

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

The Regular Meeting of the Board of Directors was called to order at 6:31 p.m. by President Dains and roll was called. Present were:

Allen B. Dains, President
Joseph M. Dion, Vice 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
Susan Sohal, Accounting Supervisor
Rex Meurer, Water Efficiency Coordinator

VISITORS

Bob Reed, The Reed Group
Rachel Kennard, CHWD Volunteer, and several members of her family
Several visitors from the public were in attendance, including Susan Pointer and Mark S. Mitchell

Director Dains led the Pledge of Allegiance.

PUBLIC COMMENT

Susan Pointer requested that the Board and the District consider posting the agenda packet on the District's website so that the public has access to the same information the Board has. Since the office is closed on Fridays, the public did not have access to a copy of the agenda packet until Monday, which did not give ample time to digest the information.

GM Churchill agreed to have District staff work on publishing the Board packet information on the District's website concurrently with provision of the information to the Directors.

CONSENT CALENDAR

President Dains asked for the Consent Calendar.

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

1. Minutes of the Regular Meeting – August 12, 2014.
2. Assessor/Collector's Report for August 2014.
3. Assessor/Collector's Roll Adjustments for August 2014.

4. Treasurer's Report for August 2014.
5. Payables for August 2014.
6. Report not included (CAL-Card Purchases will be reported in September 2014)
7. Summary of 2014 Directors, Officers and Employees Training, Seminars and Conference Expenses.

Director Dains questioned the payment made to the City of Citrus Heights by check #57658 in the amount of \$489,964.02 for permit fees. GM Churchill explained that the payment description on the Payables Report was incorrect and that the payment was actually for the District's portion of Segment II of the Auburn Boulevard Complete Streets and Revitalization Project.

The motion passed 3-0 with Director Dains, Director Dion and Director Sheehan voting yes.

August 31, 2014 - Payables

Check #	Vendor	Description	Amount
<i>Items highlighted in bold below have been paid prior to Sept 9th Board Meeting</i>			
57576	Andrea Ciokewicz	Overpayments	\$94.68
57577	Mark A Sandos	Overpayments	\$225.00
57578	Jason C or Robyn M Traversie	Overpayments	\$167.02
57579	California State Disbursement Unit	Garnishment	\$184.61
57580	California State Disbursement Unit	Garnishment	\$109.61
57581	City of Citrus Heights	Permit Fees	\$6,683.88
57582	City of Citrus Heights	Permit Fees	\$1,500.00
57583	Kaiser Foundation Health Plan, Inc	Health Insurance	\$14,207.62
57584	Gaosheng or Deon McCauley	Overpayments	\$85.75
57585	James D. Bittle	Overpayments	\$306.71
57586	ABA DABA Rentals & Sales	Supplies-Field	\$136.67
57587	ACWA/JPIA Health Benefits Authority	Disability & Life Insurance	\$4,479.51
57588	AFLAC	Employee Paid Insurance	\$658.33
57589	Afman Supply	Small Tools	\$227.58
57590	AnswerNet	Telephone-Answer Service	\$228.79
57591	Aqua Sierra Controls	Wells Maintenance	\$250.00
57592	Olga G Ayala	Overpayments	\$125.80
57593	Bart/Riebes Auto Parts	Repair-Trucks	\$33.78
57594	Kellie M Bennett	Overpayments	\$74.87
57595	California State Disbursement Unit	Garnishment	\$184.61
57596	California State Disbursement Unit	Garnishment	\$109.61
57597	City of Citrus Heights	Permit Fees	\$175.00
57598	Tina R Coleman	Overpayments	\$63.32
57599	Connected Document Solutions	Maintenance Agreement-Equipment	\$69.87
57600	Corelogic Information Solutions Inc	Dues & Subscriptions	\$42.50
57601	Coverall North America Inc	Janitorial	\$280.00

57602	Cybex	Equip Rent-Office	\$118.46
57603	Dawson Oil Company	Gas & Oil	\$1,539.41
57604	Ditch Witch	Fixed Assets	\$6,220.80
57605	Equarius Water Works	Material	\$4,114.80
57606	Fiserv	Overpayments	\$102.12
57607	Randy or Penny Goodwin	Overpayments	\$170.72
57608	Jack W or Elizabeth A Gumbiner	Overpayments	\$12.37
57609	Amanda Hayes	Overpayments	\$222.26
57610	HD Supply Waterworks LTD	Material	\$47.74
57611	Helen W Polone 2001 Trust	Overpayments	\$99.38
57612	Brian M Hensley	Travel	\$225.82
57613	J4 Systems	PC-Other	\$2,550.00
57614	Jeannie Bruins	Office Miscellaneous	\$35.00
57615	Kei Window Cleaning #12	Janitorial	\$73.00
57616	Mark or Chloe Lee Kroon	Overpayments	\$111.44
57617	William J Kunz	Overpayments	\$149.17
57618	Lawnman Commercial Landscape	Janitorial	\$301.77
57619	Moonlight BPO	Contract Services-Bill Print/Mail	\$6,102.96
57620	VOID	Void	\$0.00
57621	Occu-Med	Office Miscellaneous	\$186.00
57622	Office Depot	Office Expense	\$55.07
57623	One Print Source & Graphics	Printing	\$572.35
57624	Pacific Gas & Electric	Utilities	\$19.53
57625	Alney B Rhoades	Overpayments	\$11.92
57626	RUE EQUIPMENT	Repair-Equipment/Hardware	\$6,336.06
57627	RW Trucking	Contract Services-Miscellaneous	\$1,615.00
57628	S D Deacon Corp	Overpayments	\$1,540.47
57629	Rose I Smith	Overpayments	\$11.72
57630	Sonitrol	Equip Rent-Office	\$517.78
57631	SureWest Directories	Telephone-Local/Long Distance	\$49.00
57632	Mark L or Andrea B Tillman	Field Miscellaneous	\$63.27
57633	Titan Workforce LLC	Contract Services-Temporary Labor	\$2,093.85
57634	Frank M Tomasegovich	Overpayments	\$48.50
57635	Union Bank Corporate Trust Division	Contract Services-Miscellaneous	\$264.90
57636	Unum Life Insurance Co of America	Disability & Life Insurance	\$1,538.37
57637	Underground Service Alert	Dues & Subscriptions	\$806.64
57638	Voyager Fleet Systems Inc	Gas & Oil	\$2,858.99
57639	KP Martin Inc.	Overpayments	\$1,750.08
57640	ABA DABA Rentals & Sales	Supplies-Field	\$96.90
57641	ACWA/JPIA	Workers Comp Ins	\$60,701.00
57642	AFLAC	Employee Paid Insurance	\$810.27
57643	AIA Services, LLC	Water Conservation-Material/Supplies	\$2,708.16

57644	Albietz Law Firm	Legal & Audit	\$8,098.12
57645	Aldea Homes, Inc.	Overpayments	\$17.83
57646	Alexander's Contract Services	Contract Services-Meter Read	\$6,996.42
57647	AREA Restroom Solutions	Equipment Rental-Field	\$106.20
57648	Bennett Engineering Services, Inc	Contract Services-Engineering	\$4,228.92
57649	Blackbird Associates	Contract Services-Engineering	\$4,463.95
57650	Edwin or Elpidio Bragado,	Overpayments	\$23.82
57651	BSK Associates	Water Analysis	\$2,384.00
57652	Burketts	Office Expense	\$51.67
57653	California Surveying & Drafting Supply	Small Tools	\$5.00
57654	Caltronics Business System	Small Office Equip	\$336.96
57655	Cannon Solutions America, Inc.	Fixed Assets	\$75.67
57656	Central Valley Engineering & Asphalt, Inc.	Contract Services-Paving/Concrete	\$8,619.84
57657	Chicago Title Company	Overpayments	\$10.19
57658	City of Citrus Heights	Permit Fees	\$489,964.02
57659	Comtech Communications	Repair-Trucks	\$1,023.92
57660	Consolidated	Telephone-Local/Long Distance	\$924.90
57661	Cooks Truck Body Mfg Inc	Repair-Trucks	\$2,365.00
57662	Corix Water Products, Inc	Material	\$6,025.86
57663	Equarius Water Works	Material	\$2,743.20
57664	Equity Link Inc.	Overpayments	\$64.06
57665	Ferguson Enterprises Inc.1423	Material	\$1,415.88
57666	Forsgren Associates, Inc.	Contract Services-Miscellaneous	\$14,307.50
57667	The Galster Group	Overpayments	\$145.90
57668	Golden State Flow Measurement, Inc	Material	\$259.32
57669	Grainger	Small Tools	\$52.26
57670	GreatAmerica Leasing Corp	Equip Rent-Office	\$218.79
57671	Integrity Administrators Inc	Health Insurance	\$272.48
57672	Rodolfo or Juanita Luppi	Overpayments	\$58.97
57673	Douglas A MacTaggart	Contract Services-Paving/Concrete	\$4,910.00
57674	Moonlight BPO	Contract Services-Bill Print/Mail	\$4,393.46
57675	Neighborly Pest Management	Janitorial	\$92.00
57676	NV5 / Nolte Associates, Inc.	Contract Services-Engineering	\$12,321.80
57677	Pace Supply Corp	Material	\$3,774.05
57678	Performance Piping	Contract Services-Miscellaneous	\$54,664.68
57679	Placer Title Company	Overpayments	\$7.04
57680	Preston Pipelines Inc	Contract Services-Miscellaneous	\$57,214.23
57681	Psomas	Contract Services-Engineering	\$450.00
57682	Quantix Real Estate Group LLC	Overpayments	\$20.12
57683	Republic Services #922	Utilities	\$212.50
57684	RW Trucking	Contract Services-Miscellaneous	\$2,375.00
57685	Yevgeniy or Polina Shemereko	Overpayments	\$86.49
57686	A. Teichert & Son, Inc.	Road Base	\$2,867.77

57687	Titan Workforce LLC	Contract Services-Temporary Labor	\$133.65
57688	Unico Engineering	Contract Services-Engineering	\$6,790.00
57689	Verizon Wireless	Telephone-Wireless	\$900.59
57690	Warren Consulting Engineers Inc	Contract Services-Engineering	\$375.00
57691	Laurie Alias	Toilet Rebate Program	\$150.00
57692	Daniel Asher	Toilet Rebate Program	\$150.00
57693	Merle Brown	Toilet Rebate Program	\$75.00
57694	Michael L or Sandra G Callahan	Toilet Rebate Program	\$150.00
57695	Vicky Cordenas	Toilet Rebate Program	\$150.00
57696	Davis, Elizabeth	Toilet Rebate Program	\$150.00
57697	Stephen R or Catherine Ferrie	Toilet Rebate Program	\$75.00
57698	Linda Garnero	Toilet Rebate Program	\$75.00
57699	Lina Ling Gasperson	Toilet Rebate Program	\$75.00
57700	Douglas K or Betty D Hoffman	Toilet Rebate Program	\$75.00
57701	Tina Jacobson	Toilet Rebate Program	\$150.00
57702	Betty Jankowski	Toilet Rebate Program	\$150.00
57703	Patricia Kendrick	Toilet Rebate Program	\$75.00
57704	Ladan Khatibijah	Toilet Rebate Program	\$225.00
57705	Gregory Kolle	Toilet Rebate Program	\$75.00
57706	Faye L McClaine	Toilet Rebate Program	\$75.00
57707	Louise J McCullough,	Toilet Rebate Program	\$75.00
57708	John G Miles	Toilet Rebate Program	\$150.00
57709	Tricia Mize	Toilet Rebate Program	\$75.00
57710	Virginia Neverkovec	Toilet Rebate Program	\$75.00
57711	Brian G Popovac	Toilet Rebate Program	\$150.00
57712	Virginia Shaw	Toilet Rebate Program	\$75.00
57713	Gerard K or Eleanor Stern	Toilet Rebate Program	\$75.00
57714	Vincent Sue	Toilet Rebate Program	\$225.00
57715	Ida Y Swann	Toilet Rebate Program	\$75.00
57716	SMUD	Utilities	\$16,343.91
57717	Zim Industries Inc	Contract Services Misc.	\$50,206.50
Total			<u>\$913,807.61</u>
ACH	BOW 8/2014	Bank Fees	\$2,086.87
ACH	ELAVON 8/14 ORG	Bank Fees	\$3,548.41
ACH	ELAVON FD 8/14	Bank Fees	\$226.34
ACH	ELAVON PH 8/14	Bank Fees	\$149.80
ACH	ING 8/14/14	Deferred Compensation	\$45.00
ACH	ING 8/28/14	Deferred Compensation	\$45.00
ACH	PAYCHEX 8/11/14	PC-Other	\$436.90
ACH	PERS 8/1/14	PERS	\$8,514.63
ACH	PERS 8/14/14	PERS	\$8,514.63
ACH	VALIC 8/14/14	Deferred Compensation	\$1,640.00

ACH	VALIC 8/28/14	Deferred Compensation	\$1,640.00
ACH	VANCO 8/15/14	PC-Other	\$67.60
ACH	WHA 8/2014	Health Insurance	\$18,266.86
ACH	WHA 8/2014 COBRA	Health Insurance	\$876.71
Total			<u>\$46,058.75</u>
Grand Total			<u><u>\$959,866.36</u></u>

NEW BUSINESS (taken out of order)

Item N-3, Rachel Kennard Volunteer Service, was taken out of order.

Water Efficiency Coordinator, Rex Meurer, presented the following summary of Rachel Kennard’s background and volunteer service:

Rachel Kennard, a junior in Environmental Studies and Politics at UC Santa Cruz, with an express interest in water resources, inquired about employment or volunteer opportunities with the District while she was home from school on summer break.

With adoption of a Volunteer Policy at the August 12, 2014 Board of directors meeting, the District was able to offer Ms. Kennard a volunteer position under the guidance of Water Efficiency Coordinator Rex Meurer beginning on August 19, 2014. Since that time she has shadowed Mr. Meurer in his daily activities and provided value to the District with her efforts. She will be returning to school on September 16, 2014.

The Board of Directors was asked to consider adopting Resolution No. 08-2014 commending Ms. Kennard for her exemplary volunteer service to the Citrus Heights Water District.

Motion: It was moved by Director Dion and seconded by Director Sheehan to Adopt Resolution No. 08-2014 Commending Rachel Kennard for her volunteer service to the District.

The motion carried 3-0 with Director Dains, Director Dion and Director Sheehan voting yes.

After adoption of the resolution, WEC Meurer presented Resolution No. 08-2014 to Ms. Kennard commending her for her exemplary volunteer service to the Citrus Heights Water District.

OLD BUSINESS

2015 Budgets and Water Rates – Public Workshop

AGM Gillum presented the draft Operating and Capital Improvement Budgets, the Water Rates and Charges for 2015, and a summary of the Proposition 218 Notification process. Following AGM Gillum's presentation, Bob Reed of The Reed Group presented a draft of his Water Shortage Rate Study and recommendations for the Board's consideration to include in the 2015 Proposition 218 notice.

Susan Pointer, member of the public, addressed the Board and urged the Board, as they are working on the 2015 budget, to reconsider the proposed plan to increase rates by 3%. The community has cooperated in reducing the amount of water usage and as a reward – the water they do use will cost them more. She stated that this is hard to accept given the fact that at the August 12th meeting the Board added a position to the District and the 2015 proposed budget includes a 1.8% COLA and 3.2% merit increases. She continued by stating that when revenues decrease, you cut back how you operate, not place the burden on the backs of the very people you asked to cut usage. She asked the Board again, as they work towards finalizing the 2015 budget, to reconsider raising our rates.

An unidentified member of the public, asked about water usage discrepancy between the average residential user and commercial users and if the commercial user will bear the brunt of conservation.

Another member of the audience, who did not identify themselves, commended the Board of Directors for having a proactive action plan regarding smaller annual increments of rate increases.

Other members of the public posed questions to the Board about whether or not the Board is considering water supply alternatives such as gray water systems, desalination plants, and the use of reclaimed water.

After public comment was received, Director Sheehan recommended that District staff move forward with the Proposition 218 notice with a 3% rate increase. Director Dains and Director Dion concurred. Director Dains stated that 3% is a reasonable rate increase but asked District staff to calculate the impacts of a 2% and 0% rate increase.

Director Dains called for a brief recess at 8:15 p.m. All visitors left the meeting except for Mr. Mitchell. The meeting was reconvened at 8:22 p.m.

San Juan Water District / Sacramento Suburban Water District Joint Meetings

Director Dains, GM Churchill and AGM Gillum attended the 2 x 2 Ad Hoc Water Management Committee Meeting held on August 27, 2014 at SSWD.

The agencies are proceeding with Phase 2A of their Study with Consultant John O'Farrell as the lead person.

Copies of the Meeting Agenda, Presentation and related items were provided to the Directors.

Administration Building Improvements

GM Churchill presented a status report on the design phase of the Administration Building Improvements Project. The District's Administration Building Renovation and Expansion Plans began circulation for bids on September 2, 2014. The upcoming schedule is as follows:

Contractor Pre-Bid Meeting and Site Tour:	September 10, 3 PM	
Bids Due:	September 24, 3 PM	
Board Consideration of Award:	October 14, 6:30 PM	
Begin Construction:	November 19	Tentative
Complete Construction	July 1, 2015	Estimated

The District staff has evaluated alternative locations and cost for housing the Administrative staff during construction. One additional location is being evaluated at this time. GM Churchill recommended that the Public Hearing regarding proposed 2015 rate increases, which is scheduled for the District's November Board of Directors meeting, be held at the new temporary location to avoid any construction activity that may be occurring at the Administration building. In order for the address of the alternate location to be published in the Proposition 218 notice, GM Churchill recommended that a special Board meeting be considered for September 16, 2014 to review District staff's recommendation on the temporary housing location for Administrative staff. The Directors concurred with GM Churchill's recommendation.

Water Supply

GM Churchill presented a status report on water supplies available to the District. As of September 3, 2014, storage in Folsom Lake was at 381,013 acre-feet, 39.0 percent of the total capacity of 977,000 acre-feet and a 1.8% decrease in actual volume since August 6. The historical average for this date is about 63 percent of total capacity. Of concern is that the May 1, 2014 snow survey in the Sierra Nevada by the Department of Water Resources 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 a 20 percent conservation target at least through the 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 August 2014 was 100.48 acre-feet, representing 6.8 percent of total CHWD water consumption for the month. Groundwater production accounts for 20% of the District's total 2014 water use through the end of August.

All District wells (Bonita, Mitchell Farms, Palm, Sylvan and Sunrise) remain operational and are being operated on a rotational or a 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 August 2014 was 8,241.17 acre-feet, 17.0 percent less than the five year average for the same period. Total water consumption for the month of August was 1,477.49 acre-feet; 25.4 percent below the five year average for the month of August and 23.2% below August 2013 use. Year-to-date water use in 2014 is 21.2% below the corresponding time period in 2013.

Skycrest Well Drilling, Development and Testing

OM Townsel presented a status report on the drilling and testing phase of the Skycrest Well project. Video recording of the finished well has been completed. OM Townsel reported that this phase of the work will be completed in September; allowing for a Notice of Completion to be authorized at the October Board Meeting. Final well design is currently underway.

Sacramento River Water Supply Planning

GM Churchill presented a status report on the development of a project framework document for a new Sacramento River Water Supply. At the June 10, 2014 Citrus Heights Water District Board of Directors Meeting the Board received a report outlining the conceptual and preliminary planning efforts dating back to 1998 to evaluate a surface water supply from the Sacramento River to serve or increase the reliability of water supplies to northern Sacramento and southern Placer counties.

Studying an alternate surface water supply from the Sacramento River, coupled with the proposed "SSWD/SJWD Pump Back Project", could be of value if/when water supplies are curtailed from Folsom Lake and excess groundwater is not available from SSWD.

At the June meeting the Board approved participating with other agencies in a scope of work prepared by West Yost Associates Engineers to update the prior studies. An amount not-to-exceed \$15,000 was approved for this work that was estimated to cost \$120,000. Eleven agencies have expressed interest in updating the study.

A Cost-Sharing Agreement was reviewed and comments provided by District legal counsel Judy Albietz and subsequently shared with the Board of Directors at their August 12, 2014 Meeting. The District's comments were then forwarded to Placer County Water Agency to incorporate all agencies' responses/comments and to send out a revised draft Cost-Sharing Agreement for consideration. Said revision has not yet been issued.

Auburn Blvd Water Facilities Replacement Project

PM Dietrich presented an update on the Auburn Boulevard Water Facilities Replacement Project. The City of Citrus Heights has substantially completed undergrounding of aerial facilities on Auburn Boulevard from north of Sylvan Corners to Rusch Park. The majority of this work occurred on the east side of Auburn Boulevard and included a complete street makeover of Auburn Boulevard from Sylvan Corners to Rusch Park.

At the District's February 14, 2012 Board of Directors Meeting, the General Manager was authorized to execute any necessary agreements, subject to legal counsel approval and within the constraints of the project budget, to facilitate the design and construction of water distribution system facilities concurrent with the City of Citrus Heights Auburn Boulevard Complete Streets and Revitalization Project.

The project included abandonment of a 6-inch steel water main on the west side of Auburn Boulevard and providing water main and service connections to the existing 8-inch ACP water main on the east side of the street. Also included was replacement of 8-inch steel water mains at or near the intersection of Auburn Boulevard and Watson Way. The scope of work also included installation, replacement and/or relocation of other water system attributes including water services and fire protection facilities. A short extension of an 18-inch water transmission main at Pratt Avenue also occurred to clear the improvements.

In the District's 2012 Capital Projects Budget \$590,259.00 was allocated towards this project (No. 2012-03) including \$547,745.00 for construction and \$42,514.00 for administrative costs.

The City of Citrus Heights separated their project into two segments, Segment II and Segment III. Segment II is complete. Segment III is substantially complete with a short list of corrections of water related items to be completed.

All construction costs for Segment II were reviewed and approved for payment totaling \$489,964.02.

For the Segment III construction costs, the bid for the project totaled \$59,217.00 inclusive of the District's prorated portion of fixed costs. A final invoice is expected in the coming months after completion.

To date, administrative costs for the project total \$115,863.06. The project was originally estimated to last 12-months, but has extended into its 28th month. The majority of these costs are related to additional inspection hours. Due to the segmentation of the work, various water related facilities required a second phase of construction to achieve proper grade or to repair damage caused during the long construction period. The requirement for repeated inspections greatly increased administrative costs. In-house engineering and project management costs were also increased due to design review of the Segment III plans and additional meetings and coordination.

NEW BUSINESS

Training/Continued Education/Meetings

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

Sunrise Boulevard / Highwood Way Water Main Projects

PM Dietrich presented information on the Sunrise Boulevard / Highwood Way Water Main Projects and asked the Board of Directors to consider acceptance of a bid to replace a short section of water main along Sunrise Boulevard between Oak Avenue and Woodmore Oaks Drive and install a water main along Highwood Way between Woodmore Oaks Drive and Escallonia Drive in the City of Citrus Heights and the community of Orangevale.

PM Dietrich reported that Project Plans were prepared by Area West Engineers, Inc. and the District Engineering Department and distributed to ten contractors and three material suppliers for installing and connecting approximately 120 lineal feet (lf) of 12-inch water main and 100 lineal feet (lf) of 6-inch water main and related appurtenances along Sunrise Boulevard between Oak Avenue and Woodmore Oaks Drive and along Highwood Way between Woodmore Oaks Drive and Escallonia Drive in the City of Citrus Heights and the community of Orangevale.

The District received one (1) sealed proposal on September 3, 2014, at which time proposals were opened and read publicly. The apparent low bidder is GM Construction and Developers, Inc. of Citrus Heights, CA.

- | | |
|---|--------------|
| 1. GM Construction and Developers, Inc. | \$118,130.00 |
|---|--------------|

The District's budget estimate for the Project was: \$88,000.00. A second, but non-responsive bid was received in an amount greater than that of GM Construction and Developers, Inc.

These two projects were initially budgeted for construction by the District's Operations Department; however, due to the current repair and maintenance workload, these projects are now being proposed to be constructed by a private contractor. Replacement of the Sunrise Boulevard 12-inch segment is critical due to the water main's proximity through a storm drain manhole and the condition of the pipe as observed at recent repair work at a fabricated steel elbow. Said repair, performed in November 2011, at a cost of \$10,740.00, was considered a temporary fix until such time as this replacement could be designed and constructed.

Motion: It was moved by Director Dion and seconded by Director Sheehan to accept the bid of GM Construction and Developers, Inc. in the amount of \$118,130.00 and establish a change order contingency fund in the amount of \$12,000.00 (10.2%) and to authorize the General Manager to execute the contract.

The motion carried 3-0 with Director Dains, Director Dion and Director Sheehan voting yes.

Water Main Replacement / Installation Projects – Inspection Services

PM Dietrich presented information regarding a proposed a contract with the ICM Group, Inc. to provide inspection services for the Sunrise Boulevard 12-Inch Water Main Replacement Project and the Highwood Way 6-Inch Water Main Installation Project.

The District has worked successfully with the ICM Group in the recent past on numerous successful capital improvement projects. Their team is familiar with our construction specifications and work practices. ICM's all-inclusive hourly rate complies with the prevailing wage requirement and aligns with rates paid on recent projects.

ICM Group, Inc.	\$97.00 per hour
Forsgren Associates, Inc.	\$97.00 per hour
Unico Engineering, Inc.	\$97.00 per hour

The project will last no more than 53 calendar days (39 work days) equating to approximately 330 hours and an expense of an estimated \$32,000.00.

These two projects were initially budgeted for construction by the District's Operations Department; however, due to the current repair and maintenance workload, these projects are now being proposed to be constructed by a private contractor. Replacement of the Sunrise Boulevard 12-inch segment is critical due to the water main's proximity through a storm drain manhole and the condition of the pipe as observed at recent repair work at a fabricated steel elbow.

Motion: It was moved by Director Sheehan and seconded by Director Dion to approve entering into a Professional Service Agreement for Inspection Services with the ICM Group, Inc. at an amount not-to-exceed \$32,000.00 and authorize the General Manager to execute the Agreement.

The motion carried 3-0 with Director Dains, Director Dion and Director Sheehan voting yes.

PROJECT MANAGER'S REPORT

PM Dietrich presented a report on the following activities during the month of August 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.
 - Muschetto Subdivision, 46 Residential Lots, 7108 Antelope Road.
 - HD Supply, 7980 Greenback Lane.
 - Fair Oaks Village, 6800 Madison Avenue.
- Contractor/developer projects pending construction:
 - None to report
- Project development/design underway by District staff including:
 - Sonora Way 8-inch Water Main Replacement project.

- Hanson Avenue 6-inch Water Main Replacement project.
- Sunrise Boulevard 12-inch Water Main Replacement project.
- Highwood Way 6-inch Water Main Installation project.
- Mariposa Avenue 18-inch and 8-inch Water Main Installation/Replacement project.
- San Juan High School 24-inch Water Main Installation project.
- Projects contracted by the District including:
 - Mariposa Avenue 24-inch Water Main Replacement project.
 - Park Drive 8-inch Water Main and Poplar Avenue 8-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 Blvd Joint Trench Utility Undergrounding Project (Segment II).
 - Auburn Blvd Widening Project (Segment III).

It was reported that there were no additions to the District's water distribution system that were constructed by an independent State Licensed contractor on behalf of a private developer/owner.

OPERATIONS MANAGER'S REPORT

OM Townsel reported as follows:

1. A total of 237 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 August 2014 was 8,241.17 acre-feet, a decrease of 17.0 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 8:59 p.m. OM Townsel and PM Dietrich left the meeting.

Director Dains reconvened the meeting at 9:02 p.m.

CLOSED SESSION

Director Dains stated that the Closed Session would be taken out of order at this time. Mr. Mitchell addressed the Board with comments regarding the closed session item related to Real Property Negotiations for Mr. Mitchell's property located at 5640 Southgrove Drive.

After hearing Mr. Mitchell's comments, Mr. Mitchell left the room and the Board of Directors convened in Closed Session at 9:25 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 Attorney Paul Phillips and from District staff.

Pursuant to subdivision (b) of Government Code Section 54956.8 (one property), Real Property Negotiations, 5640 Southgrove Drive, to confer with agency negotiators, GM Churchill and AGM Gillum, regarding price and terms.

Director Dains, Director Dion, Director Sheehan, GM Churchill and AGM Gillum were in attendance.

OPEN SESSION

President Dains reconvened the meeting into Open Session at 9:38 p.m.

Mr. Mitchell rejoined the open session.

Director Dains reported that no reportable action was taken during the Closed Session regarding subdivision (a) of Government Code Section 54956.9 (one case), Existing Litigation: Citrus Heights Water District v. FedExGround.

Director Dains reported that he would consider a motion regarding subdivision (b) of Government Code Section 54956.8 (one property), Real Property Negotiations, 5640 Southgrove Drive.

Motion: It was moved by Director Dion and seconded by Director Sheehan to agree, in principle, to sell the portion of property located at 5640 Southgrove Drive owned by the District and which is adjacent to the parcel owned by Mr. Mitchell at the same address, for \$3,500 pending legal opinion and authorize the Board President to sign all required paperwork to close the transaction.

The motion carried 3-0 with Director Dains, Director Dion and Director Sheehan voting yes.

DIRECTOR'S AND REPRESENTATIVES REPORTS:

Director Dion reported that he will be unable to attend the September 24, 2014 Regional Water Authority (RWA) Executive Committee meeting.

Director Dains reported on the August Sacramento Groundwater Authority (SGA) meeting. The meeting was attended by Director Dains, GM Churchill, and AGM Gillum.

Director Dains reported on the August 26, 2014 San Juan Water District Executive Committee meeting that was attended by Director Dains, GM Churchill and AGM Gillum.

GM Churchill reported on the 2 x 2 Meeting held at Sacramento Suburban Water District that was attended by Director Dains, GM Churchill and AGM Gillum.

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 August 2014:
 - 51 ultra-low-flush toilet rebates. A total of \$13,650 in rebates has been provided to customers through August 31, 2014.
 - A total of \$1,150 in rebates has been provided to customers in 2014 to date through May 31, 2014 for High-Efficiency Clothes Washers.
 - There were no violations issued during the month of August.
2. The next Water Forum meeting is scheduled for September 11, 2014. GM Churchill and AGM Gillum are both attending this meeting.
3. A tentative offer pending results of pre-employment requirements has been made for the Accounts Payable Specialist position. It is anticipated that the new AP Specialist will be on board by mid-September.

GENERAL MANAGER'S REPORT

GM Churchill reported as follows:

1. Nineteen District employees received recognition for superior attendance, outstanding customer service and quality of work during the month of August 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.

FUTURE CHWD BOARD OF DIRECTORS MEETING DATES:

October 14, 2014	6:30 PM	Regular Meeting
November 18, 2014	6:30 PM	Regular Meeting

ADJOURNMENT

There being no other business to come before the Board, the meeting was adjourned at 10:15 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