



Regular Board Meeting
Tuesday, July 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 July 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, Lisa Nicolls
Public: Two (2) Members of the Public

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

PRESIDENTS COMMENTS: No comments.

PUBLIC COMMENT:

- 1. Public Comment**
No comments.

ANNOUNCED CLOSED SESSIONS AND ADJOURNED OPEN SESSION TO CLOSED SESSION: 6:03 p.m.

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
- 3. REAL PROPERTY NEGOTIATIONS (Government Code section 54956.9):**
4515 Charleston Drive, Carmichael, CA 95608

ADJOURNED CLOSED SESSION AND OPENED REGULAR SESSION: 7:19 p.m.

REPORTED OUT OF CLOSED SESSION:

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

CONSENT CALENDAR:

4. Minutes for the Regular Board Meeting – June 18, 2024

Mr. Hanscom commented that he agrees with the Board's approach for the rate study committee. He thinks that doing a workshop will suffice and is the best and economical way to do this. He further commented that at the last meeting he brought up the extra \$500,000 that will be going into the Ranney collectors reserve and the duration that the District would be setting this amount aside. The response he got was that if we do not use the money for the Ranney collectors it would be used somewhere else. He mentioned that he hears a lot about transparency and, if the current Board is not going to be here in 10 years, who is going to know what the money is intended to do. He commented that the policy should include an end date for the collection of the money or that it will be stopped when the project is done to be clear.

The General Manager informed Mr. Hanscom that the reserve policy update from last month includes the Ranney collectors into the fund of money that is already being collected for the filter skid replacement. The filter skid replacement is a project that will most likely be completed in 2035 and the reserve policy will be reviewed again at that time to see if this money needs to continue to be collected in this reserve.

Directors commented that the policy should be clear so that any future Board Member or the public understands clearly the purpose of the fund and what the limits are.

5. Paid Expenditure Report – June 2024

6. Budget to Actual Report – May 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

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

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"/>							

ACTION ITEMS**8. Amendment No. 2 to Carmichael Water District First Amended and Restated General Manager Employment Agreement**

Directors inquired what date was used in the past.

The General Manager informed the Board of Directors that it was typically the next day after the approval of the Board at the regular Board meeting.

M/S Nelson / Davis to approve the item with the provision of the effective date being January 17, 2024.

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"/>							

9. Amendment Two to the Professional Services Agreement for ASR Well Design and Construction Services with GEI, Inc.

Staff recommends that the Board of Directors authorize 1) the General Manager to execute Amendment Two in the amount of \$88,265 to the Professional Services Agreement with GEI, Inc. for ASR Well Design and Construction Services and 2) a contingency in the amount of \$50,000 for a total not-to-exceed contract amount of \$551,613.

Directors inquired about change order number four and what the SHPO was.

The General Manager informed the Board of Directors that the SHPO is for the archeology search and every environmental document, like the NEPA or CEQA, requires a historical research to see if there are any historical artifacts. Directors inquired if doing this process costs \$59,356.

The General Manager informed the Board of Directors that the \$59,356 also includes the information needed to destroy the Dewey Well because it was not included in the last set of plans.

Directors commented that they are very interested to see how much time is put into doing these particular tasks.

Directors inquired about the \$50,000 contingency and why it was necessary to include it.

The General Manager informed the Board of Directors that this is in an event when there is a slow down or if GEI will need any additional staff on the job sites. This gives staff the leniency to have the consultant continuing on the job without having to come back to ask for the Board's approval before proceeding. Typically the contingency is only up to ten percent.

Directors commented that they understand that the ten percent is standard but they do not feel like they should add the full ten percent.

The General Manager informed the Board of Directors that this does not mean that we will be spending the entire contingency.

Directors commented that they would feel more comfortable approving this if staff informs the Board if the contingency is used.

M/S Nelson / Selsky to approve staff's recommendation with the direction to the General Manager to inform the Board if they use the contingency.

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:	<input type="checkbox"/>	0
Passed Unanimously:		<input checked="" type="checkbox"/>							

10. Pass Through of Credit/Debit Card Payment Processing Fees to Users

Staff recommends that the Board of Directors approve 1) passing through the payment processing flat rate fees to customers who use credit and debit card type payments and 2) implementing the change no later than October 1, 2024.

Directors commented that if this item is approved, the percentage of people who pay with credit/debit cards will decrease significantly.

Directors inquired if other water districts currently have this.

The General Manager informed the Board of Directors that most water districts have already passed this on to their customers who pay by credit or debit cards.

Directors inquired what the intentions were to notifying those who are using their credit cards now.

The General Manager informed the Board of Directors that there will be a post on the CWD website as well as on the bills and/or bill inserts.

Directors inquired if there was any other methods of online payments where there are no fees charged.

The General Manager informed the Board of Directors that customers could pay through their bank and there would not be any fee through bill pay.

Directors inquired if PayPal was an option.

The General Manager informed the Board of Directors that PayPal and Venmo will be an alternate method of paying with this change and no fees would be associated with using those platforms.

Directors commented that they would like this announcement to be promoted to the rate payers at least two times before this rolls out and inquired if they would have enough time to do so.

The Finance Manager informed the Board of Directors that InvoiceCloud actually has a promotion program, materials, and media to help CWD inform the customers. The reason why the deadline is October 1, 2024 is because there needs to be enough time to roll out the information to all the rate payers and give them the opportunity to change their payment methods.

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

Mark Emmerson	Aye	<input type="checkbox"/>	Nay	<input checked="" 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:	4	Nays:	1	Absent:	0	Abstain:	<input type="checkbox"/>	0
Motion Carried:		<input checked="" type="checkbox"/>							

11. Pooled Account Investment Authorizations

Staff recommends that the Board of Directors authorize the General Manager to open accounts at CLASS and CalTrust for the "Prime" and "Liquidity" funds, correspondingly, and transfer \$5,000,000 to each of the accounts from the General Fund, total investment not to exceed \$10,000,000.

Directors commented that the only concern they have is that the risk factor since this is not insured money. They also commented that by doing this the District would be gaining a significant amount of money and by splitting the investment into two different accounts they feel safer doing it. They suggested to staff that this be monitored closely.

Directors inquired if there was the flexibility to move the money if the amount starts to drop.

The General Manager informed the Board of Directors that there is the flexibility to move the money on a daily basis and that the money was very liquid.

Directors inquired if staff knew about the principles of the two firms.

The Finance Manager informed the Board of Directors that the CalTRUST one is managed by State Street Global Advisors and for CLASS it is managed by the CLASS Board of Trustees which is made up by public finance managers from

different entities. These funds are also not investing in blue chip stocks, limited by the Government Code which requires the most conservative investments so there is not a lot of wiggle room to lose principal.

M/S Emmerson / 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"/>							

12. Directors Compensation Form Update

Staff recommends that the Board of Directors 1) review and approve the updated Directors Compensation Form and 2) discuss any potential changes or clarification to Directors' Policy 9060 and provide direction to staff.

Directors commented that they are good with the improvements on the form. They also commented that they found it useful that the Government Code was quoted in the memo to better understand the policy.

Directors also commented that they would like time to review the policy and not finalize it today.

Directors commented that as a mission statement they would like to encourage the Board to be active and participate in meetings as necessary to represent the District.

Directors commented that in section 9060.22 of the policy, they could think of several meetings that do not fit into this section very well. They also commented in the same section under F that they do not think these meeting should be only during extreme conditions because it limits the Directors. They also mentioned that section 9060.23 should be stricken because it is too specific and they think as long as the previous sections list what will be compensated then there is no need to mention what will not be compensated.

Directors commented that they would like to include other water districts' or agencies' board meetings and other agencies with interest relevant to CWD to the list of meetings that will be compensated because they like to know what is going on in the community.

Directors commented that they believe that if a Board Member attends a meeting just because they are interested and does not pertain to CWD, they believe that there should not be any compensation and there should be work, like a report, associated with each meeting they attend.

Directors inquired about section 9060.311 and how it states that no more than three Directors can attend a meeting that is more than 50 miles away and how it applies to ACWA's conferences.

The General Manager informed the Board of Directors that there is an exception if the Board approves it in the January meeting or at a meeting thereafter.

Directors inquired about the reimbursement of meals and they commented that they feel like they should be reimbursed for the entire meal instead of the per diem rate.

Directors commented that when they started on the Board, there were Directors who would consistently max out the amount of meetings per month; they were also getting retirement, and medical and other expenses paid for them and their families. They mentioned that they worked hard to get rid of these unnecessary benefits and they feel like if all types of meetings start to be compensated then there should be some kind of report or education that comes out of the meetings to balance it out.

Directors commented that they feel like the compensation/reimbursement process should be made easier for the Directors because they are working hard to represent CWD and every meeting they attend and they are taking time out of their days to do so.

Directors commented that they believe that it is unusual that the General Manager is approving the Board Members compensation and monthly payments because it puts staff in a difficult position because staff does not have the power to approve items from the Board.

The General Manager informed the Board of Directors that for transparency reason she agrees because now that the auditors are going to be reviewing the Board's compensation they are going to be looking for the Board approval of the meetings and not the General Manager.

Directors commented that they saw a Placer County Water Agency agenda item on Director reimbursements a couple of years ago and will be forwarding it to the General Manager to review.

M/S Davis / Emmerson to approve staff's recommendation with the amendment to move the responsibility for the approval of the Board Compensation form to the Board President.

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

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

Directors commented that they contract is specific about what CWD can say about Google but it does not say what they can do with our name.

The General Manager informed the Board of Directors that she included this remark to Google and is still waiting to hear back from them.

Directors inquired if there are any reporting requirements for this.

The General Manager informed the Board of Directors that the reporting requirements are only once a year and we just need to inform them how much we have injected. They mentioned that something that still needs to be asked is what would happen if there is no injection of water.

14. Carmichael 64th Annual Fourth of July Parade – Letter from Carmichael Elks Lodge

Directors thanked Director Greenwood for being in the parade as a representative of CWD.

Directors commented that participating in these types of events are good for community engagement and they think there should be a little more effort and use a CWD truck to better represent ourselves.

15. Paul Selsky – ACWA 2024 Spring Conference Report

Director Selsky reported that there was one topic he wants to bring up and it was podcasting. He mentioned that there are several water agencies who are experimenting with podcasting to their customers and they seemed to be pleased with it.

The General Manager informed the Board of Directors that Assembly Member Josh Hoover has a podcast and they would like to reach out to his staff members to have them speak to CWD's Board Members as his interviewee.

16. Mark Emmerson – JPIA and ACWA 2024 Spring Conference Report

No comments.

COMMITTEE REPORTS

17. Regional Water Authority Executive Committee and Regular Meeting

Director Greenwood Reports Out.

Director Greenwood reported attending the RWA monthly Board meeting with a few key topics. The main item was DWR's grant of two million dollars for Watershed Resilience Pilot Project for RWA with a focus for the American River watershed study. The biggest concern for this item from the Board is that the grant amount was not enough money for the amount of work DWR desires. The next main topic was the Sacramento Regional Water Bank, its benefits, and the water counting system update. He then mentioned that RWA is also trying to get the Bureau of Reclamation to acknowledge the water bank and that the Water Bank is close to becoming a reality.

18. Other Committee Report

Directors Report Out.

Director Nelson reported attending a COTP meeting. The consortium that is looking to buy CWD's capacity recently bought a 20-year lease from the City of Palo Alto for about \$108,000. The interested parties are going to come back and give us a price and he is thinking it is going to be between \$100,000 and \$200,000.

STAFF REPORTS:

19. General Manager and District Activity Report – June 2024

Discussed with the Board.

20. Director's Expense Reimbursement Summary – June 2024

No comments.

GENERAL CORRESPONDENCE/INFORMATION:

21. Director's Written and/or Oral Reports

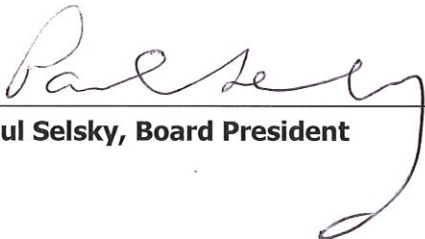
Director Selsky

1. Meeting with Jim Peifer, the Executive Director of SGA, Brett Ewart, the Chair from RWA, Josh Horowitz, attorney for RWA, and Chris Sanders, attorney for SGA. They prepared him on the August SGA meeting with briefing him on what is going on and the issue with the new salary scale for the Executive Director.

Director Davis

1. Legislative is on summer break. Before the break, the legislator did pass a climate bond for ten billion dollars and it will be on the November ballot. It does include two and a half billion dollars for water infrastructure projects which is a third of what the water community was hoping to get. The Governor did end up adding an additional five hundred million dollars for the Healthy Rivers program.

ADJOURNMENT: President Selsky adjourned the meeting at: **9:09 p.m.**



Paul Selsky, Board President



Cathy Lee, Board Secretary