



**Regular Board Meeting
Monday, May 19, 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 19th day of May 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, Aaron Ferguson
Guest: Brian Toppel and Robin Flint
Public: Eight (8) Members of the Public

CALL TO ORDER: President Greenwood called the meeting to order at: **6:00 p.m.**

PRESIDENTS COMMENTS: President Greenwood led the Pledge of Allegiance.

PUBLIC COMMENT

1. Public Comment

Mr. Hanscom commented that last month there was a discussion on the agreement between CWD and Golden State Water and how the shared expenses should be paid. He feels that the current agreement is not fair and that the easiest way to adjust that is have them pay their percentage of the total amount of water that was produced for the month. So if they only use twenty percent of the total amount of water then they pay for just twenty percent. Directors commented that they think that is the guidelines that CWD goes by and inquired the General Manager. The General Manager informed the Board of Directors that there are a lot of pieces that goes into that since they paid a big fee to buy into our water treatment plant and that needs to be taken into consideration. There has not been a discussion with Golden State Water yet about the issues that the District has been looking at, which include volumetric and the fixed portions of their statements. Once negotiations begin, these topics will be discussed.

PRESENTATION

2. La Vista Tank and Pump Station – Lessons Learned and Status Update by Toppel Consulting

Directors commented that this was a nice presentation and that they liked the graphics about the timelines.

Directors inquired as to who Mr. Toppel thinks is the best to lead the construction management and how we would make sure that in the future there is such a leadership or person identified with this responsibility.

The General Manager informed the Board of Directors that it should be the Construction Managers (CMs) because this is their specialty.

Mr. Toppel informed the Board of Directors that the tone should be set at the beginning and it should be determined if the CM is a builder or an engineer. If the CMs are not builders, than sometimes things are looked at in black and white and try to follow the letter of the contract. The contractor should follow the intent of the contract and all the problems should not be contractor versus the District. It should be equally as both of their problems in order to move forward smoothly and both parties should be willing to help each other.

The General Manager informed the Board of Directors that the reason it is the CM's responsibility is because this is the kind of job that they do all the time. For pipeline jobs, our staff is very confident because they lay pipes themselves. Our own staff is the CM for pipeline jobs because they are present and they know how the pipes should be laid. For the past couple of pipeline projects, a CM has not been hired because CWD's staff manages the projects.

Directors inquired if Mr. Toppel looked at the plans and specifications enough to have any other opinions on the adequacy of those documents for this project.

Mr. Toppel informed the Board of Directors that he looked at the plans for months and he believes they are decent. Directors inquired about the plans and specifications for the tank liner and the demo of the tank.

Mr. Toppel informed the Board of Directors that what bothered him was not the plans and specifications but the reaction to it and that is when the lines in the sand were drawn. Once the incident happened, the meeting to talk about how to move forward was a week later. It should be done the same day or the next in order to solve the problem instantly with everyone.

Directors inquired if Mr. Toppel spoke to CWD's lawyer.

Mr. Toppel informed the Board of Directors that he has talked to Ms. Nichols several times previously before making this report.

Directors commented that it seems like the main thing was communication and the lack of it. They then inquired about his comment about replacing staff members and whether he meant on CWD's side or the contractors side. Mr. Toppel informed the Board of Directors that sometimes it's both sides depending on the situations. He mentioned that it is all about how both sides can efficiently communicate and remove the person preventing the effective communication from happening.

Directors inquired if mediation was attempted.

The General Manager informed the Board of Directors that there was a mediation. KKI did request a change in the CM to be one of the CWD staff. It did not happen because there was a lot of other requests on both sides which were not get agreed upon.

Directors commented that at the start of this project there was a different Engineering Manager then who is employed today so the request for a staff person was probably not feasible.

The General Manager informed the Board of Directors that this was correct. The Engineering Manager is not the same person at the start of this project and now. She also mentioned that after the communication issues arose, KKI actually requested CWD's Distribution Superintendent at the time. There was no Engineering Manager at the time and the Distribution Superintendent was set to retire with his own job to do, making it impossible to happen.

Directors inquired if staff needs to do a better job procedurally in working with the contractor to avoid another situation like this and not withhold payment

Mr. Toppel informed the Board of Directors that he understands why the payment was withheld and if they would like to go more in depth about that then they can meet up to discuss it.

Directors thanked Mr. Toppel for a very comprehensive report and requested that this presentation be put on the District's website.

CONSENT CALENDAR

- 3. Minutes for the Regular Board Meeting – April 21, 2025**
- 4. Minutes for the Special Board Meeting – May 1, 2025**
- 5. Monthly Expenditure Report – March 2025**
- 6. Budget to Actual Report – March 2025**
- 7. Treasurer's Report – Quarter Ending March 31, 2025**

M/S Emmerson / Davis to approve the consent calendar.

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:	4	Nays:	0	Absent:	1	Abstain:	0
Passed Unanimously:								

ACTION ITEMS

- 8. Amendment No. 2 to the Professional Services Agreement for Engineering Services during Construction of the La Vista Tank and Booster Pump Station Project- Kennedy Jenks**

Staff recommends that the Board of Directors authorize the General Manager to execute an Amendment No. 2 to the professional services agreement with Kennedy/Jenks Consultants, Inc. for \$111,476 and authorize a \$20,000 contingency for an amended total agreement cost not to exceed the amount of \$875,200.

Directors inquired whether Kennedy Jenks (K/J) already had a contract and a budget for engineering services during construction through the end of the project.

The General Manager informed the Board of Directors that they did have a contract already.

Directors inquired if this was additional money they are requesting.

The General Manager informed the Board of Directors that this is to amend the original contract by \$111,467.

Directors inquired if K/J's original budget was not adequate for engineering services during construction and why do they need more now and whether there are additional items that were not in the original scope.

The Engineering Manager informed the Board of Directors that the project got extended by more than a year.

Directors commented that the project got delayed and it sat dormant.

The Engineering Manager informed the Board of Directors that it was delayed but it was not totally dormant. There were RFIs that were handled back and forth but their time was reduced greatly during the delay. He mentioned that there is also some reallocation of work and K/J used more money into those tasks and now it needs more money to fund the tasks.

Directors inquired if their understanding of the situation was correct. Their understanding is that because the project was delayed by several years they need more hours to do the engineering services during construction than they originally estimated.

The Engineering Manager informed the Board of Directors that they were correct. In addition, K/J's hourly prices has gone up since four years ago. So the remaining amount of work for this next year is much higher than before.

Directors inquired the personnel on the Kennedy Jenks' team for this project and whether CWD staff knew who they were, or if it is a new team.

The Engineering Manager informed the Board of Directors that it is the same team since the beginning of the project and the main person of contact is Doug Henderson who is a long time engineer with Kennedy Jenks. They also mentioned that if there is an area that Doug is not familiar with, he works with the team of engineers within Kennedy Jenks to get the correct information. There is the engineer of record which is Jamie Kolkey and she is responsible for making sure that all the information that is given is reflecting the same information from her design.

Directors inquired if Kennedy Jenks has performed well in the past with regard to the project during construction. The Engineering Manager informed the Board of Directors that he has not been involved in the entire project. Since he has been there, Kennedy Jenks has been very responsive and the vast majority of the responses have been done within 7 days. The few times that K/J did take longer was for items that were not time sensitive.

Directors commented that they have had their doubts on the adequacy of their design and they recognize the low amount of change orders. The design did not include the tank demo problems which is a legitimate added cost and they wonder if it is due to their design specs not being thorough enough.

M/S Emmerson / Davis to approve staff's recommendation.

9. Dugan Management & Engineering, Inc. (DME) Agreement Amendment No. [3] to Claremont Road and Fair Oaks Blvd at El Camino Ave Mainline Replacement Project (MRP)

Staff recommends that the Board of Directors authorize the General Manager to execute an Amendment No. 3 to the professional services agreement with DME for \$64,517 for an amended total not-to-exceed amount of \$335,005.

Directors commented that they are more comfortable with the idea to extend the contract to have the Fair Oaks Blvd Pipeline bid include this project.

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

10. Garfield Well Site Access

Staff recommends that the Board of Director discuss the access requests, assess the security and liability topics, and approve any appropriate actions as necessary.

Directors commented that they drove by the well and it is now gated and with a sign for insurance purposes. The General Manager informed the Board of Directors that Ms. Flint, JPIA's Risk Control Manager, advised us to have proper signage at the well.

Ms. Flint commented CWD participates in the risk pool with ACWA JPIA. She mentioned that they look at the coverage the member participates in, safety enhancements, and potential loss exposures. In 2005 industry best practices have been encouraging water utilities to harden their physical infrastructure related to their critical assets. Then in about 2006, AWWA came up with best management practices guidelines for JPIA because they do have a lot of property and third party liability losses. In 2013/14 JPIA required its member to really harden the best practices. Around 2018, American Water Infrastructure Act was put into place which is a national act that requires water and wastewater districts to do a risk assessment for their critical infrastructure and harden their physical assets. State Water Resources Control Board (SWRCB) also gave guidance for water Districts on this topic as well.

Directors inquired as to what hardening the asset was and if it means to protect the asset from third party interference.

Ms. Flint informed the Board of Directors that they were correct and that was the broad definition of physical hardening of the assets. One example is access and the control of access of an infrastructure should be with staff. If a third party, like a vendor, needs access then they should be escorted by staff. She then gave the example of when she came to do CWD's risk assessment she was escorted by staff to each location. A water district should never want an unknown individual on the property. She mentioned that physical hardening could be gates and signage and many member have been added lighting and CCTV's to their critical infrastructure.

Ms. Young commented that they recognize CWD's concern with safety and the construction of the new well. They would like to sign a release of liability after construction. She then mentioned that they would not want access during construction and they would wait until that was over. She is trying to secure the future of access after construction of the well.

Ms. Lauer commented that her family has had access to the site for 67 years because they have a shop that is back there. She mentioned that she does not access the site a lot but when she does it's nice to be able to access her shop.

Ms. Young commented that they are paying a combined amount of \$400 in storage fees because they cannot currently store their stuff in the back of their properties since they do not have access. She then commented that they very rarely need access and they would only need access about 4-6 times a year.

Ms. Lauer commented that they never had any problems going back there and they never caused any problems, either. They also were maintaining the ditch so it does not flood.

Ms. Young commented that they would stay out of the way completely.

Ms. Lauer suggested if maybe they could schedule a time with the District for when they need to get their stuff out through the site.

Directors commented that they remember in past conversations that there was problem with the District accessing the site because cars were blocking the entrance.

Ms. Young commented that the car did not belong to them and that they knew the person who was blocking the access. They did not give them permission to park there.

Directors commented that they are in between a rock and a hard spot because they do not own the site personally and they have to keep in mind what is best for the District. All it takes is for one person to get injured on the property and CWD would be liable.

Ms. Lauer commented that they would be willing to sign a release of liability to avoid that.

Directors commented that the District's insurance is telling them that they have to physically harden the properties which includes gating off the site and not allowing unauthorized personnel on the properties alone unless they are escorted by staff. They then mentioned that they do not want to risk losing the District's insurance because if the District gets sued then JPIA will be carrying the bill.

Directors commented that they CWD wants to be a good neighbor and because they have had uncontrolled access to the property for about 67 years they would propose to give them access on an escorted basis whereby if they give the District advanced notice. Because it is so infrequent then staff could avail themselves for about an hour or so to go and escort them so they can be able to get the items they need through their back gate.

Ms. Young commented that it would be very much appreciated if they would allow that.

Directors inquired if they were trying to store their items on the Districts property.

Ms. Young informed the Board of Directors that their items were on their own property and they would just need access to their back gate. She mentioned that she just has her jet skis back there. She could just have access to the back gate to store them during the winter months. During the summer, they will store them off site so then they would really only need access about twice a year.

Directors inquired Ms. Flint if the proposal to give them escorted access was feasible.

Ms. Flint informed the Board of Directors that she would have to defer this to JPIA's member services department related to coverage for CWD. She mentioned that they are dealing with the excess carrier not just JPIA so this would be a question for JPIA to pose to the excess carrier to see if there would be any excess challenges in that avenue. Directors inquired if Ms. Flint could pose this question on their behalf so they can find out if agreeing to these terms would affect CWD's insurance or put it at risk.

Ms. Flint informed the Board of Directors that she would do this and would like to work with the General Manager to ensure that she has the question correctly.

Ms. Lauer commented that they understand the District's point of view on this and they just want to see if there could be a solution.

Directors commented that they do want to be good neighbors. If by allowing them access to the property, CWD loses its insurance; or if something were to happen to them on the property, then the rate payers are subject to whatever legal action they decided to pursue. This is a fiduciary responsibility that they believe they have for the rate payers that they cannot break.

Mr. Hansom inquired if the property was owned by CWD.

The General Manager informed him that it is CWD's property.

Mr. Hanscom then inquired if the gate was on the drive way or back on the access of the lot.

Directors informed Mr. Hanscom that the gate is at the end of the drive way.

Mr. Hanscom also inquired if there was only one property that was being impacted.

Directors informed Mr. Hanscom that there are two properties being impacted.

Directors inquired CWD's legal counsel for his opinion on the matter and if he thinks this would put the rate payers at risk.

Mr. Ferguson informed the Board of Directors that there is certainly the potential exposure and the District has the right to deny access. He mentioned that he was asked to look at the question of whether the historic use from a property law perspective for continued rights of access. He thinks that it does not apply here because it has been permissive to some extent with acknowledgment from the District that it was ok for them to use the site. This would not constitute the continued rights of access and the District could deny access. He mentioned that it would be enough for him from what he heard from the insurance carrier to just deny the access, but he could be being overly conservative.

Directors inquired if they are establishing precedence if they allow them access for other properties that are in similar situations for those neighbors to come ask for access as well.

Mr. Ferguson informed the Board of Directors that it would not establish legal precedence and that would be more a political issue than a legal issue. He then mentioned that every case would need to be assessed on its own circumstances.

Directors inquired as to when the well would be replaced.

The General Manager informed the Board of Directors that the well site will be in construction for the electrical of the new generator. The contractors are waiting for all the materials to arrive in order to close off the site for construction. They are anticipating that it will be by this summer.

Directors thanked Ms. Flint for taking the time to attend the meeting and answer their questions.

M/S Emmerson / Greenwood to table item until next meeting in order to receive the information requested from JPIA.

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:	0	Absent:	1	Abstain:	1

Motion Passed:

11. A Resolution to Amend Carmichael Water District Regulation 1010 – Claims Procedures and Delegate the Authority to Allow, Deny, or Settle Government Claims for Money Not Exceeding \$10,000 Budget Adjustment for Raw Water Pump VFD Replacement

Staff recommends that the Board of Directors adopt Resolution 05192025-01 - A Resolution to Amend Carmichael Water District Regulation 1010 – Claims Procedures and Delegate the Authority to Allow, Deny, or Settle Government Claims for Money Not Exceeding \$10,000.

Directors commented that the updates are very clear.

M/S Davis / Emmerson to approve staff's recommendation.

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

12. Senate Bill 1100 Job Descriptions Update

Staff recommends that the Board of Directors authorize the General Manager to remove the driver's license requirement from the job descriptions for Finance Manager, Accountant, Billing Supervisor, Billing Specialist, and Administrative Specialist positions.

No comments.

M/S Emmerson / Davis to approve staff's recommendation.

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

13. ACWA Elections for 2026 -27 Term – Officers Positions and Region Board Members

Staff recommends that the Board of Directors consider nominating a director to be considered for the ACWA President, Vice President, or a Region Board Member position. Staff will place a nominating resolution on the June 16, 2025 agenda for possible Board action.

Director Davis commented that he will not be running for the Region 4 Board this year.

Directors nominated President Greenwood to be the authorized voting representative for the 2026-27 ACWA Election on behalf of the District.

ANNOUNCED PUBLIC HEARING AND ADJOURNED REGULAR MEETING TO PUBLIC HEARING: 7:32 p.m.

PUBLIC HEARING:

14. Presentation of the Fiscal Year 2025-2026 Draft Budget (Information included in Board Packet)

a. Director's Comments

Directors inquired if the Golden State Water revenue is being reflected in the revenue source

The Finance Manager informed the Board of Directors that it is being reflected and staff is estimating that Golden State water will be paying \$1.4 million.

b. Public Comments

Mr. Christian commented that under the Revenues section of the slide presentation, there were some bullet points that raised some concern for him. He mentioned that the first one was the demand for water is increasing. Would that on its own not create more revenue without doing another rate increase? Then it

stated that the use of grant funding increased which contributed to revenue resources. If that were the case, then wouldn't that also offset the need for a rate increase? He then inquired if the 9.5% increase effective on January 1, 2025 was the last approved rate increase.

The Finance Manager informed him that he was correct and there were no more approved rate increases after January 2025.

Directors commented that it is still an open question because they are doing a rate study.

Mr. Christian commented that he is always going to play the devil's advocate and is always going to be on the side of the rate payer. He then inquired about the loans that the District was paying off and if the District had thought about taking some of the impact of the increase and paying off the loans so then they would not have to do the interest payments.

Directors commented that this was one of the questions they are looking at for the rate study.

Mr. Christian then commented that he would like to see those bullet points be incorporated into the rate study.

Directors commented that getting loans and grant funding would offset the need for a rate increase for those particular projects. However, as the Finance Manager has referred to, the ten year CIP has a lot of necessary projects that need to be completed and they are all very expensive to get done. They mentioned that while they have brought in a lot of funding for the current projects; the money that we would have used to fund those projects are now being reallocated to pay for a portion of the future projects.

Mr. Christian commented that the issue he is having is that District staff are speculating if the District has to do those projects.

Directors commented that staff are not speculating. Those projects are within the expected work for the next 10 years and there are projects beyond the 10 years that are critical. They appreciate the questions that Mr. Christian has asked because it has given them the opportunity to explain how this business is so different than all the others. CWD is providing a service that every once in a while the state asks you not to buy it, which puts us at a negative amount for revenue.

Mr. Hanscom commented that he participated in the last two rate studies. He recalls the first one in which the District was getting ready to get into a period where there were going to be a lot of capital improvement projects and they knew that there was going to be some drastic rate increases. The average historical rate increase is 5.8% and he wonders what the cost of living has increased to during that time. He commented that the rate payer's income is not increasing as fast as the amount of everything else.

The General Manager informed Mr. Hanscom that the 5.8% average increase over the past 20 years does not include the last 5 years. She also mentioned that in the budget document, on page 23, one can see the amount of capital improvement project that have been done in the last three years compared to all the years before. In last year's budget, there was a slide that compared the last 20 years and it is clear that the amount of CIP has double or even tripled since then. The last 4 to 5 years the rate increases have gone to capital improvements and that is the most expensive part.

Mr. Hanscom commented that his point was to just ask the District to keep getting grants to help offset any rate increases.

ADJOURNED PUBLIC HEARING AND OPENED REGULAR MEETING: 8:10 p.m.**INFORMATIONAL ITEMS****15. La Vista Tank and Booster Pump Project, Continuous Update #3**

No Comments, discussed in previous presentation.

16. Amendment No. 6 to the Professional Services Agreement for ASR Well Design and Construction Services with GEI, Inc.

No Comments.

17. Cross Connection Control Policy

No Comments.

18. River Arc Project - Environmental Review – Notice of Preparation of Environmental Impact Report and Scoping Meeting

Directors commented that this was the number one topic at Cap-to-Cap with the congress.

COMMITTEE REPORTS**19. Sacramento Groundwater Authority (SGA) Board Meeting**

Director Selsky Reports Out.

Director Selsky reported that the last meeting for SGA was in April and he missed that meeting and the next meeting

in June and he will be in attendance.

20. Carmichael Chamber of Commerce

Director Nelson Reports Out.

The General Manager reported at the most recent meeting the following items were discussed.

1. The Effie Yaw Nature center is up and running now.
2. A big issue in the legislature for the State of California is the \$12 billion budget short fall for the upcoming budget.
3. Congressman Bera's office thought the resolution for the FY 25 appropriation was dead on arrival but are now working on a continuing resolution.
4. She indicated that CWD's budget was going to be adopted in June.

21. Other Committee Report

Directors Report Out.

No Reports.

STAFF REPORTS:**22. General Manager and District Activity Report – April 2025**

Discussed with the Board.

23. Director's Expense Reimbursement Summary – April 2025

No comments.

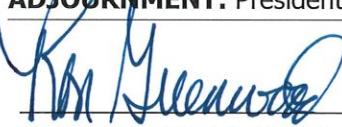
GENERAL CORRESPONDENCE/INFORMATION:**24. Director's Written and/or Oral Reports****1. Director Emmerson****a. Attended AWCA Spring Conference**

- i. Was unable to attend the entire conference but he did attend the JPIA Board of Directors Meeting and they discussed the following items.
 1. The risk pool has received three national awards for JPIA which include the AGRIp, CAJPA, & GFOA.
 2. They have ancillary programs and the biggest one now, with a membership of 280, is the cyber liability. The liability and property program is experiencing big cost due to the fires. The CWIF has received a 6.35% interest return and have realized gains of about \$22 million that is going to be returned back to the members this year.

ANNOUNCED CLOSED SESSION AND ADJOURNED OPEN SESSION TO CLOSED SESSION: 8:26 p.m.**CLOSED SESSION****25. EMPLOYEE NEGOTIATIONS - AFSCME LOCAL 146 (Government Code section 54957.6)****26. PUBLIC EMPLOYEE PERFORMANCE EVALUATION – INVOLVING THE GENERAL MANAGER (Government Code sections 54957 and 54957.6)****ADJOURNED CLOSED SESSION AND OPENED REGULAR SESSION 9:20 p.m.**

REPORTED OUT OF CLOSED SESSION: The Board of Directors gave direction to staff.

ADJOURNMENT: President Greenwood adjourned the meeting at: **9:21 p.m.**


Ron Greenwood, Board President
Cathy Lee, Board Secretary