



**Regular Board Meeting
Monday, August 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 August at 6:00 p.m. in person and via teleconference.

ATTENDANCE:

Directors: Ron Davis, Mark Emmerson, Ron Greenwood, Jeff Nelson, Paul Selsky
Staff: Cathy Lee, Gaby Padilla, Debbie Martin, David Biagi, Lucas Campbell, Greg Norris, Aaron Ferguson
Guest: Mark Hildebrand with Hildebrand Consulting
Public: Five (5) Members of the Public

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

PRESIDENTS COMMENTS: President Greenwood led the Pledge of Allegiance.

PUBLIC COMMENT

1. Public Comment

No comments.

PRESENTATION

2. La Vista Tank and PS – Toppel Consulting

This item was rescheduled due to the presenter's illness.

3. Water Rate Study – Hildebrand Consulting

Mr. Hildebrand presented the water rate study.

Director Nelson inquired Mr. Hildebrand what it would look like without a rate increase.

Mr. Hildebrand informed the Board of Directors that he did not prepare a graph for what it would look like without a rate increase but he explained that a slide with a 3 percent increase showed a \$7 million deficit in reserves. He then explained that based off this scenario, if there was no rate increase the reserves would be in the negative by 2032 or close to then.

Directors inquired how our debt compared to other water agencies in the area.

Mr. Hildebrand informed the Board of Directors that the best way to measure this is with the debt coverage ratio. He mentioned that some water agencies do not have any debt so it is difficult to compare but when there is debt, he typically sees debt coverage range from 2.0 and the ones that are really struggling is around 1.2 or below. He stated that CWD's debt is 19.2 percent to the operating cost and he typically sees about 25 percent debt. The District's debt is starting to go down because the District is no longer issuing debt and by 2035 it should be zero if the payment continues.

Director Nelson inquired that when the debt is paid off will whether the \$2.5 million dollars be turned into revenue. Mr. Hildebrand informed the Board of Directors that once the debt is paid off, it is going to be a big turning point for the District in terms of the finances. He then mentioned that it is too far out to start changing your financial decisions at the moment for something that could potentially happen in 10 years. He stated that if the debt is paid off by 2035, then he believes that rate increases will not be needed at that time.

Directors inquired if grant funds are included in the study.

Mr. Hildebrand informed the Board of Directors that they did include grant funding. He then mentioned that the assumption is that if the District does not receive additional grants then those projects will not proceed.

Directors commented that as far as revenues go, Mr. Hildebrand has been very conservative. They then mentioned that what has not been projected, nor can it be projected, is what the District's water sales could be if we did water transfers. These types of sales are like "icing on a cake" that could bring in a significant amount of money considering the last water transfer the District did brought in about one million.

Mr. Hildebrand informed the Board of Directors that the District did make a significant amount of money from those deals in the past, and they could come up again. However, just to be conservative, he did not include any future water transfers because if it does not happen then the District could be in crisis mode.

Directors commented that in the past there was a guideline where the amount of revenue coming from the usage rate needed to be high as a percentage rate to show that water districts were in compliant with conservation guidelines. They then stated that they presume that the Districts percentage is way below that. They mentioned that they wanted to state this fact because some rate payers would say that the District is pulling too much money from the fixed rate and not signaling water conservation benefits to customers very well. They then inquired Mr. Hildebrand on what his thoughts were on this.

Mr. Hildebrand informed the Board of Directors that the guideline the Board was referring to has fallen out of favor. He then mentioned that it was a very powerful guideline where water districts had to meet established Best Management Practices (BMPs) established by water conservation advocacy groups. Then massive droughts hit, and all the utilities that were 70% reliant on variable rates were losing revenue and were being put in very difficult financial positions. There are other ways to structure the water rates that do not have to be the 70/30 ratio, for example. Tiered rates and 50/50 rates which is now the more common practice.

Directors commented that it is very important to describe the rate increase to customers because it is not just a 4 percent increase. It will affect different customers differently depending on the size of the meter.

Mr. Hildebrand informed the Board of Directors that they were correct and the 4 percent increase is just the average of all the customers increase. He then mentioned that the customers who are using less water are getting a lower rate increase.

Director Nelson inquired why Mr. Hildebrand was recommending against AB 2257.

Mr. Hildebrand informed the Board of Directors that it is a relatively new law and there is no clear or established procedures. Water agencies with AB 2257 provisions had to hire a lawyer to establish a template and procedure which is time consuming and costly. He then mentioned that since the proposed rate increase is not a significant amount it is a low risk for a complaint or lawsuit.

Director Nelson commented that it sounds like Mr. Hildebrand is not saying that is 100 percent not necessary to do but the scales are tipped a little bit in favor of not doing it.

Mr. Hildebrand informed the Board of Directors that he provided the information and the recommendation came from the committee, staff, and legal counsel.

The Board thanked Mr. Hildebrand for the excellent presentation.

CONSENT CALENDAR

4. Minutes for the Special Board Meeting – July 21, 2025
5. Minutes for the Regular Board Meeting – July 21, 2025
6. Minutes for the Special Board Meeting – July 25, 2025
7. Minutes for the Finance Committee Meeting – July 30, 2025
8. Minutes for the Special Board Meeting – August 7, 2025
9. Minutes for the Special Board Meeting – August 7, 2025
10. Monthly Expenditure Report – June 2025

Directors inquired about the payment made to the Internal Revenue Service for bond arbitrage.

The Finance Manager informed the Board of Directors that the District has to conduct that study every 5 years on the bond proceeds. Since the bonds are tax-exempt bonds, there is a limit to for earned interest. If the District earns more than that amount, then it has to be paid back to the IRS. This payment is for the excess earning which are not allowed based on tax-exempt bonds regulations.

Directors inquired if the interest earns amount a fixed amount or if it could be negotiated.

The Finance Manager informed the Board of Directors that there is no negotiation it is an IRS calculation.

Directors inquired if this payment was anticipated and if it was in the budget that was just approved.

The Finance Manager informed the Board of Directors that it was not anticipated and it is offsetting the interest income that was earned.

M/S Emmerson / 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"/>
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: ☒**ACTION ITEMS****11. Proposed Water Rates and Assembly Bill 2257 Objections Process**

Staff recommends that the Board of Directors consider proceeding with the proposed rate adjustment without the AB 2257 provisions and direct staff to move forward accordingly.

Director Nelson inquired if the Board was voting on the rate increase.

The General Manager informed the Board of Directors is not voting on the rate increase. The Board is approving a rate for the District to conduct public outreach as part of the 218 process.

Director Nelson commented that the staff recommendation is asking for the Board to proceed with the proposed rate adjustment and he thinks it should only say to proceed with the Prop 218 process.

Directors commented that they would like to make a motion but they want to confirm that this is for Prop 218.

The General Manager informed the Board of Directors that it is for Prop 218 and to change the recommendation to "proceeding with the Prop 218 process with the recommended proposed rate adjustment of 4 percent per year for the next 5 years without the AB 2257 provisions".

Director Nelson commented that they would want to proceed with the Prop 218 process but not with the proposed rate increase.

The General Manager informed the Board of Directors that a rate recommendation is needed for Prop 218.

Director Nelson inquired Mr. Ferguson to see if the new recommendation sounded correct.

Mr. Ferguson informed the Board of Directors that it did sound correct to include the proposed rate recommendation into the motion. He mentioned that he heard the proposed rate was 4 percent from Mr. Hildebrand's presentation.

Directors inquired if they were approving a 4 percent rate increase.

Mr. Ferguson informed the Board of Directors that they were not approving a 4 percent rate increase, they are just approving the process. He then mentioned that there is a calendar of items that need to get done for the Prop 218 process if they wanted a potential rate increase by January 1st. It would be at the public hearing at the end of the process when the Board would vote to approve a rate increase.

Directors inquired what the cost would include if they did the AB 2257 provisions.

Mr. Hildebrand informed the Board of Directors that the cost would include his time depending on how many objections the District receives which could take a considerable amount of time for each response depending on how many substantive objections there are. Then there are the lawyer fees to make the template and procedure.

Director Nelson commented that by doing the AB 2257 provisions it makes everything more transparent and it creates a timeframe to which a lawsuit could be filed.

Directors commented that they like the idea of utilizing AB 2257.

Directors commented that their initial reaction is typically to do what ACWA recommends but in this particular instance they are concerned about being one of the first districts to implement it and the District would have a short period of time to put the procedure together. They then mentioned that they are hesitant to do this because of those reasons and they agree with staff that there is no real reason to do it this time but the next time it will probably be automatically done.

Directors also commented that this legislation was sponsored by ACWA who lobbied heavily to get it passed because at any point after a rate increase anyone could file a lawsuit. They then mentioned that in this particular case because the severity of the proposed increase is low they do not think it is worth it to do the AB 2257 provisions. They also do not want to be the test case of this brand new procedure.

Mr. Hanscom commented that he was looking at the capital expenditures, in particular the Ranney collectors, and it states that it will cost \$30 million to replace the collectors. He then mentioned that he thought the District was getting money to just refurbish them.

The General Manager informed Mr. Hanscom that the replacement is to put in new laterals and the consultant gave an estimate of \$6-7 million per collectors. The District has 3 collectors and staff included an additional amount for environmental analysis or for any type of contingency.

Mr. Hanscom inquired if the District was not going to be receiving grant funding for this project from Senator Bera. The General Manager informed Mr. Hanscom that Senator Bera included \$3.5 million for funding this year and in the future the District will be asking for additional funding but no guarantees.

Mr. Hanscom commented that when he saw replacement instead of refurbishment it really got his attention.

The General Manager informed Mr. Hanscom that they are only replacing the laterals not the entire Ranney collectors.

M/S Nelson / Selsky to proceed with the Prop 218 process with the recommended proposed rate adjustment of 4 percent per year for the next 5 years with the AB 2257 provisions.

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

M/S Davis / Emmerson to proceed with the Prop 218 process with the recommended proposed rate adjustment of 4 percent per year for the next 5 years without the AB 2257 provisions.

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. Cross Connection Control Program and Regulation Adoption

Staff recommends that the Board of Directors approve Resolution 08182025-01 - A Resolution of the Carmichael Water District Adopting and Implementing the Carmichael Water District Cross-Connection Control Regulation.

Directors inquired if these updates had to be done because DDW came up with new regulations.

The Production Superintendent informed the Board of Directors that DDW is getting rid of Title 17 and implemented a new cross connection control policy handbook.

Directors inquired how this compares to what the District had before.

The Production Superintendent informed the Board of Directors that the new regulation includes surveying all the District's new and existing backflow devices. The non-testable backflow devices are going to have to be surveyed as well and the customer will have to replace them with the new model.

Directors commented that this will be a big effort for staff. They then inquired as to how many backflow devices there are now.

The Production Superintendent informed the Board of Directors the District currently has about 620 to 630 devices.

Directors commented if there was anything onerous that DDW required the District to include in the regulation.

The Production Superintendent responded that there was nothing too onerous and will result in a robust policy.

Director Nelson commented that the hazard assessments were supposed to be a very onerous additional service that the District is supposed to provide but the language in the policy shows that it is under the discretion of the District.

The Production Superintendent informed the Board of Directors that the District sets the schedule but the workload will be onerous.

Director Nelson commented that they thought there was a 10-year deadline of when they all need to be completed.

The Production Superintendent informed the Board of Directors that the single check non-testable devices have the 10-year deadline. For all the surveys it is 5 to 6 years of when they will be done.

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"/>						

13. Proposed Rule Change for Turf Replacement Program

Staff recommends that the Board of Directors approve the proposed changes outlined in Attachment 1, which allows removing the one (1) project per property limitation and increase the maximum payment up to \$4,000 per property. These proposed changes do not conflict with requirements from the USBR grant.

Directors inquired if staff was proposing a policy to allow a property to do up to two projects.

The Engineering Manager informed the Board of Directors that in the current terms and conditions specifies that each parcel can do one project and can receive a maximum of \$2,000. Staff is proposing that the one project per parcel stipulation be removed and increase the maximum amount to \$4,000. This will give the opportunity to the people who already completed a turf replacement project to reapply and submit another turf replacement project to receive an additional \$2,000. The reason staff is proposing this change is because one of the grants that is funding this program is set to expire at the end of this calendar year and they want to take advantage of those funds as much as possible.

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"/>
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"/>						

14. Development Agreement for 8105 Fair Oaks Blvd for Water Service

Staff recommends that the Board of Directors authorize the General Manager to execute the attached Developers Agreement for Water Service to be used at 8105 Fair Oaks Blvd.

No comments.

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"/>						

15. Amendment 1 for the Professional Services Agreement with Water Systems Consulting for Progressive Design-Build Professional Assistance for the Ladera and Winding Way Well Site Improvement Project

Staff recommends that the Board of Directors: 1) approve Amendment 1 to the Professional Services Agreement with Water Systems Consulting, Inc. for \$537,719, 2) approve a contingency amount of \$100,000 to fund District staff approved optional tasks offered by WSC or any unforeseen costs, resulting in a contract not-to-exceed amount of \$668,866, and 3) authorize the General manager to approve future amendments up to the approved contingency amount.

Directors Nelson commented that the original contract was for about \$30,000 and this amendment is asking for \$600,000 which is about 30 times the original amount and this does not feel right to him. He mentioned that he looked at the original contract and it did not reference these additional services and he is concerned that the change order amount is very large without going through a competitive bid process.

The Engineering Manager informed the Board of Directors that the original proposal solicitation included assistance during both the construction and design phases. WSC was selected not for what they have done in the scope so far but also included what is included in this amendment.

Director Nelson commented that none of that is mentioned in the previous award memo and he also looked through the minutes of that meeting and it was not discussed either.

The Engineering Manager informed the Board of Directors that construction management was purposefully excluded because it was uncertain if staff would want to continue with WSC. Staff wanted to see how WSC performed on the

first phase. Since WSC did an excellent job and is imminently familiar with the project, staff is willing to expand their scope of work.

Director Nelson commented that he does not have a problem with WSC but it is this process that concerns him. He then mentioned that there is federal funding associated with project so there should be an open and transparent procurement for services. Based on the information that has been provided it does not appear to him that the open and transparent procurement for services was done with this amendment.

The Engineering Manager informed the Board of Directors that while the request for proposal information was not included in the staff memo, the scope outlined in Amendment 1 was requested in the original RFP process. All proposers explained their approach, what they envisioned happening, and how they could be part of it. In the original selection, staff considered all this.

Director Nelson commented that this is the second time staff has brought an amendment to a contract that was 15 times the original amount. The first being with Mr. Toppel and the Board expressed a lot of concern about that process and now its 20 fold for this amendment that includes federal funding. Staff is putting the Board in a very difficult position by asking them to approve this amendment.

The Engineering Manager informed the Board of Directors that the amendment may be 20 fold but the scope has increased 20 fold as well. He mentioned that staff did the proposals methodology for procurement allowed through the federal contracting process originally and this is just an amendment to that.

Directors inquired if the District is not required to put this scope of work through a competitive bid.

The Engineering Manager informed the Board of Directors that the federal procurement methods allow for a competitive bid or the proposal method, which is what they did for this contract.

Director Nelson commented that the federal procurement process calls for a quality based selection. He then mentioned that in the original contract memo there is no reference to construction management so he does not see any evidence that there was a quality-based procurement for this scope of work.

The Engineering Manager informed the Board of Directors that it would not have been included in the original discussion of the contract. He mentioned that it was included in the original RFP, which requested information on the approach to construction management as part of the selection criteria.

Directors commented that it caught their eye that the amendment had a significantly larger amount than the original contract. They mentioned that they were questioning if the everyone understood that the original RFP had this scope as a potential amendment. They then stated that they worry about fairness challenge from the competitors and audit risks. They are comforted to hear that everyone did understand that this was a potential scope of work in the RFP. They then mentioned that there should be a strong justification memo for the file.

Director Nelson commented that they would like to see the original RFP. He then inquired if staff was familiar with 2 CFR 200 and there is very strict procurement requirements that need to be followed. Looking at the information that was presented; he does not feel these requirements are met. He then mentioned that the materials that have been presented is not enough for him to approve this amendment.

Directors inquired how this could be remedied because they understand what Director Nelson is saying and they agree with him.

Directors commented that if the scope was not in the original RFP then staff would need to do a new RFP for this scope of work. They mentioned that they realize it would probably cost money and time that the District does not have.

Director Nelson inquired what the urgency was to approve this amendment.

The Engineering Manager informed the Board of Directors that pre-construction work has begun and staff is trying to move the project forward as fast as possible so the District could take advantage of grant funding.

Director Nelson commented that he has many concerns with this process and he is also not willing to approve a \$100,000 contingency. He then mentioned that he is willing to do a small amount of increase for a construction manager for now. He either needs to see a very convincing justification for additional funds or the service needs to be procured again for him to approve the rest. He then inquired as to what Mr. Ferguson, the District's general counsel, thought on this process.

Mr. Ferguson informed the Board of Directors that he has not been involved in this process nor has he been asked to review the contract or consider any of these issues so he cannot speak to whether there is an issue from a federal regulatory perspective or anything else.

Director Nelson commented that another concern of his is that Mr. Ferguson did not review it.

Directors inquired if they could do a partial approval for certain amount funds.

The Engineering Manager informed the Board of Directors that this could be done but inquired what staff is to do

when they run out of funds.

Directors inquired if they could do a conditional approval based on a selection justification memo that would be approved by the Board.

Mr. Hascom commented that the Board package should have included the RFP. That would provide notification to all proposers about the potential scope of work. Then he mentioned that without that notification, there is nothing to compare and it is conspicuously missing.

Director Nelson commented that in the original staff report it mentioned the selection criteria, which included helping staff put together documents to select the design builder. There was no reference to construction management services in the selection criteria.

M/S Nelson / Selsky to approve \$90,000 to engage WSC to provide construction management service for the Ladera and Winding Way wells and direct staff to bring back justification for awarding the rest of the amendment amount or recommend to procure this scope of work again.

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"/>						

16. FY 25-26 Salary Adjustment and Salary Schedule

Staff recommends that the Board of Directors approve 1) 3% COLA to all employees, 2) 5% pay parity increase to Finance Manager and Production Superintendent positions, 3) FY 25-26 salary schedule, 4) Resolution 08182025-02, A Resolution Adopting the Carmichael Water District Fiscal Year 2025-2026 Salary Schedule, and 5) Resolution 08182025-03 - A Resolution Amending the Districts' Policy 5030 Vacation and Policy 6000 – Health and Welfare Benefits.

The General Manager informed the Board of Directors that the represented employees received a 3 percent COLA but they also received a 2 percent pay parity so they received a total of 5 percent.

Directors commented if the non-represented employees would receive the same increase.

The General Manager informed the Board of Directors that the non-represented employees are all getting a 3 percent COLA as approved in February and the Finance Manager and the Production Superintendent are also getting a 5 percent pay parity.

Directors inquired what the rational for giving a 2 percent pay parity for one group and not the others.

The General Manager informed the Board of Directors that it was because the non-represented employees do not have a pay parity. They already are at the 62.5 percentile and the only two positions that needed an additional pay parity is the Finance Manager and the Production Superintendent.

Directors inquired if this was based on the base salary or total compensation.

The General Manager informed the Board of Directors that it was based of the total compensation.

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

Director Nelson commented that the represented employees seem to be getting more of an increase then the non-represented employees and he does not agree with that. He mentioned that he does not care about the 62.5 percentile because that is more of a guideline.

Directors commented that they have to decide if they are going to add a 2 percent parity to the non-represented staff.

Directors commented that the pay parity is to get staff to the 62.5 percentile and if the Board is looking to put staff over the 62.5 percentile that is okay but the Board needs to state that.

Director Nelson commented that it was not called a parity until this meeting so that is part of what is confusing.

The General Manager informed the Board of Directors that the reason it was called differently this meeting is to be more clear. She then mentioned that on page 92, the 3 percent COLA chart shows the total compensation ranges from -7.59 percent to 8.25 percent. The 62.5 percentile is the standard that the Board has set for compensation. In the 5 percent COLA chart, the total compensation ranges puts everyone closer to the 62.5 percentile or above. As part of the negotiation with the represented employees, there was a perception that if a 3 percent COLA for them would still be lower than the non-represented staff and it is amplified if everyone was to receive a 5 percent.

Ms. Dodge commented that she wanted to clarify a few things. First, the 5 percent that the represented employees received is a part of their MOU and has nothing to do with the salary survey. She also mentioned that the wording about pay parity is new and she does not know where it is coming from. She feels that if the represented employees get a 5 percent increase and the rest of staff only get a 3 percent increase it will be unfair. She mentioned that she understands why the Board is confused with all the wording because it is not true. Secondly, the non-represented staff does not feel like the salary survey was done accurately and are working with the General Manager to hopefully look at that again. She then mentioned that she does not understand why the 3 percent was not given to all employees already since it was approved back in February, to be applied July 1st but somehow it is being tied into the salary survey. The COLA should be separate from the salary survey and Bryce Consulting agreed that it should be separate but it keeps being combined.

Directors commented that the salary survey is important for the represented employees because it shows the Board that with the 5 percent increase puts them where they should be. This confirmed for them that what they approved for the represented employees fits the salary survey.

Directors commented that they are having trouble understanding why the MOU controls what they do with the non-represented employees and it should not be tied together.

Directors commented that the problem with that is that there is one work place and there are optics. The question is if all employees are feeling like they are being equitably treated if one group gets one number and the other gets a different number.

Directors commented that they think they made a mistake in combining the process of the salary survey, COLA, and the union negotiation. They also mentioned that they believe that the salary schedule should be applied 6 months after the COLA to avoid these issues. They also think that the optics are very important and they think this is an unforced error on the part of the Board creating confusion. They then mentioned that the MOU contract is set and done and it does not matter what the salary increase is called. The non-represented employees expected a 3 percent COLA after it was adopted in February to be effective July 1st. For some reason the 3 percent COLA was not applied July 1st.

The General Manager informed the Board of Directors that the COLA was approved in February based on the previous 12 months, which is the previous calendar year. Staff received the number in January from the Western A Cities Index and presented it to the Board for approval in February. It becomes effective in July because that is when we do the budget with the new salary table.

Directors then commented that another issue is the parity and the survey shows that some people are above the 62.5 percentile and that seems to be an issue. They mentioned that the 62.5 percentile is a goal not an absolute.

Director Emmerson motioned to implement the 3 percent COLA to be retroactive to July 1, 2025 and a 2 percent parity to be implemented on January 1, 2026 for all non-represented employees.

Director Nelson seconded the motion.

Directors commented that they do not think the pay parity is meant to be the same for everyone but this motion pushes them to that. This motion also does not include the additional pay parity for the Finance Manager and the Production Superintendent nor does it include the other items up for approval.

Directors commented that they should deal with those items separately.

Director Nelson inquired as to why the 2 percent was being implemented in January instead.

Directors commented that is for the optics to separate the 3 percent and 2 percent.

Director Nelson withdrew his second.

President Greenwood declared **motion failed** as it was not seconded

M/S Davis / Emmerson to approve and implement the 3 percent COLA retroactive to July 1, 2025 and also implement an additional 2 percent for non-represented employees retroactive to July 1, 2025.

Mr. Ferguson wanted to clarify that this motion was to give the non-represented employees a 5 percent increase retroactive to July 1, 2025.

Directors commented that this was correct.

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"/>						

M/S Davis / Nelson to approve a 5 percent pay parity increase to the Finance Manager and Production Superintendent position, FY 25-26 salary schedule subject to modification with the Boards previous motion, Resolution 08182025-02 – A Resolution Adopting the Carmichael Water District Fiscal Year 2025-2026 Salary Schedule, and Resolution 08182025-03 – A Resolution Amending the Districts' Policy 5030 Vacation and Policy 6000 – Health and Welfare Benefits.

Directors commented that it should only be a 3 percent increase for the Finance Manager and the Production Superintendent since there is already an additional 2 percent in the previous motion.

Director Davis updated the motion.

M/S Davis / Nelson to approve a 3 percent pay parity increase to the Finance Manager and Production Superintendent position, FY 25-26 salary schedule subject to modification with the Boards previous motion, Resolution 08182025-02 – A Resolution Adopting the Carmichael Water District Fiscal Year 2025-2026 Salary Schedule, and Resolution 08182025-03 – A Resolution Amending the Districts' Policy 5030 Vacation and Policy 6000 – Health and Welfare Benefits.

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"/>						

17. ACWA Committee Appointment Consideration

Staff recommends that the Board of Directors provide 1) direction on the committees in which they would like to join and direct staff to submit the Committee Consideration Form to ACWA by September 19, 2025 and 2) direction to Director Greenwood for the Board Officers' Election for President & Vice President and Region Boards for 2026-'27.

Director Emmerson, Greenwood, Nelson, and Selsky requested to be on the same ACWA committees that they were in last year.

Director Davis stated that he will not be requesting to be on the State Legislative Committee because it is too time consuming.

Director Nelson inquired as to how many ACWA Region 4 Board members they had to select.

The General Manager informed the Board of Directors that they need to choose 6 out of the 7 candidates and Director Greenwood will cast the ballot on behalf of Carmichael Water District.

Directors discussed the candidates.

18. Sponsorship for the 2025 Great American River Clean-Up

Staff recommends that the Board of Directors approve the Parkway Protector sponsorship of \$1,000 for the 2025 Great American River Clean-Up event or provide direction to staff as necessary.

No comments.

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"/>
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: Nays: Absent: Abstain:

Passed Unanimously: ☒

INFORMATIONAL ITEMS

19. August Informational Update for the La Vista Tank and Booster Pump Station Project

Directors commented that it is good news that the project is on track and thanked staff for the update.

20. Meter Replacement And Meter Accuracy Program

Directors inquired as to which vendor we buy the Neptune meters from.

The Distribution Superintendent informed the Board of Directors that they buy the Neptune meters from Ferguson.

Directors inquired staff's opinion on the Kamsrup meters which has the leak detection capabilities.

The Distribution Superintendent informed the Board of Directors that the Neptune meters also have leak detection capabilities.

Directors commented that if there was a federal grant , there would be a "made in America" clause.

Directors inquired if there was a possibility of receiving any type of grant money for this.

The Distribution Superintendent informed the Board of Directors the only grant he saw was for low income housing but he has not looked into it as this is just a proposal. He then mentioned that with the proposed cost is with compatibility with the Neptune 360 software; and if we were to add another software for a new type of meter, it would be expensive.

Directors commented that they are interested in the leak detection capabilities of the meters and consider whether that might help the District. They suggested that staff should pilot a neighborhood where there are leaky pipelines and see if it helps. They mentioned that staff would get their support on this even if it cost more.

Directors then mentioned that staff should make sure the leak detection is acoustic. They should have some kind of a sensor that listens and then software that triangulates from all the meters where the sound is coming from.

Directors inquired if staff is involved with a cooperative purchasing agreement with other Districts.

The General Manager informed the Board of Directors that Citrus Heights Water District (CHWD) has been looking into doing a cooperative purchasing agreement for meter purchasing but nothing has come from it yet.

Directors suggested that staff conducts an informal survey of other large water agencies in the area to see what meters they use. They mentioned that they have approached a couple of vendors who are favorable to cooperative purchasing agreements because of the large volume sales.

The General Manager informed the Board of Directors that the District does participate in a cooperative purchasing agreement for chemicals used at the water treatment plant. Being in this cooperative purchasing agreement has benefitted the District. CHWD was spearheading the discussion for the region specifically for pipes and meters. One issue is that bigger projects are competitively bid out and the contractors are usually responsible for buying all parts and supplies. She then mentioned that issues like this are still being discussed and they are working to try to resolve it.

Directors inquired if staff would be replacing 500 meters per year.

The General Manager informed the Board of Directors that staff typically buy 500 meters per year and the new meters will be phased in.

21. La Sierra Landscaping Plan and Perimeter Wall Update

The Engineering Manager presented the new landscaping plan with a drawing on the whiteboard. The Board of Directors did not have any comments or recommendations for the wall.

22. Information for Electric Building Sign

Directors commented that most members of the Board are supportive of getting the electric building sign and they requested more information from staff.

Directors inquired if rotating messages and frequency are compatible with these electric signs.

The Engineering Manager informed the Board of Directors that it could cycle through messages.

Directors inquired if we could sell ads to third parties.

The Engineering Manager informed the Board of Directors that he was uncertain and there would be county requirements for code compliance.

Mr. Hanscom commented that there are two of them around this area. One is at Carmichael Park, and that's in a section where there's traffic flows smoothly and there are no commercial businesses. The second is for Fair Oaks Water District, on Fair Oaks Boulevard south of Madison, in front of the library. Another section of the road that has

smooth flowing traffic. Compare that with CWD's location, there are multiple businesses where people are constantly stopping to turn into with a close-by traffic signal. He is concerned if drivers take their eyes off the road then there could be a potential accident. He is concerned about liability issues for the District.

Directors commented that he has talked to staff at Supervisor Desmond's office, and it is really heavily regulated. The County inspect and control signage and will not allow vision impairments.

Mr. Hanscom commented that while vision impairments may not be an issue, people are going to be taking their eyes off what they should be doing, which is driving. He commented that he is concerned and he believes it is a liability issue.

Directors commented that this is a fair concern and they should add this to their list and should be a question to our insurance carrier.

23. Auction sale of surplus vehicles and equipment

No comments.

COMMITTEE REPORTS**24. Regional Water Authority**

Director Greenwood Reports Out.

Director Greenwood reported that there was an Executive Committee meeting on July 22nd. He mentioned that one of the biggest action items they had was for the 2030 Strategic Plan and there was a presentation on this matter. He mentioned that they also discussed and reviewed several legislative bills.

25. Sacramento Ground Water Authority

Director Selsky Reports Out.

Director Selsky reported that the SGA meeting was last Tuesday (8/14/2025) and the meetings are held every other month. He mentioned that they approved a task orders for several consultants, West Yost, Woodard Kern and GEI. Staff also had a cost of living adjustment approved of 1.8%. Trevor Joseph also gave a presentation on the Water Bank, similar to the one he gave to CWD. He mentioned that the agenda included and item for his ad hoc committee which he provided an update to the SGA board and the recommendation from the committee was to follow the 53 percent prior banked for the SGA board to consider.

26. Other Committee Report

Directors Report Out.

Director Nelson reported that he attended the Water Forum meeting with a presentation to the CWD Board in September. He wants Mr. Ferguson to review the agreement and mentioned that the City of Sacramento and Sacramento County were pushing back on some of the language that was in the water form and the purveyors.

STAFF REPORTS:**27. General Manager and District Activity Report – July 2025**

Discussed with the Board.

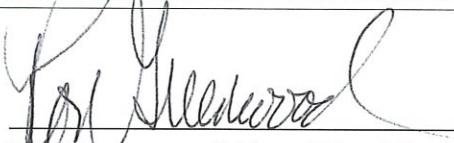
Directors asked Mr. Ferguson to review the Water Forum Agreement particularly where CWD is making commitments and make sure that we understand what we are committing to.

28. Director's Expense Reimbursement Summary – July 2025

No comments.

GENERAL CORRESPONDENCE/INFORMATION:**29. Director's Written and/or Oral Reports**

ADJOURNMENT: President Greenwood adjourned the meeting at: **9:22 p.m.**



Ron Greenwood, Board President

Cathy Lee, Board Secretary

