



Regular Board Meeting
Tuesday, June 18, 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 18th day of June at 6:00 p.m. in person and via teleconference.

ATTENDANCE:

Directors: Ronald Davis, Mark Emmerson, Ron Greenwood, Jeff Nelson, Paul Selsky
Staff: Cathy Lee, Gaby Padilla, Debbie Martin
Public: Four (4) Members of the Public

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

PRESIDENTS COMMENTS: No comments.

PUBLIC COMMENT:

1. Public Comment

No comments.

CONSENT CALENDAR:

President Selsky moved the consent calendar after the Public Comment section.

5. Minutes for the Regular Board Meeting – May 21, 2024

Mr. Christian thanked the Production Superintendent for the water treatment plant (WTP) tour which was highly informative. He feels like he now knows what is going on and he thinks it is a great facility. He then inquired if the District offers tours to schools because he thinks this could potentially awaken some of the kids to pursue engineering and mechanical interests because he thinks the community is in need of people in these fields. He also commented that the WTP has a lot of sunlight exposure and it occurred to him when he was looking at the diesel generator that a lot of power is used at the WTP. He mentioned that he believes the offices and the garage at the WTP could be on solar power which could potentially offset costs. He then mentioned that at the main filtration section of the building he saw vats of filters lying in water or solution. One looked like a horse water trough and it looked like they could be doing this in something better and enclosed. The reason he made that suggestion was if the District was to do tours, people would not want to see that.

Directors commented that there is an item on the WTP roof replacement and they noticed that there is a huge portion of the roof where the sun gets a lot of exposure so getting solar would be a viable option and they think this should be looked into further down the line. They also mentioned that they agree that there should be tours done at the WTP and it would be good publicity to get for the District.

6. Minutes for the Special Board Meeting – May 30, 2024

7. Minutes for the Special Board Meeting – June 6, 2024

8. Paid Expenditure Report – May 2024

Directors inquired about the general licensing with Cogsdale Corporation.

The General Manager informed the Board of Directors that this licensing is for the Districts customer service module that ties into the billing and the amount is for the year.

Directors inquired about the check to Kennedy Jenks Consultant and what it was for.

The General Manager informed the Board of Directors that this is for the engineering services during construction on the La Vista project. Specifically they have been reviewing the RFI's that have been submitted because they are the ones that designed the project. This is an accumulative amount of a couple months.

9. Budget to Actual Report – April 2024

10. Capital Improvement Project Status Report as of March 31, 2024

M/S Nelson / Emmerson 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:		✓							

PRESENTATION:**2. Water Forum**

Ms. Law presented the Water Forum 2.0 to the Board of Directors.

Directors inquired if they were getting any questions from any other member agencies on any of the topics.

Ms. Law informed the Board of Directors that all the topics came from all the entities so everyone is on Board with the structure for these topics.

Directors inquired if there were any other critical areas that they have seen so far.

Ms. Law informed the Board of Directors that an information element that would help Water Forum staff is the metrics of success. The metrics could be used to measure their progress and was not in the original Water Forum agreement.

Directors inquired if East Bay MUD is looking to join the Water Forum 2.0.

Ms. Law informed the Board of Directors that East Bay MUD is interested and has not been a member. They have some really important agreements in the region with Sacramento County and PCWA. Water Forum has brought East Bay MUD into the conversation at the water caucus but they have been participating on the side for years but never formally until now.

Directors inquired about the Water Forum position about the River Arc Project.

Ms. Law informed the Board of Directors that in the year 2000 River Arc Project was included in the agreement as an endorsed project. Over the past few years the agencies associated to the project has been going after funding and the Water Forum was there helping them.

Directors inquired to what extent the Water Forum was collaborating with the Regional Water Authority (RWA) and how would they be preventing duplication of work.

Ms. Law informed the Board of Directors that the Water Forum has a really good relationship with RWA and both entities have sat down together to determine the roles and responsibilities for each entity. This will be included in the new agreement and they are hoping to be able to get very specific agreement with RWA to ensure there is very minimal overlapping of work and where there is some overlapping there will be a collaboration of the work.

Directors inquired about how the Water Forum was going to try and resolve the residential development that is going to occur right by the American River by I-5.

Ms. Law informed the Board of Directors that the Water Forum has an agreement that was put together in 2002 that laid out the roles and responsibilities of the Water Forum in relation to development proposals and land use propositions. The Water Forum is looking at that agreement again and adding it into the new agreement with better implementation.

Directors inquired what the Water Forum knew about the flood project by Ancil Hoffman that is being conducted by Corps (US Army of Corps).

Ms. Law informed the Board of Directors that the Water Forum is staying out of the Corp's projects but they do work closely with SAFCA which is Corp's local partner.

Directors inquired about the purveyor's specific agreement and if the individual water conservation agreements were still going to be in the agreement.

Ms. Law informed the Board of Directors that the current agreement is not taking that approach on water conservation and is looking at demand management as a whole.

Directors inquired if the Water Forum has more projects on the American River planned and if it is going to go on for many years.

Ms. Law informed the Board of Directors that they have a new project this year on the upper river bend at three sites. She also mentioned that in the past they used to do a project every other year and now they have been doing one to two projects every year with significant amount of funding from the State and the Feds. They are also waiting for more funding for the future projects.

Mr. Helliker commented that he has been actively participating in all the work groups in the Water Forum and the Water Forum team has made a lot of progress in creating the agreement. He mentioned that they are almost done with the water sustainability work groups for surface water and dry year actions but they are still waiting for some of the water agencies to get their numbers in to define the projected diversions and actions during dry years. He mentioned that for the water conservation element is moving to the best practice approach and take into account the proposed regulations from the State Water Board. He then commented that RWA and the Water Forum will be providing support work for the V.A.

Directors thanked Ms. Law for the presentation.

ANNOUNCED CLOSED SESSIONS AND ADJOURNED OPEN SESSION TO CLOSED SESSION: 7:03 p.m.

CLOSED SESSION

3. 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

4. REAL PROPERTY NEGOTIATIONS (Government Code section 54956.9):

4515 Charleston Drive, Carmichael, CA 95608

ADJOURNED CLOSED SESSION AND OPENED REGULAR SESSION: 8:30 p.m.

REPORTED OUT OF CLOSED SESSION:

The Board of Directors gave direction to legal counsel.

ACTION ITEMS

11. Directors' Policy Manual 9610 – Reserve Policy – Amendment

Staff recommends that the Board of Directors approve Resolution 06182024-01 – A Resolution Amending the Directors' Policy Manual Series 9610 – Reserve Policy.

Directors inquired if the original \$650,000 that was being put into the reserve for the Filter Skid replacement was enough.

The General Manager informed the Board of Directors that the filter skid replacement is scheduled for around the year 2035 and by then it is projected to be about 8 million dollars in its reserve.

Directors inquired that with this change if there would be enough to do both the filter skid replacement and the Ranney collector maintenance and replacement in the reserve fund.

The General Manager informed the Board of Directors that currently we know a rough estimate of how much the replacement of the Ranney collectors from the consultant who did the cleaning. As for the filter skid replacement we do not have an estimate because we do not know what type of filters will be used and what will be available at the time of replacement. We are being prudent by putting money into the reserve to make sure there is money to do the project.

Mr. Hanscom inquired about the duration that the extra \$500,000 will be going into the reserve.

Directors informed Mr. Hanscom that they will revisit this policy again once the Ranney collectors are replaced. They also mentioned that they think it's best to continue to save for the next fix or replacement in the future.

M/S Nelson / Davis to approve staff's recommendation.

Mark Emmerson	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>	<input type="checkbox"/>
Jeff Nelson	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>	<input type="checkbox"/>
Ronald Davis	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>	<input type="checkbox"/>
Ron Greenwood	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>	<input type="checkbox"/>
Paul Selsky	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>	<input type="checkbox"/>
Board Totals:	Ayes:	5	Nays:	0	Absent:	0	Abstain:		0
Passed Unanimously:		<input checked="" type="checkbox"/>							

12. Fiscal Year 2024-25 Annual Budget and Resolution Adopting the Annual Revenue, Operating and Maintenance, and Capital Improvement Budgets, Water Rate Schedules, Water Surcharges and Service Fees, and Salary Bands

Staff recommends that the Board of Directors approve Resolution 06182024 – 02 – A Resolution Adopting the Carmichael Water District (District) Fiscal Year 2023-24 Annual Budget, Continuation of the Five-Year Water Rate Schedule (Including Water Surcharges), Fee Schedule, and Salary Bands.

Directors inquired if the budget has changed with the previous action item being approved.

The General Manager informed the Board of Directors that the budget included the previous action based on the Board's directions from last month.

Directors thanked staff for all their hard work and dedication putting the budget together.

M/S Nelson / Davis to approve staff's recommendation.

Mark Emmerson	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>	<input type="checkbox"/>
Jeff Nelson	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>	<input type="checkbox"/>
Ronald Davis	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>	<input type="checkbox"/>
Ron Greenwood	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>	<input type="checkbox"/>
Paul Selsky	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>	<input type="checkbox"/>
Board Totals:	Ayes:	5	Nays:	0	Absent:	0	Abstain:		0
Passed Unanimously:		<input checked="" type="checkbox"/>							

13. Award a Well Construction/Deconstruction Contract for the Ladera, Winding Way, Barrett Road, and Dewey Wells Sites

Staff recommends that the Board of Directors authorize the General Manager to 1) execute a Construction Contract with Well Industries, Inc. for \$2,434,400 and 2) authorize an additional \$252,000 to provide a 10% construction contingency as well as fund the Dewey Drive Well destruction, for a total not-to-exceed contract amount of \$2,686,400.

Directors inquired if staff has knowledge of the competency of Well Industries.

The General Manager informed the Board of Directors that Well Industries drilled the wells in Roseville who seem to be happy with it. Another factor to consider is that all the bids had a very close range of the total amount and staff has confidence that they could do the job based on the pricing.

Directors inquired if this would be completely equipped and give you a ready to go well.

The General Manager informed the Board of Directors that they are just drilling the hole in the ground.

Directors inquired about the contract form in section 2.1.1 and how it states that the well be fully connected and ready to go.

The General Manager informed the Board of Directors that this portion of the contract will be updated to reflect it.

Mr. Christian commented that \$75,000 to destroy a well seems a bit much and that he normally uses \$75,000 to pay his crew for a month. He then inquired if this includes permits and other things as well.

The General Manager informed Mr. Christian that it does include permits and to coordinate with Sacramento County and with GEI for construction oversight.

Directors inquired how deep the wells that are going to be destroyed are.

The General Manager informed the Board of Directors that they are about 500 plus feet and they will be completely filled with concrete.

M/S Emmerson / Davis to approve staff's recommendation.

Mark Emmerson	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>	<input type="checkbox"/>
Jeff Nelson	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>	<input type="checkbox"/>
Ronald Davis	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>	<input type="checkbox"/>
Ron Greenwood	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>	<input type="checkbox"/>
Paul Selsky	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>	<input type="checkbox"/>
Board Totals:	Ayes:	5	Nays:	0	Absent:	0	Abstain:		0

Passed Unanimously: ☒

14. Bajamont Water Treatment Plant (BWTP) Contract Award – Roof Replacement

Staff recommends that the Board of Directors approve and authorize the General Manager to execute a contract for the roof replacement on the main and south buildings at 3501 Bajamont Way with All Seasons North and Waterproofing for \$226,405 with a contingency of 10% of \$22,641, for a total not-to-exceed contract value of \$249,046.

Directors commented that they had just went on a tour of the WTP and they noticed that the roof is in really bad shape. They are glad that staff's recommendation is All Seasons North. They also inquired if it was possible in the future to install some solar panels because there is so much sun exposure there.

The General Manager informed the Board of Directors that staff can look into the possibility of installing solar panels.

Mr. Christian inquired if in the bidding process whether is typical to put in the contingency.

The General Manager informed Mr. Christian that the contingency is not included in the bid because the contractor should be able to finish the job with the amount that they are bidding.

Mr. Christian commented that to add solar there are routes to install the cabling and if it was possible to preempt the installation of solar so they are not closing up the areas that are going to be needed for the install.

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

Mark Emmerson	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>	<input type="checkbox"/>
Jeff Nelson	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>	<input type="checkbox"/>
Ronald Davis	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>	<input type="checkbox"/>
Ron Greenwood	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>	<input type="checkbox"/>
Paul Selsky	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>	<input type="checkbox"/>
Board Totals:	Ayes:	5	Nays:	0	Absent:	0	Abstain:		0
Passed Unanimously:		<input checked="" type="checkbox"/>							

15. Grant Agreement with Bonneville Environmental Foundation (BEF) for La Sierra Well

Staff recommends that the Board of Directors authorize the General Manager to execute a Monetary Grant Agreement with Bonneville Environmental Foundation pending acceptable contract terms and conditions by the District's counsel.

Directors inquired if they will own the water.

The General Manager informed the Board of Directors that they will not own the water they will only receive credit for helping CWD store the water.

Directors inquired as to what would happen if CWD is not able to recharge at the rate that is presented and if there is a risk.

The General Manager informed the Board of Directors that there is no risk.

Directors inquired about the provision that limits what CWD could say about them.

The General Manager informed the Board of Directors that this exact provision is being reviewed by the attorneys.

Directors commented that they are interested to know how they are going to use this to their advantage.

The General Manager informed the Board of Directors that this was part of the terms and conditions that they are talking to the attorney about. Staff and CWD's attorneys are working to get to a mutually acceptable agreement with BEF/Google.

Directors inquired where the staff and attorney edits are because in the staff report it mentions them as an attachment. The General Manager informed the Board of Directors that it seems like the edits did not get printed out but the copy that is included already has the edits in there.

Directors commented that in section E in the contract under the grantee acknowledgements, one of the things mentioned alluded to being able to transfer the claim to have funded all or a portion of the Environmental Water Benefits that are generated to anyone they want outside or any approval to CWD. This concerns them because CWD may not be in agreement with the third party's business model. They commented that it should be specific to Google or the transfer needs to be approved by CWD.

Mr. Christian commented that the whole thing about the legal matters is entanglement and exposure. When you have entanglement that is when you passed on to something and become a party to it and not separate yourself from it. Exposure is what you give up and allow the other person to create the norm. From what he understand from the contract, this sounds like exposure and it should be clarified by the "shalls" and "shall nots".

M/S Nelson / Greenwood to approve staff's recommendation with the addition that the Board further approves the final contract after being reviewed by legal.

Mark Emmerson	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>	<input type="checkbox"/>
Jeff Nelson	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>	<input type="checkbox"/>
Ronald Davis	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>	<input type="checkbox"/>
Ron Greenwood	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>	<input type="checkbox"/>
Paul Selsky	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>	<input type="checkbox"/>
Board Totals:	Ayes:	5	Nays:	0	Absent:	0	Abstain:		0
Passed Unanimously:		<input checked="" type="checkbox"/>							

INFORMATIONAL ITEMS

16. Development of Rate Study Committee

Directors inquired if this committee is necessary.

The General Manager informed the Board of Directors that this is more for public engagement and if there needs to be a rate increases then it is a great way to have the discussion with the rate payers on what needs to be done.

Directors commented that they question the effectiveness of the rate study committee for the number of hours spent organizing and attending all the meetings versus what you get out of the process.

Mr. Hanscom commented that he has been on two rate study committees and they are informative but it is hard to find people to participate that have knowledge of how things are done in CWD. He also commented that sometimes you have people who try and participate in the committee to try and get free water. They are not able to see the business end of it or the financing end of it. He also commented that when he participated the first time, Bob Reed who was a part of it, was very knowledgeable. The second time he participated it was led by a different person who might have costed the District extra money. This may have also been COVID related difficulties when everyone was using video conferencing.

Directors commented that they think there is still a lot of social engagement with the process of changing the rates without having to do the committee, especially with the Prop 218 process requirements.

Directors inquired if a consultant would still be hired if the committee was not done.

The General Manager informed the Board of Directors that a consultant would still be hired and this person would have experience and knowledge on the Prop 218 process.

Directors agreed that it is not necessary to do a rate study committee but they want to remain transparent and hold workshops to inform the community of what is going on that will be presented by the rate consultant.

17. Water Forum 2.0 – Purveyor Specific Agreement Discussion

Directors inquired what was in our drought management plan for demand reductions.

The General Manager informed the Board of Directors that it starts at 10% then it goes up by 10% until it reaches 50% but it is up to CWD to determine what percentage to use.

Directors commented that they would like it to follow CWD's water contingency plan instead of the regional messaging for demand reductions.

Directors commented that they would like the agreement to recognize that CWD has the ability and authority to engage in our own water transfers without having to link it to anyone else. They do not want CWD to be dependent on RWA or the Water Forum.

Directors inquired if the Water Forums projects can really bring back the salmon to the American River successfully and if that will that reduce the chance of curtailments from the State Water Resource Control Board.

The General Manager informed the Board of Directors that part of the curtailment process rely on reservoir storage levels and not the number of salmon.

18. On-Call Service Request for Proposal (RFP) for Concrete, Asphalt, and Facility Maintenance

No comments.

19. Security Issue – Rock Stacking

Directors inquired about how many people have been doing the rock stacking.

The General Manager informed the Board of Directors that there has been two people.

Directors inquired if security has been patrolling the area.

The General Manager informed the Board of Directors that our security is through Carmichael Improvement District and they do not patrol at night and that is when these people have been coming.

20. Sacramento County Grand Jury News Release

Directors commented that they were surprised that the recommendation is just training and to join other agencies to learn about groundwater management procedures.

COMMITTEE REPORTS**21. Sacramento Groundwater Authority Board Meeting**

Director Selsky Reports Out.

Director Selsky reported that the meeting was cancelled.

22. Regional Water Authority Executive Committee and Regular Meeting

Director Greenwood Reports Out.

Director Greenwood commented that he has nothing to report out.

23. Other Committee Report

Directors Report Out.

Director Selsky reported attending a meeting on May 25th with San Juan Water District General Manager, Paul Helliker, to listen to his comments and opinions about what SGA is doing and the groundwater bank issues. He attended another meeting on May 26th with Kevin Thomas, President from Sacramento Suburban Water District for further collaboration between the two districts. He attended a meeting on May 28th with Trevor Joseph and Jim Peifer from SGA and they wanted to explain their views with SGA, the groundwater bank, the Paul Helliker issues, and why they cancelled the most recent SGA meeting. He also attended another meeting on June 12th with Robert Wichert from SSWD and he also sits on the Executive Committee at RWA. They discussed the groundwater bank issues and they agreed that the two districts should align politically where it makes sense in the future on RWA and SGA votes.

Directors inquired if staff was able to cancel a meeting.

Director Selsky informed the Board of Directors that he is not sure if they can. In this instance, he called staff at SGA and informed them that he might be out of town during the meeting and if the co-chair could run the meeting. That is when they recommended to him that they should cancel the meeting because they did not have anything to discuss so he agreed to cancel the meeting.

STAFF REPORTS:**24. General Manager and District Activity Report – May 2024**

Discussed with the Board.

25. Director's Expense Reimbursement Summary – May 2024

No comments.

GENERAL CORRESPONDENCE/INFORMATION:**26. Director's Written and/or Oral Reports**

No reports.

ADJOURNMENT: President Selsky adjourned the meeting at: **9:19 p.m.**


Paul Selsky, Board President


Cathy Lee, Board Secretary