

CITRUS HEIGHTS WATER DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
July 9, 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
John J. Townsel, Operations Manager
Paul A. Dietrich, Project Manager

Assistant General Manager David B. Kane was not present due to pressing family matters.

VISITORS

Judith K. Albietz, Legal Counsel, Albietz Law Firm
Paul Phillips, Legal Counsel, The Phillips Law Offices

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 June 11, 2013.
- 2) Assessor/Collector's Report for June 2013.
- 3) Assessor/Collector's Cancellation Letter for June 2013.
- 4) Treasurer's Report for June 2013.
- 5) Bills to be Paid for June 2013.
- 6) Approve CAL-Card Purchases for June 2013.
- 7) Summary of 2013 Directors, Officers and Employees Training, Seminars and Conference Expenses.
- 8) Settlement of Shoob-Allen Claim for Property Damage in the amount of \$1,026.00
- 9) Minutes of the Special Meeting of July 2, 2013.

CLOSED SESSION

Pursuant to subdivision (b)(3)(A) of Government Code Section 54956.9 (two cases), Anticipated Litigation, significant exposure to litigation, the Board of Directors convened in Closed Session at 6:36 p.m. Directors Dains, Dion, Goforth, GM Churchill and Legal Counsels Albietz and Phillips were in attendance.

President Dion reconvened the meeting in Open Session at 7:18 p.m. He reported that no reportable action was taken by the Board in Closed Session.

Legal Counsels Albietz and Phillips left the meeting at 7:22 p.m.

OM Townsel and PM Dietrich rejoined the meeting at 7:25 p.m. along with Water Distribution Supervisor Timothy R. Cutler and Bob Klousner of Environmental Planning Partners.

OLD BUSINESS

Northgrove Way / Walnut Drive Water Main Replacement Project

Project Manager Paul Dietrich presented a report on bids to replace existing 6-inch steel water mains on Northgrove Way between Westgate Drive and Northlea Way and on Walnut Drive between Auburn Boulevard and Holly Drive in Citrus Heights. Project plans were prepared by KASL Consulting Engineers and the District Engineering Department and distributed to nine contractors and three material suppliers. The work involves the installation of approximately 1,255 lineal feet (lf) of 8-inch water main, 1,052 lf of 6-inch water main, 50 lf of 4-inch water main, 12 main valves, 2 fire hydrants, 40 water services, and related appurtenances in the aforementioned project area.

The District received three (3) sealed proposals on July 2, 2013, 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. | \$399,777.75 |
| 2. GM Construction | \$473,570.00 |
| 3. Cal Sierra Construction | \$516,306.00 |

The District also received two additional proposals that were incomplete and deemed non-responsive. The District's budget estimate for the Project was \$333,795.00. Directors and staff discussed the project and the bids received.

It was moved by Director Goforth, seconded by Director Dains and carried 3-0 to accept the bid of Rawles Engineering, Inc. in the amount of \$399,777.75; 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.

Skycrest Well Project

GM Churchill presented a report on the environment compliance phase of the Skycrest Well Project. The District retained the firm of Environmental Planning Partners to prepare the California Environmental Quality Act (CEQA) documentation for the Skycrest Well Project. The CEQA Documentation was 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 comment period closed on June 20, 2013 with comments received from the Central Valley Regional Water Quality Control Board (CVRWQCB). The comments from the CVRWQCB raised no issues regarding the environmental information or conclusions presented in the Initial Study/Mitigated Negative Declaration for the Skycrest Well project. The comments did provide a list of potential permits under the Regional Board's jurisdiction for a generic well project. Impacts to water quality, including necessary permits, were evaluated in Section IX, *Hydrology and Water Quality*, of the Initial Study/Mitigated Negative Declaration. The assessment noted that the Citrus Heights Water District (District) would submit a Notice of Intent to obtain coverage under the Construction Storm Water General Permit, and implement all Permit requirements. Similarly, as documented in Section IX, the District is aware of, and will comply with, its obligations under the applicable MS4 permit with respect to the discharge of pollutants and runoff flows. The other permits listed in the comment are inapplicable to the proposed Skycrest Well project since all storm water discharges would be to an existing municipal storm drain system, and no wetlands or other waters of the United States exist on or adjacent to the project site. Since no environmental issue was raised by the comment not previously evaluated in the IS/MND, no modification of the IS/MND is necessary.

Copies of the environmental documentation were also provided to the San Juan Unified School District, the City of Citrus Heights Planning Department and the owners of the two properties (Mitchell & Dormeyer) immediately adjacent northerly to the site. No additional written comments were received. The District will continue to seek the involvement of the community as the design of project proceeds. Meetings with the Birdcage Heights Neighborhood Association and individual meetings with interested property owners will be requested to solicit input.

Directors and staff discussed the project and information.

It was moved by Director Dains, seconded by Director Goforth and carried 3-0 to approve the Mitigation Monitoring and Reporting Program for the Skycrest Well Project and to Adopt Resolution 11-2013 "Certifying the Skycrest Well Project Initial Study / mitigated Negative Declaration".

Bob Klousner left the meeting at 7:40 p.m.

Vehicle Auction Results

OM Townsel presented a report about the sales results of District vehicles. On April 3, 2013, the Board of Directors declared four vehicles as surplus and authorized staff to sell

them at public auction. The District sold three trucks and one backhoe at two public auctions. The net results for the auctions are as follows:

\$ 3,599.00	2001 Ford F-450 Cab-and-Chassis, approx. 48,900 miles
\$ 1,970.00	2001 Dodge 1/2-ton Pickup, approx. 34,790 miles
\$ 3,230.00	2002 Dodge 1/2-ton Pickup, approx. 89,001 miles
<u>\$20,785.00</u>	2002 John Deere Backhoe 410G approx. 2600 hours.
\$29,584.00	Total

Administration Building Improvements

GM Churchill presented a report on the schematic design and estimated cost for expansion of and improvements to the District's Administration Building.

The District's Administration Building was constructed in 1975 and contained 2,550 square feet housing a staff of five employees. In 1986, the building was expanded to include a 260 square foot addition at the southeast corner for a sixth staff member. Significant interior remodeling last occurred in 1999 with improvements to the entry foyer, customer reception, meeting room and bathroom areas. Staff size at that time remained at six employees.

The Administration Building presently houses eight employees, with six of those being in an open cubicle environment and two being in individual offices. In addition to the aforementioned areas, the building also contains a small kitchen, two bathrooms, a block vault room, and a small room housing the District's computer, copy machine and six improvement plan/infrastructure records plan file cabinets. Seven infrastructure record storage file cabinets are also housed in the open area.

The work functions of the administrative department of the District have changed over time, especially related to customer service needs. The transition of the District's customer billing from annual flat-rate to bimonthly-metered has significantly increased the customer reception and telephone interaction for the accounts receivable staff. In addition, management identified other shortcomings of the current work space environment with regards to human resources, copying and document assembly, computer server, climate control, storage of records and supplies and the lunch/break area.

The 2012 capital improvement budget contained \$325,000 for design and construction of improvements to the existing Administration Building to increase the size by approximately 760 square feet and to make improvements to the front entry.

In December of 2011, the District issued a request for proposals to provide Architectural Planning, Design and Construction Administration Services for "Administration Building Expansion and Energy / Security / Energy Improvements." Three proposals were received from architectural firms and Blackbird Associates was selected for the Planning Phase of the project at a cost of \$22,500.00. This Phase of the Project is now complete with the following major tasks completed:

- A Facility Assessment Report (architectural, structural, mechanical,

- electrical, furniture analyses).
- Employee Interviews (all employees).
- Schematic Floor Space Design (Four schemes combining the Administration and Operations Buildings and six schemes for the Administration Building only).
- Final Report and Opinion of Probable Cost dated March 25, 2013.

During the course of the planning phase it became apparent that, in addition to considering expansion of the Administration Building, an overall interior remodel would be necessary to achieve the customer and workforce needs of the District. It is noted that such an effort was not contained in the initial project budget which contained only an estimated per-square-foot cost for the proposed expansion area.

Current Budget:	Construction - \$ 190,000	Design - \$ 84,000	(\$22,500 paid)
Probable Cost:	<u>Construction - \$ 588,330</u>	<u>Design - \$121,875</u>	(+\$22,500)
Difference:	Construction - \$ 398,330	Design - \$ 60,375	

The Drawing Scheme J was provided as the final schematic iteration of floor space additions and reconfigurations that accomplish the following goals:

1. Creates a larger work area for two customer service representatives by relocating them into the area now occupied by the Assistant General Manager.
2. Enables utilization of the full lobby area to accommodate Board Meeting visitors.
3. Relocates the copy machine from the computer server room to a more-central location and creates an area for document assembly.
4. Creates a customer consultation counter out of a portion of the computer server room to accommodate a more-private location for discussions with customers with special needs and special circumstances.
5. Creates individual offices within the existing floor space for the Accounts Receivable Specialist and Assessor/Collector as opposed to residing in an open area with associated distractions.
6. Creates individual offices in the building addition area for the Office Administrator and Accounts Payable/Human Resources Specialist as opposed to residing in an open area with associated distractions. It is particularly critical that Human Resources be provided with a space for private discussions with employees as needed.
7. Creates a new and slightly larger office for the Assistant General Manager in the building addition area.
8. Creates a second entrance/exit into/from the Board Room. The room is frequently used for meetings during the day and having a second entrance prevents the need to cross the lobby to enter.
9. Disassociates the Break Room from the Bathrooms by enlarging the break room into a portion of the General Manager's office.
10. Creates a floor space less than 3,600 square feet such that a fire sprinkler system is not required.

11. Removes the energy-inefficient laminate siding and single pane glass from the east and south walls of the building.
12. Relocates the improvement plan/infrastructure records files to the Operations Building.

These solutions will provide for better and more efficient utilization of the current and proposed floor space for many years into the future to benefit District customers and staff.

Directors and staff discussed the project. Director Goforth expressed concern that a larger building would lead to hiring of more employees. GM Churchill will bring this project back for additional discussion during development of the 2014 Capital Budget.

San Juan Water District / Sacramento Suburban Water District Joint Meeting

GM Churchill provided information regarding San Juan Water District (SJWD) and Sacramento Suburban Water District (SSWD) Joint Meetings. The most-recent Joint SJWD/SSWD Board of Directors Meeting was held at Sacramento Suburban Water District starting at 6:30 p.m. on June 18, 2013. GM Churchill attended the meeting on behalf of the District. Other attendees from the agencies receiving retail water service from San Juan Water District were Orange Vale Water Company Director Mike Schafer and Fair Oaks Water District General Manager Tom Gray.

The Joint Boards did not act on the issuance of an RFP for feasibility study of options nor upon a Memorandum of Understanding for sharing of costs, instead referring those items back to the Ad Hoc 2 x 2 Committee for further discussion and revision.

The Joint Boards did however agree to engage their legal counsel to obtain a statement of facts differentiating a Community Services District (SJWD) from a County Water District (SSWD) and provide information regarding various options for merger, assumptions of service area and places of use regarding water rights.

Future Meetings on this subject are scheduled as follows:

<u>Date</u>	<u>Time</u>	<u>Location</u>	
July 12, 2013	TBD	SJWD	Ad Hoc Water Mgmt. Committee
August 20, 2013	6:30 p.m.	SSWD	Joint Board Meeting
October 15, 2013	6:30 p.m.	SSWD	Joint Board Meeting

Directors and staff discussed the subject. GM Churchill informed the Board that he will be unavailable to attend the July 12 and August 20 meetings.

NEW BUSINESS

Training/Continued Education/Meetings

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

Construction Inspection Services

PM Dietrich presented a report regarding entering into a Professional Services Agreement with The H2O Group, Inc. to provide Construction Inspection Services related to the Northgrove Way 6-Inch and Walnut Drive 8-Inch Water Main Replacement Project. The District regularly enters into agreements for Construction Inspection Services for large Capital Improvement Projects. The project referenced above is estimated to last 110 calendar days and will require approximately 84 working days of Construction Inspection Services.

The District received three proposals for services ranging from \$80.00 to \$85.00 per hour. The H2O Group, Inc. is proposing to provide services to the District at \$82.00 per hour. Upon staff review of the proposals and qualifications, the H2O Group, Inc. is recommended for this project based upon their inspection experience from similar projects for other agencies.

The 2013 District Budget includes \$75,840.00 for Construction Inspection Services for the project.

It was moved by Director Goforth, seconded by Director Dains and carried 3-0 to accept the Proposal for Construction Inspection Services from the H2O Group, Inc. at a not-to-exceed amount of \$75,000.00 and to authorize the General Manager to execute the agreement.

PROJECT MANAGER'S REPORT

PM Dietrich presented a report on the following activities during the month of June 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:

Northgrove Way 6-Inch Water Main and Walnut Drive 8-Inch Water Main Replacement project.

Old Auburn Road 18-Inch Water Main and Mariposa Avenue 12-Inch Water Main Replacement project.

Old Auburn Road 14-Inch Water Main Extension project.

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 Replacement project.

Park Drive 8-Inch Water Main and Poplar Avenue 8-Inch Water Main Replacement project.

Mariposa Avenue 24-Inch Water Main and San Juan High School 24-Inch Water Main Replacement / Extension project.

- Coordination and inspection is 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.

OPERATIONS MANAGER'S REPORT

OM Townsel reported as follows:

1. A total of 168 work orders were performed during the past month by Field Operations crews, Administration Field crews and District contractors. The results of recent bacteriological testing, a total of 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 June 2013 was 6,476.03 acre-feet, an increase of 4.8 percent compared with the average annual water consumption during the previous five years, 2008-2012.

Director Dion called a recess to the meeting at 8:00 p.m. OM Townsel, PM Dietrich and WDS Cutler left the meeting.

Director Dion reconvened the meeting at 8:02 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 a meeting of the Sacramento Groundwater Authority (SGA).

Directors Dion reported on activities of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA-JPIA).

ASSISTANT GENERAL MANAGER'S REPORT

None.

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 June 2013. 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. Accounts Receivable Specialist Dell Bottomley reached the decision to retire from the District in late August of 2013 after more than five years with the District.
4. Personnel recruitment activity is presently underway to fill a vacant Water Distribution Operator position that is open due to the retirement of Water Distribution Supervisor Gerald Lee and subsequent internal promotions. The application period for this position closes on July 16, 2013.

Recruitment activities will begin shortly to fill vacancies due to the pending retirements of Assessor/Collector Nancy Alaniz (November 2013) and Accounts Receivable Specialist Dell Bottomley as noted above.

CORRESPONDENCE

None.

FUTURE MEETINGS

A list of upcoming Board meetings and other meetings related to the business of the District that may involve the participation of Directors or District staff was presented and reviewed.

ADJOURNMENT

There being no other business to come before the Board, the meeting was adjourned at 8:26 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