

CITRUS HEIGHTS WATER DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
May 10, 2011

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
Paul A. Dietrich, Senior Engineering Technician
Rex W. Meurer, Conservation Specialist

VISITORS

Jim Crowley, J. Crowley Group
Michael Kinda and family members
Anita Dubinetskaya and family members
Olga Kuzyk and family members
Erin Hodge, teacher, Skycrest Elementary School
Wayne Lang, teacher, Skycrest Elementary School

Director Dion led the Pledge of Allegiance.

PUBLIC COMMENT

None

CONSENT CALENDAR

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

1. Minutes of the Regular Meeting of April 12, 2011.
2. Minutes of the Special Meeting of April 25, 2011.
3. Assessor/Collector's Report for April 2011.
4. Assessor/Collector's Cancellation Letter for April 2011.
5. Treasurer's Report for April 2011.
6. Bills to be Paid for April 2011.
7. Approve CAL-Card Purchases for April 2011.
8. Summary of 2011 Directors, Officers and Employees Training, Seminars and Conference Expenses.

9. Call for a Special Joint Planning Workshop Meeting of the San Juan Family of Water Agencies Executive Committee on Wednesday, May 18, 2011 from 1:00 p.m. to 4:00 p.m. at the Board Meeting Room of Fair Oaks Water District located at 10326 Fair Oaks Boulevard, Fair Oaks, California.

PRESENTATIONS

Water Awareness Poster Contest

Directors welcomed the 2011 Water Awareness Poster Contest winners and their families and teachers. Conservation Specialist Rex Meurer presented a report on the contest. The District's water conservation staff, in conjunction with San Juan Water District, Orange Vale Water Company and Fair Oaks Water District sponsored the fifteenth annual Water Awareness Poster Contest. A total of 795 4th, 5th and 6th grade students at elementary schools within the service area of the District submitted posters based on this year's theme "How I'm a Conservation Kid."

The students and teachers were presented with their awards, with the first-place student winner receiving a \$100.00 savings bond and the two runner-up students receiving \$50.00 savings bonds. In addition, each winning student's school received an award of \$100.00 for the winning entry. The winning entries will also be featured in the 2012 Water Conservation Awareness Calendar.

The winners for schools within the Citrus Heights Water District are:

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|---------------------|--|
| First Place Winner: | Michael Kinda, 5 th Grade, Skycrest Elementary School
Teacher: Erin Hodge |
| Runner-Up: | Anita Dubinetskaya, 4 th Grade, Skycrest Elementary School
Teacher: Wayne Lang |
| Runner-Up: | Olga Kuzyk, 5 th Grade, Skycrest Elementary School
Teacher: Brenda Kastl |

The contest entries in the Citrus Heights Water District service area were judged by: Sabine Branscum from the City of Citrus Heights staff; Yvonne Hendrickson and Cendrinne DeMattei with the Citrus Heights Chamber of Commerce; and Virgil Anderson and John Repetti from the Sunrise Recreation and Park District staff

The winners were congratulated for a job well done and thanked for their efforts to help promote water conservation.

The poster contest winners and their families and teachers left the meeting at 6:45 p.m.

PUBLIC HEARING

2010 Urban Water Management Plan

AGM Kane briefly reviewed the Urban Water Management Plan (UWMP) process and the purpose of the presentation and Public Hearing, which is to review CHWD's 2010 Urban Water Management Plan (UWMP) and receive public input on the Plan before it is considered for adoption by the Board at its June 14, 2011 meeting. AGM Kane introduced engineering consultant Jim Crowley of J. Crowley Group, who prepared the report under the District's guidance.

Mr. Crowley delivered a presentation on the 2010 UWMP. The presentation provided background on the UWMP and required subject matter that must be covered in the UWMP. He reviewed the State Legislature's SBx7-7 legislation that requires the State to reduce urban water demand by 20 percent by the year 2020, and discussed CHWD's 20x2020 target. Projected water demands and supplies were presented, as well as a discussion of supply reliability and project single and multiple dry year supplies. He discussed the two phases of CHWD's 20x2020 Compliance Plan, and the next steps leading to formal adoption of the UWMP.

Directors and staff discussed the presentation and elements of the UWMP.

Director Dion opened the Public Hearing at 7:26 p.m. to receive public comment on the UWMP. No public comment was received. AGM Kane noted that notice of the Public Hearing had been published twice on two consecutive Tuesdays prior to the meeting date, and that the Public Review Draft of the UWMP had been made available via CHWD's website as well as at the District Office.

Director Dion closed the Public Hearing at 7:27 p.m.

Directors expressed their satisfaction with the draft of the 2010 UWMP, and directed staff to proceed with preparing it for consideration of adoption without any changes. Directors thanked Mr. Crowley for his work on the UWMP.

Mr. Crowley left the meeting at 7:29 p.m.

OLD BUSINESS

Bonita Way Storage Building Construction

OM Townsel presented a status report on the construction phase of the Bonita Way Storage Building. He stated that the status of the project remains essentially the same as the previous month's report. Despite a substantial completion inspection having been done in March, the contractor has yet to complete a few items regarding the windows and shutters on the front of the building. These items must be completed as set forth in the

specifications before final inspection can be made and the building accepted as complete.

Alternative Work Schedule

GM Churchill presented a report on the Monday through Thursday, 10-hour-day work schedule (the 4-10 schedule) under which the District has been operating for the past year. 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 the 4-10 schedule for up to a one-year trial basis. This trial period was approved based upon the District's ongoing efforts to control costs to District customers.

Staff's initial analysis in April 2010 estimated the potential operating cost savings of changing to a 4-10 work schedule to be a net savings of \$38,159. A total savings of \$42,107 in overtime expense, utilities for offices and equipment fuel costs would be offset slightly by \$3,948 in additional costs for the Standby Program and Holiday Pay to provide the net savings.

Other potential benefits identified included reduced sick leave costs, reduced automobile pollution from fewer employee commuting trips, increased flexibility in work scheduling, and increased convenience for customers by remaining open until 5:30 p.m. four days a week.

GM Churchill presented an analysis of the savings realized during the one-year trial period under the 4-10 schedule. Net savings of \$37,404 were identified, with all of the savings coming from reduced overtime expense and fuel costs along with slight increases in Standby Program and Holiday Pay costs as was expected in the original analysis. The District actively solicited customer feedback on the office hours and other aspects of customer satisfaction during the trial period, and nearly all of the feedback received was positive. The District has not experienced notable customer dissatisfaction due to the office being closed on Fridays.

Total sick leave hours used by all District employees, excluding 401 hours utilized for a long-term medical disability and a worker's compensation injury, was 80 hours more in 2010 than in 2009.

Directors and staff discussed the 4-10 work schedule. Directors noted that in their conversations with District staff members, there appears to be continued support for the work schedule from District employees. Directors requested that staff continue to update the Board periodically on cost savings and any other issues regarding the alternative work schedule.

It was moved by Director Rose, seconded by Director Dains and carried 3-0 to approve continuing with the 4-10 Plan work schedule and operating hours of the District on an ongoing basis.

NEW BUSINESS

Training/Continued Education/Meetings

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

Amendments to Organizational Structure and Chart, Job Descriptions and Salary Schedule

GM Churchill presented a report on proposed amendments to the District Organizational Structure and Chart Policy No. 1030, Job Descriptions Policy No. 4090 and Salary Schedule Policy No. 4101.A1 regarding the positions of Special Programs Coordinator, Water Efficiency Coordinator, Water Conservation Specialist, and Accounts Payable/Human Resources Specialist. Since the time of the retirement of Joe Scherrer in July 2010, the position of Special Programs Coordinator has remained vacant. Many of the duties of this position have been transferred to the District's Conservation Specialist Rex Meurer.

It is proposed that the District's current Organizational Structure and Chart be amended to eliminate both the Special Programs Coordinator position and the Conservation Specialist position and to add the staff position of Water Efficiency Coordinator that will be filled by Mr. Meurer.

Directors were provided with a draft Job Description along with a recommended Salary Range for this position. The range for this position is at the midpoint of the two salary ranges that it replaces.

Directors were also provided with a draft copy of an amended Organizational Chart showing the proposed changes, along with changes to the reporting relationship of the Accounts Payable / Human Resource Specialist.

Directors and staff discussed the proposed changes.

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

1. Amend the District Organizational Structure and Chart Policy No. 1030 as presented to:
 - a. Add the position of Water Efficiency Coordinator.
 - b. Delete the position of Special Programs Coordinator.
 - c. Delete the position of Conservation Specialist.
 - d. Reduce the total authorized positions from 29 to 28 to match the CY 2011 Budget.
 - e. Amend the reporting status of the Accounts Payable / Human Resource Specialist.

2. Amend the Job Descriptions Policy No. 4090 as presented to:
 - a. Delete Job 40 – Special Programs Coordinator.
 - b. Add Job 59 – Water Efficiency Coordinator.
3. Amend Salary Schedule Policy No. 4101.A1 as presented to:
 - a. Add salary range for the position of Water Efficiency Coordinator.
 - b. Delete the salary range for the position of Special Programs Coordinator.
 - c. Delete the salary range for the position of Conservation Specialist.

General Manager Compensation

GM Churchill presented a report on consideration of a salary adjustment for the General Manager. GM Churchill's employment history dates back to May 1976 when he was hired as the Office Engineer and subsequently promoted to Assistant Manager in May 1981. He was appointed Interim Manager in September 1986 and named General Manager in March 1987.

Mr. Churchill's current hourly salary was increased by a 0.30 percent Cost of Living Allowance (COLA) per District Policy to \$70.21 per hour effective January 3, 2011. This rate is 77.2 percent of the position's range of \$55.17 to \$74.66 per hour. An increase of 2.80 percent, inclusive of COLA, was included in the 2011 Operating Budget.

Directors discussed the percentage amount that had been budgeted for the General Manager's salary in 2011, and the amount that had already been increased as a COLA at the start of the year.

It was moved by Director Rose, seconded by Director Dains and carried 3-0 to increase GM Churchill's salary to a rate of \$71.61 per hour, representing an increase of 2 percent above his current salary.

PROJECT MANAGER'S REPORT

PM Rossi reported on the following activities during the month of April 2011 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 including: the Mariposa Avenue to Limerick Way 16-Inch Steel Pipe Cement Lining Project; and the Auburn Boulevard – Cedar Drive to Linden Avenue 12-Inch Ductile Iron Pipeline Replacement Project, and projects under construction or completed 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 and the Old Auburn Road Sidewalk Infill Project.

Conservation Specialist Meurer left the meeting at 7:45 p.m.

OPERATIONS MANAGER'S REPORT

OM Townsel reported as follows:

1. A total of 181 work orders were performed during the past month by Field Operations crews, Administration Field crews and District contractors. This total included 89 valve exercises at various locations throughout the District. The results of recent bacteriological testing, a total of 72 samples, have met all California Department of Public Health requirements.
2. District-wide water consumption for the calendar year 2011 through the end of April 2011 was 2,607.10 acre-feet, a decrease of 22.2 percent compared with the average annual water consumption during the previous five years, 2006-2010.

President Dion called a brief recess to the meeting at 7:49 p.m. OM Townsel and SET Dietrich left the meeting. The Board reconvened at 7:50 p.m.

DIRECTOR'S AND REPRESENTATIVES REPORTS:

Director Dion reported on a meeting of the Regional Water Authority (RWA) that he attended recently along with Director Rose, GM Churchill and AGM Kane.

GM Churchill reported on a meeting of the Regional Water Authority (RWA) Executive Committee that he attended recently.

Director Dion and Director Rose reported on a meeting of the San Juan Water District Executive Committee that they attended recently along with GM Churchill and AGM Kane. They also reported on an upcoming workshop of the SJWD Executive Committee.

Directors discussed the upcoming Association of California Water Agencies (ACWA) conference. Director Dains will attend the conference along with GM Churchill and AGM Kane.

Director Dion report on his recent attendance at the Spring 2011 Conference for the Association of California Water Agencies - Joint Powers Insurance Authority (ACWA-JPIA) in Sacramento. Director Dion also reported that he had been re-elected to a three-year term on the Executive Committee of the ACWA-JPIA.

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

ASSISTANT GENERAL MANAGER'S REPORT

AGM Kane reported as follows:

1. Production of the next edition of the District's WaterLine newsletter is underway. This edition will feature a CHWD customer that has taken the "Blue Thumb Pledge" in support of the regional Blue Thumb Campaign sponsored by the

Regional Water Authority's Water Efficiency Program. Features on CHWD's recent retirees and newest employees will also be included, as well as an update on water supply conditions for 2011. The Summer 2011 WaterLine is scheduled to be delivered to customers during the second week in July.

2. Directors were provided with a summary of Water Efficiency Program activities during the month of April 2011, including the number of ultra-low-flush toilet rebates and high-efficiency clothes washer rebates issued, and distribution of high efficiency rinse-and-save nozzles and faucet aerators to all San Juan Unified School District schools in CHWD's service area. Conservation Specialist Rex Meurer delivered a water conservation presentation to the Citrus Heights Area 11 Neighborhood Association during the month.
3. Seven candidates for the Construction Inspector position, selected from among 52 applications received, were interviewed on April 13, 2011. Following these interviews, three candidates were selected for follow-up testing. A job offer has been made to the top candidate, whose name is being withheld pending completion of all pre-employment conditions. The tentative start date for the new Construction Inspector is May 23, 2011.
4. A Water Forum Successor Effort meeting was held during April; AGM Kane was unable to attend. Presentations on the Placer County Conservation Plan and the South Sacramento Habitat Conservation Plan were the main items on the meeting agenda. Phase I of the Flow Management Standard (FMS) Discussion Process (formerly titled the "Eight-Week Flow Management Standard Negotiation" process) is scheduled to begin on May 18, 2011. AGM Kane discussed the schedule for this process.

GENERAL MANAGER'S REPORT

GM Churchill reported as follows:

1. Seventeen District employees received recognition for superior attendance, outstanding customer service and quality of work during the month of April 2011. Directors were provided with a list of the employees and items for which each received recognition.
2. Directors were provided with information related to an analysis of populations within the three Citrus Heights Water District divisions to determine if they are reasonably equal for the purpose of qualifying candidates. Division boundary analyses were performed in 1993 and in 2002, and the 2002 review resulted in a minor adjustment to the Division Two and Division Three boundaries. GM Churchill met with a representative of the Sacramento County Department of Voter Registration and Elections and utilized the 2010 Census data to review the population of the District's internal divisions. The results indicate that the

District's total population has decreased by 713 from 2000 to 2010. It was also determined that the division populations deviate by less than 2 percent from the targeted average population. Therefore, no division boundary adjustments are recommended at this time.

3. GM Churchill delivered a presentation on the District to the Citrus Heights Regional Chamber of Commerce Leadership Academy at Mercy San Juan Hospital on May 4, 2011. The talk's subject matter centered on "Where We Are, Where We've Been and Where We Are Going". Directors were provided with a copy of GM Churchill's presentation.
4. The San Juan Water District's Wholesale Transmission Pipeline System Metering Improvements Project Cost Allocation Report prepared by GM Churchill is scheduled for discussion by participating agency staff at Orange Vale Water Company on May 17, 2011.
5. 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 May 2, 2011 from Gary A. Broomell, President, Valley Center Water District, expressing his Board of Directors' disagreement with proposed changes to the ACWA-JPIA Executive Committee Manual concerning "business related entertainment."
2. Letter dated April 14, 2011 to Dr. Jerry Meral, Undersecretary, California Natural Resources Agency, signed by 41 water agencies including CHWD, asking the state to reaffirm the principle in the CALFED Record of Decision that any solution undertaken in the Bay Delta Conservation Plan process should have no significant redirected impacts

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.

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 8:30 p.m. Directors Dains, Dion and Rose and GM Churchill were in

attendance.

President Dion reconvened the meeting into Open Session at 8:40 p.m. He reported that the Directors were to complete their evaluations and provide them to him by May 24, 2011, and that this item would be continued at a Closed Session at the Regular Board of Directors Meeting of June 14, 2011.

ADJOURNMENT

There being no other business to come before the Board, the meeting was adjourned at 8:42 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