

CITRUS HEIGHTS WATER DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
December 8, 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

Rob Swartz, Principal Project Manager, Regional Water Authority/Sacramento Groundwater Authority

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 the following items:

1. Minutes of the Regular Meeting of November 10, 2009.
2. Assessor/Collector's Report for November 2009.
3. Assessor/Collector's Cancellation Letter for November 2009.
4. Treasurer's Report for November 2009.
5. Bills to be Paid for November 2009.
6. Approve CAL-Card Purchases for November 2009.
7. Summary of 2009 Directors, Officers and Employees Training, Seminars and Conference Expenses.
8. Receive and file report of settlement of a claim from Sylvan Cemetery District.
9. Reject the claim from Allen Zarou for property damage in the amount of \$500.00 and forward it to the District's insurance carrier, ACWA-JPIA, for further consideration and action.
10. Approve Tuesday, January 19, 2010 at the 2010 floating holiday for District employees.

PRESENTATION

Sacramento Groundwater Authority (SGA) Water Accounting Framework

Rob Swartz, Principal Project Manager with the SGA, delivered a presentation on the SGA Water Accounting Framework. He discussed the definition of conjunctive use and the Water Accounting Framework objectives adopted by the SGA. He also outlined the Phase 3 elements for development and adoption of the Water Accounting Framework, and discussed the next steps to be taken by the SGA in this regard.

Directors, staff and Mr. Swartz discussed issues related to development of the “model banking” document and the role of CHWD and the San Juan Water District Family of Agencies in regional conjunctive use.

OLD BUSINESS

Acceptance of San Juan High School 24-Inch Transmission Main Installation Project

PM Rossi presented a report on the 2009 San Juan High School 24-Inch Water Transmission Main Installation Project. In August of 2009 a contract was executed with Preston Pipelines, Inc. for installing approximately 237 lineal feet of 24-inch water transmission main, 33 lineal feet of 12-inch water main, 2-inch air/vacuum valve, associated fittings and related construction in the City of Citrus Heights and Citrus Heights Water District service area. The original contract amount was \$36,027.00. The amount paid to the contractor is \$36,987.12. The amount paid included one change order totaling \$960.12 for the removal of storm water and contaminated soils from the trench that immediately followed a torrential rain event.

Preston Pipelines, Inc. was allocated two additional days to complete the project due to inclement weather. The work was completed on October 30, 2009, ahead of schedule. Directors and staff discussed the project.

It was moved by Director Rose, seconded by Director Dion and carried 3-0 to adopt Resolution 14-2009 Accepting the 24-Inch Water Transmission Main Installation Project; and authorize the District Secretary to execute and record a Notice of Completion for the Project.

NEW BUSINESS

Training/Continued Education/Meetings

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

Agreement for Landscape Irrigation Review Services

AGM Kane presented a report on a proposed agreement with Irrigation Consultation &

Evaluation for professional services to provide landscape irrigation reviews for District customers.

For the past nine years, the District has employed the services of Irrigation Consultation & Evaluation (ICE) to perform landscape irrigation reviews. The District provides water efficiency reviews to customers as part of its water conservation program, in compliance with Best Management Practices (BMPs) under its Water Conservation Plans with the U.S. Bureau of Reclamation (USBR), the Water Forum and the California Urban Water Conservation Council (CUWCC). A total of 119 water audits have been done under the ICE agreement during 2009, including 84 single-family home audits, 18 multi-family residential audits, 16 large landscape audits and one commercial audit. No institutional audits were performed in 2009. About \$14,000 has been expended to date of the \$24,000 approved under the 2009 agreement. In addition, District Conservation Specialist Rex Meurer and Special Programs Coordinator Joe Scherrer performed a total of 96 residential audits independently during 2009.

ICE remains the only firm in this region known to offer these services. Directors were provided with a copy of the proposed Agreement for Landscape Irrigation Reviews. ICE proposes no changes in their hourly rates for 2010. Although demand for audits in 2009 has been well below the dollar threshold in the ICE agreement, staff is recommending that the agreement be renewed in the amount of \$24,000 to demonstrate the District's commitment to fulfill the quantity of audits required by the BMP. Directors and staff discussed the proposed agreement.

It was moved by Director Dion, seconded by Director Rose and carried 3-0 to authorize the General Manager to execute an agreement with Irrigation Consultation & Evaluation for irrigation review services for 2010 with a not-to-exceed amount of \$24,000.00.

Cost-of-Living Adjustment to Salary Schedule and Directors' Compensation

AGM Kane presented a report on amending the District's Salary Schedule in accordance with an annual change in the Consumer Price Index – All Urban West Consumers (CPI-U) and also considering a cost-of-living adjustment for compensation of the Board of Directors.

District Human Resources Policy No. 4102 provides for Board consideration of a cost-of-living adjustment (COLA) to the District's salary schedule. The CPI-U has decreased by 0.3 percent for the 12-month period ending in October 2009. This is the baseline that the District uses annually in determining the COLA. Directors were provided with a copy of the October 2009 Consumer Price Index information from the U.S. Department of Labor.

Directors reviewed a copy of the proposed Salary Schedule, Policy No. 4101.A1, amended to show the proposed salary range adjustments with the 0.3 percent decrease. The amended schedule shows salary ranges based on hourly rates and also a calculated average monthly rate based on the hourly rate. This action is consistent with the District's 2010 labor budget which was approved with no COLA increase for 2010.

Directors also reviewed proposed amendments to District Policy No. 4102, Salary Cost of Living Adjustments, and Policy No. 4831, Insurance Benefits for Retirees Retiring After March 19, 1996. Both policies currently contain provisions stating that amendments will not be made when the CPI-U is zero or less. In order to best keep the salary ranges and retiree medical contributions consistent with the CPI-U that is used to determine increases, decreases in the CPI-U should be factored in annually as well. The amendments to Policy No. 4831 also contain amended amounts for the maximum monthly District participation for retiree health insurance. Both amended policies were prepared with proposed language stating that current individual salaries or monthly insurance reimbursement will increase proportionately with increasing COLAs, but will not decrease with a decreasing COLA unless otherwise directed by the Board.

It was discussed that current employee salaries will not be reduced by the proposed decrease in the Salary Schedule. The change in the Salary Schedule simply decreases the top and bottom of the salary range for each position, not the employee's current salary rate within that range. An employee that is already at the top of the salary range will remain at their current salary level until such time as future COLAs increase the maximum hourly rate of the salary range to exceed their current salary.

Directors and staff discussed the proposed changes to the Salary Schedule and related policies. It was questioned whether it was worth the administrative effort involved to make adjustments in the Salary Schedule, either increasing or decreasing, when such small percentage amounts were involved. District staff expressed the opinion that it is important to be consistent with adjusting the Salary Schedule annually regardless of the magnitude of the increase or decrease, and it was the consensus of Directors that this was the best approach.

The Board of Directors approved Ordinance No. 01-2008 on January 8, 2008 setting Directors' compensation at \$145.00 per day for attending Board meetings and other Board-sanctioned functions. Directors were provided with a copy of the ordinance along with a copy of District Policy 2040. Policy 2040 states that changes in compensation of Directors requires approval of the Board of Directors via adoption of a new ordinance adjusting the compensation during an Open Session at a Regular Meeting held at least 60 days prior to the effective date of the change.

Directors discussed the impact of a 0.3 percent COLA decrease in their compensation. The decrease would result in a reduction of \$0.44 in the daily compensation rate and make the rate \$144.56. With the work involved to adopt a new ordinance to change the rate, and in consideration of the fact that Directors also did not adopt a COLA increase in 2008 when the CPI-U increased by 3.3 percent, Directors agreed that leaving their daily compensation rate at the current level of \$145.00 was the best course of action.

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

1. Amend District Policy Nos. 4101, Compensation, 4101.A1, Salary Schedule, 4102, Salary Cost of Living Adjustments (COLA) and 4831, Insurance Benefits for Retirees Retiring After March 19, 1996 as presented to include a -0.3 percent cost-of-living

adjustment to the District's Salary Schedule effective January 4, 2010 and to amend the policies related to COLA adjustment; and

2. Provide direction to staff that there will be no Cost-of-Living Adjustment for Compensation of the Board of Directors..

Selection of President and Vice President

GM Churchill presented a report on the process to select a President and Vice President of the Board of Directors. Directors were provided with a copy of District Board of Director and Officers Policy No. 2010, which states that a President and Vice President of the Board of Directors are to be elected by a majority vote of the Board in December of each year. The terms of office will begin as soon as acted upon by the Board.

Directors discussed nominations for President and Vice President of the Board. Director Dion nominated Director Rose to serve as President, with the nomination seconded by Director Rose. Director Dains nominated Director Dion to serve as Vice President, with the nomination seconded by Director Rose.

It was moved by Director Dion, seconded by Director Rose and carried 3-0 to elect Director Rose as President of the Board of Directors of Citrus Heights Water District.

It was moved by Director Dains, seconded by Director Rose and carried 3-0 to elect Director Dion as Vice President of the Board of Directors of Citrus Heights Water District.

Director Dains yielded to Director Rose to preside over the remainder of the Board meeting.

Appointment of District Officers

GM Churchill presented a report on proposed reconfirmations of District Officers. Directors were provided with a copy of District Board of Directors and Officers Policy No. 2200, which sets forth the Officers of the District and their respective duties and related matters. Directors were also provided with a list of the District's Officers, whose appointments to these positions were last reconfirmed in December 2008. It was recommended that the Board reconfirm all of the existing Officers. Directors and staff discussed the District's Officers.

It was moved by Director Dains, seconded by Director Dion and carried 3-0 to confirm the appointment of District Officers as follows:

<u>Office</u>	<u>Officer</u>	<u>Deputy Officer</u>
Assessor/Collector	Nancy E. Alaniz	Pamela L. Peters
Treasurer	David B. Kane	Pamela L. Peters
Secretary	Robert A. Churchill	David B. Kane

Appointment of Board Representatives and Alternates

GM Churchill stated that, pursuant to District Policy No. 2300, the Board of Directors shall appoint its Members or Officers to serve as District representatives to various organizations and associations. Directors discussed the current 2009 appointments, and their interests related to serving as representatives for the coming year.

It was moved by Director Dains, seconded by Director Dion and carried 3-0 to confirm the appointment of the following Directors and Officers to serve as District representatives to the following organizations:

Organization	Representative	Alternate Representative
Association of California Water Agencies - Joint Powers Insurance Authority (ACWA JPIA)	Joseph M. Dion	Charles T. Rose
Association of California Water Agencies Region 4	Joseph M. Dion	Allen B. Dains
San Juan Family of Agencies Executive Committee	Joseph M. Dion (Director) Robert A. Churchill (Staff)	Charles T. Rose (Director) David B. Kane (Staff)
Regional Water Authority	Joseph M. Dion (Director) Robert A. Churchill (Staff)	Allen B. Dains (Director) David B. Kane (Staff)
Sacramento Groundwater Authority	Charles T. Rose	Allen B. Dains
Citrus Heights Chamber of Commerce Government Issues Committee	David B. Kane	Robert A. Churchill
Sacramento Water Forum	David B. Kane	Robert A. Churchill

PROJECT MANAGER’S REPORT

PM Rossi reported on the following activities during the month of November 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:

7501 Auburn Boulevard, Citrus Heights – Commercial Renovation (Fire Protection Improvement)

Two lineal feet of 4-inch ductile iron water main, 1 6-inch gate valve, 1 6-inch post indicator valve and assorted mechanical fittings.

Value: \$ 5,524.00

OPERATIONS MANAGER'S REPORT

OM Townsel reported as follows:

1. A total of 168 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 requirement.
2. District-wide water consumption for the calendar year 2009 through the month of November was estimated to be 13,666.26 acre-feet, a decrease of 23.0 percent compared with the average annual water consumption during the previous five years, 2004-2008. The surface water consumption for January through April 2009 was estimated based upon District customer water meters plus 5 percent unaccounted for water minus water wheeled to other water agencies.

OM Townsel and PM Rossi left the meeting at 8:16 p.m.

DIRECTOR'S AND REPRESENTATIVES REPORTS:

Director Churchill discussed a check received by the District from the Regional Water Authority (RWA) in the amount of \$50,622.55 representing the final release of retention payment for the Bonita Way Well Project under the California Department of Water Resources' Proposition 13 grant awarded to RWA on behalf of CHWD.

Director Dion discussed upcoming meetings and events of the RWA and the RWA Executive Committee.

Directors Dion and Rose, GM Churchill and AGM Kane discussed a meeting of the San Juan Water District Executive Committee that they recently attended, and the schedule for an upcoming workshop and meeting in January 2010.

Director Rose discussed an upcoming meeting of the Sacramento Groundwater Authority. He also discussed matters of interest from a recent Sacramento Local Agency Formation Commission (LAFCO) meeting that he was unable to attend, and matters of interest regarding the City of Citrus Heights.

Directors Dains, Dion and Rose and GM Churchill discussed the 2009 Association of California Water Agencies (ACWA) Fall Conference in San Diego on December 1-4, 2009, that they attended recently, including educational and training sessions and committee meetings that they attended at the conference. Director Dains also discussed his attendance at the ACWA-Joint Powers Insurance Authority (ACWA-JPIA) Conference on November 30-December 1, 2009 that was held at the same location as the ACWA Fall Conference.

Directors also discussed a letter that was prepared for their signature to the ACWA Board

of Directors. The letter expressed CHWD's disappointment with actions taken recently by the ACWA Board to support the State legislative package on Delta governance, water conservation, groundwater monitoring and water rights enforcement.

ASSISTANT GENERAL MANAGER'S REPORT

AGM Kane reported as follows:

1. Customer bills using the redesigned water statement began being mailed out during the third week of November. There has been little customer response, with only a small number of questions and comments received from customers so far.
2. Work is underway for the Winter 2010 edition of the District's WaterLine newsletter. The feature story for this edition will be on the history of the District, tying in with the District's 90th anniversary in 2010. Other stories and the production schedule for the newsletter were summarized.
3. Preparation of CHWD's 2010 USBR Water Management Plan is nearly complete. Staff expects the report to be completed and submitted before the December 31, 2009 deadline. A meeting was held with USBR representatives during November to clarify USBR requirements for San Juan Water District review of the plans being submitted by the retail agencies that it serves.
4. Staff previously reported to the Board about a utility bill pay service offered by Wal-Mart, and Wal-Mart's request to include a bill insert in CHWD customer bills to publicize their service. Because Wal-Mart's bill pay service uses the same electronic bill pay systems that many customers now use to pay their bills on-line through their participating financial institutions; Wal-Mart does not need CHWD authorization to provide the service. Directors and staff discussed the matter, and Directors concurred with staff's decision to advise Wal-Mart that CHWD will not include their bill insert in customer bill mailings.
5. The District has received preliminary health plan renewal rates for 2010 from its health insurance broker. According to the preliminary information, the amount budgeted for 2010 health insurance should be sufficient to continue the existing plans and co-payment reimbursements for employees if the increases remain close to these estimated amounts.
6. The number of customers subscribing to the District's Electronic Funds Transfer (EFT) bill pay program recently passed the 1,000 mark. Under the EFT program, customer payments are automatically made from the customer's bank account.

GENERAL MANAGER'S REPORT

GM Churchill reported as follows:

1. Eighteen District employees received recognition for superior attendance, outstanding customer service and quality of work during the month of November 2009. Directors were provided with a list of the employees and items for which

each received recognition.

2. GM Churchill reported on his recent attendance at the 2009 Association of California Water Agencies Fall Conference in San Diego on December 1-4, 2009, including educational and training sessions and committee meetings that he attended at the conference.
3. A list of the General Manager's significant assignments and activities was provided.

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 9:03 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