

CITRUS HEIGHTS WATER DISTRICT  
BOARD OF DIRECTORS MEETING  
February 12, 2008

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

Joseph M. Dion, President  
Allen B. Dains, Vice President  
Charles T. Rose, Director  
Robert A. Churchill, General Manager  
David B. Kane, Assistant General Manager  
John J. Townsel, Operations Manager  
David M. Rossi, Project Manager  
Rex W. Meurer, Conservation Specialist  
Timothy R. Cutler, Construction Inspector

VISITORS

None

Director Dion led the Pledge of Allegiance.

CONSENT CALENDAR

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

1. Minutes of the Regular Meeting of January 8, 2008.
2. Assessor/Collector's Report for January 2008.
3. Assessor/Collector's Cancellation Letter for January 2008.
4. Treasurer's Report for January 2008.
5. Bills to be Paid for January 2008.
6. Approve CAL-Card Purchases for January 2008.
7. Summary of 2008 Directors, Officers and Employees Training, Seminars and Conference Expenses.
8. Receive and file report of a settlement of a claim for property damage received from Chris Szymusik.
9. Authorize the Treasurer to make the following transfers within District funds and reserves:
  1. Transfer \$800,000.00 from the Rate Stabilization Reserve to the Operating Fund to compensate for the cash-flow shortfall due to the conversion of customers from flat rates to metered rates;
  2. Transfer \$59,446.47 from the Fleet Equipment Reserve to the Operating Fund to offset monies expended for equipment replacement from the Operating Fund;

3. Transfer \$1,084,370.96 from the Capital Improvement Reserve to the Operating Fund to offset monies expended for capital projects from the Operating Fund.

## OLD BUSINESS

### Mitchell Farms Groundwater Well – Status Report

OM Townsel presented a status report on the pump station construction phase of the Mitchell Farms Groundwater Well project:

- Fence construction is 98 percent complete.
- Painting is 99 percent complete.
- Pavement fog seal application is pending.
- Control systems installation is complete.
- Water disinfection equipment installation is complete.
- Landscape installation is complete.
- Final walk-through inspection is pending.

Directors and staff discussed the project.

### Bonita Way Groundwater Well

OM Townsel presented a status report on the Bonita Way Groundwater Well project:

- Design of the site and pump station is at the 85 percent stage.
- GM Churchill is obtaining an easement for a 12-inch water main and a 12-inch drain line to the west.
- Installation of drain lines will be done by District crews.

Directors and staff discussed the project.

### Proposition 13 Large Landscape Grant Program

AGM Kane presented a report on proposed payments to Edgewood Homeowners Association and Sunrise Recreation and Park District as reimbursement for irrigation system improvements installed under the Proposition 13 Large Landscape Grant Program. These two District customers have completed irrigation system improvements as participants in the Large Landscape Grant Program that is administered by the California Department of Water Resources (DWR) using Proposition 13 grant funds. The purpose of the program is to help large landscape owners make improvements to their irrigation systems to increase water use efficiency.

Under this grant fund program with the DWR, the District reimburses customers for the cost of improvements that qualify for reimbursement from DWR. The District then files for reimbursement from DWR, typically receiving reimbursement from DWR in about

six to nine months. The reimbursements now being presented for approval are the final ones for CHWD under the Proposition 13 Large Landscape Grant Program. In total, the District helped to make available \$42,434 in Proposition 13 funds to its customers. The total water savings from irrigation system upgrades under the Large Landscape Grant Program are estimated to be 63.9 acre feet annually. The annual value of the water conserved, based on a 2007 purchase price of \$96.62 from San Juan Water District, is \$6,174, a 6.9 year payback.

The Edgewood Homeowners Association (HOA) has installed drip irrigation for its shrubbery areas, replacing the less water efficient “pop up” and rotor spray heads that serves landscaping surrounding about 120 homes. When used with the recommended water budget, there will be an annual water savings of approximately 1,725,000 gallons a year (5.37 acre-feet). The total cost of the project is \$12,698.00, of which \$5,000.00 is eligible for the Proposition 13 grant funding. Edgewood HOA has already installed the improvements and paid their contractor for the work. The payment, if authorized, will be prepared and presented by Mr. Meurer to Edgewood HOA at their upcoming Board meeting.

The Sunrise Recreation and Park District (SRPD) installed a state-of-the-art remote WeatherCon Weather station that allows adjustment to its computerized irrigation system with real-time evapotranspiration (ET) rates. The Board of Directors previously approved reimbursement in the amount of \$8,004.86 for this work. SRPD inadvertently neglected to submit one component of the remote weather station for reimbursement, a component that qualifies for reimbursement under the Proposition 13 program. This component, a remote wireless repeater with a long range antenna, works with the weather station to send data from the weather station to other park locations with computerized irrigation controls. The reimbursable amount of this component is \$676.59. SRPD’s weather station system serves five parks in the District, and is expected to yield an annual water savings of approximately 11,235,400 gallons a year (34.48 acre-feet). The payment, if authorized, will be prepared and sent to Sunrise Recreation and Park District, who has already paid the vendor for the equipment.

Directors and staff discussed the proposed reimbursements and the water savings that will be realized as a result of this grant-funded program.

It was moved by Director Rose, seconded by Director Dains and carried 3-0 to authorize payment as reimbursement for the installation of water efficiency improvements under the Proposition 13 Large Landscape Grant Program as follows:

1. Edgewood Homeowners Association in the amount of \$5,000.00;
2. Sunrise Recreation and Park District in the amount of \$676.59.

#### Auburn Boulevard Water Infrastructure Relocation and Replacement

GM Churchill provided a report on the status of the design phase of the Auburn Boulevard Water Infrastructure Relocation and Replacement Project. The design plans for replacement of the District’s water infrastructure along Auburn Boulevard from Cedar Drive to Linden Avenue were revised by District staff to reflect the information obtained

from the District's core bore and pot hole activities. Computer drafting revisions are now in the hands of Mark Thomas & Company Engineers for completion in the next two weeks. Preparation of Project Specifications and Contract are underway with District staff and Mark Thomas and Company Engineers. This work should be completed in the next three to four weeks.

A public meeting was held at the Citrus Heights Community Clubhouse the evening of February 4, 2008. Meeting notices with supplemental information about the project were mailed to 89 property owners, businesses and residences immediately adjacent to the project route. One individual attended the meeting. Directors were provided with copies of the documents developed for the workshop.

GM Churchill presented a tentative schedule for this project, with start of construction slated for mid-May 2008 and completion in mid-September 2008. Award of construction bids is anticipated to be presented for consideration at the April 8, 2008 Board of Directors meeting. Directors and staff discussed the public workshop and the project.

#### San Juan Water District Surface Water Supply and Shortage Plan

GM Churchill presented a report on the status of the draft San Juan Surface Water Supply and Shortage Plan. Senior Staff of the San Juan Water District Family of Agencies (Citrus Heights Water District, Fair Oaks Water District, Orange Vale Water Company, San Juan Water District and the City of Folsom) have been meeting weekly to craft language to provide for equitable sharing of available groundwater resources during times of water shortage conditions. Directors were provided with a copy of the most recent draft of a Surface Water Supply and Shortage Plan.

The Water Shortage Plan is envisioned to be separate from a plan addressing emergency water outages. Discussions regarding emergency outage planning will follow upon completion and adoption of a Water Shortage Plan. Approval and adoption of a Water Shortage Plan by the end of March 2008 is targeted. A detailed presentation, including cost allocation methodologies, will be provided to the Board at the March 11, 2008 regular meeting.

Directors and staff discussed the draft Surface Water Supply and Shortage Plan.

#### Shuman Lane Property Purchase

GM Churchill presented a report on the proposed purchase of three parcels on land on Shuman Lane. The District's offer of \$375,000 to purchase property on Shuman Lane adjacent to the District's corporation yard has been accepted by the property owners. Legal Counsel Albietz, Director Rose and GM Churchill have reviewed the proposed Residential Purchase Agreement and found it to be acceptable. Directors were provided with a copy of the agreement. A \$3,000 initial deposit has been submitted to Chicago Title Insurance Company in Citrus Heights.

The properties proposed for purchase are:

243-0180-011 – 6206 Shuman Lane

266.83 feet x 76.5 feet = 20,412 square feet (0.4687 acres) with an older single family home that will be demolished by the District.

243-0180-006 – 6221 Shuman Lane

104.21 feet x 78.5 feet = 8,180 square feet (0.1878 acres) with an older single family home that will be demolished by the District.

243-0180-009 – Shuman Lane (northerly portion of roadway parcel)

208.42 feet x 20 feet = 4,168 square feet (0.0957 acres)

Directors were provided with a map diagram showing the properties proposed for purchase, and other information about the properties. The total original asking price by the sellers for the three properties was \$510,000. Directors and staff discussed the property purchase.

NEW BUSINESS

Training/Continued Education/Meetings

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

Investment of District Funds Policy

AGM Kane presented a report on the annual review of 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 2007. Directors were provided with a copy of the policy.

The policy has been reviewed by District staff and by District Legal Counsel Judy Albietz. Ms. Albietz' annual review covers the existing Policy and the current California Government Code Sections related to public agency investments. Directors were provided with a copy of Ms. Albietz' memorandum dated February 5, 2008 stating that there were no changes in the Government Code during 2007 affecting the current Investment Policy. Review by District staff also did not reveal any changes required. Directors and staff discussed the policy.

It was moved by Director Rose, seconded by Director Dains and carried 3-0 to re-adopt District Policy No. 6300, Investment of District Funds with no changes.

Citrus Heights Water District Website Redesign

AGM Kane delivered a presentation on the District's recently redesigned website,

www.chwd.org. More than eight years after its initial launch in June 1999, Citrus Heights Water District's website was overdue for updating and redesign. Computer technology, internet access and website design have advanced greatly since 1999. The redesign makes the site a more functional and useful resource for the District's customers and provides an alternative for customers seeking information about their water service.

The newly-redesigned site was unveiled on February 4, 2008, to coincide with delivery of the District's WaterLine newsletter which is expected to begin later in the first week of February. The new site is much easier to navigate and contains more information that is designed to be relevant as the District enters the era of being a fully-metered water system. The District was under tight time constraints to launch the website redesign; therefore, the initial focus was on those features deemed to be the highest priority for customer service. More information and features are planned to be added in the near future.

The redesign was a collaborative effort by many members of District staff who provided input and review, and by MMC Communications and EMRL, the website designer under contract with MMC.

AGM Kane presented a brief interactive "tour" of the new website. Directors and staff discussed the information and features on the redesigned site.

#### Purchase of Pickup Trucks

OS Townsel presented a report on the purchase two 1/2-ton pickup trucks to replace existing vehicles and one new 1/2-ton pickup truck as authorized in the 2008 budget.

The District has two pickup trucks scheduled for replacement in 2008:

<u>Vehicle Description/Mileage</u>	<u>Budget</u>
Equip. No. 17, 1998 Chevrolet 1/2-ton pickup, approx. 83,625 miles	\$ 20,000
Equip. No. 18, 1998 Chevrolet 1/2-ton pickup truck, approx. 61,422 miles	\$ 20,000

Both vehicles have reached the point in their service lives where reliability is questionable and repairs may become more costly and time-consuming.

The District has also budgeted for the purchase of a new 1/2-ton pickup truck to be assigned to the new Water Meter Technician position.

For purchasing the three vehicles, it is proposed that the District use the California State Bid (Contract No. 1-08-23-20) as it has done since 1998. By using the State Bid, the District fulfills its public bidding responsibility and benefits from the State pricing while avoiding the time and expense involved in the competitive bidding process. The State charges a service fee of 1.98 percent of the total purchase, before tax or cash discount. For these vehicle purchases, the service fee will total about \$619.

The pickups to be purchased under the bid are as follows:

<u>Qty.</u>	<u>Description</u>	<u>Unit Price</u>	<u>Terms</u>	<u>Vendor</u>
2	2008 1/2-ton 2WD pickup, 6-½ -foot bed (Ford) Ford	\$15,939	\$500-20 days	Downtown Ford
1	2008 1/2-ton 2WD pickup, 8-foot bed (Ford) Ford	\$16,260	\$500-20 days	Downtown Ford

The total amount budgeted for the purchase of these vehicles is \$60,000. Some of the remaining funds will be used to purchase and install auxiliary equipment for the vehicles, such as bed-mounted tool boxes, and traffic safety lights. Any budgeted funds not expended will remain in the Fleet Equipment Reserve. Orders are placed through the Sacramento area dealerships listed on the bid (in this case, Downtown Ford Sales). Directors and staff discussed the vehicle purchases.

It was moved by Director Rose, seconded by Director Dains and carried 3-0 to authorize staff to proceed with the purchase of three ½-ton pickup trucks from Downtown Ford Sales using the State bid with an approximate total cost of \$47,257.

#### DIRECTOR'S AND REPRESENTATIVES REPORTS:

Director Dion reported on a recent meeting of the Regional Water Authority (RWA) Executive Committee, and on recent matters of interest regarding the RWA. He also discussed a recent meeting of the San Juan Water District Executive Committee that was attended by himself, Director Rose, GM Churchill and AGM Kane. Director Dion also reported on a meeting of the Association of California Water Agencies - Joint Powers Insurance Authority (ACWA-JPIA) that he recently attended.

Director Rose reported on meetings of the California Special District Association and the Sacramento Local Agency Formation Commission (LAFCO) that he attended recently. He also reported on upcoming meetings of the Sacramento Groundwater Authority (SGA) and the Association of California Water Agencies (ACWA). All Directors and staff discussed ACWA's request for financial sponsorship of an upcoming "town hall" meeting in Sacramento. Directors voiced support for GM Churchill's recommendation to make a small sponsorship contribution to help support the meeting.

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 2008 by the Project Management and 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.

### OPERATIONS MANAGER'S REPORT

OM Townsel reported as follows:

1. A total of 83 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.
2. Statistics on District-wide water consumption for the calendar year was not available for this meeting due to delays in getting metered consumption information from San Juan Water District.
3. A work log history for the Operations Department summarizing work activity for the years 1999 through 2007 was presented. The number of work events for each activity, by year, was itemized on the log. Work activities included items such as water service repairs and replacements, water meter installations, water main repairs, and many others. During 2007, Field Operations crews performed 785 major work activities. OS Townsel reported on some of the significant work activities on the log.

### ASSISTANT GENERAL MANAGER'S REPORT

AGM Kane reported as follows:

1. The Winter 2008 edition of the WaterLine newsletter has been delivered to customers. Directors were provided with a copy of the newsletter.
2. The era of metered water billing for all District water customers officially began the week of January 14, 2008, with the delivery of bills for the first of eight bi-monthly customer billing cycles. The number of bills in each billing cycle ranges between 1,600 to almost 3,200. Customers in four of the eight cycles have now received their first metered water bills. As expected, there has been a high volume of customer calls with questions related to the new bills. Requests for participation in the Electronic Funds Transfer payment plan have increased.
3. Work on the District's financial audit for the year ending December 31, 2007, is continuing. District staff was delayed in preparing year-end information on the audit due to activity related to the metered billing conversion and a key staff absence. The year-end information has been provided to the auditor, and on-site work at the District office is scheduled for early March. The goal is to complete the audit in time for presentation at the Board's April 8, 2008 meeting.
4. Recruitment for the new Water Meter Technician position is underway, with the position posted on three water-industry job websites: WaterJobs.com, the California-Nevada AWWA website and the Sacramento Area Water Works

Association website, as well as on the District's own website. The application period remains open until February 29, 2008.

5. Water Conservation Specialist Rex Meurer delivered water conservation presentations to 4<sup>th</sup>, 5<sup>th</sup> and 6<sup>th</sup> grade students at Skycrest Elementary School on January 22-24, 2008. A total of about 350 students received the presentations. These presentations support the District's compliance with California Urban Water Conservation Council's Best Management Practice (BMP) No. 8, School Education Programs, as well as the District's BMP obligations under the Water Forum Agreement.

#### GENERAL MANAGER'S REPORT

GM Churchill reported as follows:

1. As of January 31, 2008, the District has 19,460 metered services, representing 99.81 percent of all of the District's services. The total number of non-metered services remaining is 38. With the exception of those accounts remaining without a water meter, all customer accounts have been converted to metered-rate accounts as of January 1, 2008.
2. Sixteen District employees received recognition for superior attendance, customer service and quality of work during the month of January 2008. Directors were provided with a list of the employees and items for which each received recognition.
3. Retired District legal counsel William T. "Bill" Sweigert passed away on January 6, 2008 at the age of 81. Bill was the District's legal counsel from March 1989 to February 1996. GM Churchill attended the memorial services for Bill in Auburn on January 11, 2008. Directors were provided with a copy of the obituary for Mr. Sweigert.
4. The District has received reimbursement in the amount of \$92,228.71 from the California Department of Water Resources Proposition 13 Grant awarded to the Regional Water Authority for the Bonita Way Groundwater Well. This is the first payment for reimbursement of expenses for this project. Previously, the District has received \$475,060.94 in reimbursements for the Mitchell Farms Groundwater Well Project. Ten percent retention monies will be requested upon filing of a Notice of Completion for the Mitchell Farms project.

#### CORRESPONDENCE

Correspondence was discussed and ordered filed as follows:

1. Letter dated January 11, 2008 from Bettie Cosby, Chief Executive Officer of the Citrus Heights Chamber of Commerce, thanking the District for renewing its

membership.

2. Memorandum received January 8, 2008 from Jan Jennings, Director of Administration for the Association of California Water Agencies (ACWA) announcing the results of the recent National Water Resources Association (NRWA) election for NWRA Board Directors for the California Caucus.
3. Press release dated January 24, 2008 from Rita Schmidt Sudman, Executive Director of the Water Education Foundation (WEF), announcing the election of William Mills as President of the WEF at their Board's November 2007 meeting.

### 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 8:39 p.m.

APPROVED:

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

Original signed by: Joseph M. Dion  
JOSEPH M. DION, President  
Board of Directors  
Citrus Heights Water District