



**Regular Board Meeting
Tuesday, August 20, 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 20th day of August 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, David Biagi, and Aaron Ferguson
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

Ms. Julia Sanders made a presentation to the Board regarding a volunteer internship to conduct an educational outreach program on water awareness and conservation for Carmichael Water District. She mentioned that she has two goals for this program and the first one is to reach four target schools, Barrett Middle School, Deterding Elementary, Starr King K-8, and Carmichael Elementary, which are all within the Carmichael Water District. Her second goal is to educate these students on the new California mandate of "water conservation is the way of life" and in order to do this she has created two curriculums to target students 4-6th grades and 7-8th grades.

Directors commented that they think this is a fantastic idea and thanked her for trying to get the younger community involved and educated.

Directors commented that she should include the powerhouse museum in the curriculums and mentioned that she should attend a RWA meeting so she can have a global approach of what is happening in the region.

Directors inquired if she put together the presentation.

Ms. Sanders informed the Board of Directors that she did put the presentation together.

Directors inquired how she thought water waste related to conservation.

Ms. Sanders informed the Board of Directors that she thinks water waste goes against everything water conservation stands for and the more efficient we could be with the water the more sustainable our water sources will be.

Directors commented that using the Water Board's "water conservation is the way of life" mandate is a big bite when talking to the younger kids about this, they recommend breaking this down to real simple ideas for them to start understating how to use water more efficiently.

Directors offered their help to Ms. Sanders if she needs it with getting ideas on how to present this information to the students.

CONSENT CALENDAR:

President Selsky moved the consent calendar up before the closed session.

3. Minutes for the Regular Board Meeting – July 16, 2024

4. Paid Expenditure Report – July 2024

5. Budget to Actual Report – June 2024

6. Treasurer's Report – For the Quarter Ended June 30, 2024

Mr. Christian commented that he was reviewing the excess amount from the reserves of the expenditures and was thinking if it was ever considered to give a dividend back to the customers that have paid into the reserve.

Directors commented that the District does not have a mechanism to do so.

Mr. Christian commented that they do this with workers comp when they have an excess amount that they do not pay out they return it to the company.

Directors responded that typically the way the excess funding is addressed is to see if a rate increase is needed for the next year. If there is excess reserves that could offset the rate increase they are considering, this is where it is balanced out.

Mr. Christian inquired if there was an expense that was removed or paid through another source of income that is not expected and the revenue fund now doesn't have a mean to go towards anything, what would happen to that money. Directors informed Mr. Christian that the excess amount would be saved for future projects that are listed in the ten year plan. They also mentioned that the preference is to have an excess amount, a reserve, to save for future projects in order to prevent borrowing money and having to pay interest on it.

7. Capital Improvement Project Status Report as of June 30, 2024

M/S Nelson / Emmerson 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

President Selsky moved the following action items before the closed session.

8. Selection of Certified Public Accountants (CPA) for Annual Audit Services

Staff recommends that the Board of Directors award Richardson & Co an annual audit services contract for a one-year agreement in the amount of \$40,400 with options to extend for additional one-year periods up to four (4) years for a total not-to-exceed contract value of \$214,525 and authorize the General Manager to execute a Service Agreement with Richardson & Co.

Directors commented that it has been great working with Richardson & Co and they are very pleased to see that they are the lowest bid which makes it easier to choose them.

Directors inquired that they believed that agencies are supposed to mix up who they use as auditors.

The Finance Manager informed the Board of Directors that it is good practice to change auditors every five years and that is why this year staff did an extensive search and solicitation with CPA firms that neighboring agencies were using. Staff invited 16 firms to bid and half of them did not respond and others informed the District that they did not have the capacity to take this on. The District has been rotating the auditors every five years for internal controls. She also mentioned that after reviewing the six bids, Richardson & Co's proposal stood out with their extensive experience and they showed that they are willing to work together.

Directors inquired who the auditors were during the period when they uncovered some of the discrepancies.

The General Manager informed the Board of Directors that it was Leaf & Cole from 2018 to 2023 and before them it was Richardson & Co. They both performed audits during that time. She then advised the Board that this RFP process included the regular standard audit, which is required by the State, and an additional benefit audit was included. The new auditing firm is also required to meet with the Finance Committee to review their findings without staff present.

Directors inquired if the involvement of the Finance Committee would have made the selection in this process easier.

The Finance Manager informed the Board of Directors that staff is well aware of what is needed from an auditor so they did not find this process difficult; but if the Board would like to review the bids, staff are more than happy to have them involved. She then mentioned that the most important aspect of this process is after the audit is complete, that the auditors are able to review the results with the Directors or the Finance Committee directly without staff presence to debrief any irregularities and such requirements are included that in the RFP.

M/S Greenwood / Selsky 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	✓	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 CLOSED SESSIONS AND ADJOURNED OPEN SESSION TO CLOSED SESSION: 6:03 p.m.**CLOSED SESSION****2. CONFERENCE WITH LEGAL COUNSEL - REAL PROPERTY NEGOTIATIONS (Government Code section 54956.9): Real Property: Water****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 staff.

ACTION ITEMS (CONTINUED)**9. On-Call Concrete Construction Services Contract**

Staff recommends that the Board of Directors approve and authorize the General Manager to execute a Contract with Rawles Engineering, Inc. for On-Call Concrete Construction Services.

Directors inquired if this was on-call or if there was a specific assignment of 200 feet per year.

The General Manager informed the Board of Directors that it is so the contractors can bid on this item based on a minimum of 200 feet, like a unit price.

Directors inquired if this contract can go up to \$436,000.

The General Manager responded that the \$436,000 is the budgeted amount and is a part of the water main project.

Directors inquired if the District only received one bid.

The General Manager informed the Board of Directors that this was correct and this was advertised in the newspaper and our website as well.

Directors inquired if the prices seemed reasonable.

The General Manager informed the Board of Directors that they do seem reasonable and the engineering staff and the distribution staffed looked at the prices and they both agreed.

Directors commented that Rawles Engineering has been a really good contractor for the District for many years now and they feel comfortable with approving this bid.

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:		✓							

10. On-Call Facility Improvements and Repairs Contract

Staff recommends that the Board of Directors approve and authorize the General Manager to a Contract with Rawles Engineering, Inc. for On-Call Facility Improvements and Repairs.

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

Motion Carried:

**11. On-Call Asphalt Construction Services Bid**

Staff recommends that the Board of Directors authorize Staff to reject all bids received on August 1, 2024 for On-Call Asphalt Construction Services and immediately invite new bids for this work with the required striping material specified.

Directors commented that the idea to reject all the bids are to give everyone the same opportunity to bid. The General Manager stated that they were correct.

Directors inquired if staff already informed all the bidders that this is going to be re-bid. The General Manager replied that staff have informed all the bidders of the process.

M/S Davis / Emmerson 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. Grant Agreement with Google Inc. via 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 in the amount of \$250,000.

Directors inquired if exhibit B was a part of the contract. The General Manager responded that exhibit B is a part of the contract.

Directors commented that there are two E sections in the contract. The General Manager informed the Board of Directors that she will ask to correct this mistake before signing it, if approved.

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"/>							

INFORMATIONAL ITEMS**13. Production Flows during Extreme Heat July 2024**

Directors thanked staff for putting in the time and effort to put this report together.

Directors inquired if there was a meter on the flow coming out of the tank that goes into the system. The Production Superintendent responded that they do have the information but it was not added to this report.

Directors inquired if staff felt that the high demand correlates to the high temperature and if this is what the graphs reflect.

The Production Superintendent informed the Board of Directors that this is what typically happens. The rate payers, however, continued from the drought restrictions and keep their watering days. As the charts show, there is consistent usage from Tuesdays to Sundays and then on Mondays, which was the non-watering day, is the drop in usage.

Directors inquired if you can notice when there are fires and they are fighting the fires. The Production Superintendent replied that there is a historian running in the plant and tracking the flows out of the well sites and the plant. When there is an increase of 2,000 GPM, the production staff calls the distribution staff to

inform them that someone ran over a fire hydrant. As such, if there is a fire you would absolutely see it in the real time data.

COMMITTEE REPORTS**14. Sacramento Groundwater Authority (SGA) Board Meeting**

Director Selsky Reports Out.

Director Selsky reported attending the SGA meeting on August 8th. He mentioned that the Executive Director was not present at the meeting. He stated that there was a few things that happened, the first is a contract was approved for GEI for \$500,000 for a master services agreement for on-call technical groundwater services. There was also a revision to the compensation policy for the Executive Director's salary band to align with CalPERS that was approved. Then there was a bunch of updates on legislation.

15. Regional Water Authority Executive Committee and Regular Meeting

Director Greenwood Reports Out.

Director Greenwood reported meeting with Jim Peifer. They spoke about the water bank and how everyone is concerned about the credits earned, credits lost, and the withdrawals of the water, and starting at zero. He mentioned that Mr. Peifer explained to him that this is because of Placer County water purveyors who feel like the only fair way to do this is if everyone goes to zero. Then they talked about the stream depletion allowance and they are thinking it will be about 10 percent but apparently the State Water Resource Control Board is requesting 25 percent depletion allowance. He also told Mr. Peifer that RWA needs to have more transparency with the public about the water bank and he agreed. The next topic that was discussed was about the status of the Water Forum which seems to be struggling. Based on the conversation, Water Forum needs find a way to better organize and have better communication.

16. Other Committee Report

Directors Report Out.

Director Davis reported that ACWA has lost two of their four legislative staff in the past month and they have been major contributors. They are hoping to have new people on board by the time the new session starts.

Director Nelson reported attending the Carmichael Chamber of Commerce's monthly Legislative Update and a representatives from Senator Niello, Assembly Member Hoover, Supervisor Desmond office, and Sacramento County Tax Payers Association were all present. He mentioned that he spoke to them about the water bond/resiliency bond and he does not know if this bond is going to pass nor did he get a feel from them about it.

Director Emmerson reported attending the ACWA Board of Directors meeting on July 26th. They discussed that there is a new hire process for all the open positions, there is a new ACWA dashboard for Board packets, and a strategic plan for performance reviews. There was also a video presentation on predation, fish correlation on salmon and stripe bass which he thinks should be on our website for informational purposes. He also commented that ACWA took a neutral stance on the water bond.

Director Selsky reported attending the ACWA Region 3 & 4 tour. He mentioned that it was all about groundwater banking and the City of Roseville gave several presentations on their groundwater recharge program and did a tour on one of their recharge wells.

STAFF REPORTS:**17. General Manager and District Activity Report – July 2024**

Discussed with the Board.

18. Director's Expense Reimbursement Summary – July 2024

No comments.

GENERAL CORRESPONDENCE/INFORMATION:**19. Director's Written and/or Oral Reports**

No reports.

ADJOURNMENT: President Selsky adjourned the meeting at: **8:58 p.m.**


Paul Selsky, Board President


Cathy Lee, Board Secretary