

CITRUS HEIGHTS WATER DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
April 13, 2010

The Regular Meeting of the Board of Directors was called to order at 6:31 p.m. by President Rose and roll was called. Present were:

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

PUBLIC COMMENT

None

CONSENT CALENDAR

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

1. Minutes of the Regular Meeting of March 9, 2010.
2. Assessor/Collector's Report for March 2010.
3. Assessor/Collector's Cancellation Letter for March 2010.
4. Treasurer's Report for March 2010.
5. Bills to be Paid for March 2010.
6. Approve CAL-Card Purchases for March 2010.
7. Summary of 2010 Directors, Officers and Employees Training, Seminars and Conference Expenses.
8. Deny the claim from Geico Direct for property damage and forward it to the District's insurance carrier, ACWA-JPIA, for further consideration and action.
9. Deny the claim from James Trumbo for property damage and forward it to the District's insurance carrier, ACWA-JPIA, for further consideration and action.

OLD BUSINESS

Bonita Way Storage Building

GM Churchill presented a status update on the design phase of the Bonita Way Storage

Building project. Design of the project by Blackbird Architects is progressing. Plan comments have been received from the City of Citrus Heights Building Department and Sacramento Metro Fire District. Their comments and those of CHWD staff are being aggregated and will be forwarded to the architect by April 15, 2010.

High-Efficiency Clothes Washer Rebate Program

AGM Kane presented a report on a Memorandum of Understanding (MOU) with Sacramento Municipal Utility District (SMUD) to continue conducting a rebate program for high-efficiency clothes washers. In April 2009, the Board of Directors authorized a MOU with SMUD for a conducting a high-efficiency clothes washer rebate program for 2009. The program is organized through the Regional Water Authority's Water Efficiency Program and allows CHWD to provide a \$50 rebate on top of rebates already offered by SMUD for their customers. The current MOU has expired. A new MOU for 2010-2011 is required to continue to participate in this program with SMUD.

The new MOU is nearly identical to the current one except that SMUD will now charge a \$5.00 administrative fee for each rebate that they process on CHWD's behalf. The fee appears to be reasonable and is far less than what it would otherwise cost CHWD to administer the program on its own. However, since the fee will be coming out of overall funding for the program, it will reduce the total potential number of rebates that can be provided with the approved funding.

CHWD provides financial incentives for its customers to purchase high-efficiency clothes washing machines in compliance with the Best Management Practices (BMPs) of the California Urban Water Conservation Council (CUWCC). CHWD earmarked \$5,000 in the 2010 Operating Budget to continue this rebate program and has another \$5,000 in grant funding for clothes washer rebates available from the USBR Water Conservation Field Services Program grant that was awarded to CHWD in 2009. This total \$10,000 funding will provide for up to 180 rebates under the new MOU. Directors were provided with a copy of the proposed MOU with SMUD. Directors and staff discussed the proposed MOU and the high-efficiency clothes washer rebate program.

It was moved by Director Dion, seconded by Director Dains and carried 3-0 to authorize the General Manager to execute the Memorandum of Understanding with Sacramento Municipal Utility District for a conducting a high-efficiency clothes washer rebate program for 2010-11.

Policy Amendments for Alternative Work Schedule

AGM Kane presented a report on the proposed change to the work schedule and operating days and hours of the District on a trial basis. At its March 9, 2010 meeting, the Board of Directors voted 2-1 to approve a change to the work schedule and operating hours of the District to implement a 4-day – 10-hour work day (4-10 Plan) on a trial basis of up to one year, contingent upon an affirmative vote by employees and subsequent adoption of policy amendments by the Board.

Employees were provided with information about the proposed changes in the work

schedule including the proposed policy changes and given two weeks to review the information. A secret ballot election was held to determine the number of employees in favor and opposed to the work schedule change, with all 25 non-exempt employees voting. Ballots were opened and counted in front of assembled employees on April 6, 2010. The vote was 19 employees in favor of the change and 6 opposed. A yes vote of 17 (two-thirds) of the non-exempt employees was required to support the change. Upon Board approval at this meeting, the trial program will begin on Monday, May 10, 2010, coinciding with the start of a pay period.

The proposed policy amendments that were presented for review at the March 9 meeting were presented again to Directors for consideration of adoption. Directors were also provided with a summary of the amended policies. Copies of the policies in their current form prior to these amendments will be stored electronically to simplify the process of reverting back to the policies as they now exist if the 4-10 Plan is discontinued.

If approved by the Board, efforts to inform customers of the work schedule change will begin immediately. Notification will include signs in the lobby and on the public notice board, bill inserts and prominent display on the District website. An article will also be planned for the upcoming WaterLine newsletter that is scheduled for publication in late June 2010. Staff will report regularly to the Board on the status of the trial program, including any problems or customer concerns encountered, cost savings realized, and employees' adaptation to the 4-10 Plan.

Directors and staff discussed the proposed 4-10 Plan and the recommended policy amendments. Director Dion noted that he had voted in opposition to the 4-10 Plan at the Board's March 2010 meeting, although he planned to support the policy amendments needed for the trial period he remained concerned about the effect of the program on customers and employees. He requested that staff provide a monthly report on the status of the trial program monthly, presenting both positive and negative outcomes including costs, leave usage by employees, and feedback from customers.

It was moved by Director Dion, seconded by Director Dains and carried 3-0 to approve the policy amendments necessary to implement the new work schedule.

NEW BUSINESS

Training/Continued Education/Meetings

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

November 2010 Election

GM Churchill presented a report on the November 2, 2010 election for Directors from Division Two and Division Three for Regular 4-year terms. Resolutions declaring the election in both Sacramento County and Placer County must be adopted to announce the election and request election services from each county. The nomination period for this election is July 12 through August 6, 2010.

The District's Division boundaries were last reviewed and adjusted in May 2002 to provide better equity in population between the three Divisions. The District's service connection count in May 2002 was 19,106. The service connection count is presently 19,549 representing an increase of 443 services or about 2.32 percent. With such a small increase in the number of service connections, a division boundary analysis is not recommended at this time. Directors and staff discussed the election process and filing dates.

It was moved by Director Rose, seconded by Director Dains and carried 3-0 to adopt Resolutions 10-2010 (Sacramento County) and 11-2010 (Placer County) calling for a November 2, 2010 election of Directors for regular 4-year terms from Division Two and Division Three.

PROJECT MANAGER'S REPORT

PM Rossi reported on the following activities during the month of March 2010 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.

OPERATIONS MANAGER'S REPORT

OM Townsel reported as follows:

1. A total of 329 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 2010 through the end of March 2010 was 1,778.71 acre-feet, a decrease of 26.4 percent compared with the average annual water consumption during the previous five years, 2005-2009.

OM Townsel and PM Rossi left the meeting at 7:04 p.m.

DIRECTOR'S AND REPRESENTATIVES REPORTS:

Director Dion reported on a Regional Water Authority (RWA) Executive Committee meeting that he attended recently. He also reported on a San Juan Water District Executive Committee that he attended recently along with Director Rose and OM Townsel. He reported on recent matters of interest regarding the Association of California Water Agencies - Joint Powers Insurance Authority (ACWA-JPIA).

Director Rose reported on a meeting of the Sacramento Groundwater Authority (SGA) that he attended recently along with GM Churchill. He also reported on a recent Sacramento Local Agency Formation Commission (LAFCO) meeting that he attended.

Director Dains reported on an Association of California Water Agencies (ACWA) Legislative Symposium that he attended recently in Sacramento.

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

ASSISTANT GENERAL MANAGER'S REPORT

AGM Kane reported as follows:

1. Directors were provided with copies of reports related to water supply conditions for the year ahead. An Informational Release from the US Bureau of Reclamation (USBR) provides the Water Year 2010 Water Supply Announcement for March 2010 for the USBR's Mid Pacific Region. The Median Forecast forecasts a 100 percent allocation for M&I (municipal and industrial) water users north of the Delta. The Conservative Forecast forecasts a 75 percent allocation for M&I water users north of the Delta.

Directors were also provided with a recent news release from the California Department of Water Resources (DWR) regarding snow survey results and State Water Project (SWP) allocations. The DWR news release states that northern Sierra snow water equivalents were at 126 percent of normal for the date.

A copy of the Monthly Runoff Report for March 2010 from the Water Forum Successor Effort was also provided. This report shows the projected March-November Unimpaired Inflow into Folsom Reservoir (UIFR). The UIFR is an index that is used to determine the type of water year for Water Forum purposes, which affects allocations of American River water for certain users. Currently the projected UIFR is 1375 TAF (thousand acre feet).

2. Work on the District's financial audit for the year ending December 31, 2009 is on hold awaiting completion of the actuarial valuation of the District's OPEB (other post-employment benefits) commitments in compliance with Government Accounting Standards Board Statement 45 (GASB-45). Preliminary results from the actuarial analysis are expected soon. Immediately following completion of the actuarial analysis, the audit report will be completed and prepared for presentation at the Board's May 11, 2010 meeting.
3. Water Efficiency Program activities during the month of March 2010 included
 - 31 ultra-low-flush toilet rebates. A total of 109 rebates have been processed in 2010 to date with a total of \$8,175 in rebates provided to customers.
 - 1 high efficiency clothes washer rebate issued by SMUD. The total for 2010 now stands at 4.
 - No violation notices issued.

The District received a reimbursement check for \$13,838.44 from the Regional Water Authority (RWA) for toilet rebates previously paid by the District under

the Proposition 50 Regional Toilet Replacement Program Grant Project. The grant funds allocated to CHWD have been exhausted, and CHWD has reverted to paying the \$75 rebates authorized in the District's 2010 budget.

The RWA Regional Water Efficiency Program is launching a "Blue Thumb Campaign" during the week of April 12, 2010 highlighting the water conservation efforts of homeowners in the region. Directors were provided with a copy of an article from the Sacramento Bee about the Blue Thumb Program.

Directors were provided with a copy of the Final Draft Recommendations from the Regional Water Shortage Work Group. This recommended common regional approach to water conservation ordinances and water conservation stages has been presented to all RWA members. CHWD staff will be working with other members of the SJWD Family of Agencies to coordinate changes to the existing Water Conservation Stages for Board consideration at a future meeting.

4. The District received a claim payment from ACWA-JPIA in the amount of \$10,643.96 for Unit 2, a 2001 Dodge Ram ½ ton pickup that was assigned to the General Manager and was stolen on January 29, 2010. The truck was subsequently recovered and returned to the District on April 7, 2010. However, since the claim has already been paid the truck is now the property of ACWA-JPIA.
5. Directors were provided with a recent article from the Sacramento Bee that reports on the success of a Water Forum-sponsored project for the restoration of gravel beds used for spawning by salmon and steelhead in the Lower American River.
6. The District will staff a booth at the U.S. Bureau of Reclamation's 9th Annual Get W.E.T. (Water Education Today) event at the American River Water Education Center at Folsom Dam on Saturday, May 1, 2010. The District is co-sponsoring a booth this year with San Juan Water District to reduce staffing expenses for the event. The event is designed as a fun way to share the water conservation and water quality messages with the public.

GENERAL MANAGER'S REPORT

GM Churchill reported as follows:

1. Twenty District employees received recognition for superior attendance, outstanding customer service and quality of work during the month of March 2010. 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.

CORRESPONDENCE

Correspondence was discussed and ordered filed as follows:

1. Letter dated March 23, 2010, from Greg Young, Deputy Director of Administrative Services, Placer County Water Agency, thanking AGM Kane for his participation on an interview panel.
2. Letter dated March 13, 2010, from Mayer Laguardia thanking the District for an adjustment to her account.
3. Letters dated March 14, March 14 and April 4, 2010, from Nancy Steiner requesting consideration of a billing adjustment due to a water leak.

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 8:15 p.m.

APPROVED:

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

Original signed by: Charles T. Rose
CHARLES T. ROSE, President
Board of Directors
Citrus Heights Water District