

December 9, 2014
Board of Directors Meeting Minutes

CITRUS HEIGHTS WATER DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
December 9, 2014

The Regular Meeting of the Board of Directors was called to order at 6:35 p.m. by President Dains and roll was called. Present were:

Allen B. Dains, President
Caryl F. Sheehan, Director
Robert A. Churchill, General Manager
Darlene J. Gillum, Assistant General Manager
John J. Townsel, Operations Manager
Paul A. Dietrich, Project Manager

Director Joseph M. Dion was absent.

VISITORS

Ray Riehle

SPECIAL CEREMONY

GM Churchill administered the Oath of Office to Caryl F. Sheehan, Director, Division 1 and Allen B. Dains, Director, Division 3, and presented them with Certificates of Election for their election as Directors of the Citrus Heights Water District. Directors were congratulated on their election to the Board.

Previously in the day GM Churchill administered the Oath of Office to Joseph M. Dion, Director, Division 2.

PLEDGE OF ALLEGIANCE

Director Dains led the Pledge of Allegiance.

PUBLIC COMMENT3

There was no public comment at this time.

CONSENT CALENDAR

President Dains asked for the Consent Calendar.

Motion: It was moved by Director Dains and seconded by Director Sheehan to accept the Consent Calendar consisting of:

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1. Minutes of the Regular Meeting – November 19, 2014.
2. Assessor/Collector’s Report for November 2014.
3. Assessor/Collector’s Roll Adjustments for November 2014.
4. Treasurer’s Report for November 2014.
5. Payables for November 2014.
6. CAL–Card Purchases – November 2014.
7. Summary of 2014 Directors, Officers and Employees Training, Seminars and Conference Expenses.

The motion passed 2-0 with all Directors voting yes.

November 30, 2014 - Payables

Check #	Vendor	Description	Amount
58001	City of Citrus Heights	Permit Fees	\$375.95
58003	ABA DABA Rentals & Sales	Supplies-Field	\$223.19
58004	ACWA	Dues & Subscriptions	\$11,835.00
58005	AFLAC	Employee Paid Ins	\$810.27
58006	Airgas NCN	Supplies-Field	\$1,076.47
58007	Area West Engineers Inc	Contract Services-Engineering	\$1,200.00
58008	Canon Solutions America, Inc.	Maint Agree-Equip	\$37.97
58009	Central Valley Engineering & Asphalt, Inc.	Contract Services-Paving/Concrete	\$10,248.62
58010	Cogsdale	Contract Services-Other	\$55,113.42
58011	Corix Water Products, Inc	Material	\$8,654.32
58012	Dawson Oil Company	Gas & Oil	\$1,554.75
58013	Forsgren Associates, Inc.	Contract Services-Miscellaneous	\$16,393.00
58014	GM Construction & Developers	Contract Services-Other	\$38,893.00
58015	J4 Systems	Contract Services-Other	\$2,550.00
58016	Kei Window Cleaning #12	Janitorial	\$84.00
58017	Douglas A MacTaggart	Contract Services-Paving/Concrete	\$10,229.00
58018	Moonlight BPO	Contract Services-Bill Print/Mail	\$3,305.74
58019	NV5 / Nolte Associates, Inc.	Contract Services-Engineering	\$33,278.46
58020	Void	Void	\$0.00
58021	Psomas	Contract Services-Engineering	\$1,340.00
58022	Red Wing Shoe Store	Small Tools	\$864.90
58023	Republic Services #922	Utilities	\$211.34
58024	RW Trucking	Contract Services-Miscellaneous	\$3,610.00
58025	San Juan Water District	Purchased Water	\$624,574.92
58026	Les Schwab Tires	Repair-Trucks	\$1,261.79
58027	SMUD	Utilities	\$11,947.21
58028	A. Teichert & Son, Inc.	Road Base	\$2,397.32
58029	US Bank I.M.P.A.C. Government Services	See October Agenda Item CC: 6	\$5,092.67
58030	Wallace Kuhl & Associates Inc	Contract Services-Miscellaneous	\$303.75
58031	Robin Cope	Health Insurance	\$389.00
58032	California State Disbursement Unit	Garnishment	\$184.61

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58033	California State Disbursement Unit	Garnishment	\$109.61
58034	Afman Supply	Small Tools	\$164.33
58035	Susan E or Bryan or Joanne Ahola	Overpayments	\$7.43
58036	Alexander's Contract Services	Contract Services-Meter Read	\$6,530.67
58037	AnswerNet	Tele-Answer Service	\$211.09
58038	AREA Restroom Solutions	Equip Rental-Field	\$106.20
58039	Burdick Excavating Co Inc	Overpayments	\$1,591.37
58040	Burketts	Office Expense	\$17.61
58041	CEUS-Irrigation Association	Dues & Subscriptions	\$100.00
58042	CirclePoint	Water Cons-Contract	\$475.00
58043	Corelogic Information Solutions Inc	Dues & Subscriptions	\$11.00
58044	Corix Water Products, Inc	Material	\$913.71
58045	Coverall North America Inc	Janitorial	\$280.00
58046	John E or Sharon A Ficker	Overpayments	\$26.99
58047	Fidelity National Title Company	Overpayments	\$7.88
58048	Fidelity National Title Company	Overpayments	\$16.94
58049	Richard C or Evelyn M Hanni	Overpayments	\$60.20
58050	HD Supply Waterworks LTD	Material	\$483.73
58051	Integrity Administrators Inc	Health Insurance	\$272.48
58052	J&J Locksmiths	Contract Services-Office Rep/Main	\$43.50
58053	Kaiser Foundation Health Plan, Inc	Health Insurance	\$12,227.88
58054	Moonlight BPO	Contract Services-Bill Print/Mail	\$4,946.07
58055	Office Depot	Office Expense	\$123.56
58056	Pace Supply Corp	Material	\$400.08
58057	Vivian N Poore	Overpayments	\$117.87
58058	Preston Pipelines Inc	Overpayments	\$122,601.78
58059	Sacramento Bee	Publication Notices	\$482.30
58060	SureWest Directories	Tele-Local/Long Dis	\$49.00
58061	Gerald B Swanick	Overpayments	\$165.59
58062	State Water Resources Control Board	Dues & Subscriptions	\$185.00
58063	James C or Ruth M Tipton	Overpayments	\$108.52
58064	Tree Pros, Inc	Contract Services-Miscellaneous	\$900.00
58065	Wallace Kuhl & Associates Inc	Contract Services-Miscellaneous	\$255.00
58066	Sandra J Wilson-Ludwig	Overpayments	\$7.45
58067	George Wintermute	Overpayments	\$12.25
58068	BSK Associates	Water Analysis	\$912.00
58069	AAA Pipeline Inspection	Overpayments	\$900.00
58070	ACWA/JPIA Health Benefits Authority	Disability & Life In	\$3,881.23
58071	All American Publishing	Water Cons-Other	\$374.00
58072	ASCE/Membership	Dues & Subscriptions	\$255.00
58073	BSK Associates	Water Analysis	\$4,641.00

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58074	Burketts	Office Expense	\$34.19
58075	California Laboratory Services	Water Analysis	\$754.60
58076	Caltronics Business System	Small Office Equip	\$1,207.44
58077	Canon Solutions America, Inc.	Maint Agree-Equip	\$75.58
58078	Jeff or Bridget Coffey	Overpayments	\$107.71
58079	Consolidated	Tele-Local/Long Dis	\$903.85
58080	Cybex	Equip Rent-Office	\$118.46
58081	Rick or Joy Davis	Overpayments	\$85.20
58082	Arthur S Derby	Overpayments	\$36.16
58083	DLT Solutions Inc	Maint Agree-Software	\$1,035.60
58084	Alexandru Dolinski	Overpayments	\$9.17
58085	Future Ford Fleet Service Center	Repair-Trucks	\$208.83
58086	Matthew or Renata Gilber	Overpayments	\$222.33
58087	Groeniger & Company	Material	\$267.30
58088	Randall L Hagar	Overpayments	\$49.99
58089	Void	Void	\$0.00
58090	Kenneth L or Keith Klein	Overpayments	\$36.59
58091	Lawnman Commercial Landscape	Janitorial	\$301.77
58092	Marjorie E Lovell Trust	Overpayments	\$26.36
58093	Matthew A or Kristin Maples	Overpayments	\$18.18
58094	Moonlight BPO	Contract Services-Bill Print/Mail	\$245.21
58095	Marie Mullany	Overpayments	\$20.43
58096	Keith or Whitney Mustin	Overpayments	\$19.14
58097	John Naylor	Overpayments	\$16.49
58098	Occu-Med	Office Miscellaneous	\$156.00
58099	One Print Source & Graphics	Printing	\$92.88
58100	Pacific Gas & Electric	Utilities	\$29.47
58101	Realty World Westcamp Realty	Overpayments	\$8.36
58102	Sacramento County	Permit Fees	\$365.75
58103	Gerda E Schow	Overpayments	\$9.72
58104	Richard D or Alane JScott	Overpayments	\$92.51
58105	Charlotte A Shoemake	Overpayments	\$115.38
58106	Stacy Snyder	Overpayments	\$177.65
58107	Sonitrol	Equip Rent-Office	\$517.78
58108	Sophos Solutions	Contract Services-Other	\$5,735.00
58109	State Disbursement Unit	Garnishment	\$294.22
58110	TechnoFlo Systems	Repair-Equip/Hard	\$270.72
58111	Unum Life Insurance Co of America	Disability & Life In	\$1,903.06
58112	Voyager Fleet Systems Inc	Gas & Oil	\$2,072.01
58113	Water Education Foundation	Dues & Subscriptions	\$1,150.00
58114	Warren Consulting Engineers Inc	Contract Services-Engineering	\$3,125.00
58115	Susan Davis	Toilet Rebate Program	\$225.00

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58116	Dirk or Elizabeth Werkman	Toilet Rebate Program	\$75.00
58117	A&A Stepping Stone Manufacturing	Supplies-Field	\$149.18
58118	ABA DABA Rentals & Sales	Supplies-Field	\$162.94
58119	Alexander's Contract Services	Contract Services-Meter Read	\$2,456.11
58120	BSK Associates	Water Analysis	\$2,893.00
58121	Caltronics Business System	Small Office Equip	\$145.80
58122	City of Citrus Heights	Permit Fees	\$5,145.00
58123	Connected Document Solutions	Maint Agree-Equip	\$94.85
58124	Sacramento County Utilities	Utilities	\$1,241.05
58125	Dawson Oil Company	Gas & Oil	\$1,108.83
58126	Equarius Water Works	Material	\$4,114.80
58127	Golden State Flow Measurement, Inc	Material	\$3,311.71
58128	Greenback Ln Parners LLC	Overpayments	\$25.13
58129	Groeniger & Company	Material	\$116.91
58130	J Steven or Cynde M Haver	Overpayments	\$57.48
58131	HD Supply Waterworks LTD	Material	\$300.64
58132	Emmett Hibbard	Overpayments	\$158.59
58133	James/Frances Lin His-Ping	Overpayments	\$13.58
58134	Daniel Noonan DBA: Intependent Plumbing	Contract Services-Miscellaneous	\$135.00
58135	Integrity Administrators Inc	Health Insurance	\$262.00
58136	J4 Systems	Contract Services-Other	\$2,550.00
58137	Kei Window Cleaning #12	Janitorial	\$73.00
58138	Regina or Michael McClarrinon	Overpayments	\$190.66
58139	Moonlight BPO	Contract Services-Bill Print/Mail	\$5,389.38
58140	SWRCB	Dues & Subscriptions	\$1,996.00
58141	Derk R Symons	Overpayments	\$11.14
58142	Debra Thomas	Overpayments	\$148.26
58143	Utility Services Associates	Water Cons-Contract	\$2,865.00
58144	Verizon Wireless	Tele-Wireless	\$936.82
58145	World Environment & Energy Inc	Contract Services-Miscellaneous	\$330.00
Total			<u>\$1,071,614.94</u>
ACH	PERS 11/20/2014	PERS	\$8,633.35
ACH	BOW 11202014	Water Cons-Other	\$2,149.94
ACH	ING 11/20/14	Deferred Compensation	\$45.00
ACH	ING 11/6/14	Deferred Compensation	\$45.00
ACH	BOW OCT 2014 FD	Bank Fees	\$217.37
ACH	BOWOCT 2014 ON LINE	Bank Fees	\$3,572.36
ACH	BOW OCT 2014 PH	Bank Fees	\$151.96
ACH	PAYCHEX 11/10/14	Contract Services-Other	\$307.30
ACH	PERS11162014	PERS	\$8,774.64

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ACH	VALIC 11/20/14	Deferred Compensation	\$1,820.00
ACH	VALIC 11/6/14	Deferred Compensation	\$11,320.00
ACH	VANCO OCT2014	Contract Services-Other	\$60.80
ACH	WHA 11/12/14	Health Insurance	\$18,266.86
ACH	ONEPOINT112014	Contract Services-Other	<u>\$1,200.00</u>
Total			<u>\$56,564.58</u>
 Grand Total			 <u><u>\$1,128,179.52</u></u>

December Checks Approved at December Board Meeting

58159	Douglas A MacTaggart	Contract Services-Paving/Concrete	\$9,525.00
58165	SMUD	Utilities	\$10,084.76
58158	Groeniger & Company	Material	\$11,318.40
58155	ESRI	Maint Agree-Equip	\$12,416.00
58162	Performance Piping	Contract Services-Miscellaneous	\$24,179.79
58161	NV5 / Nolte Associates, Inc.	Contract Services-Engineer	<u>\$36,373.46</u>
Total			<u><u>\$103,897.41</u></u>

OLD BUSINESS

Skycrest Well Drilling, Development and Testing

OM Townsel presented a report on the completion of the Skycrest Well Drilling, Development, and Testing Project No. 2013-21. At the January 14, 2014 Board Meeting the Board approved a contract with Zim Industries, Inc. for well drilling, development and testing of the Skycrest Well in the base amount of \$436,775.00 with a change order contingency fund in the amount of \$22,000.00. The Board authorized a total expenditure of not-to-exceed \$631,840.00 if drilling to a deeper depth was warranted.

Zim Industries completed the project on November 18, 2014. The total payments to Zim Industries for completion of this phase of the Skycrest Well project were \$434,994.00. Directors were presented with a draft resolution to accept the project as complete.

Tests indicate good water quality and a production rate of 2,200 gallons per minute (gpm) which was above the target goal of 2,000 gpm.

Directors and staff discussed the completion of this phase of the well project.

Motion: It was moved by Director Dains, and seconded by Director Sheehan to adopt Resolution 17-2014 accepting the Skycrest Well Drilling, Development, and Testing Project, and to authorize the District Secretary to execute and record a Notice of Completion for the project

The motion carried 2-0 with all Directors voting yes.

CITRUS HEIGHTS WATER DISTRICT
RESOLUTION NO. 17-2014

RESOLUTION OF THE BOARD OF DIRECTORS
ACCEPTING
SKYCREST WELL DRILLING, DEVELOPMENT AND TESTING PROJECT

WHEREAS, on January 14, 2014 the Board of Directors of the Citrus Heights Water District authorized the award of a contract to Zim Industries for the Skycrest Well Drilling, Development and Testing Project; and

WHEREAS, on November 18, 2014 the contract was fully executed between the District and Zim Industries; and

WHEREAS, Zim Industries has completed the work for the Skycrest Well Drilling, Development and Testing Project in accordance with the plans, specifications and contract documents prepared by the District pursuant to a final inspection on November 18, 2014.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Citrus Heights Water District that the Skycrest Well Drilling, Development and Testing Project is accepted as complete.

BE IT FURTHER RESOLVED that the District Secretary is authorized to execute a Notice of Completion for the Skycrest Well Drilling, Development and Testing Project and to have said Notice recorded with the Office of the Recorder of Sacramento County.

PASSED AND ADOPTED by the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT this 9th day of December 2014 by the following vote, to wit:

AYES: Directors: Dains, Sheehan
NOES: Directors:
ABSTAIN: Directors:
ABSENT: Directors: Dion

S E A L

Original signed by: Allen B. Dains
ALLEN B. DAINS, President
Board of Directors
Citrus Heights Water District

ATTEST:

Original signed by: Robert A. Churchill
ROBERT A. CHURCHILL, Secretary

Skycrest Well Equipping

GM Churchill presented a status report on the equipping phase of the Skycrest Well Project. Plans and specifications for equipping the Skycrest Well are complete with a Notice Inviting Bids circulated on November 20, 2014. This final phase of the project includes the pump, motor, electrical and control facilities, the building, fencing, water and storm drain piping and site access paving.

A mandatory pre-bid conference and site visit was conducted on December 3, 2014 with 20 contractors and subcontractors attending. Bids are due on December 30, 2014 and are expected to be presented to the Board of Directors for consideration of award on January 13, 2015.

Directors were provided with an updated schedule of anticipated project milestones.

Water Supply

GM Churchill presented a status report on water supplies available to the District. As of midnight on December 3, 2014, storage in Folsom Lake was at 289,742 acre-feet, 30 percent of the total capacity of 977,000 acre-feet. The historical average for this date is about 62 percent of total capacity. Directors were presented with a chart of Folsom Lake Storage Levels showing that the storage pattern closely resembles that of this time last year. As such, it is likely that the District will need to remain in a Stage 3 – Water Warning with 20 percent conservation target for the time being.

CHWD continues to assist with preserving surface water supplies in the Lake by operating its groundwater wells. All District wells (Bonita, Mitchell Farms, Palm, Sylvan and Sunrise) remain operational and are being operated on a rotational or modified-as-needed basis.

As noted on the Operations Manager’s 2014 Water Consumption Report (OM-2), total water use from January 1 through the end of November 2014 was 11,229.50 acre-feet, 16.9 percent less than the five year average for the same period. Total water consumption for the month of November was 682.48 acre-feet; 9.6 percent below the five year average for the month of November and 25.1 percent below November 2013 use. Year-to-date water use in 2014 is 20.8 percent below the corresponding time period in 2013.

Administration Building Improvements

GM Churchill presented a report on bids received for the Administration Building Improvements Project. The District’s Administration Building Renovation and Expansion Plans were circulated for re-bid on October 27, 2014. On November 24, 2014 nine bids were received as follows:

<u>Contractor</u>	<u>Base Bid</u>	<u>Add Alternate 1</u>	<u>Total</u>
Kaler/Dobler Construction, Inc.	\$ 713,900	\$ 29,300	\$ 743,200
D.G. Granade, Inc.	\$ 717,777	\$ 30,000	\$ 747,777
American River Construction	\$ 739,000	\$ 27,000	\$ 766,000
Hometown Construction, Inc.	\$ 744,041	\$ 37,100	\$ 781,141

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Peterson Developments	\$ 761,000	\$ 33,619	\$ 794,619
Sequoia Pacific Builders, Inc.	\$ 778,065	\$ 29,520	\$ 807,585
Diede Construction, Inc.	\$ 795,000	\$ 26,450	\$ 821,450
Bobo Construction, Inc.	\$ 822,000	\$ 28,000	\$ 850,000
C & C Construction, Inc.	\$ 849,931	\$ 21,150	\$ 871,081
Architect's Estimate	\$ 751,701	\$ 20,000	\$ 771,701

Directors were provided with a bid tabulation showing the details of the bids received. The District and Architect have reviewed the bid, checked the low bidder's references and met with representatives of Kaler/Dobler Construction, Inc. with positive results.

Directors were provided with a preliminary revised schedule for the Project. Directors and staff discussed the project and the low bidder.

Motion: It was moved by Director Sheehan and seconded by Director Dains to:

- a. Accept the Bid of Kaler/Dobler Construction, Inc. in the amount of \$743,200.
- b. Authorize the General Manager to execute an Agreement for Construction Services with Kaler/Dobler Construction, Inc.
- c. Provide a construction/change order contingency amount of \$50,000.

The motion carried 2-0 with all Directors voting yes.

San Juan Water District / Sacramento Suburban Water District Joint Meetings

GM Churchill presented a report regarding San Juan Water District (SJWD) and Sacramento Suburban Water District (SSWD) Joint Meetings.

Director Dains, GM Churchill and AGM Gillum attended the 2 x 2 Ad Hoc Water Management Committee Meeting held on November 20, 2014 at SSWD. Directors were provided with copies of the Meeting Agenda and additional information from the meeting. Directors were also provided with a schedule for upcoming meetings.

NEW BUSINESS

Training/Continued Education/Meetings

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

Cost-of-Living Adjustment to Salary Schedule, Retiree Insurance Benefits and Directors' Compensation

AGM Gillum presented a report on a proposed cost-of-living adjustment (COLA) to the District's Salary Schedule and insurance benefits for retirees, and consideration of a COLA for compensation of the Board of Directors.

Directors were provided with a copy of District Human Resources Policy No. 4102, Salary Cost of Living Adjustments that provides for considering a Cost-of-Living Adjustment (COLA) to the District's salary schedule upon recommendation by the General Manager and approval by the Board of Directors. The consumer price index for all urban west consumers (CPI-U) has increased by 2.0 percent for the twelve-month period ending in October 2014 as shown on the attached information received from the U.S. Department of Labor. This is the baseline that the District uses annually in determining the COLA.

Directors were also provided with a copy of the current Salary Schedule (Policy No. 4101.A1), and a proposed amended Salary Schedule that includes salary range adjustments that reflect the recommended 2.0 percent increase. The District's 2015 labor budget provided for a total increase in salaries of 5.0 percent – an estimated 1.8 percent COLA and up to 3.2 percent in individual employee merit increases at the discretion of the General Manager. The 2.0 percent COLA effectively reduces the salary amount available in the adopted budget for merit increases, leaving a total of 3.0 percent of total budgeted salaries that may be awarded in the form of merit increases by the General Manager.

Directors were also provided with a copy of District Human Resources Policy No. 4831 Insurance Benefits for Retirees Retiring After March 19, 1996 which provides that the amount of District financial participation in retiree health insurance set forth in the policy will be amended annually in the amount of the percent change in the CPI-U referenced above. Other revisions to the policy are proposed that clarify the definition of dependents, add language to incorporate COBRA coverage, and adds Domestic Partners to the policy as dependents. Directors were provided with a copy of Policy No. 4831 with the monthly amounts amended by a 2.0 percent increase and the other proposed revisions.

The Board of Directors approved Ordinance No. 01-2008 on January 8, 2008 setting Directors' compensation at \$145.00 per day for attending Board meetings and other Board-sanctioned functions. This amount is still in effect today. Directors were provided with a copy of the Ordinance and District Board of Directors and Officers Policy 2040 which states that changes in compensation of Directors requires approval of the Board of Directors by adoption of a new ordinance adjusting the compensation during an Open Session at a Regular Meeting held at least 60 days prior to the effective date of the change.

A 2.0 percent COLA increase in Directors' compensation would result in an increase of \$2.90 in the daily compensation rate, making the rate \$147.90. Directors were provided with information showing the cumulative effect of CPI-U changes since the date of the Board's most recent increase. If the CPI-U had been applied annually to the \$145.00 per day rate established in 2008, the daily compensation for 2015 would be \$163.87.

Directors stated that they did not wish to consider an increase in Board of Directors compensation.

Directors and staff discussed the proposed COLA and budgeted salary amounts.

Motion: It was moved by Director Dains and seconded by Director Sheehan to:

- a. Amend District Policy No. 4101.A1 Salary Schedule as presented to include a +2.0 percent Cost-of-Living Adjustment to the District's Salary Schedule effective January 5, 2015; and.
- b. Amend District Policy 4831 Insurance Benefits for Retirees Retiring After March 19, 1996 as presented to include a +2.0 percent Cost-of-Living Adjustment to the monthly insurance benefit amount for retirees to reflect said adjustments in the CPI-U and other proposed revisions

The motion carried 2-0 with all Directors voting yes.

Assistant General Manager Recruitment

GM Churchill presented a status report on the Assistant General Manager recruitment process. Assistant General Manager Darlene J. Gillum will resign from her position no later than December 26, 2014 to accept a promotional appointment as the General Manager of Rancho Murieta Community Services District. On November 6, 2014 the Board of Directors met in Special Session with GM Churchill and AGM Gillum to discuss a process for recruiting a successor.

As directed by the Board, GM Churchill contacted the next in-line candidate from the prior recruitment process to inquire about their interest in the position of AGM. Negotiations with the next-in-line candidate were not successful thus CPS HR Consulting has been contacted and a new recruitment process has begun.

Directors were provided with a preliminary timeline for filling this vacancy.

Pursuant to the prior Professional Services Agreement with CPS HR Consulting, there will be no additional professional services charges for this recruitment due to the timing of Ms. Gillum's resignation. Amendment No. 1 of the previous Consulting/Professional Services Agreement for Executive Recruitment Services between the District and CPS HR Consulting was provided noting that the District will only be responsible for payment of reimbursable expenses, estimated at \$4,000.

Appointment of Interim Assistant General Manager

GM Churchill presented a report on the proposed employment of former Assistant General Manager (AGM) David B. Kane to the temporary position of Interim Assistant General Manager. As noted earlier in this meeting agenda, CPS HR Consulting was contacted and a new recruitment process is underway. The recruitment process is anticipated to take four months to complete and have a new individual in place as a regular AGM. As such, there is a void in the District's Administration and Water Demand Management Department that needs to be filled on an interim basis.

GM Churchill contacted former AGM Kane to inquire about his interest in returning in a temporary capacity and received an affirmative response. Inasmuch as it will be less

than 180 days since Mr. Kane's retirement, the Public Employees Retirement System (PERS) regulations will only allow a retired annuitant to return to work under certain conditions of critical need and with certification by the District. Directors were provided with a draft copy of proposed Resolution No. 16-2014 "For Exception to the 180-Day Wait Period" that will need to be adopted in order to employ Mr. Kane. In addition, the District will need to provide PERS with the employment Memorandum of Understanding between the District and Mr. Kane and documentation of the District's agreement with CPS HR Consulting.

Directors were provided with a copy of a draft Memorandum of Understanding (MOU) between the District and Mr. Kane for service as Interim Assistant General Manager, which has been reviewed with PERS to ensure that it meets their requirements for retired annuitants. It is planned that Mr. Kane will work with current AGM Gillum for a short time before she departs, and will also work for a short duration alongside the new AGM when that person arrives. Directors were provided with a preliminary schedule for Mr. Kane's interim appointment. Directors and staff discussed the interim appointment.

Motion: It was moved by Director Dains and seconded by Director Sheehan to:

- a. Adopt Resolution No. 16-2014 "For the Exception to the 180-Day Wait Period" to appoint former AGM David B. Kane to the position of Interim Assistant General Manager; and
- b. Approve a Memorandum of Understanding (MOU) between the District and David B. Kane for service as Interim Assistant General Manager.

The motion carried 2-0 with all Directors voting yes.

CITRUS HEIGHTS WATER DISTRICT
RESOLUTION NO. 16-2014

RESOLUTION OF THE BOARD OF DIRECTORS
OF CITRUS HEIGHT WATER DISTRICT
FOR THE EXCEPTION TO THE 180-DAY WAIT PERIOD
GC sections 7522.56 & 21221(h)

WHEREAS, in compliance with Government Code section 7522.56 the Citrus Heights Water District must provide CalPERS this certification resolution when hiring a retiree before 180 days has passed since his or her retirement date; and

WHEREAS, David B. Kane retired from Citrus Heights Water District in the position of Assistant General Manager, effective July 07, 2014; and

WHEREAS, section 7522.56 requires that post-retirement employment commence no earlier than 180 days after the retirement date, which is January 3, 2015 without this certification resolution; and

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WHEREAS, section 7522.56 provides that this exception to the 180 day wait period shall not apply if the retiree accepts any retirement-related incentive; and

WHEREAS, the Citrus Heights Water District and David B. Kane certify that David B. Kane has not and will not receive a Golden Handshake or any other retirement-related incentive; and

WHEREAS, the Citrus Heights Water District hereby appoints David B. Kane as an interim appointment retired annuitant to the vacant position of Assistant General Manager for the Citrus Heights Water District under Government Code section 21221(h), effective December 15, 2014; and

WHEREAS, an appointment under Government Code section 21221(h) requires an active, publicly posted recruitment for a regular replacement; and

WHEREAS, the current status of this recruitment is an active and ongoing search being conducted by CPS HR Consulting; and

WHEREAS, this section 21221(h) appointment shall only be made once and therefore will end on May 29, 2015; and

WHEREAS, the entire employment agreement, contract or appointment document between David B. Kane and the Citrus Heights Water District has been reviewed by this body and is attached herein; and

WHEREAS, no matters, issues, terms or conditions related to this employment and appointment have been or will be placed on a consent calendar; and

WHEREAS, the employment shall be limited to 960 hours per fiscal year; and

WHEREAS, the compensation paid to retirees cannot be less than the minimum nor exceed the maximum monthly base salary paid to other employees performing comparable duties, divided by 173.333 to equal the hourly rate; and

WHEREAS, the maximum base salary for this position is \$13,454 and the hourly equivalent is \$77.62, and the minimum base salary for this position is \$9,944 and the hourly equivalent is \$57.37; and

WHEREAS, the hourly rate paid to David B. Kane will be \$75.64; and

WHEREAS, David B. Kane has not and will not receive any other benefit, incentive, compensation in lieu of benefit or other form of compensation in addition to this hourly pay rate; and

THEREFORE, BE IT RESOLVED THAT the Citrus Heights Water District hereby certifies the nature of the appointment of David B. Kane as described herein and detailed in the attached employment agreement/contract/appointment document and that this appointment is necessary to fill the critically needed position of Assistant General Manager for the Citrus Heights Water District by

December 15, 2014 because the incumbent Assistant General Manager has accepted a promotional position with the Rancho Murieta Community Services District and has provided notice of resignation with the last date of employment with the Citrus Heights Water District being no later than December 26, 2014.

PASSED AND ADOPTED by the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT this 9th day of December, 2014 by the following vote, to-wit:

AYES: Directors: Dains, Sheehan
NOES: Directors:
ABSTAIN: Directors:
ABSENT: Directors: Dion

S E A L

Original signed by: Allen B. Dains
ALLEN B. DAINS, President
Board of Directors
Citrus Heights Water District

ATTEST:

Original signed by: Robert A. Churchill
ROBERT A. CHURCHILL, Secretary

Selection of President and Vice President

GM Churchill presented a report on the process to select a President and Vice President of the Board of Directors. Directors were provided with a copy of District Board of Director and Officers Policy No. 2010, which states that a President and Vice President of the Board of Directors are to be elected by a majority vote of the Board in December of each year. The terms of office will begin as soon as acted upon by the Board.

Directors discussed nominations for President and Vice President of the Board.

Director Sheehan nominated Director Dains to serve as President of the Board of Directors of Citrus Heights Water District, with the nomination seconded by Director Dains.

Motion: It was moved by Director Sheehan and seconded by Director Dains to elect Director Dains to serve as President of the Board of Directors of Citrus Heights Water District.

The motion carried 2-0 with all Directors voting yes.

Director Dains nominated Director Sheehan to serve as Vice President of the Board of Directors of Citrus Heights Water District, with the nomination seconded by Director Sheehan.

Motion: It was moved by Director Dains and seconded by Director Sheehan to

elect Director Sheehan to serve as Vice President of the Board of Directors of Citrus Heights Water District.

The motion carried 2-0 with all Directors voting yes.

Director Dains continued to preside over the meeting as President.

Appointment of Board Representatives and Alternates

GM Churchill stated that pursuant to District Board of Directors and Officers Policy No. 2300, the Board of Directors shall appoint its Members or Officers to serve as District representatives to various organizations and associations. Directors discussed the current 2014 appointments and their interests related to serving as representatives for the coming year.

President Dains appointed the following Directors and Officers to serve as District representatives to the following organizations:

Organization	Representative	Alternate Representative
Association of California Water Agencies - Joint Powers Insurance Authority (ACWA JPIA)	Allen B. Dains	Robert A. Churchill
Association of California Water Agencies Health Benefits Authority (ACWA/HBA)	Robert A. Churchill	Allen B. Dains
Association of California Water Agencies Region 4	Robert A. Churchill	Allen B. Dains
Citrus Heights Chamber of Commerce Government Issues Committee	David B. Kane	Robert A. Churchill
Regional Water Authority	Caryl F. Sheehan (Director) Robert A. Churchill (Staff)	Allen B. Dains (Director) David B. Kane (Staff)
Sacramento Groundwater Authority	Allen B. Dains	Caryl F. Sheehan
Sacramento Water Forum	Robert A. Churchill	None
San Juan Family of Agencies Executive Committee	Allen B. Dains (Director) Robert A. Churchill (Staff)	Caryl F. Sheehan (Director) David B. Kane (Staff)

GM Churchill noted that Sacramento Groundwater Authority (SGA) appointments are subject to confirmation by the City of Citrus Heights. However, since there are no changes to the District appointments to the SGA and the current appointees have already been confirmed by the City, there should be no need for reconfirmation.

Motion: It was moved by Director Dains and seconded by Director Sheehan to approve the appointments of District representatives as discussed.

The motion carried 2-0 with all Directors voting yes.

Lease of Office Space at 7011 Sylvan Road

GM Churchill presented a report on a lease for office space at 7011 Sylvan Road for the temporary relocation of Administration office staff during the expansion and renovation of the Administration building located on 6230 Sylvan Road. District staff has evaluated several locations for temporary office space for the housing of Administration staff during the construction of the Administration Building Expansion and Renovation Project. The best alternative is to relocate to an office building located at 7011 Sylvan Road.

Staff is working on finalizing the terms of the lease agreement for the offices at 7011 Sylvan Road with the lessor's agent and provided a draft of the lease agreement to legal counsel Judy Albiez for review and comment. Ms. Albiez returned her comments to GM Churchill, and staff has subsequently discusses negotiated terms with the lessor's agent. The District and the lessor have substantially reached agreement on the lease.

The approved 2015 Capital Improvement Budget for Project 2012-13, Administration Building Expansion / Renovation Project, includes estimates for the cost of the short-term lease, telephone, Internet, furniture rental, moving expense, copier rental, and physical security in the amount of \$33,900 for a seven-month term. It is anticipated that occupancy of the leased space and the correlated monthly charges will commence in early January 2015. Directors and staff discussed the proposed lease agreement and other matters related to the temporary office relocation.

Motion: It was moved by Director Sheehan and seconded by Director Dains to authorize the General Manager to negotiate lease terms and prepare a short-term lease, for execution by the President of the Board of Directors for office space at 7011 Sylvan Road for the temporary relocation of Administration office staff during the expansion and renovation of the Administration building located at 6230 Sylvan Road pending approval of District Legal Counsel.

The motion carried 2-0 with all Directors voting yes.

2015 Board of Directors Meeting Schedule and Location

GM Churchill presented a report on the meeting schedule and locations for Board of Directors meetings in 2015. Directors were provided with a schedule for the regular Board of Directors Meetings for Calendar Year 2015. All of the proposed dates are on the District's typical second Tuesday of the month except for the June regular meeting. That meeting is proposed to be held on the first Tuesday of June to avoid conflict with the American Water Works Association's Annual National Conference being held in Anaheim, California over the dates of June 7-10, 2015.

GM Churchill noted that the January 13, 2015 Board of Directors Meeting will be held at the new offices if the relocation has taken place by that time, and that meetings at that location will likely continue until the July 14, 2015 meeting. Directors and staff discussed the meeting schedule and location.

Motion: It was moved by Director Dains and seconded by Director Sheehan to approve the Board of Directors Regular Meeting Schedule and Location for 2015 as proposed.

The motion carried 2-0 with all Directors voting yes.

Antelope Pump Back Booster Pump Station Project

GM Churchill presented a report on the Antelope Pump-Back Booster Pump Station Project being proposed by San Juan Water District (SJWD) and Sacramento Suburban Water District (SSWD). As reported at previous Board meetings, SJWD is entertaining a project with SSWD whereby SSWD's current Antelope pumping facility will be modified to pump surplus SSWD groundwater to SJWD – Wholesale (SJWD-W) in dry years, during planned outages of SJWD-W or United States Bureau of Reclamation (USBR) facilities, or in emergencies. The primary beneficiaries of the pump-back groundwater project are proposed to be San Juan Water District's retail customers, Orange Vale Water Company and the City of Folsom's service area north of the American River (aka: Ashland). As presently proposed, these benefitting agencies will be paying approximately \$1.935 million for upgrades to the Antelope Pump Station through a capital program sub-charge by SJWD-W.

Directors were provided with a letter dated December 1, 2014 letter from GM Churchill to SJWD GM Shauna Lorange detailing the District's questions and concerns related to assignment of capacity, use of facilities and the operation of the Project and equity between the retail customers served by SJWD-W. Directors and staff discussed the letter and Directors commended GM Churchill for the points raised in the letter. It was discussed that groundwater supply may not be reliable over a sustained period, in particular due to groundwater contamination. Directors also discussed concerns that CHWD could be directly or indirectly paying costs related to the booster pump station without receiving any benefit.

Appointment of District Officers

GM Churchill presented a report on the appointment and reconfirmations of District Officers. Directors were provided with a copy of District Board of Directors and Officers Policy No. 2200 which provides that the Board of Directors shall appoint or reconfirm appointments of District Officers each December or as otherwise necessary. With the retirement of Pam Peters, the offices of Deputy Assessor/Collector and Deputy Treasurer have become vacant. Similarly, with the pending departure of Darlene Gillum, the offices of Treasurer and Deputy Secretary will become vacant. Directors were provided with a

list of current appointments and proposed appointments as follows:

<u>Current Appointments</u>	<u>Officer</u>	<u>Deputy Officer</u>
Assessor/Collector	Susan K. Sohal	Pamela L. Peters
Treasurer	Darlene J. Gillum	Pamela L. Peters
Secretary	Robert A. Churchill	Darlene J. Gillum

<u>Proposed Appointments</u>	<u>Officer</u>	<u>Deputy Officer</u>
Assessor/Collector	Susan K. Sohal	David B. Kane
Treasurer	David B. Kane	Susan K. Sohal
Secretary	Robert A. Churchill	David B. Kane

It is recommended that the Board appoint Accounting Supervisor Susan K. Sohal as Deputy Treasurer effective upon appointment, and also appoint Interim Assistant General Manager David B. Kane as Treasurer, Deputy Assessor-Collector and Deputy Secretary effective upon those positions becoming vacant on December 27, 2014.

Directors were provided with a copy of District Board of Directors and Officers Policy No. 2210, Post Offer of Appointment Background Investigation. This policy requires a background investigation prior to initial appointment as a District Officer. A background investigation on Ms. Sohal was conducted in September 2013 as a condition of her employment with the District. This investigation revealed no information that would be a concern in appointing Ms. Sohal as an Officer of the District.

Inasmuch as Mr. Kane's appointments will be only for several months, and due to his previously holding an Officer position without concern, a background investigation was not recommended.

Motion: It was moved by Director Dains and seconded by Director Sheehan to Appoint and Reconfirm the following District Officers, with appointments of Robert A. Churchill and Susan K. Sohal being effective immediately and appointment of David B. Kane being effective on December 27, 2014:

<u>Office</u>	<u>Officer</u>	<u>Deputy Officer</u>
Assessor/Collector	Susan K. Sohal	David B. Kane
Treasurer	David B. Kane	Susan K. Sohal
Secretary	Robert A. Churchill	David B. Kane

The motion carried 2-0 with all Directors voting yes.

Policy Amendments

AGM Gillum presented a report on proposed amendments to a number of District Human

Resources policies due to the elimination of the position and title of Office Administrator with the retirement of Pam Peters, and other revisions to correct minor errors, clarify policy language and other revisions. Directors were provided with copies of the following policies with proposed amendments:

- Policy 4120 – Water Distribution Standby Duty and Call-Outs
- Policy 4210 – Health Insurance
- Policy 4301 – Annual Leave
- Policy 4302 – Management Leave
- Policy 4312 – Catastrophic Illness/Injury Leave Donation
- Policy 4321 – Jury Service Leave

AGM Gillum summarized the substantive policy changes as follows:

- Policy 4120 – Water Distribution Standby Duty and Call-Outs
The paragraph in Section 4120.04, Vehicle and Equipment Use, that discusses the use of a District vehicle for personal use, or PUCA, has been deleted because it is no longer a requirement to add daily pay to an employee's wages for PUCA if the District vehicle is identified with a permanent agency logo and name.
- Policy 4210 – Health Insurance
In Section 4210.00, the monthly maximum coverage paid by the District is recommended to be increased 1.5% (or \$25.00) to \$1,679.00. The policy has been revised to be inclusive of registered domestic partners as qualified dependents.
- Policy 4301 – Annual Leave
The accrual calculation is recommended to change to an hourly basis rather than a monthly basis. In practice, leave is earned and final payout to an employee of accrued leave balances is based on the number of regular hours worked and not on the basis of a full month. The maximum number of hours annually accrued by employees is not changed by this revision.
- Policy 4302 – Management Leave
The accrual calculation is recommended to change to an hourly basis rather than a monthly basis. In practice, leave is earned and final payout to an employee of accrued leave balances is based on the number of regular hours worked and not on the basis of a full month. The maximum number of hours annually accrued by employees is not changed by this revision.
- Policy 4312 – Catastrophic Illness/Injury Leave Donation
Section 4312.02 Employee donations, paragraph F, is recommended for deletion as it is a tedious and time consuming process to calculate and determine what portion of unused donated hours belong to which donor. With this change, any leave hours donated that remain unused after the recipient returns from the associated leave remain with the recipient.

- Policy 4321 – Jury Service
There are no substantive changes recommended.

Directors and staff discussed the proposed amendments to the Human Resources Policies.

Motion: It was moved by Director Dains and seconded by Director Sheehan to approve amendments to the following District Human Resources Policies as presented:

- Policy 4120 – Water Distribution Standby Duty and Call-Outs
- Policy 4210 – Health Insurance
- Policy 4301 – Annual Leave
- Policy 4302 – Management Leave
- Policy 4312 – Catastrophic Illness/Injury Leave Donation
- Policy 4321 – Jury Service Leave

The motion carried 2-0 with all Directors voting yes.

PROJECT MANAGER’S REPORT

PM Dietrich presented a report on the following activities during the month of November 2014 by the Project Management and Engineering Department:

- Accepted water systems:

No accepted water systems for the month of November 2014.
- Projects under construction or pending construction by private contractors and developers including:

Muschetto Subdivision, 46 Residential Lots, 7108 Antelope Road, 95% complete.
Fair Oaks Village, 6800 Madison Avenue, submittals complete.
Texas Roadhouse, 6309 Sunrise Boulevard, 75% complete.
- Contractor/developer projects pending construction:

No contractor/developer projects pending construction for the month of November 2014.
- Project development/design underway by District staff including:

<u>Project</u>	<u>Location</u>	<u>Status</u>
Sonora Way 8” Water Main	Madison Ave to Palm Ave	Contract
Hanson Ave 6” Water Main	Between Wonder St	Development
UNICO Engineering	and Glen Tree Dr	Continues

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Mariposa Ave 18" and 8" Water Main Area West Engineers, Inc.	Sycamore Drive to Pratt Ave	Designing New System
San Juan High School 24" Water Main Warren Consulting Engineers	Along North Property Line	Appraisal Complete

- Projects contracted by the District including:

<u>Project</u>	<u>Location</u>	<u>Status</u>
Park Dr 8" Water Main Poplar Ave 8" Water Main Preston Pipelines, Inc.	Sylvan Rd to east South end of Poplar Ave	85% Complete
Sunrise Blvd 12" Water Main Highwood Way 6" Water Main	7180 Sunrise Blvd Highwood Way	90% Complete

- Coordination and inspection is underway with the City of Citrus Heights on the following City projects:

<u>Project</u>	<u>Location</u>	<u>Status</u>
Auburn Blvd Widening Teichert Construction (Seg 3)	Sylvan Corners to Sycamore Dr	Minor Remaining Punchlist Work
Sunrise Blvd Signalization Teichert Construction	Sungarden Dr	Construction Continues

OPERATIONS MANAGER'S REPORT

OM Townsel reported as follows:

1. A total of 363 work orders were performed during the month of November 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 2014 through the end of November 2014 was 11,229.50 acre-feet, a decrease of 16.9 percent compared with the average annual water consumption during the previous five years, 2009-2013. It was noted that this amount has been reconciled to account for CHWD-produced groundwater that was served outside of CHWD.

Director Dains called a recess to the meeting at 8:13 p.m. PM Dietrich and OM Townsel left the meeting.

Director Dains reconvened the meeting at 8:18 p.m.

DIRECTOR'S AND REPRESENTATIVES REPORTS:

Director Dains and GM Churchill reported on upcoming meetings of the Regional Water Authority Executive Committee and the Sacramento Groundwater Authority.

GM Churchill reported on a meeting with Legal Counsel Albietz regarding the San Juan Water District (SJWD) and Sacramento Suburban Water District (SSWD) Joint Meetings.

ASSISTANT GENERAL MANAGER'S REPORT

AGM Gillum reported as follows:

1. Directors were provided with a summary of Water Efficiency Program activities year-to-date through November 2014.
2. Water Forum Update: there was no Water Forum activity to report.
3. Information from CalPERS is still pending regarding the amount they will charge to perform the GASB 68 actuarial. CalPERS anticipates publishing the cost in early 2015.
4. The Winter 2015 edition of the District's WaterLine is progressing through updates and revisions.
5. AGM Gillum participated on a panel at a recent California Urban Water Conservation Council (CUWCC) meeting regarding water rate adjustments during drought conditions.

GENERAL MANAGER'S REPORT

GM Churchill reported as follows:

1. Eighteen District employees received recognition for superior attendance, outstanding customer service and quality of work during the month of November 2014. 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. The District has received recognition from ACWA-JPIA for maintaining a loss ratio of 20 percent or less in its Liability, Property and Workers' Compensation programs. Directors were presented with copies of the President's Special Recognition Awards received by the District from ACWA-JPIA.

CORRESPONDENCE

1. The Directors were provided a copy of the letter from David B. LaFrance, Chief Executive Officer of American Water Works Association (AWWA), thanking the District for its Utility Membership with AWWA.

Ray Riehle left the meeting at 8:34 p.m.

The Board of Directors convened in Closed Session at 8:35 p.m. on the following matters:

Pursuant to subdivision (a) of Government Code Section 54956.9 (one case), Existing Litigation: Citrus Heights Water District v. FedExGround, to receive a report from District Legal Counsel. Directors Dains and Sheehan, and GM Churchill and AGM Gillum were in attendance.

President Dains reconvened the meeting into Open Session at 8:41 p.m. He reported that no reportable action was taken during the Closed Session.

FUTURE CHWD BOARD OF DIRECTORS MEETING DATES:

January 13, 2105	6:30 PM	Regular Meeting
February 10, 2015	6:30 PM	Regular Meeting

ADJOURNMENT

There being no other business to come before the Board, the meeting was adjourned at 8:50 p.m.

APPROVED:

ROBERT A. CHURCHILL
Secretary
Citrus Heights Water District

ALLEN B. DAINS, President
Board of Directors
Citrus Heights Water District