



Regular Board Meeting
Tuesday, February 18, 2025, 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 February 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, Greg Norris, and Lisa Nichols
Public: One (1) Member of the Public

CALL TO ORDER: President Greenwood called the meeting to order at: **6:04 p.m.**

PRESIDENTS COMMENTS: None.

PUBLIC COMMENT

1. Public Comment

None.

CONSENT CALENDAR

2. Minutes for the Regular Board Meeting – January 21, 2025

Directors commented that the minutes do not show comments and inquiries from a specific Director and they would like to see this.

Director Nelson commented that in item 10 he would like to have his name cited on what he said.

Directors commented that they think by not having names it shows that they speak as one Board and they find the minutes to be excellent to the extent on how detailed they are. They think that the minutes are overly detailed and probably take up a lot of time for staff to re-listen to the audio and to write them up. The minutes used to be very detailed a long time ago and the Directors became very nitpicky as to what was said but it was a contentious time back then. The Directors at that time agreed to have the minutes be general with the main points of what the Board discussed. They mentioned that maybe the detailedness of the current minutes serves a purpose of informing the rate payers.

Directors commented that the consumption of the minutes was for the public and for the Directors. They also mentioned that if someone who was not present at the meetings were to read the minutes it reflects accurately as to what happened and what was discussed.

Directors commented that the minutes should probably be general but if a Director is directing specifics for the record to reflect what they said in order to represent accurately how their vote is going to be.

Directors inquired if the Administrative Specialist had enough direction to move forward or if they need something more specific.

The Administrative Specialist informed the Board of Directors that they would like more specific direction.

Directors commented that they need to address Director Nelson's request to have the minutes be amended to reflect his name in the specific section.

Director Nelson informed the Administrative Specialist that he marked up the previous meeting minutes to reflect the comments attributed to him. He mentioned that he is not changing any of the text, he just wants the minutes to specifically state that it was Director Nelson.

Directors commented that the date on the minute's first page was wrong. They also mentioned that they have seen a wide variation on the detail for different Districts. They have seen some with no details at all and some that are excessively detailed but they do not know what is best.

Directors commented they like the minutes to be detailed because when the minutes are general, the Board or the

public do not know what was specifically discussed.

Directors commented that they oppose vigorously on the bare minimum minutes. They mentioned that they are confident that the current minutes are thorough to make sure the rate payers have a clear picture of what the Board has done. Also, if a Director missed a meeting, the minutes do an excellent job of informing them of what was discussed. They do not want to put on staff the ability or the requirement to edit the Board's comments by briefing them or shortening them. Staff could potentially leave out something that the Board finds very important and this could cause the Board to amend the minutes every meeting.

Directors inquired if staff has tried taking the audio of the minutes and feeding it into an AI program to generate a summary and using that raw material to edit from.

The Administrative Specialist informed the Board of Directors that AI programs do not work great because the software does not interpret a conversation accurately. In the end there is more editing and they would still need to re-listen to the recording to figure out what exactly was said.

Mr. Hanscom inquired if the audio from each Board meeting is kept permanently.

The General Manager informed Mr. Hanscom that the District does not keep the recording permanently and are normally deleted after 30 days or after the next Board meeting per attorney's advice.

Directors commented that you're supposed to keep the recordings.

The General Manager informed the Board of Directors that it is not a requirement to keep the recordings and the attorneys have advised the District to erase them after 30 days.

Mr. Hanscom commented that the particular matter that the Board is discussing is potentially contentious and should be maintained due to potential legal actions. If the audio is deleted after 30 days without detailed minutes then any detail would be based on recollection and that will not cut it in a court of law. He mentioned that any items with a lot of discussion and details should be reflected as such in the minutes. Items that could be reported as general discussion should only be items that did not have any discussion or have any potential future impacts. He then commented that if the District keeps the audio then anyone that cares to re-listen to it has access. If there is any legal actions in the future the audio could be used.

Directors commented that they thought the District was required to keep the audio.

The General Manager informed the Board of Directors that the Brown Act requirements is 30 days and the attorney has recommended to delete it after 30 days.

Directors commented that other agencies post the recordings and/or videos of their meetings on their website. Most of the time it goes back for more than two years.

The General Manager informed the Board of Directors that many cities have broadcast service. They also mentioned that in the Brown Act it specifically states you can delete the recordings after 30 days.

Directors commented that you can delete the recordings but you are not required to.

Directors commented that the District recently received a Certificate of Transparency from CSDA which specified records retention. This means that CWD has met the criteria for the records retention criteria.

3. Minutes for the Special Board Meeting – January 27, 2025

Directors commented that on item 2 during the second vote Director Nelson's voted Nay but the minutes reflects that he voted Aye and Nay.

4. Monthly Expenditure Report – December 2024

5. Budget to Actual Report – December 2024

6. Capital Improvement Project Status Report – As of December 31, 2024

7. Compensation Survey – Bryce Consulting, Inc., Professional Services Agreement

Directors commented that they feel like in the last few years the General Manager's review has always been done late and they want to see it done on time this year. They suggested having an ad hoc committee for the two items to start the process and then have a special Board meeting to get the Board's approval.

President Greenwood appointed Director Davis and himself to be on an ad hoc committee for the compensation survey and for the General Manager's review.

Directors commented that they know Bryce Consulting has done this study for CWD for a very long time and they have been very pleased with the results. They then inquired as to how many of the water districts around here use them as well for this type of study because they just reuse the same information.

The General Manager informed the Board of Directors that Ms. Shelly Anderson is the principle on this project and she has practically done this study for every agency in the area. Every year she does an update for all the agencies' salary since there typically is an adjustment set in contract or for a cost of living adjustment. This means she has a complete data set for the area.

Directors commented that they think it's great that she has all the data but if all she is doing is a ratio adjustment then they think \$16,150 is a lot of money.

The General Manager informed the Board of Directors that is the reason why the amount is so low because they have seen other agencies that do salary surveys be a lot more than that.

Directors inquired if the survey will include the General Manager's salaries.

The General Manager informed the Board of Directors that it will include the General Manager's salaries.

Directors inquired if the survey will include 15 agencies.

The General Manager informed the Board of Directors that per the Districts policy the survey only include 10 but last time and a few more were included per the Board's recommendation. They mentioned that Ms. Anderson has 15 agencies data but they only use 10 due to the policy.

Directors inquired that if she has the data for 15 agencies then why it the District only doing 10.

The General Manager informed the Board of Directors that the additional 5 agencies' salary could be higher than the 10 listed in the policy because they are closer to the Bay Area. Ms. Anderson has shown the Board the data of all 15 in the past and will most likely do so again.

Directors commented that this should be brought to RWA as a subscription item so the agencies could pool together and lower the cost.

Directors inquired what the current policy is for having legal review the contracts.

The General Manager informed the Board of Directors that the District has a standard contract which is a service agreement, a long form contract for public works, and a short form contract for public works which have all been provided by our legal team. Additionally, legal reviews them once a year to see if we need any changes.

Directors inquired if the contract with Bryce Consulting was reviewed by legal.

The General Manager informed the Board of Directors that legal did not review the contract after it was signed. A blank copy of the contract was sent to Bryce Consulting to sign since there were no changes within the contract, unless a requirement within the contract does not apply to them. This template was written and approved by legal and nothing within the contract is changed other than the places where we are allowed to make changes.

Directors commented that they are used to having legal review every contract before it gets approved by the Board. The General Manager informed the Board of Directors that legal only reviews the contracts if there have been significant changes made to the contract. They mentioned if they are just entering the basic information into the contract then legal has no reason to review it.

M/S Nelson / Davis to approve the consent calendar with revisions to the Minutes for the Regular Board Meeting – January 21, 2025 and the Minutes for the Special Board Meeting – January 27, 2025 to reflect Director Nelson's name on the statements he made for item 10.

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

8. Resolution 02182025-01 – A Resolution Adopting the Carmichael Water District (District) Fiscal Year (FY) 2024-2025 Mid-Year Budget Amendment

Staff recommends that the Board of Directors approve the attached mid-year adjustments to the Fiscal Year 2024-25 Budget for the fiscal year ending June 30, 2025 and adopt Resolution 02182025-01 – A Resolution Adopting the Carmichael Water District Fiscal Year (FY) 2024-2025 Mid-Year Budget Amendment.

Directors inquired if the mainline projects were primarily hydrant replacement or relocation of hydrants and paving. The Finance Manager informed the Board of Directors that it does include those projects but it also includes lowering

of service lines.

The General Manager informed the Board of Directors that the Sacramento County projects all have to do with street maintenance, like lowering or raising valves and hydrant removal. They mentioned that the reason for the increase in this section is because Sacramento County has increased the areas or amount of paving. This is an issue with all the water districts within Sacramento County. Because of how poorly maintained the roads are, Supervisor Desmond has had a few community meetings and the comments he has received are that the roads are dilapidated. This is why Sacramento County is making all the utilities pave more than they are used to.

Directors commented that they read an article about the high requirements for paving by counties and it talked about how utilities are paving about 50 percent more than what they need to. Directors also commented about another article in the Sacramento Bee which stated that it would cost about \$100 billion to replace and repave all of the roads in Sacramento County.

Directors inquired about the Ranney Collector Reserve and whether the \$500,000 is enough.

The Finance Manager informed the Board of Directors that every year they put \$500,000 into the reserve until the project is completed.

Directors inquired if putting away \$500,000 each year is enough to cover the entire project.

The Finance Manager informed the Board of Directors that the project is expected to complete 10 to 20 years out so by then it will be a significant amount that will cover the majority of the project if not all. They also mentioned that this reserve is sitting in an interest bearing account as well.

Directors commented that the Ranney Collectors are something we all should keep an eye on because there is no way of knowing how long it is going to last after the cleaning that just happened. The District is hoping it will last a long time but there is no real way of knowing. They also mentioned that the collectors might not last as long as expected then the Board needs to revisit the amount set aside into the reserve on a yearly basis.

The General Manager informed the Board of Directors that at some point in time what might happen is the District may have to use the entire CIP funds towards this project for the fiscal year.

Directors inquired if the District had been paid for the one megawatt capacity that was sold under the COTP.

The Finance Manager informed the Board of Directors that the District received the full amount on December 31, 2024.

Directors inquired as to where that money is being put.

The Finance Manager informed the Board of Directors that it was put in miscellaneous/other revenue.

Directors commented that they have received multiple phone calls complaining about the \$2.95 payment processing fee. They then inquired if everyone who paid with a credit card has stopped using the payment method because of this fee.

The Finance Manager informed the Board of Directors that most people are used to the fee and are fine with it. For others who do not want to pay the fee have moved their payments over to a checking account or online banking. They mentioned that anytime a rate payer calls in to make a payment with a debit or credit card, staff informs the payee of the fee and asks prior to proceeding with the transaction. Staff informs all callers of all the ways to avoid the fee.

Directors inquired if the success rate of people paying on time has dropped since the implementation of the fee.

The Finance Manager informed the Board of Directors that it has not.

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

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

9. Resolution 02182025-02 - A Resolution Amending the District's Regulation 2000 – Water Leak Exemption

Staff recommends that the Board of Directors approve Resolution 02182025-02 - A Resolution Amending the District's Regulation 2000 – Water Leak Exemption.

Directors inquired when the 30-day adjustments begin.

The Engineering Manager informed the Board of Directors that the customer has 60 days from finding out about the leak to inform the District. The 30 days for the adjustment period is the 30 days prior to the repair of the leak.

Directors inquired as to how staff determined to only have a 30 day adjustment period and if it was only because of the billing cycle.

The Engineering Manager informed the Board of Directors that reducing it to 30 days lowers the amount of rebate potential because in the past the amounts were very high. They also mentioned that it is also easier to analyze.

The General Manager informed the Board of Directors that by reducing the number of days it also encourages the customer to fix their leak.

Directors inquired as to how many rebates are given in a year.

The Engineering Manager informed the Board of Directors that two years ago it was 10, last year it was 16, and this year is about 30. The amount of rebates have gone up significantly in the last two years.

Directors commented that hopefully the increase in rebates is because the rate payers are learning about the program.

Directors thanked staff for accommodating their request to rearrange the regulation.

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

10. Resolution 02182025-03 – A Resolution Amending the Districts' Policy 5000 – Authorized Leave, Policy 5040 – Sick Leave, and Policy 5041 – Sick Leave – Healthy Workplaces, Healthy Families Act of 2014

Staff recommends that the Board of Directors approve Resolution 02182025-03 – A Resolution Amending the Districts' Policy 5000 - Authorized Leave, Policy 5040 – Sick Leave, and Policy 5041 – Sick Leave – Healthy Workplaces, Healthy Families Act of 2014.

No comments.

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

11. Purchase of replacement vehicles for the Distribution and Production Departments

Staff recommends the Board of Directors authorize the General Manager to:

1. Purchase two (2) 2025 Ford F550's for the amount of \$176,154.81 from Downtown Ford Sacramento under the LPA State Contract ID#1-22-23-20F,
2. Purchase one (1) 2025 Toyota Tacoma SR AC in the amount of \$38,333.27 from Freeway Toyota under the LPA State Contract ID#1-22-23-20C, and
3. Surplus Vehicles #13 (2001 Dodge 3500), #33 (2016 Ford F550), and #38 (2018 Ford F150) to public auction.

Director Davis commented that he will be opposing the second recommendation. He stated that he thinks it would be wiser to purchase an American made vehicle using the ratepayers' dollars. He is confident that the ratepayers would prefer this action as opposed to if the District was to purchase a vehicle that is not American made there will be a lot of customers that will be unhappy.

Directors inquired if Director Davis would be open to approving the first and last recommendation and if he would like to make an amendment to the motion to state that.

Director Davis informed the Board of Directors that he would feel comfortable doing so but it is up to the Board.

Directors inquired if there was a specific reason as to why staff chose the Toyota.

The Finance Manager informed the Board of Directors that it was a preference of the Production team.

Directors inquired if it was the Production staff's decision.

The General Manager informed the Board of Directors that the Production Superintendent picked the vehicle.

Directors commented that it makes sense to have the decision be made by the staff that will be using the vehicle.

Directors commented that they agree with Director Davis. In the past, when purchasing a vehicle the Board have always looked to see if it was made or assembled in the U.S. Directors suggested to approval all three recommendations but to substitute the Toyota with a comparable American made vehicle for the amount not to exceed \$39,000.

Mr. Hanscom commented that every time when work is done for school districts or counties, they use U.S. materials only and had to meet certain requirements.

M/S Nelson / Davis to approve recommendation number one and three and direct staff to bring back the vehicle approval in recommendation number two.

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

12. Consumer Price Index (CPI) for Fiscal Year 2025-2026

Staff recommends the Board of Directors reviews a 3.0% COLA adjustment effective July 1, 2025 for all employees and considers a salary adjustment after the salary survey.

No comments.

M/S Selsky / Nelson to approve a 3.0% COLA adjustment effective July 1, 2025 for all employees and considers a salary adjustment after the salary survey.

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

13. La Vista Tank and Booster Pump Project: Reinstatement Agreement Approval

Staff recommends that the Board of Directors approve the Re-instatement Agreement with Koch and Koch, Inc. (KKI) and authorize the General Manager to execute the agreement with KKI.

Directors commented that 458 days is a lot longer than what the Board has discussed.

The General Manager informed the Board of Directors that the Board agreed to one year but the contractor needs time for subcontractors and submittals and Kennedy Jenks needs time to ramp up and review the submittals.

Directors commented that KKI was given 90 days to complete the submittals in additional to the 458 days.

The General Manager informed the Board of Directors that the 90 days are included in the 458 days.

Directors commented that one of the reasons they were going to support this agreement was because it is supposed to be completed fast and they agreed to one year. They also mentioned that they were told that the rest of this project was about 6 months of work.

Director Nelson commented that in the agreement it states that the owner terminated Water Works Engineers and now Toppel Consulting will be the owner's representative and engineer. He then stated that Mr. Toppel is not an engineer.

The General Manager informed the Board of Directors that Mr. Toppel is not an engineer but in the original contract the title of owner's representative and engineer is used interchangeably. They mentioned that the engineer for this project is Kenndy Jenks.

Director Nelson commented that in the original contract, on page 103 of the Board packet, it states that Water Works Engineers is the engineer not Kennedy Jenks.

The General Manager informed the Board of Directors that this is in the agreement but in the General Conditions, as part of the original contract, it states that the owner's representative can either be the CM firm or the engineer. Directors inquired if Toppel will be referred to as the engineer.

The General Manager informed the Board of Directors that Toppel could be referred to owner's representative and Kennedy Jenks could be referred to as the engineer. They then mentioned that in the original contract it states that Kennedy Jenks is referred to as the Design Engineer.

Director Nelson commented that there is a clear distinction between design engineer and engineer.

The General Manager informed the Board of Directors that there is a distinction between design engineer and engineer but in the General Conditions of the contract it states that the title of owner's representative and engineer can be used interchangeably. They then stated that if the Board would like to strike the term engineer from the reinstatement agreement that is something staff can do.

Director Nelson inquired as to who the engineer would be then.

The General Manager informed the Board of Directors that it would be Kennedy Jenks, engineer of record.

Directors commented that the language in the original contract is specific, the design engineer is Kennedy Jenks and the engineer is Water Works Engineer.

The General Manager informed the Board of Directors that the engineer title could be stricken.

Directors commented that this is a critical contract and they want to make sure that it has been thoroughly reviewed by legal counsel.

The General Manager informed the Board of Directors that this re-instatement agreement has been heavily reviewed by Ms. Nichols, the legal counsel on the KKI case. This agreement was drafted by KKI's attorney and then it went to the Ms. Nichols for review. There was a couple of revisions between both parties before the final document was completed.

Directors inquired if this agreement should go to the Districts General Counsel, Mr. Ferguson, for a second review.

The General Manager informed the Board of Directors that Mr. Ferguson declined because Ms. Nichols has a lot more detailed understanding and he does not feel like he has to review it.

Directors commented that when this contract is signed by all parties, there is an agreement to stop all legal actions that are occurring and to absolve KKI from the issues raised by the District upon condition that they complete the contract. Directors then inquired as to what would happen in the future after the contract is executed and there is an intentional or neglect fault on the contractor's part. Under such circumstances, does the District have legal standing to sue them.

The General Manager informed the Board of Directors that the District does have legal standing.

Directors inquired as to where that is stated in the agreement.

The General Manager informed the Board of Directors that because the original contract is still in place.

Directors inquired if the General Manager could point out that language in the original contract.

The General Manager informed the Board of Directors that they do not have the original contract included in the packet to show.

Directors also commented that three weeks ago they had asked for a closed session to receive an update on this matter and the General Manager stated that there was nothing to report but now this agreement is being presented. The General Manager informed the Board of Directors that staff did not report this last month because the agreement was being reviewed by legal counsel.

Directors commented that they feel like they should do everything they can to avoid going to court and filing lawsuits that is going to cost this District hundreds of thousands of dollars. Directors mentioned that the District has negotiated a lot with KKI who has given in and it is time to move forward. The Board should be ready to approve this agreement.

Directors inquired if they can do a conditional approval on this depending on clarification on legal counsel.

Directors commented that the General Manager is on record stating that the District does have legal standing on these issues. Directors also commented that it would be hard to do a conditional approval like that.

Directors thanked Ms. Nichols for attending the meeting on such a short notice and informed her that the Board had a few questions for her.

Directors inquired Ms. Nichols as to how they went from a contract that was supposed to be completed in 365 days to 458 days.

Ms. Nichols informed the Board of Directors that she was not personally involved in the negotiations with KKI regarding the schedule and it is her understanding that it is based upon when they can get their subcontractors back on to this project.

Directors inquired if they still have 365 days but are just now including extra time to get everyone back on board. The Engineering Manager informed the Board of Directors that this was correct and the amount of days works out.

Directors inquired Ms. Nichols if this contract will stop all legal actions that are occurring and to absolve KKI from all the issues raised by the District in the past. Also, what would happen in the future after the contract is executed if there is an intentional or neglect fault on the contractor's part, does the District have a legal standing to sue them.

Ms. Nichols informed the Board of Directors that the District will still have rights under the original contract as if it was never terminated and as if the law suit was never filed. If there is any delays, defective work, or any sorts of failures of performance, the District will be able to enforce the original contract. She also mentioned that the bond company is still on the hook for the remainder of the contractor's performance.

Directors commented that this input was extremely helpful.

Directors also inquired Ms. Nichols about who is the engineer on the project going forward. They commented that the language in the old contract defines Kennedy Jenks as the design engineer and it defines Water Works Engineers and the engineer. Some language in the new contract describes Mr. Toppel as the engineer but the Board wants to clarify that Mr. Toppel is not an engineer and if it should be clarified that he is just the owner's representative.

Ms. Nichols informed the Board of Directors that the language could be revised but she does not feel like it is necessary as that section of the contract is stating that everywhere in the contract when it refers to "the engineer", it is now referred to Mr. Toppel. Whether he is an engineer is not relevant, and this is simply stating that he shall have the rights and responsibilities of the engineer as stipulated in the contract.

Director Nelson commented that Mr. Toppel is not a licensed engineer.

Ms. Nichols informed the Board of Directors that they were correct and mentioned that there is nothing in the original contract that states that the role had to be a licensed engineer because the design engineers are the ones that are responsible for everything that carried with the design responsibilities. She then mentioned that this role should have originally been called just the owners representative because there is nothing about that role that requires them to be an engineer.

Director Nelson then commented that in the original contract it is specified that Water Works is the engineer.

Ms. Nichols informed the Board of Directors that this was correct but that there is nothing about their responsibilities that would require them to have an engineering license.

Directors commented that one cannot call oneself an engineer unless one is licensed.

The General Manager informed the Board of Directors that one cannot call oneself a civil engineer unless the individual is licensed as such but one can call oneself an engineer.

Directors commented that the difference is that this is a legal document and it's not legally significant that he is not an engineer.

Ms. Nichols informed the Board of Directors that if they look at section F of the agreement it is just stating that it is substituting Toppel Consulting as the owner's representative during the construction phase and herein referred to as the engineer. Engineer is in there as just a shortcut for Toppel Consulting.

Director Nelson commented that Mr. Toppel is not an engineer.

Directors inquired if Ms. Nichols would agree if a person stated that they were an attorney even if they were in fact not an attorney.

Ms. Nichols informed the Board of Directors that what this means is that the specifications of this project in the original contract are filled with references to the "engineer" which is just a defined term. With this amendment it is clarifying that each and every place where the "engineer" is referenced in the contract documents now means Toppel Consulting.

Director Nelson commented that again Mr. Toppel is not an engineer and he thinks that if the Engineering Bureau saw this they would not approve.

Ms. Nichols informed the Board of Directors that it is just a defined term so it is not saying that Mr. Toppel is an engineer. She then explained that a defined term can be anything and gave the example where a defined term could be "banana". All that means is when a reader is reading the contract when it refers to that defined term, it means Toppel Consulting. She also commented that the only alternative to re-defining the Toppel Engineering is to

completely re-write and re-define the specifications for purposes of this agreement and replace that term everywhere that it is located, which is not necessary. She also gave the example that the term project engineer is commonly used in construction projects and those individuals are not licensed engineers, either.

Directors commented that they will be voting for this but only because they do not see any plausible alternative to it even though they are very dissatisfied and disappointed with the length associated with the extended contract. Directors also commented that they agree and that one of the compelling arguments to pursue this contract was that it was going to be faster than going out to bid and getting a new contractor out to the site.

Director Greenwood commented that he agrees with the Directors and that he is not happy with the timeline and he feels like KKI is still driving the boat on all of this. He then mentioned that he wants to see this project completed and he wants to hold their hand out to the fire to make sure they get this project done. He also commented that he would like to see Mr. Toppel give the Board updates on how the project is proceeding periodically to make sure that the District's best interest is being watched for.

M/S Davis / Emmerson to approve staff's recommendation and direct staff to update the Board at every Board meeting between the execution of this contract and its completion.

Mark Emmerson	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Jeff Nelson	Aye	<input type="checkbox"/>	Nay	<input checked="" type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Ronald Davis	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Ron Greenwood	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Paul Selsky	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Board Totals:	Ayes:	4	Nays:	1	Absent:	0	Abstain:	0
Motion Passed:		<input checked="" type="checkbox"/>						

INFORMATIONAL ITEMS

14. Bajamont Water Treatment Plant Wildfire Defensible Space

Directors commented that they would like to see a directional water cannon on the roof and they would like to have it tested once a month. They also suggested to have staff talk with Sacramento Metro Fire to see if they happen to have an extra one or getting a grant from JPIA. JPIA has a grant for about \$5,000 to \$10,000 for structural safety.

Directors commented that they like the staff's recommendation and suggestion of adding two new hydrants. They are ready to move forward with this item.

Directors commented that they have always been wary of a fire starting in the parkway and getting to the water treatment plant. They also commented that if the treatment plant goes down then Carmichael is in trouble.

The General Manager informed the Board of Directors that this is why staff is trying to get all the wells up, existing and new, and running so there will have other sources of water.

Directors inquired what would happen if there was a fire and there is no energy source at the treatment plant or the wells.

The General Manager informed the Board of Directors that there is a generator at the treatment plant that will make the plant run at 50 percent capacity and then all the new wells will have generators as well.

Directors inquired as to how many hours the generators will run for.

The General Manager informed the Board of Directors that they believe it's at least a day of power.

Mr. Hanscom thanked staff for getting this study done. He then commented that he also agrees with the staff recommendation. Then he mentioned that when he was looking at the overhead picture of the treatment plant he noticed the Aerojet GET Facility. It looks like there is brush right up against that building. He then inquired if Aerojet is responsible for that building because if that building was to catch fire, it is very close to the treatment plant.

The General Manager informed Mr. Hanscom that because it is on the District's property then it is most likely our responsibility to maintain the area around the buildings.

15. Progressive Design Build Request for Proposals and Qualifications, Ladera and Winding Way Wells

Directors inquired if staff has a list of contractors that they will be sending out the RFP and RFQ or will it be open to the public.

The Engineering Manager informed the Board of Directors that they do have a list of contractors but it will also be open to the public.

Directors commented that they live a block from the Winding Way project and they only heard work over there for one day of the five day period of when they were drilling. They mentioned that they have received more complaints

about the payment processing fee than this project. They went to the project site every day and would talk to the people at the park and neighbors who are on that street. They complimented the contractor on a great job. The Engineering Manager informed the Board of Directors that there will be more work that will be getting done soon at the Winding Way project and to warn the neighbors of potential noise.

Directors inquired as to how staff decided to whom the RFP went.

The Engineering Manager informed the Board of Directors that staff put it up on CWD's website, researched firms who have had experience with these types of projects, and sent the proposals to them. They mentioned that staff has personally contacted at least 12 companies.

Directors inquired if staff posted the RFQ on the contractors' clearinghouses where a payment is required but then they send it out to all the relevant contractors in the area.

The Engineering Manager informed the Board of Directors that staff have done that before but they did not do that with this project. Staff did not think there was much value putting it through the clearinghouses because this project is so specialized.

Directors commented whether the Engineering Manager had ever done progressive design build before as staff had mentioned that this project delivery method could be faster and smoother. Director mentioned that it is not always like that and inquired if staff was going to ask the contractors to do a GMP.

The Engineering Manager informed the Board of Directors that the GMP and a preliminary design is a part of the RFP which will go out to whomever the District deems qualified from the RFQ. Once a selected contractor submits the GMP the District will have an opportunity to exit if the GMP ends up being too high and if the District does not have the budget for it.

Directors cautioned staff about the progressive design build and stated that whoever the advisor is on this project needs to be top notch with a P.E. license. Directors also commented that they would have preferred if staff would have done this traditionally.

COMMITTEE REPORTS

16. Sacramento Groundwater Authority (SGA) Board Meeting

Director Selsky Reports Out.

Director Selsky reported that he missed the most recent SGA meeting but he did review the agenda and the most interesting item is the 2025 Strategic Priorities which were presented and approved. Director Selsky directed staff to include it in the next Board packet for review. SGA also presented the 2025 Budget and revised the record retention and storage policy.

17. Regional Water Authority Executive Committee and Regular Meeting

Director Greenwood Reports Out.

Director Greenwood reported attending the Executive Committee (EC) earlier the same day. He mentioned that the EC discussed the strategic plan which includes communication and outreach, Sacramento Regional Water Bank, water use efficiency, regulations and policies, participation in the water forum, legislations, Sacramento Groundwater Authority, RWA administrative services, and member projects. Another topic that was discussed was the American River Climate Adaptation Program (ARCAP) which will provide more water through conjunctive use and will have initiatives to secure Prop 4 funding. There was also a presentation from ECOS who also would like to see more involvement from RWA regarding the Urban Water Management Plan. Then there was a discussion on the budget for the next fiscal year and if there was going to be a potential increase in dues. The last topic that was discussed was legislation and that there was two high profile bills, AB8263 Rodgers and AB362 Ramos, which the recommendation is to oppose both those bills.

18. Carmichael Chamber of Commerce

Director Greenwood and Nelson Report Out.

Director Greenwood reported that everyone was concerned about the fires that was going on at that time in LA. The biggest discussion was about how fire insurance was set in California and the possibility of allowing a higher cap so the insurance companies will come back to the state.

19. Other Committee Report

Directors Report Out.

Director Greenwood reported attending the Kiwanis Club crab feed event and he had a discussion with Supervisor Rich Desmond about the Ranney collectors and the Supervisor would like to see a mural or something painted on them to make them stand out.

Director Nelson reported that the Water Forum is currently searching for an Executive Director and they recently put out a brochure to advertise.

STAFF REPORTS:

20. General Manager and District Activity Report – January 2025

Discussed with the Board.

21. Director's Expense Reimbursement Summary – January 2025

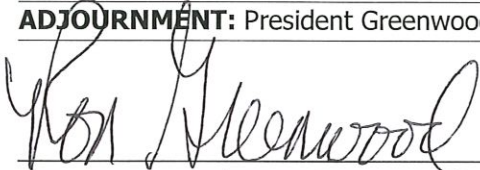
No comments.

GENERAL CORRESPONDENCE/INFORMATION:

22. Director's Written and/or Oral Reports

None.

ADJOURNMENT: President Greenwood adjourned the meeting at: **8:44 p.m.**



Ron Greenwood, Board President



Cathy Lee, Board Secretary