

CITRUS HEIGHTS WATER DISTRICT  
BOARD OF DIRECTORS REGULAR MEETING  
June 11, 2013

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  
David L. Goforth, Vice President  
Allen B. Dains, Director  
Robert A. Churchill, General Manager  
David B. Kane, Assistant General Manager  
John J. Townsel, Operations Manager  
Paul A. Dietrich, Project Manager  
David M. Gordon, Construction Inspector  
Timothy R. Cutler, Water Distribution Supervisor

VISITORS

Andrew Soule, General Manager, California-American Water Company  
Denise Soule, wife of Andrew Soule  
Deana Donohue, Project Delivery Manager, California-American Water Company  
Evan Jacobs, External Affairs Manager, California-American Water Company  
Robert J. Churchill, CHWD customer

Director Dion led the Pledge of Allegiance.

PUBLIC COMMENT

None.

CONSENT CALENDAR

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

- 1) Minutes of the Regular Meeting of May 14, 2013.
- 2) Assessor/Collector's Report for May 2013.
- 3) Assessor/Collector's Cancellation Letter for May 2013.
- 4) Treasurer's Report for May 2013.
- 5) Bills to be Paid for May 2013.
- 6) Approve CAL-Card Purchases for May 2013.
- 7) Summary of 2013 Directors, Officers and Employees Training, Seminars and Conference Expenses.

## PRESENTATION

### California-American Water Company Water Storage Tank

Andrew Soule, General Manager with California-American Water Company (CAWC), delivered a presentation on the proposed construction of a 1.5 million gallon water storage tank northeast of San Juan Avenue and Madison Avenue in Citrus Heights within the CHWD boundary. He was assisted by CAWC staff members Dana Donohue, Project Delivery Manager, and Evan Jacobs, External Affairs Manager.

Mr. Soule discussed the need for the water storage tank and CAWC's efforts to find a suitable site for the tank. He identified and showed a map of the proposed site on a vacant parcel of land at 5444 San Juan Avenue, east of the existing Kindercare facility. He discussed the possible size and height of the tank and measures that would be taken to reduce the visual or audible impact of the tank to the surrounding residential properties.

Mr. Soule, Ms. Donohue, Directors and staff discussed the proposed water storage tank. Directors stated that they encourage CAWC to do public outreach to the surrounding area during the planning and design process. Mr. Soule indicated that a public outreach effort would be undertaken. Directors also would like to CAWC to post ample signage around the site to identify it as a CAWC facility to avoid any confusion due to its presence within CHWD's service area. Mr. Soule indicated that clear signage would be planned, and that such signage is generally a feature at all CAWC facilities.

Directors thanked CAWC staff for keeping them informed about the proposed project. Mr. Soule stated that CAWC will continue to keep CHWD informed as the project progresses.

Mr. and Mrs. Soule, Ms. Donahoe, and Mr. Jacobs left the meeting at 6:53 p.m.

## PUBLIC HEARING

### Water Quality Public Health Goals

OM Townsel presented a report on a recently-completed District report relative to water quality public health goals. Provisions of the California Health and Safety Code, Section 116470 (b), specify that public water systems serving more than 10,000 service connections such as Citrus Heights Water District (CHWD) must prepare a special report by July 1, 2010 and every three years thereafter. This report must give information on the detection of any constituents above the Public Health Goals (PHG) published by the State Office of Environmental Health Hazard Assessment (OEHHA) which is part of Cal EPA. The report must be provided and made available at a public hearing of the District on or prior to said date. The law also requires that where OEHHA has not adopted a PHG for a constituent, the water suppliers are to use the Maximum Contaminant Level Goals (MCLGs) adopted by United States Environmental Protection Agency (USEPA). Only constituents which have a California primary drinking water standard and for which either a PHG or MCLG has been set are to be addressed. Directors were provided with a

table of all detected regulated constituents with the Maximum Contaminant Levels (MCLs) and PHGs or MCLGs, and also provided with a copy of Section 116470 of the California Health and Safety Code.

OM Townsel explained that these reports are unique to California. They are required in addition to the extensive public reporting of water quality information that California water utilities have been doing for many years and in addition to the federally-mandated annual Consumer Confidence Reports/Water Quality Reports.

In compliance with the California Health and Safety Code, the District previously prepared a PHG Report dated March 5, 2010, conducted a Public Hearing on June 8, 2010 and ordered the Report filed. Directors were provided with a copy of the District's PHG Report dated June 3, 2013.

Director Dion opened the Public Hearing to receive public comment. No public comment was received. Director Dion closed the Public Hearing. Directors and staff discussed the report.

It was moved by Director Dains, seconded by Director Goforth and carried 3-0 to receive the report on Water Quality Public Health Goals and order it to be retained on file by the District.

## OLD BUSINESS

### Old Auburn Road 18-Inch Water Transmission Main Installation Project

PM Dietrich presented a report on the completion of the Old Auburn Road 18-Inch Water Transmission Main Extension Project No. 2011-17. On August 23, 2012, a contract was executed between Citrus Heights Water District and Teichert Construction for installing approximately 921 lineal feet (lf) of 18-inch water main, one air/vacuum valve and related appurtenances along Old Auburn Road from the west side of Sunrise Boulevard easterly to beyond Soquel Way in Citrus Heights.

The District's preliminary cost estimate for this project was \$348,000.00. On August 14, 2012 the Citrus Heights Water District Board of Directors accepted the low bid from Teichert Construction for \$330,782.00 and established a change order contingency fund in the amount of \$40,000.00. The amount paid the contractor was \$368,755.03 for material, labor and equipment.

The amount paid includes seven change orders resulting from replacement of an interconnecting 12-inch water valve, changes in alignment to clear existing utilities, and flushing of the existing dead-end main which contained large amounts of sediment. All of the work occurred at night in the intersection of Sunrise Boulevard and Old Auburn Road. Teichert Construction completed the work on May 15, 2013. Directors and staff discussed the project and the change orders that required expenditure of part of the contingency fund.

It was moved by Director Goforth, seconded by Director Dains and carried 3-0 to Adopt Resolution 10-2013 Accepting the Old Auburn Road 18-Inch Water Transmission Main Extension Project No. 2011-17 and authorize the District Secretary to execute and record a Notice of Completion for the Project.

#### Antelope Road Water Main Replacement Project

PM Dietrich presented a report on the completion of the Antelope Road Water Main Replacement Project No. 2011-06. On July 10, 2012, the CHWD Board of Directors approved a Cooperative Agreement with the City of Citrus Heights for water main replacement, relocation and installation work in conjunction with the City's 2011 Antelope Road Accessibility and Safety Improvement Project – Lauppe Lane to Auburn Boulevard; and authorized the General Manager to execute the Agreement.

CHWD's portion of the project included installing approximately 140 lineal feet (lf) of 24-inch water main crossing Antelope Road at Lauppe Lane and 258 lf of 8-inch water main and related appurtenances from Lauppe Lane easterly along Antelope Road in Citrus Heights.

The total authorized project budget for construction was \$166,800.00. On June 3, 2013 an invoice was approved for \$164,076.96 from the City of Citrus Heights for Citrus Heights Water District's entire portion of the project.

The amount paid includes the original bid amount of \$138,050.00 and three change orders totaling \$26,026.96 resulting from additional potholing to locate a 24-inch valve and changes in alignment to clear existing utilities. Much of the work occurred at night in the intersection of Antelope Road and Lauppe Lane. McGuire and Hester, the City's contractor on the project, successfully completed the work on December 13, 2012. Directors and staff discussed the project. PM Dietrich noted that no action by the Board to accept the project is required since the project was contracted by the City of Citrus Heights.

#### Long-Range Financial Plan

AGM Kane presented an update on the project to develop a long-range financial plan for the District. At its May 14, 2013 meeting, the Board of Directors approved an agreement with NBS Government Finance Group for professional services to develop a long-range financial plan and a new water rate model. The agreement was subsequently executed with NBS and a kickoff meeting with NBS Project Manager Greg Clumpner was held on May 28, 2013. District staff has been providing a large volume of detailed financial information to NBS for use in analyzing the District's current rate structures, financial policies and related matters.

As set forth in NBS's scope of work, a meeting with the Board of Directors, District staff and Mr. Clumpner will be held to present some preliminary findings from NBS' analysis and to discuss possible rate structure alternatives that the Board may wish to consider.

The Board's input at this meeting will focus the consultant's efforts on preparing a more detailed cost-of-service analysis and rate design alternatives for future consideration by the Board. Directors and staff discussed possible dates and times for a Special Meeting of the Board of Directors to discuss rate structure alternatives and other long-range financial planning issues.

It was moved by Director Goforth, seconded by Director Dains and carried 3-0 to call for a Special Meeting of the Board on July 2, 2013 at 10:00 a.m. to discuss financial planning issues.

#### Skycrest Groundwater Well

GM Churchill presented a report on the purchase of the Skycrest Groundwater Well site from San Juan Unified School District (SJUSD) and the environmental compliance phase of the proposed Skycrest Groundwater Well.

At the May 14, 2013 SJUSD Board of Education Meeting, SJUSD held a public hearing and approved the sale to CHWD of 1.3 acres of land at the Skycrest Elementary School site for a CHWD Groundwater Well. The terms of the sale were based upon a property appraisal completed by Pattison & Associates at CHWD's request. The appraised value for the 1.3 acres is \$128,000. CHWD is also to reimburse SJUSD a lump sum of \$2,000 for their staff time and pay all other costs associated with transfer of the property. At the recommendation of legal counsel, an escrow account has been opened with Placer Title Company. Placer Title Company's Estimated Settlement Statement totals \$131,552.00. The budget for this property purchase is \$250,000.00.

The District retained the firm of Environmental Planning Partners for \$18,830 to prepare the California Environmental Quality Act (CEQA) environmental documentation and preliminary drinking water source assessment plan (DWSAP) for this project. This firm provided similar services for the Bonita Way Well project. The CEQA Documentation has been completed and a Mitigated Negative Declaration was filed with the State of California Clearinghouse on May 22, 2013 to begin a 30-day comment period. The preliminary DWSAP has also been completed. The budget for this work is \$30,000.00. Directors and staff discussed the property purchase and the CEQA work on the project.

It was moved by Director Dains, seconded by Director Goforth and carried 3-0 to authorize payment to Placer Title Company in the amount of \$131,552.00 for purchase of the Skycrest Groundwater Well site.

#### San Juan Water District / Sacramento Suburban Water District Joint Meetings

GM Churchill presented a report on information regarding San Juan Water District (SJWD) and Sacramento Suburban Water District (SSWD) Joint Meetings. Board of Directors Members and General Managers of the SJWD and SSWD have been conferring for a period approaching two years to discuss water supply issues. The initial meetings were 2 x 2 Ad Hoc Committee Meetings with two Board Members of each agency and

managers from the two agencies participating. A Joint Meeting of the full five-member Boards of each agency was convened at SSWD on the evening of March 21, 2013 with presentations by the General Managers and discussion by the Boards.

Since the date of the initial Joint Board Meeting, two 2 x 2 Ad Hoc Committee meetings were held. Directors Dion and Goforth and GM Churchill attended the April 22, 2013 Committee Meeting and AGM Kane attended the May 21, 2013 Committee Meeting. Directors were provided with a copy of the meeting agenda and handouts for the May 21, 2013 Committee Meeting.

Directors and staff discussed the meetings and ongoing discussions between SJWD and SSWD. Directors were informed of an upcoming Joint Board of Directors Meeting at Sacramento Suburban Water District.

## NEW BUSINESS

### Training/Continued Education/Meetings

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

### Reschedule September 10, 2013 Board of Directors Meeting

GM Churchill delivered a report on the possible rescheduling the September 2013 Board of Directors Meeting. The September Board of Directors Meeting agenda has typically included the annual Public Workshop for the next calendar year's Operating and Capital Budgets and Water Rates Charges and Fees. Board President Dion is not available for this meeting and it is important that all three Directors be in attendance to participate in the Workshop.

The meeting is still several months away; however, determining the date is imperative at this time such that it can be published in the pending edition of the District's WaterLine newsletter. Directors and staff discussed possible alternative dates for the September 2013 Board Meeting.

It was moved by Director Dains, seconded by Director Goforth and carried 3-0 to reschedule the September 2013 Board of Directors Meeting from Tuesday, September 10, 2013 at 6:30 p.m. to Tuesday, September 3, 2013 at 6:30 p.m.

### Proposition 84 Water Efficiency Grant Funding Agreement

AGM Kane presented a report on a proposed Project Agreement with the Regional Water Authority for grant funding under the Sacramento Regional Exterior Water Use Surveys and Upgrades Project being performed with Proposition 84 funds. In November 2006, California voters approved Proposition 84 which provides funding for the Integrated Regional Water Management Program among other provisions. Funding for the

Sacramento Regional Exterior Water Use Surveys and Upgrades Project was awarded to the Regional Water Authority's (RWA) Regional Water Efficiency Program (RWEF) through the California Department of Water Resources (DWR) Proposition 84 Implementation Grant Project.

As a member of the RWA-RWEF, Citrus Heights Water District participated in the development of the grant application and is eligible for funding under the project that is administered by RWA. CHWD is eligible for \$15,902.50 of the total \$218,407.00 in grant funds available under the project. Of CHWD's amount, \$13,000.00 is targeted for incentives that could be in the form of conservation retrofits to residential households, upgrades to irrigation systems and similar incentives. The remaining \$2,902.50 is allocated for water use surveys to identify areas of potential water savings for both residential and large landscape customers.

The grant agreement sets forth certain requirements of receiving the grant funds including required documentation and certain workplace requirements of the State of California. RWA administers the grant including submissions for reimbursement from DWR and disbursement of grant funds. The grant does not require any matching funds from CHWD. However, as with similar grant-funded projects in the past, CHWD may recommend reimbursing project participants in advance of CHWD receiving the grant funds from DWR, which often takes many months after reimbursement requests are submitted. CHWD and other project participants have until June 1, 2016 to complete work under the project. Directors and staff discussed the Project Agreement and the types of water efficiency improvements that may be performed with the grant funds.

It was moved by Director Dains, seconded by Director Goforth and carried 3-0 to authorize the General Manager to execute the Project Agreement for the Sacramento Regional Exterior Water Use Surveys and Upgrades Project with the Regional Water Authority.

#### General Manager Compensation

Director Dion stated that this item of business would best be moved to be considered after the Closed Session item on Public Employee Performance Evaluation for the General Manager.

It was moved by Director Goforth, seconded by Director Dains and carried 3-0 to move the agenda item on General Manager Compensation to follow the Closed Session on the agenda.

#### PROJECT MANAGER'S REPORT

PM Dietrich presented a report on the following activities during the month of May 2013 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 Old Auburn

Road 18-Inch Water Main and Mariposa Avenue 12-Inch Water Main project; the Palm Avenue 12-Inch Water Main, Castle Street 8-Inch Water Main and Kilborn Drive/Ronnie Street/Billie Street 8- and 6-Inch Water Mains project; the Northgrove Way 6-Inch Water Main and Walnut Drive 8-Inch Water Main project; the Mariposa Avenue 24-Inch Water Main and San Juan High School 24-Inch Water Main project; the Old Auburn Road 14-Inch Water Main project; and the Park Drive 8-Inch Water Main and Poplar Avenue 8-Inch Water Main project;

- District Capital Improvement Projects currently under construction by contractors; and
- Design coordination underway with the City of Citrus Heights on the City's Sunrise Boulevard Complete Streets Improvement Project, the Auburn Boulevard Joint Trench Utility Undergrounding Project, and the Watson Way Drainage Improvement 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:

Single Family Residence at 8199 Niessen Way, Fair Oaks  
One 1-inch metered water service.  
Value: \$ 2,000.00

#### OPERATIONS MANAGER'S REPORT

OM Townsel reported as follows:

1. A total of 275 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 72 samples, have met all California Department of Public Health requirements.
2. District-wide water consumption for the calendar year 2013 through the end of May 2013 was 4,661.59 acre-feet, an increase of 5.8 percent compared with the average annual water consumption during the previous five years, 2008-2012.

Director Dion called a recess to the meeting at 7:40 p.m. OM Townsel, PM Dietrich, CI Gordon, WDS Cutler and customer Churchill left the meeting.

Director Dion reconvened the meeting at 7:47 p.m.

#### DIRECTOR'S AND REPRESENTATIVES REPORTS:

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



Director Dains reported on an upcoming meeting of the Sacramento Groundwater Authority (SGA).

Director Dion reported that the San Juan Water District Executive Committee for the month of May 2013 had been cancelled.

Directors were provided with information from the Association of California Water Agencies (ACWA) regarding nominations for candidates for the offices of President and Vice President.

#### 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 May 2013, including the number of ultra-low-flush toilet rebates issued. It was noted that the number of "water waste" calls requiring investigation by the Water Efficiency Coordinator has increased dramatically with the advent of hot weather.
2. The recruitment to fill the position of Water Distribution Lead Worker/Operator that has been vacated by Nick Spiers' promotional appointment is underway. The application period closed on May 20, 2013. The seven most qualified applicants were invited to interviews that were conducted on June 5, 2013. The results of those interviews are pending further deliberation and possible testing of the most highly-ranked candidates.
3. Production of the next edition of the District's WaterLine newsletter continued during the month. A "design comp" version of the newsletter has been produced by the newsletter consultant. The Summer 2013 WaterLine is tentatively scheduled to be delivered to customers in early July 2013.

#### GENERAL MANAGER'S REPORT

GM Churchill reported as follows:

1. Nineteen District employees received recognition for superior attendance, outstanding customer service and quality of work during the month of May 2013. Directors were provided with a list of the employees and items for which each received recognition. Pursuant to the District's Recognition and Rewards Program Policy No. 4105, now in its ninth year, District employees earned monetary rewards ranging from \$200 to \$1,900 for superior attendance, outstanding customer service and quality of work during 2012 as determined by the General Manager. The total amount paid out in May 2013 for performance was \$38,000; an average of \$1,267 per eligible employee.

2. A list of the General Manager's significant assignments and activities was provided.

### CORRESPONDENCE

Correspondence was discussed and ordered filed as follows:

1. Electronic mail (e-mail) correspondence received from CHWD customer Marv and Sandy Kimbrell dated June 10, 2013, inquiring about the length of time required to receive the final bill on their account. A written response from CHWD was also provided.

### CLOSED SESSION

Pursuant to subdivision (b)(3)(A) of Government Code Section 54956.9 (one case), Anticipated Litigation, significant exposure to litigation, the Board of Directors convened in Closed Session at 8:03 p.m. to receive a report from District Legal Counsel Judy Albiez. Directors Dains, Dion and Goforth, GM Churchill, and AGM Kane were in attendance.

President Dion reconvened the meeting into Open Session at 8:11 p.m. He reported that no action was taken by the Board in Closed Session.

AGM Kane left the meeting at 8:12 p.m.

Pursuant to Government Code Section 54957, Public Employee Evaluation, the Board of Directors convened in Closed Session at 8:13 p.m. for the purpose of conducting a performance evaluation of the General Manager. Directors Dains, Dion and Goforth and GM Churchill were in attendance.

President Dion reconvened the meeting into Open Session at 8:35 p.m.

President Dion reported that that the Board met with GM Churchill for the purpose of evaluating his performance and that of the District. He reported GM Churchill's performance "exceeds expectations" and that the Board was pleased with the leadership and staff of the District. Topics discussed during the evaluation included personnel management, interagency involvement, facility planning and finance.

### NEW BUSINESS continued

#### General Manager Compensation

GM Churchill presented a report on consideration of a salary adjustment for the General Manager. Information on the General Manager's employment history with the District was provided along with current salary information and salary adjustment alternatives for consideration by the Board. It was noted that the Board of Directors typically conducts

an annual review of the General Manager's performance and adjusts compensation as it deems appropriate.

Directors were provided with copies of the District's Employee Evaluation Form, the General Manager's Job Description, and information regarding Accomplishments in 2012 prior to the Board meeting.

Mr. Churchill's current hourly salary is 91.53 percent of the position's range of \$58.48 to \$79.13 per hour. An increase of 4.10 percent, inclusive of the 2.5 percent cost-of-living adjustment that was applied to all CHWD employee salaries in January 2013, is included in the 2013 Operating Budget.

Directors discussed possible salary adjustments for the General Manager.

It was moved by Director Goforth, seconded by Director Dains and carried 3-0 to adjust the General Manager's salary to rate of \$78.62 per hour, a 1.60 percent salary merit increase to General Manager's current salary, effective June 3, 2013.

#### 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 8:57 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