

CITRUS HEIGHTS WATER DISTRICT  
BOARD OF DIRECTORS REGULAR MEETING MINUTES  
APRIL 11, 2017

The Regular Meeting of the Board of Directors was called to order at 6:30 p.m. by President Sheehan and roll was called. Present were:

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

Staff:

Hilary M. Straus, General Manager  
Paul A. Dietrich, Project Manager  
David M. Gordon, Operations Manager  
Rex W. Meurer, Water Efficiency Supervisor  
Alberto Preciado, Senior Accountant  
Tamar Dawson, Assistant Engineer

**VISITORS:**

Shauna Lorance, Kennedy/Jenks  
Chantelle Garvin, Kennedy/Jenks  
Paul Helliker, San Juan Water District  
Carlyn Altheide, InvoiceCloud  
Sara Rogers, Domenicelli and Associates, Inc.  
Daryl Heigher, Domenicelli and Associates, Inc.

**PLEDGE OF ALLEGIANCE:**

Board President Caryl Sheehan led the Pledge of Allegiance.

**PUBLIC COMMENT:**

None.

**CONSENT CALENDAR:**

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

Minutes of the Regular Meeting – March 14, 2017.  
Minutes of the Special Meeting – February 27, 2017  
Minutes of the Special Meeting – February 28, 2017  
Minutes of the Special Meeting – March 1, 2017  
Minutes of the Special Meeting – March 2, 2017  
Revenue Analysis Report for March 2017.

Assessor/Collector's Roll Adjustment for March 2017.

Treasurer's Report for March 2017.

Treasurer's Report of Fund Balances for March 2017.

Operations Budget Analysis for March 2017.

Capital Improvements Budget Analysis for March 2017.

Warrants for March 2017.

CAL-Card Purchases for March 2017.

Summary of 2017 Directors, Officers and Employees Training, Seminars and Conference Expenses.

### MARCH 2017 WARRANTS

63043	Bustabade Family Trust	Customer Refund	\$27.16
63044	Marie E Coker Trust	Customer Refund	\$95.95
63045	Richard L Schluter	Customer Refund	\$64.87
63046	Joshua S Ford	Customer Refund	\$14.56
63047	Alexander's Contract Services	Contract Services- Meter Read	\$2,387.11
63048	Sacramento County Utilities	Utilities	\$183.41
63049	Integrity Administrators Inc	Health Insurance	\$291.12
63050	SMAQMD	Permit Fees	\$2,178.00
63051	Sac-Val Janitorial Supply	Supplies-Field	\$143.57
63052	Sonitrol	Equipment Rental-Office	\$317.77
63053	Moonlight BPO	Contract Services- Bill Print	\$4,668.12
63054	Moonlight BPO	Contract Services- Bill Print	\$3,312.78
63055	ACWA/JPIA	Workers Comp Insurance	\$8,516.00
63056	Azteca Systems Inc	Maintenance Agreement- Software	\$19,995.00
63057	Ditch Witch	Fixed Assets	\$9,212.63
63058	Domenichelli and Associates, Inc	Contract Services-Engineering	\$49,309.06
63059	Regional Water Authority	Dues & Subscriptions	\$9,000.00
63060	San Juan Water District	Purchased Water	\$615,005.50
63061	SMUD	Utilities	\$17,725.27
63062	US Bank I.M.P.A.C. Government Services	Continued Education	\$9,352.24
63063	Mateo Family Trust	Customer Refund	\$14.77
63064	Hutchinson Family Trust	Customer Refund	\$8.73
63065	Michael/Ladawna Applegarth	Customer Refund	\$185.04
63066	Elias E/Consuelo S Torres	Customer Refund	\$198.48
63067	Josephine Rubio	Customer Refund	\$261.98
63068	ABA DABA Rentals & Sales	Supplies-Field	\$553.10
63069	AFLAC	Employee Paid Insurance	\$238.56
63070	AnswerNet	Telephone-Answering Service	\$236.09
63071	Ramon Balajadia	Toilet Rebate	\$75.00
63072	BSK Associates	Water Analysis	\$456.00

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63073	Burketts	Office Expense	\$238.94
63074	California Society of Municipal Finance Officers	Dues & Subscriptions	\$110.00
63075	Robin Cope	Health Insurance	\$412.00
63076	Dawson Oil Company	Gas & Oil	\$848.33
63077	Rachel / Sean Dennis	Toilet Rebate	\$150.00
63078	Kelly R Drake	Printing	\$45.63
63079	Employee Relations Inc	Contract Services-Other	\$64.60
63080	David Green	Toilet Rebate	\$150.00
63081	Ferguson Enterprises Inc #1423	Material	\$123.91
63082	Holdcom	Telephone-Local/Long Distance	\$305.10
63083	J4 Systems	Contract Services-Other	\$2,793.75
63084	KBA DOCUSYS	Equipment Rental-Office	\$20.06
63085	KBA Docusys Inc	Equipment Rental-Office	\$342.63
63086	Kei Window Cleaning #12	Janitorial	\$92.00
63087	Heide Kingsbury	Toilet Rebate	\$75.00
63088	Kurey & Associates	Contract Services-Engineering	\$450.00
63089	Alberto Preciado	Continued Education	\$113.06
63090	Protection One Alarm Monitoring	Equipment Rental-Office	\$140.00
63091	Thomas Reichel	Toilet Rebate	\$150.00
63092	RW Trucking	Contract Services- Miscellaneous	\$1,757.50
63093	Sac-Val Janitorial Supply	Supplies-Field	\$17.78
63094	SureWest Directories	Telephoe-Local/Long Distance	\$49.00
63095	Thomson Reuters	Dues & Subscriptions	\$57.78
63096	Warren Consulting Engineers Inc	Contract Services-Engineering	\$1,900.00
63098	John/Kathy Ahern	Customer Refund	\$60.51
63099	Peter Lowell Prince Trust	Customer Refund	\$87.81
63100	Nancy E Grasberger	Customer Refund	\$173.37
63101	Matt/Jill Ormond	Customer Refund	\$191.74
63102	James A Mulhall	Customer Refund	\$207.95
63103	Michael O'Sullivan	Customer Refund	\$32.88
63104	Reno Trust 7668	Customer Refund	\$92.95
63105	D & J Capital Inc	Customer Refund	\$74.17
63106-63139	Printer Error	VOID	\$0.00
63140	Airgas USA, LLC	Supplies-Field	\$223.08
63141	Alexander's Contract Services	Contract Services- Meter Read	\$8,959.18
63142	AnswerNet	Telephone-Answering Service	\$146.84
63143	AREA Restroom Solutions	Equipment Rental-Field	\$114.30
63144	Bart/Riebes Auto Parts	Repair-Trucks	\$905.92
63145	Blind Magic/Sierra Services	Janitorial	\$133.00
63146	Bryce Consulting, Inc	Legal & Audit	\$1,280.00
63147	Consolidated	Telephone-Local/Long Distance	\$1,718.09
63148	Corix Water Products, Inc	Material	\$5,965.05

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63149	Kelly De La Rosa	Toilet Rebate	\$75.00
63150	Janelle Ingle	Toilet Rebate	\$75.00
63151	J4 Systems	Contract Services-Other	\$1,845.54
63152	Moonlight BPO	Contract Services- Bill Print	\$4,668.12
63153	Les Schwab Tires	Repair-Trucks	\$1,628.88
63154	VOID	VOID	\$0.00
63155	Paul T or Anita White	Toilet Rebate	\$75.00
63156	Twin Home Services	Janitorial	\$95.00
63157	VOID	VOID	\$0.00
63158	VOID	VOID	\$0.00
63159	Colantuono, Highsmith & Watley, PC	Legal & Audit	\$7,974.86
63160	Regional Government Services	Contract Services-Other	\$5,407.30
63161	Colantuono, Highsmith & Watley, PC	Legal & Audit	\$2,941.50
63162	Regional Government Services	Contract Services-Other	\$5,087.85
63163	S Denise Davis Trust	Customer Refund	\$84.19
63164	Gordon H Dey Revocable Trust 2006	Customer Refund	\$7.35
63165	Yong Cha Talbert	Customer Refund	\$109.92
63166	Shu Zhao	Customer Refund	\$68.83
63167	AREA Restroom Solutions	Equipment Rental-Field	\$114.30
63168	Avalon Custodial Care	Janitorial	\$695.00
63169	Axcient Inc	Maintenance Agreement- Software	\$444.30
63170	Corelogic Information Solutions Inc	Dues & Subscriptions	\$204.33
63171	Corix Water Products, Inc	Material	\$7,093.19
63172	Faresh Family Trust 2004	Customer Refund	\$60.21
63173	Dawson Oil Company	Gas & Oil	\$957.19
63174	FP Mailing Solutions	Equipment Rental-Office	\$316.87
63175	Future Ford	Repair-Trucks	\$537.76
63176	Ferguson Enterprises Inc #1423	Material	\$123.91
63177	Indoor Environmental Services	Maintenance Agreement-Equipment	\$322.00
63178	J4 Systems	Contract Services-Other	\$710.00
63179	Kaiser Foundation Health Plan, Inc	Health Insurance	\$15,809.92
63180	Liebert Cassidy Whitmore	Legal & Audit	\$245.00
63181	Moonlight BPO	Contract Services- Bill Print	\$2,735.45
63182	Pace Supply Corp	Material	\$1,547.32
63183	Pacific Gas & Electric	Utilities	\$94.79
63184	Quenby Rubin-Sprague	Contract Services-Financial	\$2,975.00
63185	Red Wing Shoe Store	Small Tools	\$550.00
63186	Rescue Training Institute Inc	Fixed Assets	\$50.00
63187	Sophos Solutions	Contract Services-Other	\$3,680.00
63188	Titan Workforce LLC	Contract Services-Temporary Labor	\$1,181.25
63189	United Textile	Supplies-Field	\$326.09

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63190	Voyager Fleet Systems Inc	Gas & Oil	\$1,342.39
63191	Regional Government Services	Contract Services-Other	\$119.95
63192	Sergio Cota	Customer Refund	\$96.02
63193	Jubilee Tufu	Customer Refund	\$166.47
63194	Warren Adams Inc	Customer Refund	\$15.28
63195	Estate of Barbara D. Crosley	Customer Refund	\$14.27
63196	David L Zehnder	Customer Refund	\$345.36
63197	Euro Pacific Mortgage LLC	Customer Refund	\$46.09
63198	ABA DABA Rentals & Sales	Supplies-Field	\$235.93
63199	AREA Restroom Solutions	Equipment Rental-Field	\$114.30
63200	Bart/Riebes Auto Parts	Repair-Trucks	\$100.65
63201	BSK Associates	Water Analysis	\$1,096.00
63202	California Urban Water Conservation Council	Water Conservation-Other	\$3,273.52
63203	Caltronics Business System	Small Office Equipment	\$189.64
63204	Central Valley Engineering & Asphalt, Inc.	Contract Services-Concrete Paving	\$4,108.19
63205	CirclePoint	Contract Services-Conservation	\$2,827.50
63206	Dawson Oil Company	Gas & Oil	\$116.26
63207	FP Mailing Solutions	Equipment Rental-Office	\$173.10
63208	Gaynor Telesystems Incorporated	Fixed Assets	\$197.50
63209	Hach Company	Wells Maintenance	\$171.94
63210	HD Supply Waterworks LTD	Material	\$1,057.95
63211	VOID	VOID	\$0.00
63212	Integrity Administrators Inc	Health Insurance	\$303.25
63213	J4 Systems	Contract Services-Other	\$937.51
63214	KASL Consulting Engineers	Contract Services-Engineering	\$1,302.00
63215	Moonlight BPO	Contract Services- Bill Print	\$2,551.06
63216	A. Teichert & Son, Inc.	Road Base	\$3,278.40
63217	The Lincoln National Life Insurance Company	Disability & Life Insurance	\$5,991.61
63218	Tree Pros, Inc	Contract Services- Miscellaneous	\$785.00
63219	Verizon Wireless	Telephone-Wireless	\$1,050.84
63220	Daniel Noonan DBA: Intependent Plumbing	Contract Services- Miscellaneous	\$330.00
<b>TOTAL</b>			<u>\$888,057.98</u>
ACH	FEB 2017 FEE	Bank Fee	\$2,267.50
ACH	FEB 2017 PH	Bank Fee	\$182.61
ACH	MARCH 2017 GASB68	PERS	\$26,741.84
ACH	PERS 3/9/17 PAYDAY	PERS	\$15,409.96
ACH	VALIC 3/23/17 PAYDAY	Deferred Compensation	\$2,142.50
ACH	VANCO 3/15/17	Contract Services-Other	\$97.90
ACH	WHA	Health Insurance	\$13,894.54

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ACH	PAYCHEX	Contract Services-Other	\$361.10
ACH	FEB 2017 FD	Bank Fee	\$250.61
ACH	FEB 2017 WEB	Bank Fee	\$3,511.26
ACH	PERS 3/23/17 PAYDAY	PERS	\$15,409.96
ACH	VALIC 3/9/17 PAYDAY	Deferred Compensation	\$3,592.50
ACH	VOYA 3/23/17 PAYDAY	Deferred Compensation	\$25.00
ACH	VOYA 3/9/17 PAYDAY	Deferred Compensation	\$25.00
ACH	WELLS FARGO BANK 3/31/17	COP Debt Service	\$40,843.29
<b>TOTAL</b>			<u>\$124,755.57</u>
<b>GRAND TOTAL</b>			<u><u>\$1,012,813.55</u></u>

**April Checks Approved at April Board Meeting**

63226	US Bank I.M.P.A.C. Government Services	See Agenda Item CC-9	\$8,991.34
63223	Albietz Law Firm	Legal & Audit	\$9,429.32
63225	SMUD	Utilities	\$13,955.12
63224	Domenichelli and Associates, Inc	Contract Services-Engineering	\$16,295.23
<b>TOTAL</b>			<u>\$48,671.01</u>

Project Management and Engineering Departmental Report

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

Items of Interest	Department	Point of Contact	Date	To Board? If Yes, Date	Strategic Planning Item	Item Description	Update from Last Report
<b>PROJECT 2030 Water Main Replacement Project</b>	Engineering	Missy Pieri	Release RFP- Week of 4/3/17	Yes, 8/8/17 (Award of Contract)	Yes	2017-2018 Masterplan for replacement of mains installed in 1960-1985.	Release RFP anticipated on April 7, 2017

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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
<b>CAPITAL IMPROVEMENT PROJECT Corporation Yard Improvements Phase 1</b>	Engineering	Paul Dietrich		Yes, 4/11/17	Yes	2017 design and construction of Vacuum Spoils Disposal, Wash Station, Materials Storage, and Safety and Efficiency Upgrades.	Reviewing 90% plans. Preparing Board presentation for 4/11/17.
<b>CAPITAL IMPROVEMENT PROJECT Operations Building Remodel</b>	Engineering	Paul Dietrich	On-going	Yes, 6/13/17	Yes	2017 Masterplan for office space requirements through 2040.	
<b>CAPITAL IMPROVEMENT PROJECT Highland Ave &amp; Rosa Vista Ln 8" Water Mains</b>	Engineering	Missy Pieri	On-going	Yes, 5/16/17	No	2017 design and construction.	Contact customers on Rosa Vista re: easements. Mark-up 60% plans.
<b>CAPITAL IMPROVEMENT PROJECT Graham Cir and Circuit Dr 8" Water Mains</b>	Engineering	Tamar Dawson	On-going	Yes, TBD	No	2017 design, 2018 construction. Preparing 60% plans.	
<b>PRIVATE DEVELOPMENT Northridge Grove - 5555 Mariposa Ave 47 Condominiums</b>	Engineering	Paul Dietrich	On-going	Yes, TBD	No	85% Complete	
<b>PRIVATE DEVELOPMENT Commercial Building Remodel - 5414-50 Sunrise Blvd</b>	Engineering	Missy Pieri	On-going	Yes, TBD	No	Pre-Con Meeting 12/1/16	

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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
<b>PRIVATE DEVELOPMENT Louis-Orlando Bus Transfer Point - Louis Ln at Orlando Ave</b>	Engineering	Missy Pieri	On-going	Yes, TBD	No	Plans Signed 2/4/16	
<b>PRIVATE DEVELOPMENT Meier Estates - North Sims Way 7 Lot Subdivision</b>	Engineering	Missy Pieri	On-going	Yes, TBD	No	Signed 5/23/16 Pre-con Meeting 3/27/17	
<b>PRIVATE DEVELOPMENT Dignity Health Building - 7115 Greenback Ln</b>	Engineering	Missy Pieri	On-going	Yes, TBD	No	Plans Signed 6/8/16	
<b>PRIVATE DEVELOPMENT 3 Lot Residential Subdivision - 5648-5696 San Juan Ave</b>	Engineering	Missy Pieri	On-going	Yes, TBD	No	Plans Signed 11/14/16	
<b>PRIVATE DEVELOPMENT 7940 Patton Ave - Replace Existing Home</b>	Engineering	Missy Pieri	On-going	Yes, TBD	No	Plans Signed 1/11/17	
<b>Annexations:</b>	Engineering	Missy Pieri	On-going	Yes, TBD	No	Livoti Tract, Sacramento County, and Verne Tract Territory to SJWD	



Items of Interest	Department	Point of Contact	Date	To Board? If Yes, Date	Strategic Planning Item	Item Description	Update from Last Report
	Engineering	Missy Pieri	On-going	Yes, TBD	No	7311 Hickory Avenue - Property owner annexing parcel into District to allow for water to be provided by CHWD	New Item – LAFCo Meeting April 5, 2017

Operations Departmental Report.

Operations Manager Gordon reported as follows:

A total of 149 work orders were performed during the month of March 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 March 2017 (546.6 acre-feet) was 33.3% below that of March 2013 (819.55 acre-feet).

Surface Water Supply

As of midnight on April 2, 2017, storage in Folsom Lake (Lake) was at 591,029 acre-feet, 60 percent of the total capacity of 977,000 acre-feet. This is about 93 percent of historical average for this date. This represents an increase in storage of 186,638 acre-feet in the past month.

The District’s total water use during the month of March 2017 (546.60 acre-feet) was 33.3 percent below that of March 2013 (819.55 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.

### Policy Amendments for Board of Directors Benefits

Senior Management Services Specialist Robyn Evans reported that at the March 14, 2017 Board Meeting, staff was directed to amend benefit-related policies to enable Board Members to receive the same benefits provided to employees, but at the Board Member's expense, which is consistent with existing Policy 2080, "Benefits for Directors and Officers". This policy permits Directors to participate in District benefit plans at the sole and express expense of the Director subject to the terms, conditions, and acceptance of the District's employee benefit provider(s). The amended policies refer to Policy 2080 for consistency and clarify that Directors are solely responsible for the cost of participating in the plans.

Policies affected include the following:

- Policy 4210, Health Insurance;
- Policy 4211, Dental Insurance; and
- Policy 4212, Vision Insurance.

Subsequently, new information was received regarding direction to include Board Members in the District's group Life Insurance and Accidental Death and Dismemberment Insurance (Policy 4220) at no cost to the District. It was determined that the current group Life Insurance contract requires 100% participation and is non-contributory, which is not in line with the Board's direction.

Therefore, another option is to purchase an individual life insurance policy. The District staff works with a local insurance broker, who represents many companies, and is available to work with individual Board Members to secure preferred coverage. Staff has contact information available at Board Member's request.

In light of this new information, no amendment is needed for Policy 4220, Life Insurance and Accidental Death and Dismemberment Insurance.

The recommended action was to approve amendments as directed at the March 14, 2017 Board Meeting for Policy 4210, Health Insurance; Policy 4211 Dental Insurance; and Policy 4212 Vision Insurance.

### Water Efficiency Program Update

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

### **ACTIVITIES AND PROGRESS REPORT**

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

- 18 ultra-low-flush toilet (ULFT) rebates were processed for the month of March. A total of 24 ULFT rebates have been processed for a total of \$1,800.00 year to date.
- For the month of March, 0 High Efficiency Clothes Washer (HECW) rebates were processed.

Year-to-date, 0 HECW rebates were processed by SMUD for District customers.

- 59 water waste calls were received during the month of March. 6 reports of water waste were received through the CHWD’s Water Efficiency Resources web page. An additional 5 service requests were generated in-house by staff. A total of 43 contacts (mostly visits to customers’ homes and phone calls) have been completed based on these reports.
- Two Ecolandscape classes have been scheduled. The first workshop, “**Getting the Best Yard with the Least Water**” will be held on Saturday, June 10, 2017 from 9:00-12:00 and the second workshop, **Designing Eco-Friendly Landscapes and Water-Wise Irrigation Systems** will be held on Saturday, June 24, 2017 from 9:00-12:00, both held at the Citrus Heights Community Center.
- 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	80	04%
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 February 2017 as compared to 2013.

<b>REDUCTION BY AGENCY (Data compared to 2013)</b>		
Water Agency	Feb. 2017 Reduction	Jun. 2016- Feb. 2017 Reduction
Fair Oaks Water District	33.3%	25.9%
Orange Vale Water Company	31.4%	28.6%
City of Woodland	31.0%	23.1%
Elk Grove Water District	30.1%	24.6%
City of Roseville	29.5%	22.6%
City of Lincoln	29.4%	20.5%

<b>REDUCTION BY AGENCY (Data compared to 2013)</b>		
<b>Water Agency</b>	<b>Feb. 2017 Reduction</b>	<b>Jun. 2016- Feb. 2017 Reduction</b>
City of Davis	27.6%	20.6%
<b>Citrus Heights Water District</b>	<b>26.8%</b>	<b>24.8%</b>
Rancho Murieta CSD	26.8%	22.1%
California American Water	26.5%	27.5%
City of Sacramento	26.3%	25.1%
City of West Sacramento	25.6%	22.6%
Carmichael Water District	25.2%	24.4%
City of Yuba City	24.5%	23.5%
El Dorado Irrigation District	22.1%	19.5%
Placer County Water Agency	22.1%	17.8%
Del Paso Manor Water District	19.8%	24.1%
Golden State Water Company	18.9%	19.4%
Rio Linda/Elverta CWD	10.4%	23.4%
City of Folsom	6.0%	10.0%
Sacramento County Water Agency	24.1%	19.4%
Sacramento Suburban WD	23.3%	22.3%
San Juan Water District	50.8%	21.9%
Average	25.7%	22.3%
Minimum	6.0%	10.0%
Maximum	50.8%	28.6%

**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:**

Introduction of new San Juan Water District (SJWD) General Manager Paul Helliker

Paul Helliker, newly appointed General Manager of San Juan Water District, was included on the CHWD Board agenda for April 11<sup>th</sup> to provide Mr. Helliker with a formal opportunity to introduce himself to the CHWD Board and answer questions.

Mr. Helliker began his tenure with SJWD on March 6<sup>th</sup>, and hosted his first General Managers/Leadership Staff meeting for the wholesale family of agencies on March 27<sup>th</sup>. At that first

leadership meeting, agency staffs began discussing items of mutual interest.

Mr. Helliker touched on the following topics, followed by Board Member questions and answers: Water Fix, Water Quality Control Plans, Conservation Plan from State and the upcoming retirement of SJWD's Assistant General Manager. Board Member Sheehan asked, how does the SJWD Water Reliability Study fit with RWA's Water Reliability Study? Further, Board Member Sheehan asserted that it would be good to develop an info-graphic including the Reliability Studies, Urban Water Management Plans (UWMPs) and SGMA compliance, showing their relationships (i.e., overlapping and inter-relationships). Board Member Dains asked, how does Mr. Helliker view the SJWD family of agencies' role in RWA? Also, Board Member Dains referenced a water supply planning process from early 2000s that Mr. Helliker should familiar himself with as background. Board Member Riehle asked Mr. Helliker, aren't SJWD's consumption assumptions unrealistic given the State's water conservation efforts and given customer's evolving habits?

#### Corporation Yard 90% Design Improvements

Project Manager Dietrich provided the Board with an overview of the ninety percent (90%) design of the Corporation Yard Master Plan – Phase 1 Improvements (Project Number C15-102). Sara Rogers, P.E., Vice President, Domenicelli and Associates, Inc. also provided the Board with information concerning the project. Key issues, including the replacement of a sewer line, additional paving and two additional sand/oil separators were covered that resulted in a revised cost estimate for the project totaling about 7%. The Board did not express opposition to the additional project scope items. The next step will be the completion of the construction bid package (plans, specifications and estimates), which the Board will consider for approval and authorization to release for construction bids at its May 2017 meeting.

### **PUBLIC HEARING**

#### Discussion and Possible Action to Approve an Update to the Board of Directors Compensation Ordinance (A)

Senior Management Services Specialist Evans reported that proposed Ordinance No. 01-2017 was drafted pursuant to discussion by the Board of Directors at the March 14, 2017 meeting. The then-existing ordinance, Ordinance No. 1-2008, set Directors' compensation at \$145.00 per day, not exceeding ten days in any calendar month. The proposed Ordinance 01-2017 fixed Directors' compensation at \$150.00 per day, a 3 percent increase over the current amount, not exceeding ten days in any calendar month. This \$150.00 per day compensation will remain in effect until such time as Directors act to change it. If adopted on April 11, 2017, Ordinance 01-2017 will become effective as of June 11, 2017, 60 days from its adoption. This item required a noticed public hearing. Staff published notices of the hearing as required by law.

The Board conducted a Public Hearing concerning the proposed Ordinance.

**ACTION:** Director Riehle moved and Director Sheehan seconded a motion Adopt District Ordinance No. 01-2017, Fixing the Compensation of the Board of Directors.

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

Director Dains declined to take the compensation increase, requesting that the additional amount be donated to an Employee Recognition reserve.

**BUSINESS:**

**Business Process Review of Utility Billing Software and Discussion and Possible Action to Approve Agreement with InvoiceCloud. (I/D/A)**

Accounting Supervisor Sohal wrote and Senior Accountant Preciado presented that as a result of the Strategic Planning Item – Utility Billing and Finance Software, staff conducted a Business Process Review (BPR) of CHWD current billing system (Cogsdale). Due to the State's consideration of water budgets, the BPR was completed in lieu of a new software purchase. During the BPR, staff focused on optimizing the software interface at both the staff and customer level.

One major area of opportunity presented during the BPR was to upgrade electronic billing and payment services through Invoice Cloud. Invoice Cloud is a third party vendor to Cogsdale. Invoice Cloud provides integration with Cogsdale's CIS (Customer Information Systems) and Customer Web. It specializes in providing customers with the ability to make payments online, via mobile phone, or over the phone, and staff is provided with administrative tools for reporting and reconciliation.

Key drivers for the upgrade to Invoice Cloud included additional customer features/services, operational efficiency and reduced cost. Customer enhancements include: automated email notifications with up to 27 event-based reminder emails, paperless billing, and automated bill pay via credit card/ACH, up to 24 months of bill history, and multiple accounts under one profile. Staff level enhancements would include updating account information, sending invoice notification for a bill not received, single batch payment imports, detailed reporting, and real-time data between the web portal and billing system. Further information on Invoice Cloud was found in Attachment A of the staff report. There is no cost to set-up and change over to Invoice Cloud. In fact, there will be a projected monthly savings (Attachment C of the staff report) of approximately \$409.72 in payment processing fees and \$125, factoring a modest usage of five (5%) percent paperless customer base within the first year.

Staff inquires with several public agencies included positive feedback such as a smooth implementation process and a high customer paperless adoption rate of twenty-five percent. Staff is recommended entering into agreement (Attachment B of the staff report) with Invoice Cloud. Assistant General Counsel Joshua Nelson has reviewed the agreement and the agreement presented for Board consideration includes the Assistant General Counsel's changes.

Carlyn Altheide with InvoiceCloud addressed the Board and highlighted the features of the new software for customers and the back office.

**ACTION:** Director Riehle moved and Director Sheehan seconded a motion to authorize the General Manager to enter into an agreement for electronic billing and payment services with Invoice Cloud.

The motion passed 3-0 with Directors Sheehan, Riehle and Dains voting yes.

Amendments to the Citrus Heights Water District Injury Illness Prevention Program (IIPP) (A)

Operations Manager Gordon and Senior Water Efficiency Specialist and Safety Officer Drake reported that on October 2, 1989, Senate Bill 198 was adopted, mandating that after July 1, 1991, any employer with 10 or more employees (public or private) must implement and maintain an IIPP in accordance with the California Code of Regulations, Title 8, Division 1, Chapter 4, Subchapter 7, and Section 3203 of the General Industry Safety Orders. A few noteworthy examples from the District's IIPP are: Hazard Assessment, Recordkeeping, and an Injury and Illness Reporting Policy.

On June 3, 1992, the District's Board of Directors adopted Policy #4702 establishing the District's IIPP, with amendments adopted on May 8, 2007. In 2010, three amendments were made to the District's IIPP, adding an Asbestos Cement Pipe Safety plan, a Heat Illness Prevention Procedure and the Emergency Evacuation Safety Plan. In 2015, five amendments were made to the IIPP, adding an Emergency Action Plan, a Hearing Conservation Plan, a Hazard Communication Program, Personal Protective Equipment Plan and an update to the Heat Illness Prevention Procedure.

The following Amendments to the District IIPP, which are the Confined Space Entry Program and the Respirator Protection Program, were presented as a result of the following:

1. Regulation modifications made by the California Division of Occupational Safety and Health;
2. Recommendations from the District's Senior Risk Management Advisor from the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA);
3. Requests and recommendations from the District's Employees and the District's Safety Committee.

Moreover, the following are highlights of the proposed IIPP Amendments:

**Confined Space Entry Program (Attachment "A"):**

The Confined Space Entry Program as proposed will meet current regulations and best practices.

1. Updates the procedures and practices for confined space entry (e.g. air monitoring, signage, and entry templates);
2. Updates the responsibilities of District employees (management, supervisors, competent person, attendants and entrants);
3. Updates workplace evaluation (e.g. list of all of the confined spaces within the District service territory);
4. Updates training and record keeping requirements;
5. Updates the responsibilities of District's contractors;
6. Adds to the District's IIPP as Attachment K.

Upon approval of this Policy amendment, the next step for implementation will be for the District's Senior Risk Management Advisor from ACWA JPIA TO provide training to staff. The 2017 District Operating Budget includes \$7,000 for training and equipment to implement this Program.

**Respiratory Protection Program (Attachment “B”):**

A Respiratory Protection Program is proposed to be added to the District’s IIPP.

1. Establishes a policy to protect the health of the District employees who may be exposed to hazardous atmospheres (e.g. welding, grinding, and pipe cutting);
2. Establishes the best practices for respirator use, which includes;
  - a) Providing information and guidance on the proper respirator selection;
  - b) Providing training to the District employees who may be exposed to poor air quality;
  - c) Providing fit testing and medical evaluations for proper respirator use;
3. Establishes the requirements maintaining a Respirator Protection Program;
4. Establishes the roles and responsibilities of the District employees;
5. Adds to the District’s IIPP as Attachment L.

Upon approval of this Policy amendment, the next step for implementation will be training by a Certified Respirator Trainer, a fit test and a medical evaluation to the District employees who may be exposed to air quality requiring use of respiration equipment. The 2017 District Operating Budget includes \$4,000 for training and equipment for this Program.

The District’s Safety Committee and Senior Risk Management Advisor from ACWA JPIA have reviewed and provided input into the development of these Program documents.

The recommended action was for the Board to approve the Amendments to the District’s IIPP as follows: Update and add the Confined Space Entry Program as Attachment K to the IIPP. Add a Respiratory Protection Program as Attachment L to the IIPP.

**ACTION:** Director Riehle moved and Director Dains seconded a motion approving the IIPP amendments as presented.

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

Proposed Legislation Regarding Executive Order (EO) B-37-16 (Water Conservation Mandates) (I/D/A)

Senior Water Efficiency Specialist Drake reported for Water Efficiency Supervisor Meurer that the following is an update concerning the State’s policy and regulatory response to the recent drought. As a reminder, the State Water Board’s **short term regulations** have been extended through October 2017. Key elements of these short term regulations include, but are not limited to: 1) prohibition concerning run-off; 2) prohibition concerning washing off driveways except for health and safety reasons.

Regarding the State’s **long-term regulations**, up to the present, the State has issued an Executive Order (EO) B-37-16. However, the State is seeking to expand upon/make permanent the Executive Order by codifying many of its regulations through legislation. Current long-term policies that are either addressed or will be addressed by proposed legislation cover the following areas: 1) water budgets (new utility billing protocol); 2) water loss; 3) water shortage contingency planning; 4) water run-off prohibition.



The first attempt to convert the Executive Order's regulations into legislation is the proposed AB 1654 (Rubio-D, Baldwin Park). AB 1654 will expand the current requirement for local water agencies to demonstrate that there are adequate water supplies during drought conditions from three years to five years (the so-called "Stress Test" requirement). An executive summary of the legislation is provided as Attachment 1.

ACWA and RWA are recommending that their member agencies support this legislation, and have prepared a form letter of support, included as Attachment 2, to this agenda report. Staff has reviewed the legislation and its potential impact to CHWD, and agrees with ACWA'S and RWA's positions concerning AB 1654, and recommends Board support of this legislation as currently proposed. Staff seeks authorization to submit the accompanying letter (Attachment 2).

Lastly, staff will continue to monitor regulatory and legislative developments at the State capital concerning water conservation through its participation in RWA's lobbying program and through monitoring ACWA's legislative advocacy efforts.

The recommended action was to adoption a motion supporting AB 1654 as currently drafted, and authorizes the General Manager to sign the attached letter of support on behalf of the District.

Further, with a vote of all three Board Members (Motion made by Board Member Dains and seconded by Board Member Riehle), consideration of support for AB 968 was added to the agenda as an urgency item, and consideration was given to supporting AB 968 and authorizing the General Manager to send a letter of support for the legislation.

**ACTION:** Director Riehle moved and Director Dains seconded a motion to support to AB 1654 and AB 968, and authorize the General Manager to send letters of support for the adoption of the legislation.

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

In addition, Board Members agreed by consensus that these and related legislative and regulatory proposals should be added by reference to the next WaterLine, and a web page with additional information should be provided at CHWD's web site for the District's customers.

#### Discussion and Possible Action to Approve New "Option to Purchase and Purchase and Sale Agreement" (A)

Assistant General Counsel Nelson reported that the District is currently in the process of evaluating potential new well sites as one of its strategic planning goals. To accomplish this goal, on May 10, 2016, the Board approved bids by three test well drillers, who are available to CHWD when the District needs to evaluate the hydrology of a potential well site. Further, on October 11, 2016, the Board approved a "Right of Entry and Option to Purchase" agreement template, developed by former General Counsel Albietz, to facilitate the land acquisition process when a suitable parcel has been identified for the District to purchase for a new well site.

As Best Best & Krieger LLP has been on board since March 14th, the firm has been reviewing key documents associated with the well property acquisition process and have some recommendations to modify the process and documents. These recommendations are incorporated into a new template, entitled "Option to Purchase and Purchase and Sale Agreement (PSA)." Some important changes are below:

- Process. The District currently executes a Right of Entry and Option to Purchase. If the test well is successful, the District then executes a Purchase and Sale Agreement. The proposed PSA would combine these two documents into a single agreement. This would streamline the process and save legal expenses.
- Arbitration. The current agreement includes an arbitration clause. We recommend deleting this. While there are advantages to arbitration (i.e., short timing), it limits the District's appellate rights and full access to the courts.
- Boilerplate. The modified agreement contains some updated boilerplate language related to environmental issues and others. This language reflects current best practices.

Staff recommends that the Board review and approve the template PSA. It is important to note that this template will be slightly modified to address each individual site and seller. For example, the template refers to existing improvements on the site. Of course, in situations where the District is purchasing vacant land, these provisions can be deleted. However, as noted above, utilizing a standard template agreement will help ensure consistency and allow staff to simply tailor the template to each situation. This will save staff time and reduce legal expenses. The Board would approve any proposed changes to the template PSA for each site when approving the purchase of that site.

**ACTION:** The Board considered a motion to approve the updated template agreement for acquisition of well sites.

Motion by Director Sheehan and seconded by Director Riehle.

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

#### Discussion and Possible Action to Approve New Test Hole Drilling Contract Template (A)

Assistant General Counsel Nelson reported that the District is currently in the process of evaluating whether to acquire new well sites. As part of this process, the District will enter into an option to purchase and a purchase and sale agreement (PSA) with a potential seller. A template of this PSA is being considered by the Board during Item B-4. Once the PSA is executed with the seller, the District will conduct its formal due diligence of the site. Perhaps the most important part of this due diligence process is drilling a test well on the site.

The District currently has an on-call contract for test hole drilling. Currently, three well drillers are on an on-call contract that the Board approved at its May 10, 2016 meeting. These on-call contracts will

expire December 31, 2017 unless extended by the District. As part of our review of the District's land acquisition process and procedures, Best Best & Krieger LLP reviewed and revised the template test hole drillers contract. This new template reflects some new legal requirements and best practices since the current test hole drilling contract was executed. These edits are as follows:

- Payment/Performance Bond. The new template will include a payment/performance bond. This helps protect the District from potential claims and ensures sufficient funds are available to complete the project if the contractor defaults.
- New Prevailing Wage Requirements. Newly executed contracts must include a requirement that the contractor register with the Department of Industrial Relations for prevailing wage reporting requirements.

If approved by the Board, this new template will be utilized for test holes drilled in 2018 once the current contract expires. Staff is currently evaluating whether these contracts will be awarded individually on a per project basis or if the District will award another on-call contract for a set period of time. A formal recommendation will be brought forward at a later date. However, staff wanted to ensure that the Board could review and approve the new template test hole drilling contract at this time.

**ACTION:** The Board considered a motion to approve a new agreement template for use when drilling test holes for future wells.

Motion by Director Sheehan and seconded by Director Riehle.

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

#### Discussion and Possible Action to Approve Realtor Agreement Template (A)

Assistant General Counsel Nelson reported that the District has utilized the services of a realtor when purchasing or selling property with a private party in a traditional purchase or sale transaction. Staff anticipates continuing to use a realtor moving forward. However, the District currently does not have a template agreement for these services, and it is advisable to prepare an agreement for the District's use to clarify the business relationship, clearly define roles and responsibilities, clarify compensation/cost issues and ensure accountability.

The draft template agreement creates an "on-call" services arrangement to provide maximum flexibility. Staff recognizes that in some situations traditional realtor services may not be necessary. For example, if the District is acquiring property from another public agency through a purchase or otherwise, it may not be paying a traditional purchase price. In this case, a fixed commission would not be appropriate. Similarly, a developer may wish to dedicate land to the District as part of a land entitlement process with the City or County. A realtor may not be necessary in this situation.

This agreement allows staff to issue a task order for each project that engages the realtor for that transaction, and specifies how the realtor will be compensated for that project. This could be: (1) on a percentage basis; or (2) on an hourly basis. For the percentage basis, the template agreement currently

specifies a maximum percentage of 6% of the purchase price. This cap would allow the General Manager to negotiate the exact percentage for each transaction up to a 6% commission. For the hourly rate, the template does not include a specified rate as this would be negotiated by the General Manager. Any hourly compensation will be subject to the General Manager’s current purchasing authority of \$25,000 per vendor.

In addition to approving the template agreement, staff requests that the Board authorize the General Manager to execute the template agreement with a realtor selected either through a sole source or competitive proposal process. This will allow the General Manager to utilize a realtor as necessary for projects going forward, including determining the compensation to be provided for each project. As noted above, this flexibility is advisable, as there may be potential sites where a realtor is not required (i.e., land dedication by a developer). Alternatively, a traditional commission may not be appropriate if a realtor provides services on a non-traditional transaction (i.e., land acquisition with public agency).

Below is a table outlining the different options:

<b>Type of Transaction</b>	<b>Realtor (Yes/No)</b>	<b>Compensation</b>
Traditional purchase/sale from private party	Yes	-Fixed fee (up to 6%) OR -Hourly rate
Transaction with other public agency	Yes and No, depending on the transaction	-If a relator is required, likely will utilize hourly rate.
Land dedication from developer	No	N/A

The recommended action was to approve the new template agreement for on-call realtor services. Additionally, the recommended action was to authorize the General Manager to execute the agreement with a selected realtor with a not-to-exceed amount on fixed compensation of 6% of the purchase price.

**ACTION:** The Board considered a motion to approve a new template agreement for on-call realtor services, and to authorize the General Manager to execute the agreement with a selected realtor with a not-to-exceed amount on fixed compensation of 6% of the purchase price.

Motion by Director Riehle and seconded by Director Dains.

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

**CONSULTANTS’ AND LEGAL COUNSEL REPORTS (I):**

None.

**DIRECTOR’S AND REPRESENTATIVES REPORTS:**

Regional Water Authority (Dains, Straus)

No Report.  
Sacramento Groundwater Authority (Sheehan)  
Meeting coming up on April 13<sup>th</sup>.

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  
No Report.  
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 were recognized for attendance during February 2017, and outstanding customer service and quality of work during the month of March 2017. Directors were provided with a list of the employees and items for which each received recognition.
- Long Rage 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 9:25 PM.

APPROVED:

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HILARY M. STRAUS  
Secretary  
Citrus Heights Water District

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