) 520 U.S. 154, 170.) Consequently, Reclamation's employees must comply with the terms of the 2019 NMFS Biological Opinion's Incidental Take Statement, or they will put themselves at risk of violating the law. It is legally infeasible for Reclamation to operate Folsom Dam in a manner that "disregards" these terms of their Incidental Take permit.

As shown by the DSR's temperature modeling results, all of the unimpaired flow scenarios would result in temperatures at Watt Avenue that are higher than 69°F on a seven-day average daily maximum (7DADM). In other words, all the unimpaired flow scenarios, from 35% to 75%, would exceed the 68°F 7DADM set as the upper temperature bound by the 2019 NMFS Biological Opinion's Incidental Take Statement. Thus, the proposed Plan amendments (with a range of 45% - 65% unimpaired flows), the Low Flow Alternative (with a range of 35% – 45% unimpaired flows), and the High Flow Alternative (with a range of 65% - 75% unimpaired flow) would all violate the terms of the 2019 NMFS Biological Opinion's Incidental Take Statement. Accordingly, each of these proposals is legally infeasible.

B. None of the Unimpaired Flow Scenarios Is Capable of Satisfying the Stated Project Objective of Providing Cold Water Habitat for Fish

Alternatives must be capable of feasibly attaining most of the basic objectives of the project. (*We Advocate Thorough Envtl. Review v. Cty. of Siskiyou* (2022) 78 Cal.App.5th 683, 691; *Save Our Access etc. v. Watershed Conservation Auth.* (2021) 68 Cal.App.5th 8, 32.) For this reason, the lead agency's statement of project objectives defines the scope of the alternatives to be analyzed in the EIR. (*The Flanders Found. v. City of Carmel-by-the-Sea* (2012) 202 Cal.App.4th 603, 623 ["The entire purpose of the alternatives section in an EIR is to consider environmentally superior alternatives that would 'accomplish most of the project objectives.'"]); State CEQA Guidelines, § 15124 [lead agency must use statement of project objectives to define the scope of alternatives to be analyzed in the EIR]; *see also ibid.* at 15126.6, subd. (c) [alternatives that fail to "feasibly accomplish most of the basic objectives of the project" are not properly included in the range of reasonable alternatives analyzed by the lead agency].)

The DSR defines the "project objectives" to include "Cold water habitat provisions that would require reservoirs to be operated in a manner that provides needed cold water habitat for salmonids or other measures to provide cold water habitat." (DSR, at p. 7.1-1; *see also* DSR, at

p. 7.24-52 [primary purpose of the project is to improve and protect fish and wildlife beneficial uses].)

As noted above, in addition to the proposed Plan amendments (with an unimpaired flow range of 45% - 65%), the DSR considers a Low Flow Alternative with a range from 35% - 45% of unimpaired flow and a High Flow Alternative with a range from 65% - 75%. None of these three alternatives is capable of meeting the stated project objective of providing habitat for cold water fish.

As shown above, the analysis included in the appendices to the DSR confirms that, on the American River, even a 35% unimpaired flow release would actually reduce available cold water habitat for the fish in the stream during the summer and fall. The temperature modeling results for the American River also show that implementation of the Plan amendments at 55% of unimpaired flow would significantly increase the amount of time that lower American River water temperatures exceed temperature standards for juvenile steelhead. (DSR, p. 7.6.2-12, Appendix A6, Tables A6-208, A6-210 to A6-213.) Since steelhead rear in the river year-round (as the DSR acknowledges in Appendix A6 and elsewhere), the increased summer and fall temperatures impair cold water fish habitat.

Both the Draft Staff Report and the Delta Flow Criteria Report recognize that carryover storage is needed to maintain cold water habitat, and that "it may not be possible to attain all of the identified flow criteria in all years and maintain adequate storage for temperature management for the various runs of Chinook salmon and other sensitive species" such as steelhead. (DSR, at p. 7.24-24 – 7.24-25.)

The DSR acknowledges the undisputed scientific fact that release of unimpaired flows in the winter and spring months will interfere with development of the cold water pool in many reservoirs:

The Delta Flow Criteria Report acknowledged that the identified flow criteria should be tempered by the additional need to maintain cold water resources in reservoirs on tributaries to the Delta until improved passage and other measures are taken that would reduce the need for maintaining cold water supplies in reservoirs. . . . Without adequate carryover storage, there would be significant challenges in maintaining suitable downstream water temperatures to support native cold water fish species such as Chinook salmon and steelhead.

Temperature modeling results presented in Appendix A6, *Water Temperature Modeling and Fish Assessment for the Sacramento, Feather, and American Rivers*, specifically suggest significant challenges in maintaining suitable water temperatures on the Sacramento, Feather, and American Rivers under the High Flow Alternative.

(DSR, at p. 7.24-26.) The DSR even admits that the unimpaired flow regime could pose particular challenges for managing Folsom Reservoir operations: "[S]ome valley floor reservoirs that are subject to more heating and have other challenging temperature management characteristics, such as Camp Far West, Folsom, New Bullards Bar, and Camanche, could particularly be impacted by higher instream flow requirements and the ability to maintain cold water supplies, while still providing for water supplies for other uses." (DSR, at p. 7.24-28.)

In fact, these results reflect laws of physics which simply cannot be overcome. Simply put, inflows to Folsom Reservoir are colder in the winter and early spring than they are in the summer and early fall. The proposed Plan amendments would release large volumes of water in the late winter and early spring. *See, e.g.*, DSR, at p. 7.24-27 ["[T]he new instream flow requirements necessitate bypassing reservoir inflow during the winter and spring runoff period. . ."]. If large volumes of water are released in winter and early spring, much of the cold water will be lost. If the cold water from winter and early spring is not stored, Folsom will not have a cold water pool sufficient to maintain juvenile steelhead or fall-run Chinook salmon that are in the system holding through the warm summer months, nor will it be able to support suitable fall and winter temperatures for salmon and steelhead spawning. Successful fall spawning is especially dependent on suitable water temperatures provided by carried over cold water storage from the previous water year. (*See "Reservoir Coldwater Pool Development and Utilization", Attachment 11.*)

Thus, in 2021, when actual releases from Folsom Reservoir averaged 55% of unimpaired flow from February through May, the volume of cold water remaining was not sufficient to provide suitable temperatures for cold water fish through the summer months. (*See id.*, Attachment 11.) By June 2021, temperatures at Watt Avenue were over 70°F; they remained above 70°F through nearly the end of September. (*Id.*) This actual data is entirely consistent with the results of the DSR's temperature modeling, which predicts that even the 35% unimpaired flow releases would result in temperatures exceeding the 68°F 7-day average daily maximum (7 DADM) threshold set by the 2019 NMFS Biological Opinion.¹ (*See Section 1.A, above.*)

Since the Plan amendments, High Flow Alternative and Low Flow Alternative all impair cold water fish habitat on the American River, none of these alternatives can be found capable of meeting the stated project objective to "provide[] needed cold water habitat for salmonids. . . ." (*See DSR, at p. 7.1-1.*) And because CEQA requires valid alternatives to be capable of attaining

¹ Unsurprisingly, this data is also consistent with the modeling that the Water Forum performed in 2015, which became the basis of the 2017 Modified Flow Management Standard. That technical report considered a "high flow" alternative to determine whether it would improve conditions for the cold water fish in the lower American River, but rejected it due to the fact that high outflows would deplete the cold water pool and elevate temperatures to a point where they were not suitable for steelhead spawning and rearing in the river. (The Water Forum, "The Lower American River Modified Flow Management Standard: A Drought Buffer for the Environment and Local Water Supplies," (2015) included as Attachment 17, at p. iv.)

most of the basic objectives of the project, none of these alternatives is properly included in the DSR. (See *We Advocate Thorough Envtl. Review*, *supra*, 78 Cal.App.5th at p. 691; *Save Our Access etc.*, *supra*, 68 Cal.App.5th at p. 32; State CEQA Guidelines, § 15126.6, subd. (c).)

C. The Modeling Used to Analyze the Temperature Impacts of the Objectives Improperly Presents Results That Incorporate Mitigation Intended to Reduce Temperature Impacts, Thereby Failing to Disclose the Full Scope of the Effects

The EIR must disclose the full magnitude of the project's impacts before imposing mitigation that reduces them. (*Lotus v. Dep't of Transportation* (2014) 223 Cal.App.4th 645, 657-658.) When mitigation is incorporated into the analysis of the proposed project's impacts, the result is a "structurally defective" EIR. *Id.* at 657. If the environmental document "fail[s] to discuss the significance of the environmental impacts apart from the proposed 'avoidance, minimization and/or mitigation measures,'" it necessarily "fail[s] to consider whether other possible mitigation measures would be more effective." *Id.*

The DSR's temperature modeling violates this disclosure requirement of CEQA. The temperature modeling results do not disclose the impacts of the Plan amendments absent the carryover storage targets and buffer pools; all the temperature modeling assumes not only the instream flow releases but also carryover storage targets and buffer pools. Thus, the DSR has improperly confused the analysis of the project's temperature impacts with the measures the State Board proposes to employ to mitigate those impacts. "[T]his shortcircuiting of CEQA requirements subverts the purposes of CEQA by omitting material necessary to informed decisionmaking and informed public participation. It precludes both identification of potential environmental consequences arising from the project and also thoughtful analysis of the sufficiency of measures to mitigate those consequences." (*Lotus*, *supra*, 223 Cal.App.4th at p. 658.)

D. The Draft Staff Report Fails to State an Adequate Project Description and Consequently Fails to Analyze the Full Scope of the Impacts of the Plan Amendments

As set forth in greater detail in the comments submitted by the Northern California Water Association ("NCWA"), the DSR fails to state an adequate project description for the Plan amendments because the proposed Objectives are so vague, and the DSR attempts to reserve so much undefined discretion to the State Board and its staff in how they would be implemented, that the scope of the project is unclear. And as a result, the DSR does not adequately analyze the impacts of implementing the Plan amendments, even under the more lenient standards applicable to program EIRs.

The DSR's discussion of how the Plan amendments will impact municipal water supplies in the Sacramento region amply illustrates these defects. The DSR indicates that, within the Sacramento River watershed, 58% of the municipal water supply derives from Sacramento/Delta

streams that would be subject to the Plan amendments. (DSR at p. 7.20-26, Table 7.20-4.) But the magnitude of the water supply impacts to the region cannot be discerned from the DSR based on the project as described. The Inflow Objective proposed as part of the Plan amendments is stated as a default of 55% of unimpaired flow with an "adaptive range" from 45% to 65%.

The wide variation included within this range makes it unclear how the project will be implemented, which in turn makes us unsure what the impacts of the project on regional water purveyors actually will be. With the "adaptive range," the State Board staff could decide in February of any given year whether to require 45% or 65% of unimpaired flows, or any point in between. As the DSR indicates, the "average" water supply reductions, in acre-feet, to municipal water suppliers in the Sacramento watershed would be 29,000 acre-feet under the 45% scenario, 52,000 acre-feet under the 55% scenario, and 83,000 acre-feet under the 65% scenario. Thus, on average, municipal water suppliers within the Sacramento region would be facing water supply deficits of 29,000 acre-feet to 83,000 acre-feet – but they would not know which scenario they faced until the State Board decided which range to apply.

Table 7.20-9 highlights the difficulties that this situation could pose for municipal water suppliers in the Sacramento region under different types of hydrology. This table reads, in pertinent part, as follows:

Year Type	Baseline	35%	45%	55%	65%	75%
Critical	456	-59	-76	-88	-116	-126
Dry	473	-18	-46	-80	-104	-115
Below normal	482	-5	-21	-55	-92	-114

(DSR, at p. 7.20-32.) Thus, in a critically dry year, when water supplies are most tight, water suppliers in the Sacramento region would not know until February whether they would be facing a deficit of 116,000 acre-feet or 76,000 acre-feet, based on the State Board's discretionary decision. In dry years or "below normal" years, the volume differences would be even greater – 58,000 acre-feet and 71,000 acre-feet, respectively.

This 40,000 acre-foot, or greater, difference would be imposed at the discretion of State Board staff without any governing standards or criteria. To put this volume of water in context to show how much it would affect regional municipal supplies, the City of Roseville serves a population of more than 140,000 people for one year with about 39,172 acre-feet (35,353 acre-feet of potable, raw, and other non-potable water and 3,819 acre-feet of recycled water).² (City of Roseville 2020 Urban Water Management Plan, pp. 3-7, 4-10, included as Attachment 4.) In other words, the Inflow Objective is written so loosely that it gives the State Board discretion to

² This figure reflects "unconstrained demand," which is the amount of demand without any water supply or usage restrictions but with conservation practices imposed on new construction. (City of Roseville 2020 Urban Water Management Plan, Attachment 4, p. 4-10.)

decide, at the beginning of the year, whether to increase that year's municipal water supply deficit by an amount sufficient to leave *an entire city* without water.

Moreover, as noted in the MBK Report submitted with the NCWA comments, the DSR fails to conduct any multi-year drought analysis, so there is no evaluation of the cumulative impacts to municipal water supplies that would result from multiple dry years occurring back-to-back. In the American River region, this error is further compounded because SacWAM appears to significantly overstate the level of existing surface water diversions, which disguises the magnitude of the surface water reductions that the region would experience under the 55% UIF scenario. (Weaver, J., "Water Supply," Attachment 19.)

Including multi-year drought analysis is crucial because, for some water users in the American River region, the SacWAM modeling results include some results that appear to be counter-factual and suggest serious challenges with the ability to withstand prolonged dry periods. For example, the City of Folsom has a very senior surface water right dating back to the 1850s, and, as indicated in its 2020 Urban Water Management Plan, the City does not have significant groundwater supplies. To serve the water needs of its nearly 70,000 water customers, which normally total just under 20 TAF, on average, the City relies primarily on its pre-1914 water rights, which total 27 TAF. (City of Folsom 2020 Urban Water Management Plan, at pp. 3-4, 4-3, 6-1 – 6-6, 6-7, Attachment 3.) However, the SacWAM modeling results show that the 55% UIF scenario would reduce the City of Folsom's diversions by an average of 12 TAF compared to Existing Conditions. (Weaver, J., "Water Supply," Attachment 19.) This would equate to a 72% reduction in Folsom's surface water diversions in dry conditions such as were experienced in 2015. Even in an average year, when the City's unconstrained demand is about 20 TAF, a 12 TAF reduction would equate to a loss of about 60% of the City's available water supplies. (See City of Folsom 2020 Urban Water Management Plan, at p. 6-1 – 6-7, Attachment 3.) Obviously, if the Plan amendments impose losses of this magnitude, this could pose serious challenges for the City's ability to provide reliable water service through a multi-year drought. We agree with MBK's conclusion that the SED must undertake this evaluation of the project's impacts.

E. The DSR's Mitigation Measures Fail to Commit the State Board to Implementing Enforceable Performance Standards to Reduce or Avoid the Impacts of Its Plan Amendments on Municipal Water Supplies

To comply with CEQA, the DSR must propose and describe feasible mitigation measures to minimize or avoid the project's significant environmental impacts. (Pub. Res. Code §§ 21002.1, subd. (a), 21100, subd. (b)(3), 21080.5, subds. (d)(2)(A), (d)(3)(A); *POET, LLC v. State Air Resources Bd.* (2013) 218 Cal. App. 4th 681, 734-735.)

At a minimum, the EIR's mitigation measures must: "(1) commit [the lead agency] to the mitigation, (2) adopt[] specific performance standards the mitigation will achieve, and (3) identif[y] the type(s) of potential action(s) that can feasibly achieve that performance

standard and that will [be] considered, analyzed, and potentially incorporated in the mitigation measure.'" (*East Oakland Stadium Alliance v. City of Oakland* (2023) 89 Cal.App.5th 1226, 1254-1255 [citing State CEQA Guidelines § 15126.4, subd. (a)(1)(B)].) "Mitigation" includes:

- (a) Avoiding the impact altogether by not taking a certain action or parts of an action.
- (b) Minimizing impacts by limiting the degree or magnitude of the action and its implementation.
- (c) Rectifying the impact by repairing, rehabilitating, or restoring the impacted environment.
- (d) Reducing or eliminating the impact over time by preservation and maintenance operations during the life of the action.
- (e) Compensating for the impact by replacing or providing substitute resources or environments, including through permanent protection of such resources in the form of conservation easements.

(State CEQA Guidelines, § 15370.)

Consistent with these requirements, mitigation measures cannot merely state generalized goals. (*King & Gardiner Farms, LLC v. County of Kern* (2020) 45 Cal.App.5th 814, 856.) A mitigation measure that only identifies vague or unspecified protocols for achieving compliance is therefore inadequate. (*Sierra Watch v. County of Placer* (2021) 69 Cal.App.5th 86, 110.) CEQA requires sufficient specificity to ensure "a reasonably clear and objective measure of compliance." (*East Oakland Stadium Alliance*, *supra*, 89 Cal.App.5th at 1274.) For the same reason, "mere expressions of hope" do not constitute valid mitigation measures. (*Golden Door Properties, LLC v. County of San Diego* (2020) 50 Cal.App.5th 467, 506.)

The DSR's mitigation measures for impacts to municipal water supplies violate these standards. First, none of these mitigation measures commits the State Board to taking any specific actions or adopting any performance standards. (DSR, at pp. 7.20-50 – 7.20-52.) While the State Board has the power to take actions such as funding new groundwater storage and recovery infrastructure to help municipal water users offset the impacts of the State Board's adoption of the proposed Plan amendments, the DSR neither proposes nor considers any such actions.

The DSR's mitigation measures miss the mark because its analysis of impacts to municipal water supplies aims at the wrong question. The DSR states that it "provides a regional-level assessment of how a reduction in Sacramento/Delta water supplies could affect municipal deliveries, whether additional water supplies may be needed, and *whether impacts could be avoided by relying on existing supplies from other sources or more intensive use of demand management measures.*" (DSR at p. 7.20-25, emphasis added.) The DSR then concludes, "although some communities appear to have reserve supply from other sources that could replace Sacramento/Delta supply reductions, other communities do not have enough

reserve supplies. These communities would need to intensify demand management and/or look for other water supplies, either through accelerating existing planned acquisitions or initiating the planning process for additional water supplies." (DSR, at p. 7.20-25.)

Thus, the DSR acknowledges that its discussion of the potential mitigation for loss of municipal water supplies focuses on whether the affected municipalities have access to other supplies or are able to "intensify" measures to reduce water demand. In other words, the DSR posits that the State Board can "mitigate" the impacts of its project on affected municipal water suppliers by telling the water suppliers to use other sources of water or reduce their water demand.

Neither of these approaches is consistent with CEQA's definition of mitigation. (Cf., State CEQA Guidelines, § 15370.) For the State Board's mitigation to be adequate under CEQA, the State Board must commit *itself* to take action to: (1) avoid the impacts by not taking certain actions, such as by reducing the rate of the unimpaired flow releases, or the duration when they would be in effect; (2) minimize the impacts by limiting the degree or magnitude of the action and its implementation, likely in the same manner; or (3) compensate for the impact by replacing or providing substitute resources.³ Here, the DSR has failed to consider either of the first two options, and it has impermissibly assigned the responsibility for the third to the affected water users. This abdication of responsibility is significant because it effectively transfers the cost of finding and securing replacement sources of water from the party that created the impact – the State Board – to the parties that are affected by it.

Second, these mitigation measures are also defective because they contain no specific performance standards. For example, mitigation measure UT-d.2 provides:

Water users can and should diversify their water supply portfolios to the extent possible, in an environmentally responsible manner and in accordance with the law. This includes sustainable conjunctive use of groundwater and surface water, water transfers, water conservation and efficiency upgrades, and increased use of recycled water.

(DSR, at p. 7.20-50.)

Essentially, mitigation measure UT-d.2 does nothing more than urge water users to diversify their water supply portfolios: it is, as the *Golden Door* court rejected, a "mere

³ Two types of mitigation that may be feasible for other types of CEQA projects, rectifying (through repair, rehabilitation, or restoration) and reducing or eliminating over time by preservation and maintenance, are infeasible in the specific context of a project that proposes to create water supply impacts by releasing water for instream flows. While new forest or wetland habitat can be created, and some types of habitat can be repaired or restored, it simply is not possible to create new water, and flows, once released to the river, are no longer available for diversion and consumptive use.

expression of hope." It does not define or establish any objective criteria for what is meant by "in an environmentally responsible manner and in accordance with the law" or "sustainable conjunctive use." (DSR at p. 7.20-50.) Nor does mitigation measure UT-d.2 include any specific performance standards or objective measures of compliance to demonstrate how the mitigation measure will effectively reduce the impacts to municipal water supplies.

For example, in the discussion of groundwater storage and recovery, the mitigation measure merely states that the State Board will make "efforts to encourage and promote environmentally sound recharge projects that use surplus surface water, including prioritizing the processing of temporary and long-term water right permits for projects that enhance the ability of a local or state agency to capture high runoff events for local storage or recharge." (DSR at p. 7.20-50.) The mitigation measure contains no objective performance standard by which to judge whether the State Board's "efforts to encourage and promote" have fulfilled its mitigation obligation. Moreover, the mitigation measure contains no criteria for determining whether a project qualifies as "environmentally sound" or what standards State Board staff will use to determine whether a project "enhances" a water user's ability to capture high runoff.

Further, as noted in the NCWA comments, there is no substantial evidence to support the conclusion that water transfers, or any of the other means that mitigation measure UT-d.2 lists as a way of diversifying water portfolios, would be feasible or effective to reduce the water supply impacts of the proposed Objectives. For example, in the American River region, there is no historical basis to conclude that regional water purveyors would be able to manage shortages in the volumes shown in the SacWAM modeling results, nor is there any basis to support a conclusion that the region could increase groundwater pumping in the volumes needed to offset the reduction in surface water supplies resulting from the 55% UIF scenario. (Weaver, J., "Water Supply," Attachment 19.)

Mitigation measure UT-d.3 merely restates water suppliers' existing obligation to promote sound conservation practices, stating, *inter alia*, that "All municipal water suppliers and agricultural water users have an obligation to maximize water use efficiency and utilize conservation to the extent possible in conformance with the prohibition against waste and unreasonable use in the California Constitution." (DSR, at p. 7-20.50.) Similarly, mitigation measure UT-d.5 provides, in its entirety, "Entities that are already implementing local water shortage policies should prioritize water supplies for health and safety, if not already doing so." While this may be "good neighborly advice," it offers nothing to mitigate the impacts of the Plan amendments on municipal water supplies. In fact, these mitigation measures do not even offer any suggestions that RWA's members are not already implementing to try to ensure water supply reliability: for example, the City of Roseville's Urban Water Management Plan discusses the City's extensive investments in surface water (including purchased water to supplement its Central Valley Project contract supplies), groundwater (including its aquifer storage and recovery program), and recycled water (including stormwater recapture and opportunities for desalination). (City of Roseville 2020 Urban Water Management Plan, Attachment 4, pp. 6-1 – 6-19.)

Collectively, the DSR's mitigation measures amount to mere expressions of hope that water users – the impacted parties – will find a way to reduce or avoid the water supply impacts that would result from the State Board's adoption of the proposed Objectives. These mitigation measures lack not only specific performance standards and enforceable metrics, but also any commitment by the State Board to take actions to mitigate the water supply impacts of its own project. Consequently, the mitigation measures set forth in the DSR fall far short of the minimum standards required by CEQA.

2. The Plan Amendments Cannot Be Adopted Consistent with the Requirements of the Porter-Cologne Water Quality Control Act

A. The Plan Amendments Cannot Be Found to Reasonably Protect Instream Beneficial Uses When They Claim to Protect Cold Water Fish Habitat But Actually Would Impair It

Water quality objectives adopted under Porter-Cologne must "ensure the reasonable protection of beneficial uses and the prevention of nuisance . . ." (*United States v. State Water Resources Control Bd.* (1986) 182 Cal.App.3d 82, 115-116, 119-120 ("Racanelli"), interpreting Water Code, § 13241.) Further, when the State Board adopts a water quality objective, it must demonstrate "a rational connection" between the relevant factors, "the choice made, and the purposes of the enabling statute." (*Id.* at p. 113.) In *Racanelli*, the court found that the water quality objectives adopted by the State Board violated Porter-Cologne because the Board had adopted them for another purpose and had not found they were needed for reasonable protection of beneficial uses.

Based on the DSR, the State Board cannot show the required rational connection between the Plan amendments and the reasonable protection of beneficial uses. As discussed above, the Plan amendments include both a proposed Inflow Objective and a proposed Cold Water Habitat Objective. But the DSR admits that implementation of the Plan amendments likely would cause a "potentially significant" impact on "native fish species" by adversely affecting water temperatures. In fact, the DSR proposes measures to *mitigate* the significant impacts the Plan amendments will have on those fish. (DSR, pp. 7.6.2-56, 7.6.2-93 to 7.6.2-94, 7.6.2-103 to 7.6.2-105; *see also* DSR p. 5-19 [noting potential need to "refine" implementation of proposed Objectives to "avoid[] redirected impacts" to fish].)

Nor is this consistent with the Central Valley Regional Water Quality Control Board's "Water Quality Control Plan for the Sacramento River Basin and the San Joaquin River Basin" (5th ed., Feb. 2019) ("2019 Central Valley Basin Plan"), which recognizes that cold water fish habitat, migration and spawning are existing beneficial uses of the lower American River below Folsom Dam. (See Attachment 1 at p. 2-10.) To protect these beneficial uses, the 2019 Central Valley Basin Plan includes the following water quality objective: "The natural receiving water temperature of intrastate waters *shall not be altered* unless it can be demonstrated to the

satisfaction of the Regional Water Board that such alteration in temperature does not adversely affect beneficial uses." (*Id.* at p. 3-14.)

Porter-Cologne does allow the State Water Board to adopt a Water Quality Control Plan that overlaps and supersedes a conflicting provision in an existing Basin Plan. However, the State Board cannot show a rational basis for adopting objectives with the stated purpose of protecting cold water fish habitat,⁴ when those objectives override the Basin Plan's existing protection for this very use – but the new objectives actually *impair* that habitat. Moreover, as discussed above, the Plan amendments' Inflow and Cold Water Objectives cannot be legally implemented; the appendices to the DSR include water temperature modeling results confirming that implementation of the Plan amendments would cause temperatures in the lower American River to exceed the level set by the Incidental Take Statement in the 2019 NMFS Biological Opinion, in violation of the federal Endangered Species Act. (DSR, p. 7.6.2-12; DSR Appendix A6, Tables A6-208, A6-210 to A6-213.)

Thus, the undisputed evidence in the DSR reveals that the Plan amendments would *impair* cold water fish habitat, in direct contravention of their stated purpose to *protect* it. Under these circumstances, it is impossible for the State Board to determine that the Plan amendments would "reasonably protect" beneficial use of the water by cold water fish. Consequently, the State Board cannot make the necessary "rational connection" between the Plan Amendments and Porter-Cologne's legal standards, and the DSR is not adequate to support the State Board's adoption of the Plan amendments.

B. The Draft Staff Report Does Not Adequately Consider and Weigh the Effects on the Housing and Economic Development of the Communities That Will Lose Municipal Water Supplies as a Result of the Plan Amendments

When the State Board is considering adoption of a water quality objective to amend a water quality control plan, Water Code section 13241 compels the Board to weigh the following factors:

- (a) Past, present, and probable future beneficial uses of water,
- (b) Environmental characteristics of the hydrographic unit under consideration, including the quality of water available thereto,
- (c) Water quality conditions that could reasonably be achieved through the coordinated control of all factors which affect water quality in the area,
- (d) Economic considerations,

⁴ The DSR suggests that the State Board's motivation for adopting the Plan amendments actually may be a desire to spread the responsibility for contributing water to improve Bay-Delta conditions to water users other than Reclamation and the Department of Water Resources. (DSR, p. 5-57.) Under *Racanelli*, this is not a legally valid reason for adopting a water quality objective. (*Racanelli, supra*, 182 Cal.App.3d at pp. 115-116, 119-120.)

- (e) The need for developing housing within the region, and
- (f) The need to develop and use recycled water.

The DSR fails to account for and properly balance these factors because: (1) it understates the impact that the loss of municipal supplies due to the Plan amendments would have on the affected economies, and, (2) by assuming that the municipal suppliers will be able to offset their water losses, it downplays how the water losses will preclude municipalities from being able to develop housing despite California's intense and well-documented housing crisis.⁵

According to the modeling summarized in the DSR, and as summarized above, the Plan amendments will result in "average" reductions to municipal water supplies in the Sacramento watershed of 52,000 acre-feet under the 55% scenario, and up to 83,000 acre-feet under the 65% scenario. Regardless of which of these unimpaired flow scenarios is selected, the modeling demonstrates that the Plan amendments will cause deficiencies in municipal water supplies that are large enough to supply an entire community, such as the City of Roseville, with more than 140,000 residents. (See, above, Section 1.D.)

Deficits of this amount will in turn cause serious economic impacts because affordable and reliable water supplies in adequate quantities are essential to support both regional economic development and housing. The Central Basin Water Quality Control Plan recognizes that "the protection and enhancement of beneficial uses require that certain quality *and* quantity objectives be met for surface and ground waters." (2019 Central Valley Basin Plan, at II-1.00, emphasis added.) Certainly, this applies to the designated "municipal" beneficial use of the American River water. In fact, before many types of new development are approved, cities and counties must make findings that there is sufficient water to support those uses. *See, e.g.*, Cal. Water Code §§ 10910, *et seq.* And for any project approved under CEQA, the approving land use agency must consider whether there is adequate water available to serve it. (State CEQA Guidelines, App. G.) In short, adequate water supplies are a prerequisite to municipalities' ability to support economic development, including their *legally mandated* fair-share of the regional housing needs allocation).

As experts from the Sacramento Water Forum's business caucus explained to the State Board at the public hearing on December 11, 2023, the unimpaired flow scenarios will significantly impede the region's development and building industry. For example, Jim Ray, a civil engineer with significant experience in construction of homes in the region, explained that "reliable water supply is extremely important and inextricably linked to the ability to provide new opportunities to house our growing population." (See Transcript of the State Water Board Public Hearing—Sacramento Delta Draft Staff Report, December 11, 2023, Attachment 15, at p. 205:2-5.) The affordability of housing, especially for disadvantaged communities, is impacted if

⁵ A 2015 report by the California Legislative Analyst's Office, "California's High Housing Costs - Causes and Consequences" estimates that from 1980-2010, the amount of housing failed to keep pace with demand by 90,000 units per year, resulting in an estimated shortage of 2.7 million housing units (20%) statewide by 2010. (Attachment 7.)

there is a lack of a "reliable and consistent water supply." (*Id.* at p. 205:6-9.) This reliability cannot be met by merely shifting to other sources of water as the Sacramento region has already implemented that shift over the past 20 years to manage and maintain a reliable and affordable source of water. (*Id.* at pp. 205:18-207:10.)

Within the Sacramento region, population has grown 67 percent in the last 20 years and this has resulted in a significant unmet demand for housing. (*Id.* at p. 208:2-16) In fact, according to the Sacramento Metropolitan Chamber of Commerce, the need for housing is the largest problem that employers in this region are facing. (*Id.*)

The testimony these experts presented to the State Board at its hearing on this matter emphasized what the construction industry already knows (and is obvious to most Californians): new housing structures are critical to help solve California's housing crisis. (*Id.* at pp. 209:21-210:11.) However, as demonstrated above, new housing cannot be developed without a reliable supply of water. Thus, regulatory requirements that significantly impact available water supplies in the Sacramento region will interfere with decades of work that have been done to manage regional water resources to, among other things, meet housing needs. (See *id.* at pp. 211:18-213:17.) To satisfy Porter-Cologne, the SED must consider these effects of the Plan amendments.

3. Comments on Draft Staff Report's Analysis of Voluntary Agreement

A. The Metric for Calculating Fall-Run Chinook Salmon Spawning Habitat on the American River Is Overly Restrictive and Does Not Reflect Actual Observed Spawning Conditions

The approach used in the Staff Report to estimate suitable fall-run Chinook salmon spawning habitat is overly restrictive and incorrect, which leads to a significant underestimate of existing habitat as well as the additional spawning habitat that is proposed with the VA. The SWRCB takes an all-or-nothing approach, considering habitat to be suitable only if water temperatures are below 13 °C (55.4 °F).

Numerous studies have investigated the impacts of water temperature on survival of early life stages (fertilized eggs and pre-emergent fry) of Chinook salmon. A graphical comparison of daily temperature-related mortality rates from these studies is provided below. These are the relationships available in the SacPAS. The most restrictive of these studies does indicate that small amounts (not complete unsuitability) of mortality begin as temperatures exceed 55.4 °F, but the vast majority of the studies indicate the significant mortality rates do not occur until temperatures exceed 58 °F. Even at 58 °F, the vast majority of spawning would be successful, though some egg mortality would be expected to occur.

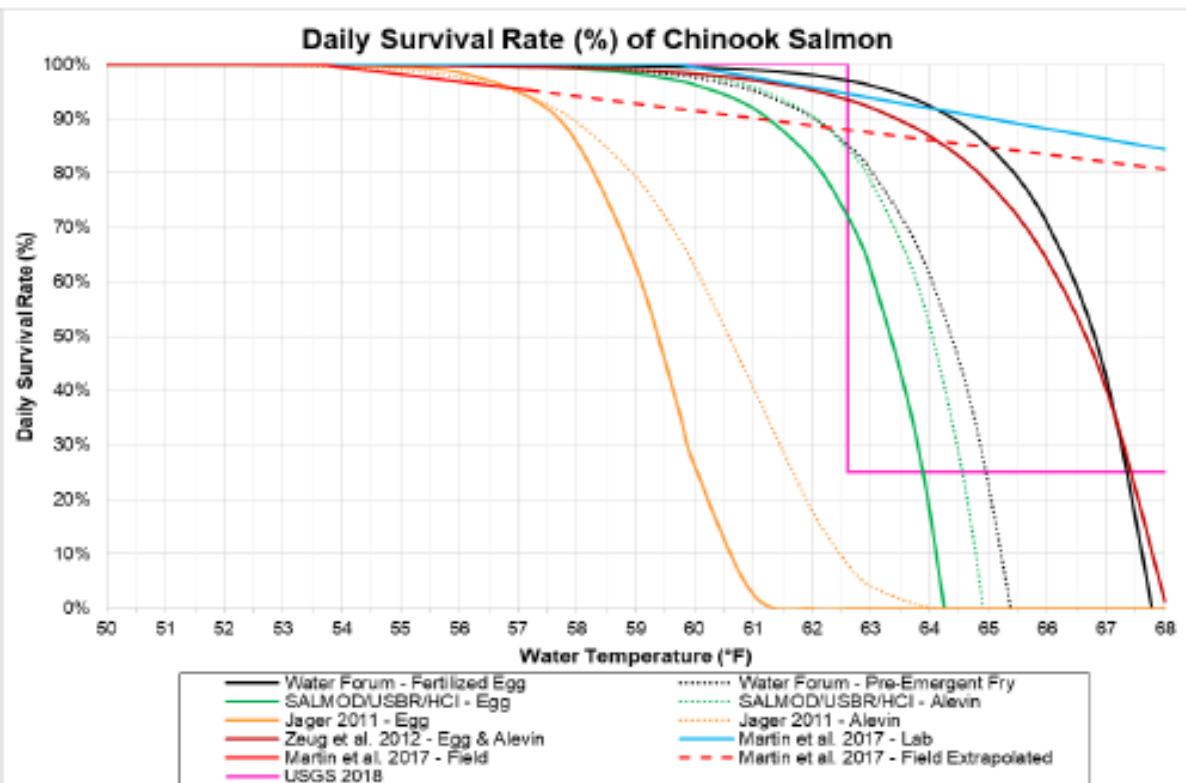


Figure 7. Chinook salmon fertilized egg and pre-emergent fry water temperature-daily survival functions presented in SacPAS, including relationships developed in this TM (Water Forum 2020).

Source: Bratovich et al. 2020. CHINOOK SALMON EARLY LIFESTAGE SURVIVAL & FOLSOM DAM POWER BYPASS CONSIDERATIONS. Prepared for the Sacramento Water Forum. (Attachment 18.)

Application of the 55.4 °F suitability threshold limits the calculated amount of spawning habitat availability on the lower American River during the assumed fall-run spawning period of October to December. During October, the simulated water temperatures are in excess of 55.4 °F 100% of the time for the existing conditions, 55% UIF, and VA alternatives. During November, the simulated water temperatures are in excess of 55.4 °F 95.3% of the time for both the existing conditions and 55% UIF alternatives, and 89.4% of the time for the VA alternative. Even during December, when ambient air conditions control water temperatures in the lower American River, the simulated water temperatures are in excess of 55.4 °F 42.3% of the time for the Existing Condition, 40.4% of the time for the 55% UIF alternative and 38.2% of the time for the VA alternative. This means that, under the SED's metric, the water temperatures during the vast majority of the spawning period are considered unsuitable for Chinook spawning.

While the lower American River does face water temperature challenges, all available data confirms that the available spawning habitat is highly utilized, providing successful reproduction. Monitoring data indicate that a majority of fall-run Chinook spawning occurs in November and December, when water temperatures are typically in excess of 55.4 °F, and that a majority of this spawning is successful, leading to offspring. Real data from the lower American

River demonstrate that the suitability threshold assumed in the SWRCB analysis is overly restrictive and counter-factual. This approach incorrectly discounts the 25 acres of spawning habitat proposed in the VA down to 3.35 acres, whereas in reality the proposed spawning habitat would provide more than the amount of habitat required to meet 25% of the doubling goal.

We note that temperature is just one component of habitat, and the American River VA also proposes gravel augmentation projects. While the DSR indicates "Few evaluations of the effectiveness of completed or ongoing gravel augmentation projects are available," we appreciate that the DSR also acknowledges the scientific work on this topic that our region has undertaken: "In the American River, however, quantitative evaluation of pre-project and post-project spawning utilization of gravel augmentation sites designed using a systematic modeling approach (Wheaton et al. 2004a, 2004b) demonstrated significantly increased spawning utilization by Chinook salmon and steelhead (Zeug et al. 2014b)." (DSR, at p. 3-36.)

We note, for your information, that the effectiveness of constructed and enhanced salmonid habitat under a variable hydrology, and the complexity of spawning and rearing habitat interactions in the American River is supported by additional, recent peer-reviewed literature, as referenced below:

- Merz, J. et. al (2018). Balancing competing life stage requirements in salmon habitat rehabilitation: between a rock and a hard place: Optimizing salmon spawning and incubation success. *Restoration Ecology*. 27. October. (Attachment 8.)
- Sellheim, K. et. al. (2015). Juvenile Salmonid Utilization of Floodplain Rearing Habitat After Gravel Augmentation in a Regulated River. *River Research and Applications*. February. (Attachment 13)

For your convenience, we are including copies of both these studies with the materials we are submitting along with this letter.

B. SacWAM Modeling Understates the Flow Benefits from the American River Voluntary Agreement

As discussed in the attached report, SacWAM Modeling of Voluntary Agreement, Attachment 12, the SacWAM modeling provided omits critical portions of the American River Voluntary Agreement proposal. The proposal, which was provided to the State Board in the Draft Strategic Plan⁶ as well as numerous other public documents provided to the State Board dating to 2018, provides the following outflow contributions for the Lower American River:

- 10,000 acre-feet of upstream reservoir contributions in above normal and below normal years;
- 30,000 acre-feet of contributions from groundwater wells and the Sacramento Regional Water Bank in dry and critical years;

⁶ https://resources.ca.gov/-/media/CNRA-Website/Files/Initiatives/Voluntary-Watershed-Agreements/Draft_Strategic_Plan.pdf.

- 10,000 acre-feet of either, or a combination of, upstream reservoir and groundwater contributions.

The modeling for upstream reservoir contributions should depict both releases from upstream reservoirs and a corresponding inflow to Folsom Reservoir as a result. However, the SacWAM modeling appears to show no difference between baseline conditions and implementation of the voluntary agreement in above normal and below normal years. This would seem to indicate this contribution was not included. Additionally, while the model does not show an increase in inflows to Folsom Reservoir, it *does* show that there are increased releases from Folsom Reservoir, which causes a net reduction in Folsom Reservoir storage. Therefore, this modeling incorrectly represents a decrease in storage, showing impacts to Folsom Reservoir storage that would not occur under the American River VA.

The modeling for groundwater contributions should represent 30,000 acre-feet of groundwater pumping in three out of eight years, as well as an increase in flows to the Lower American River due to a reduction in surface water diversions. However, SacWAM does not represent either of these, which results in an underestimation of the resulting flow benefit of the American River Voluntary Agreement.

Finally, in dry years, there should be a representation in the SacWAM modeling of the 10,000 acre-feet of outflow provided through either or both groundwater and upstream reservoir contributions, and the resulting outflow to the Lower American River or additional inflow to Folsom Reservoir. This also appears to be unrepresented in the modeling.

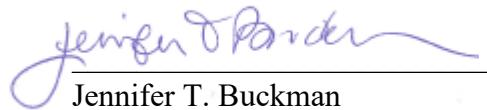
4. Conclusion

Regional Water Authority appreciates this opportunity to comment on the Draft Staff Report. The following experts provided assistance with preparing the technical comments contained in this letter: Chris Hammersmark, Ph.D.; Jeff Weaver, P.E.; Michelle Banonis, J.D.; Ashlee Casey, P.E.; and Erica Bishop, M.A. Copies of these experts' qualifications are included with the attachments to this letter.

As the State Board continues to work on the amendments to the Bay-Delta Water Quality Control Plan, RWA urges the Board to take these comments into consideration. Should you have any questions about the issues we raise, or should you wish to discuss any of our technical points with us, please feel free to contact either Michelle Banonis at 916.862.0359

or Jennifer Buckman at 916.804.0173; we are happy to meet with you to provide any clarification you may need regarding our findings and concerns.

Sincerely,



Jennifer T. Buckman



January 2024

California's State Legislature reconvened January 3 for the second year of the biennial 2023-24 Legislative Session following its Interim Recess, and the 118th United States Congress kicked off its second session the following week.

At the top of the agenda in both the state and federal capitols is the budget process. In the first week of January, U.S. Congressional leaders reached agreement on overall budget levels for Fiscal Year 2024, but House Speaker Mike Johnson confronted fallout from some of the conservative members of the Republican conference in the days that followed. Meanwhile, California Governor Gavin Newsom presented his 2024-25 State Budget proposal January 10, estimating a \$37.9 billion deficit that stood out in comparison to the \$68 billion shortfall previously identified by the Legislative Analyst's Office.

The second year of the State Legislative Session is always fast and furious with "two-year bills" facing a January 12 cut-off to pass policy committee if they have a fiscal implication, then another deadline January 19 to clear all committees and pass to the floor. January 31, known as the "House of Origin Deadline" is the last day for each house to pass bills introduced in 2023.

CSDA members can track all bills affecting special districts at csda.net/bill-tracking. Learn more about the State Budget in this Take Action Brief and stay tuned to CSDA eNews as well as the [Advocacy News Blog](#) for developments throughout the year.

Next month is CSDA's annual Take Action Month, but you can get ahead of the game by downloading CSDA's guide to [Take Action: Engaging with Your Community and Legislators](#) for insights on building relationships with the lawmakers serving your area. Visit [CSDA's Map of Special Districts](#) to learn which legislative districts overlap with your special district. If you have a relationship with your legislators, please let us know by completing our brief [Grassroots Mobilization Survey](#).

Inside this edition of the Take Action Brief:

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Contact a local CSDA representative near you!

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 Dane Wadlé
 Colleen Haley
 Chris Palmer (Interim)
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➤ CSDA responds to Governor's proposed 2024-25 State Budget

CSDA Chief Executive Officer Neil McCormick responded to Governor Gavin Newsom's 2024-25 State Budget proposal by stating:

"We appreciate Governor Newsom's proactive efforts to maintain the State's commitments in the face of declining revenues. To succeed, it is all the more critical that the State Legislature and Administration take a mindful approach when considering new policy proposals that could increase costs or hamper revenues for special districts and other local agencies. The future of our communities and our economy depend on the water, sanitation, fire protection, parks, open space, healthcare, and other essential services our members provide together with the State and other partners."

On January 10, Governor Newsom put forward his [2024-25 State Budget](#), totaling \$291.5 billion (\$208.7 billion General Fund) in proposed state spending. Disagreement between the Governor and the Legislative Analyst's Office (LAO) over the size of the State's deficit taking center stage, with the Governor projecting a \$37.86 billion deficit, compared to the LAO's projection of \$68 billion.

Visit csda.net for a full CSDA overview of the Governor's January proposal of the 2024-25 State Budget, a few key areas affecting all-types of special districts include:

Climate Change

The 2024-2025 Budget maintains \$48.3 billion for climate commitments, with over \$10 billion from the Federal government. The budget summary highlights \$6.7 billion in adjustments to climate programs, including reductions, delays, and funding shifts, primarily from the Greenhouse Gas Reduction Fund (GGRF), of \$2.9 billion, \$1.9 billion, and \$1.8 billion, respectively.

Zero-Emission Vehicles

Funding of \$10 billion which was committed in the 2021-2022 Budget is extended over seven years, including targeted investments for increasing access to clean transportation in disadvantaged communities. An expenditure reduction of \$38.1 million is proposed, including Drayage Trucks and Infrastructure Pilot Project (\$23.5 million), ZEV Manufacturing Grants (\$7.3 million), and Emerging Opportunities (\$7.3 million), while maintaining \$477 million previously dedicated to those programs. A fund shift of \$475.3 million to the GGRF, including ZEV Fueling Infrastructure Grants and Drayage Trucks and Infrastructure, is proposed, along with a \$600 million GGRF delay from 2024-2025 across various programs, including ZEV infrastructure.

CEQA Judicial Streamlining

The Governor proposes ongoing \$2.3 million from the General Fund to support implementation of a recently enacted CEQA judicial streamlining statute pertaining to infrastructure.



Labor, Workforce Development

The 2022 Budget allocated \$2.2 billion in support of apprenticeships, providing workforce training for climate change mitigation, and fostering a diverse health and human services workforce. The 2024-2025 Budget proposes a reduction of approximately \$100 million, as well as proposed delays totaling \$734.5 million.

The California Jobs First Initiative, formerly known as the Community Economic Resilience Fund, faces a \$300 million funding delay. The Budget includes \$100 million General Fund annually for this initiative from 2024-2025 through 2026-2027.

Various reductions, reversions, and delays are anticipated to impact Healthcare Workforce Investments, High Road Training Partnerships, the Apprenticeship Innovation Fund, the Goods Movement Workforce Training Facility, the California Youth Apprenticeship Program, the Low Carbon Economy Program, the Displaced Oil and Gas Worker Pilot Fund, EMT Training, and the Women in Construction Unit. Additionally, a budgetary loan of \$125 million from the Labor and Workforce Development Fund to the General Fund is proposed.

The Governor's Budget proposal includes a section related to Senate Bill 525 (Durazo, 2023). SB 525 codified incremental minimum wage increases for specified healthcare workers, effective June 1, 2024. The Administration is seeking early action in January by the Legislature to add an annual "trigger" to make the minimum wage increases subject to General Fund revenue availability, clarify the exemption for state facilities, and make clarifications in connection with implementation.

ERAF

When the Educational Revenue Augmentation Fund (ERAF) initiated the redirection of property tax revenue from cities, counties, and special districts to K-12 schools in 1992, this reduction resulted in equivalent State General Fund savings by reducing other State revenues allocated to schools.

The Governor's Budget includes a proposal to specify that charter schools are explicitly eligible for receipt of ERAF dollars. It has been the practice in some counties with excess ERAF dollars to exclude charter schools in the associated funding calculations when initially distributing ERAF dollars, thereby increasing the amount of excess ERAF dollars in the county and increasing the amount of funds returned to those local agencies that had their property tax receipts diverted into ERAF. However, the current Administration argues that this practice conflicts with existing state law and the Local Control Funding Formula that determines school funding. Administration officials had previously expressed as much to various counties where this phenomenon was discovered, instructing those counties to allocate ERAF dollars to charter schools as mandated by law.

To remedy any continued noncompliance, the Governor's proposal would specify that charter schools are explicitly eligible for receipt of ERAF dollars and seemingly put an end to this practice, which would impact local agencies in excess ERAF counties by reducing the amount of excess ERAF dollars returned to local agencies within those counties. As this proposal is aimed at excess ERAF counties, the impacts would be limited to certain Bay Area counties (presently Marin, San Mateo, San Francisco, Santa Clara, and Napa, according to a [2020 report from the Legislative Analyst's Office](#)) as well as the county of Alpine.



➤ November 2024 statewide ballot measures affecting special districts

The last day for propositions to qualify to appear on the November 5, 2024 Statewide General Election Ballot is June 27, 2024. Below is an overview of the state-of-play and an executive summary of the most significant measures affecting special districts and the communities they serve.

- **Four measures** have formally qualified for the November, having been placed on the ballot as Constitutional Amendments through a two-thirds vote of each house of the State Legislature.
- **Six measures** are eligible for the ballot as statewide initiative measures with elections officials having verified the required number of signatures. These initiatives will formally qualify if they are not withdrawn by proponents prior to June 27.
- **34 initiatives** are in circulation, four of which the proponents claim to have gathered at least 25 percent of the requisite signatures.

Here is a breakdown of the November ballot measures that matter most to special districts:

Qualified Statewide Ballot Measures

ACA 1 (Aquilar-Curry) Local government financing: affordable housing and public infrastructure: voter approval.

Long-supported by CSDA, ACA 1 gives voters the opportunity to allow special districts, cities, and counties to approve general obligation bonds and special taxes for public infrastructure and affordable housing with the same 55 percent vote threshold now authorized for school bonds.

ACA 13 (Ward) Voting thresholds.

The second-most important measure on the ballot (more to come later on the most important measure), ACA 13 requires any initiative measure that would increase voter approval requirements in the State Constitution to pass by the same approval requirement it seeks to impose on others. CSDA strongly supported passage of this measure in the State Legislature to place it before voters, with dozens of special districts joining CSDA's statewide call-to-action.

Eligible Statewide Ballot Measures

1921. (21-0027A1) Eliminates employees' ability to file lawsuits for monetary penalties for state labor-law violations. Initiative Statute.

Repeals 2004 law allowing employees to file lawsuits on behalf of themselves and other employees against employers to recover monetary penalties for certain state labor-law violations. Labor Commissioner retains authority to enforce labor laws and impose penalties. Eliminates Labor Commissioner's authority to contract with private organizations or attorneys to assist with enforcement.

1935. (21-0042A1) Limits ability of voters and state and local governments to raise revenues for government services. Initiative Constitutional Amendment.

Sponsored by the California Business Roundtable ("CBRT"), this initiative would revise the Constitution in a manner that would threaten the essential functions of government by promulgating a drastic rise in litigation and severely restricting the ability of voters and state and local governments to fund essential services and infrastructure needs. CSDA is in strong opposition and has called for all special districts to formally approve an oppose resolution. Governor Gavin Newsom, along with the State Legislature and former Senate President Pro Tem John Burton, with support from CSDA and other amicus curiae, petitioned the California Supreme Court to



remove the initiative from the ballot arguing it is Constitutionally invalid. The Court issued an order to show cause on November 29, 2023 and ordered briefing in December and January with amicus briefs due February 14. The matter will likely be set for argument in March or April and a decision is anticipated by June.

1936. (21-0043A1) Raises minimum wage. Initiative Statute.

Existing law requires annual increases to California's minimum wage until it reached \$15.00 per hour for all businesses on January 1, 2023. This measure extends these annual increases (\$1.00 per year) until minimum wage—currently, \$15.00 per hour for businesses with 26 or more employees, and \$14.00 per hour for smaller businesses—reaches \$18.00 per hour. Thereafter, as existing law requires, the minimum wage will annually adjust for inflation.

Circulating Initiatives with 25 Percent of Signatures Reached

1947. (23-0005) Repeals voter-enacted changes to property tax rules for transfers between family members. Initiative Constitutional Amendment.

Reinstates property tax reassessment rules for certain real property transfers between family members (including by inheritance), which voters eliminated through Proposition 19 in 2020. Reduces local property tax revenues and eliminates funding source for Proposition 19's California Fire Response Fund. Allows transfers to children (or grandchildren if parents are deceased) without property tax reassessment of: (1) principal residence, regardless of current value or continued use as principal residence; and (2) \$1 million in other real property.

Initiatives and Referenda Cleared for Circulation

1957. (23-0015A1) Increases requirements on government agencies and Legislature when responding to records request. Initiative Statute.

Sponsored by [California Watchdog](#), this initiative would likely cost public agencies in excess of \$1 billion [according the Legislative Analyst's Office](#). It would place excessive records retention requirements on public agencies—all of which remain ineligible for reimbursement pursuant to the state mandate process. Furthermore, the initiative would dramatically increase a public agency's exposure to litigation and could stimulate a cottage industry dedicated to pursuing California Public Records Act litigation. CSDA is formally opposed and its analysis of the measure is available [here](#).

1967. (23-0025A1) Limits environmental lawsuits challenging new housing construction. Caps development fees on housing. Initiative Statute.

As determined by the [Legislative Analyst's Office](#), “[t]he 2 percent cap on local government development fees [imposed by this initiative] would reduce local government revenue likely by at least hundreds of millions of dollars per year, potentially exceeding \$1 billion per year.” CSDA's own analysis concluded that the initiative will have major impacts on local agency finances, placing an onerous two percent cap on development impact fees. Special districts that collect impact fees would face significant budget shortfalls resulting from slashed impact fee receipts, or would be forced to seek significant tax and fee increases on current residents that may be unwilling or unable to pay. Moreover, shifting the cost-burden from developers and new homeowners to current residents could lead to litigation under Proposition 218 by taxpayers claiming it is unconstitutional for current residents to subsidize services provided to developers and new residents. CSDA is formally opposed and its analysis of the measure is available [here](#).



➤ Virtual special districts tour on water infrastructure for firefighting

Over 50 representatives from state and federal legislative offices recently attended CSDA's Virtual Special Districts Tour, this year highlighting the need for partnership in funding water infrastructure for firefighting. This annual event showcases how local special districts are leading the way on issues of critical statewide concern.

CSDA's Virtual Tour brought together public officials from throughout California as well as from Washington D.C. to discuss challenges faced in both urban and rural areas, and to consider opportunities to partner with special districts in meeting those challenges.

[View Compilation Video on Water Infrastructure for Firefighting Topic](#)

The first presentation highlighted the work of the North Tahoe Fire Protection District, North Tahoe Public Utility District, and the Tahoe City Public Utility District to solve the critical infrastructure need in their high fire risk region.

The Tahoe Basin experienced catastrophic impacts from the Angora Fire in 2007 and the Caldor Fire in 2021. Those incidents demonstrated their rural communities did not have the infrastructure to provide necessary fire flows in response to large events. The three special districts detailed how they work together through the [Tahoe Water for Fire Suppression Partnership](#) to find solutions and advocate with state and federal officials.

[View Full Version of Lake Tahoe Video](#)

The second presentation showcased the collaboration between the Sacramento Metropolitan Fire District and the Sacramento Suburban Water District. Sac Metro Fire has responded to significant fires recently and is reliant upon water districts such as Sacramento Suburban to provide the water to combat those fires. The water district faces increasing costs for pipeline repairs and groundwater well installations. These costs make it more challenging to keep up on the needed infrastructure replacement to protect public health and safety.

[View Full Version of Sacramento Video](#)

The Virtual Tour concluded with a request from all districts for funding assistance from the state and federal government. Special districts intend to carry forward this advocacy work through their respective lawmakers as well as through the National Special District Coalition (NSDC), of which CSDA is a founding member. NSDC has made this issue a [priority initiative](#). At the state level, [SB 470](#) remains a key opportunity in 2024.

***The complete Special Districts Virtual Tour and tour packet can be found at
csda.net/SpecialDistrictsTour***



➤ Make sure your district updates its roster with the Secretary of State

Does your special district have a new Board Member? New Board President? New Board Secretary?

Government Code section 53051 requires local agencies to update their Registry of Public Agencies document, which must be filed with both the California Secretary of State and the county clerk of each county where the agency operates an office. The form contains various fields, including:

1. Full, legal name of the agency;
2. Official mailing address of its governing body;
3. Name and residence or business address of each member of the governing body of the agency; and
4. Name, title, and residence or business address of the clerk or secretary of the board and the chairman, president, or other presiding officer.

Should any changes occur that affect any of those fields, an updated form must be filed within 10 days with both the Secretary of State and the county clerk of each county where the agency operates an office.

The Registry of Public Agencies document, also known as Form SF-405, is available for download at the California Secretary of State's website at sos.ca.gov/business-programs/special-filings/forms/

While Government Code section 53051 does not provide specific sanctions for failures to abide by its provisions, local agencies may find themselves vulnerable in legal proceedings absent compliance. Government Code sections 960.2 and 960.3 allow for individuals seeking to initiate legal proceedings against an agency to leave copies of the service of process with the Secretary of State, rather than with the local agency. In the event a local agency is served in this manner and its Registry of Public Agencies filings are grossly deficient or incomplete, the agency might not be able to rely on pre-existing legal protections.



➤ Districts Make the Difference student video contest now open

The Districts Make the Difference Student Video Scholarship Contest has launched its third annual national competition for high school students.

More information is available at
DistrictsMakeTheDifference.org/Video-Contest

The contest, first established by CSDA in California, has become a pillar of the National Special Districts Coalition's ongoing efforts to expand public awareness of the essential services that more than 35,000 special districts provide in their communities across the country. During the first quarter of the year, high school students are invited to produce a creative, original, 60-second video highlighting special districts services.

Videos submitted through March 30 are reviewed and narrowed to 10 finalists based on stated criteria. The finalists' videos are available online through the Districts Make the Difference and NSDC media channels for a national public vote.

The top scholarship is \$2,000, with additional scholarships for second and third place. Each winning entry also is accompanied with a \$500 "scholarship" for their teacher of choice to expand the next generation's knowledge of special districts.

Special districts across the country are encouraged to share the contest opportunity in their outreach to their communities, high schools, and community civic organizations, as well as on their social media feeds, in newsletters and on websites using the images provided.



CALIFORNIA SPECIAL DISTRICTS ASSOCIATION PRIORITIES

TAKE ACTION BRIEF

➤ OTHER WAYS TO TAKE ACTION

Learn More

Special District Leadership Academy

February 4-7, 2024

Embassy Suites by Hilton San Luis Obispo – San Luis Obispo, CA

Register here: <https://members.csda.net/EventDetail?EventKey=24SDLACON1>

Based on CSDA's groundbreaking, curriculum-based continuing education program, which recognizes the necessity for the board and general manager to work closely toward a common goal. SDLA provides the knowledge base to perform essential governance responsibilities and is designed for both new and experienced special district board members.

Join Today

Join an Expert Feedback Team to provide CSDA staff with invaluable insights on policy issues. Email updates@csda.net to inquire about joining one of the following teams:

- Environment & Disaster Preparedness
- Governance
- Human Resources & Personnel
- Local Revenue
- Public Works, Facilities, and State Infrastructure Investment & Partnership

Stay Informed

In addition to the many ways you can **TAKE ACTION** with CSDA's advocacy efforts, CSDA offers a variety of tools to keep you up-to-date and assist you in your district's legislative and public outreach. Make sure you're reading these resources:

- CSDA's weekly e-Newsletter
- Districts in the News
- CSDA's *California Special Districts Magazine*

Email updates@csda.net for help accessing these additional member resources.

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Click [here](#) to view it in your browser.



Connect with California's Water Leaders in Sacramento

Planning is underway for ACWA's 2024 Spring Conference & Expo May 7-9 in Sacramento. ACWA conferences are the premier destination for water industry professionals to learn and connect, and now we are enhancing the conference experience with new features and more networking opportunities!

ACWA is excited to bring back the new and improved features that will continue to bring more accessibility, networking and value to attendees.

- All meals will continue to be program-free opportunities to network with your peers, providing a more flexible schedule and more food options.
- We will be shining a brighter spotlight on our keynote speakers by featuring them on a Main Stage that is accessible to all attendees.
- New conference programming includes 30-minute sessions highlighting case studies, product demonstrations and other dynamic looks at how others in the industry are addressing today's challenges.
- All these new features are based on attendee feedback and suggestions, as well as the latest trends in the conference industry.

Health & Safety - ACWA and Sacramento County are committed to the health and safety of our members, guests, employees, and community. ACWA will be following state and local health & safety regulations along with industry duty of care guidelines for meeting and catering planning.

Join Us IN PERSON in Sacramento!

- Registration has been restructured to an all-inclusive experience. A full conference registration includes access to all keynote addresses and programs, ACWA's networking meal functions and snack stations, the Exhibit Hall and ACWA-hosted receptions.
- Registration is required to attend any part of Spring Conference, including complimentary registration for the Tuesday, May 7 ACWA Committee meetings.
- Designated conference programs will be recorded for on-demand access after the event.

Group Savings (register 5, get 1 free) are also available.

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Good Afternoon,

Sacramento County's Local Agency Formation Commission's 2023 Special District Election has officially come to a close. Congratulations to Lindsey Carter, who has officially been appointed as the special district representative for the Commission. Lindsey Carter is currently the Executive Director of the California Agricultural Commissioners & sellers association and serves on serval boards and committees in Sacramento County, including Sacramento LAFCo. A huge thank you to all the other candidates for participating in the election, and congratulations again to Mrs. Carter!

Regards,

Desirae N. Fox | Policy Analyst

foxd@saclafco.org | (916) 874-5935



Sacramento Local Agency Formation Commission

1112 I Street, Suite 100
Sacramento, CA 95814
(916) 874-6458 / FAX (916) 854-9097

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General Manager's Report
February 2024

1. Rotary Club Meetings

Staff attended the Arden Arcade Rotary Club Meeting with Sacramento Suburban Water District (SSWD) General Manager Dan York on 2/6/2024 to discuss the combination efforts between the two districts. Presentation from the January 2024 Public Information Workshops will be delivered to the Rotary Club meetings. SSWD Director Jay Boatwright is active in the Rotary Clubs and invited staff to present at several Rotary Club meetings. The future meetings are:

2/21/2024 – East Sacramento Rotary Club

3/5/2024 – Carmichael Rotary Club

3/22/2024 – Point West Rotary Club

2. Municipal Services Review (MSR)

Staff reviewed and commented on the draft MSR update completed by LAFCo consultant. The last approved MSR for the District was March 2011. The draft MSR is planned for the LAFCo Commission review and approval at its March 2024 meeting.

3. FY 24-25 Budget

Staff is working on the FY 24-25 Budget. Staff requests a meeting with the Finance Committee on 2/28/2024, 2/29/2024, or 3/1/2024. Staff also requests a Board workshop to review the draft Budget on 4/25/2024 or 4/26/2024 or at the Directors' convenience.

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CAPITAL IMPROVEMENT PROJECTS

La Sierra Aquifer Storage and Recovery Well at Engle/Garfield: GEI has completed the top side facility design. The bidding process is complete. Sierra National is the winning bid at \$3,423,000. While the purchase of the property is still in progress, the SJUSD will issue the District a Temporary Construction Easement for construction. The District anticipates issuing the Notice to Proceed to the contractor in mid to late February.

ASR Well Projects: Eaton Pump under contract with GEI has pulled the pump at the Ladera Well Site and is moving forward with inspecting the well's casing and evaluating water quality. The water quality at the Barrett Road is also under evaluation by sampling at different pumping durations. Concurrently, the District is developing the purchase agreement for the Ladera property owned by the San Juan Unified School District (SJUSD). Stewart Title Company has finalized the deed for the lot line adjustment on Charleston Way. The final property information was to the County Assessor's Office by the Title Company.

La Vista Tank and Pump Station: Performance time for the contract re-started on January 2, 2024. The contractor has mobilized and is actively performing work. Water Works is on-site under contract with the District as the Engineer providing inspection and construction management. The focus of recent work has been to pour foundations for the pump cans and the generator/power bank.

SCADA Project: No update since last report. Staff is progressing on the Supervisory Control and Data Acquisition (SCADA) system replacement project after work stopped due to other projects' need for attention and a staff shortage. One of the first tasks is to select the model of programmable logic controllers (PLCs) that the system will be built around. Based on a number of factors including the ability to directly convert the present PLC's programming into a new programming language used by the new PLCs, demonstrated reliability, the availability of local technical support, and cost, two Rockwell PLC models were selected to continue the network design.

The next key steps include making final decisions based on CWD's consultant recommendation for the PLC system architecture and human machine interface (HMI) software that provides the interface operators use to monitor and adjust SCADA controlled processes. Once these decisions are made, actions can be taken to negotiate a final procurement agreement with the vendor. This is expected to be complete in early summer of 2024. Finally, Staff will use a progressive design-build process to procure "construction" services to install and test the new hardware and software systems. The project is planned to be completed in late spring of 2026.

Garfield Well Backup Generator Project: The district has received a proposal from Frisch Engineering to upgrade the electrical components at the well site. This work will be additional to, but compliment the generator work already planned and under contract with Frisch engineering.

Claremont Pipeline: The District has ranked the design proposal submitted by Dugan Management & Engineering as having the highest value for the Claremont Pipeline project. District staff are seeking approval from the Board to award Dugan Management & Engineering a contract for the design per their proposal and the District's requirements.

MISCELLANEOUS

California-Oregon Transmission Project (COTP): No updates to last month's report as follows: SMUD has indicated that they would like to negotiate a lease agreement similar to the previous lease agreement and that they are willing to explore bundling transmission capabilities from several shareholders. They plan to begin negotiations with CWD in the first quarter of 2024 CY.

CUSTOMER DELIVERY PROJECTS/ACTIVITIES:

<u>Project Location</u>	<u>Activity</u>	<u>Project Description</u>	<u>Service/Notes</u>
XXX McLaren Dr	Under Review	Fire Flow Analysis	New Building
XXX Casa Rosa Way	Under Review	Plan Check for Lot Split.	New service connection and meter needed. Reviewing plans.
XXX Grant Ave.	Under Review	Plan check	New House and existing meter relocation.
XXX Sunny Ln	Completed	Fire Flow Analysis	New ADU
XXX Grant Ave.	Under Review	Plan Check for Lot Split	Plans received.

WATER USE AND CONSERVATION

Conservation Information: David Flores met with the landscaping committee of the Riverwood Condominium Complex on January 22, 2024 to present information about Water Conservation programs that the District offers. Approximately 10 people attended the meeting.

Water Leak Exemptions: Water leak exemptions provide rebates to customers who have had water loss due to leakage that meets specific criteria outlined in District Regulations Manual No. 2000, Water Leak Exemption. Maximum amount eligible for rebate is 500 CCF and the current water rate is \$2.06/CCF. The following customers received rebates:

Address	Water Loss (CCF)	Rebate (\$)	Leak Description
XXX San Marque Cir	69	142.14	Near house at a PVC "L" elbow.
XXX Tumbridge Way	113	232.78	Between house and irrigation valve in yard.
XXX North Ave.	699	1,030.00	At riser near house.

Reporting: The annual Water Rights Report was submitted to DWR on January 29, 2024 fulfilling the District's obligation to report water diverted from the American River under the 2 licenses and one permit for the period of October 1, 2022 through September 30 2023. The District participated in (groundwater substitution) water transfer in October 2022 and a portion of November 2022. The Report was due on February 1, 2024. Water was diverted for this time duration as follows:

Permit/License Number		Total Volume Diverted (AF)	Max Diversion Rate (CFS)
P 007356		78.7	1.21
L 008731		1,247.1	7.08
L 001387		3,203.1	15

Turf Replacement Program: No new application for this month. To date, the district has paid through the grant \$7,802. The replacement rate is \$2/SF up to 1,000 SF. Total area replaced at the sites is 4,301 Square Feet.

Mulch Mayhem Day

RWA has scheduled May 4, 2024 as the Mulch Mayhem day. The District is planning to participate in the multi District event.

BILLING DEPARTMENT REPORT

Billing Supervisor, Cecilia D.

Billing Period	Billing Units*	Usage Charge	Service Charge	Flat Rate**	Billing Totals	FY 23-24		FY 22-23		Previous Year Billing Totals % Difference
						Billing Totals	Billing Units*	Billing Totals	Billing Units*	
July	449,410	\$ 925,785	\$ 727,399	\$ 27,821	\$ 1,681,005			\$ 1,523,144	443,523	10%
August	523,315	\$ 1,078,029	\$ 727,579	\$ 28,430	\$ 1,834,038			\$ 1,628,764	499,625	13%
September	397,982	\$ 819,843	\$ 727,470	\$ 26,469	\$ 1,573,781			\$ 1,397,294	377,172	13%
October	337,834	\$ 695,938	\$ 727,524	\$ 25,715	\$ 1,449,177			\$ 1,279,603	314,590	13%
November	216,445	\$ 445,877	\$ 727,470	\$ 24,812	\$ 1,198,159			\$ 1,082,481	210,513	11%
December	151,575	\$ 312,245	\$ 727,524	\$ 23,717	\$ 1,063,486			\$ 991,463	162,639	7%
January	157,464	\$ 324,376	\$ 796,673	\$ 25,714	\$ 1,146,764			\$ 1,041,048	140,963	10%
YTD Totals	2,234,025	\$ 4,602,092	\$5,161,640	\$182,678	\$ 9,946,410			\$ 8,943,797	2,149,025	11%
FY Totals	2,234,025	\$ 4,602,092	\$5,161,640	\$182,678	\$ 9,946,410			\$14,819,907	3,177,008	-33%

* 1 Unit = 100 CCF (Centum Cubic Feet) = 748 Gallons.

Billing Units are based on current meter reading period, i.e., Current Billing Period = 12/19/23 – 1/22/24, and may differ from Production reported numbers due to the meter read billing cutoff dates.

** Condominium's-Uniform Rates, Fire-Dedicated Service Lines.

COLLECTIONS: Processed & Total Outstanding A/R Amounts

The Total 61-120 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 14% of what was billed, or approximately 1,200 customers.

Date	Total on APS*	Total Off	Total Liened	Total Liened	Total 61 - 120 Days	Total Outstanding A/R **
June 2023	2	16	18	\$ 13,506	\$ 20,081	\$ 216,858
FY 23-24						
July	1	15	14	\$ 11,121	\$ 19,406	\$ 167,841
August	1	17	14	\$ 10,142	\$ 18,260	\$ 278,965
September	1	15	15	\$ 10,459	\$ 18,057	\$ 246,033
October	1	17	15	\$ 10,538	\$ 23,574	\$ 204,383
November	1	18	13	\$ 10,156	\$ 28,365	\$ 228,146
December	2	21	14	\$ 10,778	\$ 24,762	\$ 202,789
January	1	17	15	\$ 14,269	\$ 20,144	\$ 149,341

* APS = Alternative Payment Schedule

** Includes Total Liened and 61-120 Days Amounts

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CARMICHAEL WATER DISTRICT

Production Superintendent, DAVID BIAGI

January 2024 Water Production Board Report

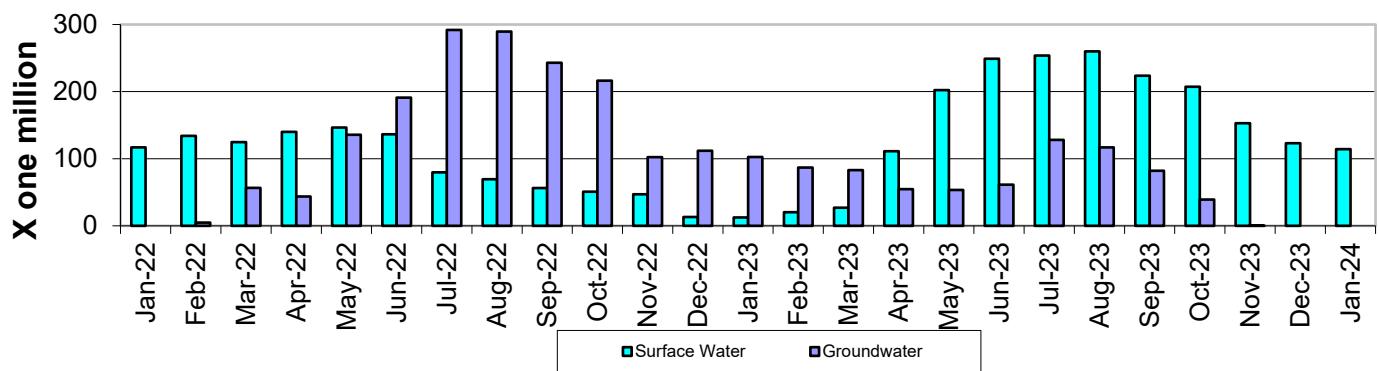


Raw Water Pump #111 1/11/24

CWD Monthly Water Production 2014-2024

FY	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	MGD Totals	Acre/Ft
2023-24	381.87	376.96	305.79	246.50	153.18	123.06	114.25						1702	5224
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
2014-15	373.21	338.74	294.65	240.50	153.63	116.73	120.74	110.98	168.88	175.83	214.05	255.44	2563	7867
Avg.	372.82	359.50	306.55	247.72	155.38	121.72	114.51	112.93	134.24	169.32	259.82	324.30	2675	8211
Daily	12.03	11.60	10.22	7.99	5.18	3.93	3.69	4.03	4.33	5.64	8.38	10.81		

CWD Combined Surface & Ground Water Usage



January CWD Total Production		MG
Surface Water	100%	114.25
Groundwater	0%	0

Production	Up/ Down	Month	Up/ Down	9 Year Running Average
Production from same month last year	Down	1%	N/A	0 %
Jan. 2024 Average Daily Production		3.69 MG		
Peak Day – Jan. 2nd		4.21 MG		

GSWC Delivery: CWD delivered 138.97 MG or 426.48 Acre/Ft to GSWC in January.

There was One (1) water quality complaint in the month of January.

Water Quality Activity

- ✓ Taste & Odor: 1
- ✓ Color: 0
- ✓ Turbidity (Air): 0
- ✓ Suspended Solids: 0
- ✓ Low Pressure: 0

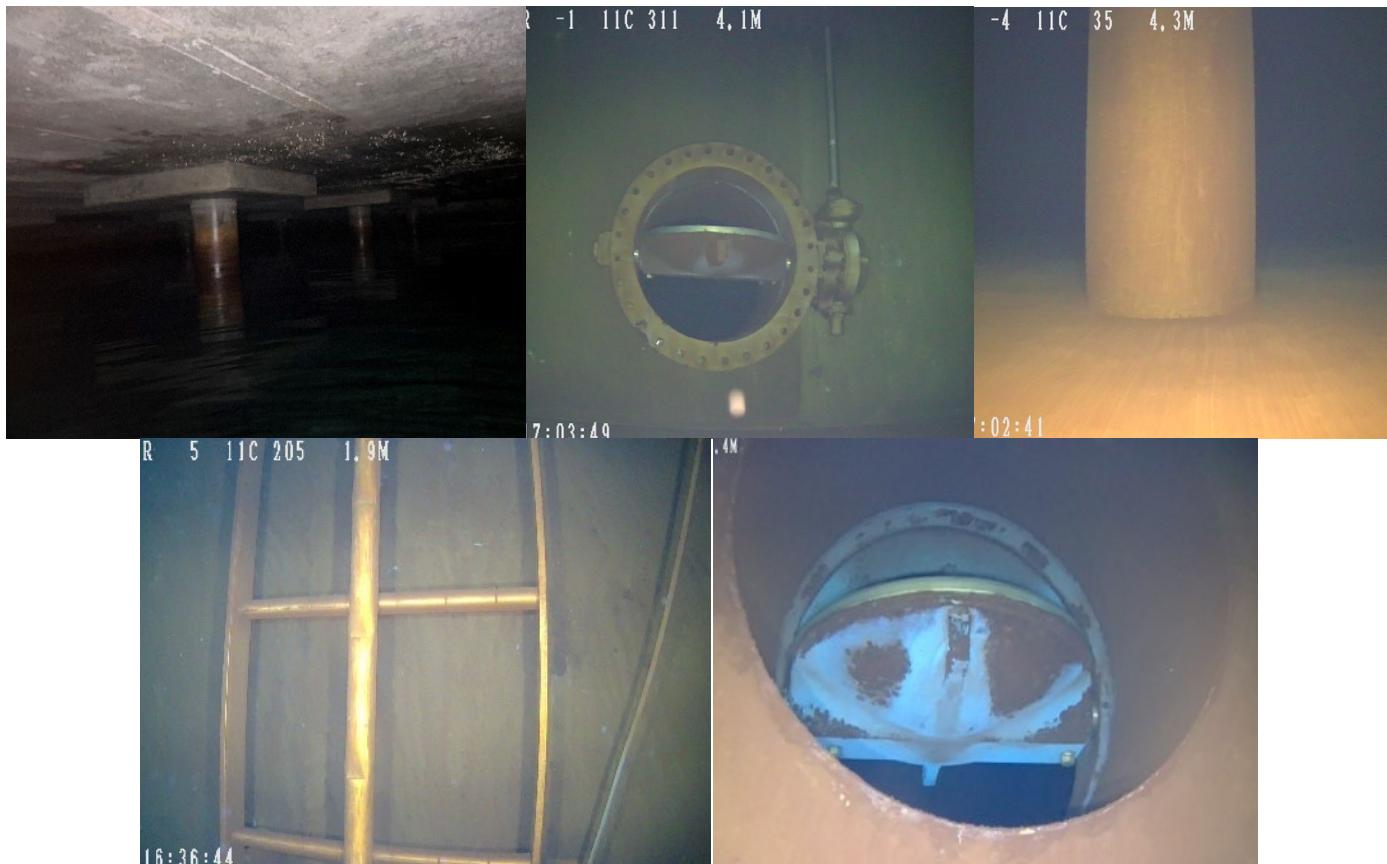
Backflow Devices Tested

- ✓ Tested: 50
- ✓ New Devices: 0
- ✓ Failed Tests: 0

Maintenance Activity

- ✓ Secondary Cl₂ CIP: 3
- ✓ Instrument Calibrations: 7
- ✓ Module Repair: 18
- ✓ Module Replaced: 1

Bajamont Treatment Plant Clear Well Inspection: Bajamont Water Treatment Plant (BWTP) has three (3) filtered water tanks below the main building. Tanks consist of a 2 million gallon clear well, a 210,000 gallon serpentine tank and 120,000 gallon trough that connects the clear well to the serpentine tank. Every three years Carmichael Water District has these tanks inspected and in January Rubicon Applied Divers conducted this inspection. All tanks were found to be in good condition and not in need of cleaning at this time. All valves, intakes and ladders are in good condition with very little corrosion. Rubicon Applied Divers recommendation is to continue with the current inspection schedule.



Still Pictures from January Clear Well Inspection

Raw Water Pump Rehab: In December, the Board of Directors approved and authorized the rehabilitation of one Raw Water Pump (RWP). On January 12th Commercial Pump and Mechanical (CPM) removed RWP #111 for rehab. This is the third of three pumps, which are original to the treatment plant, to be rehabbed by CPM. Completion of this project is expected to be in late March.

HVAC Replacement Project: Bajamont Water Treatment Plant (BWTP) and Dewey Booster Station had HVAC systems that were original equipment. The 25 ton unit in the BWTP raw water pump room had a critical failure that required a full replacement of the unit. At our Dewey Pump Station, there are three compact air conditioners located on top of the motor control cabinet's supplying cool air to the booster pump motor drives. All of the AC units were at end of life and two had failed. Brower Mechanical was contracted to replace all four units and completed the installation this month.



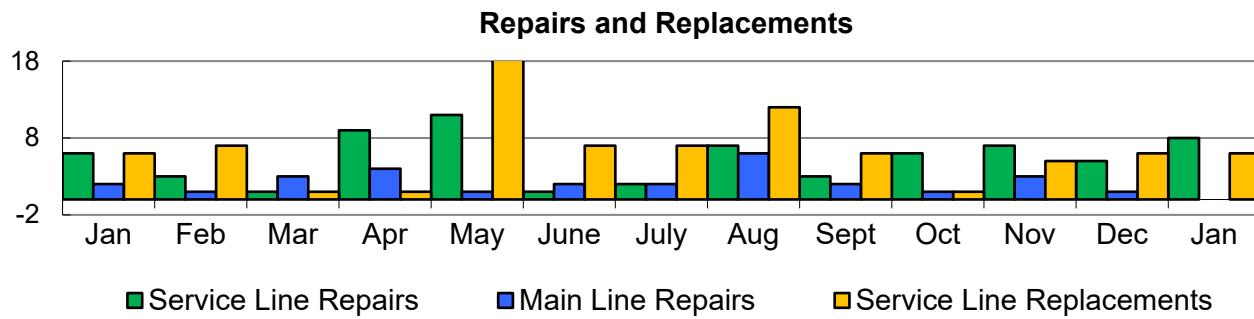
Raw Water Pump Room HVAC Replacement

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CARMICHAEL WATER DISTRICT
DISTRIBUTION SUPERINTENDENT, SCOTT BAIR
January 2024 Water Distribution Board Report



Second Snow Survey of the Year Shows Modest Improvement for Snowpack, Conditions Remain Below Average



Capital Improvements/Replacements

- Service Line: 6
- Fire Hydrant: 1
- Main Line Valve: 0
- New Construction Meters: 0
- Air Relief Valves - 0

O and M Repair Work

- Service Line: 8
- Fire Hydrant: 4
- Main Line: 0
- Meter Boxes: 4
- Main Line Valve Boxes: 0
- Meter Change Out: 120
- Registers Change Out: 4
- Hydrant Inspections: 2
- Valves Exercised: 8

Customer Assist

- Call Outs: 69
- Private Repairs: 16
- Water Waste: 3
- Lock/Unlock: 11
- High Pressure: 0
- Low Pressure: 0
- USA's: 69

- Sacramento Area Sewer District FY 22-23 Pipe Bursting Project 1: SASD has identified fifteen sewer improvement locations within the unincorporated areas of Sacramento County. Construction will involve replacing sewer pipelines by the pipe bursting method. A small section of pipeline on Queenston Ct has been identified for replacement in this project. It is unknown at this time if District facilities are in conflict. *Project on hold for winter
- Sacramento County ADA Project: This project will construct pedestrian improvements which include: curb and gutter, pedestrian accessible curb ramps at Thor Way, Olive Oak Way and Park Place Dr. Construction of this project is scheduled for late summer 2023. Impacts to District facilities will be minimal. *Project on hold for winter

- Sacramento County AC Overlay Phase D (Contract No. 4575) “B” Plans requires District facilities within grind areas be lowered prior to overlay and grinding operations. Generally, wedge grinding will be six and a half feet (6.5’) wide along curb, gutter, and sidewalk on residential streets and thirteen (13’) feet wide on collectors and arterial roadways. Conform grinding will be thirty five feet (35’) at non-signalized cross streets and one hundred feet (100’) at signalized cross streets. The County will also require that all District facilities within the project limits be adjusted to grade (approximately 2 inches) after the overlay using quality materials and workmanship. Upon completion of this overlay projects, there will be a three (3) year utility trench cut moratorium. *Scheduled to start March 2024
- Arden – Arcade & Carmichael Sidewalk & Street Lights: This Sacramento County project will install curb, gutter, sidewalk infill, ADA curb ramps, and street lighting at the intersection of El Camino Ave and Fair Oaks Blvd. District staff will need to relocate some of the facilities within the project limits after construction has taken place. *Project on hold
- Fair Oaks Blvd at Kenneth Ave Traffic Signal: This project will construct a traffic signal at the intersection of Fair Oaks Blvd. and Kenneth Ave. The District received “A” plans for this project on May 5, 2022 and has responded with comments. As this project moves forward to the “B” plan stage, Sac County will identify potential conflicts. Once identified CWD will or may need to relocate existing facilities. *Project on hold
- San Juan Water Line Replacement Project: To date all sections of the water main have been installed, pressure test was performed with no leakage. The bacti test was taken and passed, water service laterals have been connected to the properties and tie ins at Walnut and Ash completed with bacti testing.

BOARD OF DIRECTORS

JANUARY 2024 MEETING ATTENDANCE

MEETINGS ATTENDED		DIRECTORS				
DATE	DESCRIPTION	DAVIS	EMMERSON	NELSON	GREENWOOD	SELSKY
1/29	ACWA Region 4 Committee	1				
1/27	CWD 2x2 Adhoc Committee		1	1		
1/16	CWD - Regular Board Meeting	1	1	1	1	1
1/24, 1/25, 1/30	CWD - Special Board Meeting	3	3	3	3	3
1/18	RWA - Regular Board Meeting				1	
1/12	RWA - Special Board Meeting				1	
TOTAL MEETINGS ATTENDED		5	5	5	6	4

JANUARY 2024 EXPENSE COMPENSATION/REIMBURSEMENT

MEETINGS COMPENSATED						
DATE	DESCRIPTION	DAVIS	EMMERSON	NELSON	GREENWOOD	SELSKY
1/27	CWD 2x2 Adhoc Committee			1		
1/16	CWD - Regular Board Meeting	1	1	1	1	1
12/21 1/12	RWA - Special Board Meeting				2	
TOTAL # COMPENSATED		1	1	2	3	1
TOTAL \$ COMPENSATED		\$152.00	\$152.00	\$304.00	\$456.00	\$152.00
TOTAL REIMBURSEMENTS		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

FISCAL YEAR 2023-2024 SUMMARY

	DAVIS	EMMERSON	NELSON	GREENWOOD	SELSKY
FYTD # MEETINGS ATTENDED	18	13	29	25	24
FYTD # MEETINGS COMPENSATED	10	7	25	25	19
FYTD \$ MEETINGS COMPENSATED	\$1,520.00	\$1,064.00	\$3,800.00	\$3,800.00	\$2,888.00
FYTD EXPENSE REIMBURSEMENTS	\$466.30	\$1,480.55	\$1,437.14	\$1,651.19	\$1,313.77