



**Special Board Meeting
Monday, January 27, 2025, 1:00 p.m.**

**Carmichael Water District Board Room
7837 Fair Oaks Boulevard
Carmichael, CA 95608**

MINUTES

The Carmichael Water District Board of Directors met in Special Session this 27th day of January at 1:00 p.m.

ATTENDANCE:

Directors: Ronald Davis, Mark Emmerson, Ron Greenwood, Jeff Nelson, Paul Selsky

Staff: Cathy Lee, Greg Norris

Guest: Brian Toppel, Brent Ives

Public: Two (2) Members of the Public

CALL TO ORDER: President Greenwood called the meeting to order at: **1:05 p.m.**

PRESIDENTS COMMENTS: None.

PUBLIC COMMENT:

1. Public Comment

Mr. David Hanscom comment that he would suggest a change in the closed session process to provide more information on the closed session items. He indicated that he did not know that La Vista Tank was still in operations despite the dispute for the project construction. He suggested additional summaries in the closed session items.

ACTION CALENDAR:

2. La Vista Storage Tank and Booster Pump Station (BPS) Project – Amendment to a Professional Services Agreement (PSA) for Construction Management (CM) Services and a Budget Adjustment

Staff recommends that the Board of Directors 1) Approve a budget amendment authorizing the General Manager to transfer \$700,000.00 from the 2019 COP Bond Proceed Fund to the La Vista Tank and Pump Station CIP Account (GL 10-011106-01-03); and 2) If item 1) is approved, authorize the General Manager to execute Amendment 1 of the Professional Service Agreement in the amount of \$643,070 with Toppel Consulting for optional Lessons Learned and Construction Management tasks and approve a contingency of \$56,930 (about 8.8%) for a total not-to-exceed amount contract amount of \$700,000.00.

The General Manager stated that this item is to amend a professional services contract with Toppel Consulting to conduct an optional pre-construction analysis in the amount of \$51,360 to understand where the past project implementation had faltered and contract with Toppel Consulting for the day-to-day construction management services for \$643,070 once the contractor returns to work. The Engineering Manager and Brian Toppel of Toppel Consulting were also present to answer any questions the Board may have.

Director Greenwood inquired for a motion and directed the Board to discuss after the motion.

Director Emmerson motioned to approve the construction management (CM) services but not the optional pre-construction analysis.

Directors stated that the optional pre-construction analysis was not necessary as he believes that staff has learned a lesson and knew what had gone wrong throughout the project.

There was no second to Director Emmerson's motion and the **Motion Failed**.

Director Nelson motioned to approve the optional pre-construction analysis but not the day-to-day construction management service. **Seconded by Director Selsky**.

Directors inquired why the RFP only went to three firms.

Staff informed the Board of Directors that the Board's original direction was to hire a consultant to conduct a forensic analysis in 6 weeks to understand the District's risks for the project. This type of specialty analysis is different from

the typical CM/engineering oversight on a construction project and staff received recommendations for 3 firms from the Directors and the attorney to conduct the analysis.

Directors inquired if the contract extension was still in place with the prior CM firm and why staff elected not to continue with the previous firm.

Staff informed the Board of Directors that one of the conditions for the contractor to return to work is that the previous CM firm is not involved with the project. Staff also noted difficult personality interactions between the previous CM firm personnel and the contractor. The District does not have a contract current with the previous CM firm as all budget has been exhausted and the Board did not approve additional funding for a contract extension in 2024. The Board only approved additional expenditure for additional work that had already been done above the original contract amount.

Directors inquired if staff had considered using other CM firms since there were 6 firms who submitted for the CM work at the beginning of the project.

Staff informed the Board of Directors that staff did not consider sending the RFP to the 6 firms due to the need for specialized experience. The three companies who received the RFP were recommended.

Director Nelson inquired as to what items are still needed to finish the project.

Mr. Toppel informed the Board of Directors that the booster pump station with associated electrical and mechanical components, the pump station building, block wall, well pump, and all site related final paving and site restoration.

Director Nelson indicated that the original RFP was used to select for the special pre-construction analysis and what was the justification to extend to the work into a day-to-day CM work

Staff informed the Board of Directors that Mr. Toppel had reviewed the entire project files and understood the issues and difficulties that occurred during construction. Therefore, rather than creating an all new RFP for just CM work and bringing another CM on-board while the District is on the verge of a new agreement with KKI, it would be prudent to keep Toppel Consulting for CM due to their expertise and time that they have already invested in familiarizing themselves with the project. Staff also considered Mr. Toppel's approach to completing the project and his emphasis on difficult projects to move the project forward.

Directors stated that they are uncomfortable with the scope of work consisting of only one paragraph. Directors ask Mr. Toppel's involvement with the Harvest Water Project.

Mr. Toppel informed the Board of Directors that he worked on the project schedule for the contractor Mountain Cascade Construction.

Directors inquired if the scope of work for Toppel Consulting would be similar to what Waterworks would have done. Staff informed the Board of Directors that it would be similar.

Director Nelson stated that perhaps staff should have considered CM consultants with more experience or specialties to do the construction management especially with problems occurred on this job so far. Director Nelson inquired if staff has reviewed Mr. Toppel's resumes and his LinkedIn profile.

Staff informed the Board of Directors that Mr. Toppel's resume was part of the response to the RFP and staff noted that his experience translated well to the needs of the La Vista Project.

Director Nelson inquired if staff had intended to use the RFP presented for the day-to-day CM work.

Staff informed the Board of Directors that the turnaround period for the specialized work was short and that Mr. Toppel is familiar with the history of the project based on his review. The main goal is to start construction by April 1, 2025 and the timing is not sufficient to hire another firm and to learn about the project. Staff reiterated that this time frame was one reason that another RFP just for CM was not released.

Directors stated that Board Members who are having concerns for processes and procedures could have discussed these concerns previously. The priority is to finish the project and it is not helpful to continue tabling decisions with moving the project forward.

Directors stated that not all directors were present at the closed session where the Board discussed strategies to respond to KKI's claim, moving forward, and directions to staff. Some Directors indicated that they feel comfortable that Toppel Consulting is qualified to do the work and it is time to call the question.

President Greenwood asked for a roll call vote to Director Nelson's motion.

Motion Vote:

M/S Nelson / Selsky to approve the optional pre-construction analysis but not the day-to-day construction management service.

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:	2	Nays:	3	Absent:	0	Abstain:		0
Motion Failed:									

M/S Davis / Greenwood to approve staff's recommendation with the following amendment for clarification:
 Add to Staff's second recommendation to show that the optional Project Review and Lessons Learned task is \$51,360 and the Construction Management task is \$591,170 for a total of \$643,070 and the entire motion to approve is to read:

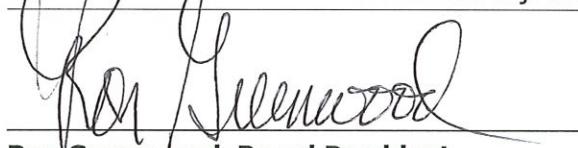
- 1) Approve a budget amendment authorizing the General Manager to transfer \$700,000.00 from the 2019 COP Bond Proceed Fund to the La Vista Tank and Pump Station CIP Account (GL 10-011106-01-03); and
- 2) If item 1) is approved, authorize the General Manager to execute Amendment 1 of the Professional Service Agreement in the amount of \$643,070 with Toppel Consulting for optional Project Review/Lessons Learned task in the amount of \$51,360 and Construction Management tasks for a cost of \$591,170, and approve a contingency of \$56,930 (about 8.8%) for a total not-to-exceed amount contract amount of \$700,000.00.

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:	3	Nays:	2	Absent:	0	Abstain:		0
Motion Passed:									

INFORMATIONAL:**3. Strategic Plan Topics**

Discussed with Board of Directors and Consultant.

ADJOURNMENT: President Greenwood adjourned the meeting at: **3:07 p.m.**



Ron Greenwood, Board President



Cathy Lee, Board Secretary