

CITRUS HEIGHTS WATER DISTRICT
BOARD OF DIRECTORS SPECIAL MEETING
May 2, 2008

The Special Meeting of the Board of Directors was called to order at 3:05 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

VISITORS

None

Director Dion led the Pledge of Allegiance.

OLD BUSINESS

Shuman Lane Property Purchase

GM Churchill presented a report on the status of the District's offer to the Melee Family Trust, the owners of parcels of land for sale on Shuman Lane adjacent to the District's corporation yard. He also reported on an offer by the owners and counter-offer by the District for an additional parcel of land that was not a part of the District's original offer.

The District's offer of \$375,000 to purchase all or a portion of three parcels of land on Shuman Lane adjacent to the District's corporation yard was accepted by the Melee Family Trust. Directors were provided with a map showing the three parcels of land that the District initially proposed to acquire, generally described as 6206 Shuman Lane, 6221 Shuman Lane and the northerly portion of the roadway parcel for Shuman Lane, about 208.4 feet in length and 20 feet in width.

During the discovery and investigation process it was found that the attached garage for the neighboring parcel at 6209 Shuman Lane encroaches into the property of 6221 Shuman Lane. As an alternative to removing the garage structure, the property owners offered to sell this additional property to the District for \$50,000. This property was initially listed for \$275,000 and the Melee Family Trust's initial proposal to sell was \$70,000.

Furthermore, this proposal now includes the District's purchase of all of the Shuman Lane roadway parcel rather than a portion as originally proposed. This would eliminate

the need for a Grant Deed to split the parcel but will necessitate that an easement be granted, approximately 21.59 feet x 20 feet in size, from the District to the Melee Family Trust for the southerly portion of the roadway parcel that abuts another Melee parcel, Parcel 243-0180-010. Directors were provided with a map showing the four parcels of land that the District now proposes to acquire, and showing the easement area that is proposed to be granted. The District's total purchase price, as proposed, is \$425,000.00. The Melee Family Trust made their alternate proposal contingent on a closing date of May 15, 2008.

Directors and staff discussed the alternate proposal. Directors inquired about the availability of funds for the purchase. AGM Kane stated that sufficient funds are currently available in Reserves, but that this property acquisition was not included in the budget. He cautioned that District Reserves were at their lowest level in years, and that staff would need to recommend deferring other capital projects currently scheduled for 2008 in order to avoid dropping financial reserves below levels that will provide sufficient coverage for emergencies or other unanticipated expenditures.

Directors asked whether the houses on the properties were currently occupied. GM Churchill stated that he believed that at least two of the houses were now occupied. Directors agreed that they wanted the houses to be unoccupied before the District takes ownership of the properties. Directors and staff also discussed demolition of the structures, and other matters related to the utilization and disposition of the property once the District takes possession of it.

It was moved by Director Rose, seconded by Director Dains and carried 3-0 to:

1. Accept the purchase alternate of \$425,000.00 for four (4) parcels of land on Shuman Lane totaling 0.933 acres, with the condition that all structures on said parcels be vacant before closing escrow. Payment execution shall be prepared for Board signature on or before the May 13, 2008 Regular Meeting of the Board of Directors.
2. Approve granting of an easement to the Melee Family Trust over the southerly 21.59 feet of APN 243-0180-009, with a Resolution to document the easement to be prepared and presented for approval at the May 13, 2008 Regular Meeting of the Board of Directors.
3. Authorize the General Manager / District Secretary to execute all documents necessary to complete his transaction.

CLOSED SESSION

Pursuant to Government Code Section 54957, Public Employee Discipline /Dismissal / Release, the Board of Directors convened in Closed Session at 3:35 p.m. Directors Dains, Dion and Rose, GM Churchill, AGM Kane, and OM Townsel were in attendance.

President Dion reconvened the meeting into Open Session at 3:55 p.m. He announced that during the Closed Session, the following action was taken by the Board of Directors:

It was moved by Director Dains, seconded by Director Dion and carried 2-1, Directors Dains and Dion voting for the motion and Director Rose voting against the motion, to approve Citrus Heights Water District employee Steve Corothers' request for an extension of a Medical Leave of Absence to June 12, 2008.

ADJOURNMENT

There being no other business to come before the Board, the meeting was adjourned at 3:57 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