



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.

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.

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.

INFORMATIONAL ITEMS**13. LAFCo Memo - Request For Comments on MSR Policies**

No comment.

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****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.

Director Greenwood:

1. Is going to submit a written report for his attendance to the ACWA Fall Conference.

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



Paul Selsky, Board President



Cathy Lee, Board Secretary