

CITRUS HEIGHTS WATER DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
August 14, 2012

The Regular Meeting of the Board of Directors was called to order at 6:31 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. Gordon, Construction Inspector
Rex W. Meurer, Water Efficiency Coordinator
Pamela L. Peters, Office Administrator

VISITORS

Judy Albietz, District Legal Counsel
Lonnie Gossett, Director, Fair Oaks Water District

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 July 10, 2012.
- 2) Assessor/Collector's Report for July 2012.
- 3) Assessor/Collector's Cancellation Letter for July 2012.
- 4) Treasurer's Report for July 2012.
- 5) Bills to be Paid for July 2012.
- 6) Approve CAL-Card Purchases for July 2012.
- 7) Summary of 2012 Directors, Officers and Employees Training, Seminars and Conference Expenses.

CLOSED SESSION

Pursuant to subdivision (b)(3)(A) of Government Code Section 54956.97 (one case), Anticipated Litigation, significant exposure to litigation, the Board of Directors convened in Closed Session at 6:34 p.m. Directors Dains, Dion and Rose, GM Churchill, AGM Kane and District Legal Counsel Albietz were in attendance.

President Dains reconvened the meeting into Open Session at 7:05 p.m. He reported that no action was taken by the Board in Closed Session.

Legal Counsel Albietz left the meeting at 7:08 p.m.

OLD BUSINESS

2012 Livoti Tract 6-Inch and 8-Inch Water Main Replacement Project

Construction Inspector (CI) David Gordon presented a report on behalf of Project Manager Paul Dietrich on bids to replace an existing 6-inch steel water main, water services and fire hydrants along Livoti Avenue between Orlando Drive and Mariposa Avenue and along Frances Avenue between Livoti Avenue and Whyte Avenue, in Placer County. Project plans were prepared by Bennett Engineering Services and District staff and distributed to 12 contractors, one material supplier and one contractor builder exchange service. The work involves the installation of approximately 2,010 lineal feet (lf) of 8-inch water main, 690 lf of 6-inch water main, 25 main valves, 6 fire hydrants, 41 water services and related appurtenances in the aforementioned project area.

The District received three sealed proposals on July 31, 2012, at which time proposals were opened and read publicly. The low bidder is Vinciguerra Construction of Jackson, California. Bids received are as follows:

1. Vinciguerra Construction	\$445,525.00
2. Marques Pipeline	\$512,925.00
3. McGuire & Hester	\$577,930.00

The District also received eight additional proposals that were incomplete and deemed non-responsive. The District's pre-bid estimate for the Project was \$558,000.00. Directors and staff discussed the project and the bids received.

It was moved by Director Rose, seconded by Director Dion and carried 3-0 to accept the bid of Vinciguerra Construction in the amount of \$445,525.00 and to establish a change order contingency fund in the amount of \$50,000.00; and to authorize the General Manager to execute an agreement for the work.

2012 Baird Way, Kalamazoo Drive, Northlea Way 6-Inch and 8-Inch Water Main Replacement Project

CI Gordon presented a report on behalf of PM Dietrich on bids received to replace three existing 6-inch steel water mains, water services and fire hydrants along Baird Way east of Mariposa Avenue, Kalamazoo Drive east of San Juan Avenue, and Northlea Way between San Juan Avenue and Westgate Drive, in Citrus Heights. Project plans were prepared by Kennedy/Jenks Consultants and District staff and distributed to 11 contractors and three material suppliers for installation of approximately 920 lineal feet (lf) of 8-inch water main, 1,045 lf of 6-inch water main, 50 lf of 4-inch water main, 10

main valves, five fire hydrants, 30 water services and related appurtenances in the aforementioned project areas.

The District received eight sealed proposals on August 9, 2012, at which time proposals were opened and read publicly. The low bidder is Rawles Engineering, Inc. of Folsom, California. Bids received are as follows:

1. Rawles Engineering, Inc.	\$347,392.50
2. Vinciguerra Construction	\$352,705.00
3. Cal Sierra Construction	\$379,370.50
4. Lamon Construction	\$427,074.00
5. West Valley Construction	\$427,682.00
6. Martin General Engineering	\$440,686.00
7. JJM Engineering	\$485,038.00
8. Sierra National Construction	\$628,835.00

The District's pre-bid estimate for the project was \$394,000.00. Directors and staff discussed the project and the bids received.

It was moved by Director Rose, seconded by Director Dion and carried 3-0 to accept the bid of Rawles Engineering, Inc. in the amount of \$347,392.50 and to establish a change order contingency fund in the amount of \$40,000.00; and to authorize the General Manager to execute an agreement for the work.

2011 Old Auburn Road 18-Inch Water Transmission Main Extension Project

CI Gordon presented a report on behalf of PM Dietrich on bids received to extend an existing 18-inch water transmission main along Old Auburn Road from the west side of Sunrise Boulevard easterly to beyond the easterly side of Soquel Way, in Citrus Heights. Project plans were prepared by Bennett Engineering Services and the District staff and distributed to 14 contractors and three material suppliers for installation of approximately 921 lineal feet (lf) of 18-inch water main, one air/vacuum valve and related appurtenances in the aforementioned project area.

The District received eight (8) sealed proposals on August 8, 2012, at which time proposals were opened and read publicly. The low bidder is Teichert Construction of Roseville, CA. Bids received are as follows:

1. Teichert Construction	\$330,782.00
2. Lamon Construction Co., Inc.	\$350,007.00
3. Sierra National Construction	\$371,740.00
4. JJM Engineering	\$382,161.00
5. Vinciguerra Construction	\$398,920.00
6. West Valley Construction	\$399,700.00
7. Marques Pipeline	\$428,555.00
8. Martin General Engineering	\$496,663.00

The District's pre-bid estimate for the Project was \$348,000.00. Directors and staff discussed the project and the bids received.

It was moved by Director Rose, seconded by Director Dion and carried 3-0 to accept the bid of Teichert Construction in the amount of \$330,782.00 and to establish a change order contingency fund in the amount of \$40,000.00; and to authorize the General Manager to execute an agreement for the work.

Water Main Replacement Project – Inspection Services

CI Gordon presented a report on behalf of PM Dietrich on a proposed contract with ICM Group, Inc. to provide inspection services for the Livoti Tract and Baird Way, Kalamazoo Drive, Northlea Way Water Main Replacement Projects.

The scope and magnitude of these two projects will require a full-time inspector representing the interests of the District. Concurrently, the City of Citrus Heights is constructing several large improvement projects also requiring District inspection. The District does not have sufficient staffing to provide the needed level of contractor oversight and customer coordination.

The District worked successfully with the ICM Group last year on the Auburn Boulevard 12-inch Water Main Replacement Project. Their team is familiar with the District's construction specifications and work practices. ICM Group's all-inclusive proposed hourly rate reflects a 4.1 percent increase over last year's rate of \$73.00 per hour.

Proposed hourly rate: ICM Group, Inc. \$76.00 per hour

The projects will occur concurrently and will last no more than 128 calendar days, equal to 1,024 hours and an estimated expense of \$77,824.00. The District 2012 Capital Projects Budget includes \$129, 940.00 for outside inspection services for various projects. To date, \$31,265.00 has been expended leaving a balance of \$98,675.00. Directors discussed the proposed inspection services and contract with ICM Group.

It was moved by Director Dion, seconded by Director Rose and carried 3-0 to approve entering into a Professional Services Agreement for Inspection Services with the ICM Group, Inc. at an amount not to exceed \$80,000.00 and authorize the General Manager to execute the Agreement.

NEW BUSINESS

Training/Continued Education/Meetings

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

Proposition 50 Grant – Marketplace at Birdcage Project

AGM Kane and WEC Meurer presented a report on a proposed payment to Zuke's Landscape for water-efficiency equipment installed under a Proposition 50 grant project.

A Department of Water Resources (DWR) Urban Drought Assistance Grant was awarded to RWA's Regional Water Efficiency Program (RWEF) in December 2010. Grant funding comes from Proposition 50, the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002. CHWD is a participant in the grant project and was awarded \$10,000 for High Efficiency Clothes Washers and \$6,191 for Commercial-Industrial-Institutional (CII) incentives.

In June 2012, CHWD and Zuke's Landscape, a private landscape maintenance contractor, participated in a controller upgrade project for the Marketplace at Birdcage commercial property. WEC Meurer explained that the purpose of the controller upgrade is to reduce run-off and overall water use. The project involved installing two weather stations, three new smart controllers and upgrading of six existing controllers. The new controllers and controller upgrades will allow direct communication with the weather stations. The weather stations provide real-time weather data to the controllers to adjust watering times to match current weather conditions. Other features of the controllers include the ability to operate the system remotely via smart phone, automatic shut-off when high flows are detected and the ability to store data regarding controller operations. The project is expected to provide a water savings of between 20 and 40 percent. Directors were provided with photographs of the controllers and weather stations installed under the project.

The total cost of the project is \$5,630, with CHWD's grant-funded portion being \$3,378. A copy of the proposal by Zuke's to the Marketplace at Birdcage management company, Shelter Bay, was provided to Directors. CHWD reimburses Zuke's for the \$3,378 grant-funded portion and in turn, CHWD will be reimbursed this amount by DWR via the RWA program. The balance of the project cost, \$2,252, is Shelter Bay's responsibility. Directors and staff discussed the project and the grant funding process.

Marketplace at Birdcage also plans to conduct a second phase of this CII water efficiency project later this year that will involve installing almost 2,000 high-efficiency spray heads. Grant funding for this project will come from a separate Proposition 84 grant awarded to RWA's RWEF. The Directors requested a follow-up to be informed of the project's outcome.

It was moved by Director Rose, seconded by Director Dion and carried 3-0 to authorize payment of \$3,378.00 to Zuke's Landscape for Citrus Heights Water District's share of the Proposition 50 CII water efficiency project at Marketplace at Birdcage.

2013 Budgets and Water Rates

AGM Kane presented a report on major issues related to the draft Operating and Capital Improvement Budgets for 2013, and draft water rates for 2013. He noted that the purpose of discussion at this Board of Directors meeting is to provide direction to staff on budget parameters and the possible range of water rate adjustments for 2013.

The August Board meeting marks the start of the 2013 budget and water rate-setting

process. This process will conclude in November 2012 with adoption of 2013 operating and capital project budgets as well as water rates and charges for the coming year. AGM Kane noted that the budget and rate estimates presented in this report are planning-level estimates in very preliminary form. The estimates are believed to be close enough to the likely range of actual costs and revenue needs to allow the Board to consider a possible range of rate adjustments that can be refined as the budget and rate development process for 2013 moves forward.

Some key financial issues for Citrus Heights Water District for 2013 (and beyond) are:

- **Funds and reserves rebuilding.** The Board's rate-setting philosophy combined with significant spending cutbacks by the District in recent years has rebuilt total financial reserves to their highest level since 2001. The higher level of reserves is needed to support more reinvestment in the District's water system. Total funds and reserves currently stand at about \$8.8 million.
- **Economic conditions and rising operating costs.** The economic health of the region continues to struggle with unemployment, mortgage foreclosures and business closures. While there are promising signs of an upswing in economic activity, the level of account delinquencies suggests that some customers are still struggling to make ends meet. Many District costs of operation have risen and are expected to rise further in 2013, including labor and benefits, materials for repair and maintenance of the distribution system, fuel costs, power for pumping groundwater and costs related to customer service such as payment processing costs.
- **Current water rates will not support future needs.** CHWD made significant budget reductions in 2009 and 2010, including deferring major capital expenditures. Spending on operations increased slightly for 2011 and 2012, and capital spending took a significant jump in 2012 as the District began addressing the backlog of deferred pipeline replacement and improvement projects. Overall the District continues to be very lean in both its operations and its capital reinvestment. In spite of rising costs, the CHWD Board of Directors held water rates at 2011 levels for 2012, taking advantage of one-time revenues from a refund from San Juan Water District for wholesale meter project costs to help cushion the effect of higher operating costs without a rate increase. The District's 2012 typical single-family residential water charges are approximately 22 percent below the average of 18 other similar agencies in the Sacramento region. At a minimum, a modest increase in rates is needed to continue to maintain services at their current level and to build reserves to provide for planned capital spending of \$4.71 million in 2013. During the 2012 budget and rate deliberations, the Board discussed a possible series of 3 percent annual rate adjustments from 2013 through 2016. More recent projections reveal that annual rate adjustments in the 4 percent range may be necessary.
- **Service Charges vs. Commodity Charges.** The District has not changed the service charge component of its rates since 2009 while increasing the commodity cost of water consumed in 2009, 2010 and 2011. The Directors may wish to

consider whether they want to continue this practice. Continuing to increase only the commodity cost of the water may provide an incentive for customers to limit or decrease their water demand in support of the State-mandated 20% by 2020 reduction requirement. However, as the commodity cost continues to represent a larger share of the District's overall revenues, the District becomes subject to more substantial swings in revenue from changes in water consumption due to extended rainy seasons, drought or economic downturn. As an example, water consumption for January – July 2011 was over 12 percent below consumption for the same period in 2012, primarily because 2011 had an extended rainy season and a relatively cool summer.

- **One-time revenues from SJWD.** CHWD received \$893,000 in one-time revenues in late 2011 from San Juan Water District from the reallocation of costs for the installation of wholesale water meters that took place several years ago. The remaining “installment” on this reallocation, in the amount of \$253,000, is expected in late 2012. This amount has been included in preliminary revenue projections for 2013.

For discussion purposes, staff has assumed a 4.0 percent rate increase for 2013. After levying no increase in the bi-monthly service charge since 2009, staff is proposing an across-the-board percentage increase for both bi-monthly service charges and commodity charges. Some very preliminary budget and rate projections are presented to provide a framework for initial discussion and guidance for preparation of budget and rate projections to be presented at the Board's annual Budget and Water Rate Workshop on September 11, 2012.

The preliminary estimate for the 2013 Operating Budget is \$9.65 million, an increase of \$371k from the 2012 budget (4%). Major issues for 2012 include: salary COLA/merit increases (June 2012 CPI = 2.0%); health insurance benefit cost increases estimated at \$38,000 (10%); no increase in cost of purchased water from SJWD; cost of groundwater to reduce with planned reductions in pumping offset by higher SMUD rates; payment processing increases as more customers use credit cards; CalPERS increases; increased regulatory compliance costs such as permitting, NPDES, air quality, water conservation; cost of field operations (materials, tools, fuel) continue to climb.

The preliminary estimate for the 2013 Capital Improvement Budget is \$4.71 million in new capital spending. Projects for 2013 are anticipated to include the following: Distribution main replacements (\$577,000); meter and fire hydrant replacements (\$176,000); new groundwater well construction (\$2.4 million); water service replacements (\$350,000); information system component replacements (\$120,000); and new 24-inch transmission main, San Juan High School west to Sylvan Road (\$384,000).

For discussion purposes, staff has proposed an increase in service charge and commodity rates by 4.0 percent for 2013. Significant issues regarding water rates and charges for 2013 include: No increase in SJWD treated water rate could call into question need to increase rate to CHWD customers; District financial reserves strongest since 2001, overall rate increase of 4.0% increases total revenues by \$367,000 plus probable one-time

revenue of \$253,000 from SJWD; even with 4.0 percent rate increase and additional revenue from SJWD, estimated expenditures will exceed revenue by \$2.07 million; continue annual contributions to Depreciation Reserve; capacity fee income is still expected to remain low.

A 4 percent increase in the bi-monthly service charge would raise the bi-monthly rate for most District customers with 1-inch meters from \$50.04 to \$52.04, a bi-monthly increase of \$2.00 (\$1.00 per month). Bi-monthly service charges for other size meters would increase in the same proportion.

A 4 percent increase in per-unit water charges would result in the following increases (Tiers shown are for 1-inch metered service):

Tier 1 (1 to 52 units)	2012: \$0.6751	2013: \$0.7021
Tier 2 (53 to 104 units)	2012: \$0.7944	2013: \$0.8262
Tier 3 (105+ units)	2012: \$0.8700	2013: \$0.9048

The District must provide written notification of proposed water rate adjustments to all property owners within the District in accordance with the requirements of Proposition 218. The notification must be received a minimum of 45 days in advance of the public hearing where the rate adjustments are to be considered. If the Board elects to consider an adjustment in water service charges or commodity charges for 2013, the District must prepare and mail a Proposition 218 notification by September 27, 2012 in order to meet the notification requirement for a public hearing at the Board's November 13, 2012 meeting.

The cost of the Proposition 218 notification mailing is estimated to be under \$7,000 using the one-page "self mailer" format that has been used by the District in prior years. Miscellaneous charges and fees that apply to specific services provided by the District, such as plan check and inspection charges, service installation charges and capacity fees, are not subject to Proposition 218 notification requirements.

Directors and staff discussed the preliminary budget and rate information presented. Directors expressed general agreement that the District needs to continue to increase revenues to maintain a high level of service and provide for replacement and upkeep of the District's water system to ensure safe and reliable water service for customers.

Directors discussed the issue of setting rates to accomplish a ratio of 70 percent commodity revenue versus 30 percent service charge (fixed) revenue. This ratio is set forth in the California Urban Water Conservation Council's (CUWCC) Best Management Practice (BMP) 1.4 related to retail conservation pricing. AGM Kane explained that CHWD complies with BMP 1.4 using an alternative method allowed by the CUWCC called the Canadian Model. He further explained that the Canadian Model provides a way to calculate conservation pricing that is more reasonable for agencies such as CHWD that have a lower cost of water compared with other operating and capital costs.

Directors inquired as to whether the District was at risk of penalties or other consequences for not meeting the 70-30 ratio. AGM Kane replied that the District is currently in compliance with BMP 1.4 without meeting the 70-30 ratio. If the requirements were to change at some future point where it becomes an absolute requirement to have water rates that achieve this ratio, the District would likely have to consider a complete restructuring of its rates. He noted that other water agencies that had met the 70-30 ratio were experiencing serious revenue shortfalls due to declines in water consumption. CUWCC is undertaking a review of BMP 1.4, and there appears to be an awareness statewide that the 70-30 formula is not a workable approach to rates for many agencies. Directors expressed agreement that the District needed to be cautious in further increasing the commodity cost of the water relative to the fixed service charge that supports ongoing District operations.

Director Rose expressed that he would like to see a 2 percent and 3 percent water rate alternative prepared for the Board's upcoming Public Workshop on 2013 budgets and rates in September in addition to the 4 percent alternative. He also expressed that he would like to see other agencies that benefit from CHWD's groundwater wells pay a greater share for the cost of those wells.

Director Dains stated that in setting rates, the District needs to take into consideration the continuing financial pressures on customers that are causing higher levels of delinquencies and collection disconnects on customer water accounts.

AGM Kane stated that input from Directors will be used to refine the preliminary budget and rate proposals to be presented at the September 11, 2012 Board workshop.

WEC Meurer and OA Peters left the meeting at 8:25 p.m.

Conflict of Interest Code – FPPC 2012 Multi-County Agency Biennial Notice

GM Churchill presented a report on proposed amendments to the District's Conflict of Interest Code Policy 1035. As a multi-county agency, Citrus Heights Water District is required to review its Conflict of Interest Code on a biennial basis and report its determination to the Fair Political Practices Commission (FPPC). Substantive amendments to the District's Code were undertaken as part of the 2006 review process and subsequently approved by the FPPC in June 2007. It was determined and reported that no Code amendments were necessary in 2008 and 2010.

Current review of the District's Conflict of Interest Code indicates that three of the position titles contained in the Code's "Exhibit A – Designated Officials and Employees" have been revised as follows:

<u>Former Position Title</u>	<u>Revised Position Title</u>
Water Distribution Foreman	Water Distribution Supervisor
Purchasing/Inventory Specialist	Purchasing Specialist
Water Quality Specialist	Water Quality Supervisor

The FPPC considers these amendments to be non-substantive.

Directors were provided with a draft of the District's 2012 Multi-County Agency Biennial Notice proposed to be filed along with the amended code with the FPPC noting the non-substantive amendments previously mentioned. Directors and staff discussed the biennial notice and the proposed amendments to the District's Conflict of Interest Code Policy. Directors were also provided with a copy of Appendix A to Policy 1035 with proposed amendments shown.

It was moved by Director Rose, seconded by Director Dion and carried 3-0 to amend Appendix A to the District's Conflict of Interest Code Policy 1035 to revise the position titles of three designated employees and authorize filing a notice of same with the Fair Political Practices Commission.

PROJECT MANAGER'S REPORT

CI Gordon presented a report on behalf of PM Dietrich on the following activities during the month of July 2012 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 Livoti Tract 8-Inch Water Mains, the Baird/Northlea/Kalamazoo 8-Inch and 6-Inch Water Mains, the Antelope Road 8-Inch and 24-Inch Water Mains and the Old Auburn Road 18-Inch Water Main;
- District Capital Improvement Projects currently under construction by contractors; and
- Design coordination underway with the City of Citrus Heights on the City's Mariposa Avenue Safe Sidewalks to School Project, the Auburn Boulevard Joint Trench Utility Undergrounding Project, the Sunrise Boulevard Complete Streets Improvement Project, the Antelope Road Sidewalk and Storm Drain Improvements Project, and the Auburn Boulevard Resurfacing Project.

OPERATIONS MANAGER'S REPORT

GM Churchill reported as follows on the behalf of OM Townsel who was out of the meeting room at that time while walking OA Peters to her car.

1. A total of 100 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 90 samples, have met all California Department of Public Health requirements.

OM Townsel returned to the meeting.

2. District-wide water consumption for the calendar year 2012 through the end of July 2012 was 8,005.49 acre-feet, a decrease of 8.3 percent compared with the average annual water consumption during the previous five years, 2007-2011.

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 Rose reported on a meeting of the Sacramento Groundwater Authority (SGA) that he attended recently along with Director Dains and GM Churchill.

Director Rose reported on recent matters of interest regarding the City of Citrus Heights.

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

ASSISTANT GENERAL MANAGER'S REPORT

AGM Kane reported as follows:

1. Directors were provided with a summary of Water Efficiency Program activities during the month of July 2012, including the number of ultra-low-flush toilet rebates and high-efficiency clothes washer rebates issued.
2. AGM Kane has been appointed Vice-Chair of the Association of California Water Agencies Personnel and Benefits Committee. He reported on a Committee meeting that he attended recently via teleconference.
3. Recruitments for four employee positions (Senior Engineering Technician; Engineering Technician, Water Quality Technician and Water Distribution Operator) are now complete. The fourth and final candidate started work as Water Distribution Operator with the District on August 6, 2012.
4. Directors were provided with information on District water accounts that are in disconnect status (not receiving water). A report on meter route totals for early July 2012 shows a total of 253 accounts in disconnect status, out of a total of 19,566 accounts. Of these 253 accounts, 184 are in "maintenance disconnect" status, meaning that the accounts have been shut off at the property owner's request due to no one living at or occupying the property. The remaining 69 accounts are in "collection disconnect" status, meaning that service has been shut

off due to a delinquent payment account in accordance with District policy. The percentage of accounts in disconnect status as of the July 2012 report is about 1.3 percent of all District water accounts.

5. AGM Kane reported on the most recent Water Forum Flow Management Standard (FMS) Steering Committee Meeting on July 23, 2012. The focus of the meeting was discussion of the benefits and intended outcomes of the FMS, and comparisons of the currently-proposed FMS with past and current management of flows on the Lower American River. Significant issues remain to be resolved before the goal of taking the FMS to the State Board for adoption can be realized.

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 July 2012. 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.
3. A list of qualified candidates for the November 2012 District Election for CHWD Director was provided. The two candidates for Director, Division 1 are David Goforth and Charles T. Rose. Directors were also provided with information on qualified candidates for other nearby water district Boards of Directors.

CORRESPONDENCE

Correspondence was discussed and ordered filed as follows:

1. Press release from the California Natural Resources Agency announcing the path forward for the Bay Delta Conservation Plan (BDCP).
2. Statement from the Regional Water Authority and the Northern California Water Association responding to the recent announcement from the California Natural Resources Agency regarding the BDCP.
3. Letter from Robert C. Renner, Executive Director, Water Research Foundation, thanking CHWD for its financial support of the Foundation and providing a 2012 certificate of participation.

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