

CITRUS HEIGHTS WATER DISTRICT
BOARD OF DIRECTORS REGULAR MEETING MINUTES
May 16, 2018

The Regular Meeting of the Board of Directors was called to order at 6:36 p.m. by President Riehle and roll was called. Present were:

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

Absent:

None.

Staff: Hilary Straus, General Manager
Joshua Nelson, Assistant General Counsel
Susan Sohal, Administrative Services Manager
Chris Castruita, Management Services Supervisor/Chief Board Clerk
Madeline Henry, Management Services Specialist/Deputy Board Clerk
David Gordon, Operations Manager
Brian Hensley, Water Resources Supervisor
Missy Pieri, Engineering Manager
Alberto Preciado, Senior Accountant
Rex Meurer, Water Efficiency Supervisor

VISITORS:

Annabelle Ng
Jinne Calvi
Leila Gross
Susanne Slayton
Shelby Gibbs
Sallee Weston
Peter Martin, Innovyze
Roger Kohne, Harris & Associates
Cody Smith, Maze & Associates
Ramesh Narasimhan, NCS Engineers

PLEDGE OF ALLEGIANCE:

Board President Raymond Riehle led the Pledge of Allegiance.

PUBLIC COMMENT:

None.

CONSENT CALENDAR:

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

- Minutes of the Special Meeting – April 21, 2018
- Minutes of the Regular Meeting – April 21, 2018
- Revenue Analysis Report for April 2018
- Assessor/Collector’s Roll Adjustment for April 2018
- Treasurer’s Report for April 2018
- Treasurer’s Report of Fund Balances for April 2018
- Operations Budget Analysis for April 2018
- Capital Projects Summary April 2018
- Warrants for April 2018
- CAL–Card Distributions for April 2018
- Summary of 2018 Employees and Directors Training Courses, Seminars and Conferences
- Employee Recognitions
- Long Range Board Agenda (I)
 - Board Agenda Items Planned for Upcoming Meetings.
- Engineering Department Report (I)
 - Significant assignments and activities for the Engineering and Capital Projects Department is summarized.
- Operations Department Report (I)
 - Monthly report on construction and maintenance activities.
- 2018 Water Supply – Purchased and Produced (I)
 - Report on annual water supply including comparison with prior years.
- Water Supply Reliability (I)
 - Receive status report on surface water supplies available to the Citrus Heights Water District (District).
- Water Efficiency and Safety Program Update (I)
 - Monthly report on Water Efficiency and Safety programs activities.
- Discussion and Possible Action to accept an easement at 5414-50 Sunrise Boulevard (A)
 - Approval of Resolution 06-2018 for the acceptance of an easement at 5414-50 Sunrise Boulevard.

APRIL 2018 WARRANTS

<u>CHECK</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
65269	Monica Gavia	Customer Refund	\$13.47

65270	James Day	Customer Refund	\$26.82
65271	Nicolas/Meryssa Tenthorey	Customer Refund	\$9.37
65272	ABA DABA Rentals & Sales	Supplies-Field	\$279.22
65273	ACWA/JPIA	Workers Comp Insurance	\$7,949.00
65274	AFLAC	Employee Paid Insurance	\$395.99
65275	AIA Services, LLC/NDS	Water Conservation- Material/Supplies	\$809.08
65276	Airgas USA, LLC	Supplies-Field	\$104.76
65277	American General Life Insurance Company	Disability & Life Insurance	\$3,100.00
65278	Best Best & Krieger	Legal Services	\$7,998.35
65279	Betty Ann Bertoglio	Contract Services-Miscellaneous	\$3,000.00
65280	Bryce Consulting, Inc	Support Services	\$2,560.00
65281	Califronia Electra-Kote LLC	Contract Services-Miscellaneous	\$650.00
65282	California Landscape Associates Inc	Janitorial	\$200.00
65283	Capio	Continued Education	\$225.00
65284	Robin Cope	Health Insurance	\$422.30
65285	Cybex	Equipment Rental-Office	\$158.16
65286	Dawson Oil Company	Gas & Oil	\$1,258.62
65287	Domenichelli and Associates, Inc	Contract Services-Engineering	\$7,134.75
65288	Holdcom	Telephone-Local/Long Distance	\$305.10
65289	Integrity Administrators Inc	Health Insurance	\$318.50
65290	J4 Systems	Contract Services-Other	\$2,110.00
65291	KBA Docusys Inc	Equipment Rental-Office	\$342.63
65292	Kei Window Cleaning #12	Janitorial	\$94.00
65293	Moonlight BPO	Contract Services-Bill Print/Mail	\$3,985.14
65294	Occu-Med	Office Miscellaneous	\$116.00
65295	One Print Source & Graphics	Printing	\$46.33
65296	USPS	Postage	\$250.00
65297	Protection One Alarm Monitoring	Equipment Rental-Office	\$258.56
65298	Republic Services #922	Utilities	\$212.71
65299	Rescue Training Institute Inc	Fixed Assets	\$2,320.00
65300	Regional Government Services	Contract Services-Other	\$3,168.50
65301	Sonitrol	Equipment Rental-Office	\$175.10
65302	Spot on Signs & Graphics	Contract Services-Office Repair/Maintenance	\$205.79
65303	Superior Equipment Repair	Repair-Trucks	\$2,100.93
65304	The Lincoln National Life Insurance Company	Disability & Life Insurance	\$7,198.42

65305	Warren Consulting Engineers Inc	Contract Services-Engineering	\$4,250.00
65306	Zane Dezign	Contract Services-Conservation	\$60.00
65307	Zee Medical Company	Supplies-Field	\$176.79
65308	Susan M Ryan	Customer Refund	\$10.96
65309	CirclePoint	Contract Services-Water Conservation	\$10,586.01
65310	City of Citrus Heights	Permit Fees	\$17,274.99
65311	Corix Water Products, Inc	Material	\$10,086.52
65312	Ferguson Enterprises Inc #1423	Material	\$18,856.25
65313	Harris & Associates	Contract Services-Engineering	\$8,797.50
65314	Lund Construction	Contract Services- Engineering	\$169,639.60
65315	Maze & Associates	Support Services	\$9,458.00
65316	Planning Partners Inc	Contract Services-Wells	\$10,483.86
65317	PNP Construction, Inc	Contract Services-Engineering	\$57,682.00
65318	SMUD	Utilities	\$8,561.61
65319	Esther A Posey Rev Liv Trust	Customer Refund	\$87.15
65320	Solon D/Jeanine M Kobza	Customer Refund	\$10.18
65321	Kolak Trust	Customer Refund	\$152.60
65322	Sherry A Deurloo	Customer Refund	\$18.57
65323	Magaret M Nossardi	Customer Refund	\$57.19
65324	Sandra J Scott	Customer Refund	\$94.50
65325	Brian/Kathleen S Rupe	Customer Refund	\$11.20
65326	Thomas H Kervin Family Trust	Customer Refund	\$107.63
65327	Glenn U Raney	Customer Refund	\$19.57
65328	Johnathan T Forbes- Peyton	Customer Refund	\$186.06
65329	Jennifer Mendez	Customer Refund	\$54.56
65330	Terra J Evans	Customer Refund	\$76.99
65331	A&A Stepping Stone Manufacturing	Supplies-Field	\$71.12
65332	FP Mailing Solutions	Equipment Rental-Office	\$181.76
65333	Grainger	Small Tools	\$4,300.22
65334	J4 Systems	Contract Services-Other	\$648.75
65335	RW Trucking	Contract Services-Miscellaneous	\$1,912.50
65336	Minarets LLC	Customer Refund	\$12.94
65337	William H/Linda L Halfhill	Customer Refund	\$47.20
65338	Kevin M/Ellen L Price	Customer Refund	\$97.34
65339	James R Baxter	Customer Refund	\$228.26
65340	Aaron R/Elaine C Montag	Customer Refund	\$75.81

65341	Mustafa/Ljiljana Vuk	Customer Refund	\$151.16
65342	Christopher W/Linda M Baker	Customer Refund	\$6.42
65343	Margaret Wilkin	Customer Refund	\$799.14
65344	PNP Construction Inc	Contract Services-Engineering	\$1,776.24
65345	Dustin Trevino	Customer Refund	\$101.47
65346	Christopher/Allyssa Eatough	Customer Refund	\$13.37
65347	Chun H Bernal	Customer Refund	\$82.79
65348	Lucas D/Samantha J Yetter	Customer Refund	\$7.21
65349	Mendocino Holdings, LLC	Customer Refund	\$9.94
65350	ABA DABA Rentals & Sales	Supplies-Field	\$185.24
65351	Airgas USA, LLC	Supplies-Field	\$525.79
65352	Alexander's Contract Services	Contract Services-Meter Reading	\$3,434.93
65353	AnswerNet	Telephone-Answering Service	\$278.14
65354	Axcient Holdings LLC	Maintenance Agreement-Software	\$444.30
65355	BSK Associates	Water Analysis	\$981.00
65356	California Surveying & Drafting Supply	Small Tools	\$10.00
65357	Citrus Heights Saw & Mower	Repair-Equipment/Hardware	\$21.15
65358	City of Citrus Heights	Permit Fees	\$1,460.00
65359	Consolidated	Telephone-Local/Long Distance	\$1,734.63
65360	Corelogic Information Solutions Inc	Dues & Subscriptions	\$200.00
65361	County of Sacramento Municipal Services	Field Miscellaneous	\$133.05
65362	Express Office Products Inc	Office Expense	\$70.20
65363	Future Ford	Repair-Trucks	\$1,478.38
65364	Grainger	Small Tools	\$137.72
65365	Ferguson Enterprises Inc #1423	Material	\$7,308.41
65366	J4 Systems	Contract Services-Other	\$772.50
65367	KBA DOCUSYS	Equipment Rental-Office	\$492.79
65368	Lowe's	Supplies-Field	\$1,537.87
65369	Luhdorff & Scalmanini	Contract Services-Wells	\$4,756.35
65370	Mars Company	Wells Maintenance	\$22.48
65371	Messenger Publishing Group	Publication Notices	\$555.00
65372	Moonlight BPO	Contract Services-Bill Print/Mail	\$4,184.11
65373	Stacie Morse	Contract Services-Miscellaneous	\$70.00
65374	Pacific Gas & Electric	Utilities	\$49.86
65375	Evangelina Rangel	Customer Refund	\$108.18
65376	Les Schwab Tires	Repair-Trucks	\$233.05

65377	S.I.C.H.	Office Miscellaneous	\$320.00
65378	Sunset Painting	Contract Services-Miscellaneous	\$6,470.00
65379	Superior Equipment Repair	Repair-Trucks	\$1,560.48
65380	SureWest Directories	Telephone-Local/Long Distance	\$49.00
65381	Voyager Fleet Systems Inc	Gas & Oil	\$1,851.82
65382	Warren Consulting Engineers Inc	Contract Services-Engineering	\$1,658.75
65383	Best Best & Krieger	Legal Services	\$7,261.54
65384	Adell J Stewart	Customer Refund	\$42.94
65385	Jeanette V Hayward- Wolffe	Customer Refund	\$97.14
65386	Rachel O Rincon	Customer Refund	\$23.94
65387	Phil/Christine Yorde	Customer Refund	\$33.99
65388	Yuris Remodeling Inc	Customer Refund	\$43.68
65389	Anita Anderson	Customer Refund	\$24.44
65390	Allgeier Family Trust	Customer Refund	\$225.53
65391	Richard A/Susan/James Bristow	Customer Refund	\$57.93
65392	John A Lafave	Customer Refund	\$56.03
65393	Eugene A/Ida E Volmer	Customer Refund	\$44.45
65394	April S Edsberg	Customer Refund	\$41.21
65395	Nicholas A/Adelaida T Hicks	Customer Refund	\$240.23
65396	Sam S/Patricia A Baio	Customer Refund	\$12.81
65397	Adam D/Jennifer A Quilici	Customer Refund	\$20.20
65398	George T Xenakis	Customer Refund	\$41.08
65399	Michael J McLaughlin	Customer Refund	\$179.90
65400	Kerry Kennedy	Customer Refund	\$11.79
65401	Nancy Lowinger Family Trust	Customer Refund	\$88.41
65402	Robert B Peters	Customer Refund	\$47.00
65403	Christina E Thomas	Customer Refund	\$7.39
65404	Lina Kravtson	Customer Refund	\$158.24
65405	Jon/Audrey Young	Customer Refund	\$12.68
65406	Robert R Carter	Customer Refund	\$11.11
65407	West Coast Property Dev LLC	Customer Refund	\$32.34
65408	Madison Luther Holdings, LLC	Customer Refund	\$12.22
65409	Afman Supply	Small Tools	\$672.62
65410	Alexander's Contract Services	Contract Services-Meter Reading	\$2,735.56
65411	AM Conservation Group Inc	Water Conservation- Materials/Supply	\$431.00
65412	AREA Restroom Solutions	Equipment Rental-Field	\$118.76

65413	Avalon Custodial Care	Janitorial	\$695.00
65414	Best Best & Krieger	Legal Services	\$7,422.83
65415	Bell Marine Co., Inc.	Supplies-Field	\$380.00
65416	Bryce Consulting, Inc	Support Services	\$1,200.00
65417	Corix Water Products, Inc	Material	\$1,569.66
65418	Dawson Oil Company	Gas & Oil	\$2,248.49
65419	Grainger	Small Tools	\$20.67
65420	Ariana Johnson	Water Conservation-Other	\$50.00
65421	Kaiser Foundation Health Plan, Inc	Health Insurance	\$17,853.35
65422	Kiwanis of Citrus Heights	Continued Education	\$452.00
65423	Moonlight BPO	Contract Services-Bill Print/Mail	\$2,718.06
65424	Christopher Nichols	Continued Education	\$42.03
65425	North State Electric & Pump	Wells Maintenance	\$3,687.90
65426	Occu-Med	Office Miscellaneous	\$116.00
65427	Regional Government Services	Contract Services-Other	\$1,492.50
65428	River City Fire Equipment	Repair-Equipment/Hardware	\$555.65
65429	Sophos Solutions	Contract Services-Other	\$3,760.00
65430	WaterWise Consulting, Inc	Contract Services-Water Conservation	\$1,925.00
65431	World Environment & Energy Inc	Contract Services-Miscellaneous	\$406.61
65432	Pace Supply Corp	Material	\$967.86
65433	Pace Supply Corp	Material	\$993.13
Total			<u>\$501,264.61</u>

ACH	APRIL 2018 SERVICE FEE	PAYCHEX	\$397.20
ACH	APRIL 2018 GASB	PERS	\$30,046.58
ACH	APRIL 2018 POSTAGE	Equipment Rental-Office	\$1,000.00
ACH	CHASE MARCH 2018	Bank Fee	\$2,105.73
ACH	CORIX	Material	\$10,086.52
ACH	INVOICE CLOUD	Bank Fee	\$4,745.95
ACH	US Bank I.M.P.A.C Government Services	See April Agenda Item CC-9	\$21,363.41
ACH	MARCH 2018 FD	Bank Fee	\$119.98
ACH	MARCH 2018 S FEE	Bank Fee	\$2,200.83
ACH	MARCH 2018 WB	Bank Fee	\$90.81
ACH	MAY 2018 HEALTH	Health Insurance	\$13,885.21
ACH	PERS 3/22/18 PAYDAY	PERS	\$17,771.28

ACH	VALIC 4/19/18 PAY DAY	Deferred Compensation	\$2,804.50
ACH	VALIC 4/5/18 PAY DAY	Deferred Compensation	\$2,954.50
ACH	VANCO MARCH 2018	Contract Services-Other	\$30.28
ACH	VOYA 4/19/18 PAY DAY	Deferred Compensation	\$25.00
ACH	VOYA 4/5/18 PAY DAY	Deferred Compensation	\$25.00
ACH	MARCH 2018 PH	Bank Fee	\$117.98
Total			<hr/> \$109,770.76 <hr/>
Grand Total			<hr/> \$611,035.37 <hr/> <hr/>

May Payments Approved At May Board Meeting

ACH	Groeniger/Ferguson	Material	\$18,856.25
ACH	Lund Construction	Contract Services- Engineering	\$139,836.77
ACH	Corix	Material	\$11,053.55
ACH	US Bank I.M.P.A.C Government Services	See May Agenda Item CC-9	\$11,209.56
65482	CirclePoint	Contract Services- Conservation	\$17,119.19
65483	J&S Asphalt	Contract Services-Paving/Concrete	\$10,740.00
65484	North State Drilling	Contract Services-Wells	\$76,725.00
65485	North State Electric & Pump	Wells Maintenance	\$16,997.56
65486	San Juan Water District	Purchased Water	\$569,907.54
65487	Zuke's Landscape	Contract Services-Concrete	\$24,812.00
			<hr/> \$897,257.42 <hr/> <hr/>

Employee Recognitions— Thirteen employees received recognition for attendance during February 2018, and fifteen were recognized for outstanding customer service and quality of work during the month of March 2018. Directors were provided with a list of the employees and items for which each received recognition.

The Long Range Board Agenda was provided showing Directors upcoming items for future scheduled Board Meetings.

Engineering Department Report

The Engineering and Capital Projects Department staff presented a report on the following activities during the month of April 2018.

Items of Interest	Department	Project Team	Date	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
PROJECT 2030 Water Main Replacement Project	Engineering	Engineering Manager and Project Manager	On-going	Yes, 10/18/17 (Award of Contract)	Yes	2017-2018 Masterplan for replacement of mains installed in 1960-1985.	Asset Inventory and water demand projections in progress. Customer Advisory Committee (CAC) Orientation occurred on 03/19/18. CAC Meeting #1 scheduled for 05/29/18.
CAPITAL IMPROVEMENT PROJECT Corporation Yard Safety Improvements Project	Engineering	Engineering Manager, Project Manager and Senior Construction Inspector	On-going	Yes, 06/20/18 (Anticipated Notice of Completion)	Yes	2017 design and construction of Vacuum Spoils Disposal, Wash Station, Materials Storage, and Safety and Efficiency Upgrades.	Board approved contract on 07/24/17. Letter of Acceptance sent to Contractor on 04/05/18. 100% Complete. Awaiting lien releases and final warranty documents from the Contractor.
CAPITAL IMPROVEMENT PROJECT Corporation Yard / Facilities Master Plan Buildout	Engineering	Engineering Manager and Project Manager	On-going	TBD	Yes	2017-18 Masterplan for office space requirements through 2040.	Restart Project. Engineering meeting completed 03/29/18. Next meeting scheduled for 05/16/18.

Items of Interest	Department	Project Team	Date	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
CAPITAL IMPROVEMENT PROJECT Highland Ave & Rosa Vista Ln 8" Water Mains	Engineering	Engineering Manager and Assistant Engineer	On-going	Yes, 01/17/18 (Award of Contract)	Yes	2017 design and construction.	Award of Contract occurred at the 01/17/18 Board Meeting. Contractor began construction on 02/26/18. 95% Complete.
CAPITAL IMPROVEMENT PROJECT Graham Cir and Circuit Dr 8" Water Mains	Engineering	Project Manager and Assistant Engineer	On-going	Yes, 04/18/18 (Award of Contract)	Yes	2017 design, 2018 construction.	Award of Contract at the 04/18/18 Board Meeting. Awaiting documents from Contractor prior to executing agreement.
CAPITAL IMPROVEMENT PROJECT Wind Way and Longwood Way 8" Water Mains	Engineering	Project Manager and Assistance Engineer	On-going	Yes, TBD	Yes	2017 design, 2018 construction.	75% Plans received from Engineer on 02/05/18. Potholing completed. Revised plans sent back to Engineer on 05/01/18.
CAPITAL IMPROVEMENT PROJECT Pleasant View Drive 8" Water Main	Engineering	Project Manager and Assistant Engineer	On-going	Yes, TBD	Yes	2017 design, 2018 construction.	Plans sent to Engineer on 05/01/18. Potholing to be scheduled for May 2018.

Items of Interest	Department	Project Team	Date	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
CAPITAL IMPROVEMENT PROJECT Michigan Drive 8" & 6" Water Mains	Engineering	Project Manager and Assistant Engineer	On-going	Yes, TBD	Yes	2017 design, 2018 construction	Plans sent to Engineer on 05/02/18. Potholing to be scheduled for May 2018.
CAPITAL IMPROVEMENT PROJECT 6230 Sylvan Road East Side Wall	Engineering	Project Manager and Assistant Engineer	On-going	Yes, TBD	No	Wall along the east side of District property.	We anticipate this project will be included in the 2019 CIP. Begin communication with SJUSD during 2018.
PRIVATE DEVELOPMENT Northridge Grove - 5555 Mariposa Ave 47 Condominiums	Engineering	Senior Construction Inspector and Engineering Manager	On-going	Yes, TBD	No	Private development	District met on 03/01/18. District to follow-up with developer regarding a cost-sharing agreement for system improvements made in conjunction with the project.
PRIVATE DEVELOPMENT Commercial Building Remodel - 5414-50 Sunrise Blvd	Engineering	Senior Construction Inspector and Engineering Manager	On-going	Yes, 05/16/18 (Anticipated Approval of Resolution for Easement)	No	Private development	Project and punch list items complete except for easements. Submitting easement and resolution to the Board on 05/16/18.

Items of Interest	Department	Project Team	Date	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
PRIVATE DEVELOPMENT Dignity Health Building - 7115 Greenback Ln	Engineering	Engineering Manager and Senior Construction Inspector	On-going	Yes, TBD	No	Medical office building by developer.	Portions of demolition of existing water facilities complete. Coordinate easement with engineer and City of Citrus Heights.
PRIVATE DEVELOPMENT 3 lot Residential Subdivision - 5648-5696 San Juan Ave	Engineering	Senior Construction Inspector	On-going	No	No	3 lot subdivision.	Preconstruction meeting occurred on 03/12/18. Construction in progress. 25% Complete.
PRIVATE DEVELOPMENT Mitchell Farms - 7925 Arcadia Drive	Engineering	Engineering Manager and Assistant Engineer	On-going	Yes, TBD	No	200-300 unit development by Watt Communities	Comments regarding Draft Environmental Impact Report due 05/07/18. Engineer preparing Improvement Plans for proposed land exchange.
PRIVATE DEVELOPMENT Mariposa Creek Subdivision - Antelope Road	Engineering	Senior Construction Inspector	On-going	No	No	15 lot subdivision located on Antelope Road.	Final plans received on 01/23/18. Developer grading site. Water installation anticipated in May 2018.

Items of Interest	Department	Project Team	Date	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
PRIVATE DEVELOPMENT Citrus Place Subdivision	Engineering	Engineering Manager and Assistant Engineer	On-going	No	No	7 lot subdivision located near Wachtel Way & Talbot Way.	Received revised plans from engineer on 04/03/18. Met with Engineer on 04/10/18. Received updated plans from engineer on 04/30/18.
PRIVATE DEVELOPMENT 7581 Sycamore Dr - Parcel Split 1 - 3	Engineering	Engineering Manager and Assistant Engineer	On-going	No	No	Parcel being split into 3 for 3 home subdivision.	Reviewed plans and provided comments 09/28/17. Fire flow analysis request submitted on 02/05/18. Engineer submitted revised plans on 03/22/18. Comments sent to engineer on 04/04/18. Awaiting resubmittal.
PRIVATE DEVELOPMENT 8027 Holly Dr - Parcel Split 1 - 3	Engineering	Engineering Manager and Assistant Engineer	On-going	No	No	Parcel being split into 3 for 3 home subdivision.	Sent 95% plans with comments to Engineer on 02/26/18. Awaiting resubmittal.
PRIVATE DEVELOPMENT Sunrise Blvd_ 5437-5439 - Sunrise Village Retail Center - parcel split	Engineering	Engineering Manager and Assistant Engineer	On-going	TBD	No	Parcel being split into 3 for individual sales that previously occurred.	Sent comments to City 09/13/17. Awaiting to determine if developer/owner chooses to split the parcel.

Items of Interest	Department	Project Team	Date	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
PRIVATE DEVELOPMENT 7601 Sunrise Blvd The Human Bean	Engineering	Engineering Manager and Assistant Engineer	On-going	No	No	Commercial Development	District signed plans on 12/21/17. Awaiting construction.
PRIVATE DEVELOPMENT 6920 Auburn Blvd Stock Ranch Plaza - Parcel 11	Engineering	Senior Construction Inspector	On-going	No	No	Commercial Development	Received easement information on 11/30/17. Signed plans on 02/26/18. Preconstruction meeting on 04/30/18.
PRIVATE DEVELOPMENT 7766 Auburn Blvd Quick Slice	Engineering	Engineering Manager and Assistant Engineer	On-going	No	No	Commercial Development	Sent comments to City on 11/27/17. Awaiting final plans from developer for District review.
PRIVATE DEVELOPMENT 6199 Sunrise Blvd US Bank Parcel Split	Engineering	Engineering Manager and Assistant Engineer	On-going	No	No	Commercial Development	Sent Will Serve letter on 12/27/17. Awaiting to determine if developer/owner chooses to split the parcel.
PRIVATE DEVELOPMENT 8501 Auburn Blvd Studio Movie Grill	Engineering	Engineering Manager and Assistant Engineer	On-going	No	No	Commercial Development	Sent Will Serve letter on 12/28/17. Awaiting plans from developer for District review.

Items of Interest	Department	Project Team	Date	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
COMCAST	Engineering	Assistant Engineer and GIS Specialist	On-going	No	No	Various communications boring projects throughout the service area.	Received 13 utility requests as of 05/01/18. District has provided water utility maps for all projects. Received "B" plans on 5 projects as of 05/01/18 and provided comments. Awaiting resubmittal from Comcast Engineer.
CITY OF CITRUS HEIGHTS PROJECT City Drainage Project	Engineering	Engineering Manager and Assistant Engineer	On-going	Yes, TBD	Yes	Highland Ave, Wonder St, Dana Butte Way, and Sunhill Dr Storm Drain Project.	Anticipate bid and start of construction in Spring 2018. "B" Plans sent back 08/21/17 with comments. Coordinating utility conflicts.
CITY OF CITRUS HEIGHTS PROJECT City Baird Way Storm Drain Improvements	Engineering	Operations and Senior Construction Inspector	On-going	Yes, TBD	Yes	Baird Way Storm Drain Project.	Awaiting Preconstruction Meeting with the Contractor and the City.
CITY OF CITRUS HEIGHTS PROJECT Sunrise Blvd Complete Streets Phase 2A (C16-142)	Engineering	Operations and Senior Construction Inspector	On-going	Yes, TBD	Yes	Frontage improvements along west side of Sunrise from Sayonara to north and Storm Drain Improvements	Attended preconstruction meeting on 03/14/18. CHWD to begin any water facility relocations in May/June 2018.

Items of Interest	Department	Project Team	Date	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
CITY OF CITRUS HEIGHTS PROJECT Mariposa Ave - Safe Routes to School Phase III	Engineering	Engineering Manager and Assistant Engineer	On-going	Yes, TBD	Yes	Frontage improvements along west side of Mariposa Ave from Northridge to Eastgate.	Received signed Utility Agreement. Anticipate bid and start of construction in Spring 2018.
CALIFORNIA DEPT OF TRANSPORTATION Weigh Station at I-80 & Antelope	Engineering	Engineering Manager and Assistant Engineer	On-going	No	No	Weigh station and off-ramp improvements	Sent water facility maps and as-builts to Engineer on 11/20/17. Awaiting plans from CalTrans for District review.

Operations Department Report

Operations Manager Gordon reported as follows:

A total of 87 work orders were performed during the month of April 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.

2018 Water Supply – Purchased and Produced

The District’s total water use during the month of April 2018 (665.35 acre-feet) was 35.4 percent below that of March 2013 (1,029.73 acre-feet).

Surface Water Supply Reliability

As of May 1, 2018, storage in Folsom Lake (Lake) was at 866,400 acre-feet, 89 percent of the total capacity of 977,000 acre-feet. This represents an increase in storage of 49,600 acre-feet in the past month.

The District continues to assist with preserving surface water supplies in the Lake by operating its groundwater wells. The District’s groundwater production wells: Bonita, Mitchell Farms, Skycrest, and Sylvan, are operational and used on a rotational or as-needed basis.

Water Efficiency Program Update

Water Efficiency Supervisor Meurer provided the Water Efficiency Program updates below.

Activities and Progress Report

Water Efficiency, Safety and Meter Program activities during the month of April 2018 include:

- 11 ultra-low-flush toilet (ULFT) rebates were processed for the month of April. The 5 year average (2013-2017) of April ULFT rebates is 21. A total of \$4,350.00 in rebates were issued year to date.
- A total of 11 High Efficiency Clothes Washer (HECW) rebates have been issued during the first quarter of 2018. To better align with SMUD's schedule for reporting monthly numbers, staff will report HECW rebates on a quarterly basis.
- 11 water waste calls were received during the month of April. No reports of water waste were received through CHWD's Drought Resources web page.
- Operations staff completed their annual respirator fit test and refresher training on April 5, 2018. The fit test ensures that an employee's mask will fit properly and provide a tight seal while the respirator is being used.
- Staff completed the annual fire extinguisher training and fire extinguisher recharging on April 12, 2018. The training included a hands on demonstration on how to use a fire extinguisher and which class of fire extinguisher is appropriate for use during certain types of fires.
- An Ecolandscape class will be held on Saturday, May 19th from 9:00 am – 12:00 pm. The class is titled "Designing Eco-Friendly Landscapes and Water-Wise Irrigation Systems". This is the second class in a series of 5 classes to be held by the District this year.
- Staff will be issuing a Professional Services Agreement (PSA) for assistance with the Validation of the 2017 AWWA Water Audit. Validation must be performed by a certified independent auditor who does not contribute to data collection. Validation must be complete and submitted to the Department of Water Resources (DWR), by October 1, 2018.
- Staff began a telephone outreach campaign promoting the District's free Irrigation Efficiency Reviews. WaterWise Consulting is working with staff to contact many of CHWD's high water use customers. They are currently reaching out to CHWD's single-family customers. Due to this effort, a total of 9 additional Irrigation Efficiency Reviews were generated and completed for the month of April. This compares to 2 Irrigation Reviews completed during the same month in 2017. A total of 72 Irrigation Efficiency Reviews have been completed since the outreach campaign began in December 2017. This compares to 11 Irrigation Efficiency Reviews completed for the same time in December 2016 thru March 2017.

- The following table summarizes the Residential Gallons Per Capita Per Day (R-GPCD) values for CHWD to date:

Month	R-GPCD	R-GPCD	% CHANGE
	2017	2018	
January	75	77	+3%
February	72	85	+18%
March	80	79	-.01%
April	87	100	+13%

- Since 2013, RWA has been providing the District with a recap of the region's individual Agency R-GPCD for the current month/year, including a year to date comparison for 2013. RWA has reformatted the monthly update and will no longer be providing the regional water savings comparison.

Discussion and Possible Action to accept an easement at 5414-50 Sunrise Boulevard (A)

Site improvements to 5414-50 Sunrise Boulevard required the installation of new water distribution mains, water services and fire protection facilities to provide water service to the site. An easement for the water facilities was granted by Alta Sunrise Devco, LLC, at no cost to the District.

Staff recommended the adoption of Resolutions 06-2018 for the acceptance of an easement from Alta Sunrise Devco, LLC on portions of Assessor's Parcel Numbers 233-0044-005 and -008 located at 5414-50 Sunrise Boulevard, and authorize execution and recording of the easement.

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

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

PRESENTATIONS:

Water Awareness Poster Contest

The District's water conservation staff, in conjunction with Orange Vale Water Company, Fair Oaks Water District and San Juan Water District sponsored the twenty-second annual Water Awareness Poster Contest. A total of 413, 4th, 5th and 6th grade students at five elementary schools within the District's service area submitted posters based on this year's theme, "Winter, Summer, Fall or Spring Water Conservation Is A Year Round Thing."

Each agency awards a first-place prize of \$100.00 and two runner-up prizes of \$50.00. In addition, each winning student's class receives an award of \$100.00 for the winning entry. The winning entries will also be featured in the 2018 Water Efficiency Calendar. The Grand Prize Winner is featured on the cover of the calendar and in the month of May, which represents Water Awareness Month. The Grand Prize Winner receives an additional \$100.00 check.

The winners for schools within the Citrus Heights Water District are:

- First Place Winner: Annabelle Ng, 5th Grade, Skycrest Elementary School
Teacher: Jinne Calvi
- Runner-Up: Leila Gross, 6th Grade, Woodside School
Teacher: Susanne Slayton
- Runner-Up: Shelby Gibbs, 5th Grade, Trajan Elementary School
Teacher: Sallee Weston

The contest entries in the Citrus Heights Water District service area were judged by Alison Bermudez from the City of Citrus Heights; Paul Buchanan representing the Citrus Heights Chamber of Commerce; and Lee Hollingsworth and Sharon Mueller from the Sunrise Recreation and Park District.

The winners and their families, teachers, and friends were invited to the CHWD Board of Directors meeting on May 16, 2018 to receive their awards and recognition for their efforts.

STUDY SESSIONS:

Review of Asset Management Systems

Innovyze provided a presentation to the CHWD Board concerning the asset management software, InfoMaster, that is recommended to be used as part of the Project 2030 Study. Staff is assessing an additional module, Life Cycle Cost Analysis (LCCA), and will report back to the Board on their findings and recommendations concerning whether or not to acquire the additional software module.

BUSINESS:

Discussion and Possible Action to Purchase the Ella Way Property and Accept a City of Citrus Heights Owned Parcel

Water Resources Manager Hensley requested the Board consider adoption of Resolution No. 07-2018 to exercise the option to purchase the rear .55 acres of 8026 Patton Avenue (“Property”); to approve the Mitigated Negative Declaration for the Ella Way well site project (Project); to adopt a Mitigation Monitoring and Reporting Program for the Project and to approve Additional Information to this Mitigated Negative Declaration. Staff also requested the Board consider the adoption of Resolution No. 08-2018 to authorize the General Manager to accept interests in real property on behalf of the District.

The Citrus Heights Water District (the District) previously executed an Option to Purchase and Purchase and Sale Agreement for the Property (“PSA”). The PSA allowed the District to drill a test well on the Property to ensure that it had sufficient groundwater for the District’s purposes. This test well was drilled in November 2017, and subsequent tests confirmed that the Project will generate an estimated one thousand (1,000) gallons per minute (gpm). Based on this result, staff recommends that the Board of Directors exercise its option to purchase the Property. The Board approved the purchase. The next steps will be for staff to send the owners of the Property notice and open escrow. Escrow will close upon the City’s approval of a lot line adjustment (as explained below).

In addition, staff has coordinated with the City of Citrus Heights for the City to quitclaim a small, triangle-shaped parcel (“Triangle Parcel”) adjacent to the Property to the District. The City Council quitclaimed the Triangle Parcel to the District on May 10th. The second resolution in this item was the authorization of the General Manager to accept the Triangle Parcel and future interests in property on behalf of the District. Once the 25

Triangle Parcel is officially accepted, the District will apply to move the boundaries of the Triangle Parcel to the edge of the Property. Upon approval of this lot line adjustment by the City, the acquisition of property for the Project will be complete.

The District is required to comply with the California Environmental Quality Act (CEQA) when purchasing property and approving the Project. Planning Partners was retained by the District to assist the District in complying with CEQA. For the Ella Way Well project, the District acts as Lead Agency for CEQA compliance. Other permitting agencies such as the State Board’s Division of Drinking Water (DDW) are required to use the District’s CEQA documents in their processing of future permits related to the Project. As Lead Agency, the District will consider the entirety of information resulting from environmental review activities, and act as the primary decision-maker for the project.

Environmental review of the Project is required because CEQA establishes a duty for public agencies to avoid or minimize environmental damage where feasible. As Lead Agency, the District is responsible to comply with CEQA and the CEQA Guidelines in determining the potential impacts on the environment from constructing and operating the Project. Once the CEQA document is approved by the District, the Board may determine whether the Project should be approved. In considering the Project approval, the District also has the obligation to balance a variety of public objectives in making that decision, including economic, environmental, and social factors. CEQA:

- Provides the framework to inform decision-making bodies and the public about the potential environmental impacts of a proposed project;
- Identifies mitigation measures to avoid or reduce significant environmental impacts; and
- Discloses to the public the reasons why an agency approves a project.

Some projects implemented by the District or other public agencies may be determined to be exempt from CEQA. However, the preliminary review of the proposed Project confirmed the need to complete additional environmental analysis and documentation. The proposed Project does not qualify for a Categorical Exemption because it could not meet the criteria established in the CEQA Guidelines since implementation of the proposed project would result in a physical change in the environment. An Initial Study was prepared, and several potential environmental impacts were identified, including those to air quality, biological and cultural resources, groundwater quality, and construction and operational noise. However, after mitigation for each of these effects, there was no substantial evidence that the proposed project in any of its aspects could cause a significant effect on the environment. For this reason, a Mitigated Negative Declaration was chosen as the appropriate CEQA document for the Project; an Environmental Impact Report is not required.

The scope of the work included analysis of all 19 CEQA-required environmental topic areas. Analysis showed that implementation of the Project would have a less-than-significant effect for the majority of the environmental topics, except for those discussed above.

The analysis of the suitability of the site for additional municipal water access was supported by a Phase I Environmental Site Assessment (ESA) and preliminary Drinking Water Source Assessment (DWSA). The ESA did not identify any recognized environmental conditions associated with the property for purchase.

The preliminary DWSA was prepared for the site using an anticipated pumping rate of 1,000 gpm and the likely construction details of the proposed well. A preliminary evaluation of the vulnerability ranking for the Property was completed. Based on the evaluation, the well site is most vulnerable to the following activities: automobile gas stations (auto repair), dry cleaners, historical gas stations, and underground storage tanks – confirmed leaking tanks. Seal placement will exceed 100 feet in depth and the proposed ground water use of approximately four days per month will minimize the potentially contaminating activities impacts to the aquifer. Based on preliminary DWSA information and confined ground water conditions, the proposed well would have a high physical barrier effectiveness against potentially contaminating activities. Physical barrier effectiveness and vulnerability assessment updates will be finalized for the well permit.

Two other environmental areas were determined to require additional analysis over and above the original scope of work. They are the use of the well for Aquifer Storage and Recovery (ASR), and Tribal Cultural Resources (TCR).

A. **Aquifer Storage and Recovery:** Constructing the Project as an ASR well would allow the District to use the well both as a production well to withdraw water, and as an injection well to recharge the aquifer during periods of abundant surface water supplies. Operating the Project as an ASR well would be consistent with District obligations under the Water Forum Agreement, and consistent with the policies established through the Sacramento Groundwater Authority.

The concept of using the Project as an ASR facility was not originally contemplated for the project, and hence was outside of the original scope of Planning Partners work. To assess the potential environmental effects of using the Ella Way Well for ASR purposes, the consultant team modified the draft environmental analysis to include additional information regarding State requirements, potential effects to groundwater quality, and the development of additional mitigation to ensure the maintenance of groundwater quality during ASR operations. This additional work was completed within the original project schedule to allow the District to maintain its aggressive schedule for the purchase, engineering, and development of the Project.

B. **Tribal Cultural Resources:** Effective July 1, 2015, Assembly Bill 52 (AB 52) amended CEQA to require that: 1) a lead agency provide notice to any California Native American tribes that have requested notice of projects proposed by the lead agency; and 2) for any tribe that responded to the notice within 30 days of receipt with a request for consultation, the lead agency must consult with the tribe. Shortly prior to the public and agency circulation of the draft Initial Study/Mitigated Negative Declaration (IS/MND), the District identified several Native American tribes that had registered with the District to receive notices of offers of consultation.

Because the notice of consultation must have been received by all registered tribes prior to circulation of the draft IS/MND, Planning Partners guided the District through the AB 52 process, thereby

maintaining the Project's schedule. The District sent letters prepared by Planning Partners offering consultation to the three tribes that had requested notice of proposed projects. A single response that was received from the United Auburn Indian Community (UAIC) requested consultation. The other two tribes did not respond to the District's offer. The UAIC response requested additional information and copies of reports prepared on the Project, and also requested that the UAIC be informed should new information come to light on existing or newly-discovered cultural resources within the Project area.

Planning Partners assisted the District in its consultation activities, including the drafting of a response to the UAIC, the production of the requested reports and information, and an offer to meet with UAIC representatives to discuss the project and continue consultation at a May 7, 2018 meeting. There has been no further communication from the UAIC, and no tribal representatives attended the May 7, 2018 meeting. The District has concluded its consultation with the UAIC, having complied with all requirements of AB 52.

In summary, environmental review showed that the Project has the potential to adversely impact air quality (construction dust), biological resources (migratory birds, protected trees), undiscovered cultural resources, groundwater quality (from ASR operations) and noise (construction and operations). However, with the implementation of mitigation measures identified in IS/MND, all potential impacts would be reduced to a less-than-significant level. No significant or potentially significant impacts would remain.

Because the tribal consultation process was completed after circulation of the draft IS/MND, Planning Partners has prepared Additional Information to the Mitigated Negative Declaration to document the conclusions and findings of tribal consultation.

Public participation is an essential part of the CEQA process. In addition to offering the consultation process to Native American tribes, the environmental review process includes specific requirements for public review. The IS/MND was filed with the State Clearinghouse on March 30, SCH #2018032075. It was publicly noticed by the District through publication in the Carmichael Times on March 30, 2018. The document was available, both on line and in hard copy at the District Office, for the entirety of the 30-day review period that began on March 30, 2018 and concluded on April 30, 2018.

No written comments were received from the general public on the draft document. Agency comments were received from Sacramento Municipal Utility District (SMUD), the State Office of Planning and Research (OPR), and the Central Valley Regional Water Quality Control Board (CVRWQCB). Although CEQA does not require that the District formally respond to comments received on the draft IS/MND, it does require that the Board consider each comment prior to certifying the IS/MND and taking action on the Project. To assist the Board in its consideration of the comments, we provide the following summary and conclusions.

- CVRWQCB - The letter provides a list of potential permits under the CVRWQCB's jurisdiction for a generic well project. Impacts to water quality, including necessary permits, were evaluated in Section IX, *Hydrology and Water Quality*, of the IS/MND. The comments from the CVRWQCB raise no issues regarding the environmental information or conclusions

presented in the IS/MND for the Project. Since no environmental issue was raised by the comment that was not previously evaluated in the IS/MND, no modification of the IS/MND is necessary.

- SMUD - The comments from SMUD discuss a number of construction details and requirements to avoid existing SMUD facilities, and to construct any needed new facilities to meet SMUD standards. The comments from SMUD raise no issues regarding the environmental information or conclusions presented in the IS/MND for the Project. Since no environmental issue was raised by the comment that was not previously evaluated in the IS/MND, no modification of the IS/MND is necessary.
- OPR – This letter transmits a copy of the CVRWQCB’s comments noted above. The comments from OPR raise no issues regarding the environmental information or conclusions presented in the IS/MND for the Project. Since no environmental issue was raised by the comment that was not previously evaluated in the IS/MND, no modification of the IS/MND is necessary.

Staff recommended the adoption of Resolution 07-2018 and Resolution 08-2018.

ACTION: Director Sheehan moved and Director Dains seconded a motion to approve Resolution 07-2018 and Resolution 08-2018.

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

Discussion and Possible Action to Accept an Audited Financial Report for Year Ending December 31, 2017

Senior Accountant Preciado requested the Board consider approving the Audited Financial Statements of the Citrus Heights Water District (District) for Year ended December 31, 2017 and related reports and the Memorandum on Internal Control and Required Communications for the Year ended December 31, 2017.

The Audit was conducted by Maze and Associates, an Accountancy Corporation of Pleasant Hill, California. This is the third year of a five-year engagement for financial auditing services with Maze & Associates.

The Financial Statements include the following sections:

- Independent Auditor’s Report
- Management Discussion and Analysis
- Basic Financial Statements

The Financial Statements summarize the financial activity in the previous year, as well as the net position of the District at December 31, 2017 and provides a narrative explanation in the Management Discussion and Analysis of significant policies, events, and activities from the past year. As valuable historical information, these documents are used to identify and track revenue and expenditure trends, evaluate past actions and decisions, and to develop budgets and make future plans and decisions.

The audit shows that the District's financial statements present fairly the financial position of the District and that its accounting practices continue to conform with generally accepted accounting principles. The Management's Discussion and Analysis section contained in Pages 3 through 10 of the Audited Financial Statements, prepared by District management, provides a narrative of financial highlights, an overview of the financial statements, and a discussion of economic factors and future budget considerations.

As mentioned in the Management and Discussion Analysis, following are the financial highlights of 2017:

- The District's assets exceeded its liabilities at the end of 2017 by \$64,769,085 as compared to \$59,651,741 in 2016;
- District's Assets and Deferred Outflows of Resources in 2017 totaled \$75,269,620 and \$69,686,423 in 2016, or an increase of \$5,583,197; due mainly to increased capital improvement, cash and investments, and pension-related deferred outflows;
- Liabilities in 2017 amounted to \$10,312,007 and \$9,574,888 in 2016, an increase of \$737,119;
- Unrestricted net position in 2017 was \$10,347,199 and \$6,782,716 in 2016;
- Net Income in 2017 was \$5,117,344 and \$3,789,062 in 2016.

For the Year Ended December 31, 2017, the District will issue a Comprehensive Annual Financial Report (CAFR) for the first time. The CAFR is a more robust presentation of the District's financial position and includes the basic financial statements, as well as additional disclosures and statistical information about the District, its community, and its customers. In issuing a CAFR, the District is eligible to apply for an award given by the Governmental Finance Officers Association that recognizes excellence in financial reporting.

Due to the additional information required, staff has elected to first issue basic financial statements, then issue the CAFR and present it to the Board at the June regular meeting.

Staff recommended the Board approve the Audited Financial Statements of the Citrus Heights Water District (District) for Year ended December 31, 2017 and related reports and the Memorandum on Internal Control and Required Communications for the Year ended December 31, 2017.

ACTION: Director Sheehan moved and Director Dains seconded a motion to approve the Audited Financial Statements and for the Year Ended December 31, 2017, and authorize staff to submit the completed Audit Report to the State Controller's Office.

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

Discussion and Possible Action to Call for a November 6, 2018 Election

Management Services Supervisor Castruita requested the Board consider adopting Resolutions 09-2018 (Sacramento County) and 10-2018 (Placer County) calling for a November 6, 2018 election of a Director for a regular 4-year term in Division Two and election of a Director for a regular 4-year term in Division Three.

Citrus Heights Water District (CHWD) staff has prepared resolutions calling for and conducting of an election consolidated with the Counties of Sacramento and Placer.

The nomination period for candidates for the Citrus Heights Board of Directors begins July 16, 2018, and ends August 10, 2018. If an incumbent does not file, the filing period is extended until August 15, 2018.

As in prior elections, in the event of a tie vote for the Board positions, the winner will be determined by lot selected by the Registrar of Voters of the County of Sacramento.

The District's Division boundaries were last reviewed and adjusted in May 2002 to provide better equity in population among the three Divisions. The District's service connection count in May 2002 was 19,106. The service connection count as of April 2018 is 19,932 representing an increase of 826 services (+4.32%). With such a small increase in the number of service connections, a division boundary analysis is not recommended at this time.

Staff recommended the adoption of Resolutions 09-2018 (Sacramento County) and 10-2018 (Placer County).

ACTION: Director Dains moved and Director Sheehan seconded a motion to adopt Resolutions 09-2018 (Sacramento County) and 10-2018 (Placer County) calling for a November 6, 2018 election of a Director for a regular 4-year term in Division Two and election of a Director for a regular 2-year term in Division Three.

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

Discussion and Possible Action to Approve an Agreement with San Juan Water District for Groundwater Substitution Transfer

Operations Manager Gordon requested the Board consider authorizing the General Manager to execute an agreement with San Juan Water District (SJWD) for a Groundwater Substitution Transfer in 2018. Staff requested the Board authorize the General Manager to negotiate with SJWD and insert into the final form of agreement the amount of staff/legal time reimbursement to be paid to the District in conjunction with the agreement.

In January 2018, the Citrus Heights Water District (the District) staff began discussions with several regional water agencies regarding a potential groundwater substitution transfer in 2018. On May 2, 2018 the regional water agencies group was offered, and tentatively accepted, a request to purchase 12,098 acre-feet (AF) of water offered by a group of several water agencies south of the Delta. The sale and purchase of water would occur through a short-term groundwater substitution transfer. Due to constraints in the Delta, short-term water transfers are generally targeted to occur between the period of July 1st through September 30th each year.

Of the 12,098 AF of regional water being offered for transfer, the District has tentatively offered a maximum amount of 2,000 AF of groundwater to transfer during the summer transfer period. The

2,000 AF being offered by the District is based on a technical review of the District's ability to produce excess groundwater for transfer without compromising the District's ability to provide groundwater to its customers through conjunctive use during the dry season.

Accompanying this staff report is a proposed Agreement between the District and SJWD for a Groundwater Substitution Transfer in 2018. The Agreement is substantially complete and has been reviewed by the District's staff and General Counsel. Some noteworthy terms in the Agreement are the following:

- (1) The District agrees to increase the amount of groundwater pumped and used within its service territory up to a maximum of 2,000 AF during the transfer period in-lieu of purchasing treated surface water from SJWD.
- (2) The total quantity of groundwater substitution water being sold from SJWD to the buyer is based on the amount of water produced by the District (2,000 AF maximum) and other regional water agencies, less American River instream flow losses of 8%. This will result in a total of 1,840 AF for potential water transfer to be sold and purchased through this agreement.
- (3) The Wholesale Water Agency has offered a price that will be disclosed to the District's Board of Directors in Closed Session for the transfer of groundwater as the deal is still pending.
- (4) This 2018 Agreement will not affect future groundwater substitution or other transfer agreements between SJWD and the District (e.g. quantity of water to be made available by the District and pricing).

Should the Board approve the agreement, staff will work with SJWD to meet the regulatory requirements to accomplish the transfer. Although most of the responsibility for meeting the legal requirements for the transfer will be on the shoulders of SJWD, other regional agencies and the buyer, the District will need to satisfy a few specific transfer requirements set by the California Department of Water Resources. One other item to note is that if conditions in the Delta do not allow water conveyance this summer or if other insurmountable hurdles are presented, under the terms of the agreement the transfer would not occur.

Staff recommended the authorization to execute an agreement with San Juan Water District (SJWD) and to negotiate with SJWD and insert into the final form of agreement the amount of staff/legal time reimbursement to be paid to the District in conjunction with the agreement.

ACTION: Director Dains moved and Director Sheehan seconded a motion to approve the agreement with San Juan Water District for a Groundwater Substitution Transfer in 2018 and authorize the General Manager to execute the agreement, subject to negotiating a final reimbursement amount with SJWD as well as any minor or non-substantive changes agreed to by the General Manager and General Counsel.

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

2018 Strategic Plan Update

Management Services Specialist Henry requested the Board receive and file an update to the 2018 Strategic Plan.

Beginning with the 2017 budget process, CHWD initiated an annual Strategic Planning process. The goal of Strategic Planning is to bring the Board of Directors and key District staff together to identify and prioritize the District's key policy, program and project issues, and to identify actionable steps to take over the coming year given limited funding and staffing resources, to help take CHWD to the next level. Given that Strategic Planning items are above and beyond daily operations, the need to prioritize issues is critical to the success of the Strategic Plan.

The 2018 Strategic Plan was approved by the Board of Directors on July 11, 2017. Staff will provided a PowerPoint presentation at the May 16, 2018 Board Meeting to review the work completed through the end of the first quarter of 2018.

Staff recommended the Board receive and file the update to the 2018 Strategic Plan.

ACTION: Director Sheehan moved and Director Dains seconded a motion to receive and file an update to the 2018 Strategic Plan.

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

CONSULTANTS' AND LEGAL COUNSEL'S REPORTS:

None.

DIRECTORS' AND REPRESENTATIVES' REPORTS:

Regional Water Authority (Dains)

General Manager Straus gave a presentation of the multi-agency Water Meter Replacement and Operations Program Memorandum of Understanding (MOU). RWA approved the MOU and will join at an L1 level.

Sacramento Groundwater Authority (Sheehan)

No report.

San Juan Water District (All)

General Manager Straus informed the Board that San Juan Water District and Sacramento Suburban Water District are developing a 2X2 Committee to discuss the possibility of a merger.

Association of California Water Agencies (ACWA) (Dains)

Each Board Member provided comments on the 2018 ACWA Spring Conference. Director Sheehan stated that she attended a worthwhile communications seminar with tips on webpage improvements. She spoke with USGS about the rolling out of GAMMA, an online geographic information system with ties into SGMA modeling.

Director Dains stated that he attended the Groundwater Committee Meeting. The Committee is chaired by John Woodling and the information presented is available through the

Regional Water Authority (RWA). He also attended sessions on the Folsom Dam and AB1234 Ethics Training.

President Riehle stated that he attended the communications session and the session on the Folsom Dam. He stated that the session on Folsom Dam raised interesting questions on passive groundwater recharge.

ACWA Joint Powers Insurance Authority (JPIA) (Dains/Castruita)

General Manager Straus informed the Board that ACWA JPIA is considering the question of whether or not to form a captive domiciled in Utah. This captive could provide a higher rate of return. The California State Association of Counties Excess Insurance Authority (CSAC EIA) formed a captive in 2016, seeing a rate of return of 8% of return versus 0.9% rate on LAIF.

City of Citrus Heights (Pieri)

Engineering Manager Pieri stated that the Stuart Hodgkins has been selected as the new City Engineer. The District is working closely with the City and their contractor to ensure that new storm drains do not conflict with the District's water lines.

Chamber of Commerce Government Issues Committee (Gordon/Meurer)

No report.

RWA Lobbying Program Update (Gordon/Meurer)

General Manager Straus informed the Board that RWA is still working to fill the position of Legislative Affairs Manager, which was previously held by Adam Robin. General Manager Straus has been asked to participate on the interview panel.

Other Reports

Engineering Manager Pieri informed the Board that she will provide a final update on the Corporation Yard Safety Improvement Project and present the Board with a Notice of Completion for the Project at the June 20, 2018 Regular Board Meeting.

General Manager Straus informed the Board he would be out on vacation for three weeks in June through July. He will appoint each of the Department Managers to acting duties over one week of the time.

Administrative Services Manager Sohal informed the Board that Management Services Specialist Henry will be Acting Deputy Secretary in the absence of General Manager Straus and Management Services Supervisor Castruita.

General Manager Straus stated that he is continuing a tour of the Citrus Heights Neighborhood Associations to update them on the District's current projects including the Project 2030 Water Main Replacement Study and the upcoming Board elections. Neighborhood Association #11's meeting on July 18, 2018 conflicts with CHWD's Regular Board Meeting and the plan is to send a CHWD staff member to that meeting other than General Manager Straus.

MANAGEMENT SERVICES REPORT:

Meter Replacement Program Update

Water Efficiency Supervisor Meurer provided an update to the Board on CHWD's progress in working with several surrounding water districts to develop a multi-agency Water Meter Replacement and Operations Program. The update included status reports on the Memorandum of Understanding (MOU) approvals by the various governing boards of the newly-forming Meter Replacement Consortium and the development and schedule for release of the Request for Proposal (RFP) of the Advanced Planning Study.

CORRESPONDENCE:

None.

CLOSED SESSION:

None.


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 9:32 pm.

APPROVED:


MADELINE HENRY
Acting Deputy Secretary
Citrus Heights Water District


RAYMOND A. RIEHLE, President
Board of Directors
Citrus Heights Water District