

CITRUS HEIGHTS WATER DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
June 2, 2015

The Regular Meeting of the Board of Directors was called to order at 6:38 p.m. by President Dains and roll was called. Present were:

Allen B. Dains, President
Caryl F. Sheehan, Vice President
Raymond A. Riehle, Director
Robert A. Churchill, General Manager
Hilary M. Straus, Assistant General Manager
John J. Townsel, Operations Manager
Paul A. Dietrich, Project Manager

VISITORS

Robert Roscoe, General Manager, Sacramento Suburban Water District

PLEDGE OF ALLEGIANCE

Director Dains led the Pledge of Allegiance.

PUBLIC COMMENT

No public comment.

CONSENT CALENDAR

President Dains asked for a motion on the Consent Calendar.

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

1. Minutes of the Regular Meeting – Special Meeting of May 26, 2015
2. Live Oak Way Easement Acceptance. Adoption of Resolution 15-2015, Accepting an Easement of the City of Citrus Heights.

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

OLD BUSINESS

San Juan Water District / Sacramento Suburban Water District Reorganization

GM Churchill presented a revised, final letter to the San Juan Water District and Sacramento Suburban Water District Boards of Directors concerning the Phase 2A

Report. CHWD Board Members pointed out a few remaining typographical errors, but emphasized that GM Churchill had addressed all of the key concerns, including the Phase 2A Report's inadequately addressing finance issues (which includes Sacramento Suburban Water District's potential buy-in cost to address the family of retail agencies' investments in San Juan Water District's wholesale assets); legislation/governance issues; and water supply assurance issues.

Sacramento Suburban Water District General Manager Robert Roscoe addressed the Board and responded to some of CHWD's concerns discussed in the proposed letter, including: governance/expansion of the new board would not be addressed by the State until after the reorganization was through the LAFCo process; should Sacramento Suburban Water District buy-into the wholesale assets as suggested, it would have equal rights to all wholesale assets as everyone (i.e., all of the retail family of agencies) else. Instead, he suggested that CHWD should be concerned with certainty of its current water allocation by San Juan Water District wholesale; Sacramento Suburban's reorganization with San Juan Water District would promote more conjunctive use in the region; the concerns that CHWD and the retail family of agencies have over water supply certainty should be treated independently of the reorganization.

In response to Mr. Roscoe's comments, CHWD Board Members asserted that in a larger, reorganized district, CHWD would have less of a voice in policy, program, project and service delivery issues impacting CHWD and the family of retail agencies, and that the issues that CHWD and the family of retail agencies are having over water supply assurance with San Juan Water District need to be addressed as part of any reorganization, not after the fact.

The Board concluded the item by directing GM Churchill by consensus to send the letter presented to the two water agency Boards, General Managers and key staff.

Antelope Pump-Back Booster Pump Station Project

GM Churchill reported that no new meetings had been scheduled and that CHWD had not yet received an Operations Plan from San Juan Water District staff.

Administration Building Improvements

GM Churchill provided an updated to the Board. He also informed the Board the District is changing building alarm companies as Sonitrol is much more expensive than Protection One.

Additionally, as provided in the staff report and as background, on December 9, 2014, the Board of Directors accepted the bid of Kaler/Dobler Construction, Inc. in the amount of \$743,200 for construction of the Administration Building Expansion and Renovation Project.

Subsequently, as authorized, the General Manager executed an Agreement for

Construction Services with the Contractor. A project contingency amount of \$50,000 was also authorized for change orders.

Construction began on Tuesday January 20, 2015. The construction efforts are significantly ahead of the original project schedule that forecast completion by September 22, 2015. Completion of the Project is now estimated to be August 4, 2015. The project is estimated at 71% complete.

The amount paid to the contractor to date is \$549,615. This amount is inclusive of \$29,206 in change orders as approved for addressing unknown conditions (\$8,992) and for additional work, including replacement and upgrading existing insulation, complete exterior painting and electrical changes (\$20,214).

Tasks undertaken and underway by the Contractor since the May 12, 2015 report to the Board of Directors are as follows:

Site Work:

Landscaping
Asphalt Paving

Building:

Stucco Lath and Scratch Coat
Storefront Awning
Ductwork
Paint Interior
Bathroom Tile (30%)

Administration Building Furnishings

GM Churchill reported that Corporate Design Group (CDG) is part of the Administration Building Design team as a sub-consultant to the Blackbird Associates architectural firm. Included in Blackbird's scope of work was CDG's involvement in the selection of colors and finishes for the project including window coverings, flooring, etc. Furnishings were not a part of CDG's work under Blackbird.

The furnishings need to both fit the space and complement the architectural theme. The original budget for furniture as part of the design budget was just under \$68,000. CDG developed a more refined "designers estimate" of \$62,476.92 for furnishings to best fit the surroundings. The Board of Directors authorized the preparation of a furniture specification bid and the solicitation of bids on April 14, 2015. Detailed furniture specifications were prepared and provided to eleven local office furniture dealers on May 21, 2015. The District received two bids on June 1, 2015 as follows:

- Miles Treaster & Associates (MTA): \$50,696.24
- CRE8 Workplace Environments: \$53,433.47

Staff determined that MTA was the lowest responsive bidder.

Motion: It was moved by Director Riehle and seconded by Director Sheehan to Authorize the General Manager to complete the purchase of furniture for the Administration building with MTA with no substitutions allowed plus a 10% contingency (\$5,070). The total authorization request approved is \$55,766.

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

Skycrest Well Equipping

Operations Manager Townsel provided an updated on the Skycrest Well development project. At the January 13, 2015 Board Meeting the Board accepted the bid of R.E. Smith Contractor, Inc. in the amount of \$1,822,000.00 and established a change order contingency fund in the amount of \$90,000.00 (4.94%) for equipping the Skycrest Well. This work includes the pump, motor, building, electrical and mechanical components, water and storm drain piping, fencing and other site improvements.

An Agreement for Construction Services between the District and R.E. Smith Contractor, Inc. was executed on February 23, 2015. The Contractor has been issued a Notice to Proceed with construction expected to start on March 9, 2015. Completion is expected by October 1, 2015.

Construction of the site has begun. Rough grading has been completed and the trenching for the 12-inch piping is complete.

The bore under the Brooktree Creek is complete.

Underground drainage pipe installation is complete. Layout for the block building is in progress.

NEW BUSINESS

Training/Continued Education/Meetings

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

Purchase of Easement for 24-inch Transmission Main

Project Manager Dietrich reported that presently, a 24-inch transmission main which runs along Greenback Lane, northerly along Mariposa Avenue, and into the San Juan High School property, terminates in right field of the Varsity baseball field. This portion of the transmission main on the school property was constructed by CHWD concurrent with the recent improvements to SJHS and is in an easement granted by SJUSD. There is a second 24-inch transmission main which terminates at the northwest corner of San Juan

High School. This main was installed along a private roadway some years ago in conjunction with improvements to that area. This main continues westerly across Sylvan Road, along Stock Ranch Road, across the Costco property, and terminates on Auburn Boulevard. Each portion of the main was constructed in conjunction with improvements of these areas over about a 20-year timespan.

The remaining portion of the District's 24-Inch Transmission Main Project will be to construct approximately 1,000 l.f. of main across the San Juan High School property and connect together these two important transmission mains. With this connection in place, water will flow into the area from a far greater region of the District. This redundancy is an important factor to the District for insuring greater safety and reliability to the community.

An Appraisal Report was completed on November 4, 2014 by Pattison & Associates, Inc. to provide a value for the 0.278 acre permanent easement required to allow construction, operation and access to the 24-inch transmission main. The appraised value was \$13,900.00.

On May 12, 2015 the San Juan Unified School District Board of Education approved Resolution No. 2771, conveying a permanent utility easement to Citrus Heights Water District.

Board Members requested that CHWD staff coordinate with the school to minimize disruption to the sports activities and/or to ensure that sports activities that will be impacted have made provisions to relocate to other fields.

Motion: It was moved by Director Riehle and seconded by Director Sheehan to approve payment of \$13,900.00 to the San Juan Unified School District for an easement for a new 24" Transmission Main at San Juan High School.

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

Mariposa Avenue 18-inch Water Main Bids

PM Dietrich reported that project plans were prepared by Area West Engineers, Inc. and the District's Engineering Department and distributed to twenty-one contractors and three material suppliers for installing and connecting approximately 535 lineal feet (lf) of 18-inch water main, 465 lineal feet (lf) of 8-inch water main, 35 lineal feet (lf) of 6-inch water main, 75 lineal feet (lf) of 4-inch water main and related appurtenances along Mariposa Avenue between Pratt Avenue and Sycamore Drive in the City of Citrus Heights.

The District received five (5) sealed proposals on May 27, 2015, at which time proposals were opened and read publicly. The apparent low bidder is Martin General Engineering, Inc. of Rancho Cordova, CA. Bids received are as follows:

- | | |
|-------------------------------------|--------------|
| 1. Martin General Engineering, Inc. | \$321,697.50 |
|-------------------------------------|--------------|

2. Cal Sierra Construction, Inc.	\$391,995.00
3. Lamon Construction, Inc.	\$404,400.00
4. Performance Piping, Inc.	\$421,646.00
5. Rawles Engineering, Inc.	\$562,937.50

The District's budget estimate (November 2014) for the Project was: \$333,425.00.
The District's final engineering estimate (May 2015) for this Project was \$378,000.00.

PM Dietrich reported that Martin General Engineering has completed work previously for the District, and that he was satisfied with the firm's previous performance.

Motion: It was moved by Director Riehle and seconded by Director Sheehan to accept the bid of Martin General Engineering, Inc. in the amount of \$321,697.50 and establish a change order contingency fund in the amount of \$32,000.00 (10.0%). Also, the Board authorized the General Manager to execute the contract.

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

PROJECT MANAGER'S REPORT

PM Dietrich presented a report on the following activities during the month of May 2015 by the Project Management and Engineering Department.

- PM-1 Accepted Water Systems

Recent additions to the District's water distribution system that were constructed by independent State Licensed contractors on behalf of private developers/owners, inspected by the District and formally accepted:

<u>Project</u>	<u>Count</u>	<u>Facilities</u>	<u>Value</u>
None			

- PM-2 Projects Under Construction by Private Developers

Water distribution system facilities currently under construction by independent State Licensed contractors on behalf of private developers/owners requiring District inspection:

<u>Project</u>	<u>Location</u>	<u>Status</u>
The Village at Fair Oaks 55 Condominiums	6800 Madison Ave	85% Complete
99 Cent Store	7424 Greenback Ln	99% Complete

Crunch Fitness Club 6124 San Juan Ave
Replace 6” Fire Sprinkler Service

Stock Ranch Retail - Auburn Blvd 75% Complete
Interior Drive Aisle at Stock Ranch
Improvements Retail Center

Bubba’s Car Wash 7411 Greenback Ln Operations Work Complete

- PM-3 Contractor/Developer Projects Pending Construction

<u>Project</u>	<u>Location</u>	<u>Status</u>
Convenience Store	8244 Auburn Blvd	Plans Approved December 23, 2014
Northridge Grove 47 Condominiums	5555 Mariposa Ave	Plans Approved January 29, 2015

- PM-4 Proposed District Capital Improvement Projects

Project Plans and Contracts currently under review and development by the Engineering Department:

<u>Project</u>	<u>Location</u>	<u>Status</u>
Mariposa Ave 18” and 8” Water Main Area West Engineers, Inc.	Sycamore Drive to Pratt Avenue	Bid Opening May 27, 2015
San Juan High School 24” Water Main Warren Consulting Engineers	Along North Property Line	SJUSD Approved Easement May 12, 2015
San Juan Park 12” Water Main KASL Consulting Engineers, Inc.	5555 Mariposa Avenue to U.C. Davis Medical Center	Proposed Alignment Under Review
Mesa Verde High School 14” Water Main Bennett Engineering Services	Northwest Corner of Property West from Poplar Avenue	Kick-off Meeting Complete

- PM-5 Projects Contracted by Citrus Heights Water District

Capital Improvement Projects currently under construction by Citrus Heights Water District contractors requiring coordination and inspection by the District:

<u>Project</u>	<u>Location</u>	<u>Status</u>
None		

- PM-6 City of Citrus Heights Projects

City of Citrus Heights Projects requiring coordination and inspection by the District:

<u>Project</u>	<u>Location</u>	<u>Status</u>
Sunrise Blvd Signalization Teichert Construction	Sungarden Drive	Construction Nearly Complete
Sunrise Blvd Complete Streets Phase III CHWD Operations Dept. to Complete Water Improvements	Antelope Road to Northern City Limits	Pre-Construction Meeting Complete
Sylvan Road Accessibility & Safety Improvements CHWD Operations Dept. to Complete Water Improvements	6312 to 6448 Sylvan Road	Bidding Underway

OPERATIONS MANAGER’S REPORT

OM Townsel reported as follows:

1. A total of 179 work orders were performed during the month of May by Field Operations crews, Administration Field crews and District contractors. The results of recent bacteriological testing, a total of 72 samples, have met all California Department of Public Health requirements.
2. District-wide water consumption for the calendar year 2015 through the end of May 2015 was 3,437.62 acre-feet, a decrease of 26.3 percent compared with the water consumption during the same period in 2013.
3. As of midnight on May 26, 2015, storage in Folsom Lake was at 545,695 acre-feet, 55.9 percent of the total capacity of 977,000 acre-feet. This is about 66 percent of historical average for this date. This represents a decrease in storage of 28,588 acre-feet in the past month. CHWD continues to assist with preserving surface water supplies in the lake by operating its groundwater wells. All District wells remain operational and are being operated on a rotational or as-needed basis.

Director Dains called a recess to the meeting at approximately 9:07 p.m.

OM Townsel and PM Dietrich left the meeting.

Director Dains reconvened the meeting at approximately 9:14 p.m.

DIRECTOR'S AND REPRESENTATIVES REPORTS:

D-1. Regional Water Authority (Sheehan, Churchill)

No report.

D-2. Sacramento Groundwater Authority (Dains)

No report. A meeting is coming up on June 11, 2015 at 9 AM. Director Sheehan reported that the California Department of Water Resources Groundwater Sustainability Program Draft Strategic Plan is worth reading, and that she would provide a copy to the Board, General Manager and Assistant General Manager.

D-3. San Juan Water District

No report.

D-4. Association of California Water Agencies (Dains)

No report.

D-5. ACWA Joint Powers Insurance Authority (Churchill)

No report.

D-6. Sacramento Local Agency Formation Commission

No report.

D-7. City of Citrus Heights

GM Churchill reported that CHWD has been invited by the City of Citrus Heights to provide a presentation about the drought and the District's response to the drought at the City Council meeting of Thursday, June 11, 2015 at 7 PM.

D-8. Chamber of Commerce Government Issues Committee (Straus)

No report.

D-9. Other Reports:

None.

ASSISTANT GENERAL MANAGER'S REPORT

AGM Straus reported as follows:

1. Directors were provided with a summary of Water Efficiency Program activities year-to-date through May 2015.
2. Water Forum Update: AGM Straus met with Water Forum Successor Effort (WFSE) Executive Director Tom Gohring on Monday, May 18th to get up to speed on “all things Water Forum Successor Effort.” Mr. Straus has been invited by the Executive Director to serve on the WSFE’s Budget and Strategic Planning Working Group. The AGM will attend an orientation concerning that working group on Wednesday, June 3rd.
3. Drought Response Plan: AGM Straus has been working with a team, including Board Member Riehle, GM Churchill, Accounting Supervisor Sohal, Water Efficiency Coordinator Meurer, and Circlepoint staff member Katie Lichty, on various Drought Response Plan activities, which are listed and whose statuses were attached to the AGM report in the June 2, 2015 agenda meeting packet. To date, District staff has made presentations regarding the Drought Response Plan to Citrus Heights Neighborhood Areas 5 (May 21, 2015) and 11 (May 20, 2015) and a joint agency meeting with the City of Citrus Heights, Sunrise Recreation and Park District, Sylvan Cemetery District, and San Juan Unified School District at the Regional Water Authority office (May 28, 2015).
4. Finance: AGM Straus and Accounting Supervisor (AS) Sohal are finalizing a Request for Proposals (RFP) to retain a new auditing firm to conduct the annual audit and prepare and submit the annual State Comptroller’s Report. In accordance with District Policy 6010, Financial Audit, the Water District will change auditors after having worked five years with the auditing firm Richardson & Company; 2) AGM Straus and AS Sohal are developing the 2016 Operating Budget and Capital Improvement Program (CIP) development schedule with a goal of holding one budget work session (highlighting the “building blocks” of the budget/key assumptions) in late August, an initial budget presentation in September and presentation of a final draft budget for consideration in November.
5. Risk Management—AGM Straus and Human Resources Specialist Smoot met with Association of California Water Agencies Joint Powers Insurance Authority (ACWA-JPIA) staff on Tuesday, May 26, 2015 to get up to speed on “all things insurance program,” including meeting with the Executive Director, General Liability and Property coverage staff, Workers’ Compensation Program Staff and Loss Prevention staff. ACWA-JPIA maintains, essentially, a first dollar coverage program, with nominal retentions pre occurrence of \$10,000 for general liability, \$5,000 for worker’s compensation and \$5,000 for property (buildings, fixed equipment and contents). Opportunities may exist, as staff further analyzes the

program and options, to reduce cost.

6. Information Technology—AGM Straus and AS Sohal have been meeting with Sophos Solutions to: 1) Identify workstation replacements to be included in the 2016 Operating Budget; 2) Acquire new workstations funded out of the 2015 Operating Budget; 3) Identify a cost-effective Exchange (e-mail server) solution; 4) Discuss options for finance software that includes utility billing and possibly other modules; 5) Cost effective options for high capacity printing.

GENERAL MANAGER’S REPORT

1. Twenty-one District employees received recognition for superior attendance, outstanding customer service and quality of work during the month of May 2015. Directors were provided with a list of the employees and items for which each received recognition. Also, GM Churchill reported that Water Distribution Operator James Ferro received a \$100 reward from ACWA-JPIA for his outstanding contribution to CHWD’s safety program efforts through designing light stands for trucks and vacuum excavators.
2. A list of the General Manager’s significant assignments and activities was provided.

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 9:53p.m.

APPROVED:

ROBERT A. CHURCHILL
Secretary
Citrus Heights Water District

ALLEN B. DAINS, President
Board of Directors
Citrus Heights Water District