

CITRUS HEIGHTS WATER DISTRICT
BOARD OF DIRECTORS REGULAR MEETING MINUTES
MARCH 14, 2017

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

Caryl F. Sheehan, President
Raymond A. Riehle, Vice President
Allen B. Dains, Director

Management Staff:

Hilary M. Straus, General Manager
Paul A. Dietrich, Project Manager
David M. Gordon, Operations Manager
Susan K. Sohal, Accounting Supervisor
Rex W. Meurer, Water Efficiency Supervisor

VISITORS:

Judith Albietz, retiring General Counsel
Oliver Yee, in-coming Employment Practices Counsel
Steve Anderson, in-coming General Counsel
Robert Churchill, former General Manager
Leah Churchill
Vincent Catalano, CHWD's Benefits Broker

PLEDGE OF ALLEGIANCE:

Board President Caryl Sheehan led the Pledge of Allegiance.

PUBLIC COMMENT:

None.

CONSENT CALENDAR:

President Sheehan asked for consideration and/or approval of the Consent Calendar consisting of the following action or information items:

Minutes of the Regular Meeting – February 14, 2017.
Revenue Analysis Report for February 2017.
Assessor/Collector's Roll Adjustment for February 2017.
Treasurer's Report for February 2017.
Treasurer's Report of Fund Balances for February 2017.

Operations Budget Analysis for February 2017.
 Capital Improvements Budget Analysis for February 2017.
 Warrants for February 2017.
 CAL-Card Purchases for February 2017.
 Summary of 2017 Directors, Officers and Employees Training, Seminars and Conference Expenses.

FEBRUARY 2017 WARRANTS

62923	Alexander's Contract Services	Contract Services-Meter Read	\$2,432.65
62924	BSK Associates	Water Analysis	\$768.00
62925	City of Citrus Heights	Permit Fees	\$7,245.00
62926	Cogsdale	Contract Services-Other	\$1,783.70
62927	Holt of California	Repair- Equipment/Hardware	\$6,178.99
62928	Integrity Administrators Inc	Health Insurance	\$303.25
62929	Moonlight BPO	Contract Services- Bill Print	\$3,554.81
62930	Pace Supply Corp	Material	\$5,052.81
62931	SAWWA	Dues & Subscriptions	\$700.00
62932	Sonitrol	Equipment Rental-Office	\$301.72
62933	The Lincoln National Life Insurance Company	Disability & Life Insurance	\$5,826.85
62934	Twin Home Services	Janitorial	\$95.00
62935	US Bank I.M.P.A.C. Government Services	See February Agenda Item CC-9	\$6,759.83
62936	Zee Medical Company	Supplies-Field	\$64.58
62937	ACWA/JPIA	Workers Compensation Insurance	\$10,816.91
62938	SMUD	Utilities	\$8,756.45
62939	Ferguson Enterprises Inc #1423	Material	\$25,806.14
62940	Robert E/Wendy L McFarland	Customer Refund	\$232.53
62941	John R/Debra A Thomas	Customer Refund	\$66.33
62942	James H/Susan C Bush	Customer Refund	\$15.26
62943	Daniel S Glass	Customer Refund	\$24.60
62944	King Yu Lee	Customer Refund	\$52.68
62945	Jeffrey L/Kathy L Carel	Customer Refund	\$64.34
62946	Cheryl L Valk	Customer Refund	\$93.45
62947	Barry R Dixon	Customer Refund	\$8.73
62948	Steven W Hanson	Customer Refund	\$7.96
62949	Terri Lynne Banes	Customer Refund	\$17.79
62950	Alexander M Sheppard	Customer Refund	\$64.85
62951	Michael Hurduc	Customer Refund	\$11.09
62952	Olga Babchanik	Customer Refund	\$95.43
62953	P & SR LIVING TRUST	Customer Refund	\$96.94
62954	Greenleaf Ventures LLC	Customer Refund	\$239.55
62955	Anatolii Burdeinii	Customer Refund	\$25.11

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62956	Robert T Jackson	Customer Refund	\$346.20
62957	Midtown Realty Services INC.	Customer Refund	\$9.79
62958	AFLAC	Employee Paid Insurance	\$238.56
62959	Airgas USA, LLC	Supplies-Field	\$217.36
62960	Axcient Inc	MaintenanceAgreement-Software	\$444.30
62961	Bart/Riebes Auto Parts	Repair-Trucks	\$173.28
62962	Bryce Consulting, Inc	Legal & Audit	\$720.00
62963	Burketts	Office Expense	\$105.22
62964	Citrus Heights Chamber of Commerce	Continued Education	\$695.00
62965	City of Citrus Heights	Permit Fees	\$1,443.00
62966	Robin Cope	Health Insurance	\$413.00
62967	Corix Water Products, Inc	Material	\$567.32
62968	Dawson Oil Company	Gas & Oil	\$818.76
62969	Hach Company	Wells Maintenance	\$85.41
62970	J4 Systems	Contract Services-Other	\$1,625.00
62971	KBA DOCUSYS	Equipment Rental-Office	\$20.06
62972	KBA Docusys Inc	Equipment Rental-Office	\$342.63
62973	Kei Window Cleaning #12	Janitorial	\$92.00
62974	Moonlight BPO	Contract Services- Bill Print	\$3,271.72
62975	Pace Supply Corp	Material	\$824.20
62976	SAWWA	Dues & Subscriptions	\$100.00
62977	SureWest Directories	Telephone-Local/Long Distance	\$49.00
62978	State Water Resources Control Board	Dues & Subscriptions	\$60.00
62979	Saathoff Family Living Trust	Customer Refund	\$82.00
62980	Roger/Virginia Reis	Customer Refund	\$6.10
62981	Martin Brothers Construction, Inc.	Customer Refund	\$1,392.85
62982	Kristen Hansen	Customer Refund	\$7.86
62983	Next Generation Capital LLC	Customer Refund	\$78.07
62984	Oleksandr Huzovatyy	Customer Refund	\$34.58
62985	ABA DABA Rentals & Sales	Supplies-Field	\$361.15
62986	Alexander's Contract Services	Contract Services-Meter Read	\$6,178.77
62987	Aqua Sierra Controls	Wells Maintenance	\$250.00
62988	Avalon Custodial Care	Janitorial	\$695.00
62989	Backflow Distributors Inc	Small Tools	\$767.53
62990	BSK Associates	Water Analysis	\$492.00
62991	Burketts	Office Expense	\$137.87
62992	California Landscape Associates Inc	Janitorial	\$200.00
62993	CirclePoint	Contract Services- Conservation	\$3,021.31
62994	Consolidated	Telephone-Local/Long Distance	\$1,720.43
62995	Corelogic Information Solutions Inc	Dues & Subscriptions	\$211.83
62996	County of Sacramento Municipal Services	Field Miscellaneous	\$193.45
62997	Future Ford	Repair-Trucks	\$3,615.43
62998	Gaynor Telesystems Incorporated	Fixed Assets	\$355.50

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62999	J4 Systems	Contract Services-Other	\$460.00
63000	Kaiser Foundation Health Plan, Inc	Health Insurance	\$17,842.88
63001	Moonlight BPO	Contract Services- Bill Print	\$5,465.30
63002	Netmotion Wireless Inc	Maint Agree-Software	\$2,200.00
63003	OCT Academy	Continued Education	\$350.00
63004	Office Depot	Office Expense	\$117.18
63005	Pacific Gas & Electric	Utilities	\$138.26
63006	Protection One Alarm Monitoring	Equipment Rental-Office	\$370.00
63007	Red Wing Shoe Store	Small Tools	\$183.16
63008	Republic Services #922	Utilities	\$205.34
63009	Sophos Solutions	Contract Services-Other	\$4,320.00
63010	Thomson Reuters	Dues & Subscriptions	\$81.89
63011	Titan Workforce LLC	Contract Services- Temporary Labor	\$378.00
63012	ULINE	Supplies-Field	\$426.50
63013	Voyager Fleet Systems Inc	Gas & Oil	\$1,277.96
63014	City of Citrus Heights	Permit Fees	\$1,310.00
63015	City of Citrus Heights	Permit Fees	\$1,310.00
63016	City of Citrus Heights	Permit Fees	\$1,078.00
63017	Todd Traylor	Customer Refund	\$100.97
63018	Norman E/Jeannette M Harper	Customer Refund	\$166.24
63019	Bobby Williams	Customer Refund	\$221.55
63020	Robert L/Sharon A Martin	Customer Refund	\$81.25
63021	Eliot J Peters	Customer Refund	\$17.31
63022	Nehemiah Community Reinvestment Ent LLC	Customer Refund	\$21.76
63023	Edward Meyer	Customer Refund	\$187.76
63024	ParaCapital Group	Customer Refund	\$101.36
63025	ABA DABA Rentals & Sales	Supplies-Field	\$28.25
63026	Absolute Secured Shredding Inc	Equipment Rental-Office	\$40.00
63027	Bryce Consulting, Inc	Legal & Audit	\$720.00
63028	BSK Associates	Water Analysis	\$240.00
63029	California Landscape Associates Inc	Janitorial	\$200.00
63030	Cappo	Dues & Subscriptions	\$130.00
63031	City of Citrus Heights	Permit Fees	\$900.00
63032	Gaynor Telesystems Incorporated	Fixed Assets	\$158.00
63033	Integrity Administrators Inc	Health Insurance	\$5,000.00
63034	J4 Systems	Contract Services-Other	\$3,087.95
63035	Maze & Associates	Legal & Audit	\$5,675.00
63036	MSDSonline, Inc.	Small Tools	\$2,062.00
63037	Pace Supply Corp	Material	\$35.88
63038	Placer County Recorder	Recording Fees	\$250.00
63039	A. Teichert & Son, Inc.	Road Base	\$2,646.90

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63040	The Lincoln National Life Insurance Company	Disability & Life Insurance	\$5,991.61
63041	Titan Workforce LLC	Contract Services- Temporary Labor	\$236.25
63042	Verizon Wireless	Telephone-Wireless	\$991.81
999999	Void	Void	\$0.00
TOTAL			<u>\$186,833.19</u>
ACH	JAN 2017 FD	Bank Service Fee	\$295.33
ACH	JAN 2017 PH	Bank Service Fee	\$238.20
ACH	JAN 2017 WEB	Bank Service Fee	\$3,832.53
ACH	PERS 1/26/17 PAYDAY	PERS	\$22,128.83
ACH	PERS 2/9/17 PAYDAY	PERS	\$15,946.21
ACH	PERS 2/23/17 PAYDAY	PERS	\$15,675.93
ACH	VALIC 2/23/17 PAYDAY	Deferred Compensation	\$3,592.50
ACH	VALIC 2/9/17 PAYDAY	Deferred Compensation	\$3,200.00
ACH	VOYA 2/23/17 PAYDAY	Deferred Compensation	\$25.00
ACH	VOYA 2/9/17 PAYDAY	Deferred Compensation	\$25.00
ACH	00008005725VANCO	Contract Services-Other	\$103.50
ACH	0001627553WHA	Health Insurance	\$16,598.25
ACH	2017020200 PAYCHEX	Contract Services-Other	\$817.00
ACH	FEB 2017 GASB 68	PERS	\$26,741.84
ACH	BOW JANUARY	Bank Service Fee	\$1,861.81
TOTAL			<u>\$111,081.93</u>
GRAND TOTAL			<u><u>\$297,915.12</u></u>

MARCH CHECKS APPROVED AT MARCH BOARD MEETING

63055	ACWA/JPIA	Workers Compensation Insurance	\$8,516.00
63059	Regional Water Authority	Dues & Subscriptions	\$9,000.00
63057	Ditch Witch	Fixed Assets	\$9,212.63
63062	US Bank I.M.P.A.C. Government Services	See March Agenda Item CC-9	\$9,352.24
63061	SMUD	Utilities	\$17,725.27
63056	Azteca Systems Inc	Maintenance Agreement-Software	\$19,995.00
63058	Domenichelli and Associates, Inc	Contract Services-Engineering	\$49,309.06
63060	San Juan Water District	Purchased Water	\$615,005.50
			<u>\$738,115.70</u>

Water Efficiency Program Update

Water Efficiency program updates are summarized below.

ACTIVITIES AND PROGRESS REPORT

Water Efficiency Program activities during the month of February 2017 include:

- 2 ultra-low-flush toilet (ULFT) rebates were processed for the month of February. A total of 8 ULFT rebates have been processed for a total of \$600.00 year to date.
- For the month of February, 0 High Efficiency Clothes Washer (HECW) rebates were processed. Year-to-date, 0 HECW rebates were processed by SMUD for District customers.
- 23 water waste calls were received during the month of February. 3 reports of water waste were received through the CHWD’s Drought Resources web page. An additional 4 service requests were generated in-house by staff. A total of 24 contacts (mostly visits to customers’ homes and phone calls) have been completed based on these reports.
- A class assembly was held for 4th and 5th grade students at Oakview Elementary School. The water cycle, where our water comes from, and the poster contest were topics covered. A clean water experiment was also included in the presentation. Over 120 students participated.
- The following table summarizes the R-GPCD values for CHWD to date:

Month	R-GPCD 2016	R-GPCD 2017	% CHANGE
January	80	75	-.06%
February	77	72	-.06%
March	77		
April	107		
May	155		
June	213		
July	237		
August	242		
September	189		
October	123		
November	85		
December	76		

Below is a recap of the region’s overall water saving in January 2017 as compared to 2013.

REDUCTION BY AGENCY (Data compared to 2013)		
Water Agency	Jan. 2017 Reduction*	Jun. 2016 - Jan. 2017 Reduction
San Juan Water District	26.5%	20.7%
El Dorado Irrigation District	20.1%	19.3%
Orange Vale Water Company	19.4%	28.5%
California American Water	18.3%	27.6%
Fair Oaks Water District	16.9%	25.5%
Citrus Heights Water District	15.9%	24.7%
Elk Grove Water District	14.8%	24.3%
City of Woodland	14.5%	22.6%
City of Roseville	14.3%	22.2%
Rancho Murieta CSD	14.3%	21.9%
City of West Sacramento	13.7%	22.4%
City of Davis	13.6%	20.1%
City of Yuba City	11.4%	23.4%
City of Sacramento	11.0%	25.0%
Sacramento Suburban WD	10.9%	22.3%
Del Paso Manor Water District	9.5%	24.3%
City of Lincoln	9.4%	20.0%
Rio Linda/Elverta CWD	8.7%	24.0%
Carmichael Water District	7.8%	24.4%
Golden State Water Company	-1.4%	19.4%
Placer County Water Agency	-2.2%	17.5%
City of Folsom	-10.2%	10.2%
Sacramento County Water Agency	-13.4%	19.1%
Average	10.6%	22.1%
Minimum	-13.4%	10.2%
Maximum	26.5%	28.5%

*(-) denotes increase in production compared to 2013.

Project Management and Engineering Departmental Report.

Project Manager Dietrich presented a report on the following activities during the month of February 2017 by the Project Management and Engineering Department.

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Items of Interest	Department	Point of Contact	Date	To Board? If Yes, Date	Strategic Planning Item	Item Description	Update from Last Report
PROJECT 2030 Water Main Replacement Project	Engineering	Missy Pieri	Board Presentation 3/14/17 - RFP	Yes, TBD	Yes	Status: Preparing Request for Proposal for Engineering Services	Board Presentation 3/14/17 - RFP
CAPITAL IMPROVEMENT PROJECT Corporation Yard Improvements Phase 1	Engineering	Paul Dietrich		Yes, TBD	Yes	Status: Reviewing 60% Plans, Preparing Lot Merger	Submitted 60% Plans to the City of Citrus Heights and ACWA/JPIA
CAPITAL IMPROVEMENT PROJECT Operations Building Remodel	Engineering	Paul Dietrich	On-going	Yes, TBD	Yes	Status: Needs Assessment Kick-off Meeting Complete	Workgroup Interviews for Needs Assessment Underway
CAPITAL IMPROVEMENT PROJECT Mesa Verde High School 14-Inch Transmission Main	Engineering	Paul Dietrich	On-going	Yes, 5/16/17	No	Status: Preparing Plans, Specs, and Estimates	
CAPITAL IMPROVEMENT PROJECT Highland Ave & Rosa Vista Ln 8" Water Mains	Engineering	Paul Dietrich	On-going	Yes, 5/16/17	No	Status: Potholing and 60% Plans	Potholing Complete
CAPITAL IMPROVEMENT PROJECT Graham Cir and Circuit Dr 8" Water Mains	Engineering	Paul Dietrich	On-going	Yes, TBD	No	Status: Surveying and Sent out Utility Letters	New Item
PRIVATE DEVELOPMENT Northridge Grove - 5555 Mariposa Ave 47 Condominiums	Engineering	Paul Dietrich	On-going	Yes, TBD	No	Status: 85% Complete	
PRIVATE DEVELOPMENT Commercial Building Remodel - 5414-50 Sunrise Blvd	Engineering	Paul Dietrich	On-going	Yes, TBD	No	Status: Pre-Con Meeting 12/1/16	
PRIVATE DEVELOPMENT Louis-Orlando Bus Transfer Point - Louis Ln at Orlando Ave	Engineering	Paul Dietrich	On-going	Yes, TBD	No	Status: Plans Signed 2/4/16	
PRIVATE DEVELOPMENT Meier Estates - North Sims Way 7 Lot Subdivision	Engineering	Paul Dietrich	On-going	Yes, TBD	No	Status: Plans Signed 5/23/16	
PRIVATE DEVELOPMENT Dignity Health Building - 7115 Greenback Ln	Engineering	Paul Dietrich	On-going	Yes, TBD	No	Status: Plans Signed 6/8/16	
PRIVATE DEVELOPMENT 3 Lot Residential Subdivision - 5648-5696 San Juan Ave	Engineering	Paul Dietrich	On-going	Yes, TBD	No	Status: Plans Signed 11/14/16	
PRIVATE DEVELOPMENT 7940 Patton Ave - Replace Existing Home	Engineering	Paul Dietrich	On-going	Yes, TBD	No	Status: Plans Signed 1/11/17	
Annexations:	Engineering	Missy Pieri	On-Going	Yes, TBD	No	Livoti Tract, Sacramento County, and Verne Tract Territory to SJWD	

Operations Departmental Report.

Operations Manager Gordon reported as follows:

A total of 194 work orders were performed during the month of February by field operations crews, administration field crews and contractors. The results of recent bacteriological testing, a total of 72 samples, have met all California Department of Drinking Water (DDW) requirements.

2017 Water Supply – Purchased and Produced.

The District's total water use during the month of February 2017 (443.9 acre-feet) was 26.8% below that of February 2013 (606.36 acre-feet).

Surface Water Supply

As of midnight on February 28, 2017, storage in Folsom Lake (Lake) was at 404,391 acre-feet, 41 percent of the total capacity of 977,000 acre-feet. This is about 74 percent of historical average for this date. This represents a decrease in storage of 4,034 acre-feet in the past month.

The District's surface water use during the month of February 2017 was 376.41 acre-feet.

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

Investment of District Funds Policy

Accounting Supervisor Sohal reported that Section 6300.90 of the District's investment policy specifies that the policy shall be reviewed, modified as necessary and re-adopted or amended at least annually. The policy was last reviewed by the Board on March 08, 2016. A copy of the Policy with a proposed amendment accompanied the staff report for review.

The Policy was reviewed by District staff and by District General Counsel Judith K. Albietz. General Counsel Albietz's regular review covered the existing Policy and the current California Government Code Sections related to public agency investments.

For this year's review, General Counsel Albietz reported that regulations included in Government Code Section 53601.8 were extended from Jan 1, 2017 to Jan 1, 2021. As of that date, Government Code Section 53601.8 will be repealed, unless a later enacted California statute that is enacted before January 1, 2021 deletes or extends that time.

Government Code Section 53601.8, entitled, "Investment in Placements Service Assisted Deposits including Certificate of Deposits" is a statutory provision which involves numerous regulations concerning how an agency may invest its surplus funds. Examples include: 1) no greater than 30% of

CHWD's surplus funds can be invested in Certificates of Deposit; 2) no greater than 10% of CHWD's surplus funds can be invested with a single private sector entity.

These changes were recommended to keep the language in the District Policy consistent with language contained in the Government Code.

The District's requirement within its Investment Policy to perform an annual review exceeds requirements of the California Government Code. The Code requirement to perform annual review of investment policies was removed in 2006, and the District could choose to remove or amend the annual review requirement set forth in Section 6300.50 of its Investment Policy. District staff did not recommending any change to the annual review requirement.

The recommended action was to amend District Policy No. 6300, Investment of District Funds with the amendment as presented in the agenda packet.

Consideration of Concurrence for Nominations of Thomas Cuquet (South Sutter Water District) & Kathy Tiegs (Cucamonga Valley Water District) for Association for Water Agencies Joint Powers Insurance Authority (ACWA-JPIA) Executive Committee

Senior Management Services Specialist Robyn Evans reported that the ACWA/JPIA Executive Committee is comprised of eight Board members elected by the Board of Directors from its approximately 360 voting members as outlined in the ACWA-JPIA Bylaws. The ninth position is held by the Vice President of the Association of California Water Agencies as an ex officio member of the Executive Committee.

Candidates must be representative of ACWA/JPIA members that participate in all four of the ACWA/JPIA's programs: Liability, Property, Worker's Compensation, and Employee Benefits. In addition, candidates for the ACWA/JPIA Executive Committee must receive concurring nominations resolutions from three other ACWA/JPIA member agencies.

This election will fill four Executive Committee member positions, each for a four-year term.

The incumbents are that running for re-election include Tom Cuquet, (South Sutter Water District), David Drake, (Rincon Del Diablo Municipal Water District), and Melody McDonald, (San Bernardino Valley Water Conservation District). There is one vacant position.

The District received two requests for concurrence, one each from Thomas Cuquet and Kathleen Tiegs.

The recommended action was to adopt Resolution No. 02-2017 Concurring in Nomination to the Executive Committee of the ACWA/JPIA in Support of Thomas Cuquet, and adopt Resolution No. 03-2017 Concurring in Nomination to the Executive Committee of the ACWA/JPIA in Support of Kathleen Tiegs.

CITRUS HEIGHTS WATER DISTRICT
RESOLUTION NO. 02-2017

RESOLUTION OF THE BOARD OF DIRECTORS
OF CITRUS HEIGHTS WATER DISTRICT
CONCURRING IN NOMINATION TO THE EXECUTIVE COMMITTEE
OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY ("ACWA JPIA")

WHEREAS, this district is a member district of the ACWA JPIA; and

WHEREAS, the Bylaws of the ACWA JPIA provide that in order for a nomination to be made to ACWA JPIA's Executive Committee, three member districts must concur with the nominating district; and

WHEREAS, another ACWA JPIA member district, the South Sutter Water District, has requested that this district concur in its nomination of its member of the ACWA JPIA Board of Directors to the Executive Committee of the ACWA JPIA;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT that this district concurs with the nomination of Thomas A. Cuquet of the South Sutter Water District to the Executive Committee of the ACWA JPIA.

BE IT FURTHER RESOLVED that the District Secretary is hereby directed to transmit a certified copy of this resolution to the ACWA JPIA at P.O. Box 619082, Roseville, California, 95661-9082, forthwith.

ADOPTED this 14nd day of March, 2017.

AYES: DIRECTORS: Sheehan, Riehle, Dains
NOES: DIRECTORS:
ABSENT: DIRECTORS:

CARYL SHEEHAN
President, Board of Directors
Citrus Heights Water District

ATTEST

HILARY M. STRAUS, Secretary
Citrus Heights Water District

CITRUS HEIGHTS WATER DISTRICT
RESOLUTION NO. 03-2017

RESOLUTION OF THE BOARD OF DIRECTORS
OF CITRUS HEIGHTS WATER DISTRICT
CONCURRING IN NOMINATION TO THE EXECUTIVE COMMITTEE
OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY ("ACWA JPIA")

WHEREAS, this district is a member district of the ACWA JPIA; and

WHEREAS, the Bylaws of the ACWA JPIA provide that in order for a nomination to be made to ACWA JPIA's Executive Committee, three member districts must concur with the nominating district; and

WHEREAS, another ACWA JPIA member district, the Cucamonga Valley Water District, has requested that this district concur in its nomination of its member of the ACWA JPIA Board of Directors to the Executive Committee of the ACWA JPIA;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT that this district concurs with the nomination of Kathleen J. Tiegs of the Cucamonga Valley Water District to the Executive Committee of the ACWA JPIA.

BE IT FURTHER RESOLVED that the District Secretary is hereby directed to transmit a certified copy of this resolution to the ACWA JPIA at P.O. Box 619082, Roseville, California, 95661-9082, forthwith.

ADOPTED this 14nd day of March, 2017.

AYES: DIRECTORS: Sheehan, Riehle, Dains
NOES: DIRECTORS:
ABSENT: DIRECTORS:

CARYL SHEEHAN
President, Board of Directors
Citrus Heights Water District

ATTEST

HILARY M. STRAUS, Secretary
Citrus Heights Water District

Agreement with Kirby's Pump and Mechanical, Inc. for Replacement of Groundwater Pump and Motor for Palm Avenue Well

Water Resources Manager Hensley reported that the well pump for Palm Well (1991) needs to be repaired or replaced. The existing pump is oil lubricated and will be upgraded to water lubrication. The original motor has also failed and will be repaired and upgraded to allow for future installation of a Variable Frequency Drive.

Current pumping levels show a decline in pumping capacity at this site. Down-hole video analysis and testing is needed to determine a course of action for next phase rehabilitation of well. Rehabilitation work to be completed before installation of repaired pump/motor.

The District received three (3) quotes for this work. The lowest responsive bidder is Kirby's Pump and Mechanical. Bids received are as follows:

1. Kirby's Pump and Mechanical, Inc.	\$ 57,536.00
2. Layne Christensen Co.	\$ 57,599.55
3. Eaton Pumps	\$ 63,948.50

The recommended action is to accept the bid of Kirby's Pump and Mechanical, Inc. in the amount of \$56,680.00 and establish a contingency fund in the amount of \$5,700.00 (10%). Further, the recommended action included authorizing the General Manager to execute the contract.

ACTION: Director Dains moved and Director Riehle seconded a motion to accept the Consent Calendar.

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

PRESENTATIONS:

Resolution 04-2017 Commending Judith K. Albietz for Outstanding Legal Representation

CITRUS HEIGHTS WATER DISTRICT
RESOLUTION NO. 04-2017

RESOLUTION OF THE BOARD OF DIRECTORS
OF CITRUS HEIGHTS WATER DISTRICT
COMMENDING JUDITH K. ALBIETZ FOR OUTSTANDING LEGAL REPRESENTATION

WHEREAS, Ms. Judith K. Albietz, of Albietz law Corporation, was appointed to serve the District's Board of Directors as its legal counsel on April 16, 1996; and

WHEREAS, Ms. Judith K. Albietz has provided outstanding legal counsel to the District regarding water rights, water quality, outside bond counsel, contracts, as well as general business and government law; and

WHEREAS, Ms. Judith K. Albietz has provided invaluable and respected legal counsel to the District when advising regarding Human Resources and employment related counsel; and

WHEREAS, Ms. Judith K. Albietz has been an exemplary representative on behalf of the District when working with attorneys representing other Districts of the San Juan Water District family in various projects and issues over her career; and

WHEREAS, Ms. Judith K. Albietz is retiring as legal counsel from Citrus Heights Water District on March 14, 2017 with more than twenty years of dedicated service.

THEREFORE BE IT RESOLVED that the Board of Directors of the Citrus Heights Water District does hereby commend Ms. Judith K. Albietz for her dedication and outstanding service as legal counsel to the Citrus Heights Water District Board and extends best wishes for many years filled with happiness and good health during her retirement.

PASSED AND ADOPTED by the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT this 14th day of March, 2017 by the following vote, to-wit:

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

SEAL

CARYL SHEEHAN, President
Board of Directors
Citrus Heights Water District

ATTEST:

Hilary M. Straus, Secretary
Citrus Heights Water District

ACTION: Director Dains moved and Director Riehle seconded a motion to approve Resolution 04-2017.

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

Project 2030—Water Main Replacement Program.

District Engineer Missy Pieri reported that the Engineering and Project Management Department has prepared a Draft Request for Proposals (RFP) for Engineering, Financial Planning, and Public Engagement Services for the Water Main Replacement Study (Study), “Project 2030”, for the Board of Directors’ (Board) consideration. The draft RFP accompanied the agenda packet memorandum.

Key elements of this Study included: 1) Asset Inventory and Project Polygon Development; 2) Future Water Demand Projections; 3) Water Main Assessment; 4) Project Cost Estimates; 5) Water Main Replacement Phasing Plan; 6) Funding Strategy/Rate Options Analysis; 7) Implementation Plan; 8) Public Engagement/Stakeholder Outreach/Customer Advisory Committee Engagement/Presentations; 9) Schedule; 10) Add/Deduct Item – System-Wide Pressure Control Analysis (with and without Power Generation).

The Board provided review and comment on the proposed RFP. Board Member Dains expressed interest that CHWD staff be very involved in all facets of this planning effort. The Board also provided consensus direction to staff to release the RFP as presented. It is anticipated that an agreement with the consulting team selected to complete the Study will be available for the Board’s discussion and possible action/approval on August 8, 2017. The overall Study is anticipated to be completed by November 1, 2018.

OLD BUSINESS:

Board of Directors Compensation Survey. (I/D)

Senior Management Services Specialist Robyn Evans reported that as background, on February 14, 2017, a benefit survey of elected officials’ compensation was presented by Shellie Anderson, with Bryce Consulting, that included information from nineteen (19) agencies that are within CHWD’s labor market. Of the nineteen agencies surveyed, it is of particular interest to consider the benefit options provided by the City of Citrus Heights and the San Juan Water District to their elected officials as their political boundaries overlap CHWD’s political boundaries, creating a competitive pool for CHWD’s elected officials.

Also, at the February 14, 2017 regular Board meeting, the Board directed staff to provide benefit and cost information for several types of benefits including health, vision, dental, and life insurance, as an addition to the current compensation.

Currently, the Board of Directors receives monetary compensation, with no other benefit, for attending Board meetings and other Board-sanctioned functions, at the rate of \$145.00 per day, with a monthly maximum of \$1,450. This rate has been in effect since January 2008.

Also, Vincent J. Catalano, Senior Vice President with Arthur J Gallagher & Company, has completed a potential benefits package survey, which the Board may wish to consider. Mr. Catalano was able to gain agreement with Kaiser and Western Health Advantage to extend the same benefits to Board Members that are offered to the CHWD employees.

A copy of the benefits coverages and associated costs accompanies this staff report as Kaiser Limited Purpose Health Insurance Summary (Attachment 1 to the agenda staff report), Western Health Advantage Limited Purpose Health Insurance Summary (agenda staff report Attachment 2), and a presentation prepared by Mr. Catalano (agenda staff report Attachment 3).

In addition, Shellie Anderson's Board of Director's Compensation survey is included for Board Member reference (agenda staff report Attachment 4), as is the Cost-of-living Adjustment for Director's Compensation information (agenda staff report Attachment 5). Both documents were originally presented at the December 13, 2016 regular Board meeting.

Mr. Catalano presented the benefit information at the March 14, 2017 Board Meeting, and answered Board Member questions.

Based on current costs of compensation, the following is a recap of Board Member costs to CHWD:

Year	Annual Expense
2012	\$14,645
2013	\$12,905
2014	\$11,455
2015	\$15,950
2016	\$14,790

As the Board considers additional benefit options, the following example provides projected annual costs, including all benefits and compensation, for 3 Board Members:

	Kaiser	WHA
Medical (Kaiser or WHA)	\$30,207	\$31,403
Dental	\$1,377	\$1,377
Vision	\$357	\$357
Life/ADD	\$558	\$558
Annual Benefits	\$32,499	\$33,695
Compensation (2016)	\$14,790	\$14,790
Total Annual Expense to CHWD	<u>\$47,289</u>	<u>\$48,485</u>

ACTION: Director Sheehan moved and Director Riehle seconded a motion directing staff to prepare an ordinance to update Board Members' compensation from the current \$145/day or \$1,450/month maximum to \$150/day or \$1,500/month maximum.

The motion passed 2-1 with Directors Riehle and Sheehan voting yes and Director Dains voting no.

Further, the Board provided direction by consensus to have staff bring back to the Board updated District policies as required that would authorize Board Members to elect to receive medical, dental, vision, life/ADD benefits provided to staff so long as each Board Member electing to receive the specific benefit pay for that benefit out-of-pocket with no financial impact to the District.

Discussion and Possible Action—Best Best and Krieger (BB&K) Legal Services Agreement

GM Straus reported that with the retirement of General Counsel Judy Albietz, a Strategic Planning goal of the Board of Directors was the recruitment/retention of a new General Counsel to assist the Citrus Heights Water District (CHWD) concerning all legal matters that come before the District.

To that end, CHWD issued a Request for Proposal (RFP) in December 2016, and received twenty-four (24) proposals, covering approximately 1,200 pages of legal services proposal material, to consider. A proposal review team comprised of all three Board Members, the General Manager, the Project Manager, the Operations Manager, the District Engineer and Accounting Supervisor reviewed the proposals and interviewed seven (7) finalist firms.

After discussion and consideration of all of the proposals and receiving the input of all review team members, the Board of Directors provided direction to the General Manager to negotiate a professional services agreement with Best, Best and Krieger (BB&K) to serve as General Counsel and for BB&K to provide the full range of legal services required for CHWD.

The General Counsel that BB&K has designated is Steve Anderson. Mr. Anderson specializes in water rights, groundwater, and other natural resource law matters. Steve is a member of the firm's Environmental Law & Natural Resources, Special Districts, and Municipal Law practice group. Providing additional legal support is BB&K's designated Assistant General Counsel Joshua Nelson, who specializes in general governance issues including, Proposition 218/26 compliance, general utilities issues and real property acquisition.

The scope of legal services covers the full array of CHWD's legal services needs, including water issues, general government and employment practices. The agreement is structured as a billable/hourly agreement with the option of both the District and BB&K to consider a monthly retainer arrangement after eighteen (18) months of under the term of the agreement. That amount of time is provided so that both parties have enough cost data to consider the feasibility of a retainer, and if so, to assist in determining a level of cost that would be appropriate for both parties on a monthly basis. A copy of the legal services agreement accompanies this agenda report.

The recommended action was to approve the accompanying agreement for legal services with BB&K,

and authorize the President of the Board of Directors to execute the agreement.

ACTION: Director Dains moved and Director Riehle seconded a motion to approve the legal services agreement with BB&K.

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

Discussion and Possible Action—Liebert Cassidy and Whitmore (LCW) Legal Services Agreement

GM Straus reported that as a companion agreement to the BB&K legal services agreement, the CHWD Board of Directors provided direction to the General Manager to negotiate a legal services agreement with LCW for employment practices services. The focus with LCW will be special projects and issues, HR help desk for small, routine or specialized HR issues for which management staff seeks advice/assistance, trainings (both on-site and off-site) and access to LCW's extensive library/databank of sample documents, reducing the time needed to prepare policies and procedures or complete a variety of other HR tasks.

LCW was selected by the Board as a finalist to perform the services described above as a result of CHWD's legal services recruitment process, whereby twenty-four (24) proposals, covering almost 1,200 pages of legal services proposal material, were received and evaluated. The proposal review team comprised of all three Board Members, the General Manager, the Project Manager, the Operations Manager, the District Engineer and Accounting Supervisor, and the team reviewed the proposals of and interviewed seven (7) finalist firms.

The LCW has designated is Oliver Yee and Steve Berliner as the primary points of contact for all services to be provided by LCW.

The agreement is structured as a billable/hourly agreement A copy of the legal services agreement accompanies this agenda report.

The recommended action was to approve the accompanying agreement for legal services with LCW and authorize the President of the Board of Directors to execute the agreement.

ACTION: Director Riehle moved and Director Dains seconded a motion to approve the legal services agreement with LCW.

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

District Water Conservation Stage Declaration

As a follow-up to the Board's discussion on February 14, 2017, staff analyzed the implications of moving from a Stage 2 Water Alert to a Stage 1 Normal Water Supply. Specifically, staff reviewed the State Water Resource Control Boards' (SWRCB) stress test requirements and Executive Order (EO) B-37-16 compliance requirements in regard to moving into a Stage 1 Normal Water Supply. Three issues arose. First, will the District remain in compliance with EO B-37-16? Second, will this

lead to any fines or penalties from the SWRCB? Third, will this jeopardize any District grant funding available through the SWRCB, RWA or other State agencies?

Staff determined that moving to a Stage 1 Normal Water Supply will keep the District in compliance with the State's stress test requirements and with EO B-37-16. Moreover, declaring a Stage 1 Normal Water Supply will not jeopardize State grant funding nor will it lead to any SWRCB fines or penalties.

Two attachments were provided for the Board's review and comment. Attachment 1 contains Ordinance 01-2016, the District's Water Conservation Stage Requirements and Progressive Enforcement Measures. Attachment 2 includes an info-graphic describing the different Water Conservation Stage Requirements and highlights Stage 1 Normal Water Supply requirements.

ACTION: The Board considered current hydrologic conditions and the information provided by staff above and voted to move the District from a Stage 2 Water Alert to a Stage 1 Normal Water Supply. Motion by Director Dains and seconded by Director Riehle.

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

NEW BUSINESS:

None.

DIRECTOR'S AND REPRESENTATIVES REPORTS:

Regional Water Authority (Dains, Straus)

Director Dains reported that RWA covered pending state legislation, including a proposed Public Goods charge, that could result in a transferring of agency-level rate payer funding to the State for programs to assist financially challenged water districts. Also, as RWA has created a new Legislative and Regulatory Affairs position and strengthened accompanying programming, an approximate dues increase of 10% for member agencies is anticipated.

Sacramento Groundwater Authority (Sheehan)

No Report.

San Juan Water District

No Report.

ACWA Joint Powers Insurance Authority (Churchill)

No report.

Sacramento Local Agency Formation Commission

No Report.

City of Citrus Heights

District Engineer Pieri reported that the City is reviewing CHWD's corporation yard improvement project.

Chamber of Commerce Government Issues Committee (Gordon/Meurer)

No Report.

Other Reports:

No report.

MANAGEMENT SERVICES REPORT:

GM Straus reported as follows:

- Twenty-one employees received recognition for superior attendance, outstanding customer service and quality of work during the month of February 2017. Directors were provided with a list of the employees and items for which each received recognition.
- Long Range Board Agenda was provided showing Directors upcoming items for future scheduled Board Meetings.

CORRESPONDENCE:

None.

CLOSED SESSION:

No closed session was held.

FUTURE CHWD BOARD OF DIRECTORS MEETING DATES:

Dates and locations of upcoming Regular Meetings of the Board of Directors were noted for the calendar.

ADJOURNMENT:

There being no other business to come before the Board, the meeting was adjourned at 8:51 PM.

APPROVED:

HILARY M. STRAUS
Secretary
Citrus Heights Water District

CARYL F. SHEEHAN, President
Board of Directors
Citrus Heights Water District