

CITRUS HEIGHTS WATER DISTRICT
BOARD OF DIRECTORS MEETING
July 8, 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
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 June 10, 2008.
2. Assessor/Collector's Report for June 2008.
3. Assessor/Collector's Cancellation Letter for June 2008.
4. Treasurer's Report for June 2008.
5. Bills to be Paid for June 2008.
6. Approve CAL-Card Purchases for June 2008.
7. Summary of 2008 Directors, Officers and Employees Training, Seminars and Conference Expenses.

President Dion adjourned the Regular Board of Directors Meeting to the Annual Meeting of the Citrus Heights Water District Financing Corporation at 6:32 p.m.

President Dion reconvened the Regular Board of Directors Meeting at 6:40 p.m.

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. He reported that the final punch list remedies

are being completed. Directors and staff discussed the project.

Bonita Way Groundwater Well

OM Townsel presented a status report on the pump station construction phase of the Bonita Way Groundwater Well Project. He reported that a pre-construction meeting was held on July 2, 2008. He also reported that work is underway by GM Churchill to obtain an easement for a 12-inch water main and a 12-inch drain line to the west of the well site.

NEW BUSINESS

Training/Continued Education/Meetings

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

Bonita Way Well Site Perimeter Wall Bids

OM Townsel presented a report on consideration of bids received to construct a perimeter wall around the Bonita Way Well Site.

As a means of providing superior security and noise reduction, a concrete wall has been specified for the perimeter of the Bonita Way Well Site. The District has received bids for the construction of a concrete wall at the Bonita Way Well Site, approximately 500 lineal feet in length. Construction of an 8-foot masonry block wall was a rejected bid alternate for the Bonita Way Well Site. It has yet to be determined if the height of the wall will be 6 feet or 8 feet.

| <u>Contractor</u> | <u>Product</u> | <u>Total Bid</u> |
|------------------------------|-------------------------------|------------------------|
| Verti-Crete | 6-foot pre-cast concrete wall | \$ 57,610 |
| Verti-Crete | 8-foot pre-cast concrete wall | \$ 71,205 |
| Sierra National Construction | 8-foot masonry block wall | \$102,214 |
| Bid Range (9 bids) | 8-foot masonry block wall | \$ 81,713 to \$170,355 |

Directors and staff discussed the wall construction and the bids received.

It was moved by Director Rose, seconded by Director Dains and carried 3-0 to authorize the General Manager to enter into a contract with Verti-Crete for construction of an 8-foot-high pre-cast concrete wall in the amount of \$71,205.00, with a ten percent (10%) contingency fund of \$7,120.00 for the project.

Demolition of Houses on Schuman Lane

OM Townsel presented a report on the demolition of three houses on the Schuman Lane property that was recently acquired by the District. The structures are in poor condition and leaving them on the property would pose a liability for the District. The District has

received two bids for demolition and hauling services for the three houses.

| <u>Contractor</u> | <u>Total Price</u> |
|--------------------------|--------------------|
| All Haul, El Dorado, CA | \$ 13,005.00 |
| TLB Builders, Colfax, CA | \$ 16,100.00 |

Directors and staff discussed the demolition work and the bids received.

It was moved by Director Rose, seconded by Director Dains and carried 3-0 to authorize the General Manager to enter into a contract with All Haul for \$13,005.00, and to provide a ten percent (10%) contingency fund of \$1,300.00 for the project.

Security System Enhancement

OM Townsel presented a report on the proposed installation of a closed circuit video surveillance system for the District office. The District has received a bid from its existing security system provide, Sonitrol, to install a video surveillance system in the lobby area of the office building. Since it would be impractical to have more than one security services provider for the District's facilities, no other bids were solicited for the system.

The bid from Sonitrol is in the amount of \$10,695.00. It includes a Dell Camera Server, an IP dome camera mounted in the customer service area next to a 17-inch color monitor, and a 17-inch color monitor in the office area, including installation of the equipment. The system will record all activity in the lobby, and is designed to serve as a deterrent to possible unlawful or threatening behavior. Directors and staff discussed the proposed video surveillance system.

GM Churchill noted that the bid from Sonitrol is for a stand-alone camera server unit. He explained that it was possible that it might benefit the District to obtain a rack-mounted server that could be installed in the existing rack along with the other servers that support the District's computerized information systems. This rack-mounted unit may cost more than the original bid amount; and therefore, a contingency fund of in the amount of \$2,500.00 for the project is recommended.

It was moved by Director Rose, seconded by Director Dains and carried 3-0 to authorize staff to enter into a contract with Sonitrol for installing a video surveillance system in the amount of \$10,695.00, and to provide a contingency fund of \$2,500.00 for the project.

Website Bill Payment System

AGM Kane presented a report on the proposed purchase and installation of software to allow customers to pay their bills via the internet. The ability to make payments via the website is one of the most frequently requested services by District customers. In addition to customer convenience, it is believed that this service will help to reduce the

volume of telephone calls from customers paying their bills with a credit or debit card.

New computer network servers have already been installed to provide the capability of handling the website-based payment service. The next step is to purchase the web payment software from Cogsdale, an add-on software component that works with the District's existing billing system. Installation, configuration and integration with the system will be done by Westin, the District's technology support vendor. When completed, customers will be able to access the bill payment system via the District's www.chwd.org website. The credit or debit card transaction will be handled by PayPal, a third-party vendor that processes electronic transactions on the internet.

The Cogsdale and Westin costs are as follows:

| | | |
|----------|--|--------------|
| Cogsdale | Customer Web software, programming services and maintenance/support services | \$ 15,002.00 |
| Westin | Installation, configuration, testing and documentation of the system | \$ 11,880.00 |
| | Total | \$ 26,882.00 |

Directors were provided with copies of the Cogsdale and Westin proposals.

The dollar amount budgeted in the 2008 Operating Budget for this work is \$20,000. This budget amount was developed using the estimated costs for the Cogsdale software and included only \$5,000 for Westin's work on the installation. Based on Westin's experience installing this software for another water agency, their proposed fee is reasonable for the amount of work involved. The work is outside the scope of the annual technology support contract under which Westin provides ongoing services for the District's information systems. Directors and staff discussed the website bill payment system.

Staff believes that this system will provide a valuable service for customers. It will be an important step in managing the high volume of customer service work that has been experienced under metered billing.

It was moved by Director Dains, seconded by Director Rose and carried 3-0 to approve the proposals from Cogsdale and Westin related to the purchase and installation of a website bill payment system for the District:

Auburn Dam Water-Right Permits

GM Churchill presented a report on the State Water Resources Control Board's (SWRCB) pending revocation of the U. S. Bureau of Reclamation (USBR) water-right permits related to the Auburn Dam. Directors were presented with a draft letter for Directors' signatures, encouraging the SWRCB to not revoke these water-right permits.

Directors were also presented with copies of other information related to the matter, including letters to the SWRCB from San Juan Water District and Orange Vale Water Company in support of not revoking the water-rights permit.

Directors and staff discussed the water-right permits and what affect SWRCB actions could have on the District.

It was moved by Director Rose, seconded by Director Dains and carried 3-0 to execute a letter from the Citrus Heights Water District Board of Directors to the State Water Resources Control Board encouraging the SWRCB to not revoke water-right permits associated with the Auburn Dam project.

PROJECT MANAGER'S REPORT

PM Rossi reported on the following activities during the month of June 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.

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

Sunrise Lofts, 7951 Sunrise Boulevard, Citrus Heights -- 13 Condominium Units
268 lineal feet of 8-inch PVC water main; 18 lineal feet of 8-inch ductile iron water main; 25 lineal feet of 6-inch PVC water main; 2 fire hydrants; 2 12-inch butterfly valves, 4 8-inch gate valves; 2 6-inch gate valves; and 14 metered water services.

Value: \$78,000

Lucky Derby Casino, 7433 Greenback Lane
72 lineal feet of 8-inch PVC water main; 1.5 lineal feet of 6-inch ductile iron water main; 1 fire hydrant; 1 8-inch gate valve; 1 6-inch post indicator valve; and 1 6-inch gate valve.

Value: \$27,000

Mandalay Estates, 8625-8640 Kauhale Place
420 lineal feet of 8-inch PVC water main; 57 lineal feet of 6-inch PVC water main; 128 lineal feet of 4-inch PVC water main; 5 8-inch gate valves, 2 fire hydrants; 1 2-inch blow-off valve; 1 1-inch air/vacuum relief valve; and 5 metered water services.

Value: \$38,000

OPERATIONS MANAGER'S REPORT

OM Townsel reported as follows:

1. A total of 223 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 Public Health requirements.
2. District-wide water consumption for the calendar year was 5994.90 acre-feet through June 2008, a decrease of 24.0 percent compared with the average annual water consumption during the previous five years, 2003-2007.

President Dion called a recess to the meeting at 7:40 p.m. OM Townsel, PM Rossi and Tim Cutler left the meeting. President Dion reconvened the meeting at 7:46 p.m.

DIRECTOR'S AND REPRESENTATIVES REPORTS:

Director Dion reported on a recent meeting of the Regional Water Authority (RWA) that he attended recently along with Director Rose and GM Churchill. He reported on meetings of the RWA Executive Committee and the Association of California Water Agencies – Joint Powers Insurance Authority (ACWA-JPIA) that he attended recently. Director Dion also reported on the Sacramento Metro Chamber of Commerce State Advocacy Day that he attended recently in Sacramento.

Directors Dion and Rose, GM Churchill and AGM Kane reported on a San Juan Water District Executive Committee meeting that they attended recently.

Directors Dion and Rose and GM Churchill reported on the Association of California Water Agencies (ACWA) Region 4 Delta Perspectives Forum that they attended recently in Stockton.

Director Rose reported on recent matters of interest regarding the California Special District Association (CSDA), the City of Citrus Heights and the Sacramento Local Agency Formation Commission (LAFCo).

ASSISTANT GENERAL MANAGER'S REPORT

AGM Kane reported as follows:

1. A high level of customer account activity continued during the month of June. AGM Kane discussed steps that are being taken in an effort to meet customer service demands.
2. Recruitment for the vacant Purchasing/Inventory Specialist position will be underway in early July. The job announcement will be posted within the District as well as on water-industry job websites and the District's own website.
3. The summer edition of the District's WaterLine newsletter has gone to press. The newsletter will be printed and delivered to the mailing vendor by July 9, 2008.

Directors were provided with “design comp” copies of the newsletter in their agenda binders.

4. The District recently received two checks totaling \$24,825.88 from the Regional Water Authority as reimbursement for the District’s large landscape irrigation incentives program. The Department of Water Resources is withholding a 10 percent retention until the entire project is complete in mid-2008, at which time the remaining funds will be remitted to the District.

GENERAL MANAGER’S REPORT

GM Churchill reported as follows:

1. Twenty-one District employees received recognition for superior attendance, customer service and quality of work during the month of June 2008. Directors were provided with a list of the employees and items for which each received recognition.
2. The Sacramento County Candidate Guide for the November 4, 2008 General Election has been received and is available for reference at the District’s customer service counter. The District will be holding an election for Director, Division 1. Directors were provided with selected pages from the Guide pertaining to the District’s election.
3. Directors were provided with information on San Juan Water District’s existing 2008 and adopted 2009 water rates for supplying surface water to Citrus Heights Water 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.

CORRESPONDENCE

None

CLOSED SESSION

Pursuant to subdivision (a) of Government Code Section 54957, Public Employee Performance Evaluation --General Manager, the Board of Directors convened in Closed Session at 8:38 p.m. Directors Dains, Dion and Rose, GM Churchill were in attendance.

President Dion reconvened the meeting into Open Session at 9:08 p.m. He reported that there was no reportable action taken by the Board of Directors during the Closed Session, and that this Closed Session item will be continued to the Regular Board of Directors

meeting of August 12, 2008.

ADJOURNMENT

There being no other business to come before the Board, the meeting was adjourned at 9:10 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