



Regular Board Meeting – October 17, 2011, 7:00 pm  
Carmichael Water District Board Room  
7837 Fair Oaks Boulevard  
Carmichael, CA 95608

### MINUTES

The Board of Directors of the Carmichael Water District met in Regular Session this 17th day of October, 2011 at 7:00 p.m. at the District Office located at 7837 Fair Oaks Boulevard, Carmichael.

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#### ATTENDANCE:

**Directors:** John Wallace, Ron Greenwood, Mark Emmerson, Paul Selsky, Roy Leidy  
**Staff:** Steve Nugent, Lynette Moreno, Laura McManigal, Chris Nelson, One (1) Staff  
**Guests:** Mike Zizzi – Leaf & Cole  
**Public:** Three (3) members of the public

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**CALL TO ORDER:** President Wallace called the meeting to order at 7:00 p.m.

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#### ACTION ITEM:

7. **FY 2010-2011 Annual District Audit: (Information included in agenda packet).**

The District's Annual Audit has been performed by Leaf & Cole, LLP. Leaf & Cole's report to the Board regarding internal controls is provided for the Board's consideration.

Management staff recommends that the FY 2010-2011 District Audit be accepted by the Board of Directors.

M/S Greenwood / Emmerson to approve the FY 2010-2011 Annual District Audit, as recommended.

Discussion

Vote: Aye 5 No 0 Absent 0 Abstain 0

**Passed unanimously**

#### MANAGER'S REPORTS:

1. **General Manager's Written Report.**  
Discussed with Board.
  2. **District Activity Written Report presented by the Assistant General Manager.**  
Discussed with Board.
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#### CONSENT CALENDAR:

3. **Minutes for the Regular Board Meeting – August 15, 2011.**

M/S Greenwood / Selsky to approve the Minutes for the August 15, 2011 Regular Board Meeting.

Vote: Aye 3 No 0 Absent 0 Abstain 2

**Passed unanimously**

4. **Minutes for the Regular Board Meeting – September 19, 2011.**

M/S Greenwood / Leidy to approve the Minutes for the September 19, 2011 Regular Board Meeting.

Vote: Aye 4 No 0 Absent 0 Abstain 1

**Passed unanimously**

5. **Paid Expenditures Report – September 2011.**

6. **Fiscal Agent Activity for Certificates of Participation – Quarter Ending September 30, 2011.**

M/S Greenwood / Leidy to approve items 5 and 6 of the Consent Calendar.

Vote: Aye 5 No 0 Absent 0 Abstain 0

**Passed unanimously**

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**ACTION CALENDAR:**

**8. Resolution 10172011-1 – A Resolution for Participation in a Regional Water Resources Coalition.**

M/S Selsky / Greenwood to approve Resolution 10172011-1.

Discussion

Vote: Aye 5 No 0 Absent 0 Abstain 0

**Passed unanimously**

**9. Sacramento Local Agency Formation Commission – Selection of Special District Commissioner-Office No. 6.**

Management staff recommends the selection of Director Greenwood for the Special District Commissioner-Office No. 6.

M/S Wallace / Leidy to approve Item 9, as recommended.

Discussion

Vote: Aye 4 No 0 Absent 0 Abstain 1

**Passed unanimously**

**10. Carmichael Water District Board Representatives 2011 Committee Assignments.**

President Wallace assigned Director Leidy to the following Committees:

ACWA Region 4 – Groundwater Committee (Representative)

Water Forums (Representative)

Carmichael Water District/ACWA Legislative Committee (Addition to)

**11. FY 2010-2011 Budget Revisions and Rate & Revenue Recovery.**

Management staff recommends that the Board of Directors:

1. Section 1 – approve the budget reductions outlined.

M/S Greenwood / Selsky to approve the budget reductions outlined, as recommended.

Discussion

Jim Baker commented on: rate options; metering program; staffing cuts; and borrowing money.

Vote: Aye 5 No 0 Absent 0 Abstain 0

**Passed unanimously**

2. Section 2 – approve the reduction of planned system maintenance (capital improvements) program in FY 2012-13 and freeze in program going forward.

M/S Emmerson / Greenwood to approve Section 2; total freeze in program going forward-suspending meter program.

Discussion

Seth Hodges commented on: against curtailing the meter program, flat rate option, and Director Emmerson’s addendum.

Vote: Aye 2 No 3 Absent 0 Abstain 0

**Failed**

M/S Emmerson / Wallace to approve Section 2, as recommended.

Discussion

Vote: Aye 5 No 0 Absent 0 Abstain 0

**Passed unanimously**

3. Section 3 – approve selection of any additional budget reductions.

M/S Emmerson / Greenwood to approve Section 3 with the following exceptions:

- Severe cuts in personnel.
- Delay meter program-lengthen project.
- Propose large increase in rates.

Discussion

Seth Hodges commented against layoffs.

Vote: Aye 1 No 4 Absent 0 Abstain 0

**Failed**

**ACTION CALENDAR - Continued:**

- 4. Section 4 – select the preferred alternative (option #) to move forward with the rate adjustment and the Prop 218 notification.

M/S Emmerson / Selsky to approve Section 4, with a 15% rate increase.

Discussion

Vote: Aye 4 No 1 Absent 0 Abstain 0

**Passed unanimously**

Scheduled Workshop/Special Meeting for October 24, 2011, Workshop at 6:00 pm and Special Meeting at 7:00 pm.

**THE REMAINING AGENDA ITEMS WERE TABLED TO THE NEXT MEETING.**

**STAFF REPORTS:**

- 12. **Director’s Expense Reimbursement Summary for September.**

**PUBLIC COMMENT:**

- 13. **Public Comment.**

Any member of the public may address the Board on any item of interest to the public that is within the subject matter jurisdiction of the Board.

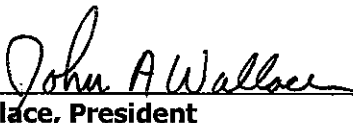
**GENERAL CORRESPONDENCE:**

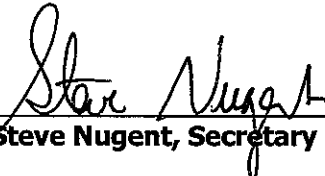
- 14. **Aerojet Environmental Protection Agency News Releases.**
- 15. **Delta Vision Strategic Plan; Regional Water Authority’s Response and News Release.**
- 16. **Three (3) News Articles Dated September 30, 2011 – October 10, 2011.**
- 17. **Director’s Written Reports:**
  - a. **Director Wallace – Groundwater Resources Association Annual Conference 2011 Notes.**

**INFORMATION CALENDAR:**

- 18. **Meetings Calendars:**
  - a. **2011 Board Meeting Calendar.**
  - b. **Meeting/Conference Calendar – November 2011.**
  - c. **Meeting/Conference Calendar – December 2011.**
- 19. **2011 Board Committee Assignments.**

**ADJOURNMENT:** The meeting was adjourned at 10:55 p.m.

  
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 John Wallace, President

  
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 Steve Nugent, Secretary