

CITRUS HEIGHTS WATER DISTRICT
BOARD OF DIRECTORS MEETING
February 13, 2007

The Regular Meeting of the Board of Directors was called to order at 6:30 p.m. by President Rose and roll was called. Present were:

Charles T. Rose, President
Joseph M. Dion, Vice President
Allen B. Dains, Director
Robert A. Churchill, General Manager
David B. Kane, Assistant General Manager
John J. Townsel, Operations Manager
David M. Rossi, Project Manager
Nancy E. Alaniz, Assessor/Collector
Paul A. Dietrich, Senior Engineering Technician
Timothy R. Cutler, Construction Inspector
Rex W. Meurer, Conservation Specialist

VISITORS

None

President Rose led the Pledge of Allegiance.

CONSENT CALENDAR

President Rose asked for the Consent Calendar. It was moved by Director Dion, seconded by Director Dains and carried 3-0 to accept the Consent Calendar consisting of:

1. Minutes of the Regular Meeting of January 9, 2007.
2. Assessor/Collector's Report for January 2007.
3. Adjustments to the 2007 Assessor's Roll.
4. Treasurer's Report for January 2007.
5. Bills to be Paid for January 2007.
6. Approve CAL-Card Purchases for January 2007.
7. Summary of 2007 Directors, Officers and Employees Training, Seminars and Conference Expenses.
8. Receive and file report of settlement of a claim from Michael Allison.
9. Adopt Resolution No. 04-2007 Concurring in the Nomination of Joan C. Finnegan to the Office of Vice President of the Association of California Water Agencies Joint Powers Insurance Authority.

OLD BUSINESS

Mitchell Farms Groundwater Well

GM Churchill provided a status report on the pump station construction phase of the Mitchell Farms Groundwater Well project. A number of contract submittals are in the review and approval process, and water main construction is in the beginning stages. A coordination and field meeting was held with the Sacramento Municipal Utility District (SMUD) for provision of electrical service. SMUD has identified an alternative point of connection for the new electrical service that reduces the trench length from about 620 feet to 80 feet, and this will result in a cost savings for the District.

GM Churchill also reported on two proposed agreements with SMUD to obtain electrical service. As a condition of providing electrical service, SMUD requires that the District execute agreements that will convey the electric service to be installed by the District to SMUD and provide SMUD an easement for these facilities. SMUD construction will not be scheduled until SMUD receives the signed agreements.

The “Conveyance of Electric Distribution Facilities” agreement conveys the conduits, transformer pad and pull box from the District to SMUD. These items will be installed by the District’s contractor. SMUD will install the electrical cable, transformer and switch gear at District expense.

The “Agreement to Grant Right-of-Way” document specifies that, at an appropriate future date during the project, the District will formally grant a right-of-way, also known as an easement, to SMUD across a portion of the District-owned well site. The off-site construction within the condominium site to the north will be within the common area public utility easement; therefore no off-site right-of-way is needed. Directors and staff discussed the agreements.

It was moved by Director Dains, seconded by Director Dion and carried 3-0 to authorize the General Manager to execute the following agreements with Sacramento Municipal Utility District to obtain electrical service for the Mitchell Farms Pump Station:

1. Conveyance of Electric Distribution Facilities; and
2. Agreement to Grant Right-of-Way.

Skycrest School Groundwater Well

GM Churchill provided a status report on the property acquisition phase of the Skycrest School Groundwater Well. San Juan Unified School District Director of Planning, John Palmer, presented the District's request to acquire 1.3 acres of land at Skycrest Elementary School to the Superintendent's Cabinet in January 2007. The Cabinet requested additional information regarding the acreage of the school site and comparing it to the California Department of Education Guide to School Site Analysis and Development for the number of students at the school.

The total acreage at the site is 12.937 acres for approximately 700 students. The District's area of interest, while 1.3 acres in total, can be characterized as follows:

- 0.45 acres fenced to restrict student access
- 0.38 acres of drainage channel
- 0.30 acres presently accessible to the students
- 0.09 acres fenced into neighboring residential properties
- 0.08 acres outside the school perimeter fencing
- 1.30 acres

GM Churchill also presented a report on proposals from Luhdorff & Scalmanini Consulting engineers to provide engineering services for the Skycrest School Groundwater Well Project. Once the site acquisition issues are resolved at Skycrest Elementary School, the District will need to move quickly into construction in order to fulfill its Proposition 13 obligation. To that end, proposals have been requested from Luhdorff and Scalmanini Consulting Engineers (LSCE) to provide engineering services for the project. LSCE is uniquely qualified to quickly and efficiently provide service to the District having done so for all phases of the Mitchell Farms Groundwater Well, the Skycrest Test Hole and the Bonita Test Hole.

The attached proposals reflect the three areas of consulting services required for the Skycrest School Groundwater well project as follows:

1.	Water Supply Well Engineering and Field Services	\$ 55,000
2.	Water Supply Well Pump Station Engineering Services	\$ 96,565
3.	Water Supply Well Pump Station Construction Services	<u>\$ 86,625</u>
	Total	\$ 238,190

This total amount proposed for engineering is approximately 14 percent of the total estimated project cost of \$1,700,000. Directors and staff discussed the project and the engineering proposals.

It was moved by Director Dion, seconded by Director Dains and carried 3-0 to accept proposals from Luhdorff & Scalmanini Consulting engineers to provide engineering services for the Skycrest School Groundwater Well; and to authorize the General Manager to prepare and execute Agreements for Consulting Services upon acquisition of the site as follows:

1.	Water Supply Well Engineering and Field Services	\$ 55,000
2.	Water Supply Well Pump Station Engineering Services	\$ 96,565
3.	Water Supply Well Pump Station Construction Services	\$ 86,625
	Total	\$ 238,190

Bonita Way Groundwater Well

GM Churchill provided a status report on the property acquisition phase of the Bonita Way Groundwater Well project. An appraisal of the 0.53 acre site is being prepared by Seevers, Jordan, Ziegenmeyer (SJZ) of Rocklin. SJZ prepared the appraisal of the Mitchell Farms Well site several years ago at a fee of \$5,000. Their fee remains the same

for this engagement. GM Churchill and Dick Seevers met with property owners, Don and Connie Weber and their real estate agent on January 22, 2007 to discuss the appraisal process. The appraisal opinion from SJZ is expected within the next two weeks.

GM Churchill also provided a status report on the environmental review phase of the Bonita Way Groundwater Well project. Since the last Board of Directors' meeting the following items have been undertaken with respect to the environmental review phase of the Bonita Way Groundwater Well project:

- Initial Study: The Bonita Way Well Initial Environmental Study has been completed with the assistance of Planning Partners and Luhdorff & Scalmanini Consulting Engineers. Directors were provided with a copy of the Study. Based upon this Initial Study it has been determined that the proposed project could have a significant effect on the environment, however these effects will not be significant in this case because of the mitigation measures described in the Study. Copies of the Initial Study were provided to the State Clearinghouse for distribution and comment with the 30-day comment period ending on March 9, 2007. Copies of the Initial Study were provided to public agencies, utility companies and parties of interest as noted on the distribution list provided to Directors. A copy of the Initial Study is also available at the District's front counter for public review.
- Notice of Intent: A "Notice of Intent to Adopt a Mitigated Negative Declaration for the Citrus Heights Water District Bonita Way Well" has been prepared and circulated to approximately 125 property owners and residents with 500 feet of the site. This Notice was also provided to the aforementioned 21 public agencies, utilities companies and parties of interest. This Notice is also posted on the District's outside bulletin Board next to the entry. Directors were provided with a copy of the Notice.

GM Churchill also outlined future steps in the environmental review and coordination process. A public hearing to consider adoption of a Mitigated Negative Declaration for the Bonita Way Well Project is proposed to be scheduled for the March 13, 2007 Board of Directors Meeting. Directors and staff discussed the environmental review process.

It was moved by Director Dion, seconded by Director Dains and carried 3-0 to call for a Public Hearing on March 13, 2007 regarding the Environmental Checklist/Initial Study for the Bonita Way Groundwater Well project.

GM Churchill presented a report on proposals from Luhdorff & Scalmanini Consulting Engineers to provide engineering services for the Bonita Way Groundwater Well Project. Once the property purchase has been culminated for the Bonita Way Groundwater Well, the District will need to move quickly into construction in order to fulfill its Proposition 13 obligation should the Skycrest School site acquisition be delayed further. Otherwise, the Bonita Way Groundwater Well project will remain a component of the region's Proposition 50 Grant application.

To that end, proposals have been requested from Luhdorff and Scalmanini Consulting Engineers (LSCE) to provide engineering services for the project. LSCE is uniquely qualified to quickly and efficiently provide service to the District having done so for all phases of the Mitchell Farms Groundwater Well, the Skycrest School Test Hole and the Bonita Way Test Hole.

The attached proposals reflect the three areas of consulting services required for the Bonita Way Groundwater Well project as follows:

1.	Water Supply Well Engineering and Field Services	\$ 57,500
2.	Water Supply Well Pump Station Engineering Services	\$ 96,565
3.	Water Supply Well Pump Station Construction Services	<u>\$ 86,625</u>
	Total	\$ 240,690

Not included in these proposals are architect and landscape architect services associated with the residential-appearing storage building and the water efficient front yard landscaping.

This total amount proposed for engineering services is approximately 14 percent of the total estimated project cost of \$1,700,000. Directors and staff discussed the project and the engineering service proposals.

Directors inquired as to whether the proposals had been obtained through a competitive proposal process. GM Churchill replied that there has been no competitive process for these proposals. Luhdorff & Scalmanini was selected through a competitive request for proposals process a number of years ago to perform groundwater well-related work for the District. The District has continued to use their services since that time due to their demonstrated expertise in the location, design and construction of groundwater facilities and their knowledge and familiarity with the District and its groundwater well projects. The District's procurement policy allows the award of purchases of goods or services to single sources in cases where the vendor possesses exclusive and/or predominant capabilities.

It was moved by Director Dion, seconded by Director Dains and carried 3-0 to accept proposals from Luhdorff & Scalmanini Consulting engineers to provide engineering services for the Bonita Way Groundwater Well; and to authorize the General Manager to prepare and execute Agreements for Consulting Services upon acquisition of the site as follows:

1.	Water Supply Well Engineering and Field Services	\$ 57,500
2.	Water Supply Well Pump Station Engineering Services	\$ 96,565
3.	Water Supply Well Pump Station Construction Services	<u>\$ 86,625</u>
	Total	\$ 240,690

Conflict of Interest Code Amendments and Policy Codification

GM Churchill presented a report on proposed amendments to and policy codification of the District's Conflict of Interest Code. The District's Conflict of Interest Code requires review every two years and, if amendments are required, a formal submittal and approval by the Fair Political Practices Commission (FPPC) and adoption by the District.

Draft amendments were prepared and reviewed by the FPPC late last year and all indications were that the revisions were acceptable to the FPPC. The amendments were provided to the designated employees and a 45 day comment period was noticed and observed. Action by the Board to adopt a revised Conflict of Interest Code was anticipated to occur at this Board meeting.

The General Manager received a call from a representative of the FPPC late last week regarding inclusion of the Purchasing/Inventory Specialist in the list of designated positions. The FPPC's review of the District's Purchasing and Procurement Policy substantiates the need to include the Purchasing/Inventory Specialist as a designated position inasmuch as the Policy itself addresses refraining from conflicts. Directors were provided with a copy of District Policy No. 6500, Purchasing and Procurement.

Staff is currently considering whether additional District employee positions need to be included in the Code to reflect those employees that make purchases utilizing a District CAL Card purchasing card. While there is supervisory review of their purchases, there are not methods presently in place to alert or recognize conflicts. Inclusion of those employees would add another four positions to the designated list. Senior staff will discuss these issues and provide the Board with a recommended course of action to then be followed by another 45 day comment period. Directors and staff discussed the Conflict of Interest Code and the merits of including additional positions within the Code. Due to consideration of additional amendments, adoption of amendments and policy codification may not occur until May or June 2007. The FPPC will be informed of this new schedule.

It was moved by Director Dion, seconded by Director Dains and carried 3-0 to continue discussion of this item to the March 13, 2007 Board of Directors meeting.

NEW BUSINESS

Training/Continued Education/Meetings

The Board was informed of various upcoming training, continued education opportunities and meetings.

ACWA-JPIA Executive Committee Nomination

GM Churchill presented a report on the Joseph M. Dion's proposed candidacy for the Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA). The ACWA-JPIA Board of Directors is comprised of one representative from each of its member agencies, over 280 members. Citrus

Heights Water District has appointed Director Joseph M. Dion as its representative to the ACWA-JPIA Board.

The ACWA-JPIA Board of Directors has further delegated many of its decision-making processes to an Executive Committee composed of ten members from its larger Board of Directors. Periodically, elections take place for ACWA-JPIA Officers and seats on the Executive Committee. Such an election will take place on May 7, 2007.

CHWD Director Joe Dion has expressed an interest in serving on the ACWA-JPIA Executive Committee. In order for his name to be placed in consideration, he must be formally nominated by the District. Additionally, five other ACWA-JPIA member agencies must concur with the District's nomination. Concurring nominations have been requested from nine other ACWA-JPIA member agencies in the Sacramento region. Directors and staff discussed Director Dion's candidacy for the ACWA-JPIA Executive Committee.

It was moved by Director Rose, seconded by Director Dains and carried 3-0 to adopt Resolution 02-2007 the nominating Joseph M. Dion as a candidate for the Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority.

Investment of District Funds Policy

AGM Kane presented a report on proposed amendments to District Policy No. 6300, Investment of District Funds. Section 6300.90 of the District's investment policy specifies that the policy shall be reviewed, modified as necessary and re-adopted or amended at least annually. The policy was last reviewed and amended by the Board in February 2006.

The policy has been reviewed by District staff and by District Legal Counsel Judy Albietz. Ms. Albietz has identified amendments that are recommended to bring the policy into conformance with AB 2011, enacted in 2006. Amendments to Government Code Sections 53601.8 and 53635.8 change certain requirements related to investment in certificates of deposit in banks, savings and loans or credit unions. These amendments will not affect any current District investments, and are unlikely to have any material effect on future investments. The entire section 6300.50.H, pertaining to negotiable certificates of deposit, has been replaced with the new language set forth in State law. Directors were provided with a copy of the policy displaying the proposed amendments.

Ms. Albietz has also identified language in Section 6300.50.G(3)(C) that is no longer a requirement of the State and can be deleted if the District so chooses. Staff recommends that this provision, regarding the percentage of outstanding commercial paper of any single issuer that may be purchased by the District, be deleted so that the policy continues to mirror State law as closely as possible. Deleting this language will not affect any current District investments, and is unlikely to have any material effect on future investments. Directors and staff discussed the proposed amendments to the policy.

It was moved by Director Dains, seconded by Director Dion and carried 3-0 to amend District Policy No. 6300, Investment of District Funds as presented.

CAL-Card Program Master Services Agreement

AGM Kane presented a report on continued District participation in the State of California Purchase Card Program Master Services Agreement (CAL-Card Program). The District has been a signatory to the State of California Purchase Card Program Master Services Agreement, more commonly known as the CAL-Card Program, since 2001, and has actively participated in the program since 2003. The CAL-Card purchase cards have proven to be an effective and efficient purchasing tool for the District. The purchase cards have helped to streamline many District purchases of goods and services, while continuing to provide a high level of purchasing oversight and accountability. The District policy related to the issuance and use of purchase cards is set forth in District Policy No. 6520.

The State of California Department of General Services has executed a new Master Services Agreement for the CAL-Card purchase card program with U.S. Bank. This continues U.S. Bank's current role as the provider of the purchase cards and services for the program. The District must now enter into a new Addendum to the Master Services agreement if it wishes to continue in the CAL-Card program. Directors were provided with a draft resolution authorizing the District's continued participation and execution of the agreement by the District Treasurer, and a copy of the Addendum to State of California Purchase Card Program Master Services Agreement. AGM Kane also discussed a number of enhancements to the CAL-Card program that are accompanying the new Master Services Agreement.

Directors and staff discussed the CAL-Card Program. Other than the new cards that will be issued to all of the District's authorized users within the next month, the changes to the program will not change the way in which the cards are used or administered. There will be no changes to the per-purchase and monthly dollar limits now in place.

It was moved by Director Dains, seconded by Director Dion and carried 3-0 to adopt Resolution No. 03-2007 Authorizing Participation in the CAL-Card Purchasing Program.

Proposition 13 Large Landscape Grant Program

AGM Kane presented a report on a proposed reimbursement to the Oakcrest Village Homeowners Association for irrigation system improvements installed under the Proposition 13 Large Landscape Grant Program.

The Oakcrest Village Homeowners Association (HOA) is participating in the Large Landscape Grant Program that is administered by the California Department of Water Resources (DWR) using Proposition 13 grant funds. Citrus Heights Water District is one of a number of water agencies that qualified for a share of the grant funds awarded via a

grant application submitted by the Regional Water Authority (RWA). The purpose of the program is to help large landscape owners make improvements to their irrigation systems to increase water use efficiency.

The Oakcrest Village HOA has installed drip irrigation for its shrubbery areas, replacing the less water efficient “pop up” spray heads. The drip system serves landscaping surrounding about 50 homes, and is expected to yield an annual water savings of approximately 850,000 gallons a year, or about 2.6 acre-feet of water annually. The total cost of the project is \$8,485.00, of which \$4,989.00 is eligible for the Proposition 13 Grant funding. Oakcrest Village HOA has already installed and paid the contractor, Truegreen Landcare, for the work. The payment, if authorized, will be prepared and presented to Oakcrest Village HOA at their upcoming Board meeting. It will appear on the District’s February 2007 bill list.

Staff is recommending the reimbursement to the Oakcrest Village HOA now in advance of the District receiving the grant funds from DWR in about six to nine months. This is consistent with the District’s approach with Sunrise Recreation and Park District, who also participated in this grant program. Directors and staff discussed the project and the reimbursement process.

It was moved by Director Dains, seconded by Director Dion and carried 3-0 to authorize payment of \$4,989.00 to Oakcrest Village Homeowners Association as reimbursement for the installation of water efficiency improvements under the Proposition 13 Large Landscape Grant Program.

Sacramento LAFCo Special District Commissioner

GM Churchill presented a report on the upcoming election for the Special District Commissioner Seat No. 6 on the Sacramento Local Agency Formation Commission (LAFCo). Nominations for the Sacramento LAFCo Special District Commissioner Office No. 6 are open through March 19, 2007. Director Rose currently holds this office, and has expressed interest in continuing to serve on LAFCo for another term. His current term expires on the first Monday in May 2007. The term of the office is four years, to May 2011. Nominations must be made by a majority vote of the governing board of the special district and certified by the board secretary. The nomination must be submitted in writing, and nominees may submit a resume or candidate’s statement to the LAFCo Commission Clerk by the nomination deadline date.

Sacramento LAFCo has also opened the nomination period for the office of Alternate Special District Commissioner, vacated by Gay Jones. The nomination period for this office also closes on March 19, 2007. Elections for both offices will be held concurrently. Directors discussed the election, and Director Rose’s interest in continuing to serve on LAFCo for another term.

It was moved by Director Dains, seconded by Director Dion and carried 3-0 to nominate Director Charles T. Rose for the Special District Commissioner Seat No. 6 on the

Sacramento Local Agency Formation Commission (LAFCo); and direct the Board Secretary to deliver a certified Statement of Nomination to the Sacramento LAFCo Commission Clerk.

Refund of Customer Overcharges

AGM Kane presented a report on a proposed refund to Coventry Square Office Park for overcharges on metered water bills, and reimbursing costs related to the customer's leak investigation work. The District recently became aware of significant overcharges to the account of Coventry Square Office Park at 8035 Madison Avenue due to a faulty water meter register. The owners association for the office park is managed by LeFever Mattson Property Management, who receives and pays the water bills for this property. The overcharges date back to May of 2000, when a touch-read water meter was installed at this location. The water meter register as received from the meter supplier was programmed to provide a reading down to tenths of a unit instead of hundredths of a unit as specified by the District. This resulted in every subsequent meter reading being wrong by a factor of 10. For example, if the customer used 100 units of water during the billing cycle, the reading would show as if 1,000 units had been used. The customer's water consumption charges were based on these erroneous readings for about 6 ½ years. Directors were provided with a full accounting over the overbilling, totaling \$46,589.94.

About two years ago, a LeFever employee contacted the District to question the high billings. The District responded to this inquiry and met at the property with LeFever's maintenance employee to investigate. District employees did not detect the meter register problem at this time, and suggested to LeFever that the customer might have an undetected water leak that would account for the high consumption. LeFever subsequently spent an estimated \$1,247.20 for a leak detection service, landscape service and LeFever's own maintenance staff in an effort to find a leak that did not exist. Directors were provided with copies of LeFever's recent letter regarding the overcharges, and a second letter regarding their costs to try to find a leak.

Staff has determined that Lever Mattson Property Management is entitled to a refund of water charges in the amount of \$46,589.94. Board authorization for this refund is being requested due to its magnitude. Staff also believes that LeFever is entitled to a reimbursement of \$1,247.20 for their efforts to find a leak as advised by the District.

Directors and staff discussed the proposed refund and reimbursement, and steps that District staff has taken to avoid future occurrences of this type. This meter register and billing error began well before the implementation of the District's new billing system. The new billing system flags accounts with high variances from prior billings, and staff reviews the billing system reports to check for accounts whose billing amounts appear unusually high or low based on history. In the case of this customer, the meter register error went undetected for so long that it appeared to be "normal" consumption for the property and did not raise any red flags. Even the customer did not first question the billings until more than four years had passed. Staff believes that future such occurrences are unlikely, given the reports now available from the District's billing

system.

It was moved by Director Dion, seconded by Director Dains and carried 3-0 to authorize a refund in the amount of \$46,589.94 and a reimbursement for costs incurred of \$1,247.20 to LeFever Mattson Property Management.

DIRECTOR'S AND REPRESENTATIVES REPORTS:

Director Dion reported on a recent meeting of the Regional Water Authority (RWA) that he attended along with GM Churchill. Director Dion was elected Chair of the RWA for 2007 at that meeting. He also reported on meetings of the RWA Executive Committee and the Association of California Water Agencies - Joint Powers Insurance Authority (ACWA-JPIA) that he recently attended. Director Dion, GM Churchill and AGM Kane all reported on a recent San Juan Water District Executive Committee that they all attended.

Director Rose reported on meetings of the Sacramento Groundwater Authority (SGA), the Association of California Water Agencies (ACWA) Continuing Education Committee, and the California Special District Association (CSDA) that he recently attended. He also reported on recent meetings of the City of Citrus Heights City Council and Sacramento Local Agency Formation Commission (LAFCO) that he attended, and matters of interest pertaining to these agencies.

AGM Kane reported on a meeting of the Citrus Heights Chamber of Commerce Government Issues Committee that he attended recently.

PROJECT MANAGER'S REPORT

PM Rossi reported on the following activities during the month of January 2007 by the Engineering Department: projects under construction or pending construction by private contractors and developers; projects under construction by contractors on the District's behalf; and project development/design underway by District staff.

It was reported that the following water system, added to the District's water distribution system by an independent contractor on behalf of a private developer/owner, has been inspected by the District and formally accepted:

6001 San Juan Avenue, Commercial Building
145 lineal feet of 8-inch PVC water main; three lineal feet of 6-inch PVC water main; one 8-inch gate valve; two 6-inch gate valves; two fire hydrants; one 2-inch blow-off and one 1-inch metered water service.
Value: \$ 42,000.00

OPERATIONS MANAGER'S REPORT

OM Townsel reported as follows:

A total of 212 work orders were performed during the past month by Field Operations crews, Administration field crews and District contractors. The results of recent bacteriological testing, a total of 76 samples, have met all California Department of Health Services requirements.

ASSISTANT GENERAL MANAGER'S REPORT

AGM Kane reported as follows:

1. The deadline date for payment of the first semi-annual flat rate installments for 2007 was January 22, 2007. As of February 6 there were 2,561 accounts still unpaid. Overdue notices with the 10 percent late penalty applied were mailed to customers on this date. This is 378 more delinquent accounts than during the previous semi-annual billing cycle. District billing policy calls for Three-Day Notices of Intent to Terminate Water Service to be delivered to customers that remain delinquent 15 days following the mailing of late notices. However, for this billing cycle, the Three-Day Notices will not be delivered until about 27 days after the late notices were mailed. This will give customers extra time to pay without incurring a Turn-off Notice Service Charge.
2. Work on the District's financial audit for Fiscal Year 2006 is underway. Staff has been preparing and transmitting financial information to the auditor, Bartig, Basler & Ray, in anticipation of their on site work which is scheduled to begin on February 15, 2007.
3. Recruitment activity for the District's new Customer Service Representative position began during January 2007. The District received 35 applications for the position, and conducted interviews with eight candidates on February 7, 2007. Staff has extended a conditional job offer to one of these candidates, and hopes to have that person on board within the next month.

GENERAL MANAGER'S REPORT

GM Churchill reported as follows:

1. As of January 31, 2007, the District has 19,071 metered services, representing 97.85 percent of all of the District's services. The total number of non-metered services remaining is 419. The number of residential customers who have voluntarily converted to metered rates is 886.
2. District-wide water consumption for the calendar year was 850.42 acre-feet through January 2007, an increase of 3.85 percent compared with the average annual water consumption during the previous five years, 2002-2006.
3. Sixteen District employees received recognition for superior attendance, customer service and quality of work during the month of January 2007. Directors were provided with a list of the employees and items for which each received

recognition.

4. Directors were provided with a list of the General Manager's significant assignments and activities.

CORRESPONDENCE:

Correspondence was discussed and ordered filed as follows:

1. Letter dated January 12, 2007 from Bettie Cosby, Chief Executive Officer of the Citrus Heights Chamber of Commerce, thanking the District for renewing its membership.
2. Letter received January 31, 2007 from James M. Boulter, Member of the Mark West Area Community Services Committee of Santa Rosa, California, regarding their opposition to a plan by the California-American Water Company to consolidate CalAm's Larkfield (Santa Rosa area) District with the Sacramento District.

FUTURE MEETINGS

A list of upcoming Board meetings and other meetings related to the business of the District that may involve the participation of Directors or District staff was presented and reviewed.

ADJOURNMENT

There being no other business to come before the Board, the meeting was adjourned at 8:20 p.m.

APPROVED:

Original signed by: Robert A. Churchill
ROBERT A. CHURCHILL
Secretary
Citrus Heights Water District

Original signed by: Charles T. Rose
CHARLES T. ROSE, President
Board of Directors
Citrus Heights Water District