

CITRUS HEIGHTS WATER DISTRICT  
BOARD OF DIRECTORS REGULAR MEETING  
June 10, 2014

The Regular Meeting of the Board of Directors was called to order at 6:33 p.m. by President Dains and roll was called. Present were:

Allen B. Dains, President  
Joseph M. Dion, Vice President  
Caryl F. Sheehan, Director  
Robert A. Churchill, General Manager  
David B. Kane, Assistant General Manager  
John J. Townsel, Operations Manager  
Paul A. Dietrich, Project Manager

VISITORS

Darlene J. Gillum

Directors welcomed Ms. Gillum and congratulated her on her selection as the District's next Assistant General Manager.

Director Dains led the Pledge of Allegiance.

PUBLIC COMMENT

None

CONSENT CALENDAR

President Dains asked for the Consent Calendar. It was moved by Director Dion and seconded by Director Sheehan to accept the Consent Calendar consisting of:

- 1) Minutes of the Regular Meeting of May 13, 2014.
- 2) Assessor/Collector's Report for May 2014.
- 3) Assessor/Collector's Roll Adjustment Letter for May 2014.
- 4) Treasurer's Report for May 2014.
- 5) Payables for May 2014.
- 6) CAL-Card Purchases for May 2014.
- 7) Summary of 2014 Directors, Officers and Employees Training, Seminars and Conference Expenses.
- 8) Deny the claim from Roy Blackburn for property damage in the amount of \$800.00, and forward it to the District's insurance carrier, ACWA-JPIA.

The motion passed 3-0 with all Directors voting yes.

## May 31, 2014 - Payables

Check #	Vendor	Description	Amount
<i>Items highlighted in bold below have been paid prior to June 10th Board Meeting</i>			
56935-			
<b>57137</b>	<b>Void Checks</b>	<b>Void</b>	<b>\$0.00</b>
<b>57153</b>	<b>City of Citrus Heights</b>	<b>Permit Fees</b>	<b>\$1,500.00</b>
<b>57154</b>	<b>James D. Bittle</b>	<b>Overpayments</b>	<b>\$133.51</b>
<b>57155</b>	<b>ACWA/JPIA Health Benefits Authority</b>	<b>Disability &amp; Life Insurance</b>	<b>\$4,183.04</b>
<b>57156</b>	<b>AnswerNet</b>	<b>Telephone-Answering Service</b>	<b>\$200.82</b>
<b>57157</b>	<b>California State Disbursement Unit</b>	<b>Garnishment</b>	<b>\$369.22</b>
<b>57158</b>	<b>California State Disbursement Unit</b>	<b>Garnishment</b>	<b>\$219.22</b>
<b>57159</b>	<b>California Surveying &amp; Drafting Supply</b>	<b>Small Tools</b>	<b>\$21.06</b>
<b>57160</b>	<b>William J Callahan</b>	<b>Overpayments</b>	<b>\$99.33</b>
<b>57161</b>	<b>CirclePoint</b>	<b>Water Conservation-Contract Services</b>	<b>\$1,496.25</b>
<b>57162</b>	<b>Citrus Heights Chamber of Commerce</b>	<b>Continued Education</b>	<b>\$100.00</b>
<b>57163</b>	<b>Connected Document Solutions</b>	<b>Maintenance Agreement-Equipment</b>	<b>\$46.70</b>
<b>57164</b>	<b>Consolidated</b>	<b>Telephone-Local/Long Distance</b>	<b>\$885.70</b>
<b>57165</b>	<b>Corelogic Information Solutions Inc</b>	<b>Dues &amp; Subscriptions</b>	<b>\$9.50</b>
<b>57166</b>	<b>Coverall North America Inc</b>	<b>Janitorial</b>	<b>\$280.00</b>
<b>57167</b>	<b>Ethan Wade Graphics</b>	<b>Water Conservation-Other</b>	<b>\$4,974.03</b>
<b>57168</b>	<b>J4 Systems</b>	<b>Contract Services-Other</b>	<b>\$2,550.00</b>
<b>57169</b>	<b>Kaiser Foundation Health Plan, Inc</b>	<b>Health Insurance</b>	<b>\$12,030.20</b>
<b>57170</b>	<b>Melissa Marra</b>	<b>Overpayments</b>	<b>\$153.64</b>
<b>57171</b>	<b>McAfee</b>	<b>Maintenance Agreement-Software</b>	<b>\$50.00</b>
<b>57172</b>	<b>Moonlight BPO</b>	<b>Contract Services-Bill Print/Mail</b>	<b>\$6,071.95</b>
<b>57173</b>	<b>Pacific Gas &amp; Electric</b>	<b>Utilities</b>	<b>\$28.60</b>
<b>57174</b>	<b>Karen Reber</b>	<b>Overpayments</b>	<b>\$39.91</b>
<b>57175</b>	<b>Kathy Sullivan</b>	<b>Overpayments</b>	<b>\$9.73</b>
<b>57176</b>	<b>SureWest Directories</b>	<b>Telephone-Local/Long Distance</b>	<b>\$49.00</b>
<b>57177</b>	<b>Titan Workforce LLC</b>	<b>Contract Services-Temporary Labor</b>	<b>\$1,635.19</b>
<b>57178</b>	<b>Voyager Fleet Systems Inc</b>	<b>Gas &amp; Oil</b>	<b>\$2,602.02</b>
<b>57179</b>	<b>Spencer M or Kathryn B Williams</b>	<b>Overpayments</b>	<b>\$138.55</b>
<b>57180</b>	<b>Linda R Bristow</b>	<b>Overpayments</b>	<b>\$357.46</b>
57181	ABA DABA Rentals & Sales	Supplies-Field	\$310.68
57182	Absolute Secured Shredding Inc	Equipment Rental-Office	\$40.00
57183	AFLAC	Employee Paid Insurance	\$658.33
57184	Sandra Aguirre	Overpayments	\$80.82
57185	Alexander's Contract Services	Contract Services-Meter Read	\$2,454.04
57186	Igor Andreyev	Overpayments	\$85.58
57187	AREA Restroom Solutions	Equipment Rental-Field	\$106.20
57188	Awards By Kay Inc	Office Expense	\$16.20
57189	Olga Babchanik	Overpayments	\$52.58
57190	Bart/Riebes Auto Parts	Repair-Trucks	\$127.40
57191	Bennett Engineering Services, Inc	Contract Services-Engineering	\$9,126.28
57192	George Boroica	Overpayments	\$16.03
57193	BSK Associates	Water Analysis	\$4,898.31
57194	Burketts	Office Expense	\$228.84
57195	Caltronics Business System	Small Office Equip	\$162.00
57196	Central Valley Engineering & Asphalt, Inc.	Contract Services-Paving/Concrete	\$10,331.25
57197	Chicago Title Company	Overpayments	\$11.27

57198	City of Citrus Heights	Permit Fees	\$2,388.60
57199	Darby Clarence	Overpayments	\$186.28
57200	Corix Water Products, Inc	Material	\$633.96
57201	CPS HR Consulting	Office Miscellaneous	\$7,808.87
57202	County of Sacramento	Permit Fees	\$106.50
57203	County of Sacramento	Permit Fees	\$2,069.10
57204	Dawson Oil Company	Gas & Oil	\$1,960.96
57205	Daniel M Deanda Trust	Overpayments	\$57.49
57206	James W or Gloria M Doughty	Overpayments	\$28.68
57207	Equarius Water Works	Material	\$4,014.80
57208	Robyn J Evans	Continued Education	\$29.08
57209	Ferguson Enterprises Inc.1423	Material	\$97.20
57210	Fidelity National Title Company	Overpayments	\$71.75
57211	Fidelity National Title Company	Overpayments	\$67.90
57212	First American Title Company	Overpayments	\$24.79
57213	Future Ford Fleet Service Center	Repair-Trucks	\$254.80
57214	Crystal P Gann	Overpayments	\$8.14
57215	Golden State Flow Measurement, Inc	Material	\$3,095.71
57216	GreatAmerica Leasing Corp	Equipment Rental-Office	\$218.79
57217	H2H Solutions, Inc	Overpayments	\$78.75
57218	HD Supply Waterworks LTD	Material	\$747.36
57219	ICM Group, Inc.	Contract Services-Miscellaneous	\$16,903.00
57220	Integrity Administrators Inc	Health Insurance	\$2,772.48
57221	Suzanne Iwatate	Overpayments	\$7.21
57222	Kei Window Cleaning #12	Janitorial	\$73.00
57223	Gary D or Vicki E Lemen	Overpayments	\$144.99
57224	Douglas A MacTaggart	Contract Services-Paving/Concrete	\$10,978.00
57225	Neighborly Pest Management	Janitorial	\$92.00
57226	Myron C or Carole Norman	Overpayments	\$166.26
57227	North American Title Company	Overpayments	\$76.48
57228	One Print Source & Graphics	Printing	\$282.10
57229	Pace Supply Corp	Material	\$5,110.10
57230	Performance Piping	Contract Services-Miscellaneous	\$18,998.10
57231	Pirtek Power Inn	Repair-Trucks	\$392.50
57232	Placer Title Company	Overpayments	\$26.04
57233	Placer Title Company	Overpayments	\$23.45
57234	Placer Title Company	Overpayments	\$67.59
57235	Psomas	Contract Services-Engineering	\$3,285.46
57236	Red Wing Shoe Store	Small Tools	\$354.42
57237	Republic Services #922	Utilities	\$212.13
57238	RW Trucking	Contract Services-Miscellaneous	\$1,757.50
57239	Sac-Val Janitorial Supply	Supplies-Field	\$194.36
57240	John V Scambray	Overpayments	\$137.34
57241	Eleanora Shinder	Overpayments	\$92.78
57242	Howard Smith	Overpayments	\$15.50
57243	Anatoliy Smolin	Overpayments	\$64.09
57244	SMUD	Utilities	\$11,342.11
57245	Sophos Solutions	Contract Services-Other	\$2,247.50
57246	Jack R Stephens	Overpayments	\$11.91
57247	A. Teichert & Son, Inc.	Road Base	\$3,191.08

57248	Unico Engineering	Contract Services-Engineering	\$21,077.50
57249	Vare LLC	Overpayments	\$174.26
57250	Wallace Kuhl & Associates Inc	Contract Services-Miscellaneous	\$1,176.25
57251	Warren Consulting Engineers Inc	Contract Services-Engineering	\$7,250.00
57252	Welenco	Wells Maintenance	\$950.00
57253	Zee Medical Company	Supplies-Field	\$153.26
57254	First American Title Company	Overpayments	\$8.59
57255	North American Title Company	Overpayments	\$12.32
57256	Leslie Andre	Toilet Rebate Program	\$150.00
57257	Owen Applewhite	Toilet Rebate Program	\$75.00
57258	Bruce Barnard	Toilet Rebate Program	\$150.00
57259	Richard T Bartlett	Toilet Rebate Program	\$75.00
57260	Kim Callahan	Toilet Rebate Program	\$150.00
57261	Garth Freeman	Toilet Rebate Program	\$75.00
57262	Annette Gross	Toilet Rebate Program	\$75.00
57263	Edward Jensen	Toilet Rebate Program	\$75.00
57264	Geoff L Marmas	Toilet Rebate Program	\$150.00
57265	Andrew Nomof	Toilet Rebate Program	\$75.00
57266	Michael Sibley	Toilet Rebate Program	\$150.00
57267	Barbara Sorensen	Toilet Rebate Program	\$75.00
57268	Paul T or Anita White	Toilet Rebate Program	\$150.00
57269	Stephen W Young	Toilet Rebate Program	\$150.00
57270	US Bank Cal Card	See Cal Card Report Agenda Item CC: 6	\$6,574.03
<b>Total</b>			<u>\$210,860.64</u>
ACH	BOW 5/20/14	Water Conservation-Other	\$2,037.61
ACH	ING 5/22/14	Deferred Compensation	\$45.00
ACH	ING 5/8/14	Deferred Compensation	\$45.00
ACH	MAY 2014 FD	Bank Fees	\$191.31
ACH	MAY 2014 ONLINE	Bank Fees	\$2,333.88
ACH	MAY 2014 PH	Bank Fees	\$203.51
ACH	PAYCHEX 5/12/14	Contract Services-Other	\$281.00
ACH	PERS 5/22/14	PERS	\$4,719.03
ACH	PERS 5/22/14A	PERS	\$618.80
ACH	PERS 5/22/14B	PERS	\$2,413.99
ACH	PERS 5/8/14	PERS	\$10,432.90
ACH	PERS MAY 2013	PERS	\$2,786.57
ACH	VALIC 5/22/14	Deferred Compensation	\$2,340.00
ACH	VALIC 5/8/14	Deferred Compensation	\$2,340.00
ACH	VANCO	Contract Services-Other	\$58.80
ACH	WHA 5/31/14	Health Insurance	\$17,873.43
ACH	WHA 5/31/14 COBR	Health Insurance	\$876.71
<b>Total</b>			<u>\$49,597.54</u>
<b>Grand Total</b>			<u><u>\$260,458.18</u></u>

## OLD BUSINESS

### Skycrest Well Drilling, Development and Testing

OM Townsel presented a status report on the drilling and testing phase of the Skycrest Well project. He reported that well drilling contractor, Zim Industries, has completed the well drilling to a depth of 390 feet. The casing and screen installation has also been completed.

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

GM Churchill presented a report on the ongoing joint meetings between San Juan Water District (SJWD) and Sacramento Suburban Water District (SSWD). He reported that no further information beyond that previously presented to Directors, including meeting minutes and future schedules, is available at this time.

### Administration Building Improvements

GM Churchill presented a status report on the design phase of the Administration Building Improvements Project. The District has received and reviewed the 90 percent plans for the project and provided comments to Blackbird Associates Architects.

The District's comments are being incorporated into the plan sets to be provided to the City of Citrus Heights Building Division and the Sacramento Metro Fire District for review. With potential changes to the building codes likely effective July 1, 2014, it is the intent to submit plans to the City's Building Division prior to that date. It was discussed that the District's flagpole in front of the building has been reinstalled in a new location inside the courtyard in front of the Administration Building in preparation for the project.

### Water Supply

GM Churchill presented a status report on water supplies available to the District. As of June 4, 2014, storage in Folsom Lake was at 538,625 acre-feet, about 55 percent of the total capacity of 977,000 acre-feet and a 3.7 percent decrease since May 1. The historical average for this date is about 83 percent of total capacity. Directors were provided with a summary of Folsom Lake conditions prepared by the California Department of Water Resources (DWR). Of concern is that the May 1, 2014 snow survey in the Sierra Nevada by the DWR shows the water content of snow at 18 percent of average. It is likely that the District will need to remain in a Stage 3 – Water Warning with 20 percent conservation target at least through the summer and fall months ahead.

CHWD continues to assist with preserving surface water supplies in the Lake by operating its groundwater wells. Groundwater production by CHWD for the month of May 2014 was 99.58 acre-feet, representing 8 percent of total CHWD water consumption for the month. Groundwater production accounts for 33.68 percent of the District's total 2014 water use through the end of May.

The Sunrise Well remains out of service due to air entrainment problems and aging

mechanical facilities. Progress is being made to enable restoration of this water source. The Bonita, Mitchell Farms, Palm and Sylvan wells remain operational and are being operated on a rotational basis.

As noted on the Operations Manager's 2014 Water Consumption Report, total water use from January 1 through the end of May 2014 was 3,592.92 acre-feet, 14.6 percent less than the five year average for the same period. Total water consumption for the month of May was 1,190.07 acre-feet; 11.1 percent below the five year average for the month of May.

#### Assistant General Manager Recruitment

GM Churchill presented a status report on the recruitment process to select a successor Assistant General Manager. The recruitment has been completed with acceptance of an offer of employment by Darlene J. Gillum and her fulfillment of all of the pre-employment conditions. Ms. Gillum distinguished herself from among 80 applicants for the position. Ms. Gillum is scheduled to start work on June 23, 2014 and will work with AGM Kane until his final day of work on July 2, 2014.

#### NEW BUSINESS

##### Training/Continued Education/Meetings

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

##### Reschedule November 2014 Board of Directors Meeting

GM Churchill presented a report on the proposed rescheduling of the November 2014 Citrus Heights Water District Board of Directors Meeting from Tuesday, November 11, 2014 to Tuesday, November 18, 2014. The regular District Board of Directors Meeting on the second Tuesday of the month in November 2014 falls on the Veterans Day Holiday, November 11. At the November meeting the Board typically holds public hearings on its Budgets, Rates, Fees and Capacity Charges. The date of this Public Hearing is included in the Summer edition of the District's WaterLine Newsletter, necessitating the need to set a firm date at this time.

Directors and staff discussed the proposed rescheduling.

It was moved by Director Dion and seconded by Director Sheehan to reschedule the November 2014 Citrus Heights Board of Directors Meeting from Tuesday, November 11, 2014 to Tuesday, November 18, 2014 at 6:30 p.m.. The motion passed 3-0 with all Directors voting yes.

##### Park Drive and Poplar Avenue 8-Inch and 6-Inch Water Main Replacement Project

PM Dietrich presented a report on bids received to replace water mains along Park Drive

and Poplar Avenue in the City of Citrus Heights. Project plans were prepared by Bennett Engineering Services and the District Engineering Department and distributed to sixteen contractors and three material suppliers for installing approximately 1,850 lineal feet (lf) of 8-inch water main and 590 lf of 6-inch water main and related appurtenances along Park Drive from Sylvan Road east to end and along Poplar Avenue from south of Antelope Road south to end in the City of Citrus Heights.

The District received five sealed proposals on June 4, 2014, at which time proposals were opened and read publicly. The low bidder is Preston Pipelines, Inc. of Milpitas, California. Bids received are as follows:

Preston Pipelines, Inc.	\$485,477.00
Martin General Engineering, Inc.	\$499,989.00
Performance Piping, Inc.	\$506,437.00
Rawles Engineering, Inc.	\$509,256.00
Homen & Root Construction	\$555,313.00

The District's budget estimate for the Project was: \$579,945.00. Directors and staff discussed the bids received and the qualifications of the low bidder, Preston Pipelines.

It was moved by Director Dion and seconded by Director Sheehan to accept the bid of Preston Pipelines, Inc. in the amount of \$485,477.00 and establish a change order contingency fund in the amount of \$49,000.00, and to authorize the General Manager to execute the contract. The motion passed 3-0 with all Directors voting yes.

#### Retirement of David B. Kane

GM Churchill presented a report on the upcoming retirement of AGM Kane. A draft resolution commending AGM Kane for his service to the District was presented to Directors

Assistant General Manager David B. Kane will be retiring from the District on July 6, 2014 after providing over 18 years of service to the District. A retirement celebration is planned to be held at the El Tapatio Restaurant on Sunrise Boulevard in Citrus Heights beginning in the late afternoon on Wednesday, July 2, 2014. Formal invitations will be forthcoming. Directors and staff discussed AGM Kane's service to the District.

It was moved by Director Dion and seconded by Director Sheehan to adopt Resolution No. 07-2014 Commending David B. Kane for his service to the District. The motion passed 3-0 with all Directors voting yes.

#### Sacramento River Water Supply Planning

GM Churchill presented a report on proposed participation in the development of a project framework document for a new Sacramento River Water Supply. In April of 1998 water users in northern Sacramento County and southern Placer County, through a

Memorandum of Understanding, formed the American River Basin Cooperating Agencies (ARBCA) and undertook the development of a Regional Water Master Plan (RWMP) to explore opportunities for cooperative action to protect and enhance water supply availability. Citrus Heights Water District was one of 15 agencies to participate and contribute to this effort.

Phase I of the Plan was completed in June of 1999 and included, as an alternative to be considered, a new surface water diversion off of the Sacramento River. Such a diversion and related water transmissions pipelines would ultimately interconnect with water transmission pipelines originating at existing diversions on the American River including that for San Juan Water District. Directors were provided with selected pages from the ARBCA RWMP Phase I Final Report Executive Summary including a conceptual discussion and Map regarding a "Potential Regional Plan".

With this being the third year of below-normal precipitation, several factors have caused seven of the agencies to explore revisiting the viability of the Regional Plan. Those factors include the low water levels experienced in Folsom Lake recently, impacts due to climate change and Delta flow requirements and groundwater contamination in the central and westerly portions of the basin north of the American River.

Citrus Heights Water District was invited to the second meeting of the water agencies. This meeting was held at Roseville on May 22 with eight agencies in attendance. Directors were provided with a scope of work and fee estimate of \$120,000 prepared by West Yost Associates Engineers to update the prior work and a draft Cost-Sharing Agreement. If eight agencies were to participate, the cost would be \$15,000 each.

Studying an alternate surface water supply from the Sacramento River, coupled with the proposed "SSWD/SJWD Pump Back Project", could be of value if/and when water supplies are curtailed from Folsom Lake and excess groundwater is not available from SSWD. Directors and staff discussed the planning effort and the merits of CHWD continuing to support planning efforts that could lead to a new surface water diversion off of the Sacramento River. Directors concurred that there was value in the District supporting efforts that could lead to an additional source of water supply for the District in the future.

It was moved by Director Dion and seconded by Director Sheehan to approve a not-to exceed contribution of \$15,000 to this effort. . The motion passed 3-0 with all Directors voting yes.

#### Funds and Reserves Policy Amendments

AGM Kane presented a report on proposed amendments to District Fiscal Management Policies regarding District Funds and Reserves. The District's Fiscal Management Policies contain nine separate policies relating to the nine District Funds and Reserves that are used to organize and allocate all District monies for various purposes. These policies define the purpose for which the specified Fund or Reserve is to be used, and set



forth certain responsibilities and restrictions on the transfer or expenditure of monies.

The nine Funds and Reserves policies were presented for discussion with proposed amendments or deletions. Directors were provided with copies of the following policies with amendments:

Policy 6200	Operating Fund
Policy 6210	Operating Reserve
Policy 6220	Rate Stabilization Reserve
Policy 6230	Depreciation Reserve
Policy 6240	Capital Improvement Reserve
Policy 6250	Connection Fund
Policy 6260	Fleet Equipment Reserve
Policy 6270	Employment-Related Benefits Reserve
Policy 6241	Transmission Pipeline Project Fund (proposed to be deleted)

After receiving input from Directors, it is intended that the policies be brought back to the Board for adoption at a future Board meeting. In general, the proposed changes or deletions are intended to do the following things:

- Establish target amounts for monies to be maintained in the specified Fund or Reserve.
- Provide authority to the District Treasurer for transferring monies to or from many of the Funds and Reserves in accordance with the specified policy.
- Provide additional consistency in language among the policies.
- Delete one policy, the Transmission Pipeline Project Fund policy, which will also serve to delete the Fund itself as no longer being needed.

Target amounts are expressed as percentages or defined portions of budgeted outlays approved by the Board or amounts of specified assets in the District's Financial Statements, as opposed to absolute dollar amounts. In this way, target amounts for the different Funds and Reserves can and will change over time as the District's financial circumstances evolve. Target amounts for the Operating Fund, Capital Improvement Reserve and Depreciation Reserve are derived from recommendations set forth in the District's 2013 Financial Plan and Water Rate Study.

As proposed, the amended Policies would allow for monies to be transferred in or out of most of the Funds and Reserves at the direction of the District Treasurer with monthly reports to the Board on said actions, except for the Rate Stabilization Reserve and the Connection Fund. Expenditure or transfer of monies out of either of these two sources would remain under the authority of the Board of Directors. The amounts of monies to be retained in each of the specified Funds and Reserves are expressed as "targets" rather than absolute dollar amounts to serve as a guideline for fiscally-responsible amounts of dollars to be kept in each Fund or Reserve. The Board of Directors, and the Treasurer

under the Board's direction, retains the ultimate authority to determine appropriate levels for each source under circumstances that will undoubtedly change over time.

One policy is recommended for deletion: Policy 6241, Transmission Pipeline Project Fund. This Fund, originally established in 1995 as a way to track monies being allocated and expended for the Cooperative Transmission Pipeline Project, has been inactive with a zero balance since December 1998. Since the purpose for which this Fund was created was completed long ago, there is no purpose in continuing to show it as one of the Funds and Reserves of the District.

Directors and staff discussed the proposed amendments. It was noted that there had been concerns in the past about special districts accumulating what were perceived to be excessive amounts of financial reserves, and that the District needed to be sensitive to this in determining appropriate levels of financial reserves. It was also asked if the District's auditor would have any concerns about conveying authority to the Treasurer for transferring money in and out of the various funds and reserves. AGM Kane responded that most public agencies already vest authority with their Treasurer or finance director to transfer monies in accordance with the policies established by the governing body. The auditor will only seek to verify that transfers are being performed in accordance with the policies, in much the same manner as the auditor now verifies that funds are being invested by the Treasurer in accordance with the investment policy. Directors agreed that establishing target levels and facilitating the transfer of funds and reserves for their intended purposes will be of value in administering the District's finances.

AGM Kane stated that the draft amendments would be further reviewed by staff, including the new Assistant General Manager, before being brought back to the Board for further consideration and possible adoption.

#### PROJECT MANAGER'S REPORT

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

- Projects under construction or pending construction by private contractors and developers including:
  - Arcade Creek Park Preserve, Bonham Circle/Sunrise Boulevard.
  - Citrus Town Center (Party City), 6302 Sunrise Boulevard.
  - Sherwin Williams Paint, 8065 Greenback Lane.
  - Muschetto Subdivision, 46 Residential Lots, 7108 Antelope Road.
- Project development/design underway by District staff including:
  - Park Drive 8-Inch Water Main and Poplar Avenue 8-Inch Water Main Replacement project.
  - Sonora Way 8-Inch Water Main Replacement project.

- Hanson Avenue 6-Inch Water Main Replacement project.
- Sunrise Boulevard 12-Inch Water Main project.
- Projects contracted by the District including:
  - Mariposa Avenue 24-Inch Water Main Replacement project.
- Coordination and inspection is underway with the City of Citrus Heights on the following City projects:
  - Old Auburn Road 14-Inch Water Main.
  - Old Auburn Road 16-Inch Water Main.
  - Auburn Boulevard Joint Trench Utility Undergrounding Project (Phase 1).
  - Auburn Boulevard Widening Project.

It was reported that the following addition to the District's water distribution system that was constructed by an independent contractor on behalf of a private developer/owner, has been inspected by the District and formally approved:

Birdcage Center Remodel and Drive Aisle, 6197 Sunrise Blvd., Citrus Heights  
One 1½-inch metered water service.  
Value: \$3,500.00

#### OPERATIONS MANAGER'S REPORT

OM Townsel reported as follows:

1. A total of 332 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 2014 through the end of May 2014 was 3,592.92 acre-feet, a decrease of 14.6 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. OM Townsel and PM Dietrich left the meeting.

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

#### DIRECTOR'S AND REPRESENTATIVES REPORTS:

Director Dion reported on an upcoming special meeting of the Regional Water Authority (RWA) than he plans to attend along with AGM Kane.

Director Dains reported on an upcoming meeting of the Sacramento Groundwater Authority (SGA) that he plans to attend along with GM Churchill.

GM Churchill reported that the confirmation of Director Sheehan as Alternate Representative for the Sacramento Groundwater Authority (SGA) would be considered at an upcoming meeting of the City of Citrus Heights City Council.

AGM Kane reported on a meeting of the San Juan Water District Executive Committee that he attended recently.

Director Dion reported on upcoming meetings of the Association of California Water Agencies - Joint Powers Insurance Authority.

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

### ASSISTANT GENERAL MANAGER'S REPORT

AGM Kane reported as follows:

1. Directors were provided with a summary of Water Efficiency Program activities during the month of May 2014, including the number of ultra-low-flush toilet rebates issued. Directors were provided with a copy of the Residential Water Survey report that customers receive following the irrigation system reviews being performed by WaterWise, the District's contractor for performing these reviews.
2. The Assistant General Manager attended a Water Forum Successor Effort Plenary meeting on May 8, 2014. Primary items of discussion were the Lower American River temperature plan and a presentation on the Central Valley Flood Protection Plan's regional conservation planning effort for the lower Sacramento Delta North Region.

Directors were provided with a copy of the Monthly Runoff and Allocation Report for May, showing the projected March-November 2014 Unimpaired Inflow into Folsom Reservoir (UIFR) at 682 thousand acre-feet (TAF). This index is used to determine the type of water year expected for purposes of determining the extent of dry-year procedures to be used by water purveyors and water right holders. The current UIFR of 682 TAF is down from 775 TAF in the April report and 710 TAF in the March report, remaining in a "Wedge Year" which is when the UIFR is below 950 TAF but above 400 TAF. A "Wedge Year" affects the allocation of American River water for the City of Folsom, Placer County Water Agency, City of Roseville, San Juan Water District, Sacramento Suburban Water District and SMUD under the Water Forum Agreement.

3. A recruitment to fill a vacancy in a Customer Service Representative position is

continuing. From a pool of more than 150 applicants, the ten most-qualified applicants were interviewed in early June. Testing and additional screening of the top candidates selected by the interview panel will be conducted within the next week. It is hoped to have a new Customer Service Representative on board by early to mid-July 2014.

4. Production of the next edition of the District's WaterLine newsletter is nearly completed. The final "print-ready" version is scheduled to be delivered to the printers by June 12, with printing and mail preparation scheduled to be done with the goal of delivering the edition to customers in early July 2014. Directors were provided with a "design comp" version of the newsletter. Director Sheehan noted one correction needed to a photograph caption in the newsletter.
5. Directors were advised that the monthly financial reports for the month of June 2014 will not be presented to Directors until the time of the July 8, 2014 Board of Directors meeting. With a short end-of-month schedule further shortened by the District holiday for Independence Day that is observed on Thursday, July 3, it will not be possible to prepare the reports in time to be distributed with the Board agenda binders prior to the meeting.

#### GENERAL MANAGER'S REPORT

GM Churchill reported as follows:

1. Twenty-two District employees received recognition for superior attendance, outstanding customer service and quality of work during the month of May 2014. Directors were provided with a list of the employees and items for which each received recognition. Discussion ensued regarding the District's employee recognition program.
2. A list of the General Manager's significant assignments and activities was provided.

#### CORRESPONDENCE

None

Ms. Gillum left the meeting at 9:09 p.m.

#### CLOSED SESSION

Pursuant to subdivision (a) of Government Code Section 54956.9 (one case), Existing Litigation: Citrus Heights Water District v. FedExGround, the Board of Directors convened in Closed Session at 9:11 p.m. to receive a report from Attorney Paul Phillips and from District staff. Directors Dains, Dion, and Sheehan, and GM Churchill and AGM Kane were in attendance.

President Dains reconvened the meeting into Open Session at 9:14 p.m. He reported that no reportable action was taken during the Closed Session.

AGM Kane left the meeting at 9:15 p.m.

Pursuant to Government Code Section 54957, Public Employee Evaluation, the Board of Directors convened in Closed Session at 9:16 p.m. for the purpose of conducting a performance evaluation of the General Manager. Directors Dains, Dion and Sheehan and GM Churchill were in attendance.

President Dains reconvened the meeting into Open Session at 9:40 p.m.

President Dains reported that that the Board met with GM Churchill for the purpose of evaluating his performance and that of the District. He reported that the Board was pleased with the leadership and staff of the District.

ADJOURNMENT

There being no other business to come before the Board, the meeting was adjourned at 9:45 p.m.

APPROVED:

Original signed by: Robert A. Churchill  
ROBERT A. CHURCHILL  
Secretary  
Citrus Heights Water District

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