

CITRUS HEIGHTS WATER DISTRICT
BOARD OF DIRECTORS SPECIAL MEETING MINUTES
JUNE 6, 2019

The Special Meeting of the Board of Directors was called to order at 8:50 AM by President Sheehan and roll was called. Present were:

Caryl F. Sheehan, President
Raymond A. Riehle, Vice President

Absent:

David C. Wheaton, Director

Staff:

Hilary Straus, General Manager
Steve Anderson, General Counsel
Josh Nelson, Assistant General Counsel

Christopher Castruita, Management Services Supervisor/Chief Board Clerk
Tim Cutler, Water Distribution Supervisor
Paul Dietrich, Project Manager
David Gordon, Operations Manager
Madeline Henry, Management Services Specialist/Deputy Board Clerk
Brian Hensley, Water Resources Supervisor
Rex Meurer, Water Efficiency Supervisor
Josh Nelson, Assistant General Counsel
Jeff Ott, Principal Information Technology Analyst
Missy Pieri, Engineering Manager/District Engineer
Alberto Preciado, Accounting Supervisor
Rebecca Scott, Senior Management Services Specialist
Susan Talwar, Administrative Services Manager/Treasurer

Also Present:

Laura Mason-Smith, Facilitator
Jenna Moser, Customer Advisory Committee Chair
Richard Moses, Customer Advisory Committee Vice Chair
Michael Goble, Customer Advisory Committee Member

PUBLIC COMMENT:

None.

BUSINESS:

Strategic Planning Session defining Goals and Objectives for the District (I/D)

The Citrus Heights Water District (CHWD) Board Members and Staff present reviewed the District's mission, vision and core values and commitments; built a shared understanding of significant issues; factors and trends facing the District; and, identified three-year goals and one-year objectives for the coming calendar and budget year, 2020. A summary of the goals and objectives developed for 2020 will be brought back to the Board for consideration/adoption at the July 19, 2019 Board meeting.

Discussion and Possible Action to Approve First Amendment to the Water Meter Consortium Memorandum of Understanding and an Agreement with Harris and Associates for a Meter Replacement Program Planning Study

Operations Manager Gordon and Management Services Specialist Scott requested that the Board consider approval of the First Amendment to the Memorandum of Understanding for the Water Meter Consortium and consider approval of an agreement with Harris & Associates for the Regional Water Meter Replacement Planning Study.

Background

Due to aging infrastructure, the District and other water providers in the area are examining how best to replace customer water meters. Staff of affected local water agencies and the Regional Water Authority (RWA) have determined that this process may present an opportunity for regional collaboration in effective asset inventory management. In particular, a regional approach presents potential opportunities for economies of scale to reduce procurement and on-going maintenance costs. A regional *sensible integration* approach may also increase effectiveness in mutual aid and emergency situations if all staff are familiar with the meters and related infrastructure. Similarly, a regional approach may present grant or other funding opportunities. Despite the benefits of a regional approach, staff recognizes the potential challenges, such as the fact that individual agencies may be on differing meter replacement schedules.

To explore this possibility, the Carmichael Water District, Citrus Heights Water District (CHWD), City of Folsom, City of Sacramento, Fair Oaks Water District, Golden State Water Company, Orange Vale Water Company, RWA, Sacramento County Water Agency, Sacramento Suburban Water District, and San Juan Water District (SJWD) previously executed a Memorandum of Understanding (MOU) establishing a flexible framework for agencies to participate in the Regional Water Meter Replacement Program (Program). The focus of the MOU is an initial planning study (Study) that will examine numerous parts of the Program, including: an inventory and assessment of the current meter fleet; an evaluation of potential replacement meter technology options and specifications; a summary and assessment of current meter testing programs and options for optimizing performance; an evaluation of potential replacement meter procurement programs and financing models; and a public outreach program for the meter replacement process.

The MOU allows parties to participate in the Study in three different levels of participation:

- a) An L1 agency participates in the Study by providing input and suggestions but is not required to pay a share of consultant and related costs,

- b) An L2 agency shares in a portion of the cost of the Study but otherwise participates as an L1 agency, and
- c) An L3 agency participates in the Study fully, including sharing all consultant and related costs.

Originally, CHWD and SJWD were participating as L3 Parties and all other agencies were participating as L1 Parties.

First Amendment to the Memorandum of Understanding – Consortium

Recently, several agencies expressed interest in increasing their level of participation to L2, including City of Folsom, City of Sacramento, Placer County Water Agency, Sacramento County Water Agency, and Sacramento Suburban Water District. When L1 agencies request to participate in the Study at a higher level, the MOU requires an amendment to be executed among the L2 and L3 Parties.

The First Amendment to the MOU generally outlines how each agency will participate in the Study and pay its share of the participating costs.

Professional Services Agreement – Harris & Associates

A Request for Proposals was issued for the Study on August 30, 2018. As a result of that process, the participating agencies recommended that Harris & Associates (Harris) be selected as the consultant for the Study. A professional services agreement (Agreement) with Harris is included as Exhibit A to Attachment 2 of this report as described below. Under the MOU, CHWD will be the contracting agency with Harris. CHWD will pay Harris according to the terms of the Agreement and receive reimbursement from the participating agencies.

Based upon the proposal provided by Harris, the project cost for the entire Study is \$631,497, based on the Consortium agencies' levels of participation. CHWD's portion of the Study cost is \$155,751. Staff is recommending a larger contingency than the standard 10% for this project, due to:

- 1) The extensive work necessary to complete the study;
- 2) The logistics of Harris completing somewhat individualized tasks for numerous agencies; and
- 3) The potential for other agencies joining the Study at various levels of participation.

Therefore, as noted in section 2.b of the Agreement, the total cost of the project is a Not-to-Exceed amount of \$800,000 for all agencies. To control CHWD's costs, staff requests CHWD's Not-to-Exceed total cost for the Study be set at \$200,000.

	Project Cost	Contingency	% of Project Cost	Not-to-Exceed
Total Study (all agencies)	\$631,497	\$168,503	21%	\$800,000
CHWD's share	\$155,751	\$44,249	22%	\$200,000

Notable Terms and Conditions are as follows:

As stated in the Amendment, the Agreement is designed to reduce CHWD's outlay as it requires payment of each agency's share of the costs at the start of each phase. CHWD will then pay Harris upon the completion of each phase. This cost sharing system is similar to RWA's payment arrangement system for multi-agency agreements. This will not present any operational or financial

issues for CHWD. Additionally, this payment arrangement will ensure operational efficiencies in the completion of project deliverables and schedule.

One important item to note in the Amendment is Section 8. This section allows a majority of the affected General Managers or other agency representatives to vote to add additional L2 Parties. Staff has received indications that additional agencies may wish to join the Program and participate in the Study. Rather than require each agency to execute a second amendment to the MOU, this section delegates to Consortium agency staff the authority to approve additional agencies, which streamlines the process and avoids cost increases and time delays.

Next Steps

Staff requested that the Board authorize the General Manager to execute both the Amendment and the Agreement, subject to any modifications deemed appropriate by the General Manager in consultation with the General Counsel's office as long as those modifications do not increase CHWD's share of any Study costs or potential liability.

The anticipated Project Schedule is below:

Phase 1: Individual Agency Assessment	August 2019
Phase 2: Next Generation Program Options	August-November 2019
Phase 3: Meter Testing Program Strategy	October 2019-February 2020
Phase 4: Implementation Strategy	December 2019-July 2020
Phase 5: Long-Term Planning	June 2020-October 2020
Phase 6: Final Report/Plan Adoption	October 2020-December 2020
Phase 7: Public Outreach	TBD

ACTION: Director Riehle motioned and Director Sheehan seconded a motion to approve the First Amendment to the Memorandum of Understanding, subject to any modifications deemed appropriate by the General Manager in consultation with the General Counsel's office as long as those modifications do not increase CHWD's share of any Study costs or potential liability.

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


ACTION: Director Riehle motioned and Director Sheehan seconded a motion to approve a Professional Services Agreement with Harris & Associates for the Regional Water Meter Replacement Planning Study, subject to any modifications deemed appropriate by the General Manager in consultation with the General Counsel's office as long as those modifications do not increase CHWD's share of any Study costs or potential liability.

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


ADJOURNMENT:

There being no other business to come before the Board, the meeting was adjourned at 1:51 PM.

APPROVED:



MADELINE A. HENRY
Acting Deputy Secretary
Citrus Heights Water District



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