

CITRUS HEIGHTS WATER DISTRICT
BOARD OF DIRECTORS MEETING
March 10, 2009

The Regular Meeting of the Board of Directors was called to order at 6:35 p.m. by President Dains and roll was called. Present were:

Allen B. Dains, President
Charles T. Rose, Vice President
Joseph M. Dion, 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 Dains led the Pledge of Allegiance.

PUBLIC COMMENT

None

CONSENT CALENDAR

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

1. Minutes of the Regular Meeting of February 10, 2009.
2. Minutes of the Special Meeting of February 24, 2009.
3. Minutes of the Special Meeting of March 3, 2009.
4. Assessor/Collector's Report for February 2009.
5. Assessor/Collector's Cancellation Letter for February 2009.
6. Treasurer's Report for February 2009.
7. Bills to be Paid for February 2009.
8. Approve CAL-Card Purchases for February 2009.
9. Summary of 2009 Directors, Officers and Employees Training, Seminars and Conference Expenses.
10. Adopt Resolution No. 07-2009 Concurring in the Nomination of Lou Reinkens to the Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority.

OLD BUSINESS

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 the following items are completed: building pad; masonry wall construction; roof construction; electrical conduit extension, electrical meter installation, paving, concrete sidewalks and driveway, and pump and motor installation. The following items are in progress: perimeter fence construction. The final inspection and start-up certification are pending. Directors and staff discussed the status of the project.

Surface Water Supply Conditions

AGM Kane presented a report on the most recent information on water supply conditions and the forecast of these conditions for 2009, and actions being taken by the District in support of its Stage 3 – Water Warning water conservation stage.

On February 24, 2009, the CHWD Board of Directors declared a Stage 3 – Water Warning water conservation stage for the District. This action was consistent with initial forecasts of water supply allocations from the U.S Bureau of Reclamation for 2009, and also consistent with actions being taken by the other agencies that depend upon Folsom Lake for their water supply. CHWD joined these other agencies in jointly announcing their water conservation stages on February 25, 2009. These announcements received broad media coverage, including news coverage on major news radio stations, television news and the Sacramento Bee.

Directors were provided with a copy of a February 20, 2009 letter from San Juan Water District (SJWD) General Manager Shauna Lorance that addresses project water supply conditions for 2009. Directors were also provided with a copy of a recent newspaper article regarding the SJWD and Folsom declaration of a Water Warning stage, and a copy of Governor Arnold Schwarznegger's press release declaring a State of Emergency because of the drought.

CHWD has updated its website with the Water Warning announcement on its home page, and supplemental information on the website's water conservation page. Customer service staff has been briefed with information regarding the Water Warning stage. Along with Water Conservation staff, they are responding to questions from customers as they arise and providing tips for achieving the 20 percent water savings. Water Conservation staff has initiated outreach with two of the District's largest water users, the San Juan Unified School District and the Sunrise Recreation and Park District, and will work with these users in an effort to gain their cooperation and support.

Directors and staff discussed the water supply conditions for the District. Directors expressed agreement that water supply conditions continue to warrant the State 3 – Water Warning water conservation stage, and requested staff to continue to provide regular updates on the status of water supply conditions and District conservation efforts.

NEW BUSINESS

Training/Continued Education/Meetings

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

Vacuum Trailer Unit Purchase

OM Townsel presented a report on bids received for the purchase of a vacuum trailer unit. As authorized by the Board in the 2009 Capital Improvement budget, \$43,000 has been budgeted for the purchase of a new vacuum trailer unit. The new vacuum trailer unit will be used by District crews performing valve maintenance, leak repair, and street clean-up.

Departmental needs were assessed and an appropriate equipment specification was chosen. Bids were solicited from four local equipment suppliers. The resulting bids are summarized as follows:

| <u>Supplier</u> | <u>Total Bid</u> |
|-----------------------|------------------|
| Vermeer Pacific | \$38,693.03 |
| Ditch Witch Equipment | \$42,725.44 |
| Pacific Tek | \$47,167.56 |
| Global Machinery | \$48,461.64 |

Directors and staff discussed the equipment and the bids received.

It was moved by Director Dion, seconded by Director Rose and carried 3-0 to award the bid for a new vacuum trailer unit to Vermeer Pacific of Sacramento in the amount of \$38,693.03.

Surplus Brass Waterworks Materials

OM Townsel presented a report on brass fittings and nipples that are surplus to the needs of the District and proposed to be sold. The District has a quantity of brass material that is proposed for sale because of a regulation from the State of California under Senate Bill 1953 that requires all brass waterworks parts and fittings installed as of January 1, 2010, except for service saddles and two inch gate valves, must contain no more than 0.25% lead content. Materials containing more than 0.25% lead may be used prior to that date, but not after.

The District has a supply of brass material that it is not likely to install before the January 1, 2010 deadline. It is therefore proposed to offer these items for sale, preferably by a competitive bid, to other water agencies or parts suppliers that could utilize them during the 2009 calendar year. A listing of brass material in stock, including elbows, couplings, nipples, and valves, was provided to Directors for review. Directors and staff discussed the brass waterworks materials.

Over the course of 2009 the District, on an as-needed basis, will be restocking with low-lead brass replacement material.

It was moved by Director Dion, seconded by Director Rose and carried 3-0 to declare the brass material, as listed, surplus to the needs of the District and authorize its sale.

Pavement Restoration for the Eden Oaks Avenue Main Project

OM Townsel presented a report on bids received for pavement restoration for the Eden Oaks Avenue Main Project. Bids were obtained from four local contractors for 9,580 square feet of pavement restoration along with seven valve box installations.

The total combined bids received were as follows:

| <u>Supplier</u> | <u>Cost per square foot</u> | <u>Valve Box</u> | <u>Total Cost</u> |
|---------------------------------|-----------------------------|------------------|-------------------|
| Central Valley Engineering | \$2.98 | \$325.00 | \$30,823.40 |
| Todd Heldt Excavating | \$3.00 | \$300.00 | \$30,840.00 |
| California Pavement Maintenance | \$4.28 | \$100.00 | \$41,702.40 |
| Planet Paving and Grading | \$5.03 | \$358.00 | \$50,693.40 |

Directors and staff discussed the pavement restoration work to be performed, and the bids received for the work.

It was moved by Director Dion, seconded by Director Rose and carried 3-0 to authorize the General Manager to execute a service agreement with Central Valley Engineering for pavement and valve box restoration services in an amount not to exceed \$30,823.40.

Human Resources Policy Amendments

GM Churchill presented a report on proposed amendments to the following Human Resources Policies:

Policy 4012: Employment of Relatives

Policy 4112: Overtime Pay and Recruitment

The proposed policy amendments were summarized as follows:

Policy 4012: Employment of Relatives

- Add Cousins (1st and 2nd only), Nieces and Nephews to list of close family relatives.

Policy 4112: Overtime Pay and Recruitment

- Amended to reinforce current practice regarding the non-applicability of Leave hours for qualifying for overtime.
- Amended to reinforce current practice regarding Leave-with-Pay hours upon returning to work following an extended work shift.

Directors and staff discussed the proposed policy amendments.

It was moved by Director Dion, seconded by Director Rose and carried 3-0 to amend the following Human Resources Policies as presented:

Policy 4012: Employment of Relatives

Policy 4112: Overtime Pay and Recruitment

PROJECT MANAGER'S REPORT

PM Rossi reported on the following activities during the month of February 2009 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 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:

Patriots Park, 6827 Palm Avenue, Carmichael
342 lineal feet of 8-inch PVC pipe, 35 lineal feet of 8-inch ductile iron pipe,
1 8-inch gate valve, one 1-inch air vacuum valve assembly, one 2-inch blow-off
assembly, and one 2-inch metered water service.

OPERATIONS MANAGER'S REPORT

OM Townsel reported as follows:

1. A total of 311 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.

President Dains called a recess to the meeting at 7:48 p.m. OM Townsel and PM Rossi, left the meeting. President Dains reconvened the meeting at 7:55 p.m.

DIRECTOR'S AND REPRESENTATIVES REPORTS:

GM Churchill and Director Dion reported on an upcoming meeting of the Regional Water Authority (RWA). Directors discussed recent matters of interest regarding the RWA.

Director Dion discussed an RWA Executive Committee that he recently attended. He also reported on recent matters of interest regarding the Association of California Water Agencies - Joint Powers Insurance Authority (ACWA-JPIA).

Director Rose discussed recent matters of interest regarding the Sacramento Local

Agency Formation Commission (LAFCO).

AGM Kane reported on an upcoming meeting of the Citrus Heights Chamber of Commerce Government Issues Committee.

ASSISTANT GENERAL MANAGER'S REPORT

AGM Kane reported as follows:

1. The auditor's field work for the District's financial audit for the year ending December 31, 2008, was completed during February. District staff is currently working on preparing the Management's Discussion and Analysis (MD&A) for the audit report. A draft audit report has been received from the auditor. The audit will be presented at the Board's April 14, 2009 meeting.
2. Work is underway to modify the existing customer water statements to include itemized information on water consumption and charges by tier, as discussed in the fall of 2008 during the 2009 budget and rate-setting process. The work is in a very preliminary stage at this point. AGM Kane explained some of the work that may be involved, including modifications to the District's billing software and changes to the bill form itself by the District's bill printing vendor. It was noted that there would be additional costs for implementing the water statement modifications, as well as higher costs for printing and mailing bills because of the need for additional pages on many customer water statements.
3. The District's website, www.chwd.org, recently underwent a number of important updates. Most significantly, the home page for the web site and the water conservation page were updated with information regarding the District's Water Warning conservation stage. Updates were also made to other web site pages at the same time. District staff is now doing some of the web site page updates in-house as a cost-saving measure.
4. The application period for the Customer Service Representative closed on February 27, 2009. Over 180 applications were received and are currently being reviewed. The large number of applications has created a longer review process and additional staff work.
5. The tentative date for changing the District's lock box mailing address is April 23, 2009, subject to satisfactory completion of pre-change testing with the Bank of the West and the lock box service in Southern California. Directors were provided with the new mailing address in Pasadena, California, that will be shown on the payment coupon portion of the customer water statement.
6. AGM Kane summarized highlights of the Water Forum Successor Effort meeting he attended recently. The most significant discussion item was the negotiations on the Water Conservation Element of the Water Forum Agreement. Directors were advised that a final version of the revised Water Conservation Element is anticipated to be presented to the Board for approval within the next month or

two.

7. The District has submitted an application for a Water Conservation Field Services Program grant of \$25,000. This Program is administered by the U.S. Bureau of Reclamation's Mid-Pacific Regional Office. The outcome of this application will probably not be known for several months.

GENERAL MANAGER'S REPORT

GM Churchill reported as follows:

1. Twenty District employees received recognition for outstanding attendance, superior customer service and quality of work during the month of February 2009. Directors were provided with a list of the employees and items for which each received recognition.
2. A list of the General Manager's significant assignments and activities was provided to Directors.

CORRESPONDENCE

None

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 8:37 p.m.

APPROVED:

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

Original signed by: Allen B. Dains
ALLEN B. DAINS, President
Board of Directors
Citrus Heights Water District