



Regular Board Meeting
Tuesday, May 21, 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 21st day of May at 6:00 p.m. in person and via teleconference.

ATTENDANCE:

Directors: **Ronald Davis, Mark Emmerson, Jeff Nelson, Paul Selsky, Ron Greenwood**
Staff: **Cathy Lee, Gaby Padilla, Debbie Martin**
Public: **Two (2) Members of the Public**

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

PRESIDENTS COMMENTS:

President Selsky announced that Director Greenwood who is participating via teleconference due to medical reason for cause and has not attended a Board meeting virtually in the past year. In order to comply with the latest Brown Act provisions, he asked the Board for a motion and a second to allow Director Greenwood to participate virtually for the CWD's May 21, 2024 regular Board meeting.

M/S Davis / Emmerson to allow Director Greenwood to participate virtually for the CWD's May 21, 2024 regular Board meeting.

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 asked Director Greenwood to identify if anyone over 18 was participating in the meeting at his location. Director Greenwood confirmed that there was no one with him.

President Selsky informed Director Greenwood that he needs to have his audio and camera on for the duration of the meeting.

PUBLIC COMMENT:**1. Public Comment**

No comments.

CONSENT CALENDAR:

2. Minutes for the Regular Board Meeting – April 16, 2024
3. Minutes for the Special Board Meeting – April 19, 2024
4. Paid Expenditure Report – April 2024
5. Budget to Actual Report – March 2024
6. Treasurer's Report – For the Quarter Ended March 31, 2024
7. Amendment No. 3 To The Memorandum of Agreement for Reimbursement of Payments for Federal Legislative Advocacy Services Between San Juan Water District and Carmichael Water District

Directors commented that the minutes were very thorough and helped them understand what was discussed.

M/S Emmerson / Davis 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:								

ANNOUNCED PUBLIC HEARING AND ADJOURNED REGULAR MEETING TO PUBLIC HEARING: 6:05 p.m.**PUBLIC HEARING:****8. Presentation of the Fiscal Year 2024-2025 Draft Budget**

The Finance Manager presented the fiscal year 2024-2025 draft budget.

a. Director's Comments

Directors commented that they would like to commend staff for the budget and that it keeps getting better every year and although it is long it is understandable for everyone.

Directors inquired if the award we recently received was the same as was given in the past.

The Finance Manager informed the Board of Directors that it is the same award but the criteria changes every year.

Directors inquired about the increase in water revenue.

The Finance Manager informed the Board of Directors that last year the budget for water revenue was under budgeted because we were in a drought and water use restrictions were in place. The current budget to actuals shows that the revenue for water sale has been going up and it is expected to pass the original budget. This year the budget process evaluated the average water use for the last three years with consideration of water availability conditions for a more accurate estimate of the water revenue in this upcoming fiscal year.

Directors inquired about how much grant revenue is in this budget.

The Finance Manager informed the Board of Directors that the total is \$7,650,000 for grant revenue. \$7,600,000 is for the CIP projects and \$50,000 is the expect amount from the turf replacement program reimbursement (via a grant) and the Rachio irrigation controller rebate.

Directors inquired as to why the Golden State treat-and-deliver revenue budget to actuals is so much lower than the estimated budget.

The General Manager informed the Board of Directors that the District stopped water delivery to Golden State during the cleaning of Ranney Collectors due to capacity concerns. As such, there is a month of revenue lost for that time period and Golden State do not pay for the capital expenditures until the end of the year.

Directors inquired about the 9.5% increase and whether the service charge and quantity charge both going up 9.5%.

The Finance Manager informed the Board of Directors that the service charge and the quantity charge will both be going up 9.5%.

Directors inquired if there was a time activity reporting for the engineers to justify moving the one engineer salary to production.

The Finance Manager informed the Board of Directors that on their timesheets they are showing how their time is being divided between each project.

Directors inquired what the facilities reserves line item is for.

The Finance Manager informed the Board of Directors that this is for the charges for new development and all those charges are held in this reserve until we decide what we want to use the funds for which needs to be approved by the Board.

Directors inquired about the grants and why they are not shown.

The General Manager informed the Board of Directors that grants are received by reimbursement so we need to spend the money first before reimbursement. The state budget grant is the money that was already given to us and is currently sitting in the bank for us to use.

Directors inquired about how the CIP cost estimates are estimated.

The General Manager informed the Board of Directors that for all the pipeline projects the Distribution Superintendent put the estimates together. For the wells, it is budgeted based on past costs and everything else is educated estimates.

b. Public Comments
No comments.

ADJOURNED PUBLIC HEARING AND OPENED REGULAR MEETING: 7:03 p.m.

ACTION ITEMS**9. San Juan Water Line Replacement Project – Notice of Completion and Release of Retention**

Staff recommends that the Board of Directors:

- 1) Accept the San Juan Waterline Replacement Project as complete; and
- 2) Authorize the General Manager to file the Notice of Completion for the project and release \$123,294.85 in retention to the contractor, La Fleur Excavating Inc.

Directors inquired if Joy Lane was included in the project,

The General Manager informed the Board of Directors that Joy Lane was part of the project after all.

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. Landscape Maintenance Services Contract Award

Staff recommends that the Board of Directors authorize the General Manager to execute the contract for landscape maintenance services with New Image Landscape Company.

No discussion by the Board of Directors.

M/S Davis / Nelson 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. Retired Annuitant Contract Renewal

Staff recommends that the Board of Directors approves the attached Employment Agreement for Temporary Employment as a Retired Annuitant and authorize the General Manager to execute the agreement.

No discussion by the Board of Directors.

M/S Nelson / Emmerson 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:								

12. La Vista Storage Tank & Booster Pump Station Project – Professional Services Agreement (PSA) Amendment #1 for Construction Management Services

Staff recommends that the Board of Directors authorize the General Manager to execute an amendment to the existing agreement between WWE and the District that increases the contract's value from \$999,201 to \$1,059,496.14.

Directors inquired if this item had been previously tabled.

The General Manager informed the Board of Directors that it was tabled previously but that was an amendment for a longer time with more cost to finish the job. This request is for the work for the months that have already been completed.

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:								

INFORMATIONAL ITEMS

13. Directors' Policy 9610 - Reserve Policy Amendment

Directors inquired as to how specific the name and intention of the reserves should be per policy.

The General Manager responded that the rate study specified it to be a Filter Skid Replacement Fund. To be consistent, the filter skid replacement should remain in the name. For the Ranney collector portion, it does not need to be named but for transparency reasons and for people who do not know CWD's history it is easier to have both items in the name.

Directors commented that future treatment plant replacement items will be necessary and it was suggested that there be a treatment plant reserve fund. The advantage is that there won't be a need to keep renaming it to fit all the items. Directors discussed and concluded that they disagree with having just one reserve fund for all items associated with the treatment plant and that it should be very specific in order to differentiate the reserve projects, CIPs, and routine maintenance.

Directors directed staff to bring back this item at the next Board meeting for one reserve fund with for the two water treatment plant items (projects) as recommended in the staff report.

14. Water Forum 2.0 – Purveyor Agreement, Governance, and Funding

Directors inquired if there was any benefits for the Ranney collector rehabilitation/restoration project.

The General Manager informed the Board of Directors that staff have thought about this internally and came to the conclusion that the project is a replacement requiring minimal environmental review analysis because we are not increasing capacity. The General Manager stated that, as always, staff would work with potentially impacted parties prior to understand and mitigate any concerns as much as possible prior to construction.

Directors inquired when they need to make a decision on this.

The General Manager informed the Board of Directors that this is the first iteration and there is going to be a meeting next month to see what the water purveyor's proposals are.

Directors commented that if we participate in this they prefer the cost share per connection methodology.

Directors commented that they are interested to know how RWA feels about this.

Directors inquired if Water Forum has tried to reach out and sell this to everyone.

The General Manager informed the Board of Directors that this is the biggest element that has been frustrating for all water agencies involved because it has not been done.

Directors commented that unless the Bureau of Reclamation is a part of this then it is going to be meaningless.

Directors commented that they would like to have Water Forum come and sell them on this.

The General Manager informed the Board of Directors that she will invite Water Forum to the next Board meeting.

15. ACWA Certificate of Excellence

Directors commented that they will get their training done.

Directors commented that the requirement to get the ACWA Certificate of Excellence is to obtain the certificate of transparency from CSDA.

16. Water Forum – Monthly Runoff and Allocation Report – April 2024

No comments.

17. Del Paso Manors Water District – Special Board Meeting April 16, 2024

Directors inquired if the repost included is from the Del Paso Manor Board members or LAFCo.

The General Manager informed the Board of Directors that the report is from LAFCo's staff. The inclusion was part of a longer report from LAFCo staff.

COMMITTEE REPORTS**18. Sacramento Groundwater Authority Board Meeting**

Director Selsky Reports Out.

Director Selsky reported that there has not been a SGA Board meeting since last month but he was on an ad hoc committee which had a meeting with representatives from RWA and the Vice Chair of SGA to discuss the pay issue for the executive director for PERS compliance where there has to be an established pay range.

19. Regional Water Authority Executive Committee and Regular Meeting

Director Greenwood Reports Out.

Director Greenwood informed the Board of Directors that he will write up his report and submit it.

The General Manager reported that they attended the May RWA Board meeting where it was decided that the dues for next year is a five percent increase and their employees are going to have a four percent cost of living increase at the end of the year. For the next two years, there will be a seven percent increase each year for the dues. Another topic that was discussed was the watershed resilience pilot project. RWA received a two million dollar State grant for it and the State only chose five watersheds to participate in the project. RWA did a RFQ process to find a consultant to run this project and they chose Jacobs Engineering as the firm. Another item that was discussed was the conservation regulation update and Amy Talbot gave a detailed presentation on the conservation issues.

20. Other Committee Report

Directors Report Out.

No reports.

STAFF REPORTS:**21. General Manager and District Activity Report – April 2024**

Discussed with the Board.

22. Director's Expense Reimbursement Summary – April 2024

No comments.

GENERAL CORRESPONDENCE/INFORMATION:**23. News Articles**

Directors commented that there was a good presentation at the ACWA spring conference on the atmospheric river.

24. Director's Written and/or Oral Reports

Director Emmerson

1. ACWA Spring Conference
 - a. Is writing up a report for the next Board packet.
2. JPIA Meeting
 - a. There is only one candidate for the California Water Insurance Fund with no opposition.
 - b. Key issues facing the membership including cost of conservation requirements, watershed priority, bond proposition proposals for November's ballot, and sponsorship of legislation regarding the rate setting within Prop 218 requirements.
 - c. JPIA has been awarded the Certificate of Achievement for Excellence in financial reporting and they received a clean audit report for 2023.
 - d. Next year's budget is going to be increased by 10.2 percent for the operation of JPIA.

Director Nelson

1. ACWA Spring Conference
 - a. Is writing up a report for the next Board packet.

Director Selsky

1. Meetings with Director Kevin Thomas from Sacramento Suburban Water District (SSWD)
 - a. Meetings were after the meeting where CWD voted to stop moving forward with the consolidation process.
 - b. Director Thomas mentioned that some of the SSWD Board members are not clear on what CWD voted on and are wondering if CWD voted to sever all ties with SSWD and asked for clarification.

ANNOUNCED CLOSED SESSION AND ADJOURNED OPEN SESSION TO CLOSED SESSION: 8:22 p.m.

CLOSED SESSION

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

ADJOURNED CLOSED SESSION AND OPENED REGULAR SESSION: 8:37 p.m.

REPORT OUT OF CLOSED SESSION

Directors discussed the performance evaluation of the General Manager.

ADJOURNMENT: President Selsky adjourned the meeting at: **8:37 p.m.**


Paul Selsky, Board President


Cathy Lee, Board Secretary