

CITRUS HEIGHTS WATER DISTRICT
BOARD OF DIRECTORS MEETING
July 14, 2009

The Regular Meeting of the Board of Directors was called to order at 6:33 p.m. by President Dains and roll was called. Present were:

Allen B. Dains, 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

Director Charles T. Rose arrived at 6:35 p.m., following consideration of the Consent Calendar.

VISITORS

None

Director Dains led the Pledge of Allegiance.

PUBLIC COMMENT

None

CONSENT CALENDAR

President Dains asked for the Consent Calendar. GM Churchill requested that Check Number 48462 to Verti-Crete of Northern Nevada LLC be removed from the list of Bills to be Paid for June 2009 for consideration under a separate item later in the Board meeting agenda. It was moved by Director Dion, seconded by Director Dains and carried 2-0 to accept the Consent Calendar consisting of the following items with the exception of Check Number 48462 to Verti-Crete of Northern Nevada LLC:

1. Minutes of the Regular Meeting of June 9, 2009.
2. Assessor/Collector's Report for June 2009.
3. Assessor/Collector's Cancellation Letter for June 2009.
4. Treasurer's Report for June 2009.
5. Bills to be Paid for June 2009.
6. Approve CAL-Card Purchases for June 2009.
7. Summary of 2009 Directors, Officers and Employees Training, Seminars and Conference Expenses.
8. Adopt Resolution 10-2009 Accepting an Easement at 5500-5550 Sunrise Boulevard from Gary J. Miller and June W. Miller.
9. Approve the General Manager's expenses for attendance at the 2009

American Water Works Association (AWWA) Annual Conference and Exposition in San Diego, California and authorize reimbursement of \$1,145.62.

President Dains adjourned the Regular Board of Directors Meeting to the Annual Meeting of the Citrus Heights Water District Financing Corporation at 6:35 p.m.

President Dains reconvened the Regular Board of Directors Meeting at 6:41 p.m.

OLD BUSINESS

Surface Water Supply Conditions

AGM Kane presented a report on water supply conditions and water conservation activities. As previously reported, the U.S. Bureau of Reclamation (USBR) May Update to the Central Valley Project (CVP) Water Supply Allocations provided San Juan Water District (SJWD) with 100 percent of its contract water supply for the 2009 water year (March 2009 through February 2010). At this point in the water year, it is unlikely that there will be any further changes to the U.S. Bureau of Reclamation's previously-reported 100 percent water supply allocation. A summary of levels at Folsom Lake was provided.

Directors declared a Stage 1 – Normal Water Supply at the June 9, 2009 Board of Directors meeting, based on SJWD receiving 100 percent of its contract water supply from the USBR. The other SJWD Family agencies have also reverted to a Stage 1 declaration with the exception of Orange Vale Water Company, which expects to revert to a Stage 1 declaration soon. CHWD's water allocation and its move back to Stage 1 is the feature story in the District's Summer 2009 WaterLine newsletter.

Year-to-date totals for ultra-low-flush toilet rebates, high-efficiency washing machine rebates and irrigation efficiency reviews were reported. The District recently initiated a partnership with the Sacramento Municipal Utility District (SMUD) for high-efficiency clothes washer rebates via the Regional Water Authority Clothes Washer Rebate Pilot Program. This program is administered by SMUD and provides eligible District customers with a \$50 rebate from CHWD on top of a SMUD rebate of up to \$200, depending on the level of clothes washer efficiency. The Board of Directors authorized total funding of \$5,000 for this program in the 2009 Operating Budget, providing for up to 100 individual rebates. Directors were provided with a copy of a flyer that outlines the SMUD program.

Bill Insert of Water-Saving Device Discount Coupons

AGM Kane reported on the status of the Orchard Supply Hardware (OSH) discount coupon to be inserted in CHWD customer bills. At its meeting of June 9, 2009, the Board of Directors authorized staff to proceed with implementing this program, subject to certain conditions being met. OSH subsequently agreed to those conditions, as follows:

1. OSH will print the coupons at OSH's expense and deliver them to the District's bill printing/mailing vendor located in Oxnard, California.
2. The cost of inserting coupons will be reimbursed by OSH, estimated to be around \$400.
3. The coupon content and appearance must be approved in writing by CHWD prior to printing. The coupon must include a disclaimer stating that the coupon was printed and distributed at no cost to CHWD customers. The expiration date on the coupon must be far enough into the future to provide a reasonable amount of time for redemption by all recipients.
4. The coupon should specify that it is valid for redemption only at the Citrus Heights OSH store.
5. The coupon should be printed on a 1/3 cut sheet to allow insertion in CHWD's billing envelopes and minimize the additional weight.

A draft coupon was produced by OSH and reviewed and accepted by the District. The coupons are being printed by OSH and shipped directly to DataProse. District customers should begin receiving the coupons in their bills during the week of July 20-24, 2009; and distribution to all customers should be completed by mid-September. The coupon has an expiration date of October 31, 2009, so even the last customers receiving the coupon will have over one month's time in which to redeem it. Directors were provided with a copy of the coupon design. Directors and staff discussed the coupon program, and Directors asked to be advised of any customer feedback received about the program.

Amendment to Bonita Way Wellsite Perimeter Wall Contract

GM Churchill presented a report on proposed change orders and final payment to Verti-Crete for the construction of the Bonita Way Well perimeter wall. At their July 8, 2008 meeting, the Board of Directors approved entering into a contract with Verti-Crete for \$71,205.00, with an additional ten percent contingency fund of \$7,120.00, to construct and install an eight-foot high pre-cast concrete wall 500 feet in length around the perimeter of the Bonita Way Wellsite. This wall is required by the City of Citrus Heights for commercial construction adjacent to residential properties.

At their November 12, 2008 Meeting, the Board of Directors approved a revised contract with Verti-Crete for construction of the aforementioned pre-cast concrete perimeter wall to include 135 feet of retaining wall at a base cost of \$80,020.00 plus a contingency fund of \$1,600 for a total authorization of \$81,620.00. The wall and retaining wall have been completed with an amount of \$79,929.00 paid to the contractor to date.

The District and the contractor have confirmed the As-Built Quantities and agreed in principle to the Adjustments, Credits, Conditions and Scope Changes outlined in a letter from GM Churchill to Verti-Crete dated June 22, 2009. Directors were provided with a copy of the letter. The analysis indicates that Verti-Crete is due \$8,518.93 as the final payment for this work bringing the total project cost to \$88,447.93. Sierra National Construction, the District's pump station contractor, bid for an eight-foot masonry block

wall was \$102,214. Directors and staff discussed the Bonita Way Well perimeter wall construction and the associated change orders.

It was moved by Director Rose, seconded by Director Dion and carried 3-0 to approve a final payment to Verti-Crete in the amount of \$8,518.93 for 549.46 feet of eight-foot pre-cast concrete wall and 121.15 feet of four-foot pre-cast concrete retaining wall at the Bonita Way Wellsite.

NEW BUSINESS

Training/Continued Education/Meetings

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

Association of California Water Agencies/Department of Water Resources "Save Our Water" Program

AGM Kane presented a report on a request from the Association of California Water Agencies (ACWA) for financial support of the "Save Our Water" public education program that is being co-sponsored by the California Department of Water Resources (DWR). Directors were provided with a copy of ACWA's letter of request and supporting materials. The suggested support payment specified by ACWA for Citrus Heights Water District is \$5,000.

Directors and staff reviewed and discussed the program and possible sources for the requested funding. It was noted that the District generally supports leveraging its resources by participating in cooperative programs such as this with other public agencies. However, the direct benefits of this program to the District and its customers are not well-defined, and no funds have been specifically budgeted for this program in the 2009 Operating Budget. Directors agreed that in a year when the District's budget has been pared back and participation in other worthwhile organizations such as the California Special Districts Association has been dropped, it is difficult to justify an expenditure on a statewide public education effort such as "Save Our Water." The District is supporting the "Save Our Water" program via a link to the "Save Our Water" website on the www.chwd.org Water Conservation page. Directors requested staff to find out if San Juan Water District is participating in the program.

It was moved by Director Rose, seconded by Director Dion and carried 3-0 to decline the ACWA request for CHWD financial participation in the "Save Our Water" program.

San Juan High School 24-Inch Transmission Main Extension Project

OM Townsel presented a report on bids received for waterworks materials to be used in the installation of a new 24-inch water main on the north side of San Juan High School. Formal bids were obtained from three local suppliers for waterworks materials to

construct 234 feet of 24-inch water main. Directors were provided with a Material List Bid Sheet listing all of the individual bid items and bids from the three bidders. Low bids for each individual bid items have been combined and recommended for award to the respective low bidder as follows:

<u>Supplier</u>	<u>Total Combined Low Bids</u>
Pace Supply	\$ 12,745.46
Ferguson Waterworks	\$ 25,254.46
Groeniger and Company	<u>\$ 815.62</u>
	\$ 38,815.54

Directors and staff discussed the water main installation project and the bids received for materials.

It was moved by Director Dion, seconded by Director Rose and carried 3-0 to authorize staff to enter into sales agreements with Pace Supply for \$12,745.46, Ferguson Waterworks for \$25,254.46, and Groeniger and Company for \$815.62 for materials for the San Juan High School 24-Inch Transmission Main Extension Project.

PROJECT MANAGER’S REPORT

PM Rossi reported on the following activities during the month of June 2009 by the Project Management and Engineering Department: projects under construction or pending construction by private contractors and developers; project development/design underway by District staff; and projects under construction by contractors on the District’s behalf. He reported on design coordination underway with the City of Citrus Heights on the City’s Auburn Boulevard Joint Trench Utility Undergrounding Project.

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:

Splash & Dash Car Wash, 8001 Greenback Lane, Citrus Heights
 27 lineal feet of 8-inch ductile iron water main, 2 8-inch gate valves, 1 8-inch ductile iron end cap.
 Value: \$6,816.00

OPERATIONS MANAGER’S REPORT

OM Townsel reported as follows:

1. A total of 307 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 7:15 p.m. OM Townsel and PM Rossi left the meeting. President Dains reconvened the meeting at 7:18 p.m.

DIRECTOR'S AND REPRESENTATIVES REPORTS:

Director Dion and Director Rose reported on a meeting of the Regional Water Authority (RWA) that they attended recently along with GM Churchill and AGM Kane. They also reported on a recent San Juan Water District Executive Committee meeting that they attended along with GM Churchill and AGM Kane.

Director Rose reported on a meeting of the Sacramento Local Agency Formation Commission (LAFCO) that he attended recently. He also reported on recent matters of interest regarding the City of Citrus Heights.

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

ASSISTANT GENERAL MANAGER'S REPORT

AGM Kane reported as follows:

1. The Federal Home Loan Mortgage Corporation (FHLMC) recently exercised the call provision on \$100,000 in medium term notes held by the District that had a coupon rate of 5.4 percent and a maturity date of June 15, 2010. A summary of the status of the District's portfolio with Wachovia Securities was presented.
2. The Summer 2009 WaterLine newsletter was published and delivered to customers during the first week in July as scheduled. Directors were provided with a copy of the newsletter.
3. The District's billing software vendor, Cogsdale, is currently working on the software modifications to add more water use detail to the District's water statements with the goal of having them completed by the end of July. Staff hopes to be ready to implement the revised water statements in October 2009.
4. Information was provided on recent updates to the District's www.chwd.org web site. A new Engineering/Construction web page is currently in development and is expected to be installed on the web site within the next week or two.
5. A youth employee is working half-time with one of the District field crews for the summer under the Crossroads Employment Services Summer Youth Program. The program is funded by a grant from stimulus dollars received from the American Recovery and Reinvestment Act (ARRA) and provides paid employment for young people aged 16-21 for 20 hours per week during the summer. The employee is provided at no cost to the District, and provides the District with extra help on one of its crews while giving the youth employee

valuable work experience in the field of treated water distribution.

6. A Biological Opinion released in early June by the National Marine Fisheries Service regarding the Central Valley Project (CVP) and State Water Project (SWP) Operations Criteria and Plan (OCAP) may conflict with the approach to temperature management contained in the current proposed Flow Management Standard on the lower American River and could affect the effort to gain approval of the Flow Management Standard. Directors were provided with a copy of a recent memorandum from Water Forum Executive Director Tom Gohring addressing potential impacts and issues on the Flow Management Standard that are posed by the recent Biological Opinion.
7. The District has implemented the Voyager Fleet Card program. Fleet cards have been assigned to District vehicles and instructions have been distributed to employees that operate District vehicles. The productivity and cost savings benefits of the fleet card program were summarized.

GENERAL MANAGER'S REPORT

GM Churchill reported as follows:

1. Twenty-one District employees received recognition for superior attendance, outstanding customer service and quality of work during the month of June 2009. Directors were provided with a list of the employees and items for which each received recognition.
2. San Juan Water District (SJWD) invoices the District quarterly in advance for estimated surface water use based upon the average use in the preceding six years. SJWD annually reconciles actual water deliveries with the estimated delivery quantity and either invoices or refunds the retail agencies for additional or lesser water use respectively. For calendar year 2008, SJWD projected that CHWD would use 18,289 acre feet of surface water while 17,152.71 acre feet were actually delivered based upon CHWD customer meters after accounting for water losses and groundwater production. The District received credits totaling \$106,803.40 in March 2009 from SJWD.
3. GM Churchill reported on his recent attendance at the 2009 American Water Works Association Annual Conference and Exposition in San Diego, California, including educational and training sessions that he attended at the conference.
4. GM Churchill was the speaker at the Auburn Dan Council Meeting on July 6, 2009. Directors were provided with a copy of his presentation including notes. Director Rose, AGM Kane and OM Townsel also attended the meeting.
5. A list of the General Manager's significant assignments and activities was provided.

CORRESPONDENCE

Correspondence was discussed and ordered filed as follows:

Electronic mail message from customer Gary Egan of Orangevale received June 5, 2009, requesting modified water rates for large properties.

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 8:23 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