

**BOARD MEETING AGENDA
SPECIAL MEETING OF THE BOARD OF DIRECTORS OF
CITRUS HEIGHTS WATER DISTRICT (CHWD)
OCTOBER 21, 2020 beginning at 6:00 PM**



**DISTRICT ADMINISTRATIVE OFFICE
6230 SYLVAN ROAD, CITRUS HEIGHTS, CA**

PHONE CALL IN: (253) 215-8782

PHONE MEETING ID: 954 9349 7631

COMPUTER AUDIO/LIVE MEETING PRESENTATIONS:

<https://zoom.us/j/95493497631>

In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the General Manager at (916) 725-6873. Requests must be made as early as possible, and at least one full business day before the start of the meeting. Pursuant to Executive Order N-29-20, the meeting will be held at the listed physical location and electronically through the above phone number.

Directors and members of the public may attend the meeting in person at the District headquarters or remotely through the phone number and link above. In compliance with the Sacramento County Health Order issued May 26, 2020, which states “Persons should wear face coverings when in public places,” members of the public shall wear a face covering unless they are exempt per the order.

CALL TO ORDER:

Upon request, agenda items may be moved to accommodate those in attendance wishing to address that item. Please inform the General Manager.

ROLL CALL OF DIRECTORS:

CLOSED SESSION:

CL-1. CONFERENCE WITH LEGAL COUNSEL – INITIATION OF LITIGATION
PURSUANT TO SECTION 54956.9(d)(4): (one case)

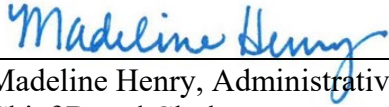
FUTURE CHWD BOARD OF DIRECTORS MEETING DATES:

November 18, 2020	6:30 PM	Regular Meeting
December 16, 2020	6:30 PM	Regular Meeting

ADJOURNMENT:

CERTIFICATION:

I do hereby declare and certify that this agenda for this Special Meeting of the Board of Directors of the Citrus Heights Water District was posted in a location accessible to the public at the District Administrative Office Building, 6230 Sylvan Road, Citrus Heights, CA 95610 at least 24 hours prior to the special meeting in accordance with Government Code Section 54956.



Madeline Henry, Administrative Services Manager/
Chief Board Clerk

Dated: October 15, 2020

**BOARD MEETING AGENDA
REGULAR MEETING OF THE BOARD OF DIRECTORS OF
CITRUS HEIGHTS WATER DISTRICT (CHWD)
OCTOBER 21, 2020 beginning at 6:30 PM**



**DISTRICT ADMINISTRATIVE OFFICE
6230 SYLVAN ROAD, CITRUS HEIGHTS, CA**

**PHONE CALL IN: (253) 215-8782
PHONE MEETING ID: 954 9349 7631**

COMPUTER AUDIO/LIVE MEETING PRESENTATIONS: <https://zoom.us/j/95493497631>

In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the General Manager at (916) 725-6873. Requests must be made as early as possible, and at least one full business day before the start of the meeting. Pursuant to Executive Order N-29-20, the meeting will be held at the listed physical location and electronically through the above phone number.

Directors and members of the public may attend the meeting in person at the District headquarters or remotely through the phone number and link above. In compliance with the Sacramento County Health Order issued May 26, 2020, which states “Persons should wear face coverings when in public places,” members of the public shall wear a face covering unless they are exempt per the order.

CALL TO ORDER:

Upon request, agenda items may be moved to accommodate those in attendance wishing to address that item. Please inform the General Manager.

ROLL CALL OF DIRECTORS:

PLEDGE OF ALLEGIANCE:

VISITORS:

PUBLIC COMMENT:

The Public shall have the opportunity to directly address the Board on any item of interest to the public before or during the Board’s consideration of that item pursuant to Government Code Section 54954.3. Public comment on items of interest within the jurisdiction of the Board is welcome. The Presiding Officer will limit comments to three (3) minutes per speaker.

(A) Action Item

(D) Discussion Item

(I) Information Item

CONSENT CALENDAR: (I/A)

All items under the Consent Calendar are considered to be routine and will be approved by one motion. There will be no separate discussion of these items unless a member of the Board, Audience, or Staff request a specific item be removed for separate discussion/action before the motion to approve the Consent Calendar.

CC-1a. Minutes of the Special Meeting – September 16, 2020 (A)

CC-1b. Minutes of the Regular Meeting – September 16, 2020 (A)

CC-1c. Minutes of the Special Meeting – October 7, 2020 (A)

Recommendation: Approve the minutes of the September 16, 2020 Regular and Special Meetings, and the October 7, 2020 Special Meeting.

- CC-2. Revenue Analysis Report for September 2020 (I)
- CC-3. Assessor/Collector's Roll Adjustment for September 2020 (I)
- CC-4. Treasurer's Report for September 2020 (I)
- CC-5. Treasurer's Report of Fund Balances for September 2020 (I)
- CC-6. Operating Budget Analysis for September 2020 (I)
- CC-7. Capital Projects Summary September 2020 (I)
- CC-8. Warrants for September 2020 (I)
- CC-9. Purchase Card Distributions for September 2020 (I)
- CC-10. Employee Recognitions (I)
- CC-11. Long-Range Agenda (I)
- CC-12. Engineering Department Report (I)
- CC-13. Operations Department Report (I)
- CC-14. 2020 Water Supply – Purchased and Produced (I)
- CC-15. Water Supply Reliability (I)
- CC-16. Water Efficiency and Safety Program Update (I)
- CC-17. Discussion and Possible Action to Approve an On-Call Pavement Restoration Agreement with Central Valley Engineering & Asphalt, Inc. (A)

Recommendation:

Accept the bid by Central Valley Engineering & Asphalt, Inc. for on-call pavement restoration services throughout the District service area. Authorize the General Manager to execute the accompanying agreement with Central Valley Engineering & Asphalt, Inc. for the project.

- CC-18. Discussion and Possible Action to Approve an On-Call Trucking Services Agreement with Blue Jay Trucking, Inc. (A)

Recommendation:

Accept the bid by Blue Jay Trucking, Inc. for on-call trucking services throughout the District service area. Authorize the General Manager to execute the accompanying agreement with Blue Jay Trucking, Inc. for hauling materials into and out of the District's Corporation Yard and project jobsites as necessary.

PRESENTATIONS:

None.

STUDY SESSIONS:

- S-1. Proposed 2021 Budgets (I/D)

Recommendations:

Provide direction to staff concerning the proposed budget for consideration at the November 18, 2020 Board Meeting.

- S-2. Presentation of 2021 Water Rates, Miscellaneous Fees and Charges and Capacity Fees (I/D)

Recommendations:

Provide direction to staff on the draft Water Rates, Miscellaneous Fees, Charges and Capacity Fees for 2021.

BUSINESS (A):

None.

MANAGEMENT SERVICES REPORTS (I):

None.

CONSULTANTS' AND LEGAL COUNSEL'S REPORTS (I):

None.

DIRECTOR'S AND REPRESENTATIVE'S REPORTS (I):

- D-1. Regional Water Authority (Riehle).
- D-2. Sacramento Groundwater Authority (Sheehan).
- D-3. San Juan Water District (All).
- D-4. Association of California Water Agencies (Riehle).
- D-5. ACWA Joint Powers Insurance Authority (Wheaton/Henry).
- D-6. City of Citrus Heights (Pieri).
- D-7. Chamber of Commerce Update (Talwar/Henry).
- D-8. RWA Legislative and Regulatory Affairs Update (Talwar/Henry).
- D-9. Customer Advisory Committee (Riehle/Pieri).
- D-10. Other Reports.

CLOSED SESSION:

None.

FUTURE CHWD BOARD OF DIRECTORS MEETING DATES:

November 18, 2020	6:30 PM	Regular Meeting
December 16, 2020	6:30 PM	Regular Meeting

ADJOURNMENT:

CERTIFICATION:

I do hereby declare and certify that this agenda for this Regular Meeting of the Board of Directors of the Citrus Heights Water District was posted in a location accessible to the public at the District Administrative Office Building, 6230 Sylvan Road, Citrus Heights, CA 95610 at least 72 hours prior to the special meeting in accordance with Government Code Section 54954.2.



Madeline Henry, Administrative Services Manager/
Chief Board Clerk

Dated: October 15, 2020

CITRUS HEIGHTS WATER DISTRICT
BOARD OF DIRECTORS SPECIAL MEETING MINUTES
September 16, 2020

The Special Meeting of the Board of Directors was called to order at 6:01 p.m. by President Riehle and roll was called. Present were:

Raymond A. Riehle, President
David C. Wheaton, Vice President
Caryl F. Sheehan, Director

Staff:

Steve Anderson, General Counsel
John Brown, Assistant General Counsel
Madeline Henry, Administrative Services Manager/ Chief Board Clerk
Josh Nelson, Assistant General Counsel
Hilary Straus, General Manager
Susan Talwar, Director of Finance and Administrative Services

President Riehle adjourned the meeting to closed session at 6:01 p.m.

CLOSED SESSION:

CL-1. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section
54956.9: 1 case

No reportable action.

ADJOURNMENT:

There being no other business to come before the Board, the meeting was adjourned at 7:03 p.m.

APPROVED:

MADELINE A. HENRY
Deputy Secretary
Citrus Heights Water District

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

CITRUS HEIGHTS WATER DISTRICT
BOARD OF DIRECTORS REGULAR MEETING MINUTES
September 16, 2020

The Regular Meeting of the Board of Directors was called to order at 7:03 p.m. by President Riehle and roll was called. Present were:

Raymond A. Riehle, President
David C. Wheaton, Vice President
Caryl F. Sheehan, Director

Staff:

Steve Anderson, General Counsel
Madeline Henry, Administrative Services Manager/ Chief Board Clerk
Brian Hensley, Water Resources Supervisor
Brittney Moore, Management Analyst/ Deputy Board Clerk
Missy Pieri, Director of Engineering/ District Engineer
Alberto Preciado, Accounting Supervisor
Rebecca Scott, Senior Management Analyst
Nick Spiers, Assistant Water Distribution Supervisor
Hilary Straus, General Manager
Susan Talwar, Director of Finance and Administrative Services

Habib Isaac, IB Consulting, LLC.

PUBLIC COMMENT:

None.

CONSENT CALENDAR:

President Riehle asked for consideration and/or approval of the Consent Calendar.

CC-1c. Minutes of the Special Meeting – August 26, 2020 (A)

Recommendation: Approve the minutes of the August 19, 2020 Regular and Special Meetings, and the August 26, 2020 Special Meeting.

CC-2. Revenue Analysis Report for August 2020 (I)

CC-3. Assessor/Collector's Roll Adjustment for August 2020 (I)

CC-4. Treasurer's Report for August 2020 (I)

CC-5. Treasurer's Report of Fund Balances for August 2020 (I)

CC-6. Operating Budget Analysis for August 2020 (I)

CC-7. Capital Projects Summary August 2020 (I)

CC-8. Warrants for August 2020 (I)

CC-9. Purchase Card Distributions for August 2020 (I)

CC-10. Employee Recognitions (I)

- CC-11. Long-Range Agenda (I)
- CC-12. Engineering Department Report (I)
- CC-13. Operations Department Report (I)
- CC-14. 2020 Water Supply –Purchased and Produced (I)
- CC-15. Water Supply Reliability (I)
- CC-16. Water Efficiency and Safety Program Update (I)
- CC-17. Discussion and Possible Action to Approve Budget Amendment for Property Purchase at 7529 Greenback Lane (A)

Recommendation:

Authorize the Director of Finance and Administrative Services to amend the budget to reflect the purchase of property at 7529 Greenback Avenue in the amount of \$160,000 as set forth in this board report.

- CC-18. Discussion and Possible Action to Approve the 2021 Strategic Plan (A)

Recommendation:

Approve the 2021 Strategic Plan, and direct that Strategic Planning Objectives be considered for funding in the 2021 budget, which will be considered by the Board of Directors for adoption in November.

ACTION:

Director Sheehan moved and Vice President Wheaton seconded a motion to approve the consent calendar.

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

PRESENTATIONS:

P-1. Financial Planning & 2021 Budget Workshop

STUDY SESSIONS:

None.

BUSINESS:

None.

MANAGEMENT SERVICES REPORTS (I):

None.

CONSULTANTS' AND LEGAL COUNSEL'S REPORTS (I):

None.

DIRECTOR'S AND REPRESENTATIVE'S REPORTS (I):

- D-1. Regional Water Authority (Riehle).
- D-2. Sacramento Groundwater Authority (Sheehan).
- D-3. San Juan Water District (All).
- D-4. Association of California Water Agencies (Riehle).
- D-5. ACWA Joint Powers Insurance Authority (Wheaton/Henry).
- D-6. City of Citrus Heights (Pieri).
- D-7. Chamber of Commerce Update (Talwar/Henry).
- D-8. RWA Legislative and Regulatory Affairs Update (Talwar/Henry).
- D-9. Customer Advisory Committee (Riehle/Gordon/Pieri).
- D-10. Other Reports.

CLOSED SESSION:

None.

ADJOURNMENT:

There being no other business to come before the Board, the meeting was adjourned at 10:21 p.m.

APPROVED:

MADELINE A. HENRY
Deputy Secretary
Citrus Heights Water District

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

CITRUS HEIGHTS WATER DISTRICT
BOARD OF DIRECTORS SPECIAL MEETING MINUTES
October 7, 2020

The Special Meeting of the Board of Directors was called to order at 6:02 p.m. by President Riehle and roll was called. Present were:

Raymond A. Riehle, President
David C. Wheaton, Vice President
Caryl F. Sheehan, Director

Staff:

Steve Anderson, General Counsel
Paul Dietrich, Project Manager
Brittney Moore, Management Analyst/ Deputy Board Clerk
Rebecca Scott, Senior Management Analyst
Hilary Straus, General Manager
Susan Talwar, Director of Finance and Administrative Services

Habib Isaac, IB Consulting, LLC.

PUBLIC COMMENT:

None.

CONSENT CALENDAR:

None.

PRESENTATIONS:

P-1. Financial Planning Workshop

ACTION:

1. To direct staff to prepare a Proposition 218 notice in conformance with the figures outlined in slide 29 in the presentation from tonight's Oct 7, 2020 meeting. In addition, my motion also includes directing staff to formulate potential drought rates.
2. To direct staff to present a sample bill to include the SJWD pass through rates on the CHWD bills as soon as practical.

Vice President Wheaton moved and Director Sheehan seconded a motion to direct staff to prepare a Proposition 218 notice in conformance with the figures outlined in slide 29 in the Financial Planning Workshop presentation from the October 7, 2020 Special Meeting; in

addition to directing staff to formulate potential drought rates.

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

Director Sheehan moved and Vice President Wheaton seconded a motion to direct staff to present a sample bill to include the San Juan Water District (SJWD) pass through rates on the CHWD bills as soon as practical.

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

STUDY SESSIONS:

None.

BUSINESS:

None.

MANAGEMENT SERVICES REPORTS (I):

None.

CONSULTANTS' AND LEGAL COUNSEL'S REPORTS (I):

None.

DIRECTOR'S AND REPRESENTATIVE'S REPORTS (I):

D-1. Other Reports.

CLOSED SESSION:

None.

ADJOURNMENT:

There being no other business to come before the Board, the meeting was adjourned at 7:37 p.m.

APPROVED:

MADELINE A. HENRY
Deputy Secretary
Citrus Heights Water District

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

**CITRUS HEIGHTS WATER DISTRICT
SEPTEMBER 2020
REVENUE ANALYSIS**

CC-02

Outstanding Receivables

Aged Trial Balance					
Total	Current	31-90	91-150	>150	Unapplied Current
1,778,482	1,614,500	148,904	27,455	66,592	78,969

General Ledger Balance	Total
Outstanding A/R	1,678,693.70
Outstanding Liens	-
Outstanding Grants	1,453
A/R Other	(25,348)
Less Unapplied Payments	(80,660)
Total	\$ 1,574,139

**CITRUS HEIGHTS WATER DISTRICT
ASSESSOR/COLLECTOR'S ROLL ADJUSTMENTS FOR
September 30, 2020**

CC-03

Assessor/Collector Roll Adjustment September-20	
Dollar	Count

There were no adjustments made for September 2020.

Reason For Cancellation	Charge Type	Amount
None	None	-
		\$ -

**TREASURER'S REPORT TO THE BOARD OF DIRECTORS
SEPTEMBER 2020**


Bank of the West				
Beginning Balance				\$10,438,495
RECEIPTS:		1,980,292		
DISBURSEMENTS:				
Checks Issued / ACH Payments	791,907			
Payroll	498,619			
Returned Checks	1,776			
		1,292,302		687,990
Bank of the West				
Balance per Bank 09/30/2020				11,126,485
Outstanding Checks				(665,252)
Deposit in Transit				51,016
Balance Per Books 09/30/2020				\$10,512,250


RECONCILEMENT:				
Bank of the West				\$10,512,250
Local Agency Investment Fund				6,475,040
COP Reserve Account				15,184
Money Mkt Activity Account				543,919
TOTAL BALANCE				\$17,546,392

CASH & INVESTMENT SUMMARY:				
Bank of the West (General Account)				10,512,250
Local Agency Investment Fund				6,475,040
COP 2010 Reserve Account				15,184
Money Mkt Activity Account				543,919
Total				\$17,546,392

INSTITUTION	MATURITY DATE	INT RATE	DEPOSIT AMOUNT	DATE OF LAST TRANSACTION
Local Agency Investment Fund	Daily	1.47%	23,540.26	7/15/2020

I certify that this report accurately reflects all pooled investments and is in compliance with applicable State of California Government Codes and is in conformity with Investment of District Funds Policy 6300. As Treasurer of the Citrus Heights Water District, I hereby certify that sufficient investment liquidity and anticipated revenue are available to meet the next six months' estimated expenditures.



SUSAN K. TALWAR
 Treasurer


HILARY M. STRAUS
 Secretary

Signed: 10/14/2020

TREASURER'S REPORT OF FUND BALANCES
September 30, 2020

Fund Name	Beginning Balance 01/01/2020	Year to Date Transfers In / Collections	Year to Date Transfers Out	Current Month Transfers In / Collections	Current Month Transfers Out	Ending Balance 09/30/2020	2020 Target Balance per Policy
Operating Fund	\$ 744,972	\$ 12,797,156	\$ (9,963,458)	\$ 1,980,292	\$ (1,292,302)	\$ 4,266,660	\$ 2,334,017
Operating Reserve	\$ 3,592,065	\$ -	\$ -	\$ -	\$ -	\$ 3,592,065	N/A
Rate Stabilization Fund	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000
Capital Improvement Reserve	\$ 2,796,860	\$ -	\$ -	\$ -	\$ -	\$ 2,796,860	\$ 2,681,248
Restricted for Debt Service	\$ 536,963	\$ -	\$ -	\$ -	\$ -	\$ 536,963	N/A
Water Supply Reserve	\$ 1,623,173	\$ -	\$ -	\$ -	\$ -	\$ 1,623,173	N/A
Water Efficiency Reserve	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 200,000
Water Meter Replacement Reserve	\$ 1,525,000	\$ -	\$ -	\$ -	\$ -	\$ 1,525,000	N/A
Fleet Equipment Reserve	\$ 334,253	\$ -	\$ -	\$ -	\$ -	\$ 334,253	\$ 318,559
Employment-Related Benefits Reserve	\$ 405,319	\$ -	\$ -	\$ -	\$ -	\$ 405,319	\$ 1,079,527
	<u><u>\$ 12,758,605</u></u>	<u><u>12,797,156</u></u>	<u><u>\$ (9,963,458)</u></u>	<u><u>\$ 1,980,292</u></u>	<u><u>\$ (1,292,302)</u></u>	<u><u>\$ 16,280,293</u></u>	<u><u>\$ 7,613,351</u></u>


 SUSAN K. TALWAR, Treasurer

TREASURER'S REPORT OF FUND BALANCES
September 30, 2020

Fund Transfers Summary:

The Operating Fund Transferred:	\$ 1,980,292	from funds collected in September 2020 per Treasurer's Report
	<u>\$ (1,292,302)</u>	disbursements made in September 2020 per Treasurer's Report
	\$ 687,990	

Citrus Heights Water District
Budget Performance Report
As of 9/30/2020

CC-06

	September Actual	Year-to-Date Actual	Year-to-Date Budget	YTD Variance Amount	Percent	Annual Budget
Revenues						
Metered Service Charges	\$1,108,883.46	\$7,923,909.61	\$7,189,569.00	\$734,340.61	10.21%	\$9,586,090.00
Metered Water Deliveries	1,081,329.15	4,469,182.93	3,702,828.00	766,354.93	20.70%	5,234,960.00
Non-Metered Service Charges	9,582.01	80,257.25	105,003.00	(24,745.75)	-23.57%	140,000.00
Penalties	372.00	15,979.63	106,100.00	(90,120.37)	-84.94%	150,000.00
Interest	2,910.05	80,461.15	34,155.00	46,306.15	135.58%	45,535.00
Backflow Fees	6,140.40	45,396.68	87,003.00	(41,606.32)	-47.82%	116,000.00
Water Service Install & S&R	657.22	131,781.03	20,475.00	111,306.03	543.62%	27,300.00
Grant Funds		1,012.50		1,012.50	0.00%	
Miscellaneous *	190.80	38,786.28	110,250.00	(71,463.72)	-64.82%	147,000.00
Cost Reimbursements	77.91	25,418.97		25,418.97	0.00%	
Income - Wheeling Water		7,454.82	2,025.00	5,429.82	268.14%	2,700.00
Income - Connection Fees	13,602.63	1,892,444.42		1,892,444.42	0.00%	2,700.00
Total Revenue	2,223,745.63	14,712,085.27	11,357,408.00	3,354,677.27	29.54%	15,449,585.00
*includes Assessments, New Account, Back Charges & other Miscellaneous Revenue Sources						
Operating Expenses						
Cost of Water						
Purchased Water		1,705,392.63	2,345,662.53	(640,269.90)	-27.30%	3,127,550.04
Ground Water	76,794.41	528,124.22	620,791.83	(92,667.61)	-14.93%	827,722.44
	76,794.41	2,233,516.85	2,966,454.36	(732,937.51)	-24.71%	3,955,272.48
Labor & Benefits						
Labor Regular	374,582.71	2,450,362.57	2,524,158.99	(73,796.42)	-2.92%	3,365,545.32
Labor Non-Regular	76.80	13,152.68		13,152.68	0.00%	0.00
Labor Taxes	27,062.05	191,635.20	200,415.42	(8,780.22)	-4.38%	267,220.56
Labor Workers Comp		54,440.29	68,625.00	(14,184.71)	-20.67%	91,500.00
Labor External	7,240.50	21,365.22	132,585.03	(111,219.81)	-83.89%	176,780.04
Benefits Med/Den/Vis	35,582.84	358,190.72	434,800.35	(76,609.63)	-17.62%	579,733.80
Benefits LTD/Life/EAP	2,865.74	29,837.69	110,056.86	(80,219.17)	-72.89%	146,742.48
Benefits CalPers	11,592.95	182,416.74	247,964.40	(65,547.66)	-26.43%	330,619.20
Benefits Other	6,508.30	55,579.24	23,249.97	32,329.27	139.05%	30,999.96
Benefit Retiree Expenses	4,193.41	32,407.33	40,992.12	(8,584.79)	-20.94%	54,656.16
Benefit Unemployment			6,314.31	(6,314.31)	-100.00%	8,419.08
Benefit GASB 68		374,070.50	285,424.47	88,646.03	31.06%	380,565.96
Capitalized Labor & Benefit Contra	(41,772.75)	(397,309.35)	(375,000.03)	(22,309.32)	5.95%	(500,000.04)
	427,932.55	3,366,148.83	3,699,586.89	(333,438.06)	-9.01%	4,932,782.52
General & Administrative						
Fees & Charges	12,559.67	72,815.95	160,278.75	(87,462.80)	-54.57%	213,705.00
Regulatory Compliance/Permits		90,197.55	66,986.28	23,211.27	34.65%	89,315.04
District Events & Recognition	698.27	19,561.41	99,054.81	(79,493.40)	-80.25%	132,073.08
Maintenance/Licensing	1,732.10	122,677.85	102,757.50	19,920.35	19.39%	137,010.00
Equipment Maintenance	2,915.19	72,440.94	74,343.69	(1,902.75)	-2.56%	99,124.92

Citrus Heights Water District
Budget Performance Report
As of 9/30/2020

CC-06

	September Actual	Year-to-Date Actual	Year-to-Date Budget	YTD Variance		Annual Budget
				Amount	Percent	
Professional Development	4,840.97	38,546.78	117,549.72	(79,002.94)	-67.21%	156,732.96
Department Admin		275.00	19,275.03	(19,000.03)	-98.57%	25,700.04
Dues & Subscriptions	908.99	163,919.12	146,869.56	17,049.56	11.61%	195,826.08
Fuel & Oil	4,561.42	35,076.89	48,292.47	(13,215.58)	-27.37%	64,389.96
General Supplies	13,955.38	44,509.84	50,999.94	(6,490.10)	-12.73%	67,999.92
Insurance - Auto/Prop/Liab		70,516.41	76,500.00	(5,983.59)	-7.82%	102,000.00
Leasing/Equipment Rental	2,096.13	17,754.15	29,925.00	(12,170.85)	-40.67%	39,900.00
Parts & Materials	25,868.86	254,459.64	41,249.97	213,209.67	516.87%	54,999.96
Postage/Shipping/Freight	4,700.02	58,217.97	128,700.00	(70,482.03)	-54.76%	171,600.00
Rebates & Incentives	525.00	3,675.00	27,675.00	(24,000.00)	-86.72%	36,900.00
Telecom/Network	4,440.66	34,803.65	32,355.00	2,448.65	7.57%	43,140.00
Tools & Equipment	4,180.27	21,338.62	65,325.06	(43,986.44)	-67.33%	87,100.08
Utilities	149.49	3,504.05		3,504.05	0.00%	
Write-Off Bad Debt Exp			3,750.03	(3,750.03)	-100.00%	5,000.04
Capitalized G&A Contra	(14,319.89)	(138,894.83)		(138,894.83)	0.00%	
Capitalized Equipment Contra	(23,529.92)	(237,313.37)		(237,313.37)	0.00%	
	<u>46,282.61</u>	<u>748,082.62</u>	<u>1,291,887.81</u>	<u>(543,805.19)</u>	<u>-42.09%</u>	<u>1,722,517.08</u>
Professional & Contract Services						
Support Services	71,332.70	414,941.99	1,377,873.63	(962,931.64)	-69.89%	1,837,164.84
Legal Services	41,952.18	235,465.21	226,875.06	8,590.15	3.79%	302,500.08
Printing Services	1,067.80	10,811.39	36,525.06	(25,713.67)	-70.40%	48,700.08
	<u>114,352.68</u>	<u>661,218.59</u>	<u>1,641,273.75</u>	<u>(980,055.16)</u>	<u>-59.71%</u>	<u>2,188,365.00</u>
Reserves & Debt Services						
Interest Expense	21,800.00	73,687.63	73,546.93	140.70	0.19%	98,062.57
Net Increase(Decrease) in Value of Investments		11,298.97		11,298.97	0.00%	
	<u>21,800.00</u>	<u>84,986.60</u>	<u>73,546.93</u>	<u>11,439.67</u>	<u>15.55%</u>	<u>98,062.57</u>
Total Operating Expenses	<u>687,162.25</u>	<u>7,093,953.49</u>	<u>9,672,749.74</u>	<u>(2,578,796.25)</u>	<u>-26.66%</u>	<u>12,896,999.65</u>
Net Income / (Expense)	<u>1,536,583.38</u>	<u>7,618,131.78</u>	<u>1,684,658.26</u>	<u>5,933,473.52</u>	<u>352.21%</u>	<u>2,552,585.35</u>

Citrus Heights Water District
Capital Projects Summary
Fiscal Period End as of 9/2020

CC-7

Project Number	Project Name	BUDGET		AMOUNTS PAID			Remaining Budget
		Project Forecast Budget	Expenditures to 12/2019	Month to Date	Year to Date	Project to Date	
C16-134	Auburn Blvd-Rusch Park Placer	\$10,000	\$609	\$41	\$230	\$839	\$9,161
C19-108	6230 Sylvan East Wall	\$50,000	\$2,432	\$80	\$2,744	\$5,176	\$44,824
C20-108	Corp Yard PreArchitecture Stdy	\$100,000	\$0	\$0	\$1,676	\$1,676	\$98,324
C20-109	Corp Yard Plans Specs Estimate	\$25,000	\$0	\$0	\$0	\$0	\$25,000
Construction in Progress		\$185,000	\$3,042	\$121	\$4,650	\$7,691	\$177,309
C20-010	Water Main Replacements	\$70,000	\$0	\$0	\$0	\$1,009	\$70,000
C20-011	Water Valve Replacements	\$100,000	\$0	\$0	\$1,112	\$20,190	\$98,888
C20-012	Water Service Connections	\$850,000	\$0	\$48,986	\$53,994	\$494,082	\$796,006
C20-013	Water Meter Replacements	\$100,000	\$0	\$679	\$2,701	\$16,706	\$97,299
C20-014	Fire Hydrants	\$160,000	\$0	\$0	\$4,452	\$69,730	\$155,548
Annual Infrastructure		\$1,280,000	\$0	\$49,666	\$62,259	\$601,717	\$1,217,741
C15-104B	Document Management System	\$250,000	\$5,361	\$0	\$0	\$90,000	\$244,639
C19-003	Fleet/Field Operations Equip	\$295,000	\$61,079	\$0	\$0	\$243,011	\$233,921
C20-003	Fleet/Field Operations Equip	\$380,000	\$0	\$208,106	\$0	\$389,416	\$380,000
C20-004	Technology Hardware/Software	\$55,000	\$0	\$0	\$8,618	\$8,618	\$46,382
Fleet and Equipment		\$980,000	\$66,440	\$208,106	\$8,618	\$731,044	\$904,942
C15-109	Blossom Hill Way 6" & 10" Inte	\$27,777	\$0	\$0	\$0	\$0	\$27,777
C15-110	Crestmont Ave 6" Intertie	\$24,288	\$91	\$0	\$0	\$0	\$24,197
C17-102	Michigan Dr - Sunrise to West	\$397,897	\$54,093	\$0	\$0	\$223,235	\$343,804
C18-103	Cologne Way 6in Main Replace	\$267,069	\$60,776	\$0	\$0	\$200,935	\$206,293
C19-101	Robie Way 8" Main Replacement	\$341,382	\$8,338	\$628	\$2,090	\$44,568	\$330,953
C19-104	Admiral MainRepl 8"	\$291,439	\$0	\$308	\$894	\$32,285	\$290,545
C19-105	Whyte MainRepl 8" Langley	\$742,655	\$27,982	\$102,309	\$227,388	\$631,888	\$487,285
C19-106	Wells Ave Main 8"	\$22,460	\$8,341	\$631	\$340	\$18,102	\$13,780
C19-107	Rowan MainRep 8/6" Grady	\$119,095	\$4,511	\$639	\$0	\$63,202	\$114,584

Citrus Heights Water District
Capital Projects Summary
Fiscal Period End as of 9/2020

CC-7

Project Number	Project Name	BUDGET		AMOUNTS PAID			Remaining Budget
		Project Forecast Budget	Expenditures to 12/2019	Month to Date	Year to Date	Project to Date	
C20-101	Fair Oaks Blvd	\$56,439	\$0	\$8,500	\$0	\$8,500	\$56,439
C20-102	Langley Ave & Chance Dr	\$67,019	\$0	\$6,500	\$97	\$6,899	\$66,922
C20-103	Marsala Ct	\$7,482	\$0	\$9,553	\$8,029	\$22,081	(\$547)
C20-104	Skycrest School	\$13,765	\$0	\$0	\$0	\$5,536	\$13,765
C20-105	Walnut Drive	\$17,133	\$0	\$0	\$0	\$3,373	\$17,133
C20-106	Wisconsin Drive	\$33,238	\$0	\$3,110	\$5,249	\$35,818	\$27,989
Water Mains		\$2,429,138	\$164,131	\$132,178	\$244,088	\$1,296,420	\$2,020,919
C19-040C	Mariposa Ave SR2S Phase IV	\$0	\$508	\$0	\$0	\$0	(\$508)
C20-005	Facilities Improvements	\$100,000	\$0	\$4,507	\$2,797	\$77,666	\$97,203
C20-005A	Admin Bldg Remodel	\$0	\$0	\$41	\$0	\$41	\$0
C20-040	Other City Partnerships	\$150,000	\$0	\$0	\$0	\$5,000	\$150,000
C20-041	Other Misc Infrastructure	\$110,000	\$0	\$0	\$0	\$0	\$110,000
C20-042	Other Property Acquisition	\$0	\$0	\$5,000	\$163,429	\$168,429	(\$163,429)
Miscellaneous Projects		\$360,000	\$508	\$9,549	\$166,226	\$251,136	\$193,266
C17-104	Groundwater Well Property Acq	\$640,000	\$346,052	\$0	\$0	\$24,891	\$293,948
C17-104A	Well #7 Patton	\$250,000	\$30,189	\$0	\$3,007	\$6,486	\$216,803
C17-104B	Well #8 Highland	\$0	\$11,731	\$1,250	\$2,034	\$24,287	(\$13,765)
C20-020	Groundwater Well Improvements	\$150,000	\$0	\$0	\$0	\$22,255	\$150,000
C20-107	Well Design & Construction	\$563,500	\$0	\$0	\$0	\$0	\$563,500
Wells		\$1,603,500	\$387,972	\$1,250	\$5,042	\$77,919	\$1,210,487
Grand Totals:		\$6,837,638	\$622,092	\$400,869	\$490,881	\$2,965,928	\$5,724,664

SEPTEMBER 2020 WARRANTS			
<u>CHECK</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
70112	David Huy Nguyen	Customer Refund	\$154.55
70113	George Revocable Living Trust	Customer Refund	\$19.17
70114	Paula Goncalves/Sims Trust	Customer Refund	\$20.61
70115	Harpreet/Kulwant Maria Dhaliwal	Customer Refund	\$79.18
70116	Samantha Taylor	Customer Refund	\$29.41
70117	Taylor Sanders	Customer Refund	\$191.83
70118	Export Solutions INC.	Customer Refund	\$215.42
70119	Keith/Tessa Marie Brazil	Customer Refund	\$36.23
70120	ABA DABA Rentals & Sales	Supplies-Field	\$29.48
70121	Alexander's Contract Services	Contract Services-Meter Read	\$2,374.00
70122	AREA Restroom Solutions	Equipment Rental-Field	\$142.41
70123	Axiom Technologies LLC	Contract Services-Other	\$3,540.00
70124	Bart/Riebes Auto Parts	Repair-Trucks	\$407.85
70125	Best Best & Krieger	Legal & Audit	\$10,725.70
70126	Ray Bohlke	Toilet Rebate Program	\$150.00
70127	BSK Associates	Water Analysis	\$2,949.00
70128	Citrus Heights Saw & Mower	Repair- Equipment/Hardware	\$15.49
70129	Robin Cope	Health Insurance	\$451.00
70130	Core & Main LP	Material	\$40.06
70131	Cybex	Equipment Rental-Office	\$172.71
70132	Fast Action Pest Control	Contract Services-Miscellaneous	\$115.00
70133	Rarestep, Inc	Maintenance Agreement-Software	\$50.87
70134	Flowline Contractors, Inc	Contract Services-Engineering	\$74,551.97
70135	Grainger	Small Tools	\$105.60
70136	Ferguson Enterprises Inc #1423	Material	\$15,237.86
70137	Howell Consulting Inc	Contract Services-Other	\$1,875.00
70138	Hunt & Sons Inc	Gas & Oil	\$850.98
70139	Iconix Waterworks	Material	\$2,518.13
70140	KASL Consulting Engineers	Contract Services-Engineering	\$12,228.64
70141	Maze & Associates	Legal & Audit	\$7,880.00
70142	Mr. Security Camera Inc	Contract Services-Other	\$300.00
70143	Office Depot	Office Expense	\$146.87
70144	Republic Services #922	Utilities	\$269.99
70145	Caroline Roberts	Toilet Rebate Program	\$75.00
70146	Scarsdale Security Security Systems Inc	Contract Services-Other	\$284.97
70147	SitelogIQ	Maintenance Agreement-Equipment	\$1,828.74
70148	SMUD	Utilities	\$14,089.84
70149	Sonitrol	Equipment Rental-Office	\$189.00
70150	Sonsray Machinery, LLC	Fixed Assets	\$206.43
70151	Spot on Signs & Graphics	Contract Services-Office Repair/Maintenance	\$133.47
70152	A. Teichert & Son, Inc.	Road Base	\$7,047.36
70153	Sean Twilla	Toilet Rebate Program	\$75.00
70154	Verizon Wireless	Telephone-Wireless	\$1,503.93
70155	Wallace Kuhl & Associates Inc	Contract Services-Miscellaneous	\$2,389.00
70156	Williams+Paddon	Contract Services-Engineering	\$1,065.50
70157	Wolf Consulting	Contract Services-Other	\$125.00
70158	Howard W/Karen C Rothstein	Customer Refund	\$139.52
70159	Pamela K Baldrige Estate	Customer Refund	\$18.82

SEPTEMBER 2020 WARRANTS

<u>CHECK</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
70160	Sonja W Gorman	Customer Refund	\$94.77
70161	Dale E Vinton, trustee	Customer Refund	\$159.43
70162	Luke/Jessica Powell	Customer Refund	\$34.02
70163	Teichert Pipelines Inc	Customer Refund	\$1,263.98
70164	Afman Supply	Small Tools	\$459.27
70165	Batteries Plus Bulbs	Small Tools	\$13.95
70166	Best Best & Krieger	Legal & Audit	\$12,363.50
70167	Colantuono, Highsmith & Whatley, PC	Legal & Audit	\$3,192.00
70168	Gaynor Telesystems Incorporated	Contract Services-Other	\$1,080.05
70169	Iconix Waterworks	Material	\$1,060.26
70170	J Comm Inc	Contract Services-Other	\$12,150.00
70171	Moonlight BPO LLC	Contract Services-Bill Print/Mail	\$4,421.57
70172	RDO Equipment	Repair-Trucks	\$208,105.84
70173	Sprinkler Service & Supply Inc	Supplies-Field	\$58.19
70174	Tee Janitorial & Maintenance	Contract Services-Other	\$2,989.00
70175	Alexander's Contract Services	Contract Services-Meter Read	\$3,853.07
70176	Axiom Technologies LLC	Contract Services-Other	\$354.00
70177	IB Consulting LLC	Contract Services-Miscellaneous	\$4,290.00
70178	Sagent	COVID-19 Outreach	\$5,255.00
70179	Sagent	Contract Services- Direct Costs, Advertising, Media Relations, Graphic Design	\$25,212.80
70180	Colantuono, Highsmith & Whatley, PC	Legal & Audit	\$5,700.00
70181	Sagent	Communications Plan, Website Analytics	\$6,618.75
70182	W Edward/Carol E Bode Trust	Customer Refund	\$378.17
70183	Jonathon J Mullenhour	Customer Refund	\$29.17
70184	Anne K Ewing	Customer Refund	\$60.61
70185	Armen Nalbandyan	Customer Refund	\$68.43
70186	Richard L/Jeanette C Abbott	Customer Refund	\$13.65
70187	Miguel E Robertson	Customer Refund	\$58.52
70188	Candice A Hyde	Customer Refund	\$151.25
70189	Morgan Honge	Customer Refund	\$109.87
70190	Leonid Sorkin	Customer Refund	\$38.26
70191	A&A Stepping Stone Manufacturing	Supplies-Field	\$200.68
70192	AFLAC	Employee Paid Insurance	\$290.48
70193	AnswerNet	Telephone-Answering Service	\$341.37
70194	AREA Restroom Solutions	Equipment Rental-Field	\$142.41
70195	Axcient Holdings LLC	Maintenance Agreement-Software	\$888.60
70196	Bart/Riebes Auto Parts	Repair-Trucks	\$45.21
70197	Best Best & Krieger	Legal & Audit	\$23,908.50
70198	Blue Jay Trucking Inc	Contract Services-Other	\$2,914.50
70199	Bruton's Glass Co	Repair-Trucks	\$290.70
70200	CAPIO	Dues & Subscriptions	\$20.00
70201	California Landscape Associates Inc	Janitorial	\$1,081.00
70202	CirclePoint	Contract Services-Water Conservation	\$3,195.00
70203	Cogsdale	Contract Services-Other	\$2,500.00
70204	Corelogic Information Solutions Inc	Dues & Subscriptions	\$206.00
70205	County of Sacramento Municipal Services	Field Miscellaneous	\$75.00
70206	Iconix Waterworks	Material	\$1,722.93
70207	Integrity Administrators Inc	Health Insurance	\$255.99

SEPTEMBER 2020 WARRANTS

<u>CHECK</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
70208	Luhdorff & Scalmanini	Contract Services-Wells	\$6,298.75
70209	Placer Title Company	Customer Refund	\$102.58
70210	River City Staffing Group	Contract Services-Water Conservation	\$3,003.00
70211	Sagent	Strategy, Social Media, Media Relations	\$5,848.75
70212	Les Schwab Tires	Repair-Trucks	\$848.57
70213	SureWest Directories	Telephone-Local/Long Distance	\$49.00
70214	State Water Resources Control Board	Dues & Subscriptions	\$105.00
70215	TIAA Commercial Finance Inc	Equipment Rental-Office	\$571.09
70216	Voyager Fleet Systems Inc	Gas & Oil	\$3,022.54
70217	Walker's Office Supplies	Office Expense	\$71.35
70218	Dennis G/Carla J Hanks	Customer Refund	\$147.75
70219	Michael E/Nancy K Paddock	Customer Refund	\$112.73
70220	McDonald Revocable Living Trust	Customer Refund	\$188.20
70221	Neal E Draper	Customer Refund	\$6.63
70222	Patricia Pearl Thompsen Living Revocable	Customer Refund	\$71.04
70223	Sin Ja Fuke	Customer Refund	\$10.70
70224	Ljiljana Miljkovic	Customer Refund	\$71.96
70225	Keller Williams Realty	Customer Refund	\$202.72
70226	James/ Nancy Luse	Customer Refund	\$10.42
70227	Adam C Chandler	Customer Refund	\$148.57
70228	Steven H/Linda F Gurnee	Customer Refund	\$38.05
70229	Grantham Family Trust	Customer Refund	\$10.93
70230	Lucas S Dedman	Customer Refund	\$12.74
70231	David M/Alisha D Stewart	Customer Refund	\$12.82
70232	Richard E Darnold	Customer Refund	\$6.72
70233	Shannon E Wright	Customer Refund	\$12.15
70234	Jason/Sharon Starace	Customer Refund	\$141.76
70235	William E McCusker	Customer Refund	\$93.58
70236	David/Mary Freerking	Customer Refund	\$11.60
70237	Anh Van Thuy La	Customer Refund	\$70.24
70238	Scott M/Lynette Rindal	Customer Refund	\$25.35
70239	Best Best & Krieger	Legal & Audit	\$15,184.50
70240	BSK Associates	Water Analysis	\$1,490.00
70241	Citrus Heights Saw & Mower	Repair- Equipment/Hardware	\$377.74
70242	County of Sacramento - Clerk	Publication Notices	\$40.00
70243	GEI Consultants	Contract Services-Wells	\$715.00
70244	Government Finance Officers Association	Dues & Subscriptions	\$135.00
70245	IB Consulting LLC	Contract Services-2021 Financial Modeling	\$25,350.00
70246	Lowe's	Supplies-Field	\$1,175.85
70247	Moonlight BPO LLC	Contract Services-Bill Print/Mail	\$2,667.14
70248	Mr. Security Camera Inc	Contract Services-Other	\$1,182.67
70249	Occu-Med	Office Miscellaneous	\$116.00
70250	Office Depot	Office Expense	\$188.51
70251	Red Wing Shoe Store	Small Tools	\$534.67
70252	River City Staffing Group	Temporary Labor	\$866.25
70253	Sagent	Communications Plan, Social Media, Analytics	\$7,918.75
70254	SitelogIQ	Maintenance Agreement-Equipment	\$610.75
70255	WaterWise Consulting, Inc	Contract Services-Water Conservation	\$175.00
70256	Wells Fargo Bank	Office Expense	\$2,500.00

SEPTEMBER 2020 WARRANTS

<u>CHECK</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
70257	County of Sacramento - Clerk	Publication Notices	\$40.00
70258	Power Family Trust	Customer Refund	\$31.67
70259	Pamela K Baldrige Estate	Customer Refund	\$110.89
70260	Barbara J Shaneyfelt	Customer Refund	\$35.19
70261	Faith A McGuire	Customer Refund	\$18.01
70262	Mitchell K Adams	Customer Refund	\$95.33
70263	Sarah J Fasig	Customer Refund	\$7.52
70264	ABA DABA Rentals & Sales	Supplies-Field	\$126.88
70265	AFLAC	Employee Paid Insurance	\$290.48
70266	AIA Services, LLC/NDS	Water Conservation-Material/Supplies	\$4,472.93
70267	Alexander's Contract Services	Contract Services-Meter Read	\$6,676.95
70268	All Star Printing	Printing	\$1,067.80
70269	Bart/Riebes Auto Parts	Repair-Trucks	\$96.71
70270	Best Best & Krieger	Legal & Audit	\$8,162.68
70271	Brake Masters #220	Repair-Trucks	\$948.22
70272	Bender Rosenthal Incorporated	Contract Services-Other	\$2,502.20
70273	California Surveying & Drafting Supply	Small Tools	\$20.00
70274	Cavanaugh & Associates P.A.	Contract Services-Water Conservation	\$2,500.00
70275	Consolidated	Telephone-Local/Long Distance	\$1,889.02
70276	Robin Cope	Health Insurance	\$451.00
70277	Fast Action Pest Control	Contract Services-Miscellaneous	\$115.00
70278	Future Ford	Repair-Trucks	\$854.98
70279	Ferguson Enterprises Inc #1423	Material	\$6,995.13
70280	Hunt & Sons Inc	Gas & Oil	\$790.76
70281	Iconix Waterworks	Material	\$1,179.87
70282	KASL Consulting Engineers	Contract Services-Engineering	\$7,157.00
70283	Nor Cal Perlite Inc	Supplies-Field	\$4,028.00
70284	Pacific Gas & Electric	Utilities	\$22.27
70285	Placer County Department of Public Works	Permit Fees	\$1,028.00
70286	Planning Partners Inc	Contract Services-Wells	\$3,580.00
70287	River City Staffing Group	Temporary Labor	\$1,039.50
70288	Sacramento Local Agency Formation Commission	Dues & Subscriptions	\$4,632.50
70289	Sagent	Print Communications, Brand Audit, Website, Water Efficiency	\$6,543.75
70290	Trench Plate Rental Co	Equipment Rental-Field	\$786.58
70291	US Bank I.M.P.A.C. Government Services	Continued Education	\$450.00
70292	Verizon Wireless	Telephone-Wireless	\$1,522.64
70293	Warren Consulting Engineers Inc	Contract Services-Engineering	\$1,800.00
Total			\$659,386.92
ACH	1168-2020-8 INVOICE CLOUD	Bank Fee	\$4,023.30
ACH	563440058 ADP	Contract Servies-Financial	\$39.00
ACH	563799410 ADP	Contract Servies-Financial	\$410.70
ACH	8/1-8/31/2020 MID AMERICA	Employee Paid Insurance	\$1,874.48
ACH	ADP 564621582	Contract Servies-Financial	\$290.90
ACH	BOW AUGUST 2020	Bank Fee	\$1,110.98
ACH	CALIFORNIA CHOICE OCT2020	Health Insurance	\$41,639.41
ACH	CHASE AUGUST 2020	Bank Fee	\$2,561.48
ACH	ICMAR 9/3/20 PAYDAY	Deferred Compensation	\$100.00

SEPTEMBER 2020 WARRANTS			
<u>CHECK</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
ACH	JP MORGAN AUGUST 2020	See September Agenda Item CC-9	\$9,461.68
ACH	OCT 2020 PRINCIPAL	Health Insurance	\$7,900.19
ACH	PERS 8/20/20 PAYDAY	PERS	\$22,140.05
ACH	PERS GASB-68	PERS	\$1,050.00
ACH	RGS	Contract Services-Other	\$2,911.00
ACH	RGS	Contract Services-Other	\$1,425.00
ACH	WELLS FARGO 10/1/20 PRINCIPAL/INTEREST	COP- Debt	\$15,179.07
ACH	WELLS FARGO PR/INT PYMT	COP- Debt	\$540,720.93
ACH	ICMA 9/3/20 PAYDAY	Deferred Compensation	\$6,989.93
ACH	VALIC 9/3/20 PAYDAY	Deferred Compensation	\$3,376.92
Total			<u>\$663,205.02</u>
Grand Total			<u><u>\$1,322,591.94</u></u>

JP Morgan Purchase Card Distributions
Sep-20

Name	Tools & Equipment	General Supplies	Maintenance/ Licensing	District Events & Recognition	Professional Development	Equipment Maintenance	Postage/Shipping/F reight	Dues & Subscription	Total Bill
Shockley	\$ 720.73	\$ 287.44		\$ 505.10	\$ 357.98	\$ 266.99			\$ 2,138.24
Rucker			\$ 29.47						\$ 29.47
Scott					\$ 75.00				\$ 75.00
Talwar			\$ 340.32					\$ 3.99	\$ 344.31
Spiers	\$ 667.46					\$ 183.93			\$ 851.39
Straus		\$ 40.92					\$ 15.00		\$ 55.92
Cutler	\$ 182.50								\$ 182.50
Total Bill	\$ 1,570.69	\$ 328.36	\$ 369.79	\$ 505.10	\$ 432.98	\$ 450.92	\$ 15.00	\$ 3.99	\$ 3,676.83

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS OCTOBER 21, 2020 MEETING

SUBJECT : EMPLOYEE RECOGNITION
 STATUS : Information Item
 REPORT DATE : October 8, 2020
 PREPARED BY : Brittney Moore, Management Analyst

The following District employees were recognized for perfect attendance during August 2020, and outstanding customer service and quality of work during the month of September 2020.

Administrative Services

<u>Name</u>	<u>Attendance</u>	<u>Customer Service</u>	<u>Work Quality</u>
Madeline Henry	Yes		Coordinated the District's website redesign. Presented at the September Board Meeting.
Dana Mellado			Assisted with proofing content for the new website.
Brittney Moore	Yes		Organized virtual staff trainings.
Alberto Preciado	Yes		Presented at the September Board Meeting.
David Rucker	Yes	Provided IT support to the Operations staff.	
Kayleigh Shepard	Yes		Assisted with proofing content for the new website.
Beth Shockley	Yes		Provided staff with information for Administrative Procedures.
Desiree Smith	Yes		Assisted with proofing content for the new website.

Engineering Department

<u>Name</u>	<u>Attendance</u>	<u>Customer Service</u>	<u>Work Quality</u>
Tamar Dawson	Yes	Assisted Director of Engineering on Budget PowerPoint presentation.	
Paul Dietrich		Assisted Director of Engineering on Budget PowerPoint presentation.	Worked with GIS/Eng Tech to QA/QC the GIS Mapbook for its annual update. Performed inspection on the Whyte & Langley project.
Timothy Katkanov		Assisted Director of Engineering on Budget PowerPoint presentation.	Worked with Project Manager to prepare the GIS Mapbook annual update. Assisted with proofing content for the new website.
Neil Tamagni	Yes		Performed inspection on the Mitchell Village Subdivision & Well Site project on 9/4, 9/5, 9/11, 9/18, & after hours (night work) on two occasions.

Operations Department

<u>Name</u>	<u>Attendance</u>	<u>Customer Service</u>	<u>Work Quality</u>
Christopher Bell	Yes		
Aaron Cater	Yes		
Brady Chambers	Yes		
Kelly Drake	Yes		

<u>Name</u>	<u>Attendance</u>	<u>Customer Service</u>	<u>Work Quality</u>
James Ferro		9/17: Customer on Spicer Dr. stated the crew members responding to an emergency service replacement did an outstanding job.	9/22 -9/29: James volunteered to hold call for another employee.
Jarrett Flink	Yes		
Brian Hensley	Yes	Responded to customers' questions regarding water quality.	Presented at the September Board Meeting.
Rick Jimenez		9/17: Customer on Spicer Dr. stated the crew members responding to an emergency service replacement did an outstanding job.	
Ricky Kelley	Yes		
Mike Mariedth		9/17: Customer on Spicer Dr. stated the crew members responding to an emergency service replacement did an outstanding job.	
Rex Meurer	Yes		
Chris Nichols		9/17: Customer on Spicer Dr. stated the crew members responding to an emergency service replacement did an outstanding job.	
Jace Nunes	Yes		
Ryon Ridner		9/17: Customer on Spicer Dr. stated the crew members responding to an emergency service replacement did an outstanding job.	

<u>Name</u>	<u>Attendance</u>	<u>Customer Service</u>	<u>Work Quality</u>
Rebecca Scott	Yes		Presented at the September Board Meeting. Assisted with proofing content for the new website.
Nick Spiers	Yes		
John Spinella	Yes		

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS

OCTOBER 21, 2020 MEETING

SUBJECT : LONG RANGE AGENDA
 STATUS : Consent/Information Item
 REPORT DATE : October 15, 2020
 PREPARED BY : Madeline A. Henry, Administrative Services Manager

OBJECTIVE:

Listed below is the current Long Range Agenda.

Legend	
S	Study Session
CC	Consent Calendar
P	Presentation
B	Business
PH	Public Hearing
CL	Closed Session

CITRUS HEIGHTS WATER DISTRICT LONG RANGE AGENDA

MEETING DATE	MEETING TYPE	ITEM DESCRIPTION	ASSIGNED	AGENDA TYPE	AGENDA ITEM
November 18, 2020					
November 18, 2020	Annual	2021 Budget Adoption	Talwar	B	A
December 16, 2020					
December 16, 2020	Annual	District Officers	Henry	B	A
December 16, 2020	Annual	Selection of President and Vice President	Henry	B	A
December 16, 2020	Annual	Oath of Office	Henry	P	A
December 16, 2020		Annexation Project	Pieri	B	I/D
December 16, 2020		Revised Bill Format	Talwar	P	I/D
December 16, 2020		Consider Award of Contract for Wells & Wisconsin Water Main Project	Pieri	CC	A
January 20, 2021					
January 20, 2021		2021 Strategic Plan Preview	Henry	P	A
January 20, 2021		CAC Update	Henry/Pieri	P	I/D
February 17, 2021					
February 17, 2021	Annual	Investment of District Funds	Talwar/General Counsel	B	A
February 17, 2021		Overview of Easement Project	Pieri	P	A

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS OCTOBER 21, 2020 MEETING

SUBJECT : ENGINEERING DEPARTMENT REPORT
STATUS : Information Item
REPORT DATE : September 30, 2020
PREPARED BY : Missy Pieri, Director of Engineering/District Engineer

Significant assignments and activities for the Engineering Department are summarized below. I will be available at the meeting to answer questions and/or provide additional details.

Items of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
PROJECT 2030 Water Main Replacement Project	Engineering	Director of Engineering and Project Manager	Yes, Fourth Quarter of 2020 (Final Completion Update)	Yes	Masterplan for replacement of water mains.	Top Alternative Implementation Plan developed and discussed at CAC Workshop #8 on 09/10/19. Draft report submitted to CHWD on 01/06/20. Board Presentation expected in late 2020/early 2021.

Items of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
CAPITAL IMPROVEMENT PROJECT Corporation Yard / Facilities Master Plan Buildout	Engineering	Director of Engineering and Project Manager	Yes, 07/17/19 (Award of Contract)	Yes	Masterplan for office space requirements through 2045.	District received final staffing report from the District's consultant on 04/29/20. Staff to present findings to Board.
CAPITAL IMPROVEMENT PROJECT 6230 Sylvan Rd Perimeter Wall	Engineering	Project Manager and Assistant Engineer	Yes, TBD	No	Wall along the east side of District property. 2020 design.	SJUSD Board approved Grant of Easement. CHWD submitted easement for recording on 09/29/20.
CAPITAL IMPROVEMENT PROJECT Whyte Ave & Langley Ave Water Main	Engineering	Project Manager and Assistant Engineer	Yes, 06/17/20 (Award of Contract)	Yes	2020 design, 2020 construction.	Easements to be sent to County for recording. Award of Contract occurred at the 06/17/20 Board Meeting. 98% Complete. Punch list provided to the Contractor.

Items of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
CAPITAL IMPROVEMENT PROJECT Robie Way - Water Main	Engineering	Project Manager and Assistant Engineer	Yes, 08/19/20 (Award of Contract)	Yes	2020 design, 2020 construction.	Easement acquisition complete. Construction began on 09/29/20. 5% Complete.
CAPITAL IMPROVEMENT PROJECT - Admiral Ave - Water Main	Engineering	Project Manager and Assistant Engineer	Yes, 08/19/20 (Award of Contract)	Yes	2020 design, 2020 construction.	Easement acquisition complete. Construction began on 09/29/20. 5% Complete.
CAPITAL IMPROVEMENT PROJECT - Wells Ave - Water Main	Engineering	Project Manager and Assistant Engineer	Yes, 12/16/20 (Anticipate Award of Contract)	Yes	2020 design, 2021 construction.	Easement acquisition complete. District preparing final plans. Anticipate Award of Contract at the 12/16/20 Board Meeting.

Items of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
CAPITAL IMPROVEMENT PROJECT - Wisconsin Dr - Water Main	Engineering	Project Manager and Assistant Engineer	Yes, 12/16/20 (Anticipate Award of Contract)	Yes	2020 design, 2021 construction.	Easement acquisition complete. District preparing final plans. Anticipate Award of Contract at the 12/16/20 Board Meeting.
CAPITAL IMPROVEMENT PROJECT - Skycrest School Water Main	Engineering	Project Manager and Assistant Engineer	Yes, TBD	Yes	2020 design, 2021 construction.	Survey completed on 04/22/20. District preparing 60% plans. District coordinating with SJUSD regarding new water main alignment.
CAPITAL IMPROVEMENT PROJECT - Marsala Court Water Main	Engineering	Project Manager and Assistant Engineer	No	Yes	2020 design, 2020 construction.	CHWD Operations staff performing construction. 90% Complete.

Items of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
CAPITAL IMPROVEMENT PROJECT - Walnut Drive Water Main	Engineering	Project Manager and Assistant Engineer	Yes	Yes	2020 design, 2021 construction.	Right-of-Way agent obtaining easements. Survey completed. District preparing 60% plans.
CAPITAL IMPROVEMENT PROJECT - Chance & Langley Water Main	Engineering	Project Manager and District Engineer	Yes	Yes	2020 design, 2021 construction.	District obtaining contract with Right-of-Way agent. Survey completed. District preparing 60% plans.
CAPITAL IMPROVEMENT PROJECT - Fair Oaks Blvd Water Main	Engineering	Project Manager and District Engineer	Yes	Yes	2020 design, 2021 construction.	Survey completed. District preparing 60% plans.

Items of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
PRIVATE DEVELOPMENT Mitchell Village - 7925 Arcadia Dr	Engineering	Director of Engineering and Assistant Engineer	Yes, 03/30/20, 04/15/20 (Deferment of Fees)	No	200-300 unit development by Watt Communities.	<p>2 easements to be submitted to County Recorder's office.</p> <p>Waiting on SMUD access easement.</p> <p>Plans signed by District on 02/05/20.</p> <p>Project re-started on 7/14/20. Water portion 85% Complete.</p>
PRIVATE DEVELOPMENT Mitchell Village Land Exchange - 7925 Arcadia Dr	Engineering	Director of Engineering and Assistant Engineer	Yes, 11/20/19 (Approval of Agreement)	No	Land Exchange of District's Well Site for development property.	<p>Project re-started on 07/14/20.</p> <p>Boundary line adjustment recorded on 08/31/20.</p> <p>Need to obtain SMUD easement.</p> <p>Project 98% Complete. Punch list items to be completed.</p>

Items of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
PRIVATE DEVELOPMENT Lawrence Ave Wyatt Ranch	Engineering	Director of Engineering and Assistant Engineer	No	No	23 lot subdivision.	District signed plans on 12/04/19. Reimbursement Agreement to be signed by developer.
PRIVATE DEVELOPMENT 12057 Fair Oaks Blvd Fair Oaks Senior Apartments	Engineering	Director of Engineering and Assistant Engineer	No	No	Seniors apartment complex with 42 one bedroom and 68 two bedroom units.	Received Project Referral and proposed site plan on 11/13/18. District sent Will Serve Letter on 12/04/18. Awaiting first submittal from developer's engineer.
PRIVATE DEVELOPMENT 7581 Sycamore Dr - Parcel Split 1 - 3	Engineering	Director of Engineering and Assistant Engineer	No	No	Parcel being split into 3 for 3 home subdivision.	Plans signed on 09/19/18. Awaiting construction.

Items of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
PRIVATE DEVELOPMENT 8043 Holly Dr Parcel Split 1 - 3	Engineering	Director of Engineering and Assistant Engineer	No	No	Parcel being split into 3 for 3 home subdivision.	District provided comments to the developer's engineer on 01/02/19. Developer's engineer submitted second submittal on 09/02/20. District reviewing second submittal.
PRIVATE DEVELOPMENT 8116 Holly Dr Parcel Split 1 - 2	Engineering	Director of Engineering and Assistant Engineer	No	No	Parcel being split into 2 with 2 existing homes and meters.	Received Project Referral 11/16/18. Final Map in progress. District to inspect for no cross connections.
PRIVATE DEVELOPMENT 208 Langley Ave Parcel Split 1 - 2	Engineering	Director of Engineering and Assistant Engineer	No	No	Parcel being split into 2 lots. New single family home construction on one lot.	District sent correspondence to property owner on 04/20/20.
PRIVATE DEVELOPMENT 5425 Sunrise Blvd Sunrise Village Phase 1	Engineering	Director of Engineering and Assistant Engineer	No	No	Redevelopment of Sunrise Village.	District provided Will Serve Letter to the City on 07/31/19. Submittal received on 05/07/20. District provided comments on 06/02/20.

Items of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
PRIVATE DEVELOPMENT 8501 Auburn Blvd Parcel Split	Engineering	Director of Engineering and Assistant Engineer	No	No	Potential parcel split from one parcel to four parcels.	Sent Conditions of Approval letter on 09/06/18.
PRIVATE DEVELOPMENT 8501 Auburn Blvd Studio Movie Grill	Engineering	Director of Engineering and Assistant Engineer	Yes, Quitclaim (06/17/20)	No	Commercial Development.	Final plans signed on 10/17/19. 100% complete on water service to Studio Movie Grill. Contractor to complete improvements to two other parcels. Easements received and sent to Records office on 09/14/20. Quitclaim Resolution approved by the Board and recorded.
PRIVATE DEVELOPMENT 8505 Auburn Blvd Laundromat	Engineering	Director of Engineering and Assistant Engineer	No	No	Commercial Development.	Preliminary plans submitted on 05/12/20. District provided comments on 05/18/20.

Items of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
PRIVATE DEVELOPMENT 7969 Madison Ave Orchard Apts Storage Units	Engineering	Director of Engineering and Assistant Engineer	No	No	Demo tennis courts to make storage unit with fire sprinkler system.	Payment received for Fees on 04/01/20. Awaiting plans for signature/approval.
PRIVATE DEVELOPMENT 7435 Stock Ranch Rd USPI Surgical Center	Engineering	Director of Engineering and Assistant Engineer	No	No	Proposed multi-use outpatient surgical center.	Plan Check Fees paid on 03/24/20. District signed plans on 08/18/20. Awaiting start of construction.
PRIVATE DEVELOPMENT 7424 Sunrise Blvd Sunrise Pointe	Engineering	Director of Engineering and Assistant Engineer	No	No	Proposed multi-unit housing complex for low-income and homeless.	Received project referral and initial plans on 10/11/18. Will-Serve letter sent on 11/21/18. Awaiting first plan submittal from developer's engineer.
PRIVATE DEVELOPMENT 8220 Sunrise Blvd Carefield Citrus Heights	Engineering	Director of Engineering and Assistant Engineer	No	No	Proposed memory care facility.	Received schematic plans on 05/08/19. Will-Serve letter sent on 05/20/19.

Items of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
PRIVATE DEVELOPMENT Livoti Development	Engineering	Director of Engineering and Assistant Engineer	No	No	Six Parcel Subdivision.	Received second submittal on 05/20/19. District provided comments to the engineer on 06/26/19.
PRIVATE DEVELOPMENT 7056 Sunrise Blvd Starbucks	Engineering	Director of Engineering and Assistant Engineer	No	No	Commercial Development.	All Fees Paid. Plans signed on 05/13/20. Pre-construction meeting occurred on 07/21/20.
PRIVATE DEVELOPMENT 7951 Antelope Rd Rocklin Academy	Engineering	Director of Engineering and Assistant Engineer	No	No	Commercial Development.	District provided comments on preliminary plans on 07/09/20.
PRIVATE DEVELOPMENT 6128 San Juan Ave Green Acres	Engineering	Director of Engineering and Assistant Engineer	No	No	Commercial Development.	District provided comments on first submittal on 09/02/20.

Items of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
PRIVATE DEVELOPMENT 7800 Greenback Ln Raising Cane's	Engineering	Director of Engineering and Assistant Engineer	No	No	Commercial Development.	District reviewing first submittal.
CITY OF CITRUS HEIGHTS PROJECT Bonita & Old Auburn Rd Storm Drain Improvements	Engineering	Director of Engineering and Assistant Engineer	No	Yes	Bonita Way & Old Auburn Rd Storm Drain Project.	Plans signed on 05/06/20. Water relocation to be performed by Operations prior to storm drain improvements. Gas lines relocation by PG&E completed in September. Anticipate bid and start of construction in early 2021.
CITY OF CITRUS HEIGHTS PROJECT Chula Vista Dr Storm Drain Improvements	Engineering	Director of Engineering and Assistant Engineer	No	Yes	Chula Vista Dr Storm Drain Project.	District reviewed first submittal. City incorporating comments and preparing resubmittal.

Items of Interest	Department	Project Team	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 IV	Engineering	Director of Engineering and Assistant Engineer	No	Yes	Frontage improvements along east side of Mariposa Ave from Madison Ave to Skycrest School.	<p>Attended kick-off meeting with the City on 01/14/19.</p> <p>District provided comments to City's engineer on 05/02/19. Awaiting final plans from the City's engineer.</p> <p>District prepared Cost Liability letter to the City of Citrus Heights on 06/27/19.</p>
CITY OF CITRUS HEIGHTS PROJECT Auburn Blvd - Phase 2 Road Improvements	Engineering	Director of Engineering and Assistant Engineer	No	No	City of Citrus Heights Frontage Improvements and Utility relocation on Auburn Blvd from Rusch Park to north.	Utility information sent to City's engineer on 06/30/20.

Items of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
District-wide Annexation Project	Engineering	Director of Engineering , Project Manager and Assistant Engineer	Yes, 07/17/19 (Award of Contract), 10/16/19 (Customer Letters), 04/15/20 (Resolution to begin LAFCo review) 12/16/20 (Approve Resolution to final project)	Yes	Annex properties into the District to clarify and revise District boundaries.	Project 98% Complete. LAFCo Conducted Authority Hearing on 09/17/20 and are preparing Certificate of Completion. Anticipate approval of Resolution at the 12/16/20 Board Meeting.
District-wide Easement Project	Engineering	Director of Engineering, Project Manager and Assistant Engineer	Yes, TBD	Yes	Research and review District facility locations and easements for potential additions/revisions.	Staff will begin this project once the Annexation Project is near completion.

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS OCTOBER 21, 2020 MEETING

SUBJECT : OPERATIONS DEPARTMENT REPORT
 STATUS : Information Item
 REPORT DATE : October 1, 2020
 PREPARED BY : Tim Cutler, Water Distribution Supervisor
 Rebecca Scott, Senior Management Analyst

Facilities Maintenance			CIP Projects		
	Completed WO's			Completed WO's	
	Sep.	Year to Date		Sep.	Year to Date
Backflow Maintenance	0	0	C20-010 Water Mainline	0	0
Blow Off Maintenance	0	1	C20-011 Water Valves	3	13
Hydrant Maintenance	73	762	C20-012 Water Services	56	284
Leak Investigation	0	1	C20-013 Water Meters	7	27
Mainline Repair/Maintenance	0	5	C20-014 Fire Hydrants	2	11
Meter Box Maintenance	8	44	C20-103 Pot Hole Main	1	2
Meter Register Replacement	51	371	TOTAL	69	337
Meter Repair/Test/Maintenance	1	8	Water Quality		
Pot Hole Work	0	1	<i>Water Analysis Report: Bacteriological testing has met all California Department of Public Health requirements. 72 samples were collected with no positive results.</i>		
Water Service Repair/Locate	0	4			
Valve, Mainline Maintenance	121	1,360			
Valve Box Maintenance	2	17			
TOTAL	256	2,574			

CITRUS HEIGHTS WATER DISTRICT
DISTRICT STAFF REPORT TO BOARD OF DIRECTORS
OCTOBER 21, 2020 MEETING

SUBJECT : 2020 WATER SUPPLY - PURCHASED & PRODUCED
STATUS : Information Item
REPORT DATE : October 5, 2020
PREPARED BY : Brian M. Hensley, Water Resources Supervisor

OBJECTIVE:

Monthly water supply report, including a comparison to the corresponding month in the prior 5 years. The 2013 data is included for reference as it is the baseline consumption year for water conservation mandates.

Month	2013	2015	2016	2017	2018	2019	2020				Year-to-Date	
	Total Water Monthly acre feet						Surface Water Purchased	Ground Water Produced	Total Water Monthly	Total Water Annual	Comparison to 2013	
							acre feet				acre feet	%
	Jan	602.52	570.05	539.60	506.81	531.38	520.86	425.22	93.81	519.03	519.03	-83.49
Feb	606.36	511.52	484.53	443.99	525.73	447.48	488.25	101.55	589.80	1,108.83	-100.05	-8.3%
Mar	819.55	725.95	517.56	546.60	540.78	516.87	569.86	84.45	654.31	1,763.14	-265.29	-13.1%
Apr	1,029.73	761.02	677.81	575.52	646.09	682.90	678.55	88.69	767.24	2,530.38	-527.78	-17.3%
May	1,603.43	869.08	979.49	1,138.72	1,072.27	977.41	1,103.17	65.82	1,168.99	3,699.37	-962.22	-20.6%
Jun	1,816.73	1,065.10	1,343.76	1,412.94	1,387.03	1,328.07	1,349.71	126.11	1,475.82	5,175.19	-1,303.13	-20.1%
Jul	2,059.21	1,184.95	1,544.57	1,650.76	1,737.13	1,582.40	1,571.79	111.04	1,682.83	6,858.02	-1,679.51	-19.7%
Aug	1,924.28	1,188.18	1,579.80	1,570.80	1,583.78	1,603.36	1,542.97	117.62	1,660.59	8,518.61	-1,943.20	-18.6%
Sep	1,509.82	1,069.78	1,257.91	1,441.76	1,330.19	1,297.12	1,158.99	222.15	1,381.14	9,899.75	-2,071.88	-17.3%
Oct	1,297.42	918.67	840.80	1,128.97	1,061.88	1,083.17						
Nov	911.55	589.6	561.82	631.55	807.7	839.06						
Dec	700.94	519.57	518.62	574.43	558.97	548.17						
Total	14,881.54	9,973.47	10,846.27	11,622.85	11,782.93	11,426.87	8,888.51	1,011.24	9,899.75	9,899.75		
% of Total							89.79%	10.21%				

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS OCTOBER 21, 2020 MEETING

SUBJECT : WATER SUPPLY RELIABILITY
STATUS : Information Item
REPORT DATE : October 5, 2020
PREPARED BY : Brian Hensley, Water Resources Supervisor

OBJECTIVE:

Receive status report on surface water supplies available to the Citrus Heights Water District (District).

BACKGROUND AND ANALYSIS:

As of October 1, 2020, storage in Folsom Lake (Lake) was at 422,762 acre-feet, 43 percent of the total capacity of 977,000 acre-feet. This represents a decrease in storage of 52,726 acre-feet in the past month.

The District's total water use during the month of September 2020 (1,381.14 acre-feet) was 17.3 percent below that of September 2013 (1509.82 acre-feet).

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, Skycrest, Mitchell Farms and Sylvan, are operational and used on a rotational or as-needed basis. Other District groundwater production wells, Palm and Sunrise, are available for emergency use.

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS OCTOBER 21, 2020 MEETING

SUBJECT : WATER EFFICIENCY & SAFETY PROGRAM UPDATE
STATUS : Information Item
REPORT DATE : October 1, 2020
PREPARED BY : Rex W. Meurer, Water Efficiency Supervisor

Water Efficiency, Safety and Meter Program updates are summarized below.

ACTIVITIES AND PROGRESS REPORT

Water Efficiency, Safety and Meter Program activities during the month of September 2020 include:

- Seven High Efficiency Toilet (HET) rebates were processed for the month of September. This compares to seven HET rebates processed for the month of September 2019. The five year monthly average (2015-2019) of September HET rebates is 15.
- A total of five High Efficiency Clothes Washer (HECW) rebates were issued during the second quarter of 2020. This compares to five rebates issued for the second quarter of 2019. A total of 11 HECW rebates have been issued year to date.
- 32 service calls were completed for the month of September. There were two reports of water waste received in September through CHWD's Water Efficiency web page. Staff began reaching out to customers via telephone for water waste violations and leak notifications.
- CHWD's WaterSmart classes have been restructured to be given online as "virtual" classes for 2020. Two WaterSmart classes are scheduled for November 9th and 10th. Both classes are scheduled from 12:00 – 12:30pm. The November 9th class will cover how to conduct your own water efficiency review inside and outside, The November 10th class will cover ways to prepare your garden and irrigation equipment for the winter months. Attendees will have the opportunity to participate in a live Q & A session during the presentation. All virtual classes are being archived on CHWD's website and can be viewed there at any time.
- CHWD has secured three garden plots at the Sylvan Ranch Community Garden (SRCG). The plots will feature water efficient landscaping. The plots will also be used as an education area for activities, such as workshops, demonstrations and presentations. CHWD has recruited a volunteer "Garden Corps" of CHWD customers willing to help plant and maintain the District's garden plots. The construction phase for the planter boxes is now complete. In November, the Garden Corps members will work with a certified landscaping specialist to design and plant the first flowers and plants for CHWD's plots, including installation of irrigation. Volunteers will then periodically maintain the plots by removing weeds and checking the irrigation, including the smart controller timers.
- On September 10, 2020 staff submitted Citrus Heights Water District's Validated Water Loss Audit Report (for data year 2019). The State Department of Water Resources will review the report for

completeness and accuracy.

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

Month	R-GPCD 2019	R-GPCD 2020	% CHANGE
January	76	76	0%
February	72	92	+21.7
March	75	95	+26.6
April	103	116	+12.6
May	147	170	+15.6
June	200	222	+11.0
July	231	245	+6.0
August	234	242	+3.4
September	195	208	+6.6

- The following table summarizes the service requests and work orders of Water Efficiency staff for September 2020:

SERVICE REQUESTS

CONSERVATION REQUEST	22
WATER EFFICIENCY REVIEWS	0
HIGH EFFICIENCY TOILET REBATES	7
CHECK FOR LEAK	1
UNABLE TO OBTAIN METER READ	37
TRIM SHRUBS	47
METER BURIED	33
METER MAINTENANCE	25
LOCKED GATE	5
RE-READ METER	10
READ METER	0
METER BOX MAINTENANCE	1
MOVE-IN/MOVE-OUT	12
CAR OVER METER	27
INSTALL METER	2
TOTAL	229

WORK ORDERS

CHANGE TOUCH- READ TO RADIO READ	3
CONVERT TO RADIO-READ METER	4
METER BOX MAINTENANCE	4
METER REPAIR	5
METER REPLACEMENT	0
METER TESTING	0
REGISTER REPLACEMENT	16
RADIO-READ REGISTER REPLACEMENT	7
INSTALL METER	2
TOTAL	41

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS OCTOBER 21, 2020 MEETING

SUBJECT : DISCUSSION AND POSSIBLE ACTION TO APPROVE AN ON-CALL PAVEMENT RESTORATION AGREEMENT WITH CENTRAL VALLEY ENGINEERING AND ASPHALT, INC.

STATUS : Action Item

REPORT DATE : October 5, 2020

PREPARED BY : Rebecca Scott, Senior Management Analyst

OBJECTIVE:

Consider approval of an agreement with Central Valley Engineering and Asphalt, Inc. for On-Call Pavement Restoration Services.

BACKGROUND AND ANALYSIS:

The District's Operations work crews maintain the District's underground water infrastructure. This includes, but is not limited to, excavations in streets, driveways, parking lots, and landscaped and unimproved areas for repair to and/or replacement of the District's underground infrastructure. After the District repairs and/or replaces the underground infrastructure within a paved area, a contractor hired by the District will follow up with pavement restoration as necessary. The District does not have the equipment or the qualified staff to restore the pavement on an as-needed basis; therefore, it is necessary to contract out pavement restoration work.

As the quantities of the patch pavement and pipeline pavement repair varies by job, staff used historical project data to develop the estimates in the bid table below. The District is located within the City of Citrus Heights, Sacramento County, Placer County, and the City of Roseville. The scope of work requires the contractor to comply with the requirements set forth by each jurisdictional inspector, as well as a District inspector.

The Notice for the project was published on the District's website and sent to local bid houses and multiple pavement restoration contractors within the greater Sacramento Region. In response, two sealed bids were received on September 30, 2020. The apparent low bidder is Central Valley Engineering & Asphalt, Inc. of Roseville, CA. The bid table and bid results are below:

Item #	Description	Quantity	Unit	Unit Price	Total
1	3" to 6" AC Patch Paving Restoration	15,000	sq. feet		
2	3" to 6" AC Pipeline Trench Paving Restoration	10,000	sq. feet		
3	1.5"-2" Grind & Paving Restoration	5,000	sq. feet		
	GRAND TOTAL ALL ITEMS				

Bid results:

Name / Company	Grand Total
Central Valley Engineering & Asphalt, Inc.	\$255,000.00
B & M Builders, Inc.	\$532,500.00

Central Valley Engineering & Asphalt, Inc. has proposed a six percent (6%) increase on the proposed bid items shown above if the District chooses to grant an optional 24-month contract extension beyond the contract ending date of December 31, 2022.

The District's previous contract amounts for pavement restoration for the same bid items included prices of \$15.50 per square foot for patch paving and \$15 per square foot for pipeline trench paving. The most recent bid received from Central Valley Engineering & Asphalt, Inc. included prices of \$11 per square foot for patch paving and \$7 per square foot for pipeline trench paving, which is a considerable cost savings compared to the current contract.

District staff recommends that the Board accept the bid by Central Valley Engineering & Asphalt, Inc. If the District and the contractor agree to extend the contract for the optional 24-month period, the contractor will provide a new payment and performance bond.

RECOMMENDATION:

Accept the bid by Central Valley Engineering & Asphalt, Inc. for on-call pavement restoration services throughout the District service area. Authorize the General Manager to execute the accompanying agreement with Central Valley Engineering & Asphalt, Inc. for the project.

ATTACHMENT:

Agreement with Central Valley Engineering & Asphalt, Inc. for On-Call Pavement Restoration Services

ACTION:

Moved by Director _____, Seconded by Director _____, Carried _____

CITRUS HEIGHTS WATER DISTRICT
CONSTRUCTION CONTRACT
2021/2022 ON-CALL PAVEMENT RESTORATION

1. PARTIES AND DATE.

This Contract is made and entered into this ____ day of October, 2020 by and between Citrus Heights Water District, an irrigation district organized and operating under the laws of the State of California (“District”) and Central Valley Engineering & Asphalt, Inc. (“Contractor”), a Corporation with its principal place of business at 216 Kenroy Ln, Roseville, CA 95678. District and Contractor are sometimes individually referred to as “Party” and collectively as “Parties” in this Contract.

2. RECITALS.

2.1 District. District is a public agency organized under the laws of the State of California, with power to contract for services necessary to achieve its purpose.

2.2 Contractor. Contractor desires to perform and assume responsibility for the provision of certain construction services required by the District on the terms and conditions set forth in this Contract. Contractor represents that it is duly licensed and experienced in providing services for on-call pavement restoration related construction services to public clients, that it and its employees or subcontractors have all necessary licenses and permits to perform the services in the State of California, and that it is familiar with the plans of District. The following license classifications are required for this Project:

- California State Class A – General Engineering Contractor’s License
- California State Class C12 – Earthwork and Paving Contractor’s License

2.3 Project. District desires to engage Contractor to render such services for the Citrus Heights Water District 2021/2022 On-Call Pavement Restoration Project (“Project”) as set forth in this Contract.

2.4 Project Documents & Certifications. Contractor has obtained, and delivers concurrently herewith, a performance bond, a payment bond, and all insurance documentation, as required by the Contract.

3. TERMS

3.1 Incorporation of Documents. This Contract includes and hereby incorporates in full by reference the following documents, including all exhibits, drawings, specifications and documents therein, and attachments and addenda thereto:

- Services/Schedule (Exhibit “A”)
- Plans and Specifications (Exhibit “B”)
- Special Conditions (Exhibit “C”)
- Contractor’s Certificate Regarding Workers’ Compensation (Exhibit “D”)

- Public Works Contractor Registration Certification (Exhibit “E”)
- Payment and Performance Bonds (Exhibit “F”)
- Addenda
- Change Orders executed by the District
- 2015 Edition of the Standard Specifications for Public Works Construction (The Greenbook), Excluding Sections 1-9
- Notice Inviting Bids, if any
- Instructions to Bidders, if any
- Contractor’s Bid

3.2 Contractor’s Basic Obligation; Scope of Work. Contractor promises and agrees, at its own cost and expense, to furnish to the District all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately complete the Project, including all structures and facilities necessary for the Project or described in the Contract (hereinafter sometimes referred to as the “Work”), for a not-to-exceed Total Contract Price as specified pursuant to this Contract. All Work shall be subject to, and performed in accordance with the above referenced documents, as well as the exhibits attached hereto and incorporated herein by reference. The plans and specifications for the Work are further described in Exhibit “B” attached hereto and incorporated herein by this reference. Special Conditions, if any, relating to the Work are described in Exhibit “C” attached hereto and incorporated herein by this reference.

3.2.1 Change in Scope of Work. Any change in the scope of the Work, method of performance, nature of materials or price thereof, or any other matter materially affecting the performance or nature of the Work shall not be paid for or accepted unless such change, addition or deletion is approved in writing by a valid change order executed by the District. Should Contractor request a change order due to unforeseen circumstances affecting the performance of the Work, such request shall be made within five (5) business days of the date such circumstances are discovered or shall waive its right to request a change order due to such circumstances. If the Parties cannot agree on any change in price required by such change in the Work, the District may direct the Contractor to proceed with the performance of the change on a time and materials basis.

3.2.2 Substitutions/“Or Equal”. Pursuant to Public Contract Code Section 3400(b), the District may make a finding that designates certain products, things, or services by specific brand or trade name. Unless specifically designated in this Contract, whenever any material, process, or article is indicated or specified by grade, patent, or proprietary name or by name of manufacturer, such Specifications shall be deemed to be used for the purpose of facilitating the description of the material, process or article desired and shall be deemed to be followed by the words “or equal.”

Contractor may, unless otherwise stated, offer for substitution any material, process or article which shall be substantially equal or better in every respect to that so indicated or specified in this Contract. However, the District may have adopted certain uniform standards for certain materials, processes and articles. Contractor shall submit requests, together with substantiating data, for substitution of any “or equal” material, process or article no later than thirty-five (35) days after award of the Contract. To facilitate the construction schedule and sequencing, some requests may need to be submitted before thirty-five (35) days after award of Contract. Provisions regarding submission of “or equal” requests shall not in any way authorize

an extension of time for performance of this Contract. If a proposed “or equal” substitution request is rejected, Contractor shall be responsible for providing the specified material, process or article. The burden of proof as to the equality of any material, process or article shall rest with Contractor.

The District has the complete and sole discretion to determine if a material, process or article is an “or equal” material, process or article that may be substituted. Data required to substantiate requests for substitutions of an “or equal” material, process or article data shall include a signed affidavit from Contractor stating that, and describing how, the substituted “or equal” material, process or article is equivalent to that specified in every way except as listed on the affidavit. Substantiating data shall include any and all illustrations, specifications, and other relevant data including catalog information which describes the requested substituted “or equal” material, process or article, and substantiates that it is an “or equal” to the material, process or article. The substantiating data must also include information regarding the durability and lifecycle cost of the requested substituted “or equal” material, process or article. Failure to submit all the required substantiating data, including the signed affidavit, to the District in a timely fashion will result in the rejection of the proposed substitution.

Contractor shall bear all of the District’s costs associated with the review of substitution requests. Contractor shall be responsible for all costs related to a substituted “or equal” material, process or article. Contractor is directed to the Special Conditions (if any) to review any findings made pursuant to Public Contract Code section 3400.

3.3 Period of Performance and Liquidated Damages. Contractor shall perform and complete the Work under this Contract necessary to comply with each on-call request within 60 days, beginning the effective date of a Notice to Proceed for that call-out (“Contract Time”). Contractor shall perform its Work in strict accordance with any completion schedule, construction schedule or project milestones developed by the District. Such schedules or milestones may be included as part of Exhibits “A” or “B” attached hereto, or may be provided separately in writing to Contractor. Contractor agrees that if such Work is not completed within the aforementioned Contract Time and/or pursuant to any such completion schedule, construction schedule or project milestones developed pursuant to provisions of the Contract, it is understood, acknowledged and agreed that the District will suffer damage. Pursuant to Government Code Section 53069.85, Contractor shall pay to the District as fixed and liquidated damages the sum of (\$200.00) per day for each and every calendar day of delay beyond the Contract Time or beyond any completion schedule, construction schedule or Project milestones established pursuant to the Contract.

3.4 Standard of Performance; Performance of Employees. Contractor shall perform all Work under this Contract in a skillful and workmanlike manner, and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Contractor represents and maintains that it is skilled in the professional calling necessary to perform the Work. Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Work assigned to them. Finally, Contractor represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Work, including a District business license, and that such licenses and approvals shall be maintained throughout the term of this Contract. As provided for in the indemnification provisions of this Contract, Contractor shall perform, at its own cost and expense and without reimbursement from the District, any work necessary to correct errors or omissions which are caused by Contractor’s failure to comply with

the standard of care provided for herein. Any employee who is determined by the District to be uncooperative, incompetent, a threat to the safety of persons or the Work, or any employee who fails or refuses to perform the Work in a manner acceptable to the District, shall be promptly removed from the Project by Contractor and shall not be re-employed on the Work.

3.5 Control and Payment of Subordinates; Contractual Relationship. District retains Contractor on an independent contractor basis and Contractor is not an employee of District. Any additional personnel performing the work governed by this Contract on behalf of Contractor shall at all times be under Contractor's exclusive direction and control. Contractor shall pay all wages, salaries, and other amounts due such personnel in connection with their performance under this Contract and as required by law. Contractor shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, and workers' compensation insurance.

3.6 District's Basic Obligation. District agrees to engage and does hereby engage Contractor as an independent contractor to furnish all materials and to perform all Work according to the terms and conditions herein contained for the sum set forth above. Except as otherwise provided in the Contract, the District shall pay to Contractor, as full consideration for the satisfactory performance by Contractor of the services and obligations required by this Contract, the below-referenced compensation in accordance with compensation provisions set forth in the Contract.

3.7 Compensation and Payment.

3.7.1 Amount of Compensation. As consideration for performance of the Work required herein, District agrees to pay Contractor the unit price per square foot for patch paving restoration, pipeline trench paving restoration, and grind & paving restoration as specified on the Contract Bid Item Form, and as work is requested by the District. The total amount paid to Contractor shall not exceed two hundred fifty five thousand dollars (\$255,000.00) ("Total Contract Price") provided that such amount shall be subject to adjustment pursuant to the applicable terms of this Contract or written change orders approved and signed in advance by the District.

3.7.2 Payment of Compensation. The District will pay Contractor on a monthly basis as provided for herein. On or before the twenty first (21st) day of each month, Contractor shall submit to the District an itemized application for payment in the format supplied by the District indicating the amount of Work completed since commencement of the Work or since the last progress payment. These applications shall be supported by evidence which is required by this Contract and such other documentation as the District may require. The Contractor shall certify that the Work for which payment is requested has been done and that the materials listed are stored where indicated. Contractor may be required to furnish a detailed schedule of values upon request of the District and in such detail and form as the District shall request, showing the quantities, unit prices, overhead, profit, and all other expenses involved in order to provide a basis for determining the amount of progress payments.

3.7.3 Prompt Payment. District shall review and pay all progress payment requests in accordance with the provisions set forth in Section 20104.50 of the California Public Contract Code. However, no progress payments will be made for Work not completed in

accordance with this Contract. Contractor shall comply with all applicable laws, rules and regulations relating to the proper payment of its employees, subcontractors, suppliers or others.

3.7.4 Contract Retentions. From each approved progress estimate, five percent (5%) will be deducted and retained by the District, and the remainder will be paid to Contractor. All Contract retention shall be released and paid to Contractor and subcontractors pursuant to California Public Contract Code Section 7107.

3.7.5 Other Retentions. In addition to Contract retentions, the District may deduct from each progress payment an amount necessary to protect District from loss because of: (1) liquidated damages which have accrued as of the date of the application for payment; (2) any sums expended by the District in performing any of Contractor's obligations under the Contract which Contractor has failed to perform or has performed inadequately; (3) defective Work not remedied; (4) stop notices as allowed by state law; (5) reasonable doubt that the Work can be completed for the unpaid balance of the Total Contract Price or within the scheduled completion date; (6) unsatisfactory prosecution of the Work by Contractor; (7) unauthorized deviations from the Contract; (8) failure of Contractor to maintain or submit on a timely basis proper and sufficient documentation as required by the Contract or by District during the prosecution of the Work; (9) erroneous or false estimates by Contractor of the value of the Work performed; (10) any sums representing expenses, losses, or damages as determined by the District, incurred by the District for which Contractor is liable under the Contract; and (11) any other sums which the District is entitled to recover from Contractor under the terms of the Contract or pursuant to state law, including Section 1727 of the California Labor Code. The failure by the District to deduct any of these sums from a progress payment shall not constitute a waiver of the District's right to such sums.

3.7.6 Substitutions for Contract Retentions. In accordance with California Public Contract Code Section 22300, the District will permit the substitution of securities for any monies withheld by the District to ensure performance under the Contract. At the request and expense of Contractor, securities equivalent to the amount withheld shall be deposited with the District, or with a state or federally chartered bank in California as the escrow agent, and thereafter the District shall then pay such monies to Contractor as they come due. Upon satisfactory completion of the Contract, the securities shall be returned to Contractor. For purposes of this Section and Section 22300 of the Public Contract Code, the term "satisfactory completion of the contract" shall mean the time the District has issued written final acceptance of the Work and filed a Notice of Completion as required by law and provisions of this Contract. Contractor shall be the beneficial owner of any securities substituted for monies withheld and shall receive any interest thereon. The escrow agreement used for the purposes of this Section shall be in the form provided by the District.

3.7.7 Title to Work. As security for partial, progress, or other payments, title to Work for which such payments are made shall pass to the District at the time of payment. To the extent that title has not previously been vested in the District by reason of payments, full title shall pass to the District at delivery of the Work at the destination and time specified in this Contract. Such transferred title shall in each case be good, free and clear from any and all security interests, liens, or other encumbrances. Contractor promises and agrees that it will not pledge, hypothecate, or otherwise encumber the items in any manner that would result in any lien, security interest, charge, or claim upon or against said items. Such transfer of title shall not imply acceptance by

the District, nor relieve Contractor from the responsibility to strictly comply with the Contract, and shall not relieve Contractor of responsibility for any loss of or damage to items.

3.7.8 Labor and Material Releases. Contractor shall furnish District with labor and material releases from all subcontractors performing work on, or furnishing materials for, the Work governed by this Contract prior to final payment by District.

3.7.9 Prevailing Wages. Contractor is aware of the requirements of California Labor Code Section 1720 et seq., and 1770 et seq., as well as California Code of Regulations, Title 8, Section 16000 et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. Since the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and since the total compensation is \$1,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws. District shall provide Contractor with a copy of the prevailing rates of per diem wages in effect at the commencement of this Contract. Contractor shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at Contractor's principal place of business and at the project site. Contractor shall defend, indemnify and hold the District, its officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. Contractor and any subcontractor shall forfeit a penalty of up to \$200 per calendar day or portion thereof for each worker paid less than the prevailing wage rates.

3.7.10 Apprenticeable Crafts. When Contractor employs workmen in an apprenticeable craft or trade, Contractor shall comply with the provisions of Section 1777.5 of the California Labor Code with respect to the employment of properly registered apprentices upon public works. The primary responsibility for compliance with said section for all apprenticeable occupations shall be with Contractor. The Contractor or any subcontractor that is determined by the Labor Commissioner to have knowingly violated Section 1777.5 shall forfeit as a civil penalty an amount not exceeding \$100 for each full calendar day of noncompliance, or such greater amount as provided by law.

3.7.11 Hours of Work. Contractor is advised that eight (8) hours labor constitutes a legal day's work. Pursuant to Section 1813 of the California Labor Code, Contractor shall forfeit a penalty of \$25.00 per worker for each day that each worker is permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week, except when payment for overtime is made at not less than one and one-half (1-1/2) times the basic rate for that worker.

3.7.12 Payroll Records. Contractor and each subcontractor shall keep an accurate payroll record, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by him or her in connection with the public work. The payroll records shall be certified and shall be available for inspection at all reasonable hours at the principal office of Contractor in the manner provided in Labor Code section 1776. In the event of noncompliance with the requirements of this section, Contractor shall have 10 days in which to comply subsequent to receipt of written notice specifying in what respects

such Contractor must comply with this section. Should noncompliance still be evident after such 10-day period, Contractor shall, as a penalty to District, forfeit not more than \$100.00 for each calendar day or portion thereof, for each worker, until strict compliance is effectuated. The amount of the forfeiture is to be determined by the Labor Commissioner. A contractor who is found to have violated the provisions of law regarding wages on Public Works with the intent to defraud shall be ineligible to bid on Public Works contracts for a period of one to three years as determined by the Labor Commissioner. Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, such penalties shall be withheld from progress payments then due. The responsibility for compliance with this section is on Contractor.

3.7.13 Contractor and Subcontractor Registration. Pursuant to Labor Code sections 1725.5 and 1771.1, all contractors and subcontractors that wish to bid on, be listed in a bid proposal, or enter into a contract to perform public work must be registered with the Department of Industrial Relations. No bid will be accepted nor any contract entered into without proof of the contractor's and subcontractors' current registration with the Department of Industrial Relations to perform public work. Contractor is directed to review, fill out and execute the Public Works Contractor Registration Certification attached hereto as Exhibit "E" prior to contract execution.

3.7.14 Labor Compliance. This Project is subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be the Contractor's sole responsibility to evaluate and pay the cost of complying with all labor compliance requirements under this Contract and applicable law.

3.8 Performance of Work; Jobsite Obligations.

3.8.1 Water Quality Management and Compliance.

3.8.1.1 Water Quality Management and Compliance. Contractor shall keep itself and all subcontractors, staff, and employees fully informed of and in compliance with all local, state and federal laws, rules and regulations that may impact, or be implicated by the performance of the Work including, without limitation, all applicable provisions of the Federal Water Pollution Control Act (33 U.S.C. §§ 1300); the California Porter-Cologne Water Quality Control Act (Cal Water Code §§ 13000-14950); local ordinances regulating discharges of storm water; and any and all regulations, policies, or permits issued pursuant to any such authority regulating the discharge of pollutants, as that term is used in the Porter-Cologne Water Quality Control Act, to any ground or surface water in the State.

3.8.1.2 Compliance with the Statewide Construction General Permit. Contractor shall comply with all conditions of the most recent iteration of the National Pollutant Discharge Elimination System General Permit for Storm Water Discharges Associated with Construction Activity, issued by the California State Water Resources Control Board ("Permit"). It shall be Contractor's sole responsibility to file a Notice of Intent and procure coverage under the Permit for all construction activity which results in the disturbance of more than one acre of total land area or which is part of a larger common area of development or sale. Prior to initiating work, Contractor shall be solely responsible for preparing and implementing a Storm Water Pollution Prevention Plan (SWPPP) as required by the Permit. Contractor shall be responsible for procuring, implementing and complying with the provisions of the Permit and the

SWPPP, including the standard provisions, and monitoring and reporting requirements as required by the Permit. The Permit requires the SWPPP to be a “living document” that changes as necessary to meet the conditions and requirements of the job site as it progresses through different phases of construction and is subject to different weather conditions. It shall be Contractor’s sole responsibility to update the SWPPP as necessary to address conditions at the project site.

3.8.1.3 Other Water Quality Rules Regulations and Policies. Contractor shall comply with the lawful requirements of any applicable municipality, drainage District, or local agency regarding discharges of storm water to separate storm drain systems or other watercourses under their jurisdiction, including applicable requirements in municipal storm water management programs.

3.8.1.4 Cost of Compliance. Storm, surface, nuisance, or other waters may be encountered at various times during construction of The Work. Therefore, the Contractor, by submitting a Bid, hereby acknowledges that it has investigated the risk arising from such waters, has prepared its Bid accordingly, and assumes any and all risks and liabilities arising therefrom.

3.8.1.5 Liability for Non-Compliance. Failure to comply with the Permit is a violation of federal and state law. Pursuant to the indemnification provisions of this Contract, Contractor hereby agrees to defend, indemnify and hold harmless the District and its officials, officers, employees, volunteers and agents for any alleged violations. In addition, District may seek damages from Contractor for any delay in completing the Work in accordance with the Contract, if such delay is caused by or related to Contractor’s failure to comply with the Permit.

3.8.1.6 Reservation of Right to Defend. District reserves the right to defend any enforcement action brought against the District for Contractor’s failure to comply with the Permit or any other relevant water quality law, regulation, or policy. Pursuant to the indemnification provisions of this Contract, Contractor hereby agrees to be bound by, and to reimburse the District for the costs (including the District’s attorney’s fees) associated with, any settlement reached between the District and the relevant enforcement entity.

3.8.1.7 Training. In addition to the standard of performance requirements set forth in paragraph 3.4, Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Work assigned to them without impacting water quality in violation of the laws, regulations and policies described in paragraph 3.8.1. Consultant further warrants that it, its employees and subcontractors will receive adequate training, as determined by District, regarding the requirements of the laws, regulations and policies described in paragraph 3.8.1 as they may relate to the Work provided under this Agreement. Upon request, District will provide the Contractor with a list of training programs that meet the requirements of this paragraph.

3.8.2 Safety. Contractor shall execute and maintain its work so as to avoid injury or damage to any person or property. Contractor shall comply with the requirements of the specifications relating to safety measures applicable in particular operations or kinds of work. In carrying out its Work, Contractor shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety

of employees appropriate to the nature of the Work and the conditions under which the Work is to be performed. Safety precautions as applicable shall include, but shall not be limited to, adequate life protection and lifesaving equipment; adequate illumination for underground and night operations; instructions in accident prevention for all employees, such as machinery guards, safe walkways, scaffolds, ladders, bridges, gang planks, confined space procedures, trenching and shoring, fall protection and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and adequate facilities for the proper inspection and maintenance of all safety measures. Furthermore, Contractor shall prominently display the names and telephone numbers of at least two medical doctors practicing in the vicinity of the Project, as well as the telephone number of the local ambulance service, adjacent to all telephones at the Project site.

3.8.3 Laws and Regulations. Contractor shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Contract or the Work, including all Cal/OSHA requirements, and shall give all notices required by law. Contractor shall be liable for all violations of such laws and regulations in connection with Work. If Contractor observes that the drawings or specifications are at variance with any law, rule or regulation, it shall promptly notify the District in writing. Any necessary changes shall be made by written change order. If Contractor performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the District, Contractor shall be solely responsible for all costs arising therefrom. District is a public entity of the State of California subject to certain provisions of the Health & Safety Code, Government Code, Public Contract Code, and Labor Code of the State. It is stipulated and agreed that all provisions of the law applicable to the public contracts of a municipality are a part of this Contract to the same extent as though set forth herein and will be complied with. Contractor shall defend, indemnify and hold District, its officials, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Contract, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.8.4 Permits and Licenses. Contractor shall be responsible for securing District permits and licenses necessary to perform the Work described herein, including, but not limited to, a county or city business license. While Contractor will not be charged a fee for any District permits, Contractor shall pay the District's applicable business license fee. Any ineligible contractor or subcontractor pursuant to Labor Code Sections 1777.1 and 1777.7 may not perform work on this Project.

3.8.5 Trenching Work. If the Total Contract Price exceeds \$25,000 and if the Work governed by this Contract entails excavation of any trench or trenches five (5) feet or more in depth, Contractor shall comply with all applicable provisions of the California Labor Code, including Section 6705. To this end, Contractor shall submit for District's review and approval a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during the excavation of such trench or trenches. If such plan varies from the shoring system standards, the plan shall be prepared by a registered civil or structural engineer.

3.8.6 Hazardous Materials and Differing Conditions. As required by California Public Contract Code Section 7104, if this Contract involves digging trenches or other excavations that extend deeper than four (4) feet below the surface, Contractor shall promptly, and prior to

disturbance of any conditions, notify District of: (1) any material discovered in excavation that Contractor believes to be a hazardous waste that is required to be removed to a Class I, Class II or Class III disposal site; (2) subsurface or latent physical conditions at the site differing from those indicated by District; and (3) unknown physical conditions of an unusual nature at the site, significantly different from those ordinarily encountered in such contract work. Upon notification, District shall promptly investigate the conditions to determine whether a change order is appropriate. In the event of a dispute, Contractor shall not be excused from any scheduled completion date and shall proceed with all Work to be performed under the Contract, but shall retain all rights provided by the Contract or by law for making protests and resolving the dispute.

3.8.7 Underground Utility Facilities. To the extent required by Section 4215 of the California Government Code, District shall compensate Contractor for the costs of: (1) locating and repairing damage to underground utility facilities not caused by the failure of Contractor to exercise reasonable care; (2) removing or relocating underground utility facilities not indicated in the construction drawings; and (3) equipment necessarily idled during such work. Contractor shall not be assessed liquidated damages for delay caused by failure of District to provide for removal or relocation of such utility facilities.

3.8.8 Air Quality. Contractor must fully comply with all applicable laws, rules and regulations in furnishing or using equipment and/or providing services, including, but not limited to, emissions limits and permitting requirements imposed by the California Air Resources Board (CARB). Although CARB limits and requirements are more broad, Contractor shall specifically be aware of their application to "portable equipment", which definition is considered by CARB to include any item of equipment with a fuel-powered engine. Contractor shall indemnify District against any fines or penalties imposed by CARB, or any other governmental or regulatory agency for violations of applicable laws, rules and/or regulations by Contractor, its subcontractors, or others for whom Contractor is responsible under its indemnity obligations provided for in this Agreement.

3.8.9 State Recycling Mandates. Contractor shall comply with State Recycling Mandates. Any recyclable materials/debris collected by the contractor that can be feasibly diverted via reuse or recycling must be hauled by the appropriate handler for reuse or recycling.

3.9 Completion of Work. When Contractor determines that it has completed the Work required herein, Contractor shall so notify District in writing and shall furnish all labor and material releases required by this Contract. District shall thereupon inspect the Work. If the Work is not acceptable to the District, the District shall indicate to Contractor in writing the specific portions or items of Work which are unsatisfactory or incomplete. Once Contractor determines that it has completed the incomplete or unsatisfactory Work, Contractor may request a re-inspection by the District. Once the Work is acceptable to District, District shall pay to Contractor the Total Contract Price remaining to be paid, less any amount which District may be authorized or directed by law to retain. Payment of retention proceeds due to Contractor shall be made in accordance with Section 7107 of the California Public Contract Code.

3.10 Claims; Government Code Claim Compliance.

3.10.1 Resolution of Claims. Notwithstanding any other provision herein, all claims shall be resolved pursuant to the claims resolution process set forth in Public Contract Code

Section 9204. Furthermore, the resolution of claims of \$375,000 or less shall also comply with the claims resolution procedures set forth in California Public Contract Code §§ 20104, et seq.

3.10.2 Third Party Claims. Pursuant to Public Contract Code Section 9201, the District shall provide Contractor with timely notification of the receipt of any third-party claim, relating to the Contract. The District is entitled to recover its reasonable costs incurred in providing such notification.

3.10.3 Government Code Claims. In addition to any and all contract requirements pertaining to notices of and requests for compensation or payment for extra work, disputed work, claims and/or changed conditions, Contractor must comply with the claim procedures set forth in Government Code sections 900 et seq. prior to filing any lawsuit against the District. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, claims, and/or changed conditions have been followed by Contractor. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Contractor shall be barred from bringing and maintaining a valid lawsuit against the District.

3.11 Loss and Damage. Except as may otherwise be limited by law, Contractor shall be responsible for all loss and damage which may arise out of the nature of the Work agreed to herein, or from the action of the elements, or from any unforeseen difficulties which may arise or be encountered in the prosecution of the Work until the same is fully completed and accepted by District. In the event of damage proximately caused by an Act of God, as defined by Section 7105 of the Public Contract Code, the District may terminate this Contract pursuant to Section 3.17.3; provided, however, that the District needs to provide Contractor with only one (1) day advanced written notice.

3.12 Indemnification.

3.12.1 Scope of Indemnity. To the fullest extent permitted by law, Contractor shall defend, indemnify and hold the District, its officials, employees, agents and authorized volunteers free and harmless from any and all claims, demands, causes of action, suits, actions, proceedings, costs, expenses, liability, judgments, awards, decrees, settlements, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, (collectively, "Claims") in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of Contractor, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Contractor's services, the Project or this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses. Notwithstanding the foregoing, to the extent required by Civil Code section 2782, Contractor's indemnity obligation shall not apply to liability for damages for death or bodily injury to persons, injury to property, or any other loss, damage or expense arising from the sole or active negligence or willful misconduct of the District or the District's agents, servants, or independent contractors who are directly responsible to the District, or for defects in design furnished by those persons.

3.12.2 Additional Indemnity Obligations. Contractor shall defend, with counsel of District's choosing and at Contractor's own cost, expense and risk, any and all Claims covered by this section that may be brought or instituted against District or its officials, employees, agents and authorized volunteers. In addition, Contractor shall pay and satisfy any judgment, award or decree that may be rendered against District or its officials, employees, agents and authorized volunteers as part of any such claim, suit, action or other proceeding. Contractor shall also reimburse District for the cost of any settlement paid by District or its officials, employees, agents and authorized volunteers as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for District's attorney's fees and costs, including expert witness fees. Contractor shall reimburse District and its officials, employees, agents and authorized volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Contractor's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the District, its officials, employees, agents and authorized volunteers.

3.13 Insurance.

3.13.1 Time for Compliance. Contractor shall not commence Work under this Contract until it has provided evidence satisfactory to the District that it has secured all insurance required under this section. In addition, Contractor shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to the District that the subcontractor has secured all insurance required under this section. Failure to provide and maintain all required insurance shall be grounds for the District to terminate this Contract for cause.

3.13.2 Minimum Requirements. Contractor shall, at its expense, procure and maintain for the duration of the Contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Work hereunder by Contractor, its agents, representatives, employees or subcontractors. Contractor shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Contract. Such insurance shall meet at least the following minimum levels of coverage:

3.13.2.1 Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 00 01) OR Insurance Services Office Owners and Contractors Protective Liability Coverage Form (CG 00 09 11 88) (coverage for operations of designated contractor); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage form number CA 00 01, code 1 (any auto); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance. Policies shall not contain exclusions contrary to this Contract.

3.13.2.2 Minimum Limits of Insurance. Contractor shall maintain limits no less than: (1) *General Liability*: \$2,000,000 per occurrence and \$4,000,000 aggregate for bodily injury, personal injury and property damage; (2) *Automobile Liability*: \$2,000,000 per accident for bodily injury and property damage; and (3) *Workers' Compensation and Employer's Liability*: Workers' compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of \$1,000,000 each accident, policy limit bodily injury or disease, and each employee bodily injury or disease. Defense costs shall be available in addition to the limits.

Notwithstanding the minimum limits specified herein, any available coverage shall be provided to the parties required to be named as additional insureds pursuant to this Contract.

3.13.3 Insurance Endorsements. The insurance policies shall contain the following provisions, or Contractor shall provide endorsements (amendments) on forms supplied or approved by the District to add the following provisions to the insurance policies:

3.13.3.1 General Liability. (1) Such policy shall give the District, its officials, employees, agents and authorized volunteers additional insured status using ISO endorsements CG20 10 10 01 plus CG20 37 10 01, or endorsements providing the exact same coverage, with respect to the Work or operations performed by or on behalf of Contractor, including materials, parts or equipment furnished in connection with such work; (2) all policies shall waive or shall permit Contractor to waive all rights of subrogation which may be obtained by the Contractor or any insurer by virtue of payment of any loss or any coverage provided to any person named as an additional insured pursuant to this Contract, and Contractor agrees to waive all such rights of subrogation; and (3) the insurance coverage shall be primary insurance as respects the District, its officials, employees, agents and authorized volunteers, or if excess, shall stand in an unbroken chain of coverage excess of Contractor's scheduled underlying coverage. Any insurance or self-insurance maintained by the District, its officials, employees, agents and authorized volunteers shall be excess of Contractor's insurance and shall not be called upon to contribute with it.

3.13.3.2 Automobile Liability. (1) Such policy shall give the District, its officials, employees, agents and authorized volunteers additional insured status with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by Contractor or for which Contractor is responsible; (2) all policies shall waive or shall permit Contractor to waive all rights of subrogation which may be obtained by the Contractor or any insurer by virtue of payment of any loss or any coverage provided to any person named as an additional insured pursuant to this Contract, and Contractor agrees to waive all such rights of subrogation; and (3) the insurance coverage shall be primary insurance as respects the District, its officials, employees, agents and authorized volunteers, or if excess, shall stand in an unbroken chain of coverage excess of Contractor's scheduled underlying coverage. Any insurance or self-insurance maintained by the District, its officials, employees, agents and authorized volunteers shall be excess of Contractor's insurance and shall not be called upon to contribute with it in any way.

3.13.3.3 Workers' Compensation and Employer's Liability Coverage. The insurer shall agree to waive all rights of subrogation against the District, its officials, employees, agents and authorized volunteers for losses paid under the terms of the insurance policy which arise from work performed by Contractor.

3.13.3.4 All Coverages. Each insurance policy required by this Contract shall be endorsed to state that: (1) coverage shall not be suspended, voided, reduced or canceled except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the District; and (2) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the District, its officials, employees, agents and authorized volunteers.

3.13.4 Separation of Insureds; No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the District, its officials, employees, agents and authorized volunteers.

3.13.5 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the District. Contractor shall guarantee that, at the option of the District, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the District, its officials, employees, agents and authorized volunteers; or (2) the Contractor shall procure a bond or other financial guarantee acceptable to the District guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

3.13.6 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VII, licensed to do business in California, and satisfactory to the District. Exception may be made for the State Compensation Insurance Fund when not specifically rated.

3.13.7 Verification of Coverage. Contractor shall furnish District with original certificates of insurance and endorsements effecting coverage required by this Contract on forms satisfactory to the District. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms supplied or approved by the District. All certificates and endorsements must be received and approved by the District before work commences. The District reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.13.8 Subcontractors. All subcontractors shall meet the requirements of this Section before commencing Work. Contractor shall furnish separate certificates and endorsements for each subcontractor. Subcontractor policies of General Liability insurance shall name the District, its officials, employees, agents and authorized volunteers as additional insureds using form ISO 20 38 04 13 or endorsements providing the exact same coverage. All coverages for subcontractors shall be subject to all of the requirements stated herein except as otherwise agreed to by the District in writing.

3.13.9 Reporting of Claims. Contractor shall report to the District, in addition to Contractor's insurer, any and all insurance claims submitted by Contractor in connection with the Work under this Contract.

3.14 Bond Requirements.

3.14.1 Payment Bond. If required by law or otherwise specifically requested by District in Exhibit "C" attached hereto and incorporated herein by reference, Contractor shall execute and provide to District concurrently with this Contract a Payment Bond in an amount required by the District and in a form provided or approved by the District. If such bond is required, no payment will be made to Contractor until the bond has been received and approved by the District.

3.14.2 Performance Bond. If specifically requested by District in Exhibit “C” attached hereto and incorporated herein by reference, Contractor shall execute and provide to District concurrently with this Contract a Performance Bond in an amount required by the District and in a form provided or approved by the District. If such bond is required, no payment will be made to Contractor until the bond has been received and approved by the District.

3.14.3 Bond Provisions. Should, in District’s sole opinion, any bond become insufficient or any surety be found to be unsatisfactory, Contractor shall renew or replace the effected bond within (ten) 10 days of receiving notice from District. In the event the surety or Contractor intends to reduce or cancel any required bond, at least thirty (30) days prior written notice shall be given to the District, and Contractor shall post acceptable replacement bonds at least ten (10) days prior to expiration of the original bonds. No further payments shall be deemed due or will be made under this Contract until any replacement bonds required by this Section are accepted by the District. To the extent, if any, that the Total Contract Price is increased in accordance with the Contract, Contractor shall, upon request of the District, cause the amount of the bond to be increased accordingly and shall promptly deliver satisfactory evidence of such increase to the District. If Contractor fails to furnish any required bond, the District may terminate the Contract for cause.

3.14.4 Surety Qualifications. Only bonds executed by an admitted surety insurer, as defined in California Code of Civil Procedure Section 995.120, shall be accepted. If a California-admitted surety insurer issuing bonds does not meet these requirements, the insurer will be considered qualified if it is in conformance with Section 995.660 of the California Code of Civil Procedure, and proof of such is provided to the District.

3.15 Warranty. Contractor warrants all Work under the Contract (which for purposes of this Section shall be deemed to include unauthorized work which has not been removed and any non-conforming materials incorporated into the Work) to be of good quality and free from any defective or faulty material and workmanship. Contractor agrees that for a period of one year (or the period of time specified elsewhere in the Contract or in any guarantee or warranty provided by any manufacturer or supplier of equipment or materials incorporated into the Work, whichever is later) after the date of final acceptance, Contractor shall within ten (10) days after being notified in writing by the District of any defect in the Work or non-conformance of the Work to the Contract, commence and prosecute with due diligence all Work necessary to fulfill the terms of the warranty at its sole cost and expense. Contractor shall act sooner as requested by the District in response to an emergency. In addition, Contractor shall, at its sole cost and expense, repair and replace any portions of the Work (or work of other contractors) damaged by its defective Work or which becomes damaged in the course of repairing or replacing defective Work. For any Work so corrected, Contractor’s obligation hereunder to correct defective Work shall be reinstated for an additional one year period, commencing with the date of acceptance of such corrected Work. Contractor shall perform such tests as the District may require to verify that any corrective actions, including, without limitation, redesign, repairs, and replacements comply with the requirements of the Contract. All costs associated with such corrective actions and testing, including the removal, replacement, and reinstitution of equipment and materials necessary to gain access, shall be the sole responsibility of Contractor. All warranties and guarantees of subcontractors, suppliers and manufacturers with respect to any portion of the Work, whether express or implied, are deemed to be obtained by Contractor for the benefit of the District, regardless of whether or not such

warranties and guarantees have been transferred or assigned to the District by separate agreement and Contractor agrees to enforce such warranties and guarantees, if necessary, on behalf of the District. In the event that Contractor fails to perform its obligations under this Section, or under any other warranty or guaranty under this Contract, to the reasonable satisfaction of the District, the District shall have the right to correct and replace any defective or non-conforming Work and any work damaged by such work or the replacement or correction thereof at Contractor's sole expense. Contractor shall be obligated to fully reimburse the District for any expenses incurred hereunder upon demand.

3.16 Employee/Labor Certifications.

3.16.1 Contractor's Labor Certification. By its signature hereunder, Contractor certifies that he is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Work. A certification form for this purpose, which is attached to this Contract as Exhibit "D" and incorporated herein by reference, shall be executed simultaneously with this Contract.

3.16.2 Equal Opportunity Employment. Contractor represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

3.16.3 Verification of Employment Eligibility. By executing this Contract, Contractor verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subconsultants and sub-subconsultants to comply with the same.

3.17 General Provisions.

3.17.1 District's Representative. The District hereby designates the General Manager, or his or her designee, to act as its representative for the performance of this Contract ("District's Representative"). District's Representative shall have the power to act on behalf of the District for all purposes under this Contract. Contractor shall not accept direction or orders from any person other than the District's Representative or his or her designee.

3.17.2 Contractor's Representative. Before starting the Work, Contractor shall submit in writing the name, qualifications and experience of its proposed representative who shall be subject to the review and approval of the District ("Contractor's Representative"). Following approval by the District, Contractor's Representative shall have full authority to represent and act on behalf of Contractor for all purposes under this Contract. Contractor's Representative shall supervise and direct the Work, using his best skill and attention, and shall be responsible for all construction means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Work under this Contract. Contractor's Representative shall

devote full time to the Project and either he or his designee, who shall be acceptable to the District, shall be present at the Work site at all times that any Work is in progress and at any time that any employee or subcontractor of Contractor is present at the Work site. Arrangements for responsible supervision, acceptable to the District, shall be made for emergency Work which may be required. Should Contractor desire to change its Contractor's Representative, Contractor shall provide the information specified above and obtain the District's written approval.

3.17.3 Termination. This Contract may be terminated by District at any time, either with or without cause, by giving Contractor three (3) days advance written notice. In the event of termination by District for any reason other than the fault of Contractor, District shall pay Contractor for all Work performed up to that time as provided herein. In the event of breach of the Contract by Contractor, District may terminate the Contract immediately without notice, may reduce payment to Contractor in the amount necessary to offset District's resulting damages, and may pursue any other available recourse against Contractor. Contractor may not terminate this Contract except for cause. In the event this Contract is terminated in whole or in part as provided, District may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated. Further, if this Contract is terminated as provided, District may require Contractor to provide all finished or unfinished documents, data, diagrams, drawings, materials or other matter prepared or built by Contractor in connection with its performance of this Contract.

3.17.4 Contract Interpretation. Should any question arise regarding the meaning or import of any of the provisions of this Contract or written or oral instructions from District, the matter shall be referred to District's Representative, whose decision shall be binding upon Contractor.

3.17.5 Anti-Trust Claims. This provision shall be operative if this Contract is applicable to California Public Contract Code Section 7103.5. In entering into this Contract to supply goods, services or materials, Contractor hereby offers and agrees to assign to the District all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act (Chapter 2, commencing with Section 16700, of Part 2 of Division 7 of the Business and Professions Code) arising from purchases of goods, services, or materials pursuant to the Contract. This assignment shall be made and become effective at the time the District tender final payment to Contractor, without further acknowledgment by the Parties.

3.17.6 Notices. All notices hereunder and communications regarding interpretation of the terms of the Contract or changes thereto shall be provided by the mailing thereof by registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

CONTRACTOR:

Central Valley Engineering & Asphalt, Inc.
216 Kenroy Ln
Roseville, CA 95678
Attn: Project Manager

DISTRICT:

Citrus Heights Water District
6230 Sylvan Road
Citrus Heights, California 95610
Attn: General Manager

Any notice so given shall be considered received by the other Party three (3) days after deposit in the U.S. Mail as stated above and addressed to the Party at the above address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.17.7 Time of Essence. Time is of the essence in the performance of this Contract.

3.17.8 Assignment Forbidden. Contractor shall not, either voluntarily or by action of law, assign or transfer this Contract or any obligation, right, title or interest assumed by Contractor herein without the prior written consent of District. If Contractor attempts an assignment or transfer of this Contract or any obligation, right, title or interest herein, District may, at its option, terminate and revoke the Contract and shall thereupon be relieved from any and all obligations to Contractor or its assignee or transferee.

3.17.9 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.17.10 Laws, Venue, and Attorneys' Fees. This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of Sacramento, State of California.

3.17.11 Counterparts. This Contract may be executed in counterparts, each of which shall constitute an original.

3.17.12 Successors. The Parties do for themselves, their heirs, executors, administrators, successors, and assigns agree to the full performance of all of the provisions contained in this Contract.

3.17.13 [Reserved]

3.17.14 Solicitation. Contractor maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this Contract. Further, Contractor warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Contractor, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Contract. For breach or violation of this warranty, District shall have the right to terminate this Contract without liability.

3.17.15 Conflict of Interest. Contractor maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this Agreement. Further, Contractor warrants that it has not

paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Contractor, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, District shall have the right to rescind this Agreement without liability. For the term of this Contract, no official, officer or employee of District, during the term of his or her service with District, shall have any direct interest in this Contract, or obtain any present or anticipated material benefit arising therefrom. In addition, Contractor agrees to file, or to cause its employees or subcontractors to file, a Statement of Economic Interest with the District's Filing Officer as required under state law in the performance of the Work.

3.17.16 Certification of License.

3.17.16.1 Contractor certifies that as of the date of execution of this Contract, Contractor has a current contractor's license of the classification indicated below under Contractor's signature.

3.17.16.2 Contractors are required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four (4) years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within ten (10) years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826.

3.17.17 Authority to Enter Contract. Each Party warrants that the individuals who have signed this Contract have the legal power, right and authority to make this Contract and bind each respective Party.

3.17.18 Entire Contract; Modification. This Contract contains the entire agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Contract may only be modified by a writing signed by both Parties.

3.17.19 Non-Waiver. None of the provisions of this Agreement shall be considered waived by either party, unless such waiver is specifically specified in writing.

3.17.20 District's Right to Employ Other Contractors. District reserves right to employ other contractors in connection with this Project or other projects.

[SIGNATURES ON NEXT PAGE]

**SIGNATURE PAGE FOR CONSTRUCTION CONTRACT
BETWEEN THE CITRUS HEIGHTS WATER DISTRICT
AND {CONTRACTOR}**

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the ____ day
of _____, 20 ____.

CITRUS HEIGHTS WATER DISTRICT CENTRAL VALLEY ENGINEERING &
ASPHALT, INC.

By: _____
Hilary M. Straus
General Manager

By: _____

Its: _____

Printed Name: _____

ATTEST:

By: _____
Clerk of the Board

EXHIBIT “A”

SERVICES / SCHEDULE

The work described herein shall be performed according to the Citrus Heights Water District General Specifications as follows:

1. SCOPE OF WORK

The Scope of Work for this project consists of furnishing mobilization, traffic control, and permits, all materials, labor, equipment, fuel, tools, transportation and services for on-call pavement restoration to include final saw cutting or grinding, tack coating, final paving, sand sealing, sweeping, striping, pavement markings, reflective buttons, and hauling and disposal of spoils throughout the Citrus Heights Water District Service Area as shown on the map provided at the end of this Exhibit. The Citrus Heights Water District Service Area is within four local jurisdictions which include the City of Citrus Heights, Sacramento County, Placer County, and the City of Roseville.

Each Notice to Proceed shall be issued by the District as needed and are typically issued five (5) to seven (7) times per year for patch paving (under 1,000 square feet (SF) per location) and one (1) to two (2) times per year for pavement restoration above 1,000 SF at a particular location. The quantities of each patch pavement repair shall be listed in each Notice to Proceed and may vary from a minimum aggregate of 1,000 SF to as large as 3,000 SF. The quantities of each large trench restoration shall be listed in each Notice to Proceed and may vary from a minimum of 1,000 SF to as large as 5,000 SF. The quantities of each grind & paving restoration shall be listed in each Notice to Proceed and may vary from a minimum of 500 SF to as large as 3,000 SF.

The estimate of construction quantities set forth in the Contract is approximate only, being given as a basis for the comparison of bids, and the District does not expressly or by implication agree that the actual amount of work will correspond therewith, but reserves the right to revise the amount of any class or portion of the work or to omit portions of the work as may be deemed necessary or expedient by the District.

2. DISTRICT FURNISHED ITEMS

- The District shall provide subsurface restoration as required.
- The District shall provide and maintain temporary paving during the time allotted the Contractor, as specified in the Notice to Proceed, to complete the work.
- The District shall provide inspection of the work at no cost to the Contractor.

3. CONTRACTOR FURNISHED ITEMS

- The Contractor shall obtain Encroachment Permits from the City of Citrus Heights, County of Sacramento, County of Placer, or the City of Roseville, as required.
- The Contractor shall furnish Traffic Control Plans approved by the City of Citrus Heights, County of Sacramento, County of Placer, or the City of Roseville as required for each permit.

- The Contractor shall furnish all other material including but not limited to final saw cutting or grinding, re-compaction, tack coating, final paving, sand sealing, sweeping, striping, pavement markings, reflective buttons, and hauling and disposal of spoils.

4. ITEMS OF WORK, MEASUREMENT AND PAYMENT

Bid Item 1, 3” to 6” Asphaltic Concrete (AC) Patch Paving Restoration:

This work includes all items outlined below as required:

Includes mobilization, finish saw cutting or grinding, removal and disposal of saw cuttings or grindings, recompaction, tack coating, AC Paving Restoration to a 3” minimum depth to 6” maximum depth, sand seal, sweeping, thermoplastic striping, thermoplastic pavement markings and reflective markers. All restoration shall be completed in accordance with Section 14 “Restoration of Surfaces” and Section 23 “Asphalt Concrete” of the County of Sacramento Standard Construction Specifications, Placer County requirements, or the City of Roseville requirements. Spoils from demolition shall be properly disposed of by the Contractor outside City/County right-of-way. For work in the City of Citrus Heights and in Sacramento County, Sand Seal Coat used for surface restoration shall comply with Section 14-3.03 “Seal Coats” of the County of Sacramento Standard Construction Specifications. For work in Placer County or in the City of Roseville, restoration of surfaces shall be per the agencies standards and encroachment permit requirements.

3” to 6” AC Patch Paving Restoration includes any AC Paving Restoration that is below the 1,000 SF per jobsite location as agreed upon between the Contractor and the District prior to performing work.

Includes matching the existing asphalt paving depth to within a 3” minimum depth to 6” maximum depth. Any variance from the matching of the existing pavement depth requires approval from the Encroachment Inspector and the District Inspector in advance of restoration.

Includes obtaining Encroachment Permits from the City of Citrus Heights, County of Sacramento, County of Placer, or the City of Roseville, as required. The Contractor shall be responsible for payment of fees associated with all Encroachment Permits including but not limited to submittal fees, drawdown account minimum balances, and inspection fees from the issuing agencies. Includes all costs associated with fully complying with the requirements of the Encroachment Permits and the Encroachment Inspector.

Includes preparing and obtaining approval for Traffic Control Plans as required by the agency issuing the Encroachment Permit. Includes procurement, placement, and removal of all traffic control materials, equipment, and markings, and fulfillment of all other requirements as specified in the approved Traffic Control Plans. The Contractor shall coordinate required inspections with the issuing agency’s Encroachment Inspector. The Contractor shall comply with the approved Encroachment Permit, and shall implement traffic control procedures as directed by the Encroachment Inspector. The Contract unit price paid includes compensation for all labor, materials, tools, equipment and incidentals and for all work involved with Traffic Control Plans and implementation, including placement of surface mounted channelizers, electronic advance message boards, flashing arrow boards, construction area and stationary mounted signs, project information signs, flagging, and

removal of all traffic control materials, equipment, and markings from the site upon completion of work, complete in place, and as directed by the Encroachment Inspector and the District Inspector.

The contract unit price paid per square foot for 3” to 6” AC Patch Paving Restoration shall include compensation for all labor, materials, tools, equipment and incidentals and for doing all items involved in 3” to 6” AC Patch Paving Restoration as stated above, complete in place, as specified in these specifications, and as directed by the Encroachment Inspector and District Inspector. Payment shall be based upon the square footage of paving restoration, not the square footage of sand seal coat.

Bid Item 2, 3” to 6” Asphaltic Concrete (AC) Pipeline Trench Paving Restoration:

This work includes all items outlined below as required:

Includes mobilization, finish saw cutting or grinding, removal and disposal of saw cuttings or grindings, recompaction, tack coating, Asphalt Concrete Paving Restoration to a 3” minimum depth to 6” maximum depth, sand seal, sweeping, thermoplastic striping, thermoplastic pavement markings and reflective markers. All restoration shall be completed in accordance with Section 14 “Restoration of Surfaces” and Section 23 “Asphalt Concrete” of the County of Sacramento Standard Construction Specifications, Placer County requirements, or the City of Roseville requirements. Spoils from demolition shall be properly disposed of by the Contractor outside City/County right-of-way. For work in the City of Citrus Heights and in Sacramento County, Sand Seal Coat used for surface restoration shall comply with Section 14-3.03 “Seal Coats” of the County of Sacramento Standard Construction Specifications. For work in Placer County or in the City of Roseville, restoration of surfaces shall be per the agencies standards and encroachment permit requirements.

3” to 6” AC Pipeline Trench Paving Restoration includes any AC Paving Restoration that is above the 1,000 SF per jobsite location as agreed upon between the Contractor and the District prior to performing work.

Includes matching the existing asphalt paving depth to within a 3” minimum depth to 6” maximum depth. Any variance from the matching of the existing pavement depth requires approval from the Encroachment Inspector and the District Inspector in advance of restoration.

Includes obtaining Encroachment Permits from the City of Citrus Heights, County of Sacramento, County of Placer, or the City of Roseville, as required. The Contractor shall be responsible for payment of fees associated with all Encroachment Permits including but not limited to submittal fees, drawdown account minimum balances, and inspection fees from the issuing agencies. Includes all costs associated with fully complying with the requirements of the Encroachment Permits and the Encroachment Inspector.

Includes preparing and obtaining approval for Traffic Control Plans as required by the agency issuing the Encroachment Permit. Includes procurement, placement, and removal of all traffic control materials, equipment, and markings, and fulfillment of all other requirements as specified in the approved Traffic Control Plans. The Contractor shall coordinate required inspections with the issuing agency’s Encroachment Inspector. The Contractor shall comply with the approved

Encroachment Permit, and shall implement traffic control procedures as directed by the Encroachment Inspector. The Contract unit price paid includes compensation for all labor, materials, tools, equipment and incidentals and for all work involved with Traffic Control Plans and implementation, including placement of surface mounted channelizers, electronic advance message boards, flashing arrow boards, construction area and stationary mounted signs, project information signs, flagging, and removal of all traffic control materials, equipment, and markings from the site upon completion of work, complete in place, and as directed by the Encroachment Inspector and the District Inspector.

The contract unit price paid per square foot for 3” to 6” AC Pipeline Trench Paving Restoration shall include compensation for all labor, materials, tools, equipment and incidentals and for doing all items involved in 3” to 6” AC Pipeline Trench Paving Restoration as stated above, complete in place, as specified in these specifications, and as directed by the Encroachment Inspector and District Inspector. Payment shall be based upon the square footage of paving restoration, not the square footage of sand seal coat.

Bid Item 3, 1.5” to 2” Asphaltic Concrete (AC) Grinding & Paving Restoration:

This work includes all items outlined below as required:

Includes mobilization, finish saw cutting or grinding, removal and disposal of saw cuttings or grindings, recompaction, tack coating, Asphalt Concrete Paving Restoration to a 1.5” minimum depth to 2” maximum depth, sand seal, sweeping, thermoplastic striping, thermoplastic pavement markings and reflective markers. All restoration shall be completed in accordance with Section 14 “Restoration of Surfaces” and Section 23 “Asphalt Concrete” of the County of Sacramento Standard Construction Specifications, Placer County requirements, or the City of Roseville requirements. Spoils from demolition shall be properly disposed of by the Contractor outside City/County right-of-way. For work in the City of Citrus Heights and in Sacramento County, Sand Seal Coat used for surface restoration shall comply with Section 14-3.03 “Seal Coats” of the County of Sacramento Standard Construction Specifications. For work in Placer County or in the City of Roseville, restoration of surfaces shall be per the agencies standards and encroachment permit requirements.

1.5” to 2” AC Pipeline Trench Paving Restoration includes any AC Paving Restoration that is above the 300 SF per jobsite location as agreed upon between the Contractor and the District prior to performing work.

Any variance from the matching of the existing pavement depth requires approval from the Encroachment Inspector and the District Inspector in advance of restoration.

Includes obtaining Encroachment Permits from the City of Citrus Heights, County of Sacramento, County of Placer, or the City of Roseville, as required. The Contractor shall be responsible for payment of fees associated with all Encroachment Permits including but not limited to submittal fees, drawdown account minimum balances, and inspection fees from the issuing agencies. Includes all costs associated with fully complying with the requirements of the Encroachment Permits and the Encroachment Inspector.

Includes preparing and obtaining approval for Traffic Control Plans as required by the agency issuing the Encroachment Permit. Includes procurement, placement, and removal of all traffic control materials, equipment, and markings, and fulfillment of all other requirements as specified in the approved Traffic Control Plans. The Contractor shall coordinate required inspections with the issuing agency's Encroachment Inspector. The Contractor shall comply with the approved Encroachment Permit, and shall implement traffic control procedures as directed by the Encroachment Inspector. The Contract unit price paid includes compensation for all labor, materials, tools, equipment and incidentals and for all work involved with Traffic Control Plans and implementation, including placement of surface mounted channelizers, electronic advance message boards, flashing arrow boards, construction area and stationary mounted signs, project information signs, flagging, and removal of all traffic control materials, equipment, and markings from the site upon completion of work, complete in place, and as directed by the Encroachment Inspector and the District Inspector.

The contract unit price paid per square foot for 1.5" to 2" AC Pipeline Trench Paving Restoration shall include compensation for all labor, materials, tools, equipment and incidentals and for doing all items involved in 1.5" to 2" AC Pipeline Trench Paving Restoration as stated above, complete in place, as specified in these specifications, and as directed by the Encroachment Inspector and District Inspector. Payment shall be based upon the square footage of paving restoration, not the square footage of sand seal coat.

5. ORDER OF WORK

The order of work outlined below is to minimize public inconvenience. The Contractor is to submit a more detailed written schedule of the order of work based on this outline.

- 1) Obtain required Encroachment Permits and develop and obtain approval for required Traffic Control Plans.
- 2) Obtain Notice to Proceed from designated District Operations Staff Member.
- 3) Order and coordinate delivery of material and equipment, and request location services from Underground Service Alert (USA). Telephone: 1-800-642-2444 or 811.
- 4) Complete 1.5" to 2" Asphalt Grind & Paving Restoration including all items therein, using locations and square footages as specified in the Notice to Proceed.
- 5) Obtain approval from the District.

6. CONTRACT TIMELINE

The term of this Contract shall be from the date the Contract is executed until December 31, 2022 and/or the date the District provides the Contractor written notice of completion of said Contract, unless earlier terminated pursuant to the Contract Provisions herein. A Contract Extension Letter Agreement may be issued by the District for a period not to exceed twenty-four (24) months beyond December 31, 2022. Applicable Performance and Payment Bonds will be required as part of the Contract Extension Letter Agreement.

EXHIBIT “B”

PLANS AND SPECIFICATIONS

Construction Details

CITRUS HEIGHTS WATER DISTRICT **2021/22 ON-CALL PAVEMENT RESTORATION PROJECT**

The following Construction Details pertain to Citrus Heights Water District’s 2021/22 On-Call Pavement Restoration Project:

Detail SWPPP_100	Storm Drain Inlet Protection – Filter Bag Installation
Detail SWPPP_101	Storm Drain Inlet Protection – Curb Inlet Installation
Detail SWPPP_102	Storm Drain Inlet Protection – Sediment Trap
Detail SWPPP_103	Storm Drain Inlet Protection – Area Inlet Installation
Detail TREN_713CH	4” Through 12” Trench Detail – Pavement – City of Citrus Heights
Detail TREN_713PC	4” Through 12” Trench Detail – Pavement – County of Placer
Detail TREN_713SC	4” Through 12” Trench Detail – Pavement –County of Sacramento

VB_811 WATER MAIN VALVE BOX – STREET-DRIVEWAY

DISTRICT MAP

EXHIBIT “C”

SPECIAL CONDITIONS

ARTICLE 1. BONDS

Within ten (10) calendar days from the date the Contractor is notified of award of the Contract, the Contractor shall deliver to the District four identical counterparts of the Performance Bond and Payment Bond on the forms supplied by the District and included as Exhibit “F” to the Contract. Failure to do so may, in the sole discretion of District, result in the forfeiture of Contractor’s bid security. The surety supplying the bond must be an admitted surety insurer, as defined in Code of Civil Procedure Section 995.120, authorized to do business as such in the State of California and satisfactory to the District. The Performance Bond and the Payment Bond shall be for one hundred percent (100%) of the Total Contract Price.

EXHIBIT “D”
CERTIFICATION
LABOR CODE - SECTION 1861

I, the undersigned Contractor, am aware of the provisions of Section 3700, et seq., of the California Labor Code which require every employer to be insured against liability for Worker’s Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I, the undersigned Contractor, agree to and will comply with such provisions before commencing the performance of the Work on this Contract.

CENTRAL VALLEY ENGINEERING & ASPHALT, INC.

By: _____
Signature

Name (Print)

Title (Print)

EXHIBIT “E”

PUBLIC WORKS CONTRACTOR REGISTRATION CERTIFICATION

If this bid is due on or after March 1, 2015, then pursuant to Labor Code sections 1725.5 and 1771.1, all contractors and subcontractors that wish to bid on, be listed in a bid proposal, or enter into a contract to perform public work must be registered with the Department of Industrial Relations. See <http://www.dir.ca.gov/Public-Works/PublicWorks.html> for additional information.

No bid will be accepted nor any contract entered into without proof of the contractor's and subcontractors' current registration with the Department of Industrial Relations to perform public work.

Contractor hereby certifies that it is aware of the registration requirements set forth in Labor Code sections 1725.5 and 1771.1 and is currently registered as a contractor with the Department of Industrial Relations.

Name of Contractor: _____

DIR Registration Number: _____

Contractor further acknowledges:

1. Contractor shall maintain a current DIR registration for the duration of the project.
2. Contractor shall include the requirements of Labor Code sections 1725.5 and 1771.1 in its contract with subcontractors and ensure that all subcontractors are registered at the time of bid opening and maintain registration status for the duration of the project.
3. Failure to submit this form or comply with any of the above requirements may result in a finding that the bid is non-responsive.

Signature: _____

Name and Title: _____

Dated: _____

EXHIBIT “F”

PAYMENT AND PERFORMANCE BONDS

PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS:

THAT WHEREAS, the Citrus Heights Water District (hereinafter referred to as "District") has awarded to _____, (hereinafter referred to as the "Contractor") _____ an agreement for _____ (hereinafter referred to as the "Project").

WHEREAS, the work to be performed by the Contractor is more particularly set forth in the Contract Documents for the Project dated _____, (hereinafter referred to as "Contract Documents"), the terms and conditions of which are expressly incorporated herein by reference; and

WHEREAS, the Contractor is required by said Contract Documents to perform the terms thereof and to furnish a bond for the faithful performance of said Contract Documents.

NOW, THEREFORE, we, _____, the undersigned Contractor and _____ as Surety, a corporation organized and duly authorized to transact business under the laws of the State of California, are held and firmly bound unto the District in the sum of _____ DOLLARS, (\$ _____), said sum being not less than one hundred percent (100%) of the total amount of the Contract, for which amount well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that, if the Contractor, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements in the Contract Documents and any alteration thereof made as therein provided, on its part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their intent and meaning; and shall faithfully fulfill all obligations including the one-year guarantee of all materials and workmanship; and shall indemnify and save harmless the District, its officers and agents, as stipulated in said Contract Documents, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As a condition precedent to the satisfactory completion of the Contract Documents, unless otherwise provided for in the Contract Documents, the above obligation shall hold good for a period of one (1) year after the acceptance of the work by District, during which time if Contractor shall fail to make full, complete, and satisfactory repair and replacements and totally protect the District from loss or damage resulting from or caused by defective materials or faulty workmanship, Surety shall undertake and faithfully fulfill all such obligations. The obligations of Surety hereunder shall continue so long as any obligation of Contractor remains. Nothing herein shall limit the District's rights or the Contractor or Surety's obligations under the Contract, law or equity, including, but not limited to, California Code of Civil Procedure section 337.15.

Whenever Contractor shall be, and is declared by the District to be, in default under the Contract Documents, the Surety shall remedy the default pursuant to the Contract Documents, or shall promptly, at the District's option:

- (1) Take over and complete the Project in accordance with all terms and conditions in the Contract Documents; or
- (2) Obtain a bid or bids for completing the Project in accordance with all terms and conditions in the Contract Documents and upon determination by Surety of the lowest responsive and responsible bidder, arrange for a Contract between such bidder, the Surety and the District, and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor by the District under the Contract and any modification thereto, less any amount previously paid by the District to the Contractor and any other set offs pursuant to the Contract Documents.
- (3) Permit the District to complete the Project in any manner consistent with local, California and federal law and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor by the District under the Contract and any modification thereto, less any amount previously paid by the District to the Contractor and any other set offs pursuant to the Contract Documents.

Surety expressly agrees that the District may reject any contractor or subcontractor which may be proposed by Surety in fulfillment of its obligations in the event of default by the Contractor.

Surety shall not utilize Contractor in completing the Project nor shall Surety accept a bid from Contractor for completion of the Project if the District, when declaring the Contractor in default, notifies Surety of the District's objection to Contractor's further participation in the completion of the Project.

The Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project to be performed thereunder shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project, including but not limited to the provisions of sections 2819 and 2845 of the California Civil Code.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____, 20__).

(Corporate Seal)

Contractor/ Principal

By _____

Title _____

(Corporate Seal)

Surety

By _____

Attorney-in-Fact

Signatures of those signing for the Contractor and Surety must be notarized and evidence of corporate authority attached.

(Attach Attorney-in-Fact Certificate)

Title _____

The rate of premium on this bond is _____ per thousand. The total amount of premium charges, \$ _____.

(The above must be filled in by corporate attorney.)

THIS IS A REQUIRED FORM

Any claims under this bond may be addressed to:

(Name and Address of Surety)

(Name and Address of Agent or Representative for service of process in California, if different from above)

(Telephone number of Surety and Agent or Representative for service of process in California)

NOTE: A copy of the Power-of-Attorney authorizing the person signing on behalf of the Surety to do so must be attached hereto.

Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 2018, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- ☐ Individual
☐ Corporate Officer

Title(s)

- ☐ Partner(s) ☐ Limited
 ☐ General

☐ Attorney-In-Fact

☐ Trustee(s)

☐ Guardian/Conservator

☐ Other:

Signer is representing:

Name Of Person(s) Or Entity(ies)

Title or Type of Document

Number of Pages

Date of Document

Signer(s) Other Than Named Above

PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS That

WHEREAS, the Citrus Heights Water District (hereinafter designated as the "District"), by action taken or a resolution passed _____, 20____ has awarded to _____ hereinafter designated as the "Principal," a contract for the work described as follows:

_____ (the "Project"); and

WHEREAS, the work to be performed by the Principal is more particularly set forth in the Contract Documents for the Project dated _____ ("Contract Documents"), the terms and conditions of which are expressly incorporated by reference; and

WHEREAS, said Principal is required to furnish a bond in connection with said contract; providing that if said Principal or any of its Subcontractors shall fail to pay for any materials, provisions, provender, equipment, or other supplies used in, upon, for or about the performance of the work contracted to be done, or for any work or labor done thereon of any kind, or for amounts due under the Unemployment Insurance Code or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of said Principal and its Subcontractors with respect to such work or labor the Surety on this bond will pay for the same to the extent hereinafter set forth.

NOW THEREFORE, we, the Principal and _____ as Surety, are held and firmly bound unto the District in the penal sum of _____ Dollars (\$ _____) lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if said Principal, his or its subcontractors, heirs, executors, administrators, successors or assigns, shall fail to pay any of the persons named in Section 9100 of the Civil Code, fail to pay for any materials, provisions or other supplies, used in, upon, for or about the performance of the work contracted to be done, or for any work or labor thereon of any kind, or amounts due under the Unemployment Insurance Code with respect to work or labor performed under the contract, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department or Franchise Tax Board from the wages of employees of the contractor and his subcontractors pursuant to Section 18663 of the Revenue and Taxation Code, with respect to such work and labor the Surety or Sureties will pay for the same, in an amount not exceeding the sum herein above specified.

This bond shall inure to the benefit of any of the persons named in Section 9100 of the Civil Code so as to give a right of action to such persons or their assigns in any suit brought upon this bond.

It is further stipulated and agreed that the Surety on this bond shall not be exonerated or released from the obligation of this bond by any change, extension of time for performance, addition, alteration or modification in, to, or of any contract, plans, specifications, or agreement pertaining or relating to any scheme or work of improvement herein above described, or pertaining or relating to the furnishing of labor, materials, or equipment therefore, nor by any change or modification of any terms of payment or extension of the time for any payment pertaining or relating to any scheme or work of improvement herein above described, nor by any rescission or attempted rescission of the contract, agreement or bond, nor by any conditions precedent or subsequent in the bond attempting to limit the right of recovery of claimants otherwise entitled to recover under any such contract or agreement or under the bond, nor by any fraud practiced by

any person other than the claimant seeking to recover on the bond and that this bond be construed most strongly against the Surety and in favor of all persons for whose benefit such bond is given, and under no circumstances shall Surety be released from liability to those for whose benefit such bond has been given, by reason of any breach of contract between the owner or District and original contractor or on the part of any obligee named in such bond, but the sole conditions of recovery shall be that claimant is a person described in Section 9100 of the Civil Code, and has not been paid the full amount of his claim and that Surety does hereby waive notice of any such change, extension of time, addition, alteration or modification herein mentioned and the provisions of sections 2819 and 2845 of the California Civil Code.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____, 20__.

(Corporate Seal)

Contractor/ Principal

By _____

Title _____

(Corporate Seal)

Surety

By _____

Attorney-in-Fact

Title _____

Signatures of those signing for the Contractor and Surety must be notarized and evidence of corporate authority attached. A Power-of-Attorney authorizing the person signing on behalf of the Surety to do so much be attached hereto.

NOTE: A copy of the Power-of-Attorney authorizing the person signing on behalf of the Surety to do so must be attached hereto.

Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 2018, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- ☐ Individual
☐ Corporate Officer

Title(s)

- ☐ Partner(s) ☐ Limited
☐ General

☐ Attorney-In-Fact

☐ Trustee(s)

☐ Guardian/Conservator

☐ Other:

Signer is representing:

Name Of Person(s) Or Entity(ies)

Title or Type of Document

Number of Pages

Date of Document

Signer(s) Other Than Named Above

EXHIBIT “G”

FEDERAL REQUIREMENTS

[*NOT APPLICABLE***]**

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS OCTOBER 21, 2020 MEETING

SUBJECT : DISCUSSION AND POSSIBLE ACTION TO APPROVE AN ON-CALL TRUCKING SERVICES AGREEMENT WITH BLUE JAY TRUCKING, INC.
 STATUS : Action Item
 REPORT DATE : October 5, 2020
 PREPARED BY : Rebecca Scott, Senior Management Analyst

OBJECTIVE:

Consider approval of an agreement with Blue Jay Trucking, Inc. for 2021/2022 Trucking Services.

BACKGROUND AND ANALYSIS:

The District's Operations work crews maintain the District's underground water infrastructure. This includes, but is not limited to, excavations in streets, driveways, parking lots, and landscaped and unimproved areas for repair to and/or replacement of the District's underground infrastructure. After the District repairs and/or replaces the underground infrastructure, the excavation area is backfilled with soil materials that are compliant with the standard of the District and the applicable municipal jurisdiction for excavation repair. The backfill soil materials (e.g., sand, crushed rock and aggregate base) are imported to the District's Corporation Yard by a contracted trucking company for future use in the field. The field excavation spoils (e.g., asphalt, concrete, and excavated native soil) are hauled to the District's Corporation Yard by the District's crews for stockpiling. When the stockpiles of the excavated spoils reach a specific quantity, a contracted trucking company is utilized to remove the stockpiles for proper disposal.

The District's dump trucks are properly sized for the daily operations of small excavations sites such as fire hydrant installations and water service replacements. For larger ongoing excavations, it is more efficient to use larger dump trucks which consist of a truck and trailer(s). Use of the District's dump trucks requires a class "C" driver's license, which is the required license for anyone driving a 2-axle vehicle in California. In order to drive a larger dump truck and trailer, the driver must possess a class "A" license, which is not a requirement for any current full-time position at the District. Therefore, contracting out trucking services for use of large dump trucks to import and export materials is essential.

The District issued a Request for Bids for on-call trucking services on September 9, 2020. In response, two electronic bids were received on September 29, 2020. An additional bid was received after the deadline, and therefore determined to be non-responsive. The apparent low bidder is Blue Jay Trucking, Inc. of Sacramento, CA. Bids items and bid results are as follows:

Item #	Description	Estimated # of Hours Annually
1	Haul in materials w/transfer (5 axles)	300
2	Haul in materials w/super dump	300
3	Haul in materials w/end dump	275
4	Haul out spoils w/super dump	275
5	Haul out spoils w/end dump	275

Bid results:

Name / Company	Items 1-5 (\$/hour)
Blue Jay Trucking, Inc.	\$110
West Coast Water & Trucking	\$120

Payments will be based on actual quantities measured in the field, and the total number of hours for each of the bid items was an estimate only. The District is seeking to reduce the amount of continuous bidding for annual operations projects; therefore, the bidding on the project has an optional five percent increase for Blue Jay Trucking, Inc. for the 24 months following the end of the initial contract term date of December 31, 2022.

RECOMMENDATION:

Accept the bid by Blue Jay Trucking, Inc. for on-call trucking services throughout the District service area. Authorize the General Manager to execute the accompanying agreement with Blue Jay Trucking, Inc. (attached) for hauling materials into and out of the District's Corporation Yard and project jobsites as necessary.

ATTACHMENT:

Agreement with Blue Jay Trucking, Inc. for Trucking Services

ACTION:

Moved by Director _____, Seconded by Director _____, Carried _____

**CITRUS HEIGHTS WATER DISTRICT
2021/22 TRUCKING SERVICES AGREEMENT**

1. PARTIES AND DATE.

This Agreement is made and entered into this _____ day of October, 2020 by and between the Citrus Heights Water District, a municipal corporation organized under the laws of the State of California with its principal place of business at 6230 Sylvan Road, Citrus Heights, California (“District”) and Blue Jay Trucking, Inc., a Corporation with its principal place of business at P.O. Box 292188, Sacramento, CA 95829 (“Contractor”). District and Contractor are sometimes individually referred to as “Party” and collectively as “Parties” in this Agreement.

2. RECITALS.

2.1 Contractor.

Contractor desires to perform and assume responsibility for the provision of certain on call trucking services required by the District on the terms and conditions set forth in this Agreement. Contractor represents that it is experienced in providing trucking services to public clients, that it and its employees or subcontractors have all necessary licenses and permits to perform the Services in the State of California, and that is familiar with the plans of District. Contractor shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written approval of District. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

2.2 Project.

District desires to engage Contractor to render such services for the Citrus Heights Water District 2021/22 Trucking Services project (“Project”) as set forth in this Agreement.

3. TERMS.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Contractor promises and agrees to furnish to the District all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the trucking services necessary for the Project (“Services”). The Services are more particularly described in Exhibit “A” attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations.

3.1.2 Term. The term of this Agreement shall be from the date the Agreement is executed until December 31, 2022 and/or the date the District provides the Contractor written notice of completion of said Agreement, unless earlier terminated as provided herein. The District may extend the term of this Agreement for a period not to exceed twenty-four (24) months beyond December 31, 2022 with written notice to Contractor. Contractor shall complete the Services within the term of this Agreement, and shall meet any other established schedules and deadlines. The Parties may, by mutual, written consent, extend the term of this Agreement if necessary to complete the Services.

3.2 Responsibilities of Contractor.

3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Contractor or under its supervision. Contractor will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. District retains Contractor on an independent contractor basis and not as an employee. Contractor retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Contractor shall also not be employees of District and shall at all times be under Contractor's exclusive direction and control. Contractor shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Contractor shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Schedule of Services. Contractor shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the Schedule of Services set forth in Exhibit "B" attached hereto and incorporated herein by reference. Contractor represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Contractor's conformance with the Schedule, District shall respond to Contractor's submittals in a timely manner. Upon request of District, Contractor shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.

3.2.3 Conformance to Applicable Requirements. All work prepared by Contractor shall be subject to the approval of District.

3.2.4 District's Representative. The District hereby designates the Operations Manager, or his or her designee, to act as its representative for the performance of this Agreement ("District's Representative"). District's Representative shall have the power to act on behalf of the District for all purposes under this Agreement. Contractor shall not accept direction or orders from any person other than the District's Representative or his or her designee.

3.2.5 Contractor's Representative. Contractor hereby designates Jatinder Shoker, or his or her designee, to act as its representative for the performance of this Agreement ("Contractor's Representative"). Contractor's Representative shall have full authority to represent and act on behalf of the Contractor for all purposes under this Agreement. The Contractor's Representative shall supervise and direct the Services, using his best skill and attention, and shall

be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.6 Coordination of Services. Contractor agrees to work closely with District staff in the performance of Services and shall be available to District's staff, consultants and other staff at all reasonable times.

3.2.7 Standard of Care; Performance of Employees. Contractor shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Contractor represents and maintains that it is skilled in the professional calling necessary to perform the Services. Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, Contractor represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, including any required business license, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Contractor shall perform, at its own cost and expense and without reimbursement from the District, any services necessary to correct errors or omissions which are caused by the Contractor's failure to comply with the standard of care provided for herein. Any employee of the Contractor or its sub-contractors who is determined by the District to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to the District, shall be promptly removed from the Project by the Contractor and shall not be re-employed to perform any of the Services or to work on the Project.

3.2.8 Period of Performance and Liquidated Damages. Contractor shall perform and complete all Services under this Agreement within the term set forth in Section 3.1.2 above ("Performance Time"). Contractor shall perform the Services in strict accordance with any completion schedule or Project milestones described in Exhibits "A" or "B" attached hereto, or which may be provided separately in writing to the Contractor. Contractor agrees that if the Services are not completed within the aforementioned Performance Time and/or pursuant to any such completion schedule or Project milestones developed pursuant to provisions of this Agreement, it is understood, acknowledged and agreed that the District will suffer damage. Pursuant to Government Code Section 53069.85, Contractor shall pay to the District as fixed and liquidated damages, and not as a penalty, the sum of Two Hundred Dollars (\$200) per day for each and every calendar day of delay beyond the Performance Time or beyond any completion schedule or Project milestones established pursuant to this Agreement.

3.2.9 Disputes. Should any dispute arise respecting the true value of any work done, of any work omitted, or of any extra work which Contractor may be required to do, or respecting the size of any payment to Contractor during the performance of this Agreement, Contractor shall continue to perform the Work while said dispute is decided by the District. If Contractor disputes the District's decision, Contractor shall have such remedies as may be provided by law.

3.2.10 Laws and Regulations; Employee/Labor Certifications. Contractor shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Contractor shall be liable for all violations of such laws and regulations in connection with Services. If the Contractor performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the District, Contractor shall be solely responsible for all costs arising therefrom. District is a public entity of the State of California subject to certain provisions of the Health & Safety Code, Government Code, Public Contract Code, and Labor Code of the State. It is stipulated and agreed that all provisions of the law applicable to the public contracts of a municipality are a part of this Agreement to the same extent as though set forth herein and will be complied with. These include but are not limited to the payment of prevailing wages, the stipulation that eight (8) hours' labor shall constitute a legal day's work and that no worker shall be permitted to work in excess of eight (8) hours during any one calendar day except as permitted by law. Contractor shall defend, indemnify and hold District, its officials, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.2.10.1 Employment Eligibility; Contractor. By executing this Agreement, Contractor verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time. Such requirements and restrictions include, but are not limited to, examination and retention of documentation confirming the identity and immigration status of each employee of the Contractor. Contractor also verifies that it has not committed a violation of any such law within the five (5) years immediately preceding the date of execution of this Agreement, and shall not violate any such law at any time during the term of the Agreement. Contractor shall avoid any violation of any such law during the term of this Agreement by participating in an electronic verification of work authorization program operated by the United States Department of Homeland Security, by participating in an equivalent federal work authorization program operated by the United States Department of Homeland Security to verify information of newly hired employees, or by some other legally acceptable method. Contractor shall maintain records of each such verification, and shall make them available to the District or its representatives for inspection and copy at any time during normal business hours. The District shall not be responsible for any costs or expenses related to Contractor's compliance with the requirements provided for in Section 3.2.10 or any of its sub-sections.

3.2.10.2 Employment Eligibility; Subcontractors, Sub-subcontractors and Consultants. To the same extent and under the same conditions as Contractor, Contractor shall require all of its subcontractors, sub-subcontractors and consultants performing any work relating to the Project or this Agreement to make the same verifications and comply with all requirements and restrictions provided for in Section 3.2.10.1.

3.2.10.3 Employment Eligibility; Failure to Comply. Each person executing this Agreement on behalf of Contractor verifies that they are a duly authorized officer of Contractor, and understands that any of the following shall be grounds for the District to terminate the Agreement for cause: (1) failure of Contractor or its subcontractors, sub-

subcontractors or consultants to meet any of the requirements provided for in Sections 3.2.10.1 or 3.2.10.2; (2) any misrepresentation or material omission concerning compliance with such requirements (including in those verifications provided to the Contractor under Section 3.2.10.2); or (3) failure to immediately remove from the Project any person found not to be in compliance with such requirements.

3.2.10.4 Labor Certification. By its signature hereunder, Contractor certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.2.10.5 Equal Opportunity Employment. Contractor represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

3.2.10.6 Air Quality. Contractor must fully comply with all applicable laws, rules and regulations in furnishing or using equipment and/or providing services, including, but not limited to, emissions limits and permitting requirements imposed by the California Air Resources Board (CARB). Contractor shall specifically be aware of the CARB limits and requirements' application to "portable equipment", which definition is considered by CARB to include any item of equipment with a fuel-powered engine. Contractor shall indemnify District against any fines or penalties imposed by CARB or any other governmental or regulatory agency for violations of applicable laws, rules and/or regulations by Contractor, its subcontractors, or others for whom Contractor is responsible under its indemnity obligations provided for in this Agreement.

3.2.10.7 Water Quality.

(A) Management and Compliance. To the extent applicable, Contractor's Services must account for, and fully comply with, all local, state and federal laws, rules and regulations that may impact water quality compliance, including, without limitation, all applicable provisions of the Federal Water Pollution Control Act (33 U.S.C. §§ 1300); the California Porter-Cologne Water Quality Control Act (Cal Water Code §§ 13000-14950); laws, rules and regulations of the Environmental Protection Agency and the State Water Resources Control Board; the District's ordinances regulating discharges of storm water; and any and all regulations, policies, or permits issued pursuant to any such authority regulating the discharge of pollutants, as that term is used in the Porter-Cologne Water Quality Control Act, to any ground or surface water in the state.

(B) Liability for Non-Compliance. Failure to comply with the laws, regulations and policies described in this Section is a violation of law that may subject Contractor or District to penalties, fines, or additional regulatory requirements. Contractor shall defend, indemnify and hold the District, its officials, officers, employees, volunteers and agents

free and harmless, pursuant to the indemnification provisions of this Agreement, from and against any and all fines, penalties, claims or other regulatory requirements imposed as a result of Contractor's non-compliance with the laws, regulations and policies described in this Section, unless such non-compliance is the result of the sole established negligence, willful misconduct or active negligence of the District, its officials, officers, agents, employees or authorized volunteers.

(C) Training. In addition to any other standard of care requirements set forth in this Agreement, Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them without impacting water quality in violation of the laws, regulations and policies described in this Section. Contractor further warrants that it, its employees and subcontractors will receive adequate training, as determined by District, regarding the requirements of the laws, regulations and policies described in this Section as they may relate to the Services provided under this Agreement. Upon request, District will provide Contractor with a list of training programs that meet the requirements of this paragraph.

3.2.11 Insurance.

3.2.11.1 Time for Compliance. Contractor shall not commence Work under this Agreement until it has provided evidence satisfactory to the District that it has secured all insurance required under this Section. In addition, Contractor shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to the District that the subcontractor has secured all insurance required under this Section.

3.2.11.2 Minimum Requirements. Contractor shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Contractor, its agents, representatives, employees or subcontractors. Contractor shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance. The policy shall not contain any exclusion contrary to the Agreement, including but not limited to endorsements or provisions limiting coverage for (1) contractual liability (including but not limited to ISO CG 24 26 or 21 29); or (2) cross liability for claims or suits by one insured against another.

(B) Minimum Limits of Insurance. Contractor shall maintain limits no less than: (1) *General Liability*: \$2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used including, but not limited to, form CG 2503, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice

the required occurrence limit; (2) *Automobile Liability*: \$1,000,000 per accident for bodily injury and property damage; and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of \$1,000,000 per accident for bodily injury or disease. Defense costs shall be paid in addition to the limits.

(C) Notices; Cancellation or Reduction of Coverage. At least fifteen (15) days prior to the expiration of any such policy, evidence showing that such insurance coverage has been renewed or extended shall be filed with the District. If such coverage is cancelled or materially reduced, Contractor shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the District evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, the District has the right but not the duty to obtain the insurance it deems necessary and any premium paid by the District will be promptly reimbursed by Contractor or the District may withhold amounts sufficient to pay premium from Contractor payments. In the alternative, the District may suspend or terminate this Agreement.

(D) Additional Insured. The Citrus Heights Water District, its officials, officers, employees, agents, and volunteers shall be named as additional insureds on Contractor's and its subcontractors' policies of commercial general liability and automobile liability insurance using the endorsements and forms specified herein or exact equivalents.

3.2.11.3 Insurance Endorsements. The insurance policies shall contain the following provisions, or Contractor shall provide endorsements on forms supplied or approved by the District to add the following provisions to the insurance policies:

(A) General Liability. The general liability policy shall include or be endorsed (amended) to state that: (1) using ISO CG forms 20 10 and 20 37, or endorsements providing the exact same coverage, the Citrus Heights Water District, its officials, officers, employees, agents, and volunteers shall be covered as additional insured with respect to the Services or ongoing and complete operations performed by or on behalf of the Contractor, including materials, parts or equipment furnished in connection with such work; and (2) using ISO form 20 01, or endorsements providing the exact same coverage, the insurance coverage shall be primary insurance as respects the District, its officials, officers, employees, agents, and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Contractor's scheduled underlying coverage. Any excess insurance shall contain a provision that such coverage shall also apply on a primary and noncontributory basis for the benefit of the District, before the District's own primary insurance or self-insurance shall be called upon to protect it as a named insured. Any insurance or self-insurance maintained by the District, its officials, officers, employees, agents, and volunteers shall be excess of the Contractor's insurance and shall not be called upon to contribute with it in any way. Notwithstanding the minimum limits set forth in Section 3.2.11.2(B), any available insurance proceeds in excess of the specified minimum limits of coverage shall be available to the parties required to be named as additional insureds pursuant to this Section 3.2.11.3(A).

(B) Automobile Liability. The automobile liability policy shall include or be endorsed (amended) to state that: (1) the District, its officials, officers, employees, agents, and volunteers shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Contractor or for which the Contractor is responsible; and (2) the insurance coverage shall be primary insurance as respects the District, its officials, officers, employees, agents, and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Contractor's scheduled underlying coverage. Any insurance or self-insurance maintained by the District, its officials, officers, employees, agents, and volunteers shall be excess of the Contractor's insurance and shall not be called upon to contribute with it in any way. Notwithstanding the minimum limits set forth in Section 3.2.11.2(B), any available insurance proceeds in excess of the specified minimum limits of coverage shall be available to the parties required to be named as additional insureds pursuant to this Section 3.2.11.3(B).

(C) Workers' Compensation and Employer's Liability Coverage. The insurer shall agree to waive all rights of subrogation against the District, its officials, officers, employees, agents, and volunteers for losses paid under the terms of the insurance policy which arise from work performed by the Contractor.

(D) All Coverages. Each insurance policy required by this Agreement shall be endorsed to state that: (A) coverage shall not be suspended, voided, reduced or canceled except after thirty (30) days (10 days for nonpayment of premium) prior written notice by certified mail, return receipt requested, has been given to the District; and (B) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the District, its officials, officers, employees, agents, and volunteers. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the District, its officials, officers, employees, agents and volunteers, or any other additional insureds.

3.2.11.4 Separation of Insureds; No Special Limitations; Waiver of Subrogation. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the District, its officials, officers, employees, agents, and volunteers. All policies shall waive any right of subrogation of the insurer against the District, its officials, officers, employees, agents, and volunteers, or any other additional insureds, or shall specifically allow Contractor or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Contractor hereby waives its own right of recovery against District, its officials, officers, employees, agents, and volunteers, or any other additional insureds, and shall require similar written express waivers and insurance clauses from each of its subcontractors.

3.2.11.5 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the District. Contractor shall guarantee that, at the option of the District, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the District, its officials, officers, employees, agents, and volunteers; or (2) the Contractor shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

3.2.11.6 Subcontractor Insurance Requirements. Contractor shall not allow any subcontractors to commence work on any subcontract relating to the work under the Agreement until they have provided evidence satisfactory to the District that they have secured all insurance required under this Section. If requested by Contractor, the District may approve different scopes or minimum limits of insurance for particular subcontractors. The Contractor and the District shall be named as additional insureds on all subcontractors' policies of Commercial General Liability using ISO form 20 38, or coverage at least as broad.

3.2.11.7 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VIII, licensed to do business in California, and satisfactory to the District.

3.2.11.8 Verification of Coverage. Contractor shall furnish District with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to the District. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms provided by the District if requested. All certificates and endorsements must be received and approved by the District before work commences. The District reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.2.11.9 Reporting of Claims. Contractor shall report to the District, in addition to Contractor's insurer, any and all insurance claims submitted by Contractor in connection with the Services under this Agreement.

3.2.12 Safety. Contractor shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Contractor shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life saving equipment and procedures; (B) instructions in accident prevention for all employees and subcontractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.2.13 [reserved]

3.2.14 Accounting Records. Contractor shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Contractor shall allow a representative of District during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Contractor shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.3 Fees and Payments.

3.3.1 Compensation. Contractor shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "C" attached hereto and incorporated herein by reference. The total compensation shall not exceed One hundred fifty six thousand seven hundred and fifty dollars (\$156,750.00) without written approval of District's Director of Operations or designee. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

3.3.2 Payment of Compensation. Contractor shall submit to District a monthly itemized statement which indicates work completed and hours of Services rendered by Contractor. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. District shall, within 45 days of receiving such statement, review the statement and pay all approved charges thereon.

3.3.3 Reimbursement for Expenses. Contractor shall not be reimbursed for any expenses unless authorized in writing by District.

3.3.4 Extra Work. At any time during the term of this Agreement, District may request that Contractor perform Extra Work. As used herein, "Extra Work" means any work which is determined by District to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Contractor shall not perform, nor be compensated for, Extra Work without written authorization from District's Representative.

3.3.5 Prevailing Wages. Contractor is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. Since the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and since the total compensation is \$1,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws. District shall provide Contractor with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Contractor shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Contractor's principal place of business and at the project site. Contractor shall defend, indemnify and hold the District, its officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Contractor and all subcontractors to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Section 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of contractors and subcontractors (Labor Code Sections 1777.1).

3.3.6 Registration. Since the Services are being performed as part of an applicable “public works” or “maintenance” project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Contractor and all subcontractors must be registered with the Department of Industrial Relations. Contractor shall maintain registration for the duration of the Project and require the same of any subcontractor. This Project may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Contractor’s sole responsibility to comply with all applicable registration and labor compliance requirements.

3.4 Termination of Agreement.

3.4.1 Grounds for Termination. District may, by written notice to Contractor, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Contractor of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Contractor shall be compensated only for those services which have been adequately rendered to District, and Contractor shall be entitled to no further compensation. Contractor may not terminate this Agreement except for cause.

3.4.2 Effect of Termination. If this Agreement is terminated as provided herein, District may require Contractor to provide all finished or unfinished Documents and Data and other information of any kind prepared by Contractor in connection with the performance of Services under this Agreement. Contractor shall be required to provide such document and other information within fifteen (15) days of the request.

3.4.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, District may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.5 General Provisions.

3.5.1 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Contractor:

Blue Jay Trucking, Inc.
P.O. Box 292188
Sacramento, CA 95829
Attn: Jatinder Shoker

District:

Citrus Heights Water District
6230 Sylvan Road
Citrus Heights, California 95610
Attn: Director of Operations

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to

the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.5.2 Indemnification.

3.5.2.1 Scope of Indemnity. To the fullest extent permitted by law, Contractor shall defend, indemnify and hold the District, its officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions of Contractor, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Contractor's Services, the Project or this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses. Notwithstanding the foregoing, to the extent Contractor's Services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Contractor.

3.5.2.2 Additional Indemnity Obligations. Contractor shall defend, with Counsel of District's choosing and at Contractor's own cost, expense and risk, any and all claims, suits, actions or other proceedings of every kind covered by Section 3.5.2.1 that may be brought or instituted against District or its officials, officers, employees, volunteers and agents. Contractor shall pay and satisfy any judgment, award or decree that may be rendered against District or its officials, officers, employees, volunteers and agents as part of any such claim, suit, action or other proceeding. Contractor shall also reimburse District for the cost of any settlement paid by District or its officials, officers, employees, agents or volunteers as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for District's attorneys' fees and costs, including expert witness fees. Contractor shall reimburse District and its officials, officers, employees, agents, and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Contractor's obligation to indemnify shall survive expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by the District, its officials officers, employees, agents, or volunteers.

3.5.3 Governing Law; Government Code Claim Compliance. This Agreement shall be governed by the laws of the State of California. Venue shall be in Sacramento County, California. In addition to any and all contract requirements pertaining to notices of and requests for compensation or payment for extra work, disputed work, claims and/or changed conditions, Contractor must comply with the claim procedures set forth in Government Code sections 900 et seq. prior to filing any lawsuit against the District. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, claims, and/or changed conditions have been followed by Contractor. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Contractor shall be barred from bringing and maintaining a valid lawsuit against the District.

3.5.4 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.5.5 District's Right to Employ Other Contractors. District reserves right to employ other contractors in connection with this Project.

3.5.6 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties.

3.5.7 Assignment or Transfer. Contractor shall not assign, hypothecate or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the District. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.5.8 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Contractor include all personnel, employees, agents, and subcontractors of Contractor, except as otherwise specified in this Agreement. All references to District include its officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content or intent of this Agreement.

3.5.9 Amendment; Modification. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.5.10 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel or otherwise.

3.5.11 No Third Party Beneficiaries. Except to the extent expressly provided for in Section 3.5.7, there are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.5.12 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.5.13 Prohibited Interests. Contractor maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this Agreement. Further, Contractor warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Contractor, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. Contractor further

agrees to file, or shall cause its employees or subcontractors to file, a Statement of Economic Interest with the District's Filing Officer as required under state law in the performance of the Services. For breach or violation of this warranty, District shall have the right to rescind this Agreement without liability. For the term of this Agreement, no official, officer or employee of District, during the term of his or her service with District, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.5.14 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.5.15 Attorneys' Fees and Costs. If any action in law or equity, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing Party shall be entitled to recover from the losing party attorney's fees and costs in an amount determined to be reasonable by a court of competent jurisdiction.

3.5.16 Authority to Enter Agreement. Contractor has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.5.17 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.5.18 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both parties.

[SIGNATURES ON NEXT PAGE]

**SIGNATURE PAGE FOR 2021/2022 TRUCKING SERVICES AGREEMENT
BETWEEN THE CITRUS HEIGHTS WATER DISTRICT
AND BLUE JAY TRUCKING, INC.**

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the ____ day
of October, 2020.

CITRUS HEIGHTS WATER DISTRICT

BLUE JAY TRUCKING, INC.

By: _____
Hilary M. Straus
General Manager

By: _____

Its: _____

Printed Name: _____

Federal ID No. _____

Business License Number _____ (City of
_____)

EXHIBIT “A”

SCOPE OF SERVICES

The purpose of these Services is to provide on-call trucking services to the District for hauling materials to and from the District facilities and/or job sites. These services include:

- Deliver road base materials, such as aggregate base, sand, cut back and crushed rock from designated locations throughout Sacramento County. Contractor will be responsible for unloading materials into designated storage areas.
- Disposal of trench and road base materials originated by the District’s construction activities. Trench spoils to be picked up from designated locations throughout the District service area and distributed to landfill facilities as identified by District staff. District staff will provide loading services using a backhoe at the designated locations.
- Provide District personnel with trucking slips, dump slips, and road materials slips at the end of each workday.

Note – The vast majority of all materials and spoils being hauled in and out will be from the District’s Corporation Yard at 6230 Sylvan Road, Citrus Heights, CA 95610.

CONTRACT BID ITEMS

Item #	Description	Estimated # of Hours Annually	Hourly Unit Price	Total
1	Haul in materials w/transfer (5 axles)	300		
2	Haul in materials w/super dump	300		
3	Haul in materials w/end dump	275		
4	Haul out spoils w/super dump	275		
5	Haul out spoils w/end dump	275		
GRAND TOTAL ALL ITEMS				

As an *optional addition* to the Bid items for the 24 months following the completion of this contract, please provide a percent increase to the Bid items below:

Item #	Description	% Increase
1	Haul in materials w/transfer (5 axles)	
2	Haul in materials w/super dump	
3	Haul in materials w/end dump	
4	Haul out spoils w/super dump	
5	Haul out spoils w/end dump	

EXHIBIT “B”

SCHEDULE OF SERVICES

The Contractor will have a maximum of two (2) business days to respond to each Notice to Proceed by the District. Work shall be completed within the timeframe set forth in the Notice to Proceed.

EXHIBIT “C”

COMPENSATION

Item #	Description	Estimated # of Hours Annually	Hourly Unit Price	Total
1	Haul in materials w/transfer (5 axles)	300	\$110.00	\$33,000.00
2	Haul in materials w/super dump	300	\$110.00	\$33,000.00
3	Haul in materials w/end dump	275	\$110.00	\$30,250.00
4	Haul out spoils w/super dump	275	\$110.00	\$30,250.00
5	Haul out spoils w/end dump	275	\$110.00	\$30,250.00
GRAND TOTAL ALL ITEMS		\$156,750.00		

As an *optional addition* to the Bid items for the 24 months following the completion of this contract, please provide a percent increase to the Bid items below:

Item #	Description	% Increase
1	Haul in materials w/transfer (5 axles)	5%
2	Haul in materials w/super dump	5%
3	Haul in materials w/end dump	5%
4	Haul out spoils w/super dump	5%
5	Haul out spoils w/end dump	5%

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS OCTOBER 21, 2020 MEETING

SUBJECT	: PROPOSED 2021 BUDGETS
STATUS	: Information/Discussion Item
REPORT DATE	: October 10, 2020
PREPARED BY	: Alberto Preciado, Accounting Manager Susan K. Talwar, Director of Finance and Administrative Services

OBJECTIVE:

Review and discuss the draft accompanying Budget Document, including Operating and Capital Improvement Budgets for 2021.

SUMMARY:

Presented for consideration are the following recommendations:

- A 2021 Operating Budget of \$13.53 million, representing an overall decrease of about \$100,000, or 0.76% below 2020 authorized budget levels. A significant portion of the expense items implement Strategic Planning items identified by the Board as priorities for 2021.
- A 2021 Capital Improvement Budget request of \$5.75 million in 2021 projects, with another \$1.75 million in projects carried over from prior years. Many of the proposed projects were reviewed with the Board at the 2021 Strategic Planning Session on August 26, 2020. The remaining projects proposed implement the 1999 Capital Improvement Program Master Plan and/or are based on a staff evaluation of capital needs. The total 2021 Capital Improvement Budget is \$7.5 million.

BACKGROUND AND ANALYSIS:

Based upon the goals and objectives identified by the Board at the Strategic Planning Session on August 26, 2020, staff has updated the financial model and prepared the proposed 2021 Operating and Capital Improvement Budgets. At the September 16, 2020 Board Meeting and at an October 7, 2020 Special Meeting, study sessions were held to review revenue options for the Board to consider, and to receive Board direction concerning how to proceed with a proposed budget and related revenue for 2021 and beyond. Of note, the Board provided policy direction to not implement a rate increase for 2021.

Accompanying this staff report for the Board's review is the debut of CHWD's revamped budget document, which focuses on highlighting programs and projects the District is planning to accomplish in the coming year based upon the proposed revenue and expenditure plan.

In prior years, the District issued a basic financial summary and forecast, which included the total budget summary, Operating and Capital Improvement Budgets and budgeted transfers to reserves. This year, District staff, prepared a programmatic Budget document in accordance with guidelines established by the Government Finance Officers Association (GFOA).

GFOA established the Distinguished Budget Presentation Awards Program (Budget Awards Program) in 1984 to encourage and assist state and local governments to prepare budget documents of the highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's best practices on budgeting, and then to recognize individual governments that succeed in achieving that goal. Over 1,600 governments, including states, cities, counties, special districts, school districts, and more have been recognized for transparency in budgeting. To earn recognition, budget documents must meet program criteria and excel as a policy document, financial plan, operations guide, and communication tool.

The proposed budget document differs from the previous budget summary in that it includes the following sections, in addition to the financial section:

- Introduction and Overview
- Financial Structure, Policy, and Process
- Financial Summaries
- Departmental Information
- Capital and Debt
- Document-wide (i.e., general background information about the District)

At the October 21, 2020 Board meeting, staff will provide a presentation concerning projected Operating and Capital expenses for the coming year. The presentation will highlight key programs and projects planned for 2021. Also at that meeting, staff will seek policy direction regarding the proposed budget for 2021.

Key issues the proposed 2021 budget addresses are as follows:

- **Economic activity.** Of note this year, there is a divergence between current economic conditions and corresponding customer activity that impact the budget. In light of the recent pandemic, while usage compared with 2020 has increased, the District is not certain that this up-tick in usage is going to be a long-term phenomenon, and therefore, what the long term impact of the pandemic will be on the District's financial projections.
- **Water Supply Cost with San Juan Wholesale District.** As presented to the Board on September 16, 2020 and on October 7, 2020, San Juan Water District (SJWD) notified CHWD that there will be an increase in wholesale water rates equivalent of 10.9% of its fixed charge, and an increase by an additional 25.7% should the debt for the Hinkle Reservoir cover replacement project be finalized during 2021. SJWD's surface water cost comprises about 15% of CHWD's total non-personnel-related budgeted operational expense, the District's single largest non-personnel operational expense.

Operating and Capital Budget Overview

Highlights of the 2021 expenditure plan include:

- 1) CHWD continues to focus in 2021 on advanced planning for infrastructure and programs and other Strategic Planning activities. For example, the Operating budget includes funding for implementation of Project 2030 – Water Main Replacements, Water Meter Replacement Program Study, completion of the Aquifer Storage Recovery (ASR) feasibility Study, Enterprise-wide Document Management and Scanning, and similar planning activities and projects.
- 2) Key capital projects proposed for 2021 are highlighted below. These projects proposed implement the 1999 Capital Improvement Program Mater Plan and/or are based on a staff evaluation of capital needs. The design and construction of Well #7 is included (contingent upon CHWD closing escrow on a seventh well site – currently in progress. Project delivery capacity is leveraged by the use of consultants/contractors on a project-specific basis.
- 3) Consumption has increased through the third quarter of 2020 compared with 2019. However, this increase in consumption may be temporary, due to more residents being home as a result of the COVID-19 pandemic. Consumption will be monitored to determine the short, medium, and long term impacts to budget.

Key 2021 proposed expenditures for Operating and Capital budgets are summarized below.

Operating Budget: \$13.53 million, decrease of 0.76%, or \$100,000 from the 2020 budget.

- \$3,680,064 portion of the total budget is the projected cost of treated water from San Juan Water District. The costs include the wholesale water rate increase of 10.9% as described above and a projected water use estimated to be 12,000 AF.
- \$2.06 million in support services, including many Strategic Planning and special projects, such as public education/outreach (including Project 2030 – Water Main Replacements, Centennial recognition, rebranding, and Water Efficiency Programs); completion of Water Meter Replacement Program study; completion of ASR study; acquisition of easements; and organizational development/training/certifications.
- \$103,000 decrease in Salary and Benefits, which funding for: Accelerated payoffs of the CalPERS pension Unfunded Actuarial Liability (UAL) and the Other Post-Employment Benefits (OPEB) UAL; 12% increase in Health Insurance costs; 2.75% for merit and cost of living adjustments.

Approximately \$500,000 in salary and benefit costs are allocated to the Capital Improvement Budget to account for staff time spent in the planning, design, construction and inspection of capital projects by District employees.

Capital Improvement Program Budget: A 2021 Capital Improvement Budget of \$5.75 million in 2021 projects, plus another \$1.75 million in projects carried over from prior years, totaling \$7.5 million, is proposed.

Project highlights include:

- Replacement, upgrades and new fire hydrants for \$164,800.
- Six water main replacements or installation projects, scheduled to start construction in 2021 with a projected cost of \$1.47 million.
- Operations equipment replacements and new equipment totaling \$380,000.
- Groundwater Well Capital Projects, funded through the Water Supply Reserve, totaling \$1,696,364;
 - Continued property acquisition carryover of \$436,364
 - Design and construction of Well No. 7, \$542,000, with a carryover of \$563,500
 - Groundwater Well Improvements, \$154,500

Revenue:

In past years, the practice has been to address new revenue in conjunction with the adoption of an expenditure plan. This year, due to a variety of factors that were discussed at the September 16, 2020 and October 7, 2020 financial planning workshops, the Board provided policy direction to refine CHWD's cost of services study and to consider a four part funding program during late Q1/early Q2 2021 that includes the following:

1. SJWD Rate Pass Through – A 5-year pass through of the wholesaler's cost/rate increases will be included to prevent the erosion of the District's financial base and safeguard reserves. Also, the SJWD charge will be listed as a separate line item on customers' bills to help communicate who SJWD is and why they should care.
2. Project 2030 Surcharge – CHWD's Customer Advisory Committee (CAC), working with a team of engineering and financial planning consultants, developed a master plan to phase, cost, and fund the replacement of 72% of the District's water mains by 2080. This includes a funding program that calls for a surcharge to build-up a designated reserve balance to maximize a "pay as you go" method to fund water main replacements. The proposed surcharge will help meet that target recommended by the CAC.
3. CHWD Base Rates – Covers the anticipated expense of all other operational and capital (minus Project 2030-related) needs including but not limited to: Strategic Plan initiatives, groundwater production, transfers to reserves, Operating & Maintenance (Non-SJWD) and Capital Improvements budgets.
4. Analysis/Update of Drought Rates – Covers a significant unexpected and/or State-mandated drop

in consumption that, in turn, decreases volumetric revenue to CHWD (e.g., 2015 State-mandated drought response).

Finance staff has analyzed District funding requirements in the short and medium term, and prepared a budget for Board consideration based upon the following factors: 1) revision of the District's Financial Model; 2) direction from the Board through the Strategic Planning process; and 3) direction from the Board through the financial planning workshops; 4) staff assessment based upon operational and capital needs.

Public Information and Public Engagement Program for the 2021 Budget

At the September 16, 2020 Financial Study Session, staff highlighted CHWD's public education/outreach strategy to help inform customers concerning key issues facing the District (e.g., increasing costs from San Juan Water District, aging infrastructure that is in need of replacement, and the importance for the District to continue its groundwater well development program).

Key channels for educating and engaging customers include: a Hand-out/Mailer; budget and funding information at CHWD's website; meetings with stakeholder audiences; "virtual road show" presentations provided by key staff (General Manager, Department Heads and other leadership staff within Operations and Administrative Services) to the City's neighborhood associations, service organizations (e.g., Rotary and Kiwanis), the Orangevale community; and use of the District's social media platforms (Facebook page, YouTube channel, NextDoor).

These activities will take place during the last quarter of 2020.

NEXT STEPS:

Upon Board review and direction provided at the October 21, 2020 Board meeting, staff will bring back at the November 18, 2020 Board meeting for discussion and possible action approval of the 2021 Budget.

RECOMMENDATION:

Provide direction to staff concerning the proposed budget for consideration at the November 18, 2020 Board Meeting.

ATTACHMENTS:

2021 Proposed Budget



CITRUS
HEIGHTS

WATER
DISTRICT

ADOPTED NOVEMBER 10th, 2020

2021 ANNUAL BUDGET



**C I T R U S
H E I G H T S
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6230 Sylvan Rd,
Citrus Heights, California 95610
(916) 725-6873
chwd.com

Board of Directors

Raymond A. Riehle, President
David C. Wheaton, Vice-President
Caryl F. Sheehan, Director

Executive Staff

Hilary M. Straus, General Manager
Susan K. Talwar, Director of Finance and Administrative Services
Melissa A. Pieri, Director of Engineering & District Engineer

Appointed Officers

Hilary M. Straus, Secretary
Susan K. Talwar, Treasurer
Alberto Preciado, Assessor Collector



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C I T R U S
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Introductory Section



Frequently Asked Questions about the Budget

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[How many people does the district serve? Page 13](#)

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Letter of Transmittal

**CITRUS
HEIGHTS
WATER
DISTRICT**



Board of Directors
Raymond A. Riehle, President
Caryl F. Sheehan, Vice President
David C. Wheaton, Director

Hilary M. Straus, General Manager/Secretary
Susan K. Talwar, Director of Finance & Admin. Services/ Treasurer
Alberto Preciado, Accounting Manager/Assessor/Collector

November 18, 2020

Honorable President and Members of the Board of Directors,

It is my pleasure to present you with the Citrus Heights Water District (CHWD or District) (FY) 2021 Budget. This year's budget demonstrates CHWD's continuing commitment to providing high quality, economical, and responsive services to our customer base while continuing the District's commitment to reinvest in its aging infrastructure and capital assets.

Agency History and Infrastructure/Asset Management

A review of the District's history and key infrastructure and assets help to inform customers today about operational and capital cost drivers. In 2021, CHWD will celebrate its Centennial. The District formed in October 1920 under the Irrigation Code with a three-member Board of Directors. The initial service area was 4.7 square miles (mostly agricultural), and the District provided water service to about 225 farms. Surface water was purchased by the North Fork Ditch Company, which had water rights to the American River, including what is now Folsom Lake. Water was conveyed to the Citrus Heights service area through a network of small canals and pipelines.

Water Mains

With the construction of Folsom Lake in the mid-1950s came the formation of CHWD's wholesale water provider, San Juan Water District. Soon after, as a result of funding from a bond measure, called "Project 1956," a forty-two inch transmission main was constructed from just west of Folsom Lake to provide water service to the CHWD service area. That transmission main, which is now over sixty years old, along with a back-up, large-diameter Cooperative Transmission Pipeline built in 1996 in partnership with San Juan Water District, what is now Sacramento Suburban Water District, Fair Oaks Water District and Orange Vale Water Company, serve as the primary pipelines to convey treated surface water from Folsom Lake via the San Juan Water District to CHWD's nearly 20,000 customers. Annually, more than ninety percent of the water served to



CHWD's customers is this surface water. The remaining water comes from CHWD's groundwater wells.

The District's service area urbanized in the period between 1960 and 1985. Most of CHWD's 250 miles of transmission and distribution water mains were installed by private developers, and were inspected by CHWD during that time period. These water mains were then donated to CHWD, and the responsibility for the operation, maintenance, repair and replacement was transferred to CHWD's rate payers. During that period of urbanization, CHWD's service area grew to its present-day size of approximately 12.8 square miles.

According to the American Water Works Association (AWWA), the average lifespan of a water main is seventy years. Therefore, those water mains that were installed en masse beginning in 1960 will reach seventy years old in 2030, and CHWD forecasts that it will need to undertake a significant program of water main replacements beginning in 2030, and for several decades thereafter, to reduce the likelihood and consequence of water main failures in its service area.

Water Meters

Federal and State mandates in the early 1990s required CHWD to install and use water meters with its customers, and the District became fully metered with metered billing by 2009. AWWA reports that the average lifespan of a water meter is only twenty years. Also, the technology platforms of water meters are rapidly evolving, as water meters become more information-technology-based, or "smarter," offering web-based data/analytics for CHWD and its customers to assist in better managing water distribution and consumption.

Like water mains, CHWD is facing the challenge of replacing its aging water meters en masse. To address this challenge, CHWD has taken the lead to form a consortium of 11-water agencies, plus the Sacramento Regional Water Authority, to take advantage of economies of scale, and identify opportunities to work together to realize significant long-term cost savings to replace water meters throughout the Sacramento region.

Groundwater Wells

Beyond the management of water mains and water meters, a third major area of infrastructure and asset management is the development, operations, maintenance and repair of CHWD's network of six high capacity groundwater wells. These groundwater wells range in capacity from approximately 1,000-2,000 gallons per minute (GPM). CHWD has historically undertaken, and continues to maintain a network of groundwater wells, supplemental to its surface water supply, to ensure supply reliability and price stability to its customers.



The average lifespan of a well is approximately fifty years, and CHWD continues to plan for capital reinvestment, and as it deems necessary, for expansion of its groundwater program. One new, but potentially significant groundwater management technology that CHWD will explore during 2020 is Aquifer Storage and Recovery (ASR). With ASR, CHWD's groundwater wells could be converted to being able to not only extract groundwater, but inject surface water into the ground, in partnership with a water provider who has surface water availability and excess supply. This groundwater injection capability could increase CHWD's capacity to better manage the area's groundwater aquifer and potentially serve to offset the District's costs. An ASR feasibility study was initiated by CHWD during 2020, in conjunction with a larger region-wide ASR feasibility analysis, being conducted by the Sacramento Groundwater Authority (SGA).

Other Short-term Issues Impacting CHWD's Budget

For every rate dollar CHWD's customers pay, sixty-five cents goes to a fixed charge and thirty-five cents is charged based upon a customer's water usage. As shown in *Figure 1*, CHWD is facing flat, and even declining, water demand tied to increased water use efficiency per capita. Water efficiency is tied to changed water use habits in the post-2015 drought era (thought to be a "new normal" of lower water usage), the

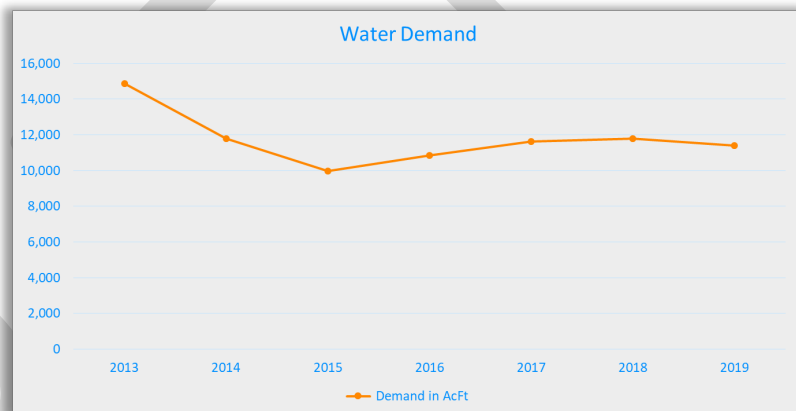


Figure 1: Water Demand through 2019

Year	Projected SJWD-W Increase Fixed Charge	Net Change on Fixed Charge
2020	Fixed – \$1,951,068	
2021	Fixed – \$2,163,289	10.9% increase on Fixed
2021	Plus Hinkle Debt - \$502,200	25.7% additional increase for Hinkle, 1 st year of debt service
2021 Total	Fixed - \$2,665,489	36.6% total increase including new Hinkle debt

Figure 2: Estimated Increases from the San Juan Water District

implementation of water meters/metered-billing and the increasing impact of state water efficiency regulations.

Flat or declining water usage demand places a greater burden on the fixed portion of the rate as water agencies incur significant capital and operating expenses to deliver the first unit of water to its customers.

Moreover, Citrus Heights Water District's wholesale water agency, San Juan Water District's, rates



continue to escalate as shown in Figure 2. San Juan Water District reports that their capital improvement program is \$60 million underfunded, and the agency has aging facilities and equipment in need of repair, remodel and replacement. Notwithstanding the above, the COVID-19 Virus Pandemic of 2020 has, at least in the short term, impacted consumption. As CHWD is a largely residential water provider, social distancing, resulting in increased time spent at home, is contributing to a substantial increase in consumption. By the end of July 2020, consumption was up 24% year-to-date compared with 2019. It is unclear if this increase in usage will have long-term impacts on the District's budget, and is therefore not presently viewed as a factor that will substantially impact the District's water demand forecast as described above. District staff will continue to monitor the Pandemic and consumption closely, and will note any potential changes to its water demand forecast if it is updated in future budget communications.

Focus on Long-Range Planning

CHWD has a long-standing tradition of planning and managing its long-term capital and operational needs and accompanying financial planning. CHWD's focus on long-range planning is exemplified by its water main master planning (e.g., 1999 Master Plan that focused on water main replacements; Project 2030—Water Main Replacement Program (the successor planning effort to the 1999 Master Plan); Water Meter Replacement Study and Consortium-based Meter Replacement Asset Management Program; maintaining a 10-year financial forecast as a driver for annual budgeting; use of Strategic Planning, focusing on three-year goals and one-year objectives, as a driver for annual budgeting).

Implementation of an Annual Budget Based on a Ten-Year Budget Forecast

Given the significant capital and asset management-related one-time and ongoing expenses projected, CHWD has developed and maintained a 10-year budget forecast or Financial Model. The Financial Model is updated regularly with actual revenues and expenses, and serves as a key policy, operational, capital and financial planning tool as the District considers policy, operational, capital and budget options.

A summary of the 10-Year Financial Model is included in the "Financial Model" section of the budget.

Reserve Policies and Special Funding

Each year, CHWD endeavors to transfer a portion of net revenue to both designated and undesignated reserves. Placing ratepayer dollars in reserves ensures that CHWD can smooth-out its expenses and minimize its use of debt financing (which can add significant expense, delay, complication and result in a loss of local control to CHWD as it implements its Capital Improvement Program).

CHWD's designated reserves, which are described in more detail in the Appendix section of the budget, include: Water Efficiency, Water Supply, Debt Services, Employment-



Related Benefits, Fleet Equipment, Rate Stabilization, Water Meter Replacement, Operating and Capital Improvement. As CHWD looks to finalize its Project 2030—Water Main Replacement Study and program in 2020, the District will explore establishing a Water Main Replacement Reserve.

Strategic Planning

Since 2016, CHWD has incorporated a Strategic Planning process into its annual budget development. The Strategic Planning process focuses on identifying important work program items over and above daily operations of the District. These work program items are intended to address complicated issues that can significantly impact the District and/or that can help take CHWD to the next level.

Strategic Planning is undertaken as one of the initial activities of the budget development process, and includes a review of the prior year's work program, and an examination/re-examination of the District's three year goals and one-year objectives, organized under each three goal. One-year objectives are then assigned to a CHWD staff member, who is chiefly responsible for the implementation of that objective, along with a team of CHWD staff and/or consultants in a supporting role. CHWD Board Members and leadership staff (General Manager, department heads, division manager and key staff), as well as members of CHWD's Customer Advisory Committee (CAC) participate in a Strategic Planning session held as a public meeting, typically in June, July or August of each year. From there, CHWD finance staff prepare a draft budget with expenditure and funding options, many of which incorporate Strategic Plan work program items, to ensure that the Strategic Plan is implemented as directed by the Board.

For 2021, there are several one-year objectives organized under five (5) three-year goals, including: 1) Implement the Project 2030 Water Main Replacement Program to Ensure a Reliable Water Distribution System; 2) Manage and Diversify a Dependable Water Supply; 3) Manage Water Efficiency Effectively and Empower Customers to Use Water in an Efficient Manner; 4) Manage the Efficient Improvement of and Reinvestment in District Infrastructure and Facilities; 5) Promote Organizational Effectiveness to Enhance Customer Service.

A summary of the CHWD's 2021-24 Strategic Plan is included in the "Strategic Planning" section of the budget.

Public Education/Outreach

Given the significant service and financial implications of many operational and capital initiatives, over the years, CHWD has increasingly committed resources to public education and outreach. Some of CHWD's platforms for communication include its website (recently redesigned and re-launched as part of CHWD's Centennial in 2020), its direct-mail Waterline newsletter (and more recently its Facebook site), annual visits to neighborhood associations, and through its establishment of a 25-member Customer



Advisory Committee (CAC) to consider options how to phase, cost and fund water main and meter replacements.

The Customer Advisory Committee is made up 17 residential customers, 3 commercial customers (representing the Citrus Heights Chamber of Commerce, Sunrise MarketPlace Property-based Business Improvement District and the Auburn Boulevard Business Association), and 5 public agencies (City of Citrus Heights, Sacramento Metropolitan Fire District, San Juan Unified School District, Sunrise Recreation and Park District and Sylvan Cemetery District).

The CAC works with CHWD leadership, technical staff, and a team of engineering and financial planning consultants to analyze capital and financial planning options for the replacement of water mains and meters, and it makes policy recommendations on these topics to CHWD's Board of Directors.

As we look ahead to 2021, CHWD will continue to strengthen and expand its public education and outreach program. One new customer-focused program is CHWD's new Garden Corps, which is a task force of customers who will work with District staff and specialists to operate and maintain CHWD's new Water Efficiency Demonstration Garden Plots at the Sylvan Ranch Community Garden.

Operating Budget

Looking ahead to budget year 2021, some of the key work program items included in CHWD's budget, include:

- **Project 2030—Water Main Replacements—** Initiate development of condition assessment plans for the District's transmission and distribution mains
- **Water Supply—** Complete Aquifer Storage Recovery (ASR) Feasibility Study
- **Water Efficiency—** Expand the virtual content for WaterSmart Classes, including one pre-recorded and one live video at the Community Garden; and continue virtual WaterSmart Classes
- **CHWD Infrastructure and Facilities—** Complete the Meter Replacement Study and Final Report
- **Organizational Effectiveness—** Select consultant and begin the creation of engineering design standards/procedures for development projects - Create and/or revise District Policies (8000's - Water Service and 9000's - Water Distribution Facilities)

District's Capital Improvement Program (CIP)

CHWD is proud that its CIP continues to be its single largest budgeted expense. The CIP focuses on replacement of water mains, meters, CHWD's groundwater program and system-wide appurtenances and other facility replacements and improvements. The CIP also includes buildings, grounds and fleet, which support CHWD's ongoing operations



and capital improvement work programs. A summary of the CHWD's Capital Improvement Program is included in the "Capital Budget" section of the budget.

Conclusion

This year's budget focuses on completing important long-range infrastructure and asset management planning, expanding CHWD's groundwater program, continuing to provide enhanced public services, providing expanded opportunities for customer participation and maintaining adequate reserves. CHWD's 2021 budget also highlights the District's ongoing commitment to operational and financial efficiency.

Respectfully submitted,

Hilary M. Straus
General Manager

DRAFT



About the District

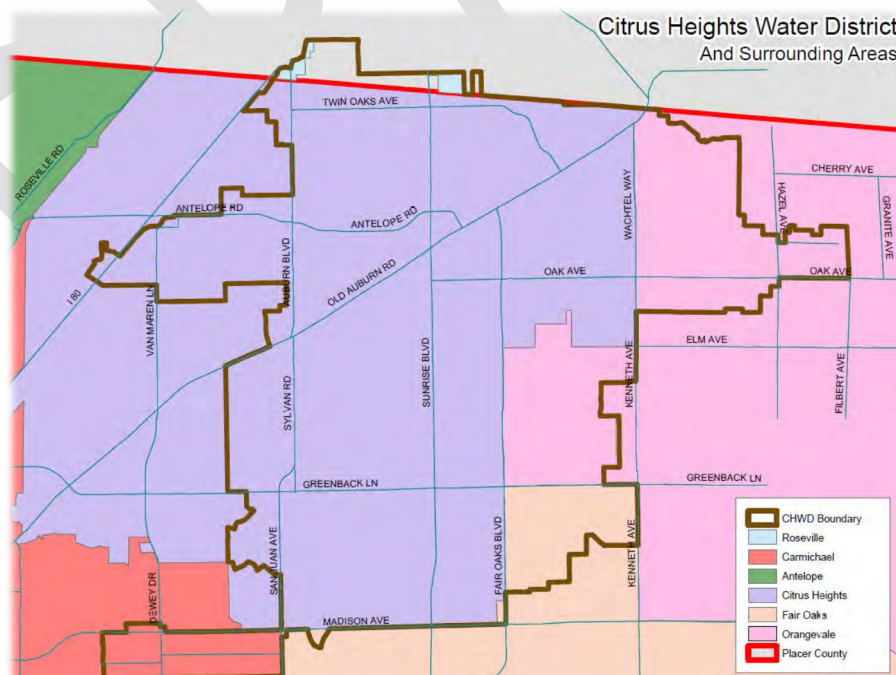
The Citrus Heights Water District (the “District” or “CHWD”) was established in 1920, as the Citrus Heights Irrigation District.

The District encompassed slightly more than 4.7 square miles, serving approximately 225 farms. The District currently serves water to a population of approximately 67,000 people within an approximate 12 square mile service area.



CHWD Offices

Citrus Heights Water District carries out its mission with a highly-motivated and competent staff that is empowered to conduct CHWD’s business by placing the customers’ needs and welfare first. Each day, CHWD employees strive to carry out their work, mindful of the District’s mission, “to furnish a dependable supply of safe, quality water delivered to its customers in an efficient, responsive, and affordable manner.”



CHWD Service Area



The District provides these programs to increase water efficiency:

- **Water Smart Classes** - Every spring and summer, CHWD a series of Water Smart Landscape classes for their customers. These free classes provide many tips and tools to help residents maintain or upgrade their yards in the most water-efficient ways.
- **Free Irrigation Efficiency Review** - CHWD can arrange a Landscape Irrigation Review at no cost to customers to help manage and maintain their irrigation systems. Upon completion of the Review, customers receive a written report that includes recommendations for improving irrigation system performance, and a 12-month irrigation schedule based on the customers' personal landscape needs.
- **Rebates** - To assist customers in conserving water, the District provides rebates for the purchase and installation of ultra-low flush (ULF) toilets. It also currently participates in a limited cooperative washing machine rebate program with Sacramento Municipal Utility District (SMUD).
- **School Programs** - Citrus Heights Water District partners with schools within its service area to educate children about the importance of water efficiency and how they can help conserve water.
 - *Presentations* - CHWD offers one-hour interactive classroom presentations to demonstrate to students how they can conserve water every day. The classroom presentations are tailored for grades K-3, 4-6 and 7-8.
 - *Poster Contest* - CHWD conducts an annual poster contest where students in grades 4-6 can submit a drawing illustrating how they have fun conserving water. A panel of judges from other public and community organizations such as the Citrus Heights Chamber of Commerce, City of Citrus Heights, and Sunrise Recreation and Parks District review all of the drawing submissions and select the winners.



Poster Contest 1st Place Winner, 2019

Governance and Organizational Structure

CHWD is a special district established as an Irrigation District under the State of California Water Code. The District is governed by a three-member Board of Directors that is elected to a four-year term. CHWD has a by-district electoral system, Directors are elected only by voters who reside within each Director's district. The District was



staffed in 2020 by 36 full-time equivalent employees assigned to four departments: Administrative Services, Engineering, Operations, and the General Manager's Office. During 2020, the General Manager's office was reorganized into the Administrative Services and Operations departments. The General Manager and General Counsel are appointed by, and report directly to, the Board of Directors.

Water Supply

In 2019, the District purchased 96.74% of its water from San Juan Water District (SJWD), and delivered it to approximately 19,900 residential and commercial service connections. Additionally, the District maintains six groundwater wells and approximately 250 miles of pipeline. CHWD has been treating and delivering groundwater to customers since 1943.

Demographic and Economic Statistics

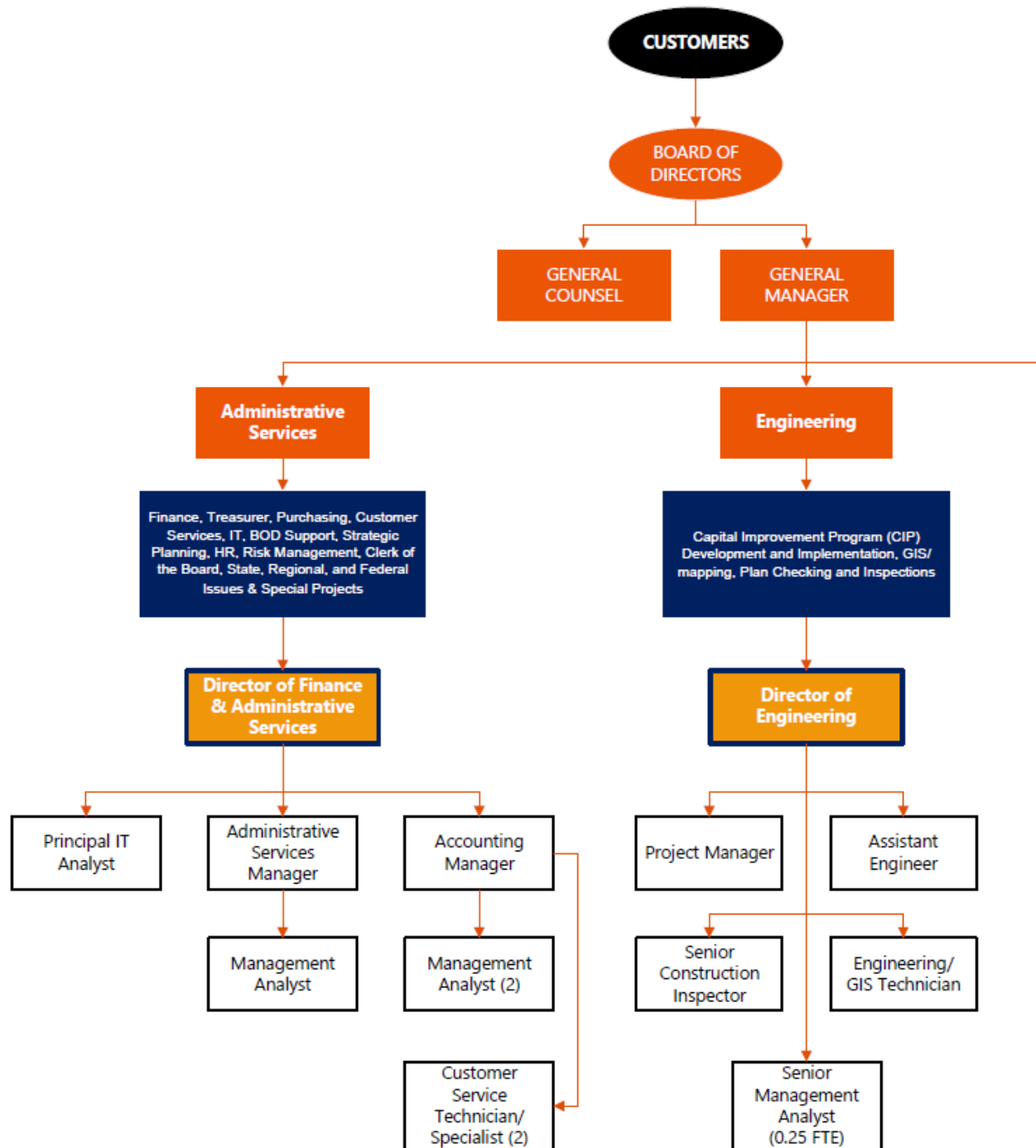


Demographic and economic statistics are provided for the City of Citrus Heights (City) and the County of Sacramento (County) because these statistics are not separately available for the District's service area. The District is comprised of some areas of the City and unincorporated areas of the county. The District believes that data from the City and County is representative of the conditions and experiences of the district. These statistics may be found in the "Statistical Data" section of the Budget.

CHWD Staff Poses with the Sylvan Well

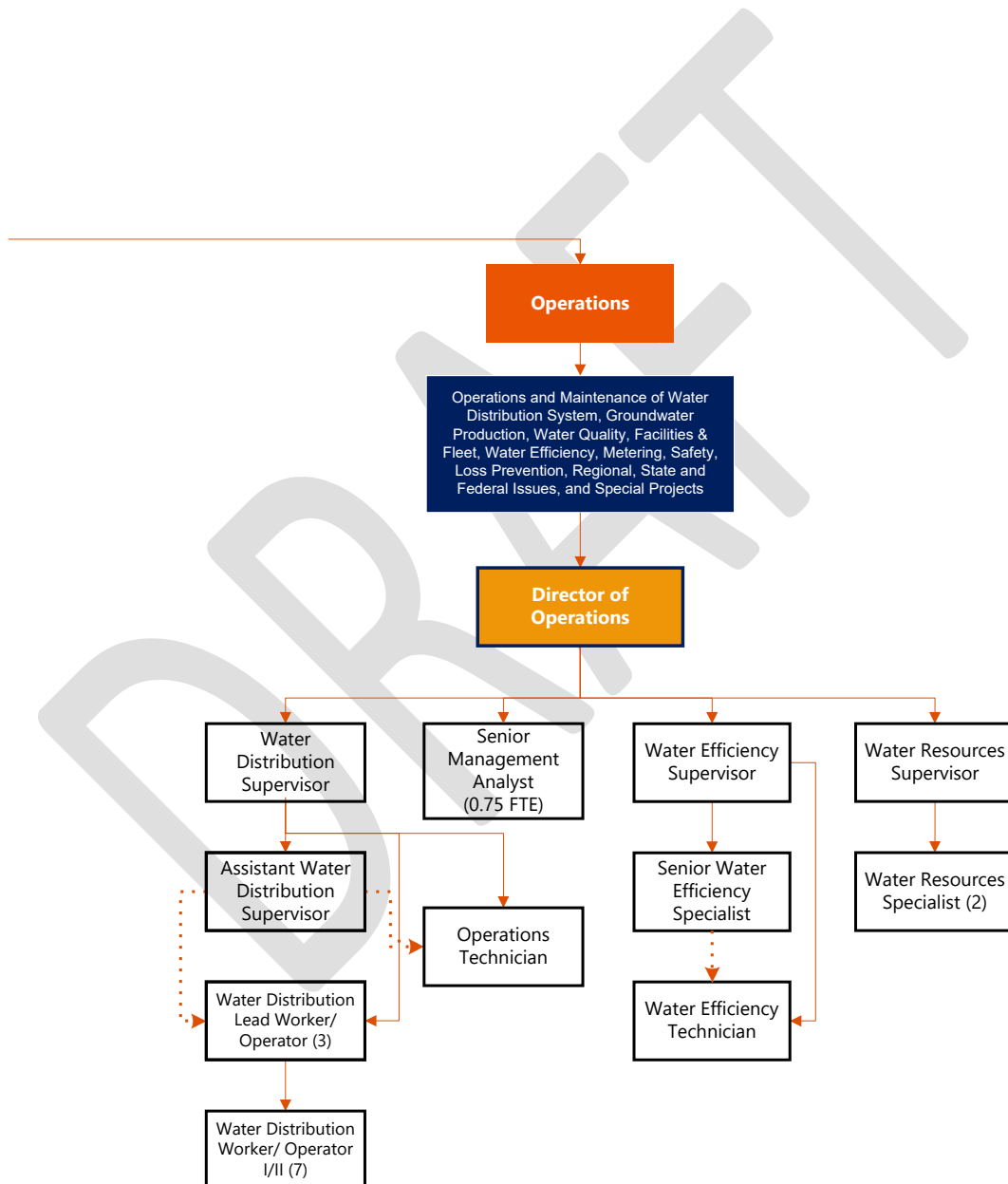


Organizational Chart





Organizational Chart for 2020





Strategic Planning

Strategic Plan - Strategic planning involves establishing a vision for the future, setting a mission statement, providing direction, and defining what the organization stands for and what it has pledged to accomplish. Since 2016, CHWD has held a strategic planning workshop for the Board of Directors, management, and members of the community at-large. The purpose of the workshop is to review the District's mission statement and values, and to formulate the District's one-year and 5-year organizational goals which emphasize CHWD's commitment to efficiency, water supply, capital improvement and organizational wide support. The Strategic Plan forms the basis for the District's priority-based budgeting efforts.



Strategic Planning Session Participants

KEY ISSUES FOR 2021

- | | |
|---|--|
| <ul style="list-style-type: none">• CHWD Policy Updates• Organizational Development / Employee Training• Easements• Long-Term Planning | <ul style="list-style-type: none">• Staffing Levels / Service Delivery• Expanded Public Information / Engagement• Well Site Property Acquisition• Developing funding mechanism for long-term infrastructure replacement |
|---|--|



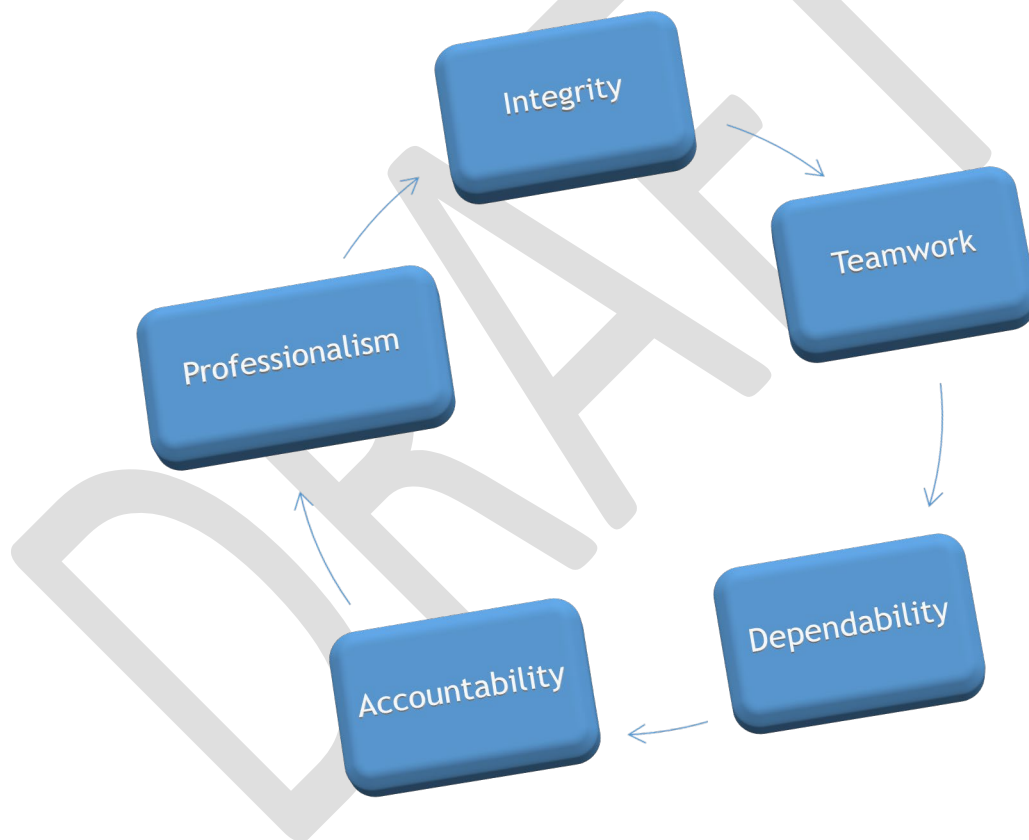
Our Mission

It is the mission of the Citrus Heights Water District to furnish a dependable supply of safe, quality water delivered to its customers in an efficient, responsive, and affordable manner.

OUR VISION

The Citrus Heights Water District will continue to evolve as a dynamic provider of municipal water service to assure that our customers receive the best value without giving it a second thought.

OUR VALUES





Strategic Plan Goals and Objectives

During the Strategic Planning session, CHWD's leadership puts together a set of goals, representing the priorities that will drive the District's activities. Goals are for three years, but are reviewed each year to determine whether they are still relevant for the coming budget year. Under each goal, individual objectives are identified to address the issues that pertain to that goal.

Some key differences between the current year (2020) and the coming budget year (2021) include:

- **Project 2030:** 2020 Objectives were primarily in the study and development of potential strategies for scheduling and funding the water main replacement beginning in 2030. For 2021, the objectives shift to developing the methods of testing, as well as outreach and funding for the preferred strategy.
- **Water Supply:** In 2020, the objectives were focused on finding potential sites for future groundwater wells, as well as a focus on the District's relationship with its wholesale provider. In 2021, objectives focus on evaluating the potential for Aquifer Storage and Recovery technology as part of the District's water supply portfolio, completing acquisition of sites for the next two District groundwater wells, and planning for the replacement of the Hinkle Reservoir cover.
- **Water Efficiency:** In addition to working towards improving attendance at customer education events, the Water Efficiency objectives for 2020 focused on creating an interactive experience for customers to see water efficient strategies in practice. For 2021 the attendance objectives remain; however, the new objectives focus on improving and expanding educational content for our customers, and on developing a volunteer program to assist with demonstrations and the operation of the interactive garden.
- **Infrastructure and Facilities:** The focus for 2020 was on the District Annexation project, and disposal of CHWD's surplus well sites. In 2021, focus areas include the completion of the Meter Replacement Study and final report, as well as pre-architectural design and options for improving District facilities.
- **Organizational Effectiveness:** For 2019, objectives included beginning the RFP process for a Document Management System (EDMS), rebuilding the Financial Model, and hiring a Management Analyst to assist the Operations and Engineering departments. For 2020, objectives seek to increase employee efficiency and improve our communication with customers, as well as review and update District policies. Additionally, CHWD will begin to implement the EDMS.

The following are the goals and objectives identified for 2021:



Strategic Plan Goal:	Implement the Project 2030 Water Main Replacement Program to ensure a reliable water distribution system.
#	OBJECTIVES
1	Develop outreach and engagement plan on the preferred alternative from the Project 2030 Water Main Replacement Study.
2	Develop funding mechanism for the preferred alternative from the Project 2030 Water Main Replacement Study.
3	Initiate development of condition assessment plans for the District's transmission and distribution mains.
4	Perform non-invasive condition assessment on selected District transmission mains.

Strategic Plan Goal:	Manage And Diversify A Dependable Water Supply
#	OBJECTIVES
1	Hinkle Reservoir Cover Replacement: <ul style="list-style-type: none"> • Develop operation plan • Develop participation and cost agreement.
2	Amend Intertie Agreement with Fair Oaks Water District.
3	Acquire well sites 7 and 8.
4	Complete Aquifer Storage Recovery (ASR) Feasibility Study.

Strategic Plan Goal:	Manage Water Efficiency Effectively and Empower Customers to Use Water in an Efficient Manner
#	OBJECTIVES
1	Increase CHWD Customer attendance at WaterSmart Classes by 20%.
2	Expand the virtual content for WaterSmart Classes, including one pre-recorded and one live video at the community garden; and continue virtual WaterSmart Classes each season.
3	Increase sign-ups for Water Efficiency Reviews by 10%.



Strategic Plan Goal:	Manage Water Efficiency Effectively and Empower Customers to Use Water in an Efficient Manner
#	OBJECTIVES
4	Increase rebate program participants by 10%.
5	Develop a Garden Corps Volunteer Program to maintain the plots at the Community Garden.

Strategic Plan Goal:	Manage The Efficient Improvement Of And Reinvestment In District Infrastructure And Facilities
#	OBJECTIVES
1	Complete the Meter Replacement Study & Final Report.
2	Prepare an implementation and funding Strategy for Meter Replacements and Meter Testing.
3	Prepare and implement a Public Engagement Strategy including Customer Advisory Committee participation for Meter Replacements and Meter Testing.
4	Work with the Regional Water Authority to transition ongoing program leadership.
5	Complete Corporation Yard Pre-Architectural Study.
6	Complete Request for Proposal and hire a consultant for the District-wide Easement Project

	Promote Organizational Effectiveness To Enhance Customer Service
#	OBJECTIVES
1	Implement the enterprise-wide Document Management System, convert the first 17 document types, & implement six document workflows.
2	Continued participation in study for regional integration evaluation.
3	Implement a series of events and promotions for the District's Centennial Celebration.



	<i>Promote Organizational Effectiveness To Enhance Customer Service</i>
#	OBJECTIVES
4	Complete Update of 7000's (Accounts Receivable) Policies.
5	Select consultant and begin the creation of engineering design standards/procedures for development projects - Create and/or revise District Policies (8000's - Water Service and 9000's - Water Distribution Facilities).
6	Select Consultant for Audit Services.
7	Develop 5-year IT Strategic Plan.



Economic Condition, Outlook and Major Initiatives



Water Meter Testing In Progress

CHWD is primarily a residential community, with some commercial centers within its boundaries. The District's service area is largely built out; therefore, the District does not anticipate a significant growth in revenue based solely upon new development. The District is forecasting a slow but steady revenue increase based on 1.0% growth per year from the

demand in small infill of housing or commercial development within District boundaries, which is tempered by a minimal change, if not decrease in demand.

CHWD operates as an enterprise fund, meaning the costs of providing water service and protecting groundwater resources are financed by rates and fees charged to District customers. Since the District receives no revenue from taxes, operating revenues consist primarily of water sales and bimonthly service charges. Although water use increased slightly in 2020, District customers have decreased their water use significantly since 2013 in response to state-wide drought mandates. This created a gap between the amount of water customers were projected to use, and the amount they actually used, and contributed to the need for a new rate study and financial model rebuild.

CHWD and its wholesale water supplier, San Juan Water District (SJWD), continue to encounter changes in operations due to new regulations; moreover, SJWD staff reports that the capital needs for that district are severely underfunded. The impact of current and future regulations, and the resulting cost impact on water supply operations, are an ongoing challenge for the District. CHWD anticipates a 10% rate increase from its wholesale water supplier in 2021.

As of January 1, 2020, CHWD charges a uniform rate of \$1.18 per unit of water, and a bimonthly fixed charge of \$87.29 for a 1-inch meter. One unit of water equals 748 gallons which means that the cost per gallon is 0.16 cents. At \$806.94 per year, the cost of water service for a typical single family home using 179,520 gallons of water annually remains a good value for CHWD's customers.

The District continues to repair and replace aging infrastructure throughout its system. During 2020, the District completed 284 service replacements, completed water main replacement projects, including the Whyte Avenue & Langley Avenue Main replacement. Capital projects scheduled for 2021 total \$7.2 million.



Long-Term Financial Planning

Citrus Heights Water District utilizes a number of planning strategies when considering long-term financial forecasts.

- **Project 2030 Water Main Replacement Plan** - This plan was identified during the strategic planning process as a key strategy for engaging customers in long-range water main replacement planning efforts. The purpose of this plan is to inform customers about our challenges, and the current actions being undertaken to ensure water supply reliability, and prepare for the replacement of aging infrastructure.



- **Capital Improvement Plan** - The Strategic Plan lays the groundwork for the Capital Improvement Plan, which includes project schedules and projected costs for production and water supply facilities identified in the 1999 Facilities Master Plan. The Capital Improvement Plan is a thirty year forecast.
- **10-Year Finance Plan** - The previous Finance Plan was completed by NBS Government Finance Group in June 2013, and includes short and long-range projections of the District's revenues, operating and maintenance expenses, capital expenditures, and reserves over the next ten years. The plan is updated as changes in customer water use impact long-range financial projections and capital improvement and water supply plans evolve. Raftelis Financial Consultants began work on a new finance plan, which was completed in 2019. This finance plan was further revised in 2020 by IB Consulting and used to plan the 2021 Budget. Additional information about the financial model is located in the "Financial Model" section of the budget.
- **Annual Budget** - A key component of financial planning is the District's budget, which is prepared, reviewed and adopted annually. Every summer, District staff from each department prepare a draft budget which is presented to the Board of Directors for approval prior to the beginning of the next fiscal year. The annual budget includes forecasts for revenues, operating expenditures capital expenditures, and reserves transfers, and is formulated using a priority-based budgeting approach, and as an outgrowth of CHWD's strategic planning process.



Budget Overview

Budget Overview	2020 Adopted Budget	2021 Proposed Budget	Increase / (Decrease)	% Change
Operating & Maintenance Budget				
<i>Operations & Maintenance</i>	5,181,816	4,625,211	(556,605)	-10.74%
<i>Purchased Water</i>	3,122,550	3,680,064	557,514	17.85%
<i>Salary & Benefits</i>	5,332,506	5,228,086	(104,420)	-1.96%
<i>Total Expense</i>	13,636,872	13,533,361	(103,511)	-0.76%
Contribution to Reserves Budget				
<i>Total Budgeted Contribution to Reserves</i>	1,200,000	-	(1,200,000)	-100.00%
Capital Improvement Program Budget				
<i>Capital Improvement Program Budget (Funded through CIP Reserve)</i>	5,746,141	7,208,814	1,462,673	25.45%
Total	20,583,013	20,742,175	159,162	0.77%

Table 1

The comparison in *Table 1* reflects the proposed change in spending for the District's base budget for 2021. Operations and maintenance expenses are expected to decrease due to a decrease in the amount needed for contracted service with the Project 2030 study being finalized.

Purchased water costs are expected to increase due to increased fixed charges from the San Juan Water District.

Salary and benefits are projected to decrease slightly due to savings from vacant position not being staffed until the middle of the second quarter of 2021, despite increases in employer costs, such as pensions and other benefits.

Budgeted contributions to reserves are for transfers to the Water Supply Reserve in preparation for the acquisition of potential well sites, and construction of wells, as well as contributions to the Meter Replacement reserve to prepare for large-scale meter replacement, as the District's meter system begins to reach the end of its useful life.



Financial Highlights

- ❖ Operating Budget:
 - A 2021 Operating Budget of \$13.5 million, representing an overall decrease of about \$100,000 below 2020 authorized budget levels.
 - Implement Strategic Planning items and Special Projects identified by the Board as priorities for 2021.
- ❖ Capital Improvement Budget:
 - Total 2021 Capital Improvement Budget is \$7.5 million.
 - 2021 Capital Improvement Budget request of \$5.75 million in 2021 projects, with another \$1.75 million in projects carried over from prior years.
 - The budget includes approximately \$1.5 million for the design and construction of the District's seventh groundwater well.
- ❖ Total Budget: \$20.7 million



Infrastructure Installation



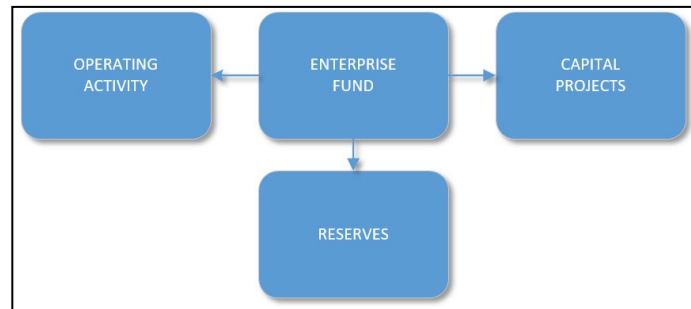
Financial Policies & Goals



Accounting and Budget Structure

Fund Structure

CHWD operates as an enterprise fund with a fiscal year that begins January 1 and ends on December 31. The District operates with one major fund on the accrual basis of accounting. Generally accepted accounting principles (GAAP) require local governments, to use a proprietary-type fund, such as an enterprise fund, to account for business-type activities similar to those found in the private sector. An enterprise fund is one in which the expenditures are supported by fees collected primarily through charging users in exchange for services. CHWD operations are supported almost entirely by fees collected from customers in exchange for providing water service, including providing customer service, continuously working to maintain and repair the District's infrastructure, and providing a dependable supply of clean, safe water.



CHWD Fund Structure

CHWD's management is responsible for the establishment and maintenance of the internal control structure that ensures the assets of the District are protected from loss, theft, or misuse. The internal control structure ensures that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). CHWD's internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgments by management.

CHWD's Board annually adopts a budget prior to the new fiscal year. The budget authorizes and provides the basis for reporting and control of financial operations, accountability for CHWD's enterprise operations, and capital projects. The budget is presented on the accrual basis of accounting, and is consistent with the presentation of CHWD's Comprehensive Annual Financial Report. As part of the budget process the financial model is updated annually to analyze revenue and expenses along with capital improvements; more information regarding the District's financial model is provided in the "Financial Model" section. The District defines a balanced budget as one where current revenues are equal to or greater than current expenditures. The District also allows a balanced budget to use reserves to augment current revenues.



Financial Model

The Government Finance Officers Association of the United States and Canada (GFOA) recommends that government agencies complete a forecast of revenues and expenditures that extends several years into the future. The GFOA considers this to be a best practice of the budget preparation process.

In 2013, the District partnered with NBS Government Finance Group to develop a 10-year financial model. This model was first used to develop the 2014 Annual Budget. A financial model takes into account past revenues and expenditures, revenues and expenditures projected for the current and future years, economic and demographic trends, as well as expected cash flows, and produces an estimate on the financial position of the District based on these variables.

The financial model can be used to determine the appropriate service rates needed to achieve a desired financial result. This type of budgeting, commonly referred to as priority-based budgeting, is used to clearly define goals, set priorities, and deliver the best possible value to ratepayers.

In 2019, the District updated its financial model, with Raftelis Financial Consultants (Raftelis). This model was further refined in 2020 with IB Consulting. As years pass, it is a best practice to update the assumptions and factors in a financial model, as assumptions used in prior models may no longer apply. In addition to updating assumptions, CHWD desired to reevaluate its rate structure and ensure a rate allocation ratio of 65% fixed to 35% variable income. The final goal of the model update was to evaluate the current rate schedule and ascertain whether a recalibration of the rates was necessary.

As a result, the District determined that the fixed portion of the rate needed a recalibration in order to ensure that costs allocated to meters of different sizes accurately reflected the demand and usage each meter size placed on the District's water system.

The rebuild of the financial model was presented to the Board of Directors at the August 2019 Board Meeting, which included a rate calibration component.

Budget Process

The District's budget process begins with its Strategic Planning meeting, typically held in June of the preceding year. The Board adopted the current Strategic Plan in August 2020. Using the 10-year financial model, the Administrative Services department prepares the District's revenue budget, with the input of department managers and



supervisors throughout CHWD. The Engineering and Operations department review the 30-year capital improvement plan, and short-term needs to produce the annual capital budget.

Using the goals and objectives identified by members of the Board of Directors, CHWD leadership, and vested members of the community, each department prepares a draft operating budget, which is then reviewed by the General Manager. Once draft budgets are completed, they are presented to the Board in August or September in a study session, along with any recommended rate adjustments.

The Board then provides direction to District staff. This can either be a request for revision, or authorization to proceed with the budget process. Once the Board gives the authorization to proceed, staff will finalize the budget and, if necessary, issue a notice to its customers, pursuant to California Proposition 218 (Prop 218) including the maximum rate adjustment that the Board will consider at a scheduled public hearing. The Board then approves the budget in a public hearing held in November or December.

Budget Amendments

During the course of a year, it may be necessary to amend line items in the operating or capital budgets, or to transfer budgeted dollars between operating budget accounts, between capital projects, or between capital and operating budgets. Budgetary control rests with the General Manager up to the limits prescribed in CHWD's Purchasing Policy. When the amount exceeds the General Manager's authority, budgetary control rests with the Board of Directors, and Board approval is required for any budget transfers.

Budget Controls

The budget is monitored regularly by the Administrative Services department using budget-to-actual reports for both operating and capital budgets, as well as through the use of purchase orders for large purchases. Budget reports are also reviewed by the General Manager and executive team. These reports are submitted monthly to the Board of Directors.



Representation of CHWD Reserves Process

**Budget Calendar**

Item	Start	Due Date
Regional Rate Survey	6/25/2020	8/1/2020
Create CIP List of Projects for 2021 and Financial Plan Term	7/15/2020	7/16/2020
General Manager to Review O&M Budget	8/15/2020	8/13/2020
Create detail CIP sheets for 2021	8/17/2020	9/30/2020
Strategic Planning	8/26/2020	9/18/2020
Financial Model Update to Board	9/16/2020	9/16/2020
Board of Directors (BOD) Budget and Rate Meeting	9/16/2020	9/18/2020
Final adjustments to budgets & Rate Model	9/30/2020	9/30/2020
Public Outreach	Late Sept to Late Oct	End of Q4 2020
Present Misc Charges and Fees to BOD	10/21/2020	10/20/2020
Revisions to detail budgets and rates per BOD direction	10/21/2020	10/24/2020
Present final budgets and rates to BOD @ Public Hearing	11/18/2020	11/25/2020
Preparation / distribution of final budget binders / 2021 rate schedule	12/1/2020	12/27/2020

Table 2



Financial Policies

The CHWD financial policies include many of the District's financial management practices that are used for operational and strategic decision making. These policies also allow the Board of Directors and community stakeholders to monitor how effectively the District is managing its financial responsibilities, as well as providing a means for holding the District fiscally accountable. These policies are reviewed annually to incorporate minor changes to existing policy, or major shifts in financial priorities at the discretion of the Board of Directors. The financial policies underwent a comprehensive review and update during 2020, which was approved at the May 8, 2020 Board of Directors meeting.

Basis of Presentation - Fund Accounting: The basic financial statements of the Citrus Heights Water District (District) are prepared in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The District is accounted for as an enterprise fund and applies all applicable GASB pronouncements in its accounting and reporting. The more significant of the District's accounting policies are described below.

Investment Policy: The Board has adopted an investment policy that conforms to state law, CHWD's ordinances and resolutions, prudent money management, and the "prudent person" standards. The objectives of the Investment Policy are safety, liquidity, and then yield. Currently, funds are invested in various securities as authorized by CHWD's Investment Policy, with most of the District's funds invested in California's Local Agency Investment Fund (LAIF).

Reserves Policies: The District has eleven Reserve accounts with supported policies to balance ongoing operations to capital improvement programs. These funds are allocated to the maintenance, repair, replacement, or improvement of water system infrastructure. Adequate reserves, along with sound financial policies, provide financial flexibility to counter unanticipated expenditures or revenue fluctuations.

Basis of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The enterprise fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows, liabilities, and deferred inflows associated with the operation of this fund are included on the balance sheet. Net position is segregated into amounts invested in capital assets, net of related debt, amounts restricted and amounts unrestricted. Enterprise fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.



The District uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. When such funds are received they are recorded as unearned revenue until earned. Earned but unbilled water services are accrued as revenue.

Water lines are constructed by private developers and then dedicated to the District, which is then responsible for their future maintenance. Lines are recorded as capital contributions when they pass inspection by the District, and are capitalized as donated pipelines at acquisition cost.

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the District. Operating revenues consist primarily of charges for services. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from non-exchange transactions or ancillary activities.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.



Customer Outreach at a Community Event



Fair Value Measurements: Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are inputs - other than quoted prices included within level 1 - that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Cash and Cash Equivalents: For purposes of the statement of cash flows, the District considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Cash and cash equivalents held include bank deposits and restricted and unrestricted investments in money market mutual funds and LAIF.

Restricted Assets: Certain proceeds of the District's long-term debt are classified as restricted investments on the balance sheet because their use is limited by applicable debt covenants.

Investments: Investments are stated at their fair value, which represents the quoted or stated market value. Investments that are not traded on a market, such as investments in external pools, are valued based on the stated fair value as represented by the external pool.

Inventory: Inventory consists primarily of materials used in the construction and maintenance of the water distribution facilities and is valued on a first-in, first-out basis.

Prepaid Assets: Prepaid assets consist primarily of insurance, maintenance agreements and other prepaid assets.

Capital Assets: Capital assets are tangible, personal property with a value of at least \$5,000 and a useful life of more than two years; any addition to the District's infrastructure for conveyance, treatment, pumping, or production of water with a value greater than \$15,000 and a useful life of more than two years; or any construction



project, building, land, or improvement upon land with a value greater than \$15,000 and a useful life greater than two years. Capital assets are recorded at historical cost. Donated capital assets, works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. Self-constructed assets are recorded based on the amount of direct labor, material, and certain overhead charged to the asset construction calculated using the straight-line method, using the estimated useful lives in *Table 3*.

Description	Useful Life
Pipeline and Infrastructure	20 - 40 years
Equipment and Machinery	5 - 10 years
Buildings	15 - 40 years
Well Improvements	40 years
Donated Pipelines	40 years
Improvements	40 years

Table 3

Bond Premiums and Bond Issuance Costs: Bond premiums are deferred and amortized over the lives of the bonds. Long-term liabilities are reported net of the applicable bond premiums. Bond issuance costs are recognized as an expense in the period incurred.

Debt Management

CHWD funds capital improvement requirements primarily on a pay-as-you-go basis. However, there have been instances when the District has issued debt to fund significant capital projects. The District's debt instruments are secured by net revenues derived from the operation of the water system. The District may not issue or incur any new debt obligations that are superior to the installment or parity obligations under existing debt covenants. The District has no legal debt limit, and no immediate plans to issue debt for 2021.

Outstanding Debt Obligations

2010 Certificates of Participation: In 2010, the District issued \$5,155,000 of Revenue Certificates of Participation (Certificates) with an interest rate of 4.00%. These 2010 Certificates were issued to retire the 2000 Certificates of Participation, which were issued to finance certain capital improvements to the District's water system. The



District is required to collect rates and charges from its water system that will be sufficient to yield net revenues equal to 110% of debt service payments on any future debt issued, and to deposit the net revenues in a revenue fund pledged for such future debt service payments. Annual principal payments, ranging from \$450,000 to \$545,000 are due on September 28 through September 28, 2020 and semi-annual interest payments, ranging from \$10,900 to \$59,600 are due on March 28 and September 28 through September 28, 2020.

Repayment of the 2010 Certificates of Participation was completed in September 2020, which is reflected in the reduction of debt service from \$740,388 in 2020 to \$174,088 in 2021, as shown on *Table 4*.

2012 Revenue Refunding Bonds: In April 2012, the District issued \$2,275,000 of Revenue Refunding Bonds with interest rates ranging from 3.00% to 5.25%. These 2012 Revenue Refunding Bonds were issued to retire the 2003 Certificates of Participation, which were issued to finance the cost of certain capital improvements to the District's water system. The District is required to collect rates and charges from its water system that will be sufficient to yield net revenues equal to 110% of debt service payments on any future debt issued, and to deposit the net revenues in a revenue fund pledged for such future debt service payments. Annual principal payments, ranging from \$70,000 to \$160,000 are due on February 1 through February 1, 2033, and semi-annual interest payments, ranging from \$4,200 to \$48,600 are due on February 1 and August 1, through February 1, 2033.

Debt Service Schedule

Year	Series 2010		Series 2012B		Total Payment
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2019	525,000	42,800	85,000	86,138	738,938
2020	545,000	21,800	90,000	83,588	740,388
2021			95,000	79,088	174,088
2022			100,000	74,338	174,338

Table 4



Operating Budget



Operating Revenue, Expenses, and Net Position

	2019 Actual	2020 Adopted	2020 Projected	2021 Proposed
Revenues				
Water Sales	14,823,207	14,821,050	15,202,000	14,821,050
Connection and Other Fees	517,269	433,300	2,143,000	433,300
Investment and Other Income	216,845	195,235	141,000	195,235
Total Revenues	15,557,321	15,449,585	17,486,000	15,449,585
Expenses				
Salaries and Benefits	4,850,319	5,332,506	5,400,000	5,228,086
Water Purchases	3,444,647	3,122,550	3,127,550	3,680,064
Contracted Services	2,199,992	2,344,161	890,000	2,329,407
Other Operating Costs	1,968,341	2,202,655	1,300,000	2,200,804
Debt Service	610,000	635,000	635,000	95,000
Transfers to Reserves	666,000	1,200,000	1,200,000	-
Total Expenses	13,739,299	14,836,872	12,552,550	13,533,361
Operating Income before Capital Outlay	1,818,022	612,713	4,933,450	1,916,224
Capital Outlay	3,203,785	5,746,141	3,100,000	7,208,814
Beginning Net Position	13,589,859	12,870,096	12,870,096	15,903,546
Operating Revenues	15,557,321	15,449,585	17,486,000	15,449,585
Operating Expenses	(13,073,299)	(13,636,872)	(11,352,550)	(13,533,361)
Capital Outlay	(3,203,785)	(5,746,141)	(3,100,000)	(7,208,814)
Ending Net Position	12,870,096	8,936,668	15,903,546	10,610,956

Table 5

As a special district, formed under the California Irrigation Code, that does not collect property or sales tax, CHWD relies on revenues charged in exchange for providing water service, which make up greater than ninety-five percent of total revenues.

In 2015, the State of California instituted mandatory conservation requirements in response to a historic drought. This resulted in the reduction of water usage by the District's customers of 16.5% from 2014, and 33.0% from 2013. The District's customers have continued to conserve water as a lifestyle change. Although usage has increased since 2015, it has not rebounded to the pre-drought level of consumption.

Consumption is monitored on a monthly basis, and compared to prior years to identify a trend. Future consumption is estimated using a trend analysis, along with estimates



from consulting firm Harris & Associates, who completed these estimates in conjunction with their work on the Project 2030 Main Replacement Study.

Water Consumption Last Ten Fiscal Years

Fiscal Year	Consumption (Acre Feet)	% Change
2010	13,725.35	-
2011	13,252.18	-3.45%
2012	14,169.76	6.92%
2013	14,881.54	5.02%
2014	11,937.24	-19.78%
2015	9,973.47	-16.45%
2016	10,422.44	4.50%
2017	11,014.52	5.68%
2018	10,981.66	-0.30%
2019	11,001.23	0.18%

Table 6

Water Rates

The District's rates are composed of two parts: a fixed, bimonthly charge, and a variable, volumetric portion applied to actual consumption.

Type	2019	2020	2021
<u>Consumption (per unit ccf)</u>			
Per Unit CCF (No tiers)	\$ 1.0674	\$ 1.1800	\$ 1.1800
<u>Service Charge (bimonthly)</u>			
Commercial/Domestic 3/4"	\$ 51.38	\$ 57.54	\$ 57.54
Commercial/Domestic 1"	78.18	87.29	87.29
Commercial/Domestic 1-1/2"	96.05	136.86	136.86
Commercial/Domestic 2"	185.37	196.35	196.35
Commercial/Domestic 3"	292.58	384.74	384.74
Commercial/Domestic 4"	578.47	662.36	662.36
Irrigation 3/4"	51.38	57.54	57.54
Irrigation 1"	78.18	87.29	87.29
Irrigation 1-1/2"	96.05	136.86	136.86
Irrigation 2"	185.37	196.35	196.35
Irrigation 3"	292.58	384.74	384.74
Irrigation 4"	578.47	662.36	662.36

Table 7



Employees by Department

Department	Position	FY19	FY20	FY21
Administrative Services				
	General Manager	1.00	1.00	1.00
	Director of Finance & Admin. Services	1.00	1.00	1.00
	Principal IT Analyst	1.00	1.00	1.00
	Accounting Manager	1.00	1.00	1.00
	Administrative Services Manager	-	1.00	1.00
	Senior Accountant	-	-	-
	Senior Management Analyst	1.00	-	-
	Management Analyst	3.00	3.00	3.00
	Customer Service Specialist	2.00	1.00	1.00
	Customer Service Technician	-	1.00	1.00
Engineering				
	Director of Engineering	1.00	1.00	1.00
	Project Manager	1.00	1.00	1.00
	Assistant Engineer	1.00	1.00	1.00
	Engineering/GIS Specialist	1.00	1.00	1.00
	Senior Construction Inspector	1.00	1.00	1.00
Operations				
	Director of Operations	1.00	1.00	1.00
	Senior Management Analyst	1.00	1.00	1.00
	Water Distribution Supervisor	1.00	1.00	1.00
	Water Efficiency Supervisor	1.00	1.00	1.00
	Water Resources Supervisor	1.00	1.00	1.00
	Assistant Water Distribution Supervisor	1.00	1.00	1.00
	Senior Water Efficiency Specialist	1.00	1.00	1.00
	Water Resources Specialist	2.00	2.00	2.00
	Water Distribution Lead Worker/Operator	3.00	3.00	3.00
	Water Distribution Worker/Operator I & II	6.00	7.00	7.00
	Operations Technician	1.00	1.00	1.00
	Water Efficiency Technician	1.00	1.00	1.00
Total FTE		35.00	36.00	36.00

Table 8



There is no change to the authorized positions from 2020 to 2021.

Administrative Services Department



The Administrative Services Department is responsible for the internal operations and support of the organization including but not limited to the General Manager, Finance, Customer Services, Information Technology, Board of Directors Support, Human Resources, Risk Management, Public Relations, and special projects.

The Finance and Customer Service division is responsible for accounting and finance duties, as well as billing and customer service. Finance provides financial and administrative support to all departments, including financial analysis, accounting budgeting, capital improvement program analysis and cost tracking, debt and treasury management, forecasting, rate setting, and purchasing. Accounting responsibilities include accounts payable, payroll processing, grant reporting, cash management, fixed asset management, and income and investment reporting. This department maintains the general ledger and all subsidiary ledgers, and ensures internal controls over all financial functions. They also ensure the District meets all state and federal financial reporting requirements, as well as compliance with General Accepted Accounting Principles (GAAP) and the Government Accounting Standards Board (GASB).

Customer billing is handled by the Customer Service team, who bill all water-related services, receive and process customer payments, notify customers of past due accounts and follow through on collection activities. They also assist customers with new account activation, final bills, high consumption issues, leaks, and respond to customer account inquiries.



The Information Technology division has primary responsibility for overseeing Network Systems Administration and Information Systems, ensuring security of the District. The responsibilities include managing, implementation and maintenance of the District's website, voice, data and computer systems, providing technical support to District staff, and planning the future of technological needs for CHWD.

The Management Services division is primarily responsible for maintaining effective and timely communications between the publicly elected three-member Board of Directors and District staff. Responsibilities include prioritizing items that come before the Board for authorization and approval, and assisting staff in the development and conduct of consistent procedures. The division is also responsible for preparing, publishing, and posting all legal notices and coordinating general election procedures and regulatory filings. This department focuses on strategic planning, and creating more accountability and transparency of District operations. The Management Services division also oversees customer engagement and outreach efforts District-wide, including print media, website management, and social media.

The division also provides administrative and operational human resources (HR) support to District employees, retirees, directors, and all eligible dependents through HR services, benefits administration, payroll and safety mitigation. Duties include managing the District's workforce and employee development, recruitment, and training. Benefits administration involves coordination and education on District health, dental, vision, and life insurance benefits; short and long term disability programs; employee assistance programs; flexible spending accounts (FSA); and retirement benefits such as deferred compensation and the CalPERS pension program.

2020 Accomplishments

- CHWD's Second Comprehensive Annual Financial Report (CAFR) Award
- Gave presentation to ACWA Conference on Customer Advisory Committee (CAC) and Project 2030
- Implemented a new time and entry system
- Human Resources Management System (HRMS) System and staff training log
- Completed recruitment of Principal IT Analyst and Customer Service Technician
- Completed recruitment of three Water Distribution Operator/Workers
- Created District volunteer program
- Implemented a series of new policies and procedures in response to COVID-19
- Completed a District-wide Communications Plan
- Website Redesign, including update of host and Content Management System, redesign of sitemap, and update of content
- Financial Modeling/Planning update with Groundwater Analysis
- Completed Policy Updates (Financial)



- Implemented SB998 into billing and collections cycles
- Implementation of Computer Remote Working Environment
- Upgrading of Servers and Workstations to new Operating Systems

2021 Key Initiatives

Public Information/Public Engagement

- Waterline Newsletter
- Prop 218 Notice
- Social Media
- Customer Advisory Committee
- Develop Communication Strategic Plan
- Plan and Host a series of events for the District's Centennial Celebration

Clerk of the Board

- Brown Act Compliance
- FPPC Compliance/Filings
- Public Meeting Management
- Public Records Act Requests
- Intergovernmental Relations/Legislative Affairs

Information Technology

- Develop 5-year IT Strategic Plan
- Implement Document Management System
- Implement HRIS (Human Resources Information System) Software

Finance

- GFOA award for 2019 CAFR
- Review and Update CHWD Policies 7000's
- Issue an RFP and select a consultant for Audit Services
- Increase InvoiceCloud Costs due to increased customer participation of online bill-pay.
- To incorporate Project 2030 and Water Meter Replacement Program costs



Engineering Department



The Engineering Department (Engineering) is responsible for the District's water main replacement program, which includes project design, construction administration and inspection services; oversight of outside engineering firms/contract administration; and review and inspection of private development projects. Private development includes subdivisions, commercial, single family dwellings and mixed-use projects. Engineering also manages the District's Geographic Information System (GIS), easements and annexations; and maintains water facility records and archives. The Division is also heavily involved in the District's infrastructure analysis and development program.

2020 Accomplishments

- Design completed for the following projects:
 - 8" Water Main on Admiral Avenue
 - 8" Water Main on Robie Way
 - 8" Water Main on Langley Avenue & Chance Drive
 - 6" Water Main on Marsala Court
 - 6" Water Main on Wisconsin Drive
 - 8" Water Main on Wells Avenue
 - 6" Water Main on Walnut Drive
 - 4" Water Main at Skycrest School
- Construction completed for the following projects:
 - 8" Water Main on Michigan Drive
 - 6" Water Main on Cologne Way
 - 8" Water Main on Whyte Avenue & Langley Avenue
 - 6" & 8" Water Main on Rowan Way & Grady Drive
 - 6" Water Main on Marsala Court



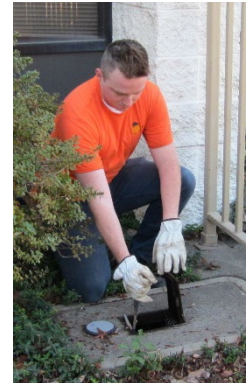
- Private Developments:
 - 4 Accepted Projects
 - 4 Approved Projects
 - 7 Approved Projects Awaiting Construction
 - 12 Projects Under Plan Review
 - 600 Work Orders with Mapping Updates
- Completed the District-wide Annexation Project

2021 Key Initiatives

- Complete \$2 Million +/- of Water Main Replacement and Installation (including fire hydrants and water services), including the construction for the following projects:
 - 4" Water Mains on Antelope Road - Rusch Park
 - 8" Water Main on Fair Oaks Boulevard
 - 8" Water Main on Langley Avenue & Chance Drive
 - 4" Water Main at Skycrest School
 - 8" Water Main on Wells Avenue
 - 6" Water Main on Walnut Drive
 - 6" Water Main on Wisconsin Drive
- Complete design for the following water main replacement projects located at:
 - Antelope Road - Rusch Park
 - Madison Avenue & Dewey Drive
 - Mesa Verde High School
 - Pratt Avenue
 - Old Auburn Road
- Begin 2030 Implementation Plan subject to Board approval (Public Engagement, Funding Program and Technical Components- Non-invasive Condition Assessment)
- Complete Request for Proposal and hire consultant for the District-wide Easement Project
- Complete the Pre-Architectural Study/Master Plan for the Corporation Yard
- Begin the creation of engineering design standards/procedures for development projects - Update District Policies 8000's & 9000's
- Complete the design & construction for the 6230 Sylvan Road - Perimeter Wall



Operations Department



The Operations Department's primary responsibility is to operate and maintain approximately 250 miles of water distribution pipelines ranging in size from four to 42 inches in diameter. This includes maintenance of groundwater facilities; conveyance of water to the District's customers with appropriate quality, quantity and pressure; and operation/maintenance of customer water services, backflow prevention devices, line valves, pressure reducing valves and fire hydrants. The Department is also responsible for water efficiency and conservation programs, functions and education, including water meter program management and meeting mandated legislation and regulations. In addition, the Department monitors and responds to leak alerts and customer service calls; performs irrigation audits for customers; and administers the District-wide Safety Program.

2020 Accomplishments

- Replaced 227 water service connections
- Repaired/replaced eight water main valves
- Replaced/installed 10 fire hydrants
- Replaced 16 water meters
- Completed a water main replacement project at Rowan Way and Grady Drive
- Investigated more than 6,300 Underground Service Alert tickets, including marking more than 2,200 locations
- Updated the District's Emergency Response Plan
- Substantially completed the Water Meter Replacement Program Study with a 12-agency regional Consortium
- Assisted with the completion of additional security upgrades to the District's Corporation Yard
- Completed Backflow Tests on the District's 872 backflow devices



- Rebuilt a pump and replaced a headshaft at the Bonita Well
- Received a \$1,000,000 grant from the California Department of Water Resources for the District's next groundwater well.
- Completed the CEQA analysis for the Highland Avenue well site
- Completed construction of the District's plots at the Sylvan Ranch Community Garden.
- Presented seven WaterSmart classes to CHWD customers, including five virtual classes
- Implemented a Smart Controller direct install program and a Pressure Reducing Valve rebate program
- Administered the Annual Poster Contest
- Repaired/Replaced one large meter, 12 small meters and 323 meter registers
- Offered a variety of safety trainings, including Asbestos Cement Pipe
- Completed a Respirator Fit Test Renewal

2021 Key Initiatives

- Development of an operations plan and coordination of water delivery for San Juan Water District's Hinkle Reservoir Cover Replacement project
- Begin the design of well site 7
- Complete the Aquifer Storage and Recovery Feasibility Study
- Complete the Advanced Planning Water Meter Replacement Study, including development of an implementation plan and a long-range funding strategy
- Develop the Volunteer Garden Corps to maintain the District's garden plots
- Increase customer participation in landscape irrigation reviews and rebate/direct install programs
- Complete the WaterSmart re-branding
- Offer enhanced WaterSmart classes, including in-person and virtual classes at the Community Garden



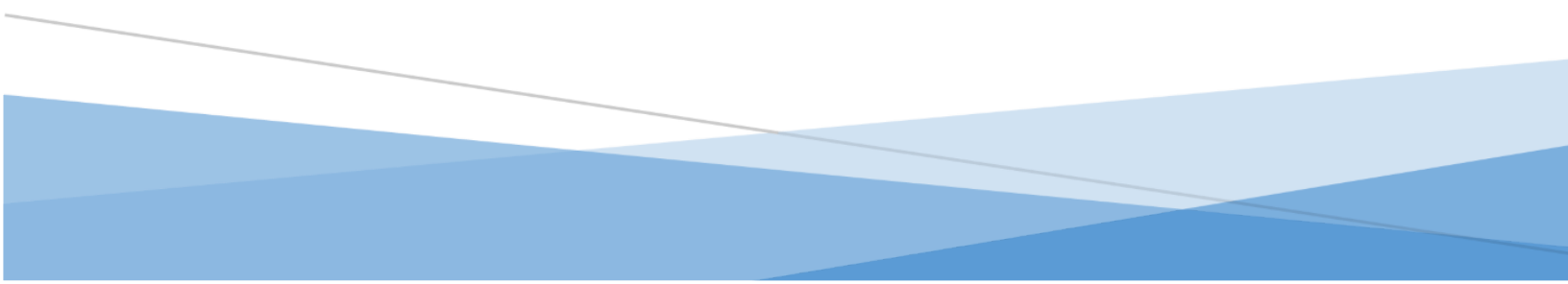
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Capital Budget

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Capital Expenditures

Capital Expenditures are funds expended for Capital Improvement Projects (CIP). These projects include the purchase, construction, addition, or replacement of District facilities, infrastructure, and equipment. They are capitalized upon completion and depreciated based on the type of asset and its useful life. Capital expenditures are typically funded on a pay-as-you-go basis, through rate revenue.

Project Number	Description	2020 Adopted Budget	Project Expenses Prior Years	2020 Projected Expense	2021 Proposed Budget	Proposed Project Budget through 2021	2021 Project Budget Amendment Request
C15-104B	Document Management System	239,278	5,361	90,000	154,639	250,000	-
C15-109	Blossom Hill Way 6" x 10" Interconnection w/ RV	27,777	-	-	27,777	27,777	-
C15-110	Crestmont Avenue 6" Interconnection w/ RV	24,288	91	-	24,888	24,979	691
C16-134	Auburn Blvd - Rusch Park to Placer County Line	9,391	609	10,000	157,000	167,609	157,609
C17-104	Groundwater Well Property Acquisition (# 7, 8, 9 & 10)	151,834	387,972	65,664	436,364	890,000	-
C19-106	Wells Avenue 8-inch (San Juan to Wells)	22,460	8,341	22,460	188,202	219,003	196,543
C19-108	6230 Sylvan Road - East Wall	45,000	2,432	2,744	244,824	250,000	200,000
C20-003	Annual Fleet and Field Operations Equipment	380,000	-	295,000	85,000	380,000	-
C20-101	Fair Oaks Boulevard	56,439	-	56,439	418,698	475,137	418,698
C20-102	Langley Avenue and Chance Drive	67,019	-	67,019	437,038	504,057	437,038
C20-103	Marsala Court	7,482	-	7,482	46,201	53,683	46,201
C20-104	Skycrest School	13,765	-	13,765	90,257	104,022	90,257
C20-105	Walnut Drive	17,133	-	17,060	88,187	105,247	88,114
C20-106	Wisconsin Drive	33,238	-	32,887	269,103	301,990	268,752
C20-107	Water Supply Project Design and Construction of Well	563,500	-	-	1,105,500	1,105,500	542,000
C20-108	Pre-Architectural Study Corporation Yard/Master Plan	100,000	-	1,676	98,324	100,000	-
C20-109	Plans, Specifications, & Estimate for Preferred Alt - Corp Yard	25,000	-	-	400,000	400,000	375,000
Encumbered Projects Total		1,783,604	404,806	682,196	4,272,002	5,359,004	2,820,903
C21-003	Annual Fleet and Field Operations Equipment	380,000	-	380,000	260,000	260,000	-
C21-004	Annual Technology Hardware and Software	55,000	-	55,000	56,650	56,650	-
C21-005	Annual Facilities Improvements	100,000	-	100,000	60,000	60,000	-
C21-010	Annual Water Main Pipeline Replacements (small)	70,000	-	70,000	72,100	72,100	-
C21-011	Annual Valve Replacements	100,000	-	100,000	103,000	103,000	-
C21-012	Annual Water Service Connections	850,000	-	850,000	875,500	875,500	-
C21-013	Annual Water Meter Replacements	100,000	-	100,000	500,000	500,000	-
C21-014	Annual Fire Hydrants - Repl, Upgrades, Infill, New	160,000	-	160,000	164,800	164,800	-
C21-020	Annual Groundwater Well Improvements	150,000	-	150,000	154,500	154,500	-
C21-040	Other City Partnership Opportunities	150,000	-	150,000	112,551	112,551	-
C21-041	Other Misc Infrastructure Projects	110,000	-	110,000	112,551	112,551	-
2020 New Annual Capital Total ¹		2,225,000	-	2,225,000	2,471,652	2,471,652	-
C21-101	Antelope - Rusch Park	-	-	-	187,741	187,741	-
C21-102	Old Auburn Road	-	-	-	91,459	91,459	-
C21-103	Pratt Avenue	-	-	-	39,043	39,043	-
C21-104	Mesa Verde High School	-	-	-	118,779	118,779	-
C21-105	Madison Avenue & Dewey Drive	-	-	-	28,138	28,138	-
2020 New Projects Total Budget		-	-	-	465,160	465,160	-
Totals		4,008,604	-	2,907,196	7,208,814	8,295,816	2,820,903

Table 9



Impact of Capital Investments on Operating Budget

The 2021 budget contains \$7.2 million in total capital expenditures. A percentage (24.7%) of these expenditures are made up of encumbered projects, from previous years.

Project C20-107, Design and Construction of Well, will result in future costs for the operation and maintenance of the new well. The District applied for a \$1 million federal grant, to be passed through the California Department of Water Resources, and has received preliminary approval for this grant.

Annual Capital Projects are ongoing costs such as replacement of District infrastructure, such as water mains, water services, or fire hydrants due to maintenance and repair, or replacement of obsolete fleet vehicles.



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Statistical Data



Principal Ratepayers

Customer	2019	
	Billed Units (ccfs)	Percentage of Total
San Juan Unified School District	106,381	2.22%
JMK Investments	76,798	1.60%
Sunrise Recreation Park District	74,252	1.55%
JRK Investors	54,097	1.13%
Mount Vernon Memorial Park	35,751	0.75%
City of Citrus Heights	33,440	0.70%
Conference Claimants Endowment	29,417	0.61%
Wedgewood Commons Apts LLC	25,666	0.54%
Salishan Apartments	23,457	0.54%
Knaggs Meadows LLC	22,584	0.51%
Total Billed Units: Principal customers	481,843	10.15%
Total Billed Units	4,792,463	100.00%

Table 10

Principal Employers, Sacramento Region

Employer	2019		
	Employees	Rank	Percentage of Employment
State of California	76,131	1	10.65%
UC Davis Health	12,674	2	1.58%
Kaiser Permanente	11,404	4	1.77%
County of Sacramento	11,330	3	1.60%
United States Government	10,227	5	1.43%
Sutter Health	8,809	6	1.23%
Dignity Health	7,000	7	0.98%
Elk Grove Unified School District	6,381	8	0.87%
Intel Corporation	6,200	9	0.74%
San Juan Unified School District	5,289	10	0.89%
<u>Total</u>	<u>155,445</u>		<u>21.76%</u>
Total County Employment	714,835		100.00%

Table 11



Demographic and Economic Statistics

Fiscal Year	Total Number of Connections	City of Citrus Heights ⁽¹⁾				County of Sacramento ⁽¹⁾			
		Population ⁽³⁾	Unemployment Rate	Personal Income (thousands of dollars) ⁽²⁾	Personal Income (Per Capita) ⁽²⁾	Population	Unemployment Rate	Personal Income (thousands of dollars) ⁽²⁾	Personal Income (Per Capita) ⁽²⁾
2010	19,131	83,365	13.2%	\$4,994,897	\$59,916	1,422,018	12.6%	\$54,666,004	\$38,443
2011	19,173	83,903	11.7%	5,178,325	61,718	1,435,002	11.2%	57,498,308	40,068
2012	19,552	84,489	10.1%	4,961,701	58,726	1,447,236	9.6%	59,775,785	41,303
2013	19,591	85,123	8.3%	5,044,729	59,264	1,460,023	7.9%	61,654,690	42,229
2014	19,645	85,891	6.6%	5,212,811	60,691	1,478,137	6.3%	65,486,553	44,303
2015	19,785	86,759	5.7%	5,308,263	61,184	1,496,644	5.4%	70,110,138	46,845
2016	19,851	87,380	5.0%	6,043,288	69,161	1,514,460	5.0%	72,878,458	48,122
2017	19,902	87,931	3.8%	5,952,753	67,698	1,530,615	3.9%	76,832,120	50,197
2018	19,911	87,910	3.7%	6,388,859	72,675	1,540,975	3.8%	80,969,087	52,544
2019	19,937	n/a	3.2%	n/a	n/a	1,552,058	3.2%	n/a	n/a

Notes: (1) Demographic and economic statistics are provided for the City of Citrus Heights (City) and the County of Sacramento (County) because these statistics are not separately available for the District's service area. As the District is primarily comprised of some areas of the City, and unincorporated areas of the County, the District believes that data from the City and the County is representative of the conditions and experience of the District.

(2) Personal income and per capita personal income is not yet available for Fiscal Year 2019.

(3) Population data for the City is not yet available for Fiscal Year 2019.

Table 12

Operating and Capacity Indicators

Fiscal Year	Total Connections	Total Annual Demand (Acre Feet)	Pipeline (mi)	Wells	Meters	Hydrants
2010	19,131	13,725.35	239.09	4	19,358	1,959
2011	19,173	13,252.18	239.72	4	19,419	1,980
2012	19,552	14,169.76	240.87	4	19,457	1,996
2013	19,591	14,881.54	242.51	4	19,488	2,037
2014	19,645	11,937.24	243.80	4	19,538	2,062
2015	19,785	9,973.47	245.56	4	19,594	2,087
2016	19,851	10,422.44	248.19	5	19,789	2,133
2017	19,902	11,014.52	249.31	6	19,912	2,160
2018	19,911	10,981.66	249.97	6	20,007	2,181
2019	19,937	11,001.23	250.26	6	20,043	2,368

Table 13



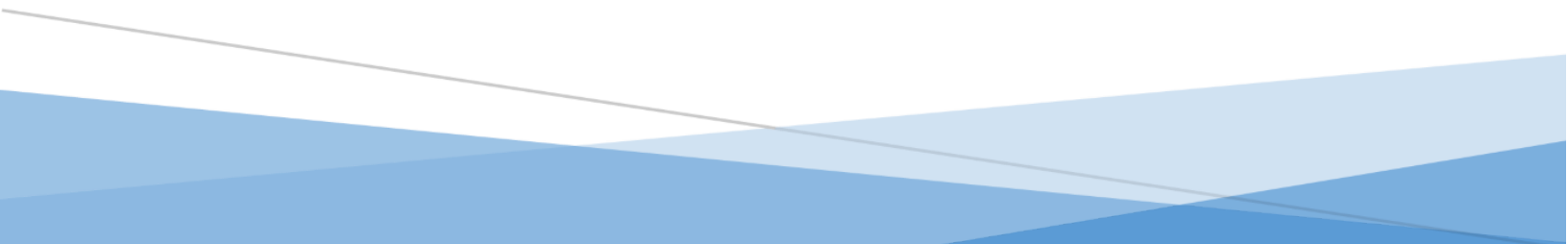
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Appendix

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Glossary of Terms

Accrual Basis of Accounting - Method of accounting that recognizes the financial effect of transactions, and activities when they occur, regardless of the timing of related cash flows. Revenues are recorded when earned and expenses are recognized when incurred.

Acre Foot - an acre foot is enough water to cover an acre of land, about the size of a football field, one foot deep. It is the equivalent of about 326,000 gallons.

Annual Required Contribution (ARC) - The annual required contribution is the employer's periodic required contribution to a defined benefit OPEB plan. The ARC is the sum of two parts: (1) the normal cost, which is the cost for OPEB benefits attributable to the current year of service, and (2) an amortization payment, which is the catch-up payment for past service costs to fund the Unfunded Actuarial Accrued Liability over the next 30 years. Under GASB 45, it is not required that entities actually pay the ARC each year, but it does need to be calculated and disclosed in the public employer's annual financial statements

Aquifer - An underground layer of water bearing permeable rock or unconsolidated materials (gravel, sand, silt) from which groundwater can be extracted.

Asset - Anything of value such as an area of land, or a building, or an item of plant or equipment or infrastructure that provides service potential or future economic benefits over a period greater than one year, and has a cost that is material (at least \$5,000).

Automated Meter Reader (AMR) - A method of conveying water meter reads without interfacing directly with the meter or a contact point, normally through radio transmitters.

Balanced Budget - The District's current operating expenses will be paid from current revenues and reserves carried forward from the prior year.

Beginning Balance - The beginning balance is comprised of residual funds brought forward from the previous fiscal year.

Board of Directors - The three public officials elected to represent the population within the District's service area. Also referred to as "the Board".

Bond - A certificate of debt issued by an entity, guaranteeing payment of the original investment, plus interest, by a specified future date.

Bond Covenant - A legally binding term of agreement that specifies the obligations, restrictions, and terms of the bond between the bond issuer and bond holder. Bond covenants are designed to protect the interests of both parties.

Budget - A financial plan showing authorized planned expenditures and their funding sources.

Budget Process - The schedule of key dates or milestones, which the District follows in the development, preparation, adoption, and administration of the budget.



California Environmental Quality Act (CEQA) - A California statute passed in 1970, shortly after the United States federal government passed the National Environmental Policy Act (NEPA), to institute a statewide policy of environmental protection. CEQA does not directly regulate land uses, but instead requires state and local agencies within California to follow a protocol of analysis and public disclosure of environmental impacts of proposed projects and adopt all feasible measures to mitigate those impacts.

California Family Rights Act (CFRA) - CFRA is a state law that generally conforms to the provisions of the Federal Family Medical Leave Act (FMLA) that governs family medical leave. It is applicable to employers with 50 or more employees.

Capital Improvement Program (CIP) - Authorized expenditures for tangible and long-term physical improvements or additions of a fixed or permanent nature.

Capital Project - Projects budgeted as capital projects fall within the definition of capital expenditures, which means (1) they create or extend the lives of assets, (2) their work products have a useful life of more than one year, and (3) they involve an expenditure of District resources equal to or greater than \$5,000.

Centum Cubic-Feet (CCF) - The standard rate of billing for water service. The District calculates one CCF as one unit of water. One CCF is equal to 100 cubic feet of water which is 748 gallons.

Certificates of Participation (COP) - A security in the form of a bond, which evidences a proportionate participation in a flow of payments between two parties. The District's COPs are secured by pledge of net revenues.

Citrus Heights Water District (CHWD) - A water agency that provides water to residents in the areas of Citrus Heights, CA, as well as unincorporated areas of Sacramento and Placer Counties.

Classic Member - An existing CalPERS member as of December 31, 2012; or a member that has a break in service of more than six months, but returns to service with the same employer.

Consolidated Omnibus Budget Reconciliation Act (COBRA) - COBRA gives employees the right to pay premiums and keep the group health insurance that they would otherwise lose after they quit their jobs, lose their jobs, or reduce their work hours. COBRA benefits are typically available for 18 months.

Debt Service - The current year portion of interest costs and current year principal payments incurred on long-term debt.

Delivery System - The piping, valves and related infrastructure assets that convey water from one point in the water distribution system to another. For example, a delivery system can take water from the intake to the plant or from plant to the customer.



Department - A major organizational unit with overall managerial responsibility for functional programs of the District.

Depreciation - The reduction in value of a long lived asset from use or obsolescence. The decline in value is recognized by a periodic allocation of the original cost of the asset to current operations on an income statement.

Enterprise Fund - A fund established to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through “user charges.”

Enterprise Resource Planning Software - A software system that integrates the major processes of an organization such as purchasing, inventory, billing, payroll, finance, and human resources.

Environment Impact Review (EIR) - Written record submitted to a deciding authority that identifies and examines the likely environmental effects of the continuing operations of an existing facility or those of a proposed project, and proposes measures to avoid, mitigate, or offset the identified effects.

Expense - A cost incurred in the operations of the District, most often settled with the payment of cash.

Federal Deposit Insurance Corporation (FDIC) - A US government corporation that provides deposit insurance, which guarantees the safety of deposits in member banks up to \$250,000 per depositor per bank.

Fire Service Charge - A monthly charge assessed to cover the cost of the District providing additional fire flow capacity.

Fiscal Year (FY) - A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations. (CHWD’s fiscal year is January 1 through December 31).

Flexible Spending Accounts (FSA) - A tax- favored program offered by employers that allows their employees to pay for eligible out-of- pocket health care and dependent care expenses with pre-tax dollars.

Full-Time Equivalent (FTE) - A measure of labor requirement equal to the full time use of one worker (e.g., could be one person full time or two people half time).

Generally Accepted Accounting Principles (GAAP) - A collection of commonly- followed accounting rules and standards for financial reporting.

Geographical Information Systems (GIS) - An information system integrating maps with electronic data.

Governmental Accounting Standards Board (GASB) - A private, non-governmental organization that is the source of generally accepted accounting principles (GAAP) used by state and local governments in the United States.



Governmental Finance Officers Association (GFOA) - A professional organization for governmental finance officers. The GFOA issues the Distinguished Budget Award annually.

Groundwater - Water produced by pumping from an underground aquifer. CHWD typically receives around 10% of its current water supply from groundwater.

Hydrologic - Of or dealing with the science of occurrence, circulation, distribution, and properties of the waters of the earth and its atmosphere.

Infrastructure - The tangible physical components that ensure delivery of reliable, high quality water. Typical components are water mains, wells, water services, and fire hydrants.

Integrated Resource Plan (IRP) - A study developed as a long-term supply plan that will help the District meet water demands in the future.

Meter - A device that measures and records the quantity of a substance, such as water or energy that has passed through it during a specified period.

Mission Statement - The District's core purpose.

Net Position - The District's unrestricted reserves balance. The District's financial policies define parameters for the source(s) and use(s) of these reserve funds and establishes maximum and minimum target fund balances.

Operating Budget - The normal, ongoing operating costs incurred to operate the District, including wages, materials, utilities, professional and outside services, and the revenues generated through operations, such as water sales and service charges, and developer paid fees to connect to the water system.

Other Post-Employment Benefits (OPEB) - Benefits, other than pensions, which a state or local government employee receives as part of his or her package of retirement benefits. The District's OPEB is limited to retiree health benefits.

Pay-As-You-Go - A capital financing strategy to pay-as-you-go by cash funding capital projects with current and accumulated revenues rather than borrowing funds that will be repaid with future revenues.

PEPRA Member - A new hire who has no prior membership in any California public retirement system prior to January 1, 2013; or an employee who is rehired by a different CalPERS employer after a break in service of greater than six months.

Potable Water - Water that is suitable for drinking.

Pressure - The amount of force per unit area. In water, this is expressed in pounds per square-inch (psi) or an equivalent of the weight of a water column at a specific height (feet) exerted in a confined space.

Regulatory - Something that is required due to a permit requirement, mandated regulation, or legislation.

Reliability - The probability that a system performs a specified function or mission under given conditions for a prescribed time.

Replenish - A hydrologic process where water is moved through layers of sand, dirt, and rock to groundwater.

Reserves - The portion of cash and investments that are held for a specific future use.

Revenue - Income the District receives from a variety of sources such as rates and charges, fees, and interest earnings.



San Juan Water District (SJWD) - A wholesale and retail water District that takes water from Folsom Lake, treats it, then distributes it to (a) one of several wholesale customers (including CHWD), or (b) its retail customer base in the Granite Bay, CA area.

Service Line - Pipe from the common distribution main to provide water to individual customers for domestic, irrigation, or fire service.

Strategic Plan - The long-term goals, objectives, and performance measurement standards for the District.

Transmission Main - A large water main that transports water from the main supply or source, to a distant area where the water is then further distributed. Finished water transmission mains usually have no or few connections.

Valve - A device to regulate or isolate the flow of water.

Water Distribution System - A network of pipe, pumps, and storage facilities to transport potable water from the source/treatment facility to the consumer.

Water Meter - A device designed to accurately measure flow passing through it. Meters are of various types, materials and function with accuracy within certain flow ranges.

Water Quality - Various measures by which materials (contaminants) and appearance (aesthetics) are compared against what are considered appropriate levels for suitably potable water.

Water Quality Monitoring - Instrumentation and activities for measuring the quality of water.

Water Treatment - Any process that intentionally alters and improves the chemical, biological, or physical characteristics of water.

Well - (1) A subsurface source of water that is generally accessed through a drilled casing and pipe into the aquifer. (2) The entire system of the underground water source, pipe casing, pump, etc. Also called a borehole.



Budget Policy

6000.00 BUDGET PREPARATION AND ADOPTION

A budget on a calendar year basis shall be prepared and adopted by Resolution of the Board of Directors.

6000.01 Budget Preparation

The General Manager or designee, in consultation with other staff members, shall prepare a draft budget for initial review and discussion by the Board of Directors.

6000.02 Budget Contents

The budget shall contain recommended appropriations of funds necessary to support the mission, operations and capital improvements of the District for the budget year.

Recommended dollar amount appropriations will be specifically identified for individual Expense Account Numbers as shown in the Citrus Heights Water District Chart of Accounts.

6000.03 Public Review and Comment

The final draft budget, as modified and amended to reflect additional information and comments, shall be presented to the public for comment at a noticed Public Hearing to be conducted prior to the start of the new budget year, typically at the Board's regular meeting in November.

6000.04 Budget Adoption

The final budget, including any modifications and amendments directed by the Board of Directors to reflect additional information and public comments, shall be considered for adoption by the Board of Directors prior to the start of the new budget year.

6000.05 Budget Amendment

The Board may amend the budget during the budget year as deemed necessary or advisable.



Reserve Policies

6200.00 OPERATING FUND

The District shall establish and maintain an Operating Fund to meet the ongoing cash outlay obligations of District operations and capital improvement expenditures. The Operating Fund shall be the source of monies for payment of the District's financial obligations including but not limited to District employee payroll and benefits costs, invoices for goods and services used by the District, debt obligations of the District and all other payments that are made by the District and reviewed by the Board of Directors on a monthly basis.

The Operating Fund shall be the repository for all monies received by the District that are not otherwise specifically restricted, assigned or committed to any of the other Funds and Reserves of the District. Monies may be transferred to or from the Operating Fund at the direction of the General Manager and designee in accordance with this Policy and the Policies setting forth the purpose, guidelines and restrictions for other District Funds and Reserves. Monies may also be transferred to or from the Operating Fund at the specific direction of the Board of Directors.

The target amount of funds to be maintained in the Operating Fund shall be monies sufficient to meet the estimated financial obligations of the District for 90 calendar days. Monies in excess of this amount that are not otherwise specifically restricted, assigned or committed to any of the other Funds and Reserves of the District shall be transferred to the District's Operating Reserve. Funds maintained in the Operating Fund shall be funds readily available to meet the financial obligations of the District.

The District Treasurer shall report in writing each month to the Board of Directors on the dollar balance of the Operating Fund at the end of the preceding calendar month and any amounts transferred to or from the Operating Fund during the month.

6210.00 OPERATING RESERVE

The District shall establish and maintain an Operating Reserve as a repository for monies received by the District that are not otherwise specifically restricted, assigned or committed to any of the other Funds and Reserves of the District, and are not required to be retained in the Operating Fund to meet the estimated financial obligations of the District for the next 90 calendar days.

Monies may be transferred to or from the Operating Reserve at the direction of the General Manager and designee in accordance with this Policy and the Policies setting forth the purpose, guidelines and restrictions for other District Funds and Reserves.



Monies may also be transferred to or from the Operating Reserve at the specific direction of the Board of Directors.

The District Treasurer shall report in writing each month to the Board of Directors on the dollar balance of the Operating Reserve at the end of the preceding calendar month and any amounts transferred to or from the Operating Reserve during the month.

6220.00 RATE STABILIZATION RESERVE

The District shall establish and maintain a Rate Stabilization Reserve to provide funds for use to ensure financial and customer rate stability in responding to conditions, including but not limited to, the following:

- Unanticipated operating and/or capital expenditures;
- Unanticipated revenue shortfall due to water shortages, drought or other conditions;
- Changes to the District's billing methods, policies and procedures;
- Natural or man-made disasters;
- Major transmission or distribution main failures; and,
- Purchase of water from other than normal or budgeted sources, including electrical expense associated with long-term use of the District's groundwater wells.

The target amount of funds to be maintained in the Rate Stabilization Reserve shall be \$1,000,000. Should transfers from the Rate Stabilization Reserve be made for any purpose, it shall be the policy of the Board of Directors to restore the Reserve to its \$1,000,000 target level at the earliest opportunity. Monies shall be transferred to or from the Rate Stabilization Reserve only at the specific direction of the Board of Directors.

The District Treasurer shall report in writing each month to the Board of Directors on the dollar balance of the Rate Stabilization Reserve at the end of the preceding calendar month and any amounts transferred to or from the Rate Stabilization Reserve during the month as directed by the Board of Directors.

6225.00 DEBT SERVICES RESERVE

The District shall establish and maintain a restricted Debt Services Reserve to provide funds for use, including but not limited to, maintaining debt coverage ratios in accordance with bond covenants or other agreements or requirements associated with the issuance of debt by the District.

The amount of funds to be maintained in the Debt Services Reserve shall be in compliance with the requirements set forth in the agreement with the financing institution. The District Treasurer shall report in writing each month to the Board of



Directors on the dollar balance of the Debt Services Reserve at the end of the preceding calendar month.

6240.00 CAPITAL IMPROVEMENT RESERVE

The District shall establish and maintain a Capital Improvement Reserve to provide funds for use in evaluating, designing, constructing, replacing or rehabilitating capital facilities to benefit District customers, including, but not limited to, the following:

- Water Transmission and Distribution Facilities and related appurtenances, including water services, water meters, water valves, fire hydrants, etc.;
- Pressure Control Facilities;
- In-Conduit Power Generation Facilities;
- Buildings and Improvements;
- Machinery and Equipment;
- Land and Right-of-Way Acquisition; and,
- Technology Hardware and Software Improvements.

Monies may be transferred to or from the Capital Improvement Reserve at the direction of the General Manager or designee in accordance with this Policy and the Policies setting forth the purpose, guidelines and restrictions for other District Funds and Reserves. Monies may also be transferred to or from the Capital Improvement Reserve at the specific direction of the Board of Directors.

The target amount of funds to be maintained in the Capital Improvement Reserve shall be the lesser of the following two amounts: 1) monies sufficient to meet the District's estimated capital outlays for evaluating, designing and constructing new capital facilities during the current and following fiscal year as determined by the capital improvement plan adopted by the Board of Directors; or 2) five percent (5.00%) of net total capital assets being depreciated, as determined by the District's most recent financial statements.

The District Treasurer shall report in writing each month to the Board of Directors on the dollar balance of the Capital Improvement Reserve at the end of the preceding calendar month and any amounts transferred to or from the Capital Improvement Reserve during the month.

6245.00 WATER SUPPLY RESERVE

The District shall establish and maintain a Water Supply Reserve to provide funds for use in evaluating, planning, designing, constructing, replacing or rehabilitating capital facilities to benefit District customers, including, but not limited to, the following:

- Groundwater Production Wells;
- Aquifer Storage and Recovery (ASR) Wells;



- Surface Water Supply Projects including but not limited to water diversion, treatment and transmission facilities;
- Recycled / Reclaimed Water Projects; and,
- Land and Right-of-Way Acquisition.

Monies may be transferred to or from the Water Supply Reserve at the direction of the General Manager or designee in accordance with this Policy and the Policies setting forth the purpose, guidelines and restrictions for other District Funds and Reserves. Monies may also be transferred to or from the Water Supply Reserve at the specific direction of the Board of Directors.

The target amount of funds to be maintained in the Water Supply Reserve shall be monies as a build up to meet the District's future estimated capital outlays for evaluating, designing and constructing new water supply facilities as determined by the capital improvement plan adopted by the Board of Directors.

The District Treasurer shall report in writing each month to the Board of Directors on the dollar balance of the Capital Improvement Reserve at the end of the preceding calendar month and any amounts transferred to or from the Capital Improvement Reserve during the month.

6250.00 WATER METER REPLACEMENT RESERVE

The District shall establish and maintain a Water Meter Replacement Reserve to provide funds for use in evaluating, designing, constructing, acquiring, replacing or rehabilitating capital facilities pertaining to meters to benefit District customers.

Monies may be transferred to or from the Water Meter Replacement Reserve at the direction of the General Manager or designee in accordance with this Policy and the Policies setting forth the purpose, guidelines and restrictions for other District Funds and Reserves. Monies may also be transferred to or from the Water Meter Replacement Reserve at the specific direction of the Board of Directors.

The target amount of funds to be maintained in the Water Meter Replacement Reserve shall be monies as a build up to meet the District's future estimated capital outlays for planning, evaluating, designing, constructing, installing and/or implementing new water meter technology and equipment as determined by the capital improvement plan adopted by the Board of Directors.

The District Treasurer shall report in writing each month to the Board of Directors on the dollar balance at the end of the preceding calendar month and any amounts transferred to or from the Water Meter Replacement Reserve during the month.

6255.00 WATER MAIN REPLACEMENT RESERVE



The District shall establish and maintain a Water Main Replacement Reserve to provide funds for use in evaluating, planning, designing, constructing, replacing or rehabilitating capital facilities to benefit District customers, including, but not limited to, the following:

- Water Transmission and Distribution Facilities and related appurtenances, including water services, water valves, fire hydrants, etc.

Monies may be transferred to or from the Water Main Replacement Reserve at the direction of the General Manager or designee in accordance with this Policy and the Policies setting forth the purpose, guidelines and restrictions for other District Funds and Reserves. Monies may also be transferred to or from the Water Main Replacement Reserve at the specific direction of the Board of Directors.

The target amount of funds to be maintained in the Water Main Replacement Reserve shall be monies to meet the District's future estimated capital outlays for evaluating, planning, designing and constructing water transmission or distribution facilities as determined by the water main capital improvement plan adopted by the Board of Directors.

The District Treasurer shall report in writing each month to the Board of Directors on the dollar balance at the end of the preceding calendar month and any amounts transferred to or from the Water Main Replacement Reserve during the month.

6260.00 FLEET EQUIPMENT RESERVE

The District shall establish and maintain a Fleet Equipment Reserve to set aside funds over an extended period of time to replace fleet equipment at the end of its useful life, including, but not limited to, the following:

- Pickup trucks and automobiles;
- Backhoes and loaders;
- Dump trucks;
- Crew trucks;
- Vacuum Trailer Excavation Systems;
- Vehicle-mounted equipment, such as tool boxes, cranes, safety lights and two-way radios; and,
- Trailer-mounted mobile equipment, such as air compressors.

Monies may be transferred to or from the Fleet Equipment Reserve at the direction of the General Manager or designee in accordance with this Policy and the Policies setting forth the purpose, guidelines and restrictions for other District Funds and Reserves. Monies may also be transferred to or from the Fleet Equipment Reserve at the specific direction of the Board of Directors.



The target amount of funds to be maintained in the Fleet Equipment Reserve shall be ten percent (10.00%) of the equipment and machinery capital assets cost (i.e., non-depreciated value), as determined by the District's most recent financial statements.

The District Treasurer shall report in writing each month to the Board of Directors on the dollar balance of the Fleet Equipment Reserve at the end of the preceding calendar month and any amounts transferred to or from the Fleet Equipment Reserve during the month.

6270.00 EMPLOYMENT-RELATED BENEFITS RESERVE

The District shall establish and maintain an Employment-Related Benefits Reserve to set aside funds over an extended period of time to pay the costs of employment-related benefits for existing and retired District employees, including, but not limited to, the following:

- Payment of accrued leave balances, including sick leave, annual leave, management leave, compensatory time off (CTO) and other leave types per District Policy, upon retirement or separation of employment from the District;
- Payments to employees under the District's Recognition, Rewards and Accountability Program; and,
- Defraying the future cost of other employment-related benefits for District employees.

Monies may be transferred to or from the Employment-Related Benefits Reserve at the direction of the General Manager or designee in accordance with this Policy and the Policies setting forth the purpose, guidelines and restrictions for other District Funds and Reserves. Monies may also be transferred to or from the Employment-Related Benefits Reserve at the specific direction of the Board of Directors.

The target amount of funds to be maintained in the Employment-Related Benefits Reserve shall be the sum of monies sufficient to meet the total of the following amounts: 1) the cost for payouts of accrued leave balances due to retirement or separation of employment from the District for the current and following fiscal year as estimated by the General Manager or designee; and 2) the cost for payments to employees under the District's Recognition, Rewards and Accountability Program for the current and following fiscal year as estimated by the General Manager or designee.

The District Treasurer shall report in writing each month to the Board of Directors on the dollar balance of the Employment-Related Benefits Reserve at the end of the preceding calendar month, and any amounts transferred to or from the Employment-Related Benefits Reserve during the month.

6280.00 WATER EFFICIENCY RESERVE



The District shall establish and maintain a Water Efficiency Reserve to provide funds for use in a water supply shortage, water supply interruption, Federal/State/Regional/Local mandates, or other programmatic needs. The Water Efficiency Reserve is to be used for programs including, but not limited, to the following:

- Water Efficiency Projects;
- Drought Response;
- Temporary Labor;
- Consulting Services;
- Public Outreach and Communication;
- Water Use Monitoring;
- Workshops;
- Outdoor and Indoor Incentives;
- Information Technology Services;
- Regional Efficiency Programs;
- Water Loss Programs;
- Grants;
- Demonstration Garden; and,
- Cooling Towers.

Monies may be transferred to or from the Water Efficiency Reserve at the direction of the General Manager or designee in accordance with this Policy and the Policies setting forth the purpose, guidelines and restrictions for other District Funds and Reserves. Monies may also be transferred to or from the Water Efficiency Reserve at the specific direction of the Board of Directors.

The target amount of funds to be maintained in the Water Efficiency Reserve shall be \$200,000.

The District Treasurer shall report in writing each month to the Board of Directors on the dollar balance of the Water Efficiency Reserve at the end of the preceding calendar month and any amounts transferred to or from the Water Efficiency Reserve during the month.



Investment Policy

6300.00 INVESTMENT OF DISTRICT FUNDS

6300.01 Purpose

This fiscal management policy is intended to provide a policy and guidelines for the District's Treasurer or designee for the prudent and suitable investment of funds and monies of the District without regard to source. The ultimate goal is to enhance the economic status of the District while protecting its funds.

The District's cash management system is designed to accurately monitor and forecast expenditures and revenues, thus enabling the District to invest operating and reserve funds to the fullest extent possible. The District shall attempt to obtain the highest yield, provided that all investments first meet the criteria established for safety and liquidity.

Funds not included in this Policy include deferred compensation funds. 6300.10 Definition and Provision of the Government Code

6300.10 Definition and Provision of the Government Code

The Board of Directors and Officers authorized to make investment decisions on behalf of the District investing public funds pursuant to California Government Code sections 53600 et seq. and 53630 et seq. are trustees and therefore fiduciaries subject to the prudent investor standard. As an investment standard, any investment shall be made as if it is one which a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

6300.20 Authority

The investment policies and practices of the District are based upon compliance with federal, state and local law and prudent money management. Investments will be in compliance with governing provisions of law (California Government Code sections 53600 et seq. and 53630 et seq. as amended) and this Policy. This Policy shall take precedence when more restrictive than the California Government Code.

6300.21 The Board of Directors delegates for a one-year period the day-to-day management of the District's investments to the Treasurer, subject to the conditions of this Policy. The Treasurer shall be responsible for all transactions



undertaken and shall establish a system of documentation and reporting pursuant to Section 6300.70 of this Policy.

6300.30 Ethics and Conflicts of Interest

Directors and Officers involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

6300.35 Prudence

Investments shall be made in the context of the “Prudent Investor” rule, which states that:

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The General Manager, District Treasurer and their designees involved in the investment process, acting in accordance with this Investment of District Funds Policy and exercising due diligence, shall not be held personally responsible for a specific security’s credit risk or market price changes, provided that these deviations are reported immediately and that appropriate action is taken to control adverse developments.

6300.40 Objectives

6300.41 Safety of Principal - Safety of principal is the primary objective of the District. Each investment transaction shall seek to preserve the principal of the portfolio, whether from institutional default, broker-dealer default or erosion of market value of securities. The District shall seek to preserve principal by mitigating the following two types of risk:

A. Credit Risk - Credit risk, defined as the risk of loss due to failure of an issuer of a security, shall be mitigated by investing in only very safe institutions and by diversifying the investment of District funds so that the failure of any one issuer would not unduly harm the District’s cash flow.

B. Market Risk - The risk of market value fluctuations due to overall changes in the general level of interest rates shall be mitigated by limiting the weighted average maturity of the District’s invested funds to three (3) years. It is explicitly



recognized herein, however, that in a diversified portfolio, occasional measured losses are inevitable, and must be considered within the context of the overall investment return.

6300.42 Liquidity - Liquidity is the second most important objective. Investments shall be made whose maturity dates are compatible with cash flow requirements and which can be easily and rapidly converted into cash without substantial loss of value.

6300.43 Return on Investment - Investments shall be undertaken to produce an acceptable rate of return after first considering safety of principal, liquidity, and without undue risk.

6300.50 Authorized Investments

District investments are governed by the California Government Code sections 53600 et seq. and 53630 et seq. Within the context of these sections the following investments are authorized:

- A. Local Agency Investment Fund - The District may invest in the Local Agency Investment Fund (LAIF) established by the California State Treasurer and created by Government Code sections 16429.1 through 16429.4 for the benefit of local agencies up to the maximum permitted by the LAIF's Local Investment Advisory Board.
- B. Securities of the U.S. Government and its Agencies - United States Treasury Bills, Notes, Bonds, or Certificates of Indebtedness, or those for which the faith and credit of the United States are pledged for payment of principal and interest. There is no limitation as to the percentage of the District funds which can be invested in this category as they are all safe and liquid. Purchases may not have a term remaining to maturity in excess of five (5) years. (Gov. Code, §§ 53601(b) and 53635(a).)
- C. State of California Obligations - Registered State Warrants or Treasury Notes or Bonds of this State or any of the other 49 United States, as defined in Government Code sections 53601(c), 53601(d) and 53651 and pursuant to Government Code section 53635.2.
- D. Local Agency Obligations - Obligations issued by any local agency, as defined by the Government Code, within the State. Obligations may be bonds, notes, warrants, or other evidences of indebtedness, as defined in Government Code sections 53601(e) and 53651 and pursuant to Government Code section 53635.2.



E. U.S. Agencies - Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. (Gov. Code, §§ 53601(f), 53651).

F. Bankers' Acceptances - Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers' acceptances shall not exceed 180 days' maturity or 40 percent of the District's money that may be invested pursuant to Government Code section 53601(g). However, no more than 30 percent of the District's money may be invested in the bankers' acceptances of any one commercial bank pursuant to Government Code section 53601(g). (Gov. Code, §§ 53601(g), 53651)

G. Prime Commercial Paper - Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical rating organization. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or (2):

(1) The entity meets the following criteria:

- (a) Is organized and operating in the United States as a general corporation.
- (b) Has total assets in excess of five hundred million dollars (\$500,000,000).
- (c) Has debt other than commercial paper, if any, that is rated "A" or higher by a nationally recognized statistical rating organization.

(2) The entity meets the following criteria:

- (a) Is organized within the United States as a special purpose corporation, trust, or limited liability company.
- (b) Has program-wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or surety bond.
- (c) Has commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical-rating organization.



Eligible commercial paper shall have a maximum maturity of 270 days or less. In addition:

- (a) No more than 40 percent of the District's money may be invested in eligible commercial paper; and,
- (b) No more than 10 percent of the District's money that may be invested pursuant to this section may be invested in the outstanding commercial paper of any single issuer. (Gov. Code, § 53601(h), 53635.)

H. Investment of Surplus Funds in Deposits - Notwithstanding Government Code section 53601 or any other provision of the Government Code, the District, at its discretion, may invest a portion of its surplus funds in deposits at a commercial bank, savings bank, savings and loan association, or credit union that uses a private sector entity that assists in the placement of certificates of deposit. The following conditions shall apply:

- (1) The District shall choose a nationally or State-chartered commercial bank, savings bank, savings and loan association, or credit union in this State to invest the funds, which shall be known as the "selected" depository institution.
- (2) The selected depository institution may use a private sector entity to help place District deposits with one or more commercial banks, savings banks, savings and loan associations, or credit unions that are located in the United States, and are within the network used by the private sector entity for this purpose.
- (3) Any private sector entity used by a selected depository institution to help place District deposits shall maintain policies and procedures requiring both of the following:
 - (a) The full amount of each deposit placed pursuant to paragraph (2) above and the interest that may accrue on each such deposit shall at all times be insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.
 - (b) Every depository institution where funds are placed shall be capitalized at a level that is sufficient, and be otherwise eligible, to receive such deposits pursuant to regulations of the Federal Deposit Insurance Corporation or the National Credit Union Administration, as applicable.



- (4) The selected depository institution shall serve as a custodian for each such deposit.
- (5) On the same date that the District's funds are placed pursuant to paragraph (2) above by the private sector entity, the selected depository institution shall receive an amount of insured deposits from other financial institutions that, in total, are equal to, or greater than, the full amount of the principal initially deposited through the selected depository institution pursuant to paragraph (2) above.
- (6) Notwithstanding Government Code section 53601.8 subdivisions (a) to (g), inclusive, a credit union shall not act as a selected depository institution under Government Code sections 53601.8 or 53635.8 unless both of the following conditions are satisfied:
 - (a) The credit union offers federal depository insurance through the National Credit Union Administration.
 - (b) The credit union is in possession of written guidance or other written communication from the National Credit Union Administration authorizing participation of federally insured credit unions in one or more certificate of deposit placement services and affirming that the monies held by those credit unions while participating in a deposit placement service will at all times be insured by the federal government.
- (7) Purchases of certificates of deposit pursuant to Government Code sections 53601.8 and 53635.8 shall not, in total, exceed thirty (30) percent of the District's funds that may be invested for this purpose.
- (8) Excluding purchases of certificates of deposit pursuant to Government Code sections 53601.8, no more than ten (10) percent of the District's funds that may be invested for this purpose may be submitted, pursuant to paragraph (2) above, to any one private sector entity that assists in the placement of deposits with one or more commercial banks, savings banks, savings and loan associations, or credit unions that are located in the United States, for the District's account. (Gov. Code, §§ 53601.8, 53635.8.)



I. Certificates of Deposits and Time Deposits - The District may invest in nonnegotiable time deposits collateralized in accordance with the Uniform Commercial Code, in those banks and State and federal associations which meet the requirements for investment in negotiable certificates of deposit (NCD). When conditions so warrant, the first \$100,000 of collateral security for such deposits can be waived if the financial institution is insured pursuant to federal and State law.

J. Medium-Term Corporate Notes - Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five (5) years or less issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment shall be rated "A" or better by a nationally recognized statistical rating organization. No more than 30 percent of the District's invested funds may be invested in medium-term notes. (Gov. Code, §§ 53601(k) and 53635.2)

K. Mutual Funds/Money Market Mutual Funds - To be eligible for investment pursuant to this subsection (K), these funds shall meet the following conditions in either paragraph (1) or (2) below:

(1) Shares of beneficial interest issued by diversified management companies (otherwise known as mutual funds) that invest in the securities and obligations as authorized by subdivisions (a) to (k), inclusive, or (m) to (q) inclusive, of Government Code section 53601 and that comply with the investment restrictions of Government Code sections 53600 et seq. and 53630 et seq. However, notwithstanding these restrictions, a counterparty to a reverse repurchase agreement or securities lending agreement is not required to be a primary dealer of the Federal Reserve Bank of New York if the company's board of directors finds that the counterparty presents a minimal risk of default, and the value of the securities underlying a repurchase agreement or securities lending agreement may be 100 percent of the sales price if the securities are marked to market daily. To be eligible for investment pursuant to this paragraph (1), the companies must have either:

(a) Retained an investment adviser registered with the Securities and Exchange Commission with not less than five (5) years' experience investing in securities and obligations and authorized by subdivisions (a) to (k), inclusive, (m) or (q) inclusive of Government Code Section 53601 and with



assets under management in excess of five hundred million dollars (\$500,000,000); or,

(b) Attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) nationally recognized statistical rating organizations. (Gov. Code, § 53601(l)(1) & (3).)

(2) Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15

U.S.C. Section 80a-1 et seq.). To be eligible for investment pursuant to this paragraph (2), the companies must either have:

(a) Retained an investment adviser registered with the Securities Exchange Commission with not less than five (5) years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000); or

(b) Attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) nationally recognized statistical rating organizations. (Gov. Code, § 53601(l)(2) & (4).)

(3) The purchase price of shares of mutual funds and money market mutual funds purchased pursuant to this Section K of this Policy shall not include any commission that the companies may charge and shall not exceed

20 percent of the District's funds that may be invested pursuant to Government Code Section 53601. Further, no more than 10 percent of the District's funds may be invested in shares of beneficial interest of any one mutual fund pursuant to paragraph (1) above. (Gov. Code, § 53601(l)(5).)

L. Mortgage Pass-through Securities - Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond of a maximum remaining maturity of five (5) years or less. Securities eligible for investment under this Section L of this Policy shall be rated in a rating category of "AA" or its equivalent or better by a nationally



recognized statistical rating organization. Purchase of securities authorized by this Section L may not exceed 20 percent of the District's surplus monies that may be invested pursuant to Government Code section 53601. (Gov. Code, §§ 53601(o), 53635.2.)

M. Joint Powers Authority - Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (r), inclusive, of Government Code section 53601. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this Section M of this Policy, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

1. The adviser is registered or exempt from registration with the Securities and Exchange Commission;
2. The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive, of Government Code section 53601; and,
3. The adviser has assets under management in excess of five hundred million dollars (\$500,000,000) (Gov. Code, § 53601(p).)

N. Passbook Deposits - Savings account(s) shall be maintained for amounts under \$250,000 as a source of funds for immediate use if required for selective commercial accounts. Savings account deposits may exceed the specified amount for periods not to exceed 45 days in anticipation of payment of monthly accounts payable.

O. Supranationals - United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank. The maximum remaining maturity for these obligations must be five (5) years or less, and they must be eligible for purchase and sale within the United States. In addition, these investments must be rated "AA" or better by at least two (2) nationally recognized statistical ratings organizations and shall not exceed 30 percent of the District's monies that may be invested pursuant to Government Code section 53601. (Gov. Code, § 53601(q).)

6300.51 Non-Compliance with Authorized Investments



Investments which were obtained prior to adoption of this Policy which are currently not in compliance with said policy may be held until maturity pursuant to Government Code section 53601.6(b). Reporting of said non-compliant investments shall be made per Section 6300.70 of this Policy.

6300.55 Designation of Depositories

The Board of Directors shall, by Resolution, and in accordance with Government Code sections 53600 et seq. and 53630 et seq., designate depositories for District funds. A State or federal credit union may not be designated as a depository for District funds if a member of the Board of Directors or any person with investment decision-making authority for the District serves on the Board of Directors, any committee appointed by the Board of Directors, or the credit committee or supervisory committee of the State or federal credit union.

As far as possible, all money belonging to, or in the custody of the District, including money paid to the Treasurer or other official to pay the principal, interest, or penalties of bonds, shall be deposited for safekeeping in State or national banks, savings associations, federal associations, credit unions, or federally insured industrial loan companies in this State, selected by the Treasurer or other official having legal custody of the money; or may be invested in the investments set forth in Government Code section 53601. To be eligible to receive District money, a bank, savings association, federal association, or federally insured industrial loan company shall have received an overall rating of not less than "satisfactory" in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California's communities, including low- and moderate-income neighborhoods, pursuant to Section 2906 of Title 12 of the United States Code. Government Code sections 53601.5 and 53601.6 shall apply to all investments that are acquired pursuant to this Government Code section 53635.2. (Gov. Code, § 53635.2).

6300.60 Safekeeping of Securities

To protect against potential losses caused by collapse of individual securities dealers, all securities may be delivered against payment and shall be kept in safekeeping pursuant to Government Code section 53608. Depositories having custody of the District's funds, securities, and other investment instruments shall be directed to forward copies of verification of such deposits in accordance with policies consistent with generally accepted reporting procedures of depositories. In no case shall funds be wired or transmitted in any manner to brokers.

6300.70 Reporting Requirements



Under provisions of Government Code sections 53646 and 53607, the Treasurer shall render a monthly report to the District's Board of Directors and General Manager. The report shall include the type of investment, issuer, date of maturity, par value and the dollar amount invested in all securities, investments and monies held by the District, and shall additionally include a description of any of the District's funds, investments or programs, that are under the management of contracted parties, including lending programs. With respect to all securities held by the District, and under management of any outside party that is not also a local agency of the State of California Local Agency Investment Fund, the report shall also include a current market value as of the date of the report, and shall include the source of this same valuation.

In the report, a subsidiary ledger of investments may be used in accordance with generally accepted accounting practices.

The Treasurer shall report whatever additional information or data may be required by the District's Board of Directors.

For District investments that have been placed in the Local Agency Investment Fund, created by Government Code section 16429.1, in National Credit Union Share Insurance Fund-insured accounts in a credit union, in accounts insured or guaranteed pursuant to Financial Code section 14858, or in Federal Deposit Insurance Corporation-insured accounts in a bank or savings and loan association, in a county investment pool, or any combination of these, the Treasurer may supply to the District's Board of Directors and General Manager the most recent statement(s) received by the District from these institutions in lieu of the aforementioned information regarding the type of investment, issuer, date of maturity, par value and the dollar amount invested in all securities, investments and monies held by the District.

The monthly Treasurer's report shall state compliance of the portfolio with this Investment of District Funds Policy, or manner in which the portfolio is non-compliant. The report shall include a statement denoting the ability of the District to meet its expenditure requirement for the next six months or an explanation as to why sufficient monies will not or may not be available.

6300.90 Investment Policy Review

This policy governing Investment of District Funds shall be reviewed, modified as necessary and re-adopted or amended at a public meeting of the Board of Directors annually



Purchasing Policy

6500.00 PURCHASING AND PROCUREMENT

6500.01 Introduction

The District has a responsibility to acquire the best value in supplies, materials, equipment, operating and maintenance services, consultant services, and public works projects from various suppliers, contractors, and consultants.

This Policy provides guidance and instructions to employees involved in the purchasing and procurement process.

6500.01 Objectives of Purchasing and Procurement Policy

This Purchasing and Procurement Policy has been developed to achieve the following objectives:

- Standardize the procedures by which the District conducts business with its suppliers, contractors, and consultants.
- Ensure impartiality and competition in purchasing and procurement transactions whenever possible.
- Establish purchasing and procurement authorization procedures, delegation of authority, and accountability.
- Implement effective documentation, processing, accounting, reporting, and audit trail systems to support purchasing and procurement activities.
- Maximize effective use of the District's financial and personnel resources.

6500.02 Personnel Standards of Conduct

All personnel engaging in purchasing and procurement activities on behalf of the District shall employ the following standard practices:

- Consider, first, the interests and needs of the District in all transactions.
- Carry out the established policies of the District.
- Buy without prejudice and seek to obtain the maximum value for each expenditure of public funds.
- Subscribe to and work for honesty and truth in purchasing and procurement, and denounce all forms of commercial bribery.

No District employee involved in purchasing shall maintain a financial interest or have any personal beneficial interest, directly or indirectly, in any contract or purchase of supplies, materials, equipment, services, or public works projects used by or furnished to the District.



6500.10 Purchasing Categories

District purchases typically are within the following seven categories:

1. General Purchases
2. Consultant Services
3. Public Works Projects
4. Petty Cash Purchases
5. Emergency Purchases
6. Single Source Purchases
7. Real Property

When considering purchases or procurements in any category except emergency purchases, the District's current Operating Budget should be reviewed to ensure compliance with anticipated expenditures and revenues.

6500.11 General Purchases

This category consists of the following general purchase classifications:

- Supplies including office and field supplies, fuels, etc.
- Material including waterworks materials, trench backfill material, etc.
- Equipment including office equipment, vehicles, tools, etc.
- Software and other intangible goods.
- Settling minor claims or potential claims against the District, including the payment of severance.

6500.12 Services

This category includes Operating and Maintenance Services including service contracts and agreements, equipment repairs, etc. and specialized professional services including, but not limited to, surveyors, engineers, architects, attorneys/legal counsel, auditors, management consultants, financial consultants, technical consultants, and short-term personal services less than 30 days.



Individual members of the Board of Directors are authorized to directly consult with the District's attorneys/legal counsel.

6500.13 Public Works Projects

This category comprises expenditures for public works projects that are typically related to capital improvements performed by independent contractors for the District's water distribution system, groundwater production facilities, and administrative/corporation yard facilities. Said contractors are to be considered for selection when a specific improvement project exceeds the available personnel, equipment, and technical expertise of the District.

Payment of the prevailing wage for construction labor classifications as determined by the State of California is required of contractors providing public works project construction for the District.

A 10 percent bid security is required for sealed competitive bids.

6500.13 Petty Cash Purchases

This category is comprised of small, day-to-day, over-the-counter purchases made on behalf of the District using Petty Cash. A Petty Cash fund not to exceed \$500 shall be maintained and controlled by the District Treasurer. See also Petty Cash Policy 6480.

6500.15 Emergency Purchases

This category constitutes purchases required during times of duress when the requirements for competitive purchasing and procurement can be waived. In such cases where purchases are made outside of normal procedures, records must be maintained to indicate the vendor, types, quantities, and disposition of items purchased or services procured. If possible, informal or facsimile quotations should be obtained and documented. The General Manager or designee shall have the authority to issue purchase orders and make purchases/procurements during emergency conditions.

A report and full accounting of expenditures shall be provided to the Board of Directors whenever emergency purchases and procurements are made.

6500.16 Single-Source Purchases

This category makes allowances for the infrequent, but sometimes necessary, purchase from a supplier that is the only acceptable vendor able to furnish a certain product or service. Inasmuch as single-source purchases are an exception to competition, care must be exercised and consideration given to the following:



- Is there a lack of responsible competition for the product or service?
- Does the vendor possess exclusive and/or predominant capabilities?
- Is the product or service unique and easily established as one-of-a-kind?
- Would utilizing a single-source result in future operational or maintenance savings?
- Are there patented or proprietary rights that fully demonstrate a superior patented feature not obtainable from similar products, or a product or service available from only one source rather than dealers and retailers from which competition could be encouraged?
- Can the District's requirements be modified so that competitive products or services may be used without sacrificing product quality and vendor responsiveness?

Further, in accordance with Public Contract Code section 3400(c), the District may make a finding that is described in the invitation for bids or request for proposals that a particular material, product, thing, or service is designated by specific brand or trade name for any of the following purposes:

- In order that a field test or experiment may be made to determine the product's suitability for future use.
- In order to match other products in use on a particular public improvement either completed or in the course of completion.
- In order to obtain a necessary item that is only available from one source.
- In order to respond to an emergency declared by the District, but only if the declaration is approved by a unanimous vote of the Board.
- In order to respond to an emergency declared by the state, a state agency, or political subdivision of the state, but only if the facts setting forth the reasons for the finding of the emergency are contained in the public records of the District.

6500.17 Real Property

This category includes easements, fee title and other interests in real property. Due to the individualized nature of real property, all purchases may be by negotiated purchase.

6500.20 Purchasing Levels and Authority

Below are tables listing the various purchasing categories and the authority for individual purchases:



Category		
	General Manager	Board of Directors
General: Supplies, materials, equipment, O&M services	\$75,000 or less	Greater than \$75,000
Consultant Services	\$75,000 or less	Greater than \$75,000
Public Works Projects	\$175,000 or less	Greater than \$175,000
Petty Cash	Less than \$500	None
Emergency	All amounts but General Manager shall notify Board of Directors at its next regular meeting	
Single Source	\$75,000 or less	Greater than \$75,000

Procurement limits shall apply on a single project basis for services or purchase basis for materials. Multiple procurements from a single provider or purchaser shall be judged individually. However, splitting or separating of materials, supplies, services, and projects for the expressed purpose of evading the requirements of this Policy, is strictly prohibited.

6500.21 INFORMAL SOLICITATIONS

All purchases or contracts for materials, supplies, equipment and services will be based, whenever possible and practicable, on some form of competition. There may be exceptions to the competitive process for emergency conditions, supply or source limitations, or other circumstances with justifications for such waiver being documented prior to the acquisition. Moreover, quotations are not required for consultant services or single source procurements. The following guidelines shall be used for obtaining quotes or proposals:

Estimated Value	Number and Type of Quotations
\$0 – \$5,000	At least one verbal or written quote



\$5,000.01 – \$40,000	At least two written quotes
\$40,000.01 – \$74,999.99	At least three written quotes
\$75,000 +	Formal Quotations

Written quotes may be either hard-copy quotes received in the mail, via facsimile or via electronic transmission. Written quotes or the justification for not obtaining quotes shall be maintained in the project file.

Quotes may not be available for common items normally found in retail establishments (i.e., Home Depot, Lowe's, etc.), unless in bulk or special order. The purchase of common consumer items is acceptable without a quote, but a contractor's discount should be sought if a business account is established.

6500.22 Formal Quotations

Formal solicitation procedures shall be required for procurements estimated to be greater than \$75,000. The use of an online solicitation system is acceptable for formal solicitations, as well the receipt of formal solicitations (unless specifically stated otherwise within the solicitation documents). In addition, the notice to bidders or request for proposal shall:

1. At a minimum, be advertised in one general circulation newspaper within the District's geographic boundaries or advertised electronically on an appropriate regional purchasing website.
2. Whenever possible and practical, provide a minimum of fourteen (14) calendar days for response, unless otherwise required by the Public Contract Code.
3. Require the receipt of a minimum of two (2) competitive responses or more, when available.

Proposals and quotations may be publicly unsealed, and respective dollar amount(s) announced. Award details shall be made available following the award of a contract. The formal competitive solicitation process may be waived at the discretion of the General Manager or designee, when there is a compelling reason to do so (e.g., public safety, prevent loss of life, imminent danger, or other valid reason). The General Manager shall document the reason and present it to the Board of Directors at the next regularly scheduled meeting. In addition, the formal competitive solicitation process shall not be required for services unless otherwise required by law. Written responses to the notice to bidders or request for proposal shall be maintained in the project file.



6500.23 Public Works Bidding

The Irrigation District Law does not maintain competitive bidding for public works except in limited cases. In such cases or when required by law, the District shall utilize all competitive processes mandated by the Public Contract Code.

For other public works solicitations, the District shall utilize the process identified in Section 6500.22 of this Policy for public works. In addition to such procedures, public work bids shall be publicly unsealed, and respective dollar amount(s) announced. The Board of Directors may waive public bidding for any public work at its discretion and subject to the limits of applicable law.

6500.25 Cooperative Purchasing

In lieu of conducting an informal or formal solicitation, the District may utilize cooperative and piggyback procurements that are based on competitive processes that are substantially consistent with the requirements of this Policy. Documentation of this finding and its basis shall be maintained in the project file.

6500.30 Change Orders

A change order is required when work or services performed pursuant to a contract will exceed the approved original contract amount or changes in the scope of work are required. A written request for change order must be completed and approved before a change order can be authorized. Board approval is required for any change order or amendment that exceeds ten percent of the initial contract amount. Subsequent change orders or amendments shall be aggregated so that Board approval is required once the total amount approved by change order or amendment exceeds ten percent of the initial contract amount. The Board may delegate additional authority for change orders or amendments when approving any contract.

6500.50 Purchasing Cycle

Regardless of the type of item or service being acquired, each transaction proceeds through the following nine distinct stages in varying degrees:

1. Assessment and determination of need
2. Research and/or development of specifications
3. Estimation of anticipated cost
4. Solicitation and evaluation of quotations, bids, or proposals
5. Selection and approval of purchase



6. Award of contract or order
7. Delivery and Inspection
8. Receipt of invoice, reconciliation with delivery ticket, verification of pricing by purchasing coordinator/agent
9. Payment

6500.80 Purchase Orders

Purchase orders may be necessary from time to time to facilitate purchase of required products or services. The District's officers (Directors, Secretary, Assessor/Collector, and Treasurer), and the General Manager are authorized to execute purchase orders on behalf of the District.

6500.90 Purchasing/Procurement Authority

Purchasing and procurement authority not heretofore specifically designated is hereby retained by the Board of Directors.

The General Manager, at his or her discretion, may delegate purchasing authority to staff. Such delegation shall be in writing.

6500.100 Project File

The General Manager or designee shall maintain a project file for each purchase. The project file may be maintained electronically or in hard copy consistent with applicable law and the District's retention policy.



Capital Assets Policy

6700.00 FIXED ASSETS ACCOUNTING CONTROL

The purpose of this policy is to provide control and accountability over fixed assets of the District, and to gather and maintain information needed for the preparation of financial statements.

6700.01 Definition of Fixed Assets

A fixed asset, also referred to as a capital asset, is defined under this Policy as:

- A. Tangible personal property that is owned, leased, controlled or possessed by the District with a dollar value of at least \$5,000.00 per item and a useful life of more than two years, and not consumed in the normal course of business.
- B. Any addition to the District's infrastructure for conveyance, treatment, pumping or production of water with a dollar value greater than \$15,000.00 and a useful life of more than one year.
- C. Any construction project, building, land, or improvement upon land with a dollar value greater than \$15,000.00 and a useful life of more than one year.

6700.10 Valuation of Fixed Assets

Fixed assets shall be valued at cost including all ancillary charges necessary to place the asset in its intended location and condition for use. The value of fixed assets shall be determined as described in the sections that follow.

6700.11 Purchased Fixed Assets

The value of purchased fixed assets shall be determined using the historical cost of the assets, including all sales taxes or other taxes, and all appropriate ancillary costs, less any trade discounts or rebates. If the historical cost of the asset is not available, or cannot be reasonably determined, an estimated cost may be determined using the best available information.

The capitalized value of land that is purchased by the District shall include the purchase price, plus any costs such as legal fees and any costs incurred to put the land in condition for its intended use.

The capitalized value of buildings purchased by the District shall include both acquisition and capital improvement costs. Capital improvements include structures (e.g., office buildings, shop buildings, and other facilities) and all



other property permanently attached to, or an integral part of, the structure (e.g., heating and air-conditioning equipment).

Furniture, fixtures, computer software, or other equipment that is not an integral part of a building are not considered capital improvements and should be classified as equipment. The cost for this type of asset shall reflect its actual or estimated cost.

6700.12 Constructed Fixed Assets

The value of constructed fixed assets shall be determined using all direct costs associated with the construction, along with any design or project management costs. Actual project management costs may be used when they can be reasonably determined and directly associated with the construction.

6700.13 Ancillary Costs

Ancillary costs should, when possible and practical, be included in the cost of a fixed asset. Minor ancillary costs that may not be measurable at the time a capital asset is recorded in the inventory system are not required to be capitalized, but may be capitalized if the information becomes readily available. Ancillary costs include items such as:

For land:

- Legal and title fees;
- Professional fees of engineers, attorneys, appraisers, financial advisors, etc.;
- Surveying fees;
- Appraisal and negotiation fees;
- Payment for damages;
- Site preparation costs; and,
- Costs related to demolition of existing structures.

For infrastructure:

- Professional fees of engineers, attorneys, appraisers, financial advisors, etc.;
- Surveying fees;
- Appraisal and negotiation fees;
- Site preparation costs; and,
- Costs related to demolition of existing structures.

For buildings and improvements other than buildings:



- Professional fees of architects, engineers, attorneys, appraisers, financial advisors, etc.;
- Costs of fixtures permanently attached to a building or structure;
- Insurance premiums and related costs incurred during construction; and,
- Any other costs necessary to place a building or structure into its intended location and condition for use.

For furnishings, equipment, software, and other fixed assets:

- Transportation charges;
- Sales tax;
- Installation costs;
- Extended maintenance or warranty contracts purchased at the time the fixed asset is purchased; and,
- Any other normal or necessary costs required to place the asset in its intended location and condition for use.

6700.14 Donated Fixed Assets

The value of donated assets shall be determined using the acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date.

6700.20 Useful Life and Depreciation of Fixed Assets

The useful life of a fixed asset shall be determined using (a) general guidelines obtained from professional or industry organizations, (b) information for comparable assets of other governments, or (c) internal information.

6700.21 Depreciation Method and Convention

Depreciable assets will be depreciated using the straight-line method of depreciation and the full month convention.

6700.30 Physical Inventory of Fixed Assets

A physical inventory of the following categories of fixed assets shall be performed annually:

- Fleet Equipment
- Office Furniture and Fixtures
- Computer Equipment and Software
- Machinery and Equipment
- Office and Telephone Equipment



The results of the physical inventory shall be reconciled with the District's asset inventory system, and any discrepancies shall be reported to the General Manager and the District Treasurer.

6700.40 Disposal of Fixed Assets

Fixed assets that have become surplus to the needs of the District shall be disposed in accordance with Disposal of Surplus Property Policy 5750. At the time that a fixed asset is disposed, any remaining book value will be recorded as loss on disposal such that the asset's book value is zero.

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CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS OCTOBER 21, 2020 MEETING

SUBJECT: 2021 WATER RATES, MISCELLANEOUS FEES AND CHARGES
AND CAPACITY FEES
STATUS: Discussion Item
REPORT DATE: October 13, 2020
PREPARED BY: Susan K. Talwar, Director of Finance and Administrative Services

OBJECTIVE:

Review and discuss the proposed Capacity Fees and Water Rates, Miscellaneous Fees and Charges for 2021.

BACKGROUND AND ANALYSIS:

A review and update of the Miscellaneous Fees and Charges, and Capacity Fees is considered each year as part of the budget process. This report presents the proposed Miscellaneous Fees and Charges for 2021.

2021 Schedule of Water Rates, Miscellaneous Fees, Charges and Capacity Fees

A schedule comparing current 2020 adopted Water Rates, Miscellaneous Fees and Charges and Capacity Fees with the proposed 2021 Water Rates, Miscellaneous Fees and Charges and Capacity Fees accompanies this staff report. Significant elements of the 2021 water rate schedule are as follows:

- No Change to Water Rates and other charges, such as Wheeling Water Charges, Construction Meters, and Fire Sprinkler Charges, consistent with Board direction at the September 16, 2020 and October 7, 2020 financial planning workshops of no rate increase for 2021.
- Adjustments to Other Charges and Fees are based on a staff analysis of staff time, equipment, materials and other costs involved in providing the specified services.

Next Steps:

The proposed 2021 Water Rates, Miscellaneous Fees and Charges and Capacity Fees schedule is proposed to be included as part of the Public Hearing agenda for Board consideration at the November 18, 2020 Board meeting.

RECOMMENDATION:

Provide direction to staff on the draft Water Rates, Miscellaneous Fees, Charges and Capacity Fees for 2021.

ATTACHMENT:

2021 Proposed Water Rates Miscellaneous Fees, Charges and Capacity Fees

CITRUS HEIGHTS WATER DISTRICT
WATER RATES, FEES AND CHARGES EFFECTIVE 2021
Proposed -- October 21, 2020

Type of Charge	Applied Basis or Frequency	2020	2021
		Adopted	Proposed
<u>Charges for Metered Rate Customer Accounts</u>			
<i>Service Charge, Domestic, Commercial & Irrigation Meters</i>			
¾-inch meter	bi-monthly, per meter	\$57.54	\$57.54
1-inch meter	bi-monthly, per meter	\$87.29	\$87.29
1½-inch meter	bi-monthly, per meter	\$136.86	\$136.86
2-inch meter	bi-monthly, per meter	\$196.35	\$196.35
3-inch meter	bi-monthly, per meter	\$384.74	\$384.74
4-inch meter	bi-monthly, per meter	\$662.36	\$662.36
<i>Service Charge, Combination Meters</i>			
Low flow bypass meter			
4-inch meter	bi-monthly, per meter	\$196.35	\$196.35
6-inch meter	bi-monthly, per meter	\$384.74	\$384.74
8-inch meter	bi-monthly, per meter	\$662.36	\$662.36
10-inch meter	bi-monthly, per meter	\$2,119.86	\$2,119.86
<u>Other Service Charges</u>			
<i>Service Charge, Construction Meters</i>			
2½-inch and 3-inch meters	bi-monthly, per meter	\$384.74	\$384.74
<i>Service Charge, North Ridge Country Club Meter (multiplier = 3.00, not annexed)</i>			
	bi-monthly, per meter	\$261.87	\$261.87
<i>Service Charge, Mount Vernon Memorial Park (multiplier = 2.31, based upon property annexed)</i>			
Low flow bypass meter	bi-monthly, per meter	\$0.00	\$0.00
8-inch Combination meter	bi-monthly, per meter	\$1,530.05	\$1,530.05
<hr/>			
<i><u>Usage Charges for Water Consumed</u></i>	<i>1 unit = 100 cubic feet = 748 gallons</i>		
<i>Domestic, Commercial, Irrigation, Combination</i>			
All meter sizes	per unit	\$1.1800	\$1.1800
<i>North Ridge Country Club Meter</i>			
	per unit, for all units bi-monthly	\$3.5400	\$3.5400
<i>Mount Vernon Memorial Park (2.31 multiplier)</i>			
	per unit, for all units bi-monthly	\$2.7258	\$2.7258
<hr/>			
<i>Unannexed property (surplus water only)</i>	multiplier times annexed rate, applied to service charge and commodity charge	3	3

CITRUS HEIGHTS WATER DISTRICT
WATER RATES, FEES AND CHARGES EFFECTIVE 2021
Proposed -- October 21, 2020

Type of Charge	Applied Basis or Frequency	2020	2021
		Adopted	Proposed
Wheeling Water Charge			
(unless otherwise adopted by mutual aid agreement)			
	per acre-foot to Cal-American WC	\$68.00	\$68.00
	per acre-foot to Carmichael WD	\$68.00	\$68.00
	per acre-foot to Fair Oaks WD	\$68.00	\$68.00
	per acre-foot to Orangevale WD	\$4.62	\$4.62
	per acre-foot to City of Roseville	\$68.00	\$68.00
	per acre-foot to Sac. Suburban WD	\$68.00	\$68.00
	per acre-foot to San Juan WD	\$4.62	\$4.62
Commercial Fire Sprinkler Service Charges			
4-inch and smaller	per service, bimonthly	\$81.66	\$81.66
6-inch	per service, bimonthly	\$105.93	\$105.93
6-inch; one-half shared	per service, bimonthly	\$52.96	\$52.96
6-inch; one-third shared	per service, bimonthly	\$35.30	\$35.30
8-inch	per service, bimonthly	\$129.02	\$129.02
8-inch; one-half shared	per service, bimonthly	\$64.50	\$64.50
10-inch	per service, bimonthly	\$173.92	\$173.92
12-inch	per service, bimonthly	\$230.43	\$230.43
Construction Water Charges	minimum charge	\$266.37	\$266.37
Schedule A - Projects	per lot	\$183.16	\$183.16
Schedule B - Trenches, Excavations & Grading	per 100 cubic yards	\$49.45	\$49.45
Schedule C - Tank Trucks	per 1,000 gallons	\$8.19	\$8.19
Schedule D - Metered Use	per unit, for all units bi-monthly	\$3.5400	\$3.5400
Schedule E - Non-Profit	per day	\$55.63	\$55.63
Construction Meter Deposit	per meter	\$2,005.00	\$2,007.00

CITRUS HEIGHTS WATER DISTRICT
WATER RATES, FEES AND CHARGES EFFECTIVE 2021
Proposed -- October 21, 2020

Type of Charge	Applied Basis or Frequency	2020	2021
		Adopted	Proposed
<u>Water Service Installation Charges</u>			
¾-inch & larger services w/meter	per service		Actual Cost
Meter set charge:			
⅝ inch x ¾ inch	per meter	\$557.00	\$562.00
¾ inch	per meter	\$607.00	\$612.00
1 inch	per meter	\$626.00	\$631.00
1½ inch	per meter	\$940.00	\$9,475.00
2 inch	per meter	\$1,267.00	\$1,271.00
>2 inch	actual cost		
Backflow prevention assembly installation charge			
¾ inch & larger	each		Actual Cost
<u>Capacity Fees</u>			
Residential- Multi-Family:			
Townhomes/Condos/Duplexes w/¾-inch max.	per service + non-residential uses	\$4,354.00	\$4,354.00
Townhomes/Condos/Duplexes w/1-inch max.			
Fire Sprinklers w/1-inch max.	per service + non-residential uses	\$7,256.00	\$7,256.00
Residential- Single Family:			
0 - 4.999 acres with 1-inch max.	per service	\$7,256.00	\$7,256.00
5.00 - 7.500 acres with 1½-inch max.	per service	\$14,513.00	\$14,513.00
Over 7.500 acres with 2-inch max.	per service	\$23,220.00	\$23,220.00
Nonresidential Users:			
Based on service size, including, but not limited to, commercial, industrial, irrigation, commercial swimming pools, and clubhouse applications:			
⅝ inch	per service	\$2,902.53	\$2,902.53
¾ inch	per service	\$4,353.80	\$4,353.80
1 inch	per service	\$7,256.33	\$7,256.33
1½ inch	per service	\$14,512.66	\$14,512.66
2 inch	per service	\$23,220.25	\$23,220.25
3 inch	per service	\$50,794.31	\$50,794.31
4 inch	per service	\$91,429.75	\$91,429.75
6 inch	per service	\$188,664.57	\$188,664.57
8 inch	per service	\$406,354.46	\$406,354.46
10 inch	per service	\$609,531.69	\$609,531.69
12 inch	per service	\$763,170.94	\$763,170.94
<u>Other Charges and Fees</u>			
Agenda-By-Mail Charge (e-mail delivery free)	per packet	\$22.00	\$26.00
Standby Service Charge	per hour, 1 hour minimum	\$116.00	\$115.00
Returned Payment Fee	per check	\$31.00	\$31.00
Late Payment Penalty	5% of overdue account balance	5.00%	5.00%
Turn-off Notice Service Charge	per occurrence	\$26.00	\$26.00
Missed Appointment/No-Show Fee	per occurrence	\$49.00	\$49.00
Disconnect Service Charge	per occurrence	\$56.00	\$59.00
Reconnect Service Charge	per occurrence	\$56.00	\$59.00
Reconnect Service Charge (Non Business Hours)	per occurrence	\$115.00	\$113.00

CITRUS HEIGHTS WATER DISTRICT
WATER RATES, FEES AND CHARGES EFFECTIVE 2021
Proposed -- October 21, 2020

Type of Charge	Applied Basis or Frequency	2020	2021
		Adopted	Proposed
Meter Re-Read / Maintenance Charge	per occurrence	\$45.00	\$45.00
Customer Account Deposit	per account	\$240.00	\$247.00
Copy Charge	per page	\$0.10	\$0.12
Recording of Lien	per occurrence	\$66.00	\$72.00
Release of Lien	per occurrence	\$79.00	\$85.00
Tamper Charge	per occurrence	\$122.00	\$120.00
Water Conservation Violation Charge (1)	first occurrence	\$50.00	\$50.00
Water Conservation Violation Charge (2)	second occurrence	\$75.00	\$75.00
Water Conservation Violation Charge (3)	third occurrence	\$100.00	\$100.00
Inclusion / Annexation Fee	per gross acre, ½ acre or greater	\$1,493.00	\$1,572.00
	minimum to ½ acre	\$746.50	\$786.00
Plan Check Charges	minimum charge + per connection	\$1,132.00	\$1,156.00
	per connection	\$25.22	\$25.22
Easement/Quitclaim	per easement/quitclaim	\$707.00	\$721.00
Inspection Charges			
Minimum	min. + per connect. + per main tie-in	\$1,185.00	\$1,211.00
Plus per connection	per connection	\$220.00	\$220.00
Plus per main tie-in	per main tie-in	\$1,171.00	\$1,203.00
AC pipe disposal charge	per foot, 4 feet minimum (\$200 min.)	\$54.00	\$58.00
Hydrostatic pressure test	each	\$319.00	\$328.00
Chlorination & Flushing	per project	\$426.00	\$437.00
Weekend/After Hours	per hour (4 hr. minimum)	\$143.00	\$147.00
Holiday	per hour (4 hr. minimum)	\$180.00	\$184.00
Backflow Prevention Assembly Testing Charge	per assembly bimonthly	\$12.00	\$12.00
Backflow Prevention Assembly Re-testing Charge	per test	\$77.00	\$80.00
Backflow Prevention Assembly Testing Charge for New Development	per assembly	\$86.00	\$90.00
Bacteriological water test sampling	minimum	\$1,084.00	\$1,130.00
Additional Bacteriological water sample	additional samples after minimum	\$63.00	\$64.00
Fire Flow Certification Letter	per letter	\$30.00	\$31.00
Fire Flow Modeling	per modeling	\$347.00	\$351.00
Fire Flow Modeling & Certification Letter	per modeling plus letter	\$377.00	\$382.00