

**BOARD MEETING AGENDA
REGULAR MEETING OF THE BOARD OF DIRECTORS OF
CITRUS HEIGHTS WATER DISTRICT (CHWD)
June 13, 2017 beginning at 6:30 PM**



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

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.

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 ALLEGIENCE:

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: (A/I)

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 – May 16, 2017
- CC-1b. Minutes of the Special Meeting – June 1, 2017
- CC-2. Revenue Analysis Report for May 2017
- CC-3. Assessor/Collector's Roll Adjustment for May 2017
- CC-4. Treasurer's Report for May 2017
- CC-5. Treasurer's Report of Fund Balances for May 2017
- CC-6. Operations Budget Analysis for May 2017
- CC-7. Capital Projects Summary May 2017
- CC-8. Warrants for May 2017
- CC-9. CAL-Card Distributions for May 2017
- CC-10. Summary of 2017 Employees, Officers and Directors Training Courses, Seminars and Conference
- CC-11. Employee Recognitions (I)

- CC-12. Long Range Board Agenda (I)
Board Agenda Items Planned for Upcoming Meetings.
- CC-13. Project Management and Engineering Departmental Report (I)
Significant assignments and activities for the Project Management and Engineering Department are summarized.
- CC-14. Operations Departmental Report (I)
Monthly report on construction and maintenance activities.
- CC-15. 2017 Water Supply – Purchased and Produced (I)
Report on annual water supply including comparison with prior years.
- CC-16. Water Supply Reliability (I)
Receive status report on surface water supplies available to the Citrus Heights Water District (District).
- CC-17. Water Efficiency Program Update (I)
Monthly report on Water Efficiency program activities.
- CC-18. Resolution Granting Sewer Easement to Sacramento Area Sewer District (A)
Consider adoption of Resolution 05-2017 Granting an Easement to the Sacramento Area Sewer District (SASD) at the Citrus Heights Water District (CHWD) Corporation Yard.
- CC-19. Resolutions Accepting Lot Mergers at District Corporation Yard (A)
Consider adoption of Resolutions 07-2017 and 08-2017 accepting lot mergers at the District Corporation Yard.
- CC-20. Discussion and Possible Action to Approve On-Call Trucking Services Agreements with Rayce Wilson Trucking and Blue Jay Trucking, LLC (A)
Consider acceptance of responsive proposals for on-call trucking services for the Citrus Heights Water District and approve agreements with Rayce Wilson Trucking and Blue Jay Trucking, LLC for on-call trucking services.
- CC-21. 7311 Hickory Avenue Annexation (A)
Consider adoption of Resolution 06-2017, approving the annexation of 7311 Hickory Avenue in Orangevale to the Citrus Heights Water District.

PRESENTATIONS:

- P-1. Presentation of Other Post Employment Benefits (OPEB) Study (I/D)
Receive presentation from John Bartel, President, Bartel Associates, LLC.
- P-2. Resolution Commending Robyn J. Evans for Service to the Citrus Heights Water District (A)
Present Resolution 09-2017 to Robyn Evans in honor of her retirement from Citrus Heights Water District.

BUSINESS:

- B-1. Audited Financial Report for Year Ended December 31, 2016 (A)
Consider a motion to accept and approve the following: Audited financial statements of the Citrus Heights Water District for Year ended December 31, 2016 and related reports and a Memorandum on Internal Control and Required Communications for the Year ended December 31, 2016.

- B-2. Discussion and Possible Action to Approve On-Call Pavement Restoration with Central Valley Engineering & Asphalt (A)
Consider acceptance of a responsive proposal for on-call pavement restoration services for the Citrus Heights Water District and approve the agreement with Central Valley Engineering & Asphalt for on-call pavement restoration services.

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

None.

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

- D-1. Regional Water Authority (Dains).
- D-2. Sacramento Groundwater Authority (Sheehan).
- D-3. San Juan Water District (All).
- D-4. Association of California Water Agencies (Dains).
- D-5. ACWA Joint Powers Insurance Authority (Straus).
- D-6. Sacramento Local Agency Formation Commission (Riehle).
- D-7. City of Citrus Heights (Pieri).
- D-8. Chamber of Commerce Government Issues Committee (Gordon/Meurer).
- D-9. RWA Lobbying Program Update (Gordon/Meurer).
- D-10. Other Reports.

MANAGEMENT SERVICES REPORTS (I):

MS-1. Meter Replacement Study Update.

CORRESPONDENCE:

None.

CLOSED SESSION:

- CL-1. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Property: APN 224-0162-006
Agency negotiator: Hilary Straus, David Gordon and Joshua Nelson
Negotiating parties: Betty Bertoglio
Under negotiation: Rent and terms of rental payments

FUTURE CHWD BOARD OF DIRECTORS MEETING DATES:

July 11, 2017	6:30 PM	Regular Meeting
August 16, 2017	6:30 PM	Regular Meeting*
August 28, 2017	6:00 PM	Special Meeting
September 20, 2017	6:30 PM	Regular Meeting

October 18, 2017	6:30 PM	Regular Meeting
November 8, 2017	6:30 PM	Special Meeting
November, 15, 2017	6:30 PM	Regular Meeting
December 20, 2017	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 regular meeting in accordance with Government Code Section 54954.2.



Dated: June 8, 2017

Hilary M. Straus, General Manager/Secretary

* Note—Regular Board Meetings will move to the third Wednesday of the month beginning in August 2017.

CITRUS HEIGHTS WATER DISTRICT
BOARD OF DIRECTORS REGULAR MEETING MINUTES
MAY 16, 2017

The Regular Meeting of the Board of Directors was called to order at 6:44 p.m. by President Sheehan and roll was called. Present were:

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

Staff:

Hilary Straus, General Manager
Paul Dietrich, Project Manager
David Gordon, Operations Manager
Missy Pieri, Principal Civil Engineer
Susan Sohal, Accounting Supervisor
Rex Meurer, Water Efficiency Supervisor

VISITORS:

No Visitors.

PLEDGE OF ALLEGIANCE:

Board President Caryl Dains led the Pledge of Allegiance.

PUBLIC COMMENT:

None.

CONSENT CALENDAR:

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

Minutes of the Regular Meeting – April 11, 2017.
Minutes of the Special Meeting – January 5, 2017
Revenue Analysis Report for April 2017.
Assessor/Collector's Roll Adjustment for April 2017.
Treasurer's Report for April 2017.
Treasurer's Report of Fund Balances for April 2017.
Operations Budget Analysis for April 2017.
Capital Improvements Budget Analysis for April 2017.
Warrants for April 2017.
CAL–Card Purchases for April 2017.

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

APRIL 2017 WARRANTS

63221	CA-NV AWWA	Dues & Subscriptions	\$180.00
63222	CA-NV AWWA	Dues & Subscriptions	\$180.00
63223	Albietz Law Firm	Legal & Audit	\$9,429.32
63224	Domenichelli and Associates, Inc	Contract Services- Engineering	\$16,295.23
63225	SMUD	Utilities	\$13,955.12
63226	US Bank I.M.P.A.C. Government Services	See April Agenda Item CC-9	\$8,991.34
63227	Patrick/Rebecca Hutton	Customer Refund	\$150.00
63228	Arthur W. Doell Estate	Customer Refund	\$7,753.45
63229	Luis G/Sarah R Gracidas	Customer Refund	\$246.78
63230	Jaclyn Thuy T Le	Customer Refund	\$342.52
63231	AFLAC	Employee Paid Insurance	\$238.56
63232	Alexander's Contract Services	Contract Services- Meter Read	\$3,438.38
63233	American General Life Insurance Company	Disability & Life Insurance	\$3,100.00
63234	Axcient Inc	Maintenance Agreement-Software	\$444.30
63235	Robin Cope	Health Insurance	\$412.00
63236	Corix Water Products, Inc	Material	\$1,221.90
63237	Cybex	Equipment Rental-Office	\$149.21
63238	Dawson Oil Company	Gas & Oil	\$1,403.77
63239	Gaynor Telesystems Incorporated	Fixed Assets	\$434.50
63240	Katy or Michael Hinton	Toilet Rebate Program	\$150.00
63241	David Holman	Toilet Rebate Program	\$75.00
63242	J4 Systems	Contract Services- Other	\$3,140.00
63243	Kei Window Cleaning #12	Janitorial	\$92.00
63244	Moonlight BPO	Contract Services- Bill Print	\$3,734.69
63245	One Print Source & Graphics	Printing	\$166.28
63246	Pace Supply Corp	Material	\$101.78
63247	Pollardwater.com - East	Small Tools	\$1,531.09
63248	USPS	Postage	\$236.00
63249	Quenby Rubin-Sprague	Contract Services-Financial	\$2,762.50
63250	Sierra Safety	Small Tools	\$83.32
63251	Sonitrol	Equipment Rental- Office	\$168.56
63252	SureWest Directories	Telephone- Local/Long Distance	\$49.00
63253	Twin Home Services	Janitorial	\$95.00
63254	Christina Wang	Toilet Rebate Program	\$150.00

63255	Warren Consulting Engineers Inc	Contract Services- Engineering	\$4,400.00
63256	Elerson Trust	Customer Refund	\$14.38
63257	Debra K McClain	Customer Refund	\$231.36
63258	Rachelle Hall	Customer Refund	\$261.12
63259	GM Construction & Developers	Customer Refund	\$1,742.95
63260	Keivan M Hassan	Customer Refund	\$118.69
63261	ABA DABA Rentals & Sales	Supplies-Field	\$151.22
63262	AnswerNet	Telephone-Answering Service	\$138.14
63263	Blind Magic/Sierra Services	Janitorial	\$271.93
63264	BSK Associates	Water Analysis	\$600.00
63265	Burketts	Office Expense	\$140.10
63266	California Landscape Associates Inc	Janitorial	\$200.00
63267	Consolidated	Telephone- Local/Long Distance	\$1,718.00
63268	Corelogic Information Solutions Inc	Dues & Subscriptions	\$196.83
63269	Future Ford	Repair-Trucks	\$324.50
63270	Government Finance Officers Association	Dues & Subscriptions	\$85.00
63271	Global Machinery West	Fixed Assets	\$1,193.49
63272	Grainger	Small Tools	\$159.36
63273	Headsets.com	Office Expense	\$483.74
63274	J4 Systems	Contract Services- Other	\$2,958.75
63275	KBA DOCUSYS	Equipment Rental- Office	\$283.34
63276	KBA Docusys Inc	Equipment Rental- Office	\$342.63
63277	Moonlight BPO	Contract Services- Bill Print	\$5,206.18
63278	Neighborly Pest Management	Janitorial	\$139.00
63279	One Print Source & Graphics	Printing	\$241.00
63280	Pace Supply Corp	Material	\$405.48
63281	Protection One Alarm Monitoring	Equipment Rental- Office	\$140.00
63282	Quenby Rubin-Sprague	Contract Services-Financial	\$2,762.50
63283	River City Fire Equipment	Repair- Equipment/Hardware	\$628.72
63284	RW Trucking	Contract Services-Miscellaneous	\$1,638.75
63285	Sac-Val Janitorial Supply	Supplies-Field	\$17.78
63286	Les Schwab Tires	Repair-Trucks	\$189.35
63287	Twin Home Services	Janitorial	\$95.00
63288	Colantuono, Highsmith & Watley, PC	Legal & Audit	\$26.50
63289	Regional Government Services	Contract Services- Other	\$3,620.00
63290	Eugene P/Penni Roth	Customer Refund	\$33.00
63291	Gerald E Wilson	Customer Refund	\$75.26
63292	Leslie Haynes	Customer Refund	\$94.17
63293	Candace L Grasse	Customer Refund	\$14.97
63294	Airgas USA, LLC	Supplies-Field	\$71.98
63295	Altisource Residential LP	Customer Refund	\$64.98

63296	Astral Communications Inc	Telephone-Wireless	\$1,178.00
63297	Avalon Custodial Care	Janitorial	\$695.00
63298	BSK Associates	Water Analysis	\$2,505.00
63299	Corix Water Products, Inc	Material	\$504.27
63300	Sacramento County Utilities	Utilities	\$183.41
63301	Dawson Oil Company	Gas & Oil	\$1,080.56
63302	HD Supply Waterworks LTD	Material	\$380.36
63303	Indoor Environmental Services	Maintenance Agreement- Equipment	\$1,462.63
63304	J4 Systems	Contract Services- Other	\$1,255.00
63305	Kaiser Foundation Health Plan, Inc	Health Insurance	\$16,130.46
63306	Miles Treaster & Associates	Office Expense	\$88.82
63307	Roseville Auto Upholstery	Repair-Trucks	\$489.65
63308	Les Schwab Tires	Repair-Trucks	\$207.78
63309	A. Teichert & Son, Inc.	Road Base	\$1,849.47
63310	Titan Workforce LLC	Contract Services-Temporary Labor	\$1,748.25
63311	WaterWise Consulting, Inc	Contract Services- Water Conservation	\$350.00
63312	West Yost Associates	Contract Services- Engineering	\$6,049.42
63313	Deborah J Brown	Toilet Rebate Program	\$75.00
63314	Dana Tibbetts	Toilet Rebate Program	\$75.00
63315	Elk Grove Auto Group Inc	Fixed Assets	\$23,881.84
63316	Elk Grove Auto Group Inc	Fixed Assets	\$23,881.84
63317	Diana Cummings	Customer Refund	\$206.22
63318	Victoria L Hutton	Customer Refund	\$88.10
63319	John E/Rosa P Johnson	Customer Refund	\$73.00
63320	Peter Lowell Prince Trust	Customer Refund	\$12.39
63321	Dorothy K Goette Revocable Trust	Customer Refund	\$224.95
63322	Lee A Schall	Customer Refund	\$200.00
63323	Brian M Grenoble	Customer Refund	\$169.65
63324	Ray S Stanley	Customer Refund	\$94.45
63325	Joshua Tree Homes, LLC	Customer Refund	\$101.21
63326	Jeremy Smith	Customer Refund	\$12.12
63327	Oleksandr Huzovatyy	Customer Refund	\$22.92
63328	HPOF Two LP	Customer Refund	\$36.95
63329	Miguel Tovar	Customer Refund	\$699.92
63330	Dotcco Inc	Customer Refund	\$31.77
63331	Alexander's Contract Services	Contract Services- Meter Read	\$5,126.12
63332	AREA Restroom Solutions	Equipment Rental-Field	\$114.30
63333	Bartel Associates LLC	Contract Services-Financial	\$5,000.00
63334	CH&D Architects Inc	Contract Services- Engineering	\$5,250.00
63335	Capital Rubber Co Ltd	Material	\$187.73

63336	Gaynor Telesystems Incorporated	Fixed Assets	\$470.00
63337	Office Depot	Office Expense	\$74.53
63338	One Print Source & Graphics	Printing	\$46.33
63339	Pacific Gas & Electric	Utilities	\$30.28
63340	Pollardwater.com - East	Small Tools	\$71.59
63341	Titan Workforce LLC	Contract Services-Temporary Labor	\$992.26
63342	Verizon Wireless	Telephone-Wireless	\$1,247.33
63343	Voyager Fleet Systems Inc	Gas & Oil	\$1,719.78
Total			<u>\$218,757.41</u>
ACH	APRIL 2017 POSTAGE RELOAD	Equipment Rental- Office	\$1,000.00
ACH	MARCH 2017 WEB	Bank Fee	\$4,746.18
ACH	MARCH 2017 FD	Bank Fee	\$296.82
ACH	VALIC 4/20/17 PD	Deferred Compensation	\$2,642.50
ACH	VANCO00008113653	Contract Services- Other	\$124.64
ACH	WHA	Health Insurance	\$15,894.10
ACH	PAYCHEX	Contract Services- Other	\$350.00
ACH	MARCH 2017 PH	Bank Fee	\$230.79
ACH	Mar-17	Bank Fee	\$2,436.93
ACH	PERS 4/6/17 PDAY	PERS	\$15,749.75
ACH	VALIC0007055996	Deferred Compensation	\$2,642.50
ACH	VOYA 4/6/17 PDAY	Deferred Compensation	\$25.00
ACH	VOYA 4/20/17 PDAY	Deferred Compensation	\$25.00
Total			<u>\$46,164.21</u>
Grand Total			<u><u>\$264,921.62</u></u>

May Checks Approved at May Board Meeting

63354	Sophos Solutions	Contract Services-Other	\$8,080.00
63347	CirclePoint	Contract Services- Water Conservation	\$8,355.17
63349	J4 Systems	Contract Services-Other	\$8,450.28
63357	Warren Consulting Engineers Inc	Contract Services-Engineering	\$9,000.00
63351	Maze & Associates	Legal & Audit	\$11,348.00
63345	Best Best & Krieger	Legal & Audit	\$12,023.43
63353	SMUD	Utilities	\$12,595.55
63355	US Bank I.M.P.A.C. Government Services	Continued Education	\$12,980.03
63346	Central Valley Engineering & Asphalt, Inc.	Contract Services-Paving/Concrete	\$20,292.95
63348	Ferguson Enterprises Inc #1423	Material	\$25,520.60

63350	Martin Bros Construction Inc	Road Base	\$38,739.43
63352	San Juan Water District	Purchased Water	\$292,363.66
			<u>\$459,749.10</u>

Project Management and Engineering Departmental Report

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

Items of Interest	Department	Point of Contact	Date	To Board? If Yes, Date	Strategic Planning Item	Item Description	Update from Last Report
PROJECT 2030 Water Main Replacement Project	Engineering	Missy Pieri		Yes, 8/8/17 (Award of Contract)	Yes	2017-2018 Masterplan for replacement of mains installed in 1960-1985.	Released RFP 4/7/17 - Mandatory Pre-proposal Meeting - 4/26/17 @ 10:00 am (City of CH Comm Center)
CAPITAL IMPROVEMENT PROJECT Corporation Yard Improvements - Phase 1	Engineering	Paul Dietrich		Yes, 5/16/17	Yes	2017 design and construction of Vacuum Spoils Disposal, Wash Station, Materials Storage, and Safety and Efficiency Upgrades.	Preparing 100% plans, specifications, and final pre-bid cost estimate.
CAPITAL IMPROVEMENT PROJECT Space Needs / Operations Building Remodel Design	Engineering	Paul Dietrich	On-going	July or August	Yes	2017 Masterplan for office space requirements through 2040.	Reviewing Needs Assessment draft. Preparing scalable options with cost estimates and lists of pros and cons for each option.
CAPITAL IMPROVEMENT PROJECT Highland Ave & Rosa Vista Ln 8" Water Mains	Engineering	Missy Pieri/Tamar Dawson	On-going	Yes, 5/16/17	No	2017 design and construction. Potholing complete.	Preparing easements for Rosa Vista Ave. Preparing 90% plans.

Items of Interest	Department	Point of Contact	Date	To Board? If Yes, Date	Strategic Planning Item	Item Description	Update from Last Report
CAPITAL IMPROVEMENT PROJECT Graham Cir and Circuit Dr 8" Water Mains	Engineering	Tamar Dawson	On-going	Yes, TBD	No	2017 design, 2018 construction. Received 60% plans.	Preparing 60% plan mark-ups are under review.
PRIVATE DEVELOPMENT Northridge Grove - 5555 Mariposa Ave 47 Condominiums	Engineering	John Spinella	On-going	Yes, TBD	No	85% Complete	Private developer will complete work on the 47+ water services once the site work is done.
PRIVATE DEVELOPMENT Commercial Building Remodel - 5414-50 Sunrise Blvd	Engineering	John Spinella	On-going	Yes, TBD	No	Pre-Con Meeting 12/1/16	Private developer completed bldg work then water improvements along Sunrise will be performed.
PRIVATE DEVELOPMENT Louis-Orlando Bus Transfer Point - Louis Ln at Orlando Ave	Engineering	John Spinella	On-going	Yes, TBD	No	Plans Signed 2/4/16	Preconstruction Meeting scheduled for 4/26/17.
PRIVATE DEVELOPMENT Meier Estates - North Sims Way 7 Lot Subdivision	Engineering	Missy Pieri	On-going	Yes, TBD	No	Signed 5/23/16 - Pre-con Meeting 3/27/17	Waiting for submittals and fee payment.
PRIVATE DEVELOPMENT Dignity Health Building - 7115 Greenback Ln	Engineering	John Spinella	On-going	Yes, TBD	No	Plans Signed 6/8/16	
PRIVATE DEVELOPMENT 3 Lot Residential Subdivision - 5648-5696 San Juan Ave	Engineering	Missy Pieri	On-going	Yes, TBD	No	Plans Signed 11/14/16	

Items of Interest	Department	Point of Contact	Date	To Board? If Yes, Date	Strategic Planning Item	Item Description	Update from Last Report
PRIVATE DEVELOPMENT 7940 Patton Ave - Replace Existing Home	Engineering	Missy Pieri	On-going	Yes, TBD	No	Plans Signed 1/11/17	
PRIVATE DEVELOPMENT Mitchell Farms - 7925 Arcadia Drive	Engineering	Missy Pieri/Tamar Dawson	On-going	Yes, TBD	No	200-300 unit development by Watt Communities	Working on a land swap with the Mitchell Farms Well
CITY OF CITRUS HEIGHTS PROJECT Sunrise Blvd Complete Streets Ph 2A (C16-142)	Engineering	Missy Pieri/Tamar Dawson	On-going	Yes, TBD	No	Frontage Improvements along West Side of Sunrise from Sayonara to north and Storm Drain Improvements	Reviewing Plans from engineer. Need to mark-up plans. Waiting on pothole data from the City.
Annexations:	Engineering	Missy Pieri/Tamar Dawson	On-going	Yes, TBD	No	Livoti Tract, Sacramento County, and Verne Tract Territory to SJWD	
	Engineering	Missy Pieri	On-going	Yes, TBD	No	7311 Hickory Avenue - Property owner annexing parcel into District to allow for water to be provided by CHWD	Annexation was approved at the LAFCo hearing on 4/5/17. CHWD will need to prepare a resolution for the June Board Meeting.

Operations Departmental Report.

Operations Manager Gordon reported as follows:

A total of 178 work orders were performed during the month of May by field operations crews, administration field crews and contractors. The results of recent bacteriological testing, a total of 72 samples, have met all California Department of Drinking Water (DDW) requirements.

2017 Water Supply – Purchased and Produced.

The District's total water use during the month of April 2017 (575.52 acre-feet) was 44.1% below that of April 2013 (1,029.73 acre-feet).

Surface Water Supply

As of midnight on April 30, 2017, storage in Folsom Lake (Lake) was at 723,656 acre-feet, 74 percent of the total capacity of 977,000 acre-feet. This is about 99 percent of historical average for this date. This represents an increase in storage of 132,627 acre-feet in the past month.

The District's total water use during the month of April 2017 (575.52 acre-feet) was 44.1 percent below that of April 2013 (1,029.73 acre-feet).

The District continues to assist with preserving surface water supplies in the Lake by operating its groundwater wells. All District wells (Bonita, Mitchell Farms, Palm, Skycrest, Sylvan, and Sunrise) remain operational and are being operated on a rotational or as-needed basis.

Water Efficiency Program Update

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

ACTIVITIES AND PROGRESS REPORT

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

- 14 ultra-low-flush toilet (ULFT) rebates were processed for the month of April. A total of 38 ULFT rebates have been processed for a total of \$2,850.00 year to date.
- For the period of January-April, 11 High Efficiency Clothes Washer (HECW) rebates were processed. Year-to-date, 11 HECW rebates were processed by SMUD for District customers.
- 31 water waste calls were received during the month of April. 2 reports of water waste were received through the CHWD's Drought Resources web page. An additional 6 service requests were generated in-house by staff. A total of 22 contacts (mostly visits to customers' homes and phone calls) have been completed based on these reports.
- The California Water Code (CWC) directs the Department of Water Resources (DWR) to report to the legislature once every five years on the status of submitted Urban Water Management Plan's (UWMP). In meeting this legislative requirement, DWR reviews all submitted UWMP's. DWR has reviewed the District's 2015 Urban Water Management Plan. DWR's review of the District's 2015 UWMP has found that the UWMP addresses the requirements of the CWC. The District has fulfilled the requirements of the 2015 UWMP.
- On April 27th staff attended a Level 3 Water Loss Workshop. Attendees included S. Sohal, D. Gordon, and R. Meurer. Once staff has completed all four levels of the training, the District will be able to self-certify the 2015 Water Loss balance sheet, which is required by SB 555.

This training and self-certification will allow the District to remain in compliance with SB 555. October 2017 is the deadline for the District to self-certify the Water Loss balance sheet.

- An inter-active info-graphic explaining the District’s 5 water conservation stages is available on the District website. By placing the cursor on each conservation stage, the customer can view the specific requirements of the stage.
- The following table summarizes the R-GPCD values for CHWD to date:

Month	R-GPCD 2016	R-GPCD 2017	% CHANGE
January	80	75	-.06%
February	77	72	-.06%
March	77	80	.04%
April	107		
May	155		
June	213		
July	237		
August	242		
September	189		
October	123		
November	85		
December	76		

Below is a recap of the region’s overall water saving in January 2017 as compared to 2013.

REDUCTION BY AGENCY (Data compared to 2013)		
Water Agency	Mar. 2017 Reduction	Jun. 2016- Mar. 2017 Reduction
Orange Vale Water Company	63.0%	31.9%
San Juan Water District	59.3%	24.2%
Fair Oaks Water District	44.5%	27.1%
City of Davis	43.4%	22.5%
Rancho Murieta CSD	41.9%	23.4%
El Dorado Irrigation District	39.8%	20.7%
City of Lincoln	39.4%	21.8%
City of Roseville	38.8%	23.8%
Carmichael Water District	37.5%	25.3%
Sacramento County Water Agency	36.1%	20.7%
California American Water	35.5%	28.1%
Elk Grove Water District	34.7%	25.3%
City of West Sacramento	33.7%	23.4%
Citrus Heights Water District	33.3%	25.3%
Golden State Water Company	32.3%	20.4%
Rio Linda/Elverta CWD	32.1%	23.9%

REDUCTION BY AGENCY (Data compared to 2013)		
City of Sacramento	30.8%	25.5%
Del Paso Manor Water District	29.8%	24.4%
Placer County Water Agency	29.0%	18.5%
City of Yuba City	28.7%	23.9%
Sacramento Suburban WD	28.7%	22.8%
City of Folsom	27.5%	11.3%
City of Woodland	23.8%	23.2%
Average	36.7%	23.4%
Minimum	23.8%	11.3%
Maximum	63.0%	31.9%

Update to Policy 1035—Conflict of Interest Code Update

Senior Management Services Specialist Evans reported that the District is required to biennially update its Conflict of Interest Code with the California Fair Political Practices Commission (FPPC). This process began in January of 2017 with the District’s filing of its Biennial Notice.

The present changes to the District’s Code are considered non-substantive, as the only amendments are to update minor verbiage changes to reflect the FPPC-approved code, to retitle the following positions as follows:

- Human Resources Specialist to Management Services Supervisor
- Purchasing Specialist to Senior Management Services Specialist
- Water Quality Supervisor to Water Resources Supervisor/Chief Operator,

and to add the following new designated positions:

- Water Efficiency Supervisor
- Senior Accountant
- Management Services Specialist

This change was approved by the FPPC on April 12, 2017 with an effective date of May 12, 2017. The amendment to the District’s Conflict of Interest Code Policy is recommended in order to mirror the FPPC-approved Code.

A copy of the FPPC approval letter is attached along with a full copy of the FPPC-approved Code for the District.

The recommended action was approve amendments to the following District General Policy: Policy 1035 – Conflict of Interest Code, Appendix A, and Appendix B

CITRUS HEIGHTS WATER DISTRICT
POLICIES AND PROCEDURES MANUAL

POLICY TYPE : GENERAL
POLICY TITLE : CONFLICT OF INTEREST CODE-APPENDIX A
DESIGNATED OFFICIALS AND EMPLOYEES
POLICY NUMBER : 1035.A
DATE ADOPTED : DECEMBER 8, 1992
DATE AMENDED : APRIL 12, 2017
AMENDMENTS : (1) NOVEMBER 1, 1994; (2) MARCH 18, 1997; (3) DECEMBER 13, 2002;
(4) JUNE 12, 2007; (5) AUGUST 14, 2012; (6) OCTOBER 9, 2012; (7) JANUARY 8, 2013; (8)
NOVEMBER 19, 2014; (9) APRIL 14, 2015

APPENDIX A-DESIGNATED POSITIONS

<u>Designated Position</u>	<u>Disclosure Category</u>
General Manager	1, 2, 3
Assistant General Manager	1, 2, 3
Operations Manager	1, 2, 3
Project Manager	1, 2, 3
Principal Civil Engineer/District Engineer	1
Accounting Supervisor	1
Assessor/Collector	1
Management Services Supervisor	1
Deputy Assessor/Collector	1
Water Distribution Supervisor	1
Senior Management Services Specialist	1
Water Resources Supervisor/Chief Operator	1
Water Efficiency Supervisor	1
Senior Accountant	1
Management Services Specialist	1
Attorney	1
Consultant/New Position	*

Note: The position of Attorney is filled by an outside consultant, but acts in a staff capacity.

*Consultants and new positions shall be included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation:

The General Manager may determine in writing that a particular consultant or new position, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to comply fully with the disclosure requirements described in this section. Such determination shall include a description of the consultant's or new position's duties and, based upon that description,

a statement of the extent of disclosure requirements. The General Manager's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict-of-interest code. (Gov. Code Section 81008.)

Public Officials Who Manage Public Investments

The following positions are NOT covered by the conflict-of-interest code because they must file statements of economic interests pursuant to Government Code Section 87200 and, therefore, are listed for informational purposes only:

- Directors
- Treasurer
- Deputy Treasurer
- Consultants who manage public investments

An individual holding one of the above listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by Government Code Section 87200.

CITRUS HEIGHTS WATER DISTRICT POLICIES AND PROCEDURES MANUAL

POLICY TYPE : GENERAL
POLICY TITLE : CONFLICT OF INTEREST CODE-APPENDIX B
DISCLOSURE CATEGORIES
POLICY NUMBER : 1035.B
DATE ADOPTED : DECEMBER 8, 1992
DATE AMENDED : APRIL 12, 2017
AMENDMENTS : (1) NOVEMBER 1, 1994; (2) MARCH 18, 1997; (3) DECEMBER 13, 2002;
(4) JUNE 12, 2007; (5) OCTOBER 9, 2012; (6) JANUARY 8, 2013 (7) FEBRUARY 12,
2013

APPENDIX B-DISCLOSURE CATEGORY

CATEGORY 1

Investments and business positions in business entities and income, including receipt of loans, gifts, and travel payments, from sources that has provided services, supplies, materials, machinery, or equipment of the type utilized by the District. Sources may include, but are not limited to engineering and

environmental consulting firms, water and soil testing companies, products and service contractors, mechanical vendors, farmers, and their agents.

CATEGORY 2

Interests in real property, located in whole or in part within the boundaries of the District or within two miles of the District, including any leasehold, beneficial or ownership interest or option to acquire such interest in real property.

CATEGORY 3

Investments and business positions in business entities, and sources of income including receipt of gifts, loans, and travel payments from, entities that have filed a claim, or have a claim pending against the District.

Approval of Lot Mergers at District Corporation Yard

Project Manager Dietrich reported that Citrus Heights Water District (the District) is currently preparing to undertake improvements to its Corporation Yard. The Corporation Yard currently consists of five separate legal parcels. As part of the Corporation Yard Improvement project, Citrus Heights Water District wishes to merge these parcels into a single parcel.

Staff contacted the City of Citrus Heights (the City) to begin the process of merging these parcels. The City can process the proposal administratively without City Council approval. However, it must do so in two separate transactions because City policy only allows four parcels to be merged at once. Accordingly, if CHWD wishes to proceed, staff would file one application to merge four parcels (APN 243-0180-005, -006, -007 and -046). Once this merger was finalized, staff would file a second application to merge this new parcel with the remaining parcel (APN 243-180-009). The District's engineer consultant, Domenichelli & Associates, has prepared the necessary applications and worked with the City Engineer to prepare the necessary maps.

To proceed, the Board of Directors must authorize staff to file the two applications to merge the five parcels into a single parcel for the Corporation Yard Improvement project. Doing so will ensure that the Corporation Yard is a single legal parcel and not a collection of separate parcels.

The recommended action was to authorize the General Manager or General Manager's designee to file two applications with the City to first merge parcels (APN 243-0180-005, -006, -007 and -046) and to file a second application to merge this new parcel with the remaining parcel (APN 243-180-009).

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

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

PRESENTATIONS:

Water Awareness Poster Contest

Water Efficiency Supervisor Meurer reported that the District's water conservation staff, in conjunction with Orange Vale Water Company, Fair Oaks Water District and San Juan Water District sponsored the twenty-first annual Water Awareness Poster Contest. A total of 342, 4th, 5th and 6th grade students at five elementary schools within the District's service area submitted posters based on this year's theme, "How I Can Be A Conservation Kid."

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

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

- | | |
|---------------------|--|
| First Place Winner: | Charlotte Bakker, 5 th Grade, Oakview School
Teacher: Kristie Hanson |
| Runner-Up: | Katelynne Hall, 6 th Grade, Woodside School
Teacher: Susanne Slayton |
| Runner-Up: | Brookelyn Smith, 6 th Grade, Kingswood Elementary School
Teacher: Robin Emmond |

The contest entries in the Citrus Heights Water District service area were judged by Alison Bermudez from the City of Citrus Heights; Rosa Umbach representing the Citrus Heights Chamber of Commerce; and Virgil Anderson from the Sunrise Recreation and Park District.

The winners and their families, teachers, and friends were invited to the Board of Directors meeting on May 16, 2017 to receive their awards and recognition for their efforts.

BUSINESS:

Discussion and Possible Action to Approve a Task Order Agreement with Regional Government Services (RGS) (A)

Accounting Supervisor Sohal reported that during the past several months, CHWD had been working with Regional Government Services (RGS) on a Time-and-Materials/Hourly Billable basis to complete several human resources projects, including recruitments. CHWD staff has leveraged RGS's work and resources to complete assigned projects in a timely and effective manner. For example, RGS has been able to significantly increase the number of qualified applicants for consideration for vacant positions at CHWD.

As CHWD maintains a small staff, utilizing contract resources such as RGS, is essential to keeping ongoing operational expenses down, while assuring that the resources are available as required and on an

as-needed basis to complete projects in a timely and effective manner. While CHWD leverages RGS, staff works closely to provide oversight and ensures that projects are completed as directed.

RGS, a Joint Powers Authority (JPA), has been providing administrative, staffing, and consulting services to other public agencies since its inception in 2002. RGS's staff, many of whom have worked for local government agencies, is experienced, knowledgeable, and dedicated to public service with an in-depth understanding of the unique operational requirements and responsibilities of public agencies. RGS does not operate on a for-profit basis, and it is supported solely by fees for services.

Moving forward, it is recommended that CHWD formalize a task order style professional services agreement with RGS. In addition to human resources services support, the scope of services in the accompanied task order agreement includes accounting/finance, communications, customer service, engineering, operations support, strategic planning, and special projects as required.

The task order style agreement is structured to offer the options of a Time-and-Materials/Hourly Billable arrangement or Project Basis/Not-to-Exceed (NTE) amount with a defined scope of work, schedule, and a not-to-exceed budget. The term of the updated agreement is ongoing, but includes a fifteen (15) day termination provision by either party without cause.

Funding for the various services covered in the agreement are budgeted for in the 2017 Operating Budget, and work performed will be subject to availability of budgeted funds.

The recommended action was to approve the professional services agreement with Regional Government Services, and authorize the General Manager to execute the agreement.

ACTION: Director Sheehan moved and Director Dains seconded a motion approving the professional services agreement with Regional Government Services, and authorize the General Manager to execute the agreement

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

Discussion and Possible Action to Approve Construction Bid Package for Corporation Yard East Side Improvements (A)

Project Manager Dietrich reported that the project objectives set forth in October 2017 were to work in collaboration with District Staff to design and manage construction of the Corporation Yard Master Plan Phase 1 Improvements, which include a Covered Vehicular Wash Station and two (2) Open Vacuum Excavation Dump Pits, using a Water Oil Separation System to comply with wastewater regulations. The improvements also include Covered Material Storage Areas, expanded parking, paving, lighting, and security improvements, underground utility improvements, and a sound wall along the south and east property lines.

- On October 11, 2017 the Board of Directors authorized an agreement with Domenichelli & Associates for design and construction management services.
- On February 14, 2017 a presentation of the 60% project plans was presented to the Board of Directors.

- On April 11, 2017 a presentation of the 90% project plans and cost estimate were presented to the Board of Directors.

The 100% plans, specifications, and project cost estimate are complete and are incorporated as an attachment to this report. Project Manager, Paul Dietrich and Sara Rogers, P.E. Domenichelli & Associates will provide a presentation for discussion and possible action.

ACTION: Director Dains moved and Director Riehle seconded a motion to approve the construction bid package for construction bids for the Corporation Yard East Side Improvements. Authorize the General Manager to solicit construction bids for the project.

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

State Water Conservation Regulations Update (I/D/A)

Water Efficiency Meurer reported that on Tuesday, April 25, 2017 AB 968 (Urban Water Management Planning) & 1654 (Urban Water Use Efficiency) passed through the California State Assembly Committee on Water, Parks, and Wildlife (the Committee) with bipartisan support and zero “no” votes. The Committee’s analyses for the bills listed over 90 supporters for the two bills. Dozens of representatives for water suppliers, associations and industry groups testified in support of the bills at Tuesday’s hearing. These bills were supported by ACWA, RWA and CHWD.

At the same hearing, the two Assembly bills that incorporated Governor Jerry Brown’s Administration’s (the Administration) budget trailer bill language, AB 1668 & 1669 (the Bills) passed out of Committee on votes of 10-5 and 9-6, respectively. Many of the supporters of AB 968 & 1654 also testified in opposition to AB 1668 & 1669. Among their provisions, AB 1668 & 1669 includes problematic language proposed by the Administration. Language contained in the Bills would give the State Water Resources Control Board permanent authority to mandate and enforce water conservation targets with no legislative input. Those standards could limit water use throughout California today and into the future regardless of local water supply conditions, water rights and contracts, ratepayer investments in water supply reliability, and drought preparedness.

Over the coming weeks, staff will be updating the Board on how the District can most effectively express our support/opposition for these water supplier-developed alternatives to the Administration’s proposed Assembly Bills.

ACTION: Director Riehle moved and Director Dains seconded opposing AB 1668 and AB 1669 and any related legislation or proposed regulations. The motion also directed staff to continue to monitor legislation and regulatory developments and advise the Board as required.

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

2017 Strategic Plan Update and Upcoming 2018 Strategic Planning Session (I/D)

Accounting Supervisor Sohal reported that beginning with the 2017 budget process, CHWD initiated an annual Strategic Planning process. The goal of Strategic Planning has been to bring the Board of

Directors and key District staff together to identify and prioritize the District's key policy, program and project issues, and to identify what items, given limited resources (i.e., funding, time and staffing resources) the District should be working on over and above daily operations in the coming year. One key follow-up item of this planning process is to prepare a budget for the coming year that reflects the results of the Strategic Plan.

The Strategic Planning process includes three major components: 1) Education; 2) Team Building; 3) Work Program Development.

This year's *education component* includes an update of the current 2017 Strategic Plan and a key issues briefing associated with this agenda packet item (a PowerPoint presentation will be provided by staff at the May 16th Board Meeting). Also, a tour of the Sidney Peterson Water Treatment Plant at San Juan Water District, and a driving tour of the Citrus Heights Water District service area will be provided on May 31, 2017 to new General Counsel Steve Anderson and Assistant General Counsel Josh Nelson.

The *Team Building* and *Work Program Development* components will take place on June 01, 2017, in a session attended by the Board of Directors, key District staff, and facilitated by Laura Mason-Smith.

The recommended action was to receive an update of the 2017 Strategic Plan and key issues briefing provided by staff at the May 16, 2017 Board Meeting.

The Board meeting recessed at 9:08 PM.

The Board meeting reconvened at 9:15 PM.

CONSULTANTS' AND LEGAL COUNSEL REPORTS (I):

None.

DIRECTOR'S AND REPRESENTATIVES REPORTS:

Regional Water Authority (Dains, Straus)

No Report.

Sacramento Groundwater Authority (Sheehan)

Director Sheehan reported that SGA adopted its budget for the coming fiscal year.

San Juan Water District

No Report.

ACWA Joint Powers Insurance Authority (Churchill)

No report.

Sacramento Local Agency Formation Commission

No Report.

City of Citrus Heights

No Report.

Chamber of Commerce Government Issues Committee (Gordon/Meurer)
No Report.

Other Reports:

Director Riehle was reaffirmed by consensus by the Board to serve as the liaison to the Project 2030 Customer Advisory Committee (CAC).

MANAGEMENT SERVICES REPORT:

SMS Evans reported as follows:

- Twenty-three employees received recognition for were recognized for attendance during March 2017, and outstanding customer service and quality of work during the month of April 2017. Directors were provided with a list of the employees and items for which each received recognition.
- Long Range Board Agenda was provided showing Directors upcoming items for future scheduled Board Meetings.

CORRESPONDENCE:

None.

CLOSED SESSION:

No closed session was held.

FUTURE CHWD BOARD OF DIRECTORS MEETING DATES:

Dates and locations of upcoming Regular Meetings of the Board of Directors were noted for the calendar.

The Board agreed by consensus to move its regular monthly meetings from the second Tuesday of the month to the third Wednesday of the month beginning in August 2017. The change in meeting date will provide Finance staff to prepare the month-end financials for inclusion in the Board agenda packet, and more evenly distribute workloads throughout the course of the month.

ADJOURNMENT:

There being no other business to come before the Board, the meeting was adjourned at 9:47 PM.

APPROVED:

HILARY M. STRAUS
Secretary
Citrus Heights Water District

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

CITRUS HEIGHTS WATER DISTRICT
BOARD OF DIRECTORS SPECIAL MEETING MINUTES
JUNE 1, 2017

The Regular Meeting of the Board of Directors was called to order at 8:47 AM by President Sheehan and roll was called. Present were:

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

Staff:

Hilary M. Straus, General Manager
Steve Anderson, General Counsel
Josh Nelson, Assistant General Counsel
Paul Dietrich, Project Manager
David M. Gordon, Operations Manager
Missy Pieri, Principal Civil Engineer
Susan Sohal, Accounting Supervisor
Brian Hensley, Water Resources Supervisor
Rex Meurer, Water Efficiency Supervisor
Tim Cutler, Water Distribution Supervisor
Chris Castruita, In-coming Management Services Supervisor/Chief Board Clerk

Also Present:

Laura Mason-Smith, Facilitator

PUBLIC COMENTS:

None.

BUSINESS:

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

The Strategic Board Members and Staff present reviewed the District's mission, vision and core values and commitments, build a shared understanding of significant issues, factors and trends facing the District, and identified three-year goals and one-year objectives for the coming calendar and budget year, 2018. A summary of the goals and objectives developed for 2018 will be brought back to the Board for consideration/adoption at the July 12, 2017 Board meeting.

Discussion and Possible Action to Approve Amended Realtor Services Agreement Template

Assistant General Counsel Nelson reported that the District's Board of Directors (Board) approved a template agreement for "on-call" realtor services at its April 11, 2017 meeting. To ensure maximum

flexibility, the template permits staff to execute a task order with the realtor for each project. Each task order would then identify how the realtor would be compensated for that transaction. There are two options under the template: (1) a traditional percentage of the purchase price or (2) an hourly basis. As part of its approval of the template, the Board authorized the General Manager to execute the template agreement with a selected realtor.

The General Manager has selected John Tony David of NextHome Sunrise Real Estate to assist staff with realtor services. The District and Mr. David have negotiated over potential terms and conditions. As part of this process, Mr. David requested that the District consider adding a third compensation option: fixed fee / lump sum. Under this model, the realtor would receive a flat lump sum compensation for all work provided on a project. This flat rate compensation could be structured in two ways: (1) a series of progress payments or (2) all compensation provided once the transaction closes. The benefit of the progress payment approach is that it provides some compensation to the realtor for initial due diligence and other work if the transaction is not ultimately completed (i.e., through a hold-out owner or unsuccessful test-hole drilling evaluation). The benefit of conditioning all compensation on the close of the transaction is that it incentivizes the realtor to complete the deal and is closely related to the traditional “percentage of the sale price” compensation model used in the real estate industry.

Staff considered Mr. David’s request and agrees that this third option would be beneficial to the District and consultant. The flat fee model reduces administrative costs by eliminating consultant and staff time spent recording, tracking and managing hours and accompanying invoices. It also caps the District’s costs and de-links them from the purchase price. Based on this, staff prepared an amended version of the template agreement for the Board’s consideration. This version includes the fixed fee option at close of escrow and an option which permits the use of progress payments at tangible key milestones within the decision matrix property acquisition process. If utilized, progress payments would be paid on the completion of the following milestones: (1) 10% once a title report for the property is requested by District, (2) 5% once the District provides a formal offer to the owner for the property, (3) 10% once the property enters escrow and (4) the remaining 75% once the transaction closes. The specific additions to the agreement template are located in: (1) Exhibit “B”--Task Order, Compensation Form and (2) Exhibit “C” Compensation.

ACTION: Director Riehle moved and Director Dains seconded to approve the amended agreement template for on-call realtor services. The motion included an authorization to the General Manager to execute the agreement with a selected realtor with a not-to-exceed amount on compensation as a portion of the purchase price of 6%. Hourly rate and lump sum compensation would be subject to the General Manager’s authority under the purchasing policy.

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

ADJOURNMENT:

There being no other business to come before the Board, the meeting was adjourned at 2:49 PM.

APPROVED:

HILARY M. STRAUS
Secretary
Citrus Heights Water District

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

MAY 2017

2017 REVENUE ANALYSIS

Outstanding Recievables

Aged Trial Balance					
Total,	Current	31-90	91-150	>150	Unapplied Current
1,025,278	768,227	143,329	5,180	203,302	(94,760)

General Ledger Balance	Total
Outstanding A/R	1,113,261
Outstanding Liens	0.00
Outstanding Grants	1,247
Less Unapplied Payments	(95,205)
Total	\$ 1,019,304

**ASSESSOR/COLLECTOR'S ROLL ADJUSTMENTS FOR
May 31, 2017**

Board Of Directors
Citrus Heights Water District

Assessor/Collector Roll Adjustment		
May-17		
	Dollar	Count
DEFAULT		
One-Time Courtesy	\$ 76.57	16
DEFAULT Total	\$ 76.57	16
DISCONNECT CHG		
Neighbor received NOIT	\$ 98.00	1
DISCONNECT CHG Total	\$ 98.00	1
3-DAY DOOR HANG		
One-Time Courtesy	\$ 46.00	2
Lockbox File Error	\$ 23.00	1
3-DAY DOOR HANG Total	\$ 69.00	3
Grand Total	\$ 243.57	20

Pursuant to Policy No. 7315 the following charges have been cancelled.

Reason For Cancellation	Charge Type	Amount
One-Time Courtesy	3-DAY DOOR HANG	23.00
Lockbox File Error	3-DAY DOOR HANG	23.00
One-Time Courtesy	3-DAY DOOR HANG	23.00
One-Time Courtesy	DEFAULT	8.83
One-Time Courtesy	DEFAULT	4.36
One-Time Courtesy	DEFAULT	4.01
One-Time Courtesy	DEFAULT	5.11
One-Time Courtesy	DEFAULT	3.91
One-Time Courtesy	DEFAULT	3.81
One-Time Courtesy	DEFAULT	3.77
One-Time Courtesy	DEFAULT	4.60
One-Time Courtesy	DEFAULT	4.47
One-Time Courtesy	DEFAULT	3.75
One-Time Courtesy	DEFAULT	5.30
One-Time Courtesy	DEFAULT	5.45
One-Time Courtesy	DEFAULT	6.74
One-Time Courtesy	DEFAULT	4.34
One-Time Courtesy	DEFAULT	4.11
One-Time Courtesy	DEFAULT	4.01
Neighbor received NOIT	DISCONNECT CHG	98.00

\$ 243.57

**TREASURER'S REPORT TO THE BOARD OF DIRECTORS
CITRUS HEIGHTS WATER DISTRICT**

Month of May 2017

Bank of the West			
Beginning Balance			\$3,927,399
RECEIPTS:		1,143,761	
DISBURSEMENTS:			
Checks Issued / ACH Payments	831,687		
Payroll	285,478		
Returned Checks	435		
	1,117,600		26,161
Bank of the West			
Balance per Bank March 31, 2017			3,953,560
Outstanding Checks			(36,327)
Deposit in Transit			14,280
			3,931,514
Balance Per Books March 31, 2017			\$3,931,514
<hr/>			
RECONCILEMENT:			
Bank of the West			\$3,931,515
Local Agency Investment Fund			6,079,750
COP Reserve Account			523,458
Money Mkt Activity Account			530,505
TOTAL BALANCE			\$11,065,228

CASH & INVESTMENT SUMMARY:

Bank of the West (General Account)	\$3,931,515
Local Agency Investment Fund	6,079,750
COP 2010 Reserve Account	523,458
Money Mkt Activity Account	530,505
Total	\$11,065,228

INSTITUTION	MATURITY DATE	INT RATE	DEPOSIT AMOUNT	DATE OF LAST TRANSACTION
Local Agency Investment Fund	Daily	0.78%	11,631.42	4/14/2017

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. SOHAL, Treasurer



HILARY M. STRAUS, Secretary

Signed: 06/08/2017

TREASURER'S REPORT OF FUND BALANCES
May 31, 2017

	Beginning Balance 01/01/2017	Year to Date Transfers In / Collections	Year to Date Transfers Out	Current Month Transfers In / Collections	Current Month Transfers Out	04/30/2017 Ending Balance	2017 Target Balance per Policy
Operating Fund	\$ 3,040,083	\$ 25,308,017	\$ (26,304,601)	\$ 1,143,761	\$ (1,117,600)	\$ 2,069,660	\$1,600,000
Operating Reserve	\$ 1,912,263	\$ 3,420,802	\$ (1,200,000)			\$ 4,133,065	N/A
Rate Stabilization Fund	\$ 634,000	\$ 100,000				\$ 734,000	\$1,000,000
Depreciation Reserve	\$ 808,169		\$ (808,169)			\$ -	N/A
Capital Improvement Reserve	\$ 845,856	\$ 8,449,538	\$ (7,641,369)			\$ 1,654,025	\$3,270,756
Restricted for Debt Service	\$ 536,963					\$ 536,963	N/A
Water Supply Reserve	\$ -	\$ 100,000				\$ 100,000	N/A
Water Efficiency Reserve	\$ -	\$ 75,000				\$ 75,000	\$200,000
Water Meter Replacement Reserve	\$ -	\$ 725,000				\$ 725,000	N/A
Fleet Equipment Reserve	\$ 291,569	\$ 200,000	\$ (141,500)			\$ 350,069	\$296,708
Employment-Related Benefits Reserve	\$ 396,310	\$ 120,000	\$ (293,082)			\$ 223,229	\$864,229
	<u>\$ 8,465,213</u>	<u>\$ 38,498,357</u>	<u>\$ (36,388,720)</u>	<u>\$ 1,143,761</u>	<u>\$ (1,117,600)</u>	<u>\$ 10,601,011</u>	


SUSAN K. SOHAL, Treasurer

TREASURER'S REPORT OF FUND BALANCES
May 31, 2017

Fund Transfers Summary:

The Operating Fund Transferred:	\$ 1,143,761.00	from funds collected in May 17 per Treasurer's Report
	<u>\$ (1,117,600.00)</u>	disbursements made in May 2017 per Treasurer's Report
	<u>\$ 26,161.00</u>	

Citrus Heights Water District
Budget Performance Report
As of 5/31/2017

	May	Year-to-Date	Year-to-Date	YTD Variance		Annual
	Actual	Actual	Budget	Amount	Percent	Budget
Revenues						
Metered Service Charges	\$854,501.95	\$3,642,669.67	\$3,407,761.24	\$234,908.43	6.89%	\$8,377,902.51
Metered Water Deliveries	283,259.87	1,072,849.23	1,113,505.42	(40,656.19)	-3.65%	4,463,092.68
Penalties	15,528.42	71,977.55	60,710.15	11,267.40	18.56%	150,000.00
Interest		11,925.76		11,925.76	0.00%	
New Account, Fire & Backflow Fees	10,861.94	62,582.40	58,384.95	4,197.45	7.19%	140,179.96
Water Service Install & S&R	(907.56)	2,322.68	7,250.85	(4,928.17)	-67.97%	17,409.00
Miscellaneous *	6,680.17	319,746.49	50,192.40	269,554.09	537.04%	120,509.97
Income - Wheeling Water		3,058.71	1,666.00	1,392.71	83.60%	4,000.00
Income - Connection Fees	993.00	2,848.00	11,089.75	(8,241.75)	-74.32%	26,626.05
Total Revenue	1,170,917.79	5,189,980.49	4,710,560.76	479,419.73	10.18%	13,299,720.17
*includes Assessments, Inclusions, Back Charges, Capacity Fee and other Miscellaneous Revenue Sources						
Operating Expenses						
Water Demand Management						
Water Demand Management - Postage			2,082.50	(2,082.50)	-100.00%	5,000.00
Water Demand Management - Printing			8,746.50	(8,746.50)	-100.00%	21,000.00
Water Demand Management - Materials and Supplies	3,591.91	3,591.91	6,039.25	(2,447.34)	-40.52%	14,500.00
Water Demand Management - Contract Services	350.00	19,682.93	149,856.70	(130,173.77)	-86.87%	359,800.00
Water Demand Management - Other	3,054.00	6,327.52	5,799.75	527.77	9.10%	13,924.97
Water Demand Management - Incentive Programs		2,850.00	8,196.70	(5,346.70)	-65.23%	19,679.96
Total	6,995.91	32,452.36	180,721.40	(148,269.04)	-82.04%	433,904.93
Operations						
Purchased Water		1,010,829.66	1,187,602.70	(176,773.04)	-14.88%	2,851,387.03
Cooperative Transmission Pipeline Maintenance			2,082.50	(2,082.50)	-100.00%	5,000.00
Power to Wells	11,740.06	53,649.10	84,834.40	(31,185.30)	-36.76%	203,684.03
Wells - Repair / Maintenance	2,693.19	4,040.90	10,287.55	(6,246.65)	-60.72%	24,700.00
Water Quality Analysis	1,032.00	8,021.00	10,217.60	(2,196.60)	-21.50%	24,532.05
Field Miscellaneous - Dump Fees	62.40	255.85	1,666.00	(1,410.15)	-84.64%	4,000.00
Small Tools - Field	14,562.17	22,753.41	16,660.00	6,093.41	36.58%	40,000.00
Supplies - Field	1,680.81	9,894.52	10,412.50	(517.98)	-4.97%	25,000.00
Materials	10,415.96	69,919.74	8,330.00	61,589.74	739.37%	20,000.00
Materials - CIP Contra		(78,311.04)		(78,311.04)	0.00%	
Roadbase	5,154.45	14,997.63	10,412.50	4,585.13	44.03%	25,000.00
Maintenance Agreements - Equipment	525.00	2,524.63	4,248.30	(1,723.67)	-40.57%	10,200.00
Maintenance Agreements - Software	3,944.30	111,045.68	53,991.55	57,054.13	105.67%	129,631.57
Repair - Fleet Equipment	5,145.00	16,974.69	22,907.50	(5,932.81)	-25.90%	55,000.00
Repair - Tools and Equipment	81.58	1,545.34	6,247.50	(4,702.16)	-75.26%	15,000.00
Gas and Oil	3,947.62	14,727.23	21,241.50	(6,514.27)	-30.67%	51,000.00
Equipment Rental - Field	114.30	681.00	4,165.00	(3,484.00)	-83.65%	10,000.00
Equipment Rental & Maint - Office & Building Equip	1,480.86	6,017.28	5,890.15	127.13	2.16%	14,142.02

Citrus Heights Water District
Budget Performance Report
As of 5/31/2017

	May	Year-to-Date	Year-to-Date	YTD Variance		Annual
	Actual	Actual	Budget	Amount	Percent	Budget
Equipment CIP Contra Account		(134,845.00)		(134,845.00)	0.00%	
Permit Fee - Inspection Fees	138.02	138.02		138.02	0.00%	
Permit Fee - Air Quality / Haz Mat		6,982.50	2,582.30	4,400.20	170.40%	6,200.00
Permit Fee - State Water Resources Control Board	46,457.05	52,790.57	11,662.00	41,128.57	352.67%	28,000.00
Permit Fee - Encroachment Permits	1,500.00	4,098.00	18,326.00	(14,228.00)	-77.64%	44,000.00
	<u>110,674.77</u>	<u>1,198,730.71</u>	<u>1,493,767.55</u>	<u>(295,036.84)</u>	<u>-19.75%</u>	<u>3,586,476.70</u>
Professional & Contract Services						
Professional / Contract Services - Engineering		1,752.00	91,630.00	(89,878.00)	-98.09%	220,000.00
Professional / Contract Services - Temporary Labor		236.25	20,825.00	(20,588.75)	-98.87%	50,000.00
Professional / Contract Services - Wells			8,330.00	(8,330.00)	-100.00%	20,000.00
Professional / Contract Services - Office Labor			6,247.50	(6,247.50)	-100.00%	15,000.00
Professional / Contract Services - Meter Reading	11,246.93	46,294.98	46,781.30	(486.32)	-1.04%	112,320.04
Professional / Contract Services - Bill Print / Mail	2,704.45	12,350.70	12,495.00	(144.30)	-1.15%	30,000.00
Professional / Contract Services - Financial	4,000.00	18,300.00	18,742.50	(442.50)	-2.36%	45,000.00
Professional / Contract Services - Other	12,894.49	73,162.14	50,713.05	22,449.09	44.27%	121,760.02
Contract Services - Concrete			3,332.00	(3,332.00)	-100.00%	8,000.00
Contract Services - Misc Field / O&M	11,070.00	16,183.75	15,827.00	356.75	2.25%	38,000.00
Contract Services - Office Repairs / Maint.	91.38	91.38	1,666.00	(1,574.62)	-94.52%	4,000.00
Contract Services - Paving		5,086.34	3,748.50	1,337.84	35.69%	9,000.00
	<u>42,007.25</u>	<u>173,457.54</u>	<u>280,337.85</u>	<u>(106,880.31)</u>	<u>-38.13%</u>	<u>673,080.06</u>
Administrative & General Services						
Janitorial	1,144.00	5,817.93	6,874.35	(1,056.42)	-15.37%	16,505.04
Bank Fees	6,215.06	28,144.85	29,155.00	(1,010.15)	-3.46%	70,000.00
Office Expense	521.66	6,120.47	7,080.50	(960.03)	-13.56%	17,000.00
Small Office Equipment	2,333.12	2,835.09	3,332.00	(496.91)	-14.91%	8,000.00
Dues & Subscriptions	2,302.97	92,211.73	55,034.25	37,177.48	67.55%	132,135.05
Postage	10,598.56	53,788.99	49,563.50	4,225.49	8.53%	119,000.00
Printing		453.61	5,831.00	(5,377.39)	-92.22%	14,000.00
Telephone - Wireless	1,138.55	5,883.24	7,596.95	(1,713.71)	-22.56%	18,239.98
Telephone - Local / Long Distance	1,775.77	7,483.39	9,454.55	(1,971.16)	-20.85%	22,700.00
Telephone - Answering Service	236.62	757.69	1,041.25	(283.56)	-27.23%	2,500.00
Utilities	1,295.19	7,554.57	8,621.55	(1,066.98)	-12.38%	20,700.00
Legal & Audit	14,601.04	67,168.85	39,151.00	28,017.85	71.56%	94,000.00
Continued Education	7,331.21	19,013.19	29,746.45	(10,733.26)	-36.08%	71,420.04
Publication Notices	1,016.57	1,016.57	624.75	391.82	62.72%	1,500.00
Office Misc - District Events	(87.14)	845.40	2,369.90	(1,524.50)	-64.33%	5,690.03
Office Misc - Meeting Accommodations	530.89	3,659.14	2,915.50	743.64	25.51%	7,000.00
Office Misc - Other	(159.08)	1,457.51	916.30	541.21	59.06%	2,200.00
Office Misc - Milestone Events	28.01	217.70	2,290.75	(2,073.05)	-90.50%	5,500.00
Computer Software			1,541.05	(1,541.05)	-100.00%	3,700.00
	<u>50,823.00</u>	<u>304,429.92</u>	<u>263,140.60</u>	<u>41,289.32</u>	<u>15.69%</u>	<u>631,790.14</u>
Administration Other						
Election Expense		250.00		250.00	0.00%	
Directors Meeting Compensation	870.00	7,250.00	8,334.15	(1,084.15)	-13.01%	20,009.97

Citrus Heights Water District
Budget Performance Report
As of 5/31/2017

	May	Year-to-Date	Year-to-Date	YTD Variance		Annual
	Actual	Actual	Budget	Amount	Percent	Budget
Retiree Healthcare Benefit	6,950.84	20,375.52	20,533.60	(158.08)	-0.77%	49,300.36
	7,820.84	27,875.52	28,867.75	(992.23)	-3.44%	69,310.33
Salary and Benefits						
Salary - Office (6 authorized positions)	65,081.27	257,737.83	235,281.40	22,456.43	9.54%	564,901.32
Salary - Water Demand Management (2 authorized positions)	20,505.27	75,342.04	77,923.45	(2,581.41)	-3.31%	187,091.12
Salary - Field / O&M (15 authorized positions)	138,051.85	510,986.53	536,859.60	(25,873.07)	-4.82%	1,288,978.63
Salary - Proj Mgmt & Engineering	41,182.17	133,138.31	170,240.15	(37,101.84)	-21.79%	408,739.85
Standby Duty	2,070.00	7,275.00	7,472.00	(197.00)	-2.64%	17,939.98
Employee Benefit - Vision Insurance	749.44	4,547.74	3,763.50	784.24	20.84%	9,036.01
Employee Benefit - Dental Insurance	3,275.93	19,566.93	15,493.80	4,073.13	26.29%	37,200.00
Employee Benefit - Health Insurance	33,010.47	187,378.20	162,318.40	25,059.80	15.44%	389,720.04
Employee Benefit - PERS Retirement	25,992.39	78,273.97	246,028.65	(167,754.68)	-68.19%	590,705.04
Employee Benefit - Social Security	12,426.22	62,636.77	75,055.40	(12,418.63)	-16.55%	180,205.04
Employee Benefit - Medicare	2,906.15	14,649.10	17,553.30	(2,904.20)	-16.55%	42,144.77
Employee Benefit - Unemployment Insurance	122.13	4,571.90	3,498.60	1,073.30	30.68%	8,400.00
Employee Benefit - Health Insurance Reimbursement	2,625.47	10,464.68	12,495.00	(2,030.32)	-16.25%	30,000.00
Employee Benefit - COBRA Insurance		10,517.62		10,517.62	0.00%	
Employee Benefit - CA Emp Training	5.08	190.51		190.51	0.00%	
GASB 68 - Pension Expense	53,483.68	106,967.36		106,967.36	0.00%	
Employee Salary and Benefits - Allocation to CIP		(196,980.23)	(229,075.00)	32,094.77	-14.01%	(550,000.00)
	401,487.52	1,287,264.26	1,334,908.25	(47,643.99)	-3.57%	3,205,061.80
Insurance						
Insurance - Liability & Comprehensive		28,204.17	31,237.50	(3,033.33)	-9.71%	75,000.00
Insurance - Disability & Life	4,068.96	17,815.20	14,463.55	3,351.65	23.17%	34,726.41
Insurance - Workers Compensation			22,623.70	(22,623.70)	-100.00%	54,318.61
	4,068.96	46,019.37	68,324.75	(22,305.38)	-32.65%	164,045.02
Reserves & Debt Services						
Bad Debt Expense		37.97	2,082.50	(2,044.53)	-98.18%	5,000.00
Debt Service - COP Series 2010		20,511.84	236,322.10	(215,810.26)	-91.32%	567,400.00
Debt Service - COP Series 2012		7,778.90		7,778.90	0.00%	
CSM Deposit Interest Expense		238.56		238.56	0.00%	
		28,567.27	238,404.60	(209,837.33)	-88.02%	572,400.00
Total Operating Expenses	623,878.25	3,098,796.95	3,888,472.75	(789,675.80)	-20.31%	9,336,068.98
Net Income / (Expense)	547,039.54	2,091,183.54	822,088.01	1,269,095.53	154.37%	3,963,651.19

Project Number	Project Name	BUDGET				COMMITMENTS	AMOUNTS PAID			PROJECTION
		Project Forecast Budget	Expenditures to 12/2016	Remaining Budget	2017 Budget	Open Commitments	Month to Date	Year to Date	Project to Date	2018 Forecast
C15-102	Corporation Yard Improvements	\$1,385,688	\$83,095	\$1,302,593	\$1,276,188	\$0	\$7,507	\$84,788	\$167,884	
C15-130	Poplar Ave 14 Trans Main	\$112,335	\$25,807	\$86,528	\$86,528	\$0	\$0	\$0	\$25,807	
C15-133	Higland Ave and Rosa Vista	\$396,487	\$8,777	\$387,710	\$364,910	\$0	\$0	\$17,346	\$26,122	
C15-137	C-Bar-C Pressure Control	\$850,000	\$0	\$850,000	\$300,000	\$0	\$0	\$0	\$0	\$550,000
C16-131	Wind Way and Longwood Way	\$327,158	\$0	\$327,158	\$22,004	\$0	\$0	\$0	\$0	\$305,154
C16-134	Auburn Blvd-Rusch Park Placer	\$166,357	\$0	\$166,357	\$8,477	\$0	\$0	\$0	\$0	\$157,880
C16-142	Sunrise Bl Streetscape Ph 2	\$50,000	\$0	\$50,000	\$50,000	\$0	\$0	\$0	\$0	
Construction in Progress		\$3,288,025	\$117,679	\$3,170,346	\$2,108,107	\$0	\$7,507	\$102,134	\$219,813	\$1,013,034
C17-010	Water Main Replacements	\$63,000	\$0	\$63,000	\$63,000	\$0	\$0	\$0	\$0	
C17-011	Water Valve Replacements	\$140,000	\$0	\$140,000	\$140,000	\$0	\$0	\$28,313	\$28,313	
C17-012	Water Service Replacements	\$550,000	\$0	\$550,000	\$550,000	\$0	\$38,964	\$352,953	\$352,953	
C17-013	Water Meter Replacements	\$100,000	\$0	\$100,000	\$100,000	\$0	\$17,990	\$61,314	\$61,314	
C17-014	Fire Hydrants	\$135,000	\$0	\$135,000	\$135,000	\$0	\$11,465	\$77,112	\$77,112	
Annual Infrastructure		\$988,000	\$0	\$988,000	\$988,000	\$0	\$68,419	\$519,692	\$519,692	
C15-104	Technology HW & SW Improvement	\$0	\$30,590	(\$30,590)		\$0	\$0	\$0	\$30,590	
C15-104A	Billing/Finance Software	\$500,000	\$0	\$500,000	\$450,000	\$0	\$0	\$0	\$0	\$50,000
C15-104B	Document Management System	\$250,000	\$0	\$250,000	\$0	\$0	\$0	\$0	\$0	\$250,000
C17-003	Fleet/Field Operations Equip	\$287,500	\$0	\$287,500	\$287,500	\$0	\$63,657	\$118,777	\$118,777	
C17-003A	1/2 Ton Pickup Unit 14	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
C17-004	Technology Hardware/Software	\$0	\$0	\$0	\$0	\$0	\$17,238	\$36,627	\$36,627	
C17-004A	Server Upgrade	\$100,000	\$0	\$100,000	\$100,000	\$0	\$0	\$0	\$0	
C17-004B	Workstation Replacements	\$20,000	\$0	\$20,000	\$20,000	\$0	\$0	\$0	\$0	
C17-004C	Hydraulic Model	\$42,000	\$0	\$42,000	\$42,000	\$0	\$0	\$0	\$0	
Fleet and Equipment		\$1,199,500	\$30,590	\$1,168,910	\$899,500	\$0	\$80,895	\$155,404	\$185,994	\$300,000

Project Number	Project Name	BUDGET				COMMITMENTS	AMOUNTS PAID			PROJECTION
		Project Forecast Budget	Expenditures to 12/2016	Remaining Budget	2017 Budget	Open Commitments	Month to Date	Year to Date	Project to Date	2018 Forecast
C15-101	Fairway 12" & 8" Intertie	\$19,690	\$0	\$19,690	\$19,690	\$0	\$0	\$0	\$0	
C15-109	Blossom Hill Way 6" & 10" Inte	\$22,015	\$0	\$22,015	\$22,015	\$0	\$0	\$0	\$0	
C15-110	Crestmont Ave 6" Intertie	\$19,980	\$0	\$19,980	\$19,980	\$0	\$0	\$0	\$0	
C15-131	Baird Way 12in Main	\$510,337	\$24,038	\$486,299	\$469,995	\$0	\$0	\$15,847	\$39,885	
C15-132	Graham Cir and Clrcuit Dr	\$570,984	\$0	\$570,984	\$46,936	\$0	\$0	\$13,000	\$13,000	\$524,048
C17-100	24in Oak at C-Bar-C to Arcade	\$2,100,000	\$0	\$2,100,000	\$100,000	\$0	\$0	\$0	\$0	\$500,000
C17-101	Pleasant View Dr-Oak to Poppy	\$499,231	\$0	\$499,231	\$39,101	\$0	\$0	\$0	\$0	\$460,130
C17-102	Michigan Dr - Sunrise to West	\$249,258	\$0	\$249,258	\$18,255	\$0	\$0	\$0	\$0	\$231,005
Water Mains		\$3,991,495	\$24,038	\$3,967,457	\$735,972	\$0	\$0	\$28,847	\$52,885	\$1,715,183
C17-005	Facilities Improvements	\$75,000	\$0	\$75,000	\$75,000	\$0	\$0	\$1,724	\$1,724	
C17-040	Other City Partnerships	\$50,000	\$0	\$50,000	\$50,000	\$0	\$0	\$0	\$0	
C17-041	Other Infrastructure Projects	\$50,000	\$0	\$50,000	\$50,000	\$0	\$0	\$0	\$0	
C17-103	Operations Building Remodel	\$1,475,000	\$0	\$1,475,000	\$175,000	\$0	\$0	\$5,250	\$5,250	\$1,300,000
Miscellaneous Projects		\$1,650,000	\$0	\$1,650,000	\$350,000	\$0	\$0	\$6,974	\$6,974	\$1,300,000
C17-020	Groundwater Well Improvements	\$115,000	\$0	\$115,000	\$115,000	\$0	\$0	\$0	\$0	
C17-104	Groundwater Well Property Acq	\$890,000	\$3,550	\$886,450	\$740,000	\$0	\$0	\$0	\$3,550	
Wells		\$1,005,000	\$3,550	\$1,001,450	\$855,000	\$0	\$0	\$0	\$3,550	
Grand Totals:		\$12,122,020	\$175,856	\$11,946,164	\$5,936,579	\$0	\$156,820	\$813,051	\$988,907	\$4,328,217

MAY 2017 WARRANTS

63344	Regional Government Services	Contract Services- Other	\$1,635.50
63345	Best Best & Krieger	Legal & Audit	\$12,023.43
63346	Central Valley Engineering & Asphalt, Inc.	Contract Services- Concrete	\$20,292.95
63347	CirclePoint	Contract Services- Water Conservation	\$8,355.17
63348	Ferguson Enterprises Inc #1423	Material	\$25,520.60
63349	J4 Systems	Contract Services- Other	\$8,450.28
63350	Martin Bros Construction Inc	Road Base	\$38,739.43
63351	Maze & Associates	Legal & Audit	\$11,348.00
63352	San Juan Water District	Purchased Water	\$292,363.66
63353	SMUD	Utilities	\$12,595.55
63354	Sophos Solutions	Contract Services- Other	\$8,080.00
63355	US Bank I.M.P.A.C. Government Services	Continued Education	\$12,980.03
63356	WaterWise Consulting, Inc	Contract Services- Water Conservation	\$175.00
63357	Warren Consulting Engineers Inc	Contract Services- Engineering	\$9,000.00
63358	Sergio Cota	Customer Refund	\$124.12
63359	David A/Pilar E Winters	Customer Refund	\$12.46
63360	Dawn A Titus	Customer Refund	\$118.82
63361	Keller Wiliams Realty	Customer Refund	\$184.03
63362	Renee J/Christopher L Jorgensen	Customer Refund	\$76.59
63363	Avalon Custodial Care	Janitorial	\$695.00
63364	BSK Associates	Water Analysis	\$856.00
63365	California Society of Municipal Finance Officers	Dues & Subscriptions	\$30.00
63366	City of Citrus Heights	Permit Fees	\$180.00
63367	Robin Cope	Health Insurance	\$412.00
63368	Corix Water Products, Inc	Material	\$2,712.09
63369	Cybox	Equipment Rental- Office	\$149.21
63370	Kelly R Drake	Printing	\$85.90
63371	HD Supply Waterworks LTD	Material	\$180.00
63372	Hesse, Daniel	Small Tools	\$130.00
63373	Integrity Administrators Inc	Health Insurance	\$303.25
63374	J4 Systems	Contract Services- Other	\$6,300.00
63375	Kei Window Cleaning #12	Janitorial	\$94.00
63376	Liebert Cassidy Whitmore	Legal & Audit	\$2,874.20
63377	Mary F Marler	Customer Refund	\$48.22
63378	Moonlight BPO	Contract Services- Bill Print	\$7,611.62
63379	Office Depot	Office Expense	\$1,097.63
63380	Pace Supply Corp	Material	\$262.69
63381	Patrick Kuske Productions	Contract Services- Miscellaneous	\$800.00
63382	Power Services Inc	Wells Maintenance	\$500.00
63383	Protection One Alarm Monitoring	Equipment Rental- Office	\$140.00
63384	Protective Life Insurance Company	Disability & Life Insurance	\$2,121.53
63385	Sonitrol	Equipment Rental- Office	\$168.56
63386	State Water Resources Control Board	Dues & Subscriptions	\$105.00
63387	The Lincoln National Life Insurance Company	Disability & Life Insurance	\$7,172.53
63388	Warren Consulting Engineers Inc	Contract Services- Engineering	\$4,000.00
63389	Liebert Cassidy Whitmore	Legal & Audit	\$1,940.00
63390	Manirva Roboz	Customer Refund	\$201.87
63391	City of Citrus Heights	Permit Fees	\$4,006.55
63392	Jerrold F/Mary C Bach	Customer Refund	\$118.14
63393	Potter Taylor & Co	Customer Refund	\$121.39
63394	Randy A/Hollie J Watson	Customer Refund	\$37.89
63395	Karyn G Markus	Customer Refund	\$34.57
63396	ABA DABA Rentals & Sales	Supplies-Field	\$114.86

63397	AFLAC	Employee Paid Insurance	\$238.56
63398	Charlotte Bakker	Water Conservation-Other	\$100.00
63399	Bart/Riebes Auto Parts	Repair-Trucks	\$911.11
63400	Burketts	Office Expense	\$43.60
63401	City of Citrus Heights	Permit Fees	\$125.00
63402	Corelogic Information Solutions Inc	Dues & Subscriptions	\$181.33
63403	County of Sacramento	Permit Fees	\$138.02
63404	Dawson Oil Company	Gas & Oil	\$1,018.53
63405	Tamar Dawson	Continued Education	\$118.75
63406	Future Ford	Repair-Trucks	\$875.58
63407	Grainger	Small Tools	\$13.06
63408	Katelynne Hall	Water Conservation-Other	\$50.00
63409	KBA DOCUSYS	Equipment Rental- Office	\$20.06
63410	KBA Docusys Inc	Equipment Rental- Office	\$342.63
63411	Kingswood Elementary c/o Robin Emmond	Water Conservation-Other	\$100.00
63412	L and D Landfill	Contract Services- Miscellaneous	\$62.40
63413	Luhdorff & Scalmanini	Contract Services- Wells	\$2,976.00
63414	Dana Mellado	Continued Education	\$54.72
63415	Oakview School c/o Kristie Hanson	Water Conservation-Other	\$100.00
63416	Occu-Med	Office Miscellaneous	\$278.00
63417	Petty Cash	Petty Cash	\$95.78
63418	Brookelyn Smith	Water Conservation-Other	\$50.00
63419	SureWest Directories	Telephone-Local/Long Distance	\$49.00
63420	Woodside School c/o Susanne Slayton	Water Conservation-Other	\$100.00
63421	W. Morgan Johnson Trust	Customer Refund	\$68.00
63422	Timothy A/Robin Chaffin	Customer Refund	\$27.36
63423	Claudia M Cory	Customer Refund	\$129.13
63424	Jennifer A Horst	Customer Refund	\$79.67
63425	Hugh/Deborah Charles	Customer Refund	\$21.34
63426	Bryan J Whitten	Customer Refund	\$173.35
63427	Allan W/Mary T Ruggles	Customer Refund	\$72.19
63428	Hydro Flow Products, Inc	Small Tools	\$1,474.04
63429	Jimmy W/Amanda G Shafer	Customer Refund	\$28.26
63430	Melville Family Trust	Customer Refund	\$28.33
63431	Maren Vidal	Customer Refund	\$76.13
63432	Marcus E/ Jennifer Gumm	Customer Refund	\$24.33
63433	Donald/Kimberley Henderson	Customer Refund	\$180.12
63434	Joan B Thompson	Customer Refund	\$16.66
63435	Frank W/Stacey Varbel	Customer Refund	\$63.76
63436	Paul W Apfel	Customer Refund	\$15.65
63437	Bruce Cooper	Customer Refund	\$143.48
63438	Alexander's Contract Services	Contract Services- Meter Read	\$3,887.57
63439	Aqua Sierra Controls	Wells Maintenance	\$632.00
63440	CA-NV AWWA	Dues & Subscriptions	\$20.00
63441	Axcient Inc	Maintenance Agreement-Software	\$444.30
63442	Bartel Associates LLC	Contract Services-Financial	\$4,000.00
63443	California Landscape Associates Inc	Janitorial	\$200.00
63444	City of Citrus Heights	Permit Fees	\$1,500.00
63445	Consolidated	Telephone-Local/Long Distance	\$1,726.77
63446	Corix Water Products, Inc	Material	\$7,283.90
63447	Government Finance Officers Association	Dues & Subscriptions	\$160.00
63448	Ives Training & Compliance Group Inc	Continued Education	\$2,190.00
63449	J4 Systems	Contract Services- Other	\$2,640.00
63450	Moonlight BPO	Contract Services- Bill Print	\$3,596.64
63451	Neighborly Pest Management	Janitorial	\$249.00
63452	Pace Supply Corp	Material	\$907.88
63453	Pacific Gas & Electric	Utilities	\$30.63
63454	RW Trucking	Contract Services- Miscellaneous	\$902.50

63455	Sacramento Bee	Publication Notices	\$593.74
63456	Sonitrol	Equipment Rental- Office	\$91.38
63457	Sylvan Supply	Repair-Trucks	\$3,000.00
63458	Tree Pros, Inc	Contract Services- Miscellaneous	\$3,500.00
63459	TriFresh Technologies, Inc.	Wells Maintenance	\$1,186.40
63460	Voyager Fleet Systems Inc	Gas & Oil	\$1,374.53
63461	Elk Grove Auto Group Inc	Fixed Assets	\$23,881.84
63462	Hanlees Chrysler Dodge	Fixed Assets	\$34,180.09
63463	John W/Tina L Gould	Customer Refund	\$12.88
63464	Paul/Lance Maska	Customer Refund	\$276.68
63465	Christopher L/Traci L Montgomery	Customer Refund	\$12.28
63466	Shirley I Myers Rev Trust	Customer Refund	\$9.92
63467	Cary/ Sandra Greenberg Family Trust	Customer Refund	\$17.13
63468	Marcucci Irrevocable Trust	Customer Refund	\$20.99
63469	William E/Linda Looper	Customer Refund	\$9.49
63470	Duncan S/Deanna L Wilson	Customer Refund	\$19.52
63471	Katz Family Trust	Customer Refund	\$86.97
63472	David A/Debra L Schoonbaert	Customer Refund	\$21.95
63473	Daniel C Sessoms	Customer Refund	\$95.90
63474	Theresa Setoudeh	Customer Refund	\$31.70
63475	Stephen/Fay Wassom	Customer Refund	\$23.72
63476	Deborah Roten	Customer Refund	\$386.28
63477	Annette A Clark	Customer Refund	\$187.75
63478	Harison Gross	Customer Refund	\$255.84
63479	Sean M Spagnoli	Customer Refund	\$32.91
63480	Harper Keely Investments LLC	Customer Refund	\$94.69
63481	Airgas USA, LLC	Supplies-Field	\$45.24
63482	Gloria Landscaping	Janitorial	\$475.00
63483	J4 Systems	Contract Services- Other	\$1,304.81
63484	Kaiser Foundation Health Plan, Inc	Health Insurance	\$16,907.64
63485	Liebert Cassidy Whitmore	Legal & Audit	\$1,866.00
63486	Rex Meurer	Water Conservation-Material/ Supplies	\$215.74
63487	Moonlight BPO	Contract Services- Bill Print	\$4,715.93
63488	Office Depot	Office Expense	\$41.99
63489	Pollardwater.com - East	Small Tools	\$861.73
63490	Red Wing Shoe Store	Small Tools	\$1,923.51
63491	Sophos Solutions	Contract Services- Other	\$2,800.00
63492	A. Teichert & Son, Inc.	Road Base	\$3,778.64
63493	Verizon Wireless	Telephone-Wireless	\$1,138.55
TOTAL			<u>\$654,194.80</u>
ACH	APRIL 2017	Contract Services- Other	\$88.94
ACH	APRIL 2017 GASB	PERS	\$26,741.84
ACH	APRIL 2017 S FEE	Contract Services- Other	\$845.20
ACH	APRIL 2017 S FEE	Bank Fee	\$1,976.90
ACH	APRIL 2017 WEB	Bank Fee	\$3,726.24
ACH	JUNE 2017 HEALTH WHA	Health Insurance	\$15,352.83
ACH	MAY 2017 PERS GASB	PERS	\$26,741.84
ACH	PERS 4/20/17 PDAY	PERS	\$15,749.75
ACH	PERS 5/4/17 PDAY	PERS	\$15,749.75
ACH	PERS 5/18/17 PDAY	PERS	\$15,749.75
ACH	VALIC 5/4/17 PDA	Deferred Compensation	\$2,642.50
ACH	VOYA 5/4/17PDAY	Deferred Compensation	\$25.00
ACH	APRIL 2017 FD	Bank Fee	\$262.66
ACH	APRIL 2017 PH	Bank Fee	\$249.26
ACH	VALIC 5/18/17 PDAY	Deferred Compensation	\$2,942.50

ACH	VOYA 5/18/17	Deferred Compensation	\$25.00
TOTAL			<u>\$128,869.96</u>
GRAND TOTAL			<u><u>\$783,064.76</u></u>

June Checks Approved at June Board Meeting

63525	Airgas USA, LLC	Supplies-Field	\$10,349.86
63526	Best Best & Krieger	Legal & Audit	\$12,735.04
63528	SMUD	Utilities	\$13,004.62
63527	Ferguson Enterprises Inc	Material	\$13,157.65
63530	US Bank I.M.P.A.C. Government Services	June Agenda Item CC-9	\$16,594.35
63531	West Yost Associates	Contract Services- Engineering	\$17,238.25
63529	SWRCB	Dues & Subscriptions	\$46,457.05
63561	ACWA JPIA	Workers Comp Insurance	\$16,059.35
			<u>\$145,596.17</u>

US BANK - CAL-Card Distributions
 May 2017
i:/users/ap/CalCard/(current year) -Distribution for monthly payment.xls

TOTAL
BILL

#REF!	C17-003	51000-03	54200-03	54210	54211	1-54220	54231-02	54241-01	54241-02	54242	56200	56210	56230	56820	56830	56840-09	56890-01	56890-02	56890-03	56890-04	
	Annual Fleet Replacement	Water Conser/ Material Supply	Offic Misc	Tools	Supplies Field	CIP/Material	Main Agree Software	Repair Truck	Repair - Equip/Hardw are	Gas & Oil	Office Exp	Small Office Equipment	Postage	Travel	C.E.	Prof Cont- Other	Office Misc, District Event	Mtg Accom	Office Misc, Other	Office Misc, Milestone Events	
Cutler	\$ 640.13			243.52	280.48			51.17												64.96	
Dains	\$ -																				
Dietrich	\$ -																				
Evans	\$ -																				
Gordon	\$ 259.20			31.14				32.99			144.37								50.70		
Hensley	\$ 645.01			164.53	329.34				36.85	49.66		64.63									
Pieri	\$ -																				
Riehle	\$ -																				
Sheehan	\$ -																				
Shockley	\$ 13,821.66	5,594.88	83.99	107.50	17.10	585.90	558.07	8.00	44.73		198.20	1,837.51	133.00		4,169.87		212.86	466.08	(224.04)	28.01	
Spiers	\$ 189.46				38.23	130.23		21.00													
Sohal	\$ 568.76						250.00									183.76	135.00				
Straus	\$ 470.13											430.98		39.15							
2017	\$ 16,594.35	5,594.88	83.99	107.50	494.52	1,325.95	558.07	250.00	113.16	81.58	49.66	342.57	2,333.12	133.00	39.15	4,353.63	135.00	212.86	516.78	(159.08)	28.01

V#: _____
Date: 5/31/17

CITRUS HEIGHTS WATER DISTRICT

MANAGEMENT SERVICES REPORT TO BOARD OF DIRECTORS June 13, 2017 REGULAR MEETING

SUBJECT : Employee Recognition
 STATUS : Information Item
 REPORT DATE : June 6, 2017
 PREPARED BY : Robyn Evans, Senior Management Services Specialist

The following District employees were recognized for attendance during April 2017, and outstanding customer service and quality of work during the month of May 2017.

Administration & Water Demand Management Department

<u>Name</u>	<u>Attendance</u>	<u>Customer Service</u>	<u>Work Quality</u>
Brady Chambers	Yes		Thank you for helping out during staffing shortages.
Kelly Drake	Yes		Assisted with Strategic Plan update. Assisted with breaking down safety, risk management & meter projects. Harv La Bounty Safety Award recipient for CHWD's Emergency Alert System from JPIA (WOW!!!)
Robyn Evans	Yes	Presentation on employee benefits during monthly All Hands/Safety Meeting.	Transition planning with new Management Services Supervisor/Chief Board Clerk.
Dana Mellado			Thank you for helping out during staffing shortages and learning Autopay to help when Customer Services Technician is out or busy.
Rex Meurer	Yes		Made contact with a customer, which staff had been trying to contact without success, to gain access to the customer's backyard so that a repair to the radio read meter could be completed.
Alberto Preciado	Yes		Assisted with proof-reading the WaterLine Newsletter.

<u>Name</u>	<u>Attendance</u>	<u>Customer Service</u>	<u>Work Quality</u>
Beth Shockley		Streamlining/simplifying the checkout process for Continued Education accommodations.	Assisted with the Poster Contest by helping to prepare the Certificates of Appreciation, checks, and framing of the posters. Thank you for organizing the Water Treatment Plant facility tour logistics as well as getting everything together for the Strategic Planning.
Desiree Smith			Thank you for helping out during staffing shortages.
Susan Sohal	Yes		

Engineering Department

<u>Name</u>	<u>Attendance</u>	<u>Customer Service</u>	<u>Work Quality</u>
Tamar Dawson	Yes		Assisted the Water Resources staff with the hydraulic modeling flushing project.
Missy Pieri	Yes		
John Spinella	Yes	Provided support to the staff delegation touring the Water Treatment Plant and CHWD service territory.	
Borey Swing			Completed an update of the District Map Book and distributed it to staff. Assisted the Water Resources staff with the hydraulic modeling flushing project.

Operations Department

<u>Name</u>	<u>Attendance</u>	<u>Customer Service</u>	<u>Work Quality</u>
James Buford		Customer on Smoke Tree Ct. called and then wrote a letter stating the District staff that worked on a fire hydrant installation was extremely friendly, professional, and hard working.	Emergency overtime response to a water service replacement on Twin Oaks Ave. which involved challenging traffic control conditions and a structure fire on a nearby street. Completed 3 Junior College semester courses needed to accomplish his goal of achieving a Bachelor's Degree.
Tim Cutler	Yes		
James Ferro			Emergency overtime response to a water service replacement on Twin Oaks Ave. which involved challenging traffic control conditions and a structure fire on a nearby street.
Jarett Flink		Customer on Smoke Tree Ct. called and then wrote a letter stating the District staff that worked on a fire hydrant installation was extremely friendly, professional, and hard working.	Achieved his Backflow Testing Certification.
Gil Garcia			
Brian Hensley	Yes		
Dan Hesse	Yes		Emergency overtime response to a water service replacement on Twin Oaks Ave. which involved challenging traffic control conditions and a structure fire on a nearby street. Assisted standby with an emergency water service repair on Camstock Ct.

<u>Name</u>	<u>Attendance</u>	<u>Customer Service</u>	<u>Work Quality</u>
Rick Jimenez	Yes		
Ricky Kelley	Yes		<p>Assisted standby with an emergency water service repair on Camstock Ct.</p> <p>Assisted standby with installation of steel plate over failing roadway due to water service leak. Repair of the water service occurred the following day.</p> <p>Emergency overtime response to a water service replacement on Twin Oaks Ave. which involved challenging traffic control conditions and a structure fire on a nearby street.</p>
Mike Mariedth			
Chris Nichols	Yes		
Ryon Ridnor		Customer on Smoke Tree Ct. called and then wrote a letter stating the District staff that worked on a fire hydrant installation was extremely friendly, professional, and hard working.	Emergency overtime response to a water service replacement on Twin Oaks Ave. which involved challenging traffic control conditions and a structure fire on a nearby street.
Nick Spiers	Yes		Replaced 2 old inefficient High Efficiency Toilets (HET) with new HET's.

**CITRUS HEIGHTS WATER DISTRICT
MANAGEMENT SERVICES REPORT TO BOARD OF DIRECTORS
June 13, 2017 REGULAR BOARD MEETING**

SUBJECT : LONG RANGE AGENDA
 STATUS : Information Item
 REPORT DATE : June 06, 2017
 PREPARED BY : Robyn Evans, Senior Management Services Specialist

OBJECTIVE:

Listed below is the current Long Range Agenda.

CITRUS HEIGHTS WATER DISTRICT LONG RANGE AGENDA					
MEETING DATE	MEETING TYPE	ITEM DESCRIPTION	ASSIGNED	AGENDA TYPE	AGENDA ITEM
UPCOMING					
July 11, 2017					
July 11, 2017		Finance Corporation, Confirm & Appoint Officers of the Finance Corp., Status of Finance Corp.	Sohal	B	A
July 11, 2017		Approval of 2018 Strategic Plan	Castruita/Sohal/Straus	CC	A
July 11, 2017		Award of Contract -- Construction of Corp. Yrd.	Dietrich	B	A
July 11, 2017		Land Swap Agreement -- Mitchell Farms Well	Pieri	B	A
July 11, 2017		Update Records Retention Schedule	Straus/Sohal	B	A
August 16, 2017					
August 16, 2017		Rosa Vista/Highland Water Main Replacement -- Award of Contract	Pieri	CC	A
August 16, 2017		Appointment of Project 2030 Customer Advisory Committee	Pieri/Meurer	B	A
August 16, 2017		Award of Contract--Project 2030	Pieri	B	A
Early August--TBD					
Early August--TBD	Special Board Meeting	Operations Building Needs Assessment	Dietrich	Study Session	I/D
August 28, 2017					
August 28, 2017	Special Board Meeting	Budget Workshop	Straus/Sohal	Study Session	I/D
September 20, 2017					
September 20, 2017		Proposed Budget for FY 2018	Straus/Sohal	B	A
September 20, 2017		Flagger Policy	Drake	CC	A
September 20, 2017		Bloodborne Pathogen Policy	Drake	CC	A
October 17, 2017					
October 17, 2017		Presentation of 2018 Water Rates, Miscellaneous Fees and Charges and Capacity Charges	Straus/Sohal	P	I/D
October 17, 2017		Award of Contract--Meter Replacement Program Study	Meurer	B	A
November 15, 2017					
November 15, 2017					
TBD					
TBD	Special Board Meeting	2018 Operating and Capital Improvement Budgets	Straus/Sohal	PH	A

CITRUS HEIGHTS WATER DISTRICT

PROJECT MANAGEMENT AND ENGINEERING DEPARTMENTAL REPORT JUNE 13, 2017 REGULAR MEETING

SUBJECT : PROJECT MANAGEMENT AND ENGINEERING DEPARTMENTAL REPORT
 STATUS : Consent/Information Item
 REPORT DATE : June 6, 2017
 PREPARED BY : Paul A. Dietrich, Project Manager

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

Items of Interest	Department	Point of Contact	Date	To Board? If Yes, Date	Strategic Planning Item	Item Description	Update from Last Report
PROJECT 2030 Water Main Replacement Project	Engineering	Missy Pieri		Yes, 8/8/17 (Award of Contract)	Yes	2017-2018 Masterplan for replacement of mains installed in 1960-1985.	Released RFP 4/7/17 - Mandatory Pre-proposal Meeting - 4/26/17 Proposals due May 26th. Award of contract anticipated for August 16th Board Meeting.
CAPITAL IMPROVEMENT PROJECT Corporation Yard Improvements - Phase 1	Engineering	Paul Dietrich		Yes, 5/16/17	Yes	2017 design and construction of Vacuum Spoils Disposal, Wash Station, Materials Storage, and Safety and Efficiency Upgrades.	Released Notice Inviting Bids 6/1/17. Pre-bid Meeting 6/14/17. Bid Opening 6/28/17.

Items of Interest	Department	Point of Contact	Date	To Board? If Yes, Date	Strategic Planning Item	Item Description	Update from Last Report
CAPITAL IMPROVEMENT PROJECT Space Needs Operations Building Remodel Design	Engineering	Paul Dietrich	On-going	July or August	Yes	2017 Masterplan for office space requirements through 2040.	Reviewing Needs Assessment draft. Preparing scalable options with cost estimates and lists of pros and cons for each option.
CAPITAL IMPROVEMENT PROJECT Highland Ave & Rosa Vista Ln 8" Water Mains	Engineering	Missy Pieri/Tamar Dawson	On-going	Yes, 5/16/17	No	2017 design and construction. Potholing complete.	Consultant finalizing easements for Rosa Vista Ave. Preparing 90% plans. NOE posted on 5/31/17.
CAPITAL IMPROVEMENT PROJECT Graham Cir and Circuit Dr 8" Water Mains	Engineering	Tamar Dawson	On-going	Yes, TBD	No	2017 design, 2018 construction. Received 60% plans.	60% plans reviewed & mark-ups completed. Determining schedule for pot-hole work.
PRIVATE DEVELOPMENT Northridge Grove - 5555 Mariposa Ave 47 Condominiums	Engineering	John Spinella	On-going	Yes, TBD	No	85% Complete	Private developer will complete work on the 47+ water services once the site work is done.

Items of Interest	Department	Point of Contact	Date	To Board? If Yes, Date	Strategic Planning Item	Item Description	Update from Last Report
PRIVATE DEVELOPMENT Commercial Building Remodel - 5414-50 Sunrise Blvd	Engineering	John Spinella	On-going	Yes, TBD	No	Pre-Con Meeting 12/1/16	Private developer completed building work then water improvements along Sunrise will be performed.
PRIVATE DEVELOPMENT Louis-Orlando Bus Transfer Point - Louis Ln at Orlando Ave	Engineering	John Spinella	On-going	Yes, TBD	No	Plans Signed 2/4/16	Preconstruction Meeting scheduled for 4/26/17. Water construction began 5/24/17. District crews replaced section of main.
PRIVATE DEVELOPMENT Meier Estates - North Sims Way 7 Lot Subdivision	Engineering	Missy Pieri	On-going	Yes, TBD	No	Signed 5/23/16 - Pre-con Meeting 3/27/17	Waiting for submittals and fee payment. Rough grading in progress.

Items of Interest	Department	Point of Contact	Date	To Board? If Yes, Date	Strategic Planning Item	Item Description	Update from Last Report
PRIVATE DEVELOPMENT Dignity Health Building - 7115 Greenback Ln	Engineering	John Spinella	On-going	Yes, TBD	No	Plans Signed 6/8/16	Ribbon cutting was held on 5/23/17. GM Straus, District Engineer Pieri, and Assistant Engineer Dawson attended. Building pad grading complete.
PRIVATE DEVELOPMENT 3 Lot Residential Subdivision - 5648-5696 San Juan Ave	Engineering	Missy Pieri	On-going	Yes, TBD	No	Plans Signed 11/14/16	
PRIVATE DEVELOPMENT 7940 Patton Ave - Replace Existing Home	Engineering	Missy Pieri	On-going	Yes, TBD	No	Plans Signed 1/11/17	

Items of Interest	Department	Point of Contact	Date	To Board? If Yes, Date	Strategic Planning Item	Item Description	Update from Last Report
<p>PRIVATE DEVELOPMENT Mitchell Farms - 7925 Arcadia Drive</p>	<p>Engineering</p>	<p>Missy Pieri/Tamar Dawson</p>	<p>On-going</p>	<p>Yes, TBD</p>	<p>No</p>	<p>200-300 unit development by Watt Communities</p>	<p>Working on a land swap agreement with the Mitchell Farms Well. Preparing Memorandum of Understanding for Board Consideration. 2nd plan submittal received and reviewed on 5/31/17.</p>
<p>CITY OF CITRUS HEIGHTS PROJECT Sunrise Blvd Complete Streets Phase 2A (C16-142)</p>	<p>Engineering</p>	<p>Missy Pieri/Tamar Dawson</p>	<p>On-going</p>	<p>Yes, TBD</p>	<p>No</p>	<p>Frontage Improvements along West Side of Sunrise from Sayonara to north and Storm Drain Improvements</p>	<p>Reviewing Plans from engineer. Need to mark-up plans. Waiting on pothole data from the City.</p>
<p>Annexation</p>	<p>Engineering</p>	<p>Missy Pieri/Tamar Dawson</p>	<p>On-going</p>	<p>Yes, TBD</p>	<p>No</p>	<p>Livoti Tract, Sacramento County, and Verne Tract Territory to SJWD</p>	<p>Strategic Planning Objective for 2018.</p>

Items of Interest	Department	Point of Contact	Date	To Board? If Yes, Date	Strategic Planning Item	Item Description	Update from Last Report
Annexation	Engineering	Missy Pieri	On-going	Yes, TBD	No	7311 Hickory Avenue - Property owner annexing parcel into District to allow for water to be provided by CHWD	Annexation was approved at the LAFCo hearing on 4/5/17. CHWD will need to prepare a resolution for the June Board Meeting.

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS JUNE 13, 2017 REGULAR MEETING

SUBJECT : OPERATIONS DEPARTMENT REPORT
 STATUS : Consent/Information Item
 REPORT DATE : June 7, 2017
 PREPARED BY : David M. Gordon, Operations Manager

Facilities Maintenance					
	Completed WO's			Completed WO's	
	Current Mth	Year to Date		Current Mth	Year to Date
Backflow Maintenance	3	3	Meter Register Replacement	7	60
Blow Off Maintenance	1	22	Meter Repair/Test/Maintenance	6	6
Hydrant Maintenance	39	199	Pot Hole Work		
Leak Investigation	1	2	Water Service Repair/Locate	1	4
Mainline Repair/Maintenance	1	3	Valve, Mainline Maintenance	71	333
Meter Box Maintenance	8	13	Valve Box Maintenance	5	7
TOTAL	143	652			
CIP Projects					
	Completed WO's			Completed WO's	
	Current Mth	Year to Date		Current Mth	Year to Date
C17-010 Water Mainline					
C17-011 Water Valves		7			
C17-012 Water Services	20	124			
C17-013 Water Meters	16	66			
C17-014 Fire Hydrants	2	6			
TOTAL	38	203			
Water Quality					
<i>Water Analysis Report: Bacteriological testing has met all California Department of Public Health requirements. 90 samples were collected with no positive results.</i>					

CITRUS HEIGHTS WATER DISTRICT
DISTRICT STAFF REPORT TO BOARD OF DIRECTORS
JUNE 13, 2017 REGULAR BOARD MEETING

SUBJECT : 2017 WATER SUPPLY - PURCHASED & PRODUCED
 STATUS : Consent/Information Item
 REPORT DATE : June 5, 2017
 PREPARED BY : Brian M. Hensley, Water Resources Supervisor
 David M. Gordon, Operations Manager

OBJECTIVE:

Report on annual water supply including comparison with prior years and current 5 - 10% voluntary reduction directive.

Month	2013 2014 2015 2016				2017				Year-to-Date Comparison to 2013	
	Total Water Monthly				Surface Water Purchased	Ground Water Produced	Total Water Monthly	Total Water Annual		
	acre feet				acre feet					
	2013	2014	2015	2016	Surface Water Purchased	Ground Water Produced	Total Water Monthly	Total Water Annual	acre feet	%
Jan	602.52	602.39	570.05	539.60	433.94	72.87	506.81	506.81	-95.71	-15.9%
Feb	606.36	450.96	511.52	484.53	376.41	67.58	443.99	950.80	-258.08	-21.3%
Mar	819.55	612.20	725.95	517.56	462.69	83.91	546.60	1,497.40	-531.03	-26.2%
Apr	1,029.73	737.30	761.02	677.81	513.05	62.47	575.52	2,072.92	-985.24	-32.2%
May	1,603.43	1,190.07	869.08	979.49	1,053.43	85.30	1,138.73	3,211.65	-1,449.94	-31.1%
Jun	1,816.73	1,548.66	1,065.10	1,343.76						
Jul	2,059.21	1,622.10	1,184.95	1,544.57						
Aug	1,924.28	1,477.49	1,188.18	1,579.80						
Sep	1,509.82	1,275.11	1,069.78	1,257.91						
Oct	1,297.42	1,030.74	918.67	840.80						
Nov	911.55	682.48	589.6	561.82						
Dec	700.94	563.15	519.57	518.62						
Total	14,881.54	11,792.65	9,973.47	10,846.27	2,839.52	372.13	3,211.65	3,211.65		
					88.41%	11.59%				

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS JUNE 13, 2017 REGULAR MEETING

SUBJECT : WATER SUPPLY RELIABILITY
STATUS : Consent/Information Item
REPORT DATE : June 5, 2017
PREPARED BY : David M. Gordon, Operations Manager

OBJECTIVE:

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

BACKGROUND AND ANALYSIS:

As of midnight on June 4, 2017, storage in Folsom Lake (Lake) was at 947,208 acre-feet, 97 percent of the total capacity of 977,000 acre-feet. This is about 116 percent of historical average for this date. This represents an increase in storage of 223,552 acre-feet in the past month.

The District's total water use during the month of May 2017 (1,138.73 acre-feet) was 29.0 percent below that of May 2013 (1,603.43 acre-feet).

The District continues to assist with preserving surface water supplies in the Lake by operating its groundwater wells. All District wells (Bonita, Mitchell Farms, Palm, Skycrest, Sylvan, and Sunrise) remain operational and are being operated on a rotational or as-needed basis.

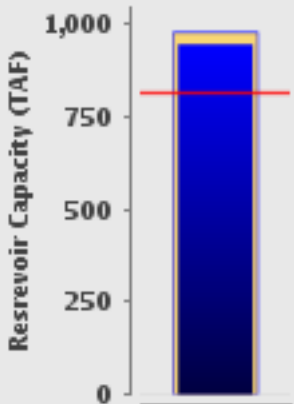


Reservoir Conditions - Folsom Lake



Folsom Lake Conditions

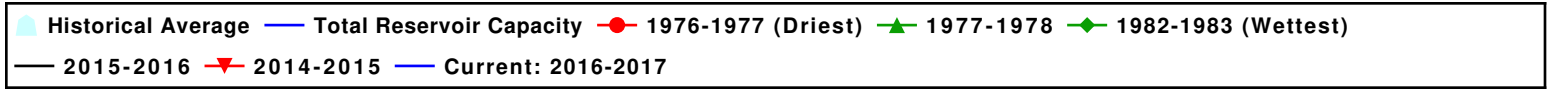
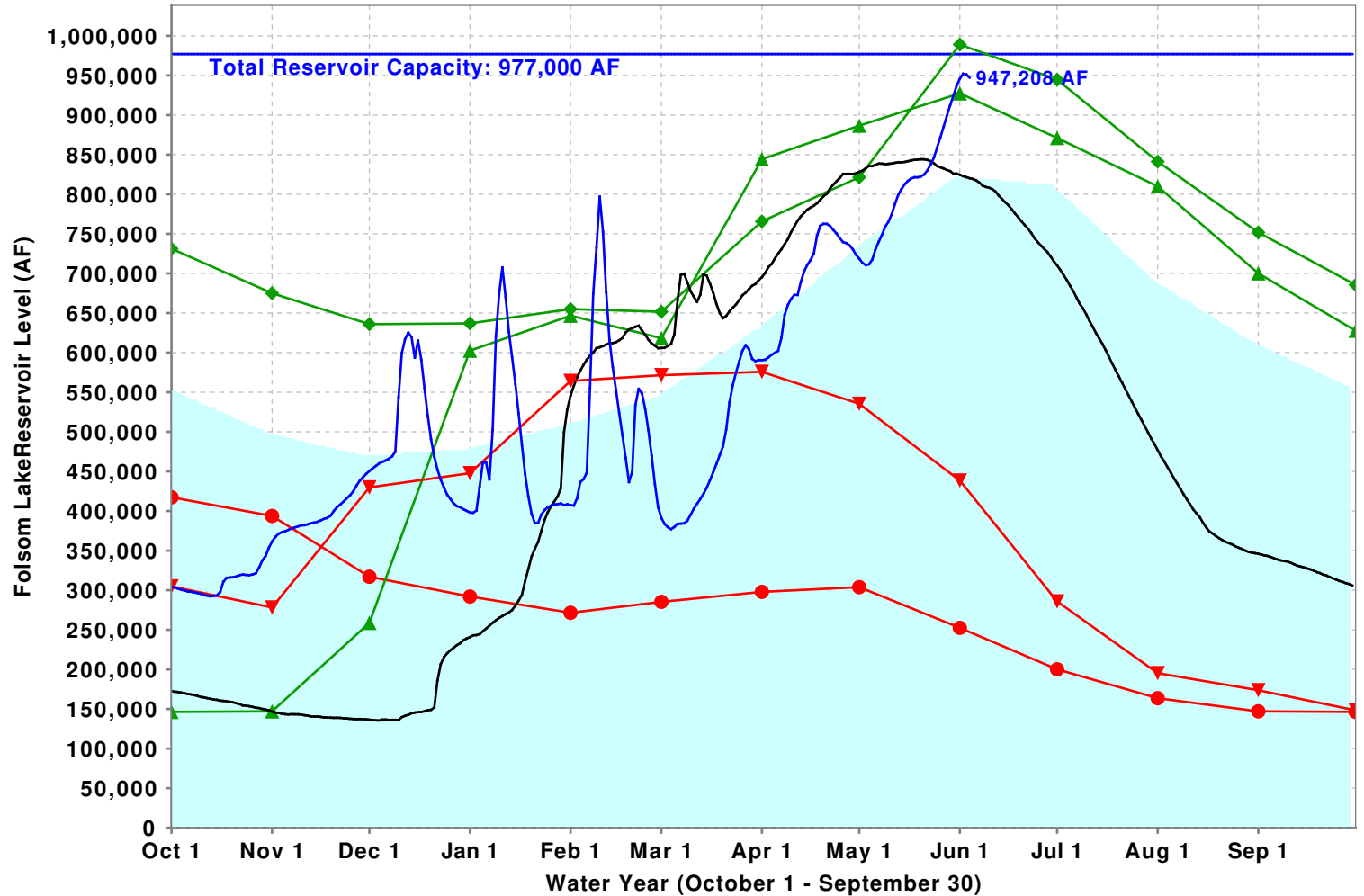
(as of Midnight - June 4, 2017)



Current Level: 947,208 AF

97% (Total Capacity) | 116% (Historical Avg.)

Folsom Lake Levels: Various Past Water Years and Current Water Year, Ending At Midnight June 4, 2017

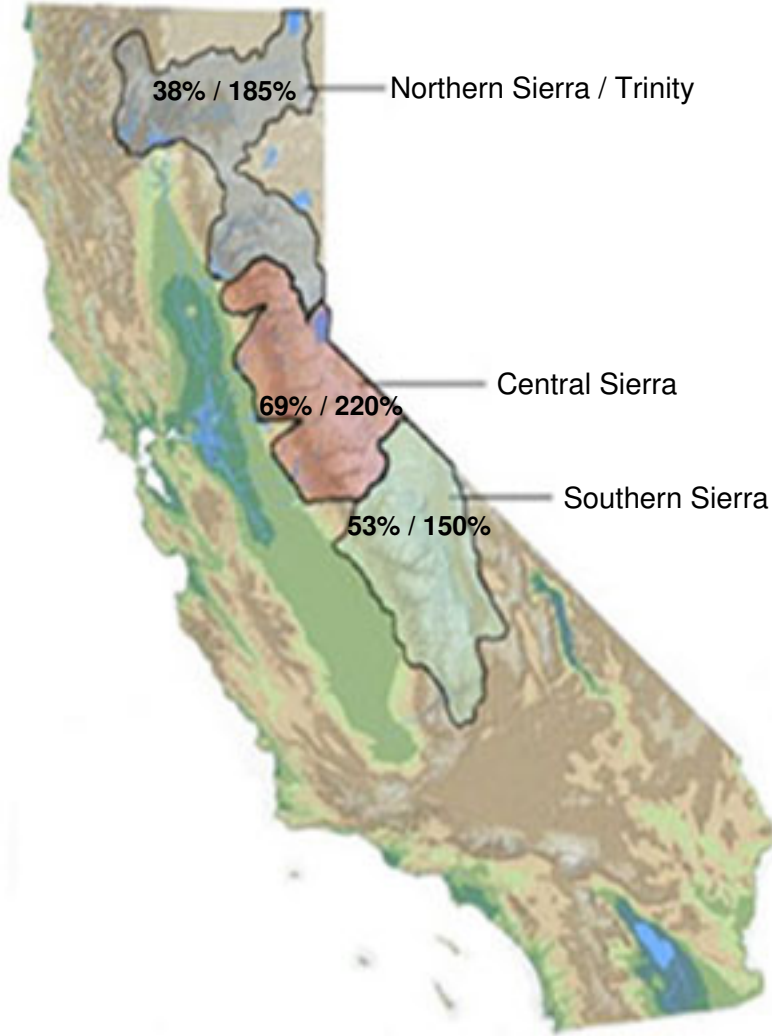




Statewide Summary of Snow Water Content

Current Regional Snowpack from Automated Snow Sensors

% of April 1 Average / % of Normal for This Date



NORTH	
Data as of June 2, 2017	
Number of Stations Reporting	23
Average snow water equivalent (Inches)	10.7
Percent of April 1 Average (%)	38
Percent of normal for this date (%)	185

CENTRAL	
Data as of June 2, 2017	
Number of Stations Reporting	39
Average snow water equivalent (Inches)	20.1
Percent of April 1 Average (%)	69
Percent of normal for this date (%)	220

SOUTH	
Data as of June 2, 2017	
Number of Stations Reporting	24
Average snow water equivalent (Inches)	14.0
Percent of April 1 Average (%)	53
Percent of normal for this date (%)	150

STATE	
Data as of June 2, 2017	
Number of Stations Reporting	86
Average snow water equivalent (Inches)	15.9
Percent of April 1 Average (%)	56
Percent of normal for this date (%)	190

Statewide Average: 56% / 190%

Data as of June 2, 2017

CITRUS HEIGHTS WATER DISTRICT

WATER EFFICIENCY SUPERVISOR REPORT TO BOARD OF DIRECTORS JUNE 13, 2017 REGULAR MEETING

SUBJECT : WATER EFFICIENCY PROGRAM UPDATE
 STATUS : Information Item - Consent Calendar
 REPORT DATE : JUNE 6, 2017
 PREPARED BY : Rex W. Meurer, Water Efficiency Supervisor

Water Efficiency program updates are summarized below.

ACTIVITIES AND PROGRESS REPORT

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

- 0 ultra-low-flush toilet (ULFT) rebates were processed for the month of May. A total of 38 ULFT rebates have been processed for a total of \$2,850.00 year to date.
- For the period of January-May, 11 High Efficiency Clothes Washer (HECW) rebates were processed. Year-to-date, 11 HECW rebates were processed by SMUD for District customers.
- 46 water waste calls were received during the month of May. 0 reports of water waste were received through the CHWD’s Drought Resources web page. An additional 8 service requests were generated in-house by staff. A total of 28 contacts (mostly visits to customers’ homes and phone calls) have been completed based on these reports.
- On May 4th, JPIA trained District staff in the proper procedures while working in a confined space.
- On May 25th the District held a Respirator Protection Program class for staff. The class included training on equipment, a medical evaluation and respirator fit testing. 11 staff members were approved for the respirator program. The training was sponsored by JPIA.
- Two Ecolandscapes are scheduled for the month of June. The first class, titled “Getting The Best Yard With The Least Water”, will be held on Saturday, June 10th from 9am-12pm. The second class, titled “Designing Eco-Friendly Landscapes and Water Wise Irrigation Systems”, will be held on Saturday, June 24th from 9am-12pm. Both classes will be held at the Citrus Heights Community Center located at 6300 Fountain Square Drive C.H. CA 95621.
- The following table summarizes the R-GPCD values for CHWD to date:

Month	R-GPCD 2016	R-GPCD 2017	% CHANGE
January	80	75	-.06%
February	77	72	-.06%
March	77	80	.04%
April	107	87	-.19%
May	155	166	.07%

Month	R-GPCD 2016	R-GPCD 2017	% CHANGE
June	213		
July	237		
August	242		
September	189		
October	123		
November	85		
December	76		

Below is a recap of the region's overall water saving in April 2017 as compared to 2013.

REDUCTION BY AGENCY (Data compared to 2013)		
Water Agency	Apr. 2017 Reduction	Jun. 2016 - Apr. 2017 Reduction
San Juan Water District	60.5%	27.1%
Orange Vale Water Company	50.8%	33.2%
Fair Oaks Water District	50.5%	28.9%
City of Woodland	49.9%	25.7%
El Dorado Irrigation District	47.7%	22.5%
Rancho Murieta CSD	47.3%	25.3%
Carmichael Water District	47.0%	27.0%
California American Water	46.7%	29.7%
Sacramento Suburban WD	45.4%	24.6%
City of West Sacramento	45.1%	25.2%
Citrus Heights Water District	44.1%	26.8%
Del Paso Manor Water District	43.7%	25.7%
City of Roseville	43.0%	25.4%
City of Davis	42.3%	24.1%
Rio Linda/Elverta CWD	41.7%	25.2%
City of Lincoln	41.6%	23.4%
Sacramento County Water Agency	41.1%	22.5%
Elk Grove Water District	40.7%	26.4%
City of Sacramento	40.4%	26.8%
Golden State Water Company	35.9%	21.6%
City of Yuba City	35.8%	24.9%
City of Folsom	34.8%	13.2%
Placer County Water Agency	33.7%	19.7%
Average	43.9%	25.0%
Minimum	33.7%	13.2%
Maximum	60.5%	33.2%

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS JUNE 13, 2017 REGULAR MEETING

SUBJECT : RESOLUTION TO GRANT SEWER EASEMENT TO SACRAMENTO AREA
SEWER DISTRICT
STATUS : Consent/Action Item
REPORT DATE : May 31, 2017
PREPARED BY : Paul A. Dietrich, Project Manager

OBJECTIVE:

Consider adoption of Resolution 05-2017, granting an easement to the Sacramento Area Sewer District (SASD) at the Citrus Heights Water District (CHWD) Corporation Yard.

BACKGROUND AND ANALYSIS:

Sewer service for a portion of the CHWD Corporation Yard is provided by SASD through facilities installed adjacent to the southerly border of the site. An easement to SASD from CHWD is a requirement for receiving sewer service from SASD.

The Grant-of-Easement document (Attachment A), including legal description and plat map (Attachment B), have been prepared by Area West Engineers and reviewed by CHWD staff to facilitate granting of the easement.

RECOMMENDATION:

Adopt Resolution 05-2017 (Attachment C) granting an easement to the Sacramento Area Sewer District (SASD) at the Citrus Heights Water District (CHWD) Corporation Yard.

ACTION:

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



List of Attachments

Attachment A – Grant of Easement

Attachment B – Grant of Easement Map

Attachment C – Grant of Easement Resolution 05-2017

Attachment A
Grant of Easement



WHEN RECORDED RETURN TO:
REAL ESTATE DIVISION
COUNTY OF SACRAMENTO
3711 Branch Center Road
Sacramento, CA 95827
Mail Code 63-002

No Fee Document - Per Government Code 27383
No Document Transfer Tax - Per R & T Code 11922

Okay to Accept

Name/Date: _____

Print Name & Dept: _____

APN: 243-0180-009

Project Name & Dept: CHWD CORP YARD (SASD) THIS SPACE FOR RECORDER'S USE ONLY

EASEMENT FOR SEWER

CITRUS HEIGHTS WATER DISTRICT, a political subdivision of the State of California formed pursuant to Division 11 of the Water Code

(hereinafter referred to as "GRANTOR"), do(es) hereby grant to the Sacramento Area Sewer District, a county sanitation district formed pursuant to and operating under the authority of the County Sanitation District Act, commencing at Health and Safety Code section 4700, (hereinafter referred to as "SASD"), an easement, for sewer purposes, (hereinafter referred to as "Easement"), inclusive of digging, constructing, reconstructing, repairing, operating, upgrading and forever maintaining sanitary sewer pipelines, of such dimensions as SASD shall deem necessary, together with all necessary appurtenances, including the right to excavate, construct, reconstruct, repair, operate, upgrade and forever maintain said facilities appertaining thereto, including a perpetual right of way over, under, upon and across all that real property, (hereinafter referred to as "Easement Area"), situated in the County of Sacramento, State of California, described as follows:

SEE EXHIBITS 'A' and 'B' attached hereto and made a part hereof;

together with the perpetual right of ingress to and egress from said Easement Area, for the purpose of exercising and performing all of the rights and privileges herein granted.

Any use of this Easement Area by GRANTOR or assignees or successors in interest, shall not be allowed without the prior written approval of SASD; except for the following uses (collectively, the "Allowable Uses"): (i) lawn or similar groundcover; (ii) areas planted with species whose mature growth does not exceed five (5) feet in height and which are not environmentally protected; or (iii) driveways, sidewalks, bikepaths, surface parking, curbs and gutters. Any of said Allowable Uses shall not be installed in a manner that will impede vehicular access by SASD for maintenance purposes. Other than the aforementioned Allowable Uses, each use proposed by GRANTOR must be approved in writing by SASD's District Engineer, with said approval being in the District Engineer's sole discretion, prior to construction within or use of the Easement Area by the GRANTOR. For any required written approval, the GRANTOR shall contact the SASD Main Office. All use activities, including but not limited to Allowable Uses, shall not in any way limit SASD's rights under this Easement. Even if SASD's District Engineer has approved the use within the Easement Area, SASD retains the right to remove all or any part of the approved use to allow SASD to use the Easement Area at any time pursuant to the rights granted herein. SASD shall not be liable for any cost related to the removal or replacement of said improvements constructed by GRANTOR within the Easement Area.

[Signature page follows]

LOG No. _____

[Signature page to Easement for Sewer]

Warrant of Signature Authority. The Grantor warrants the signature appearing on this instrument of real property (i.e. Easement Deed, Grant Deed, Quit Claim Deed) has the legal and requisite signatory authority for the conveyance of Grantor's real property interest. Further, the Parties acknowledge and agree that this Grantee, which is a public entity, is relying on said Warrant of Signature Authority when accepting this real property instrument for recordation.

Dated this ____ day of _____, 20 ____

CITRUS HEIGHTS WATER DISTRICT, a political subdivision of the State of California formed pursuant to Division 11 of the Water Code

Hilary M. Straus
General Manager

CALIFORNIA ALL-PURPOSE 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 _____)

COUNTY OF _____)

On _____ before me, _____, notary public,
date name of notary officer

personally appeared _____,
name(s) of signer(s)

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

OPTIONAL SECTION

CAPACITY CLAIMED BY SIGNER

Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the document.

- INDIVIDUAL
- CORPORATE OFFICER(S)

Title(s)

- PARTNER(S) LIMITED
- GENERAL
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: _____

SIGNER IS REPRESENTING:
Name of Person(s) or entity(ies)

OPTIONAL SECTION:

DATA REQUESTED HERE IS NOT REQUIRED BY LAW.

TITLE OR TYPE OF DOCUMENT: _____

NUMBER OF PAGES _____ DATE _____

SIGNER(S) OTHER THAN NAMED ABOVE _____

CERTIFICATE OF ACCEPTANCE

Sacramento Area Sewer District

This is to certify that the interest in real property conveyed by the within deed, the provisions of which are incorporated by this reference as though fully set forth in this Certification, to the Sacramento Area Sewer District, a county sanitation district formed pursuant to and operating under the authority of the County Sanitation District Act, commencing at Health and Safety Code section 4700, is hereby accepted by the undersigned officer pursuant to authority conferred by Resolution No. SD-0232 of the Board of Directors of said District adopted on May 25, 2016 and the Grantee consents to recordation thereof by its duly authorized officer.

SASD Director of Operations

Date

EXHIBIT 'A'
Sewer Easement
APN: 243-0180-009

The South 21.00 feet of Parcel 3 as described in the Grant Deed to Citrus Heights Water District recorded in Book 20080613 of Official Records of Sacramento County, page 1361, State of California.

Said Parcel 3 being described as follows:

BEGINNING at a point from which the Southeast corner of Lot 4A as shown on the Official Plat of Citrus Heights Addition No. 3, filed in Book 12 of Maps, Map No. 2, in the Office of the County Recorder of Sacramento County, bears the following courses and distances: (1) South 00°25' West, 128.41 feet, to a point on the South line of said Lot 4A, said line also being on the centerline of Greenback lane; and (2) East 210.5 feet, along said South line and said centerline; THENCE from said POINT OF BEGINNING West, 20.00 feet; THENCE North 00°25' East, 288.42 feet, to a point on the North line of said Lot 4A; THENCE East, 20.00 feet, along said North line; THENCE South 00°25' West, 288.42 feet, to the POINT OF BEGINNING.

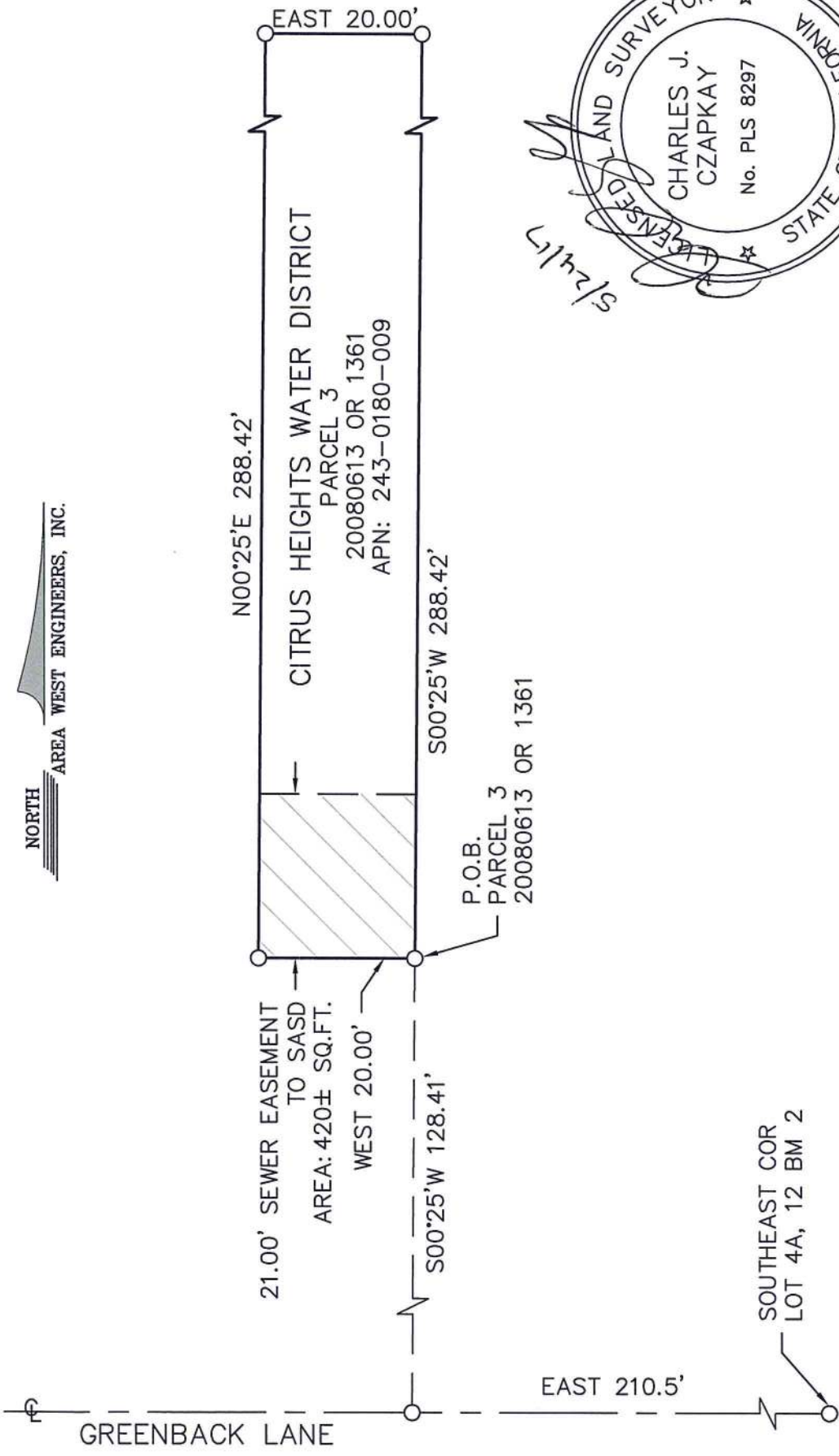
Containing 420 square feet, more or less.

End description.



Attachment B
Grant of Easement Map





<p>EXHIBIT 'B'</p> <p>SEWER EASEMENT</p> <p>APN: 243-0180-009</p> <p>CITY OF CITRUS HEIGHTS</p> <p>COUNTY OF SACRAMENTO</p> <p>STATE OF CALIFORNIA</p>	SCALE	17001
	HORIZ.: 1" = 20'	SHEET 1 OF 1
	VERT.: NONE	
	DATE: MAY, 2017	
<p>AREA WEST ENGINEERS, INC.</p> <p>ENGINEERING - SURVEYING - PLANNING</p> <p>7478 SANDALWOOD DRIVE, SUITE 400</p> <p>CITRUS HEIGHTS, CA 95621</p> <p>(916) 725-5551 (916) 725-5808 (FAX)</p> <p>AW@AREAWESTENG.COM</p>		

Attachment C
Grant of Easement Resolution 05-2017



CITRUS HEIGHTS WATER DISTRICT
RESOLUTION NO. 05-2017

RESOLUTION OF THE BOARD OF DIRECTORS
OF CITRUS HEIGHTS WATER DISTRICT
APPROVING GRANTING AN EASEMENT
TO
SACRAMENTO AREA SEWER DISTRICT

WHEREAS, CITRUS HEIGHTS WATER DISTRICT, a political subdivision of the State of California formed pursuant to Division 11 of the Water Code, is the owner of that certain property identified by Sacramento County Assessor's Parcel Number 243-0180-009, further known as a portion of the Citrus Heights Water District Corporation Yard, 6230 Sylvan Road; and

WHEREAS, CITRUS HEIGHTS WATER DISTRICT receives utility service to said property from the SACRAMENTO AREA SEWER DISTRICT; and

WHEREAS, the SACRAMENTO AREA SEWER DISTRICT has installed facilities over and upon said property for the purpose of providing utility service to CITRUS HEIGHTS WATER DISTRICT and others; and

WHEREAS, the SACRAMENTO AREA SEWER DISTRICT, as a requirement of providing service to said property, is requiring an easement across said property.

NOW THEREFORE BE IT RESOLVED that, for a valuable consideration, CITRUS HEIGHTS WATER DISTRICT does hereby approve the granting of an easement to the SACRAMENTO AREA SEWER DISTRICT over that certain real property situate in the City of Citrus Heights, County of Sacramento, State of California, particularly described as follows:

The South 21.00 feet of Parcel 3 as described in the Grant Deed to Citrus Heights Water District recorded in Book 20080613 of Official Records of Sacramento County, page 1361, State of California.

Said Parcel 3 being described as follows:

BEGINNING at a point from which the Southeast corner of Lot 4A as shown on the Official Plat of Citrus Heights Addition No. 3, filed in Book 12 of Maps, Map No. 2, in the Office of the County Recorder of Sacramento County, bears the following courses and distances: (1) South 00°25' West, 128.41 feet, to a point on the South line of said Lot 4A, said line also being on the centerline of Greenback lane; and (2) East 210.5 feet, along said South line and said centerline; THENCE from said POINT OF BEGINNING West, 20.00 feet; THENCE North 00°25' East, 288.42 feet, to a point on the North line of said Lot 4A; THENCE East, 20.00 feet, along said North line; THENCE South 00°25' West, 288.42 feet, to the POINT OF BEGINNING.

BE IT FURTHER RESOLVED that the President of the Board of Directors is hereby authorized to execute said Grant of Easement on behalf of the District.

PASSED AND ADOPTED by the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT, this 13th day of June 2017, by the following vote, to wit:

AYES: Directors: Sheehan, Riehle, Dains

NOES: Directors:

ABSTAIN: Directors:

ABSENT: Directors:

SEAL

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

ATTEST:

HILARY M. STRAUS, Secretary
Citrus Heights Water District

CERTIFICATION:

I, HILARY M. STRAUS, hereby certify and acknowledge that Resolution 05-2017 was adopted by the Board of Directors of Citrus Heights Water District at a duly called and noticed regular meeting of said Board on the 13th day of June 2017.

HILARY M. STRAUS, Secretary
Citrus Heights Water District

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS JUNE 13, 2017 REGULAR MEETING

SUBJECT : PARCEL MERGERS FOR CORPORATION YARD PROJECT
STATUS : Consent/Action Item
REPORT DATE : June 5, 2017
PREPARED BY : Paul Dietrich, Project Manager

OBJECTIVE:

Consider adoption of Resolutions 07-2017 and 08-2017, approving two (2) parcel mergers for the Corporation Yard Improvement project.

BACKGROUND AND ANALYSIS:

Citrus Heights Water District is currently preparing to undertake improvements to its Corporation Yard. The Corporation Yard currently consists of six (6) separate legal parcels. As part of the Corporation Yard Improvement project, Citrus Heights Water District wishes to merge these parcels into a single parcel.

The City of Citrus Heights processed the proposal administratively without City Council approval. However, it had to be done in two separate transactions because City policy only allows four parcels to be merged at once. Accordingly, if CHWD wishes to proceed, staff will record one application to merge four parcels (APN 243-0180-005, -006, -007 and -046) with the County of Sacramento (Attachments A and B). Once this merger is finalized, staff would file a second application to merge this new parcel with the remaining two (2) parcels (APN 243-180-009 and -011) (Attachment D and E). The District's engineer consultant, Domenichelli & Associates, has prepared the necessary documents and worked with the City Engineer to prepare the necessary maps and process the applications.

To proceed, the Board of Directors must authorize staff to record the two (2) mergers of the six (6) parcels into a single parcel for the Corporation Yard Improvement project. Doing so will finalize the mergers and ensure that the Corporation Yard is a single legal parcel and not a collection of separate parcels.

RECOMMENDATION:

Adopt Resolutions 07-2017 (Attachment C) and 08-2017 (Attachment F), approving two (2) parcel mergers for the Corporation Yard Improvement project and authorizing the General Manager or designee to record two (2) mergers with the County of Sacramento to first merge parcels (APN 243-0180-005, -006, -007 and -046) and to record a second merger to merge this new parcel with the remaining two (2) parcels (APN 243-180-009 and -011).

ACTION:

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



List of Attachments

Attachment A – Parcel Merger 1

Attachment B – Parcel Merger 1 Map

Attachment C – Parcel Merger 1 Resolution 07-2017

Attachment D – Parcel Merger 2

Attachment E – Parcel Merger 2 Map

Attachment F – Parcel Merger 2 Resolution 08-2017

Attachment A
Parcel Merger 1



WHEN RECORDED PLEASE MAIL TO:

CITY OF CITRUS HEIGHTS
GENERAL SERVICES DEPT/af
6360 Fountain Square Drive
Citrus Heights, CA 95621

RECORDING REQUESTED BY:

Citrus Heights Water District
6230 Sylvan Road
Citrus Heights, CA 95610

Project Name:
CHWD Lot Merger 1
Sylvan Road & Shuman Lane

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

LOT MERGER-17-0008

OWNER (S): PARCEL 1 (6209 Shuman Lane) PARCEL 2 (6221 Shuman Lane)
Citrus Heights Water District Citrus Heights Water District
6230 Sylvan Road 6230 Sylvan Road
Citrus Heights, CA 95610 Citrus Heights, CA 95610

PARCEL 3 (6210 Shuman Lane) PARCEL 4 (6230 Sylvan Road)
Citrus Heights Water District Citrus Heights Water District
6230 Sylvan Road 6230 Sylvan Road
Citrus Heights, CA 95610 Citrus Heights, CA 95610

APPLICANT: Citrus Heights Water District
6230 Sylvan Road
Citrus Heights, CA 95610

LAND SURVEYOR: Charles Czapkay, P.L.S. (#8297)
7478 Sandalwood Drive, Suite 400
Citrus Heights, CA 95621

**ASSESSOR'S
PARCEL**

NUMBERS: 243-0180-005-0000 (PARCEL 1)
243-0180-006-0000 (PARCEL 2)
243-0180-007-0000 (PARCEL 3)
243-0180-046-0000 (PARCEL 4)

LOCATION: Parcels are located on the east side of Sylvan Road, approximately 130 feet north of Greenback Lane in the City of Citrus Heights.

DESCRIPTION: See the attached legal descriptions and plat for the Parcels labeled EXHIBIT A and EXHIBIT B, respectively.

WHEREAS, a request has been submitted to merge said parcels as identified by the parcel description listed above, and;

WHEREAS, the requested adjustment is made for the purpose of merging four parcels into one parcel, and;

WHEREAS, no additional lot is being created, and;

WHEREAS, the requested lot merger does not result in a violation of any City Ordinance, and;

WHEREAS, the requested lot merger does not result in a violation of the Subdivision Map Act.

NOW, THEREFORE, BE IT KNOWN, that the City Engineer and the Community and Economic Development Director of the City of Citrus Heights, County of Sacramento, State of California, hereby grants approval that said lot merger may be legally recorded.

BE IT ALSO KNOWN that if the applicant does not take all necessary steps to record said lot merger at the County Recorder's Office within one year from the date of adoption hereon, this approval will expire.



CHRIS FALLBECK, P.E.
CITY ENGINEER
CITY OF CITRUS HEIGHTS
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA



DATE



RHONDA SHERMAN
COMMUNITY & ECONOMIC DEVELOPMENT DIRECTOR
CITY OF CITRUS HEIGHTS
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA



DATE

EXHIBIT 'A'
Lot Merger 1
Legal Description

A portion of Lots 4A and 4B as shown on the plat of "Citrus Heights Addition No. 3", filed in Book 12 of Maps, Map No. 2, Sacramento County Records, said portions of Lots 4A and 4B also being described in the Grant Deeds to Citrus Height Water District, recorded in Book 880419 of Official Records of Sacramento County, Page 0922, Book 20000922 of Official Records of Sacramento County, Page 1102 and Book 20080613 of Official Records of Sacramento County, Page 1326, State of California, being more particularly as follows:

BEGINNING at the Southeast corner of Parcel 1 as described in said 20080613 OR 1326, from which point, the Southeast corner of said Lot 4A bears the following two (2) courses and distances: (1) South 00°25'00" West, 128.41 feet, to a point on the South line of said Lot 4A, said South line also being the centerline of Greenback Lane, a public lane; (2) along said South line, South 89°56'30" East, 230.50 feet, to said Southeast corner of Lot 4A; THENCE from said POINT OF BEGINNING, along the South line of said Parcel 1, 20080613 OR 1326, North 90°00'00" West, 79.47 feet (78.5 feet per Parcel 1, 20080613 OR 1326), to the Southwest corner of said Parcel 1; THENCE along the West line of said Parcel 1, North 00°25'00" East, 77.14 feet, to the Southerly most corner of said 880419 OR 0922; THENCE along the Southerly line of said 880419 OR 0922, North 89°56'30" West, 212.00 feet, to a point on the West line of said Lot 4A, said West line also being the centerline of Sylvan Road, a 60 foot public road; THENCE along said West line of Lot 4A and the West line of said Lot 4B, North 00°25'00" East, 296.47 feet, to the Northwest corner of said 880419 OR 0922; THENCE along the North line of said 880419 OR 0922, South 89°56'08" East, 389.76 feet, to the Northeast corner of said 880419 OR 0922; THENCE along the Easterly most line of said 880419 OR 0922, South 00°19'29" West, 85.00 feet, to a point on the North line of said Lot 4A; THENCE along said North line, North 89°56'08" West, 98.43 feet, to the Northeast corner of said 20000922 OR 1102; THENCE along the East line of said 20000922 OR 1102 and 20080613 OR 1326, South 00°25'00" West, 288.51 feet, to the POINT OF BEGINNING.

Containing 2.31 gross acres, more or less.

The Basis of Bearings of the above description and the attached Exhibit 'B' is the centerline of Sylvan Road as shown on the Record of Survey filed in Book 44 of Surveys, at Page 18, Sacramento County Records.

End description.



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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 Sacramento)
On May 3, 2017 before me, Regina M. Cave, Notary Public,
Date Here Insert Name and Title of the Officer
personally appeared Chris Fallbeck
Name(s) of Signer(s)

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 Regina M. Cave
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Lot Merge 17-0008 Document Date: _____
Number of Pages: _____ Signer(s) Other Than Named Above: Rhonda Sherman

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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 Sacramento)
On May 4, 2017 before me, Regina M. Cave, Notary Public,
Date Here Insert Name and Title of the Officer
personally appeared Rhonda Sherman
Name(s) of Signer(s)

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 Regina M. Cave
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Lot Merger 17-0008 Document Date: _____
Number of Pages: _____ Signer(s) Other Than Named Above: Chris Fallbeck

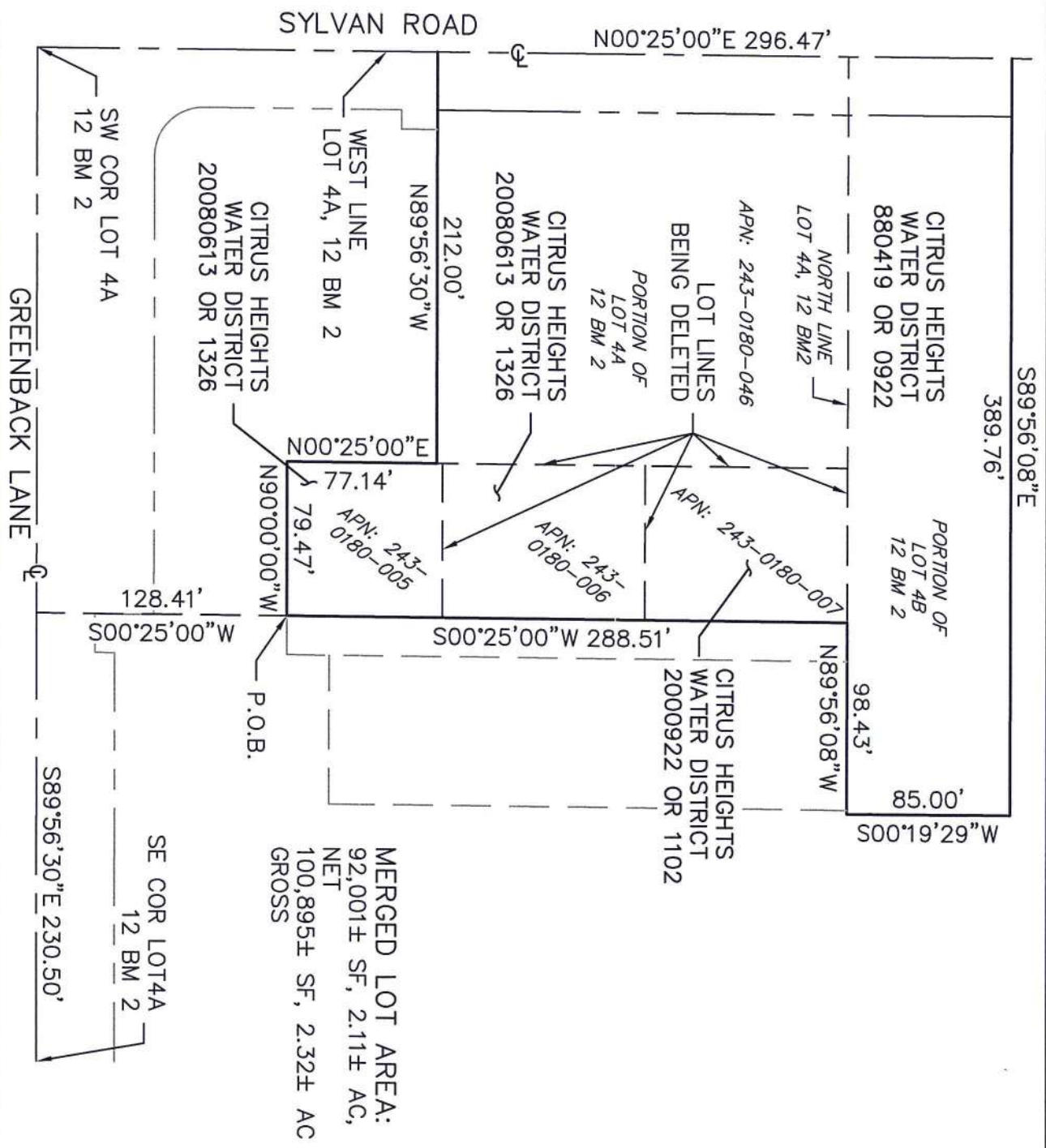
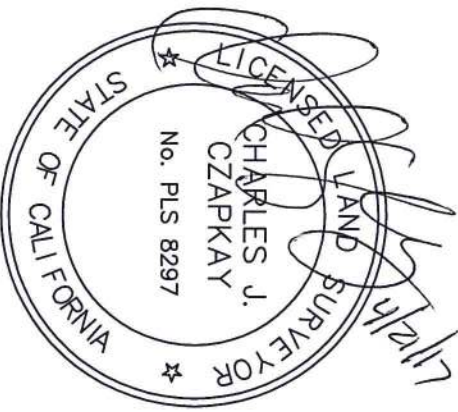
Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

Attachment B
Parcel Merger 1 Map





MERGED LOT AREA:
92,001± SF, 2.11± AC,
NET
100,895± SF, 2.32± AC
GROSS

AREA WEST ENGINEERS, INC.
ENGINEERING - SURVEYING - PLANNING
7478 SANDALWOOD DRIVE, SUITE 400
CITRUS HEIGHTS, CA 95621
(916) 725-5551 (916) 725-5808 (FAX)
AME@AREAWESTENG.COM

EXHIBIT 'B'
LOT MERGER 1
APN's: 243-0180-005, 006, 007 & 046
CITY OF CITRUS HEIGHTS
COUNTY OF SACRAMENTO
STATE OF CALIFORNIA

SCALE		17001
HORIZ.:	1" = 80'	
VERT.:	NONE	1 SHEET OF 1
DATE:	APRIL, 2017	

Attachment C
Parcel Merger 1 Resolution 07-2017



CITRUS HEIGHTS WATER DISTRICT
RESOLUTION NO. 07-2017

RESOLUTION OF THE BOARD OF DIRECTORS
OF CITRUS HEIGHTS WATER DISTRICT
ACCEPTING PARCEL MERGERS AT THE CORPORATON YARD AT 6230 SYLVAN ROAD

WHEREAS, CITRUS HEIGHTS WATER DISTRICT (DISTRICT) is the owner of four (4) certain real properties as follows:

- | | | |
|-------------|------------------|------------------|
| 1. Parcel 1 | 6209 Shuman Lane | APN 243-0180-005 |
| 2. Parcel 2 | 6221 Shuman Lane | APN 243-0180-006 |
| 3. Parcel 3 | 6210 Shuman Lane | APN 243-0180-007 |
| 4. Parcel 4 | 6230 Sylvan Road | APN 243-0180-046 |

WHEREAS, the DISTRICT hereby determines that merging said four (4) parcels into a single parcel removes coexisting parcel lines and creates a uniform parcel; thus enabling a best use of the property.

NOW THEREFORE BE IT RESOLVED that, for a valuable consideration, CITRUS HEIGHTS WATER DISTRICT does hereby ACCEPT the merger of said four (4) parcels into a single parcel.

PASSED AND ADOPTED by the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT, this 13th day of June 2017, by the following vote, to wit:

AYES: Directors: Sheehan, Riehle, Dains
NOES: Directors:
ABSTAIN: Directors:
ABSENT: Directors:

SEAL

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

ATTEST:

HILARY M. STRAUS, Secretary
Citrus Heights Water District

CERTIFICATION:

I, HILARY M. STRAUS, hereby certify and acknowledge that Resolution 07-2017 was adopted by the Board of Directors of Citrus Heights Water District at a duly called and noticed regular meeting of said Board on the 13th day of June 2017.

HILARY M. STRAUS, Secretary
Citrus Heights Water District

DRAFT

Attachment D
Parcel Merger 2



WHEN RECORDED PLEASE MAIL TO:

CITY OF CITRUS HEIGHTS
GENERAL SERVICES DEPT/af
6360 Fountain Square Drive
Citrus Heights, CA 95621

RECORDING REQUESTED BY:

Citrus Heights Water District
6230 Sylvan Road
Citrus Heights, CA 95610

Project Name:
CHWD Lot Merger 2
Sylvan Road & Shuman Lane

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

LOT MERGER-17-0009

OWNER (S): PARCEL 1 (6230 Sylvan Road) PARCEL 2 (Shuman Ln - private road)
Citrus Heights Water District Citrus Heights Water District
6230 Sylvan Road 6230 Sylvan Road
Citrus Heights, CA 95610 Citrus Heights, CA 95610

PARCEL 3 (6206 Shuman Lane)
Citrus Heights Water District
6230 Sylvan Road
Citrus Heights, CA 95610

APPLICANT: Citrus Heights Water District
6230 Sylvan Road
Citrus Heights, CA 95610

LAND SURVEYOR: Charles Czapkay, P.L.S. (#8297)
7478 Sandalwood Drive, Suite 400
Citrus Heights, CA 95621

**ASSESSOR'S
PARCEL**

NUMBERS: XXX-XXXX-XXX-0000 (PARCEL 1)
243-0180-009-0000 (PARCEL 2)
243-0180-011-0000 (PARCEL 3)

LOCATION: Parcels are located on the east side of Sylvan Road, approximately 130 feet north of Greenback Lane in the City of Citrus Heights.

DESCRIPTION: See the attached legal descriptions and plat for the Parcels labeled EXHIBIT A and EXHIBIT B, respectively.

WHEREAS, a request has been submitted to merge said parcels as identified by the parcel description listed above, and;

WHEREAS, the requested adjustment is made for the purpose of merging three parcels into one parcel, and;


WHEREAS, no additional lot is being created, and;

WHEREAS, the requested lot merger does not result in a violation of any City Ordinance, and;

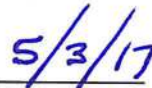
WHEREAS, the requested lot merger does not result in a violation of the Subdivision Map Act.

NOW, THEREFORE, BE IT KNOWN, that the City Engineer and the Community and Economic Development Director of the City of Citrus Heights, County of Sacramento, State of California, hereby grants approval that said lot merger may be legally recorded.

BE IT ALSO KNOWN that if the applicant does not take all necessary steps to record said lot merger at the County Recorder's Office within one year from the date of adoption hereon, this approval will expire.



CHRIS FALLBECK, P.E.
CITY ENGINEER
CITY OF CITRUS HEIGHTS
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA



DATE



RHONDA SHERMAN
COMMUNITY & ECONOMIC DEVELOPMENT DIRECTOR
CITY OF CITRUS HEIGHTS
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA



DATE

EXHIBIT 'A'
Lot Merger 2
Legal Description

A portion of Lots 4A and 4B as shown on the plat of "Citrus Heights Addition No. 3", filed in Book 12 of Maps, Map No. 2, Sacramento County Records, said portions of Lots 4A and 4B also being described in the Grant Deeds to Citrus Height Water District, recorded in Book 880419 of Official Records of Sacramento County, Page 0922, Book 20000922 of Official Records of Sacramento County, Page 1102 and Book 20080613 of Official Records of Sacramento County, Page 1326, State of California, being more particularly as follows:

BEGINNING at the Southeast corner of Parcel 1 as described in said 20080613 OR 1326, from which point, the Southeast corner of said Lot 4A bears the following two (2) courses and distances: (1) South 00°25'00" West, 128.41 feet, to a point on the South line of said Lot 4A, said South line also being the centerline of Greenback Lane, a public lane; (2) along said South line, South 89°56'30" East, 230.50 feet, to said Southeast corner of Lot 4A; THENCE from said POINT OF BEGINNING, along the South line of said Parcel 1, 20080613 OR 1326, North 90°00'00" West, 79.47 feet (78.5 feet per Parcel 1, 20080613 OR 1326), to the Southwest corner of said Parcel 1; THENCE along the West line of said Parcel 1, North 00°25'00" East, 77.14 feet, to the Southerly most corner of said 880419 OR 0922; THENCE along the Southerly line of said 880419 OR 0922, North 89°56'30" West, 212.00 feet, to a point on the West line of said Lot 4A, said West line also being the centerline of Sylvan Road, a 60 foot public road; THENCE along said West line of Lot 4A and the West line of said Lot 4B, North 00°25'00" East, 296.47 feet, to the Northwest corner of said 880419 OR 0922; THENCE along the North line of said 880419 OR 0922, South 89°56'08" East, 389.76 feet, to the Northeast corner of said 880419 OR 0922; THENCE along the Easterly most line of said 880419 OR 0922, South 00°19'29" West, 85.00 feet, to a point on the North line of said Lot 4A; THENCE along said North line, North 89°56'08" West, 1.93 feet, to the Northeast corner of Parcel 4 as described in said 20080613 OR 1326; THENCE along the East line of said Parcel 4, South 00°25'00" West, 266.90 feet, to the Southeast corner of said Parcel 4; THENCE along the South line of said Parcel 4, North 89°52'46" West, 76.50 feet, to a point on the East line of Parcel 3 as described in said 20080613 OR 1326; THENCE along said East line, South 00°25'00" West, 21.67 feet, to the Southeast corner of said Parcel 3; THENCE along the South line of said Parcel 3, South 90°00'00" West, 20.00 feet, to the POINT OF BEGINNING.

Containing 2.31 gross acres, more or less.

The Basis of Bearings of the above description and the attached Exhibit 'B' is the centerline of Sylvan Road as shown on the Record of Survey filed in Book 44 of Surveys, at Page 18, Sacramento County Records.

End description.



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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 Sacramento)
On May 3, 2017 before me, Regina M. Cave, Notary Public
Date Here Insert Name and Title of the Officer
personally appeared Chris Fallbeck
Name(s) of Signer(s)

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 Regina M. Cave
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Let Merger 17-0009 Document Date: _____
Number of Pages: _____ Signer(s) Other Than Named Above: Rhonda Sherman

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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 Sacramento)
On May 4, 2017 before me, Regina M. Cave, Notary Public
Date Here Insert Name and Title of the Officer
personally appeared Rhonda Sherman
Name(s) of Signer(s)

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 Regina M. Cave
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Lot Merger 17-0009 Document Date: _____
Number of Pages: _____ Signer(s) Other Than Named Above: Chris Fallbeck

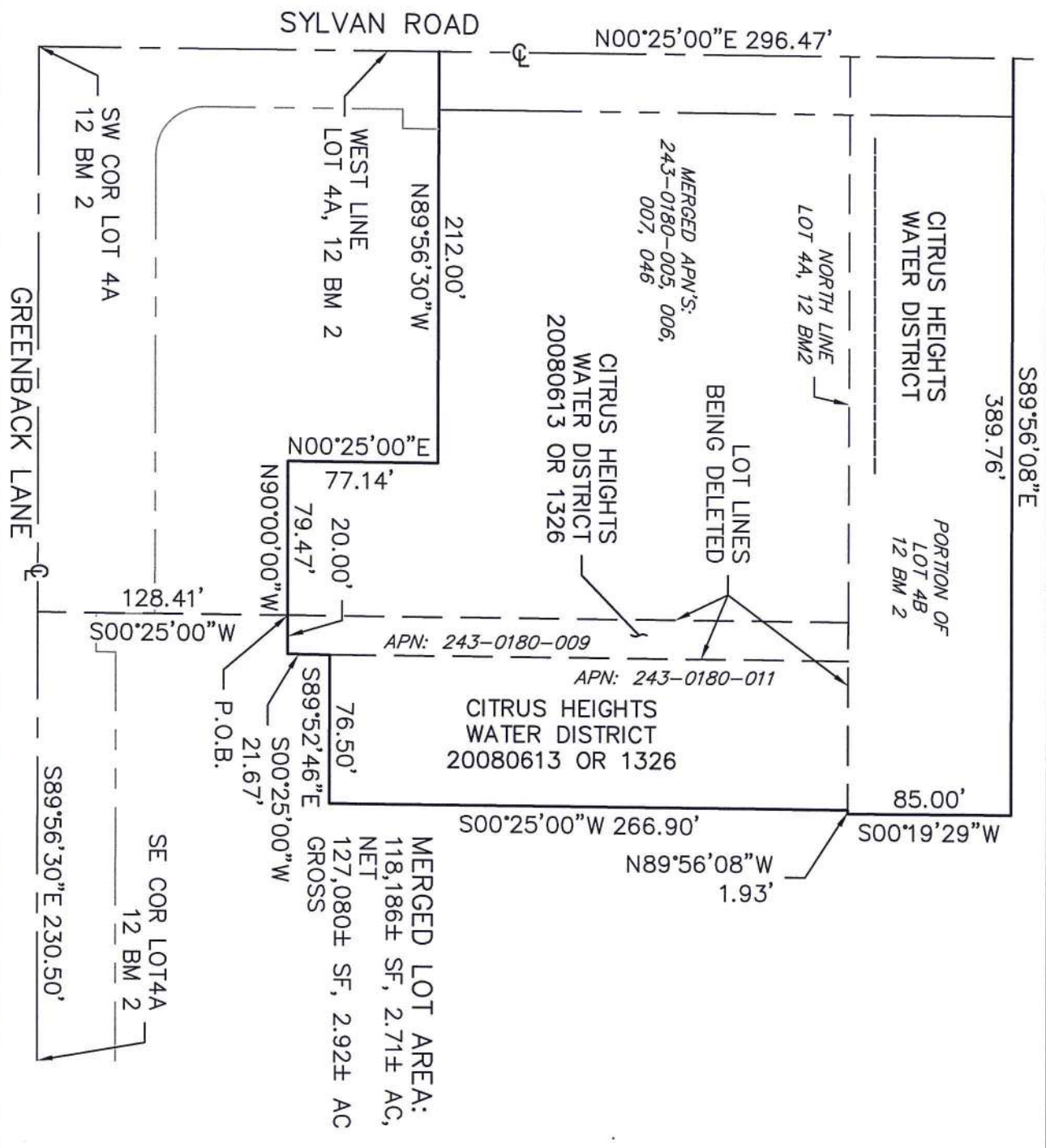
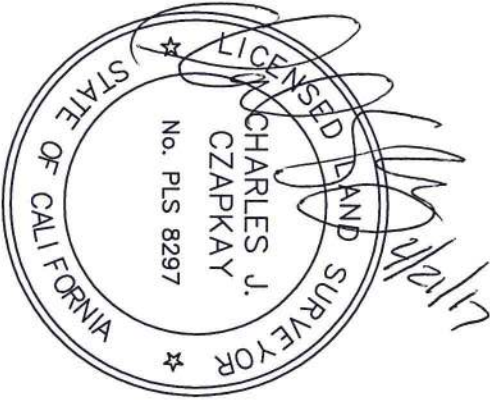
Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

Attachment E
Parcel Merger 2 Map





AREA WEST ENGINEERS, INC.
ENGINEERING - SURVEYING - PLANNING
7478 SANDALWOOD DRIVE, SUITE 400
CITRUS HEIGHTS, CA 95621
(916) 725-5551 (916) 725-5808 (FAX)
AW@AREAWESTENG.COM

EXHIBIT 'B'
LOT MERGER 2
MERGED APN's: 243-0180-005, 006, 007 & 046 &
APN's: 243-0180-009 & 011
CITY OF CITRUS HEIGHTS
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

SCALE		17001
HORIZ.:	1" = 80'	
VERT.:	NONE	1 of 1
DATE:	APRIL, 2017	

Attachment F
Parcel Merger 2 - Resolution 08-2017



CITRUS HEIGHTS WATER DISTRICT
RESOLUTION NO. 08-2017

RESOLUTION OF THE BOARD OF DIRECTORS
OF CITRUS HEIGHTS WATER DISTRICT
ACCEPTING PARCEL MERGERS AT CORPORATON YARD AT 6230 SYLVAN ROAD

WHEREAS, CITRUS HEIGHTS WATER DISTRICT (DISTRICT) is the owner of three (3) certain real properties as follows:

1. Parcel 1 6230 Sylvan Road APN 243-0180-005,006, 007, 046 (Previously Merged)
2. Parcel 2 Shuman Lane (Private Road) APN 243-0180-009
3. Parcel 3 6206 Shuman Lane APN 243-0180-011

WHEREAS, the DISTRICT hereby determines that merging said three (3) parcels into a single parcel removes coexisting parcel lines and creates a uniform parcel; thus enabling a best use of the property.

NOW THEREFORE BE IT RESOLVED that, for a valuable consideration, CITRUS HEIGHTS WATER DISTRICT does hereby ACCEPT the merger of said three (3) parcels into a single parcel.

PASSED AND ADOPTED by the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT, this 13th day of June 2017, by the following vote, to wit:

AYES: Directors: Sheehan, Riehle, Dains
NOES: Directors:
ABSTAIN: Directors:
ABSENT: Directors:

SEAL

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

ATTEST:

HILARY M. STRAUS, Secretary
Citrus Heights Water District

CERTIFICATION:

I, HILARY M. STRAUS, hereby certify and acknowledge that Resolution 08-2017 was adopted by the Board of Directors of Citrus Heights Water District at a duly called and noticed regular meeting of said Board on the 13th day of June 2017.

HILARY M. STRAUS, Secretary
Citrus Heights Water District

DRAFT

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS JUNE 13, 2017 REGULAR MEETING

SUBJECT : DISCUSSION AND POSSIBLE ACTION TO APPROVE ON-CALL TRUCKING SERVICES AGREEMENTS WITH RAYCE WILSON TRUCKING AND BLUE JAY TRUCKING, LLC

STATUS : Consent/Action Item

REPORT DATE : June 7, 2017

PREPARED BY : David M. Gordon, Operations Manager

OBJECTIVE:

Consider acceptance of responsive proposals for on-call trucking services for the Citrus Heights Water District (District) and approve agreements with Rayce Wilson Trucking and Blue Jay Trucking, LLC for on-call trucking services.

BACKGROUND AND ANALYSIS:

The District's Operations work crews are involved in daily maintenance of the District's underground water infrastructure. This includes, but is not limited to, excavations in streets, driveways, parking lots, landscaped and unimproved areas for repair to and/or replacement work of the District's underground infrastructure. After the District repairs and/or replaces the underground infrastructure, the District backfills the excavation using 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 as-needed 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 to and from the District is essential.

The District issued a Request for Proposals for on-call trucking services on May 26, 2017. In response, six (6) sealed bids were received on June 6, 2017, at which time the proposals were opened and read publicly. The two apparent low bidders are Rayce Wilson Trucking of Fair Oaks, CA and Blue Jay Trucking, LLC of Sacramento, CA. Bids items and bid results are as follows:

Bid Item #	Bid Item Description	Est. # of Hours
1	Haul in materials w/transfer (5 axles)	300
2	Haul in materials w/ten (10) wheel	300
3	Haul out spoils w/transfer (5 axles)	275
4	Haul out spoils w/ten (10) wheel	275
5	End Dump	150

Name / Company	Item 1 (\$/HR)	Item 2 (\$/HR)	Item 3 (\$/HR)	Item 4 (\$/HR)	Item 5 (\$/HR)
Rayce Wilson Trucking	\$ 85.00	\$ 80.00	\$ 85.00	\$ 80.00	\$ 85.00
Blue Jay Trucking, LLC.	\$ 87.00	\$ 80.00	\$ 87.00	\$ 80.00	\$ 87.00
West Coast Water & Trucking, Inc.	\$ 94.00	\$ 89.00	\$ 94.00	\$ 89.00	\$ 94.00
Foothill Machine, Inc.	\$ 100.00	\$ 90.00	\$ 100.00	\$ 90.00	\$ 105.00
Bob's Trucking, Inc.	\$ 100.00	\$ 90.00	\$ 100.00	\$ 90.00	\$ 105.00
GR Trucking, Inc.	\$ 100.00	\$ 95.00	\$ 100.00	\$ 95.00	\$ 100.00

The District’s previous cost for trucking services was \$95.00 per hour for a 5 or 10 axle truck and trailer(s). The current trucking service does not provide the use of an end dump for the disposal of spoils.

The timeline to perform trucking services for material import and export requires a quick response time. Based on this need, the District will issue the contracted company with a Notice to Proceed when trucking services are required. The contract then allows the contractor two days to respond to the Notice to Proceed. If the contractor does not respond or is unable to provide services, the District can then issue a Notice to Proceed to a back-up hauler. This expedited on-call service is to ensure that the District’s Corporation Yard does not overflow with excavation spoils or lack materials for backfilling during a larger scale emergency or project. The District would like to enter into contract agreements with the two (2) lowest bidders in order to ensure redundancy and a quick response for a time sensitive issue. The District will provide the low bidder with a Notice to Proceed first, followed by the second.

The District is seeking to reduce the amount of continuous bidding for annual operations projects; therefore, the bidding on the project has an optional three (3) percent increase for Rayce Wilson Trucking and a zero (0) percent increase for Blue Jay Trucking, LLC on the bid items for the 24-months following the end of the initial contract term date of December 31, 2018.

RECOMMENDATION:

Accept the proposal by Rayce Wilson Trucking and Blue Jay Trucking, LLC for on-call trucking services throughout the District service area. Authorize the General Manager to execute the accompanying agreements with Rayce Wilson Trucking (Attachment A) and Blue Jay Trucking, LLC (Attachment B) for hauling materials into and out of the District’s Corporation Yard and project jobsites as necessary. Authorize the General Manager to utilize the contractors as necessary during the term of the agreements.

ACTION:

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

ATTACHMENT A

2017/18 Trucking Services Agreement
Rayce Wilson Trucking

**CITRUS HEIGHTS WATER DISTRICT
2017/18 TRUCKING SERVICES AGREEMENT**

1. PARTIES AND DATE.

This Agreement is made and entered into this *****INSERT DAY***** day of *****INSERT MONTH*****, *****INSERT YEAR***** 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 Rayce Wilson Trucking, a Sole Proprietorship with its principal place of business at P.O. Box 1595, Fair Oaks, CA 95628, telephone number (916) 539-1944 (“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 2017/18 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, 2018 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, 2018 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 owner Rayce Wilson, 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 seven thousand, six hundred twenty five dollars (\$107,625.00) without written approval of District's Operations Manager. 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:

Rayce Wilson Trucking
Rayce Wilson
P.O. Box 1595
Fair Oaks, CA 95628

District:

Citrus Heights Water District
6230 Sylvan Road
Citrus Heights, California 95610
Attn: David M. Gordon, Operations Department

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 MAINTENANCE SERVICES AGREEMENT
BETWEEN THE CITRUS HEIGHTS WATER DISTRICT
AND RAYCE WILSON TRUCKING**

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the
INSERT DAY day of ***INSERT MONTH***, ***INSERT YEAR***.

CITRUS HEIGHTS WATER DISTRICT

RAYCE WILSON TRUCKING

By: _____
Hilary M. Straus
General Manager

By: _____
Its: _____
Printed Name: _____

Federal ID No. _____
Business License Number _____ (City of
_____)

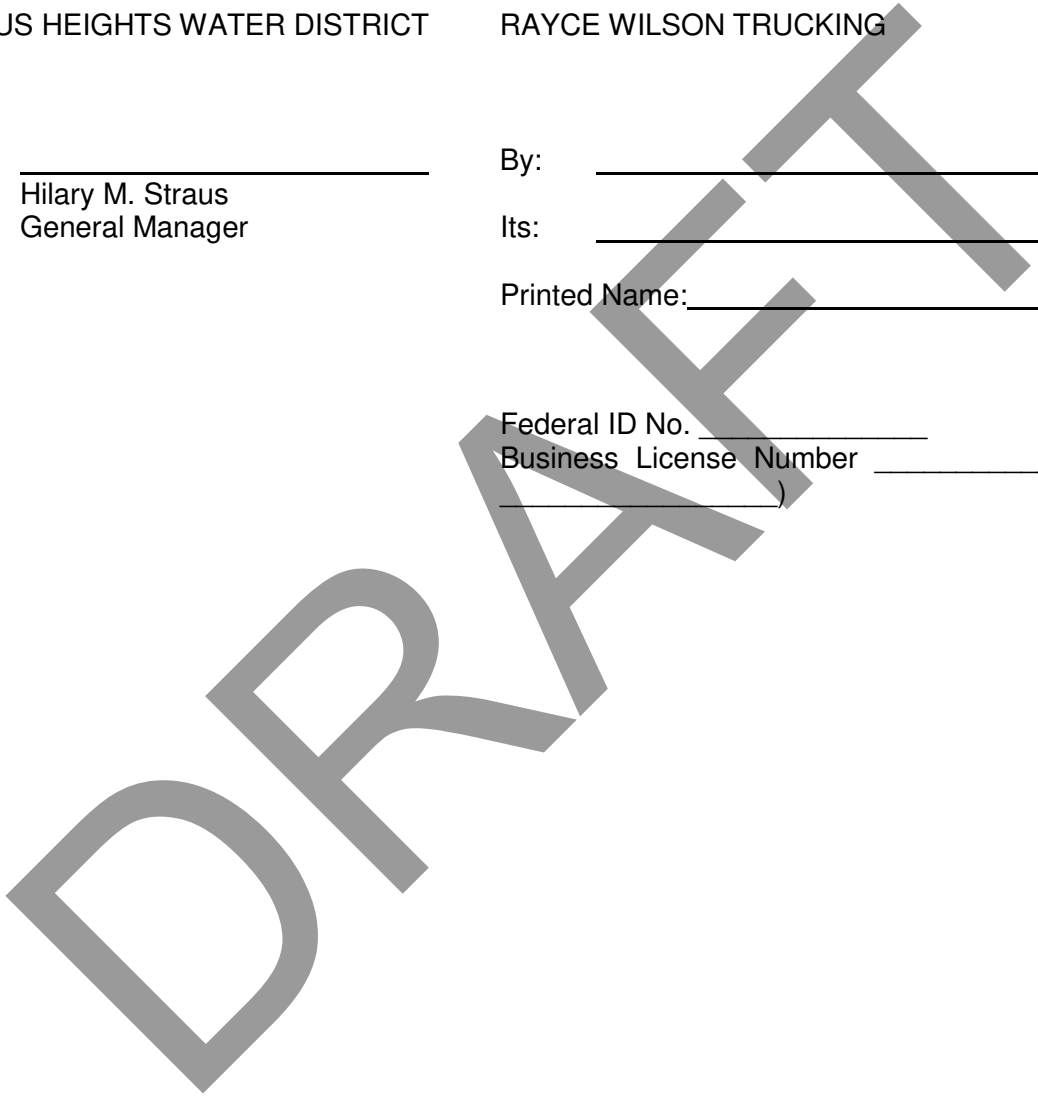


EXHIBIT “A”

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 site. These services include;

- Delivery road base materials (aggregate base & sand) 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 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 backhoe at the designated locations.
- Providing 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.

Item #	Description	Estimated # of Hours	Unit	Unit Price	Total
1	Haul in materials w/transfer (5 axles)	300	Hourly	\$ 85.00	\$ 25,500.00
2	Haul in materials w/ten (10) wheel	300	Hourly	\$ 80.00	\$ 24,600.00
3	Haul out spoils w/transfer (5 axle)	275	Hourly	\$ 85.00	\$ 23,375.00
4	Haul out spoils w/ten (10) wheel	275	Hourly	\$ 80.00	\$ 22,000.00
5	End Dump	150	Hourly	\$ 85.00	\$ 12,750.00
GRAND TOTAL ALL ITEMS (1)					\$ 107,625.00

*Estimated Total Hours are based upon 2016 Trucking Report. These numbers were modified for use in estimating the total hours for the remained of the 2017 and the 2018 calendar years.

During the extension term, the above amounts shall increase by the following percentages:

Item #	Description	% Increase
1	Haul in materials w/transfer (5 axles)	3%
2	Haul in materials w/ten (10) wheel	3%
3	Haul out spoils w/transfer (5 axle)	3%
4	Haul out spoils w/ten (10) wheel	3%
5	End Dump	3%

The District may retain contractors to provide trucking services at the District’s discretion. The Contractor will have a maximum of two (2) business days to respond to each Notice to Proceed by the District. In the event that Contractor cannot perform the Services within the required timeframe from the Notice to Proceed, the District will issue a Notice to Proceed to another contractor.

EXHIBIT “B”

SCHEDULE OF SERVICES

The District may retain contractors to provide trucking services at the District’s discretion. The Contractor will have a maximum of two (2) business days to respond to each Notice to Proceed by the District. In the event that Contractor cannot perform the Services within the required timeframe from the Notice to Proceed, the District will issue a Notice to Proceed to another contractor. Work shall be completed within the timeframe set forth in the Notice to Proceed.

DRAFT

EXHIBIT “C”
COMPENSATION

Item #	Description	Estimated # of Hours	Unit	Unit Price	Total
1	Haul in materials w/transfer (5 axles)	300	Hourly	\$ 85.00	\$ 25,500.00
2	Haul in materials w/ten (10) wheel	300	Hourly	\$ 80.00	\$ 24,600.00
3	Haul out spoils w/transfer (5 axle)	275	Hourly	\$ 85.00	\$ 23,375.00
4	Haul out spoils w/ten (10) wheel	275	Hourly	\$ 80.00	\$ 22,000.00
5	End Dump	150	Hourly	\$ 85.00	\$ 12,750.00
GRAND TOTAL ALL ITEMS (1)					\$ 107,625.00

*Estimated Total Hours are based upon 2016 Trucking Report. These numbers were modified for use in estimating the total hours for the remained of the 2017 and the 2018 calendar years.

During the extension term, the above amounts shall increase by the following percentages:

Item #	Description	% Increase
1	Haul in materials w/transfer (5 axles)	3%
2	Haul in materials w/ten (10) wheel	3%
3	Haul out spoils w/transfer (5 axle)	3%
4	Haul out spoils w/ten (10) wheel	3%
5	End Dump	3%

Performance/ Payment Bonds are Not Required per this Agreement – See Section 3.2.13

ATTACHMENT B

2017/18 Trucking Services Agreement
Blue Jay Trucking LLC

**CITRUS HEIGHTS WATER DISTRICT
2017/18 TRUCKING SERVICES AGREEMENT**

1. PARTIES AND DATE.

This Agreement is made and entered into this *****INSERT DAY***** day of *****INSERT MONTH*****, *****INSERT YEAR***** 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, LLC., a Corporation with its principal place of business at P.O. Box 29188, Sacramento, CA 95829, telephone number (916) 479-1720 (“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 2017/18 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, 2018 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, 2018 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 Operations Manager Japinder 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 nine thousand, seventy five dollars (\$109,075.00) without written approval of District's Operations Manager. 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:

Japinder Shoker
Blue Jay Trucking, LLC.
P.O. Box 29188
Sacramento, CA 95829

District:

Citrus Heights Water District
6230 Sylvan Road
Citrus Heights, California 95610
Attn: David M. Gordon, Operations Department

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 MAINTENANCE SERVICES AGREEMENT
BETWEEN THE CITRUS HEIGHTS WATER DISTRICT
AND BLUE JAY TRUCKING, LLC.**

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the
INSERT DAY day of ***INSERT MONTH***, ***INSERT YEAR***.

CITRUS HEIGHTS WATER DISTRICT

BLUE JAY TRUCKING, LLC.

By: _____
Hilary M. Straus
General Manager

By: _____
Its: _____
Printed Name: _____

Federal ID No. _____
Business License Number _____ (City of
_____)

DRAFT

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 site. These services include;

- Delivery road base materials (aggregate base & sand) 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 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 backhoe at the designated locations.
- Providing 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.

Item #	Description	Estimated # of Hours	Unit	Unit Price	Total
1	Haul in materials w/transfer (5 axles)	300	Hourly	\$ 87.00	\$ 26,100.00
2	Haul in materials w/ten (10) wheel	300	Hourly	\$ 80.00	\$ 24,000.00
3	Haul out spoils w/transfer (5 axle)	275	Hourly	\$ 87.00	\$ 23,925.00
4	Haul out spoils w/ten (10) wheel	275	Hourly	\$ 80.00	\$ 22,000.00
5	End Dump	150	Hourly	\$ 87.00	\$ 13,050.00
GRAND TOTAL ALL ITEMS (1)					\$ 109,075.00

*Estimated Total Hours are based upon 2016 Trucking Report. These numbers were modified for use in estimating the total hours for the remained of the 2017 and the 2018 calendar years.

During the extension term, the above amounts shall increase by the following percentages:

Item #	Description	% Increase
1	Haul in materials w/transfer (5 axles)	0%
2	Haul in materials w/ten (10) wheel	0%
3	Haul out spoils w/transfer (5 axle)	0%
4	Haul out spoils w/ten (10) wheel	0%
5	End Dump	0%

The District may retain contractors to provide trucking services at the District’s discretion. The Contractor will have a maximum of two (2) business days to respond to each Notice to Proceed by the District. In the event that Contractor cannot perform the Services within the required timeframe from the Notice to Proceed, the District will issue a Notice to Proceed to another contractor.

EXHIBIT “B”

SCHEDULE OF SERVICES

The District may retain contractors to provide trucking services at the District’s discretion. The Contractor will have a maximum of two (2) business days to respond to each Notice to Proceed by the District. In the event that Contractor cannot perform the Services within the required timeframe from the Notice to Proceed, the District will issue a Notice to Proceed to another contractor. Work shall be completed within the timeframe set forth in the Notice to Proceed.

DRAFT

EXHIBIT “C”
COMPENSATION

Item #	Description	Estimated # of Hours	Unit	Unit Price	Total
1	Haul in materials w/transfer (5 axles)	300	Hourly	\$ 87.00	\$ 26,100.00
2	Haul in materials w/ten (10) wheel	300	Hourly	\$ 80.00	\$ 24,000.00
3	Haul out spoils w/transfer (5 axle)	275	Hourly	\$ 87.00	\$ 23,925.00
4	Haul out spoils w/ten (10) wheel	275	Hourly	\$ 80.00	\$ 22,000.00
5	End Dump	150	Hourly	\$ 87.00	\$ 13,050.00
GRAND TOTAL ALL ITEMS (1)					\$ 109,075.00

*Estimated Total Hours are based upon 2016 Trucking Report. These numbers were modified for use in estimating the total hours for the remained of the 2017 and the 2018 calendar years.

During the extension term, the above amounts shall increase by the following percentages:

Item #	Description	% Increase
1	Haul in materials w/transfer (5 axles)	0%
2	Haul in materials w/ten (10) wheel	0%
3	Haul out spoils w/transfer (5 axle)	0%
4	Haul out spoils w/ten (10) wheel	0%
5	End Dump	0%

Performance/ Payment Bonds are Not Required per this Agreement – See Section 3.2.13

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS JUNE 13, 2017 REGULAR MEETING

SUBJECT : 7311 HICKORY AVENUE ANNEXATION
STATUS : Consent/Action Item
REPORT DATE : June 1, 2017
PREPARED BY : Missy Pieri, Principal Civil Engineer

OBJECTIVE:

Consider adoption of Resolution 06-2017, approving the annexation of 7311 Hickory Avenue in Orangevale to the Citrus Heights Water District.

BACKGROUND AND ANALYSIS:

7311 Hickory Avenue (Assessor's Parcel Number 257-0200-018-0000) (See Panel Map, Exhibit A) located in Orangevale was recently purchased and a new single family dwelling is being constructed on the 2.5 acres. The property is within the Sphere of Influence of the District, but has never been formally annexed to the District. Annexation Fees in the amount of \$3,715 have been paid to the District by the property developer. The annexation documents have been properly executed and approved by Sacramento LAFCo.

RECOMMENDATION:

Adopt Resolution 06-2017 approving the annexation of 7311 Hickory Avenue in Orangevale to the Citrus Heights Water District.

ACTION:

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

RESOLUTION 06-2017

RESOLUTION OF THE BOARD OF DIRECTORS OF
CITRUS HEIGHTS WATER DISTRICT
FOR ANNEXATION OF
7311 HICKORY AVENUE
(APN 257-0200-018-0000)

WHEREAS, Dana Silchuk, has filed with the District for Inclusion of certain territory described below into the CITRUS HEIGHTS WATER DISTRICT, and

WHEREAS, Dana Silchuk, has paid an inclusion fee of \$3,715.00, and

WHEREAS, the SACRAMENTO LOCAL AGENCY FORMATION COMMISSION, pursuant to Government Code No. 56261, has duly approved such annexation by Resolution No. LAFC 2017-05-0405-02-17 and has authorized the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT to annex such territory without notice of hearing by the Board of Directors, without election, and

WHEREAS, the proposed annexation will be for the interest of land owners present and future inhabitants within the District and within the territory to be annexed to the CITRUS HEIGHTS WATER DISTRICT.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT that the territory described below be, and it is, annexed to the CITRUS HEIGHTS WATER DISTRICT, and the District's sphere of influence is amended to include same.

Said territory is described as follows:

All that certain real property situated in the unincorporated area of the County of Sacramento, State of California, described as follows:

All that portion of the south half of lot number 17, of Orange Vale Colony, according to the official plat thereof filed in the Office of the Recorder of Sacramento County, California on September 18, 1895, in Book 3 of Maps, Map No. 20.

Excepting therefrom all that portion of property as deeded in that certain grant deed recorded November 24, 1952 Book 2317, Page 354, Sacramento County Records, and more particularly described as follows:

The west 396 feet of the south 165 feet of lot 17 as shown on the "Map of Orange Vale Colony in Sacramento County, Cal.," recorded in the office of the County Recorder of Sacramento County, September 18, 1895 in Book 3 of Maps, Map No. 20.

Also excepting therefrom all that portion of property as deeded in that certain grant deed recorded May 13, 1952 Book 2221, Page 496, Sacramento County Records, and more particularly described as follows:

The south 165 feet of the east 264 feet of lot 17 as shown on the Map of Orange Vale Colony in Sacramento County, Cal. recorded September 18, 1895 in Book 3 of Maps, Map No. 20, said east 26.4 feet being measured to the center line of a public road, 60 feet in width, on the east of said lot 17.

Containing 2.5 gross acres of land more or less.

APN: 257-0200-018-0000 (see Exhibit A)

PASSED AND ADOPTED by the Board of Directors of CITRUS HEIGHTS WATER DISTRICT, this 13th day of June 2017, by the following vote, to wit:

AYES: Directors: Sheehan, Riehle, Dains
NOES: Directors:
ABSENT: Directors:

SEAL

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

ATTEST:

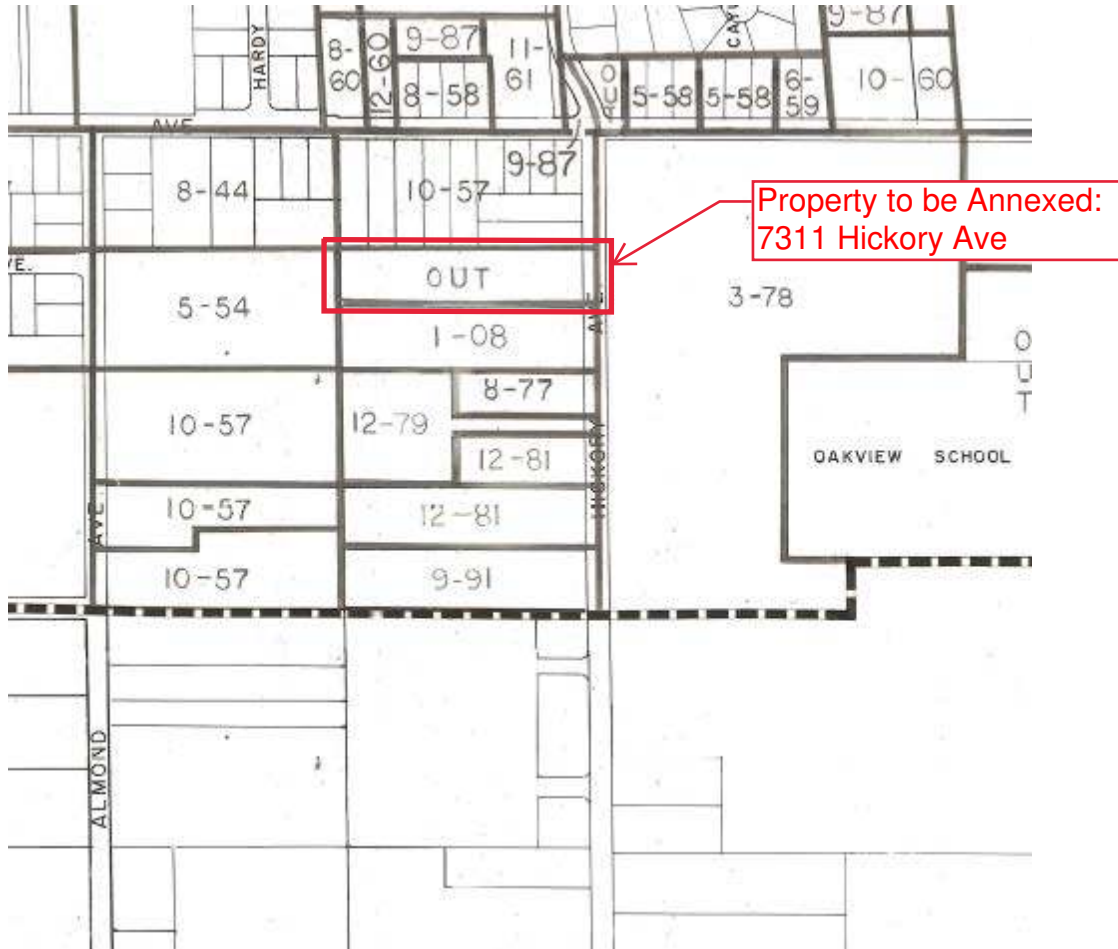
HILARY M. STRAUS, Secretary
Citrus Heights Water District

CERTIFICATION:

I, HILARY M. STRAUS, hereby certify and acknowledge that Resolution 06-2017 was adopted by the Board of Directors of Citrus Heights Water District at a duly called and noticed regular meeting of said Board on the 13th day of June 2017.

HILARY M. STRAUS, Secretary
Citrus Heights Water District

Exhibit A



7311 Hickory Avenue (APN: 257-0200-018-0000)

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS JUNE 13, 2017 REGULAR MEETING

SUBJECT : PRESENTATION OF OTHER POST EMPLOYMENT BENEFITS (OPEB) STUDY
STATUS : Discussion/Information Item
REPORT DATE : June 05, 2017
PREPARED BY : Alberto Preciado, Senior Accountant
Susan K. Sohal, Accounting Supervisor

An actuarial analysis of Other Post-Employment Benefits (OPEB) has been performed for Citrus Heights Water District by Bartel Associates, LLC, a consulting actuary. OPEB principally involves retiree health care, but may also include life insurance, disability, legal and other services. The District participates in retiree health care benefits at this time. This analysis complies with Governmental Accounting Standards Board Statement 45 (GASB 45) related to liability for other post-employment benefits. John Bartel, Bartel Associates, LLC will discuss the details of the results of the analysis and available for questions.

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS JUNE 13, 2017 REGULAR MEETING

SUBJECT : RESOLUTION COMMENDING ROBYN J. EVANS FOR SERVICE TO THE
CITRUS HEIGHTS WATER DISTRICT
STATUS : Presentation/Action Item
REPORT DATE : June 06, 2017
PREPARED BY : Susan Sohal, Accounting Supervisor
Hilary Straus, General Manager

OBJECTIVE:

Consider adoption of Resolution No. 09-2017 Commending Robyn J. Evans for her service to the District.

BACKGROUND AND ANALYSIS:

Senior Management Services Specialist Robyn J. Evans will be retiring from the District on June 30, 2017 after providing over 8 years of service to the District.

A Resolution acknowledging and commending Robyn's service is presented for the Board consideration.

RECOMMENDATION:

Adopt Resolution No. 09-2017 Commending Robyn J. Evans for her service to the District.

ACTION:

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

CITRUS HEIGHTS WATER DISTRICT
RESOLUTION NO. 09-2017
RESOLUTION OF THE BOARD OF DIRECTORS
OF CITRUS HEIGHTS WATER DISTRICT
COMMENDING ROBYN J. EVANS FOR OUTSTANDING SERVICE

WHEREAS, Robyn J. Evans began her career with Citrus Heights Water District as the Purchasing/Inventory Specialist on October 13, 2008; and

WHEREAS, Robyn J. Evans was further appointed to serve as the District's Senior Management Services Specialist on November 14, 2016; and

WHEREAS, Robyn J. Evans has been an outstanding leader of the District providing exceptional service and value to customers and employees through many noteworthy accomplishments such as significant enhancements to the District's purchasing and store room process, implementing technologies to meet customer and staff needs, and planning the efficient delivery of services while preparing for the future; and

WHEREAS, Robyn J. Evans's personal work ethic and dedication to fulfilling the mission of the District has earned her the respect of Directors, General Manager, co-workers, and customers, service providers and consultants that she has interacted with throughout her career with the District; and

WHEREAS, Robyn J. Evans is retiring from Citrus Heights Water District on June 30, 2017 with more than eight years of dedicated service.

THEREFORE BE IT RESOLVED that the Board of Directors of the Citrus Heights Water District does hereby commend Robyn J. Evans for her dedication and outstanding service to the Citrus Heights Water District, and extends best wishes for many years filled with happiness and good health during her retirement.

PASSED AND ADOPTED by the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT this 13th day of June, 2017 by the following vote, to-wit:

AYES:	Directors:	Dains, Riehle
NOES:	Directors:	None
ABSTAIN:	Directors:	None
ABSENT:	Directors:	Sheehan

RAY RIEHLE, Vice President
Board of Directors
Citrus Heights Water District

ATTEST:

SEAL

Hilary M. Straus, General Manager/Secretary

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS JUNE 13, 2017 REGULAR MEETING

SUBJECT : AUDITED FINANCIAL REPORT FOR YEAR ENDED DECEMBER 31, 2016
STATUS : Action Item
REPORT DATE : June 8, 2017
PREPARED BY : Alberto Preciado, Senior Accountant
REVIEWED BY : Susan K. Sohal, Accounting Supervisor

OBJECTIVE:

Consider a motion to accept and approve the following:

- Audited Financial Statements of the Citrus Heights Water District (District) for Year ended December 31, 2016 and related reports (Attachment 1);
- Memorandum on Internal Control and Required Communications for the Year ended December 31, 2016 (Attachment 2).

BACKGROUND AND ANALYSIS:-

Accompanying this staff report are the Audited Financial Statements of the District for the year ending December 31, 2016. The Audit was conducted by Maze and Associates, an Accountancy Corporation of Pleasant Hill, California. This is the second year of a five-year engagement for financial auditing services with Maze & Associates.

The Financial Statements include the following sections:

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

The Financial Statements summarize the financial activity in the previous year, as well as the net position of the District at December 31, 2016 and provides a narrative explanation in the Management Discussion and Analysis of significant policies, events, and activities from the past year. As valuable historical information, these documents are used to identify and track revenue and expenditure trends, evaluate past actions and decisions, and to develop budgets and make future plans and decisions.

The audit shows that the District's financial statements present fairly the financial position of the District and that its accounting practices continue to conform with generally accepted accounting principles. The Management's Discussion and Analysis section contained in Pages 3 through 12 of the Audited Financial Statements, prepared by District management, provides a narrative of financial highlights, an overview of the financial statements, and a discussion of economic factors and future budget considerations.

As mentioned in the Management and Discussion Analysis, following are the financial highlights of 2016:

- The District's assets exceeded its liabilities at the end of 2016 by \$59,651,741 as compared to \$55,862,679 in 2015;
- District's Assets in 2016 totaled \$69,686,423 and \$66,958,041 in 2015, or an increase of \$2,728,382;

due mainly to increased capital improvement;

- Liabilities in 2016 amounted to \$9,574,888 and \$10,265,741 in 2015, a decrease of \$690,853;
- Unrestricted net position in 2016 was \$6,782,716 and \$4,434,324 in 2015;
- Net Income in 2016 was \$3,789,062 and \$3,690,618 in 2015.

RECOMMENDATION:

Approve the Audited Financial Statements and for the Year Ended December 31, 2016, and authorize staff to submit the completed Audit Report to the State Controller's Office.

ACTION:

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

List of Attachments:

Attachment 1 – Audited Financial Statements

Attachment 2 – Memorandum of Internal Control and Required Communications

Attachment 1
Basic Financial Statements
For the Years Ended December 31, 2016 and 2015

CITRUS HEIGHTS WATER DISTRICT
BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

CITRUS HEIGHTS WATER DISTRICT
6230 Sylvan Rd
Citrus Heights, California 95610
(916) 725-6873 – www.chwd.org

Prepared by:

Susan Sohal, Accounting Supervisor
Alberto Preciado, Senior Accountant

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CITRUS HEIGHTS WATER DISTRICT
Basic Financial Statements
For the Years Ended December 31, 2016 and 2015

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Financial Section

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the Board of Directors
Citrus Heights Water District
Citrus Heights, California

We have audited the accompanying financial statements of the Citrus Heights Water District (District) as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinions, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of December 31, 2016 and 2015, and the changes in its financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

Management adopted the provisions of Governmental Accounting Standards Board Statement No. 72 – *Fair Value Measurement and Application*, which became effective during the year ended December 31, 2016, as discussed in Note 1 to the financial statements.

This change in accounting principle does not constitute a modification to our opinions.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management’s Discussion and Analysis, and other Required Supplementary Information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Pleasant Hill, California
May 24, 2017

CITRUS HEIGHTS WATER DISTRICT

Management's Discussion and Analysis December 31, 2016

The management of the Citrus Heights Water District (District) intends to present this Management Discussion and Analysis to serve as an introduction to the District's Financial Statements and to provide readers with a broad overview of the district's finances and an easier to understand narrative information that may help in interpreting the information presented in the Financial Statements for the year ending December 31, 2016.

Financial Highlights

The following items are, in the opinion of District management, among the most significant in assessing the District's overall financial activities during 2016 and its financial position at the close of the year 2016:

- ❖ The District's assets exceeded its liabilities at the end of year 2016 by \$59,651,741. About 87.7 percent of the District's net position, \$52,335,229, is composed of the capital assets of the District – the water transmission and distribution system, water production facilities, land, buildings, and equipment belonging to the District. Unrestricted net assets totaled \$6,782,716, up from \$4,434,324 at the end of year 2015. This increase is due primarily to revenue generated from increased water sales in FY2016 as compared with FY2015, and also a 14 percent rate increase levied by the Board of Directors at the beginning of FY2016. The increase in unrestricted net assets represents continued progress by the District toward rebuilding its financial reserves after spending down the Rate Stabilization Reserve by \$366,000 due to State-mandated restrictions during the FY2015 drought.
- ❖ Capital improvement spending in year 2016 decreased by \$3,826,849 as compared with year 2015. Capital improvements capitalized in 2016 amounted to \$8,569,623.
- ❖ The District's operating revenues for 2016 were \$12,325,057. About 94.1 percent of operating revenues, \$11,602,622, came from water sales to customers. As previously mentioned, the District adopted a rate increase for FY2016, increasing water rates by 14 percent above water rates that were in place for FY2015.
- ❖ The District's total net long-term liabilities at the end of 2016, including the 2012 Revenue Refunding bonds, the 2010 Revenue Refunding Certificates of Participation, accrued other postemployment benefits, and compensated absences is \$7,955,992. The GASB 68 required recording of pension liability and pension related deferred inflows and outflows amounted to \$3,351,422. Liabilities from Bond debt service decreased by \$734,433 due in large part to a reduction in principal on debt during 2016 resulting from debt service payments during the year.

CITRUS HEIGHTS WATER DISTRICT

Management's Discussion and Analysis
December 31, 2016

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two parts: (1) management's discussion and analysis; and (2) the financial statements, including the notes to financial statements and required supplementary information.

The financial statements provide both long-term and short-term information about the District's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The required supplementary information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) to provide more context regarding the financial statements from an appropriate operational, economic, or historical perspective.

The District's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units on an accrual basis. Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the Statement of Revenues, Expenses, and Changes in Net Assets. All assets and liabilities associated with the operation of the District are included in the Balance Sheet.

The Balance Sheet presents the financial position of the District on a full accrual historical cost basis and provides information about the nature and amount of resources and obligations at year-end.

CITRUS HEIGHTS WATER DISTRICT

Management's Discussion and Analysis December 31, 2016

Balance Sheet

As of December 31, 2016, the total net position of the District was \$59,730,963. The following table summarizes assets, deferred outflows, liabilities, deferred inflows, and net assets at December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Current assets, unrestricted	\$ 12,309,889	\$ 10,687,841
Restricted cash and cash equivalents	533,796	533,350
Capital assets, net	56,078,006	55,206,322
Deferred outflows	764,732	530,528
Total Assets and Deferred Outflows	<u>69,686,423</u>	<u>66,958,041</u>
Current Liabilities	1,618,896	1,675,151
Non-current liabilities	7,955,992	8,590,592
Deferred Inflows	459,794	829,619
Total Liabilities and Deferred Inflows	<u>10,034,682</u>	<u>11,095,362</u>
Net Position		
Net investment in capital assets	52,335,229	50,895,005
Restricted for debt service	533,796	533,350
Unrestricted	6,782,716	4,434,324
Total Net Position	<u><u>\$59,651,741</u></u>	<u><u>\$55,862,679</u></u>

The District's net position reflects restrictions imposed as a condition of its Certificates of Participation debt. The remaining net position is unrestricted.

CITRUS HEIGHTS WATER DISTRICT

Management's Discussion and Analysis December 31, 2016

Changes in Net Position

The following table summarizes the changes in net position for the fiscal years ended December 31, 2016 and 2015:

	2016	2015
Operating revenues	\$ 12,325,057	\$ 10,884,550
Operating expenses:		
Customer service, administration and general	2,342,957	2,514,087
Water purchases	2,190,061	1,950,627
Transmission and distribution	2,114,019	1,239,387
Pumping and well maintenance	184,776	132,842
Water demand management (Conservation)	212,150	186,114
Depreciation and amortization	2,203,170	2,098,944
Total operating expenses	9,247,133	8,122,001
Operating income	3,077,924	2,762,549
Net non-operating revenues (expenses)	(186,265)	(120,929)
Net income before capital contributions	2,891,659	2,641,620
Capital contributions:		
Contributed (donated) assets	896,688	438,567
Grant Revenue	715	610,431
Total capital contributions	897,403	1,048,998
Change in net position	3,789,062	3,690,618
Net position, beginning of year	55,862,679	55,900,828
Prior period adjustment		(3,728,767)
Net position, end of year	\$ 59,651,741	\$ 55,862,679

CITRUS HEIGHTS WATER DISTRICT

Management's Discussion and Analysis December 31, 2016

Net position increased \$3,789,062, or 6.8 percent from the prior year. Operating revenue that exceeded operating expenses by \$3,077,924 accounts for the increase in net assets, and most of these funds were expended for the construction of capital improvements or set aside for that purpose. The receipt of \$896,688 in donated assets from private developer additions to the District's water distribution system accounted for about 23.2 percent of the increase in net assets.

Total operating revenues increased by \$1.44 million or 13.2 percent from the prior year. A combination of increased water sales and an increase in water rates accounts for most of this increase. Water consumption by the District customers increased in FY2016 compared with consumption in FY2015 due to the state-wide drought conditions.

Operating expenses also increased in 2016 by \$1.13 million, or 13.9 percent from prior year, due to increases in operating costs such as GASB 68 CalPERS unfunded liability and cost of materials and supplies used to operate and maintain the District's water distribution system and groundwater production wells.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2016, the District's investment in capital assets, net of related debt, was \$52,335,229, including: the water transmission and distribution system (underground pipelines, water services, water meters, fire hydrants, and other components), water production facilities (groundwater wells), land, buildings and both mobile and fixed equipment.

Replacement of aging pipelines and water service connections throughout the District's system continued to represent the majority of the \$2.4 million additions to the District's capital assets in 2016. A number of private development projects resulted in the addition of \$896,688 in donated capital assets.

Additional information on the District's capital assets can be found in Note 3, Capital Assets, of the notes to the basic financial statements.

Debt Administration

The District continues to meet its debt obligations under its 2010 Refunded Certificates of Participation (COPs) and the 2012 Revenue Refunding bonds. Through scheduled debt service payments during 2016, principal on its collective debt was reduced by \$579,820. The District's total debt from its COP and bond issuances now stands at approximately \$4.3 million.

CITRUS HEIGHTS WATER DISTRICT

Management's Discussion and Analysis December 31, 2016

Total compensated absences (long-term liability and current portion combined), are composed of leave hours earned by employees that are payable upon termination or retirement and are valued at \$333,080 at the end of 2016, a decrease from the FY2015 year-end amount of \$351,615. This reduction was due primarily to cash payments for accrued leave balances during the year to one retiring employees.

The accrual for other post-employment benefits increased by \$51,942 in 2016 as a result of the annual cost of these benefits exceeding the amounts currently paid for premiums.

Additional information on the District's debt activity can be found in Note 4, Long-Term Liabilities, of the notes to the basic financial statements.

ECONOMIC FACTORS AND FUTURE BUDGET CONSIDERATIONS

The District continued to exercise fiscal restraint in budgeting for District operations in 2017, with an overall increase of 9.6 percent compared with the 2016 Operating Budget. This budget includes:

- ❖ Maintaining the current level of services and programs for District customers;
- ❖ A 19% aggregate increase of treated water cost from San Juan Water District due to projected 16% rate increase and anticipated increase in consumption. The projected quantity of water estimated to be purchased is 12,000 AF, which is greater than the projected 2016 total water purchased.
- ❖ Employee benefit net cost increase of about \$170,000. A number of factors contributed to the overall increase, including PERS UAL (Unfunded Actuarial Liability), payment of \$360,000 as recommended by CalPERS, a decrease in new employees whose CalPERS contribution rates are lower, lower total Healthcare premiums as a result of new employees replacing long-term employees who were at higher premium points, and an increase of 10% in Healthcare premium costs.
- ❖ Professional Contract Services increase of about \$200,000 for use towards the Project 2030 Study, as we move forward to plan our mains replacements beyond 2030. Additionally, up to \$150,000 is allocated for advanced planning for a District-wide meter replacement program
- ❖ Includes \$1.15 million in transfers to the Capital Improvement Reserves, a transfer of \$100,000 to replenish the Rate Stabilization Reserve, \$100,000 to the Water Supply Reserve, \$75,000 to the Water Efficiency Reserve, and, \$300,000 to the Water Meter Replacement Reserve.

CITRUS HEIGHTS WATER DISTRICT

Management's Discussion and Analysis December 31, 2016

A 2017 Operating Budget Summary is included at the conclusion of this Management's Discussion and Analysis to provide an overview of the District's operating budget.

The District plans to rebuild its financial reserves to a level that supports a higher level of capital investment from reserves. Total capital improvement expenditures budgeted for FY2017 are about \$5.8 million compared with \$3.56 million in FY2016. This amount includes about \$3 million in carry-over projects from prior years, and about \$2.8 million in new projects for FY2017. Installation of new fire hydrants as well as replacements and upgrades for \$135,000, three water main replacement or installation projects, scheduled to start design, will be undertaken in 2017 with construction targeted for 2018 at a total cost of \$1.34 million. Operations equipment replacements and new equipment totaled \$287,000 for 2017. Carryover of Upgrades/Replacements to the District's billing and accounting software for the Administration department for a total of \$450,000 planned for 2017. Additional transfers to Water Meter Replacement Reserves for buildup of funds towards Meter Replacements at the end of their useful life of \$300,000.

A 2017 Capital Improvement Budget Summary is included at the conclusion of this Management's Discussion and Analysis to provide an overview of the District's capital improvement budget.

A significant but declining portion of the District's budget continues to be the repayment of long-term debt financing in the form of Certificates of Participation originally issued in 2000 (refunded in 2010) and Certificates of Participation originally issued in 2003 (refunded as Revenue Refunding Bonds in 2012). The annual debt service for these two issuances is budgeted at \$738,738 for FY2017, representing about 7.4 percent of the District's FY2017 Operating Budget.

The District's Board of Directors levied a water rate increase designed to achieve an overall increase in water rate revenues of 13 percent for 2017. The District utilized a detailed cost-of-service and financial plan study set in place in FY2013 to determine the increase, taking into consideration the state wide water mandates, capital improvement program, and water meter reserves. The increase in revenues resulting from the FY2017 water rates will provide additional revenue to offset rising operating costs and the increasing costs of reinvestment in the District's aging water transmission and distribution infrastructure.

The District anticipates the need to consider future annual water rate increases to fund replacement of portions of the District's 265 miles of underground water mains, and to pay the continually-rising operating costs of the District, while maintaining financial reserves to comply with debt covenants and to provide funds for emergencies or catastrophic losses. The financial plan adopted by the Board of Directors in FY2013 contemplates water rate increases in the 3 percent range every year through FY2019. However, water rates for years beyond FY2017 have not been adopted by the Board of Directors.

CITRUS HEIGHTS WATER DISTRICT

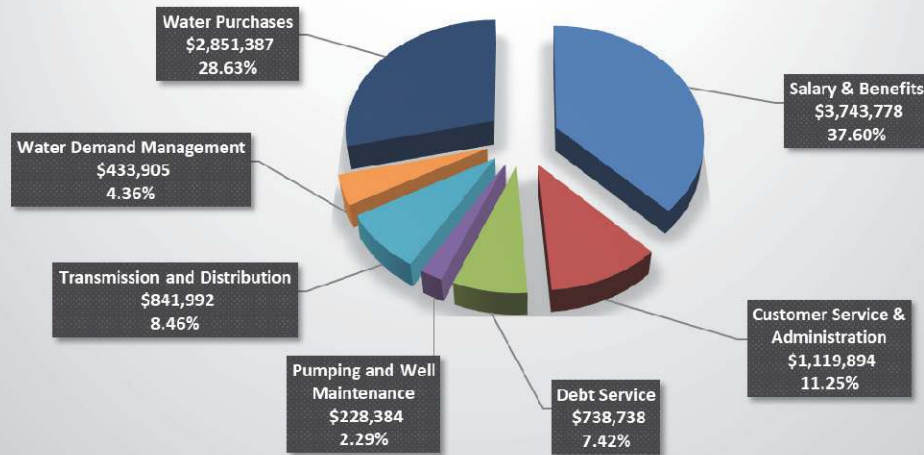
Management's Discussion and Analysis December 31, 2016

CITRUS HEIGHTS WATER DISTRICT 2017 ADOPTED OPERATING BUDGET SUMMARY

Adopted: November 15, 2016

<i>Expense Category</i>	<i>2015 Budget</i>	<i>2015 Actual</i>	<i>2016 Budget</i>	<i>2016 Projected</i>	<i>2017 Adopted Budget</i>	<i>% Change 2016 vs. 2017</i>
Salary & Benefits	\$ 3,005,484	\$ 3,475,404	\$ 3,597,333	\$ 3,507,240	\$ 3,743,778	4.07%
Customer Service & Administration	\$ 788,472	\$ 869,909	\$ 1,113,405	\$ 1,065,711	\$ 1,119,894	0.58%
Debt Service	\$ 736,488	\$ 207,871	\$ 740,263	\$ 760,581	\$ 738,738	-0.21%
Pumping and Well Maintenance	\$ 200,723	\$ 109,748	\$ 266,904	\$ 214,507	\$ 228,384	-14.43%
Transmission and Distribution	\$ 496,406	\$ 599,918	\$ 547,960	\$ 528,425	\$ 841,992	53.66%
Water Demand Management	\$ 280,195	\$ 101,534	\$ 428,500	\$ 207,714	\$ 433,905	1.26%
Water Purchases	\$ 2,295,483	\$ 1,950,627	\$ 2,387,701	\$ 2,735,971	\$ 2,851,387	19.42%
	\$ 7,803,249	\$ 7,315,012	\$ 9,082,066	\$ 9,020,147	\$ 9,958,078	9.65%

2017 Adopted Budget

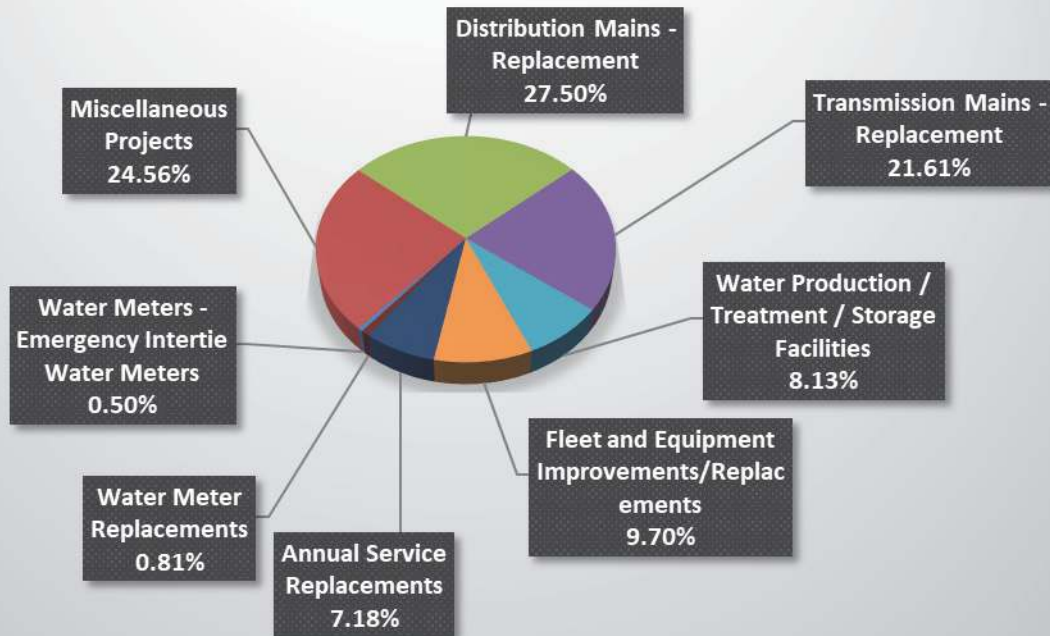


CITRUS HEIGHTS WATER DISTRICT

Management's Discussion and Analysis
December 31, 2016

Citrus Heights Water District				
<u>2017 CAPITAL PROJECTS BUDGET SUMMARY</u>				
Adopted: November 15, 2016				
Category	Total Project Budget	2016 Adopted Budget	2017 Proposed Budget	2016 vs 2017 Budget Variance (\$)
Annual Service Replacements	888,000	1,024,523	888,000	(136,523)
Distribution Mains - Replacement	3,398,826	1,738,645	1,272,740	911,693
Fleet and Equipment Improvements/Replacements	1,199,500	821,134	899,500	378,366
Miscellaneous Projects	3,035,688	109,500	1,626,188	1,351,188
Transmission Mains - Replacement	2,670,984	513,055	146,936	57,929
Water Meters - Emergency Intertie Water Meters	61,684	98,664	61,684	(36,980)
Water Production / Treatment / Storage Facilities	1,005,000	48,900	855,000	66,100
Water Meter Replacements	100,000	53,158	100,000	46,842
Grand Total	\$ 12,359,683	\$ 4,407,579	\$ 5,850,049	\$ 2,638,615

CHWD 2017 Capital Improvement Budget by Category



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Basic Financial Statements

CITRUS HEIGHTS WATER DISTRICT
BALANCE SHEETS
DECEMBER 31, 2016 AND 2015

	2016	2015
ASSETS		
CURRENT ASSETS		
Cash and investments (Note 2)	\$9,738,990	\$7,442,908
Restricted - cash and investments (Note 2)	533,796	533,350
Accounts receivable, net	2,002,102	1,968,889
Due from other governments	1,246	601,211
Accrued interest receivable	15,272	4,933
Inventory	259,637	276,913
Prepaid expenses and other deposits	292,642	392,987
Total current assets	12,843,685	11,221,191
NON-CURRENT ASSETS		
Non-depreciable capital assets (Note 3)	1,126,441	7,364,340
Depreciable capital assets, net (Note 3)	54,951,565	47,841,982
Total non-current assets	56,078,006	55,206,322
TOTAL ASSETS	68,921,691	66,427,513
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount from refunding debt	48,940	61,991
Pension related (Note 7)	715,792	468,537
TOTAL DEFERRED OUTFLOWS OF RESOURCES	764,732	530,528
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$69,686,423	\$66,958,041
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$368,716	\$417,678
Retentions payable	21,028	119,613
Accrued payroll	59,301	46,030
Accrued interest payable	57,909	64,259
Deposits payable	341,011	337,609
Current portion of long-term liabilities:		
Compensated absences (Note 4)	205,931	144,962
Long-term debt (Note 4)	565,000	545,000
Total current liabilities	1,618,896	1,675,151
NON-CURRENT LIABILITIES		
Long-term liabilities - due in more than one year:		
Compensated absences (Note 4)	127,149	206,353
Long-term debt (Note 4)	3,732,666	4,332,486
Net pension liability (Note 7)	3,351,422	3,358,940
Net OPEB obligation (Note 8)	744,755	692,813
Total non-current liabilities	7,955,992	8,590,592
TOTAL LIABILITIES	9,574,888	10,265,743
DEFERRED INFLOWS OF RESOURCES		
Deferred amount from refunding debt	27,847	29,172
Pension related (Note 7)	431,947	800,447
TOTAL DEFERRED INFLOWS OF RESOURCES	459,794	829,619
NET POSITION (Note 6)		
Net investment in capital assets	52,335,229	50,895,005
Restricted for debt service	533,796	533,350
Unrestricted	6,782,716	4,434,324
TOTAL NET POSITION	59,651,741	55,862,679
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$69,686,423	\$66,958,041

See accompanying notes to financial statements

CITRUS HEIGHTS WATER DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
OPERATING REVENUES		
Water sales	\$11,602,622	\$9,953,864
Connection and other fees	722,435	930,686
Total operating revenues	12,325,057	10,884,550
OPERATING EXPENSES		
Customer service, administration and general	2,342,957	2,514,087
Water purchases	2,190,061	1,950,627
Transmission and distribution	2,114,019	1,239,387
Pumping and well maintenance	184,776	132,842
Conservation	212,150	186,114
Depreciation and amortization	2,203,170	2,098,944
Total operating expenses	9,247,133	8,122,001
OPERATING INCOME	3,077,924	2,762,549
NONOPERATING REVENUES (EXPENSES)		
Investment income	38,313	19,093
Miscellaneous income	68,203	28,606
Interest expense	(155,214)	(173,462)
(Loss) gain on disposal of capital assets	(137,567)	4,834
Total nonoperating revenues (expenses)	(186,265)	(120,929)
Net income (loss) before capital contributions	2,891,659	2,641,620
CAPITAL CONTRIBUTIONS		
Grant revenue	715	610,431
Capital contributions	896,688	438,567
Total capital contributions	897,403	1,048,998
CHANGES IN NET POSITION	3,789,062	3,690,618
NET POSITION, BEGINNING OF YEAR	55,862,679	55,900,828
Prior period adjustment		(3,728,767)
NET POSITION, END OF YEAR	\$59,651,741	\$55,862,679

See accompanying notes to financial statements

CITRUS HEIGHTS WATER DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	\$12,193,259	\$10,914,532
Cash paid to suppliers for goods and services	(4,071,755)	(5,201,318)
Cash paid to employees for services	<u>(2,875,090)</u>	<u>(1,355,774)</u>
Cash Flows from Operating Activities	<u>5,246,414</u>	<u>4,357,440</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Receipts from other net operating income	<u>68,203</u>	<u>28,606</u>
Cash Flows from Noncapital Financing Activities	<u>68,203</u>	<u>28,606</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital grant revenues	715	610,431
Acquisition and construction of capital assets	(2,410,946)	(6,084,237)
Proceeds from sale of capital assets	95,213	4,834
Principal payments on long-term debt	(579,820)	(554,819)
Interest payments on long-term debt	<u>(161,564)</u>	<u>(182,760)</u>
Cash Flows (used for) Capital and Related Financing Activities	<u>(3,056,402)</u>	<u>(6,206,551)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest earnings	<u>38,313</u>	<u>19,093</u>
Cash Flows from Investing Activities	<u>38,313</u>	<u>19,093</u>
NET CASH FLOWS	2,296,528	(1,801,412)
Cash, beginning of year	<u>7,976,258</u>	<u>9,777,670</u>
Cash, end of year	<u><u>\$10,272,786</u></u>	<u><u>\$7,976,258</u></u>
Reconciliation of cash and cash equivalents to statement of net position:		
Cash and cash equivalents	\$9,738,990	\$7,442,908
Restricted - cash and cash equivalents	<u>533,796</u>	<u>533,350</u>
Total cash and cash equivalents	<u><u>\$10,272,786</u></u>	<u><u>\$7,976,258</u></u>

(Continued)

CITRUS HEIGHTS WATER DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

RECONCILIATION OF NET INCOME FROM OPERATIONS TO
NET CASH PROVIDED BY OPERATING ACTIVITIES:

Net income from operations	\$3,077,924	\$2,762,549
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	2,203,170	2,098,944
Change in assets and liabilities:		
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable	(33,213)	(67,807)
Inventory	17,276	20,886
Prepaid expenses and other assets	689,971	(541,178)
Deferred amount from refunding of debt	13,051	13,051
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	(48,962)	(78,762)
Accrued payroll	13,271	16,218
Deposits payable	3,402	36,838
Retentions payable	(98,585)	97,789
Accrued other postemployment benefits	51,942	60,013
Compensated absences	(18,235)	(21,859)
Deferred amount from refunding of debt	(1,325)	(1,325)
Net pension liability and related deferred inflows and outflows	<u>(623,273)</u>	<u>(37,917)</u>
Net cash provided by operating activities	<u>\$5,246,414</u>	<u>\$4,357,440</u>
SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES		
Receipt of contributed assets	<u>\$896,688</u>	<u>\$438,567</u>

See accompanying notes to financial statements

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CITRUS HEIGHTS WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Years Ended December 31, 2016 and 2015

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: The District was established on October 25, 1920 as an irrigation district under Division 11 of the Act of Legislature of the State of California. The District constructs and maintains waterworks and supplies domestic water in an area of approximately 12 square miles to about 19,600 connections in Sacramento and Placer counties with an estimated population of 66,000. The District is governed by a Board of Directors consisting of three directors elected by residents of the District. The accompanying basic financial statements present the District and its component unit. The component unit discussed below is included in the District's reporting entity because of the significance of its operational and financial relationship with the District.

The District has created the Citrus Heights Water District Financing Corporation (the Corporation) to provide assistance to the District in the issuance of debt. Although legally separate from the District, the Corporation is reported as if it were part of the primary government because it shares a common Board of Directors with the District and its sole purpose is to provide financing to the District under the debt issuance documents of the District. Debt issued by the Corporation is reflected as debt of the District in these financial statements. The Corporation has no other transactions and does not issue separate financial statements.

Basis of Presentation – Fund Accounting: The basic financial statements of the Citrus Heights Water District (District) have been 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.

The District's resources are allocated to and accounted for in these basic financial statements as an enterprise fund type of the proprietary fund group. The enterprise fund is used 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 (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other policies. Net position for the enterprise fund represents the amount available for future operations.

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.

CITRUS HEIGHTS WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Years Ended December 31, 2016 and 2015

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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. Nonoperating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from nonexchange 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.

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.

**CITRUS HEIGHTS WATER DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 For the Years Ended December 31, 2016 and 2015**

**NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING
 POLICIES (Continued)**

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.

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

Capital Assets: Capital assets are recorded at historical cost. Donated assets are valued at estimated fair value on the date received. Self-constructed assets are recorded based on the amount of direct labor, material, and certain overhead charged to the asset construction. Depreciation is calculated using the straight-line method over the following estimated useful lives:

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

Depreciation expense aggregated \$2,187,515 and \$2,085,894 for the years ended December 31, 2016 and 2015, respectively, and is included with depreciation and amortization expense.

Maintenance and repairs are charged to operations when incurred. It is the District’s policy to capitalize all capital assets with a cost of more than \$1,000 for tangible personal property and \$3,000 for infrastructure, building or improvements. Costs of assets sold or retired (and the related amounts of accumulated depreciation) are eliminated from the balance sheet in the year of sale or retirement, and the resulting gain or loss is recognized in operations.

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.

Deferred Amount from Refunding Debt: The difference between the reacquisition price of refunded debt and the net carrying amount of the previously outstanding debt is deferred and reported as either a deferred outflow or deferred inflow on the balance sheet. These amounts are amortized over the shorter of the term of the old debt or the new debt.

Deferred Outflows: In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

Deferred Inflows: In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

**CITRUS HEIGHTS WATER DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 For the Years Ended December 31, 2016 and 2015**

**NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING
 POLICIES (Continued)**

Compensated Absences: The District’s policy allows employees to accumulate earned but unused annual leave, management leave and compensatory time-off which will be paid to employees upon separation from service to the District. The cost of annual leave, management leave and compensatory time-off is recognized in the period earned.

Upon death while employed by the District or retirement from the District, employees are paid one-third of their accumulated sick leave time. This amount is also recognized in the period earned.

New Pronouncements: Management adopted the provisions of the following Governmental Accounting Standards Board (GASB) Statements, which became effective during the year ended December 31, 2016:

GASB Statement No. 72 – Fair Value Measurement and Application. This Statement addresses accounting and financial reporting issues related to fair value measurements. The Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this Statement are effective for financial statements for period beginning after June 15, 2015, therefore, the District implemented this Statement in fiscal year ending December 31, 2016.

GASB Statement No. 76 – The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The objective of this statement is to reduce the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55. The statement is effective for the periods beginnings after June 15, 2015, or the 2016 fiscal year.

GASB Statement No. 79 – Certain External Investment Pools and Pool Participants. The objective of this Statement is to address for certain external investment pool and their participants the accounting and financial reporting implications that result from changes in the regulatory provisions referenced by previous accounting and financial reporting standards. This statement is effective for the periods beginning after December 15, 2015, or the 2016 fiscal year.

NOTE 2 – CASH AND INVESTMENTS

Cash and investments as of December 31 are classified in the accompanying financial statements as follows:

	2016	2015
Cash and investments	\$9,738,990	\$7,442,908
Restricted cash and investments	533,796	533,350
Total cash and investments	\$10,272,786	\$7,976,258

CITRUS HEIGHTS WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Years Ended December 31, 2016 and 2015

NOTE 2 – CASH AND INVESTMENTS (Continued)

Cash and investments as of December 31 consisted of the following:

	2016	2015
Cash on hand	\$550	\$550
Deposits with financial institutions	3,669,028	2,900,318
Total cash	3,669,578	2,900,868
Investments in Local Agency Investment Fund (LAIF)	6,069,412	4,542,040
Held by fiscal agent:		
Money market mutual fund	533,796	533,350
Total investments	6,603,208	5,075,390
Total cash and investments	\$10,272,786	\$7,976,258

Investment Policy: California statutes authorize districts to invest idle, surplus, or reserve funds in a variety of credit instruments as provided for in the California Government Code, Section 53600. The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by the bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy. During the year ended December 31, 2016, the District's permissible investments included the following instruments:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment In One Issuer
Local Agency Investment Program	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
State of California Obligations	5 years	None	None
Bankers Acceptances	180 days	40%	30%
Commercial Paper	270 days	40%	10%
Negotiable Certificates of Deposits	5 years	30%	None
Repurchase Agreements	92 days	20%	None
Medium Term Corporate Notes	5 years	30%	None
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-through Securities	5 years	20%	No Limit
LAIF	N/A	None	No Limit

* Excluding amounts held by the bond trustee that are not subject to California Government Code restrictions

The District complied with the provisions of the California Government Code (or the District's investment policy, where more restrictive) pertaining to the types of investments held, the institutions in which deposits were made, and the security requirements. The District will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

CITRUS HEIGHTS WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Years Ended December 31, 2016 and 2015

NOTE 2 – CASH AND INVESTMENTS (Continued)

Investments Authorized by Debt Agreements: Investment of debt proceeds held by the bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District’s investment policy. The Certificates of Participation debt agreements contain certain provisions that address interest rate risk and credit risk, but not concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Investment Program	None	None	None
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Bankers Acceptances	1 year	None	None
Commercial Paper	None	None	None
Negotiable Certificates of Deposits	None	None	None
Investment Agreements	None	None	None
Repurchase Agreements	None	None	None
Money Market Mutual Funds	N/A	None	None
LAIF	N/A	None	None

Fair Value Hierarchy: The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The following is a summary of the fair value hierarchy of the fair value of investments of the District as of December 31, 2016:

	Level 1	Level 2	Total
<i>Investments by Fair Value Level:</i>			
California Local Agency Investment Fund (LAIF)		\$6,069,412	\$6,069,412
Money Market Mutual Fund	\$533,796		533,796
Total Investments	\$533,796	\$6,069,412	6,603,208
<i>Investments Measured at Amortized Cost:</i>			
Money Market Mutual Fund			530,488
<i>Cash in banks and on hand</i>			3,139,090
Total Cash and Investments			\$10,272,786

**CITRUS HEIGHTS WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Years Ended December 31, 2016 and 2015**

NOTE 2 – CASH AND INVESTMENTS (Continued)

The following is a summary of the fair value hierarchy of the fair value of investments of the District as of December 31, 2015:

	Level 1	Level 2	Total
<i>Investments by Fair Value Level:</i>			
California Local Agency Investment Fund (LAIF)		\$4,542,040	\$4,542,040
Money Market Mutual Fund	\$533,350		533,350
Total Investments	\$533,350	\$4,542,040	5,075,390
<i>Investments Measured at Amortized Cost:</i>			
Money Market Mutual Fund			530,431
<i>Cash in banks and on hand</i>			2,370,437
Total Cash and Investments			\$7,976,258

The California Local Agency Investment Fund (LAIF) classified in Level 2 is value based on the fair value factor provided by the Treasurer of the State of California, which is calculated as fair value divided by the amortized cost of the investment pool. These prices are obtained from various pricing sources by the custodian mark.

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments, and by timing cash flows from maturities so that a portion of the portfolio is maturing, or coming close to maturity, evenly over time, as necessary to provide the cash flow and liquidity needed for operations. All of the District's investments mature in 12 months or less.

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of year-end for each investment type for the year ended December 31, 2016.

	Minimum Legal Rating	Ratings as of Year End AAAm	Not Rated	Total
LAIF	N/A		\$6,069,412	\$6,069,412
Held by bond trustee:				
Money market mutual funds	AAAm	\$533,796		533,796
		\$533,796	\$6,069,412	\$6,603,208

**CITRUS HEIGHTS WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Years Ended December 31, 2016 and 2015**

NOTE 2 – CASH AND INVESTMENTS (Continued)

The following is a summary of the minimum rating required by (where applicable) the California Government Code, the District’s investment policy, or debt agreements, and the actual rating as of year-end for each investment type for the year ended December 31, 2015.

	Minimum Legal Rating	Ratings as of Year End AAAm	Not Rated	Total
LAIF	N/A		\$4,542,040	\$4,542,040
Held by bond trustee:				
Money market mutual funds	AAAm	\$533,350		533,350
		<u>\$533,350</u>	<u>\$4,542,040</u>	<u>\$5,075,390</u>

Concentration of Credit Risk: The investment policy of the District limits the amount that can be invested in any one issuer to the lesser of the amount stipulated by the California Government Code or 50% of total investments, with the exception of U.S. Treasury obligations, U.S. Agency Securities, and LAIF. There are no investments in any one issuer (other than mutual funds and external investment pools) that represent 5% or more of total District investments.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Under California Government Code Section 53651, depending on specific types of eligible securities, a bank must deposit eligible securities posted as collateral with its Agent having a fair value of 105% to 150% of the District’s cash on deposit. All of the District’s deposits are either insured by the Federal Depository Insurance Corporation (FDIC) or collateralized with pledged securities held in the trust department of the financial institutions in the District’s name.

Investment in LAIF: The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The District reports its investment in LAIF at the fair value amount provided by LAIF. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF’s investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. At December 31, 2016 and 2105, respectively, these investments matured in an average of 171 and 179 days.

CITRUS HEIGHTS WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Years Ended December 31, 2016 and 2015

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2016 and 2015 are as follows:

	Balance December 31, 2015	Additions	Retirements	Transfers	Balance December 31, 2016
Capital assets not being depreciated:					
Land	\$955,683				\$955,683
Right of ways	26,080				26,080
Construction in progress	6,382,577	\$2,410,946	(\$79,222)	(\$8,569,623)	144,678
Total capital assets not being depreciated	<u>7,364,340</u>	<u>2,410,946</u>	<u>(79,222)</u>	<u>(8,569,623)</u>	<u>1,126,441</u>
Capital assets being depreciated:					
Improvements	55,847				55,847
Pipelines and infrastructure	55,492,371		(1,015,826)	4,375,724	58,852,269
Equipment and machinery	3,049,855		(2,744)	138,480	3,185,591
Buildings and improvements	1,466,585			1,309,629	2,776,214
Well improvements	4,858,478			2,745,790	7,604,268
Donated pipelines	16,502,854	896,688	(19,010)		17,380,532
Total capital assets being depreciated	<u>81,425,990</u>	<u>896,688</u>	<u>(1,037,580)</u>	<u>8,569,623</u>	<u>89,854,721</u>
Less accumulated depreciation for:					
Improvements	(37,092)	(782)			(37,874)
Pipelines and infrastructure	(19,955,970)	(1,379,953)	856,168		(20,479,755)
Equipment and machinery	(2,313,889)	(177,669)	2,744		(2,488,814)
Buildings and improvements	(738,205)	(72,455)			(810,660)
Well improvements	(1,292,086)	(128,656)			(1,420,742)
Donated pipelines	(9,246,766)	(428,000)	9,455		(9,665,311)
Total accumulated depreciation	<u>(33,584,008)</u>	<u>(2,187,515)</u>	<u>868,367</u>		<u>(34,903,156)</u>
Total capital assets being depreciated, net	<u>47,841,982</u>	<u>(1,290,827)</u>	<u>(169,213)</u>	<u>8,569,623</u>	<u>54,951,565</u>
Capital Assets, net	<u>\$55,206,322</u>	<u>\$1,120,119</u>	<u>(\$248,435)</u>		<u>\$56,078,006</u>

CITRUS HEIGHTS WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Years Ended December 31, 2016 and 2015

NOTE 3 – CAPITAL ASSETS (Continued)

	Balance December 31, 2014	Additions	Retirements	Transfers	Balance December 31, 2015
Capital assets not being depreciated:					
Land	\$955,683				\$955,683
Right of ways	26,080				26,080
Construction in progress	2,385,577	\$5,988,412		(\$1,991,412)	6,382,577
Total capital assets not being depreciated	3,367,340	5,988,412		(1,991,412)	7,364,340
Capital assets being depreciated:					
Improvements	55,847				55,847
Pipelines and infrastructure	53,532,988		(\$32,029)	1,991,412	55,492,371
Equipment and machinery	2,967,081	82,774			3,049,855
Buildings and improvements	1,466,585				1,466,585
Well improvements	4,858,478				4,858,478
Donated pipelines	16,064,286	438,568			16,502,854
Total capital assets being depreciated	78,945,265	521,342	(32,029)	1,991,412	81,425,990
Less accumulated depreciation for:					
Improvements	(36,310)	(782)			(37,092)
Pipelines and infrastructure	(18,652,289)	(1,335,710)	32,029		(19,955,970)
Equipment and machinery	(2,145,024)	(168,865)			(2,313,889)
Buildings and improvements	(698,711)	(39,494)			(738,205)
Well improvements	(1,167,287)	(124,799)			(1,292,086)
Donated pipelines	(8,830,522)	(416,244)			(9,246,766)
Total accumulated depreciation	(31,530,143)	(2,085,894)	32,029		(33,584,008)
Total capital assets being depreciated, net	47,415,122	(1,564,552)		1,991,412	47,841,982
Capital Assets, net	\$50,782,462	\$4,423,860			\$55,206,322

Capacity Entitlements: From 1993 through 1998, the District participated with four other water agencies in a cooperative transmission pipeline project for the construction of additional transmission pipeline facilities. The District's share of these pipeline costs totaled \$5,636,711. The Capacity Entitlements asset represents the capacity rights the District has purchased in the cooperative transmission pipeline project owned by San Juan Water District. The asset is being amortized over the pipeline's estimated useful life of forty years.

NOTE 4 – LONG-TERM LIABILITIES

Long-term liabilities consist of the following:

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.

CITRUS HEIGHTS WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Years Ended December 31, 2016 and 2015

NOTE 4 – LONG-TERM LIABILITIES (Continued)

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.

The activity of the District’s long-term liabilities during the years ended December 31, 2016 and 2015 was as follows:

	Balance December 31, 2015	Additions	Retirements	Balance December 31, 2016	Current Portion
2010 Certificates of Participation 4%, due 9/28/20	\$2,530,000		(\$470,000)	\$2,060,000	\$485,000
2012 Revenue Refunding Bonds 3-5.25%, due 2/1/33	2,025,000		(75,000)	1,950,000	80,000
Less: Unamortized premiums	322,486		(34,820)	287,666	
	4,877,486		(579,820)	4,297,666	565,000
Net pension liability	3,358,940		(7,518)	3,351,422	
Net OPEB obligation	692,813	\$101,648	(49,706)	744,755	
Compensated absences	351,315	71,172	(89,407)	333,080	205,931
Total Long-Term Liabilities	\$9,280,554	\$172,820	(\$726,451)	\$8,726,923	\$770,931
	Balance December 31, 2014	Additions	Retirements	Balance December 31, 2015	Current Portion
2010 Certificates of Participation 4%, due 9/28/20	\$2,980,000		(\$450,000)	\$2,530,000	\$470,000
2012 Revenue Refunding Bonds 3-5.25%, due 2/1/33	2,095,000		(70,000)	2,025,000	75,000
Less: Unamortized premiums	357,305		(34,819)	322,486	
	5,432,305		(554,819)	4,877,486	545,000
Net pension liability	4,166,006		(807,066)	3,358,940	
Net OPEB obligation	632,800	\$101,648	(41,635)	692,813	
Compensated absences	373,174	130,212	(152,071)	351,315	144,962
Total Long-Term Liabilities	\$10,604,285	\$231,860	(\$1,555,591)	\$9,280,554	\$689,962

**CITRUS HEIGHTS WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Years Ended December 31, 2016 and 2015**

NOTE 4 – LONG-TERM LIABILITIES (Continued)

The annual requirements to amortize the outstanding debt as of December 31, 2016 are as follows:

Fiscal Year Ending June 30,	2010 Certificates of Participation			2012 Revenue Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$485,000	\$82,400	\$567,400	\$80,000	\$92,938	\$172,938
2018	505,000	63,000	568,000	80,000	89,738	169,738
2019	525,000	42,800	567,800	85,000	86,138	171,138
2020	545,000	21,800	566,800	90,000	83,588	173,588
2021				95,000	79,088	174,088
2022-2026				540,000	326,038	866,038
2027-2031				665,000	190,575	855,575
2032-2033				315,000	24,938	339,938
Total	<u>\$2,060,000</u>	<u>\$210,000</u>	<u>\$2,270,000</u>	<u>\$1,950,000</u>	<u>\$973,038</u>	<u>\$2,923,038</u>

Pledged Revenue: The District pledged future water system revenues, net of specified expenses, to repay the 2012 Revenue Refunding Bonds in an original amount of \$2,275,000. Proceeds of the Revenue Refunding Bonds were used to refund the 2003 Certificates of Participation to finance capital improvements to the District’s water system. The Revenue Refunding Bonds are payable solely from water customer net revenues, and are payable through February, 2033. Annual principal and interest payments on the Bonds are expected to require less than 80% of net revenues. Total principal and interest remaining to be paid on the Revenue Refunding Bonds was \$2,923,038 and \$3,093,225 at December 31, 2016 and 2015, respectively.

The District pledged future water system revenues, net of specified expenses, to repay the 2010 Certificates of Participation in the original amount of \$5,155,000. Proceeds of the Certificates of Participation funded the acquisition and construction of certain facilities, as indicated above. The Certificates of Participation are payable solely from water customer net revenues and are payable through September, 2020. Annual principal and interest payments on the Certificates of Participation are expected to require less than 80% of net revenues. Total principal and interest remaining to be paid on the Certificates of Participation was \$2,270,000 and \$2,841,200 at December 31, 2016 and 2015, respectively.

Total principal and interest paid on all debt payable from net revenues was \$734,433 and \$736,488 and the total water system net revenues were \$5,261,062 and \$4,885,420 for the years ended December 31, 2016 and 2015, respectively. At December 31, 2016 and 2015, the District’s net revenues were 709% and 556% of debt service payments, respectively.

NOTE 5 – ARBITRAGE REBATE LIABILITY

Section 148(f) of the Internal Revenue Code requires issuers of tax-exempt state and local bonds to remit to the federal government amounts equal to (a) the excess of the actual amounts earned on all “Nonpurpose Investments” allocable to “Gross Proceeds” of an issue of municipal obligations less the amount that would have been earned if the investments bore a rate equal to the amount that would have been earned if the investments bore a rate equal to the yield on the issue, plus (b) all income attributable to the excess. Issuers must make rebate payments at least once every five years and upon final retirement or redemption of the bonds. There was no arbitrage liability at December 31, 2016 and 2015.

CITRUS HEIGHTS WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Years Ended December 31, 2016 and 2015

NOTE 6 - NET POSITION

Restrictions: Restricted net position consist of constraints placed on net asset use through external requirements imposed by creditors (such as through debt covenants), grantors, contributors, or laws and regulations of other governments or constraints by law through constitutional provisions or enabling legislation. Restricted net position at December 31, 2016 and 2015 consisted of the debt service reserve on the 2010 Certificates of Participation. The restrictions represent debt service and other reserves required by the related debt covenants.

Designations: Designations of unrestricted net position may be imposed by the Board of Directors to reflect future spending plans or concerns about the availability of future resources. Designations may be modified, amended or removed by Board action.

The designations are for the following:

Designated for rate stabilization represents the amount to be used to ensure financial and customer rate stability in responding to certain conditions.

Designated for operating reserve is maintained for operating funds collected in advance for the following year, accrued leave reserve, self-insurance reserve, unanticipated operating expenses, unanticipated economic shortfall, and unallocated funds.

Designated for depreciation reserve represents amounts set aside to replace or rehabilitate capital facilities at the end of their useful life.

Designated for capital improvement reserve represents amounts set aside for use in evaluating and constructing new capital facilities to benefit existing District customers. This reserve had a negative balance in past years due to large capital expenditures, including the meter retrofit program and well construction.

Designated for fleet equipment reserve represents amounts set aside to replace fleet equipment at the end of its useful life.

Designated for employment-related benefits reserve represents amounts set aside to pay the costs of employment-related benefits for existing and retired District employees.

NOTE 7 – DEFINED BENEFIT PENSION PLAN

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

**CITRUS HEIGHTS WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Years Ended December 31, 2016 and 2015**

NOTE 7 – DEFINED BENEFIT PENSION PLAN (Continued)

A. General Information about the Pension Plans

Plan Description and Summary of Balances by Plan – All qualified permanent and probationary employees are eligible to participate in the District’s Miscellaneous (all other) Employee Pension Rate Plan. The District’s Miscellaneous Rate Plan is part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by the California Public Employees’ Retirement System (CalPERS). PERF C consists of a miscellaneous pool and a safety pool (also referred to as “risk pools”), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. The District sponsors one rate plan (miscellaneous). Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Below is a summary of the deferred outflows of resources, net pension liabilities, and deferred inflows of resources by Plan for the year ended December 31, 2016:

	Deferred Outflows of Resources	Net Pension Liability/ Proportionate Share of Net Pension Liability	Deferred Inflows of Resources
Miscellaneous	\$715,792	\$3,351,422	\$431,947

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law. The Pension Reform Act of 2013 (PEPRA), Assembly Bill 340, is applicable to employees new to CalPERS and hired after December 31, 2012.

The Plans’ provisions and benefits in effect at December 31, 2016, are summarized as follows:

	Miscellaneous Tier 1 Prior to January 1, 2013	Miscellaneous Tier 2 Prior to January 1, 2013	Miscellaneous PEPRA On or after January 1, 2013
Hire date			
Benefit formula	2.0% @ 55	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 63	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.43% to 2.42%	1.43% to 2.42%	1.0% to 2.5%
Required employee contribution rates	6.9%	6.9%	-
Required employer contribution rates	8.5%	8.0%	-

**CITRUS HEIGHTS WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Years Ended December 31, 2016 and 2015**

NOTE 7 – DEFINED BENEFIT PENSION PLAN (Continued)

Beginning in fiscal year 2016, CalPERS collects employer contributions for the cost-sharing plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund. The dollar amounts are billed on a monthly basis. The District’s required contribution for the unfunded liability was \$292,848 in fiscal year 2016.

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended December 31, 2016, the District’s contributions to the Plan were as follows:

	Miscellaneous		
	Tier I	Tier II	PEPRA
Contributions - employer	\$550,805	\$46,982	\$14,222
Contributions - employee (paid by employer)	101,327	34,125	-

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of December 31, 2016, the District reported \$3,351,422 in pension liabilities for its proportionate shares of the net pension liability of the Plan.

The District’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2015, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District’s proportionate share of the net pension liability for the Plan as of June 30, 2014 and 2015 was as follows:

	Miscellaneous		
	Tier 1	Tier 2	PEPRA
Proportion - June 30, 2014	0.12690%	0.00024%	0.00000%
Proportion - June 30, 2015	0.12217%	-0.00001%	0.00000%
Change - Increase (Decrease)	0.00%	0.00%	0.00%

CITRUS HEIGHTS WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Years Ended December 31, 2016 and 2015

NOTE 7 – DEFINED BENEFIT PENSION PLAN (Continued)

For the year ended December 31, 2016, the District recognized negative pension expense of \$623,273. At December 31, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$612,009	
Differences between actual and expected experience	30,363	
Changes in assumptions		(\$287,259)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	73,420	(681)
Net differences between projected and actual earnings on plan investments		(144,007)
Total	<u>\$715,792</u>	<u>(\$431,947)</u>

The \$612,009 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2017	(\$175,266)
2018	(175,190)
2019	(161,783)
2020	184,075
2021	-

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous		
	Tier 1	Tier 2	PEPRA
1% Decrease	6.65%	6.65%	6.65%
Net Pension Liability	\$5,451,662	\$12,286	\$884
Current Discount Rate	7.65%	7.65%	7.65%
Net Pension Liability/(Asset)	\$3,351,664	(\$197)	(\$45)
1% Increase	8.65%	8.65%	8.65%
Net Pension Liability/(Asset)	\$1,617,870	(\$10,502)	(\$812)

**CITRUS HEIGHTS WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Years Ended December 31, 2016 and 2015**

NOTE 7 – DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions – For the measurement period ended June 30, 2015, the total pension liabilities were determined by rolling forward the June 30, 2014 total pension liability. The June 30, 2014 and June 30, 2015 total pension liabilities were based on the following actuarial methods and assumptions:

	Miscellaneous
Valuation Date	June 30, 2014
Measurement Date	June 30, 2015
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.5% (1)
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter
Mortality	Derived using CalPers Membership Data for all Funds (2)

(1) Net of pension plan investment and administrative expenses, including inflation.

(2) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the CalPERS 2014 experience study report available on CalPERS' website.

All other actuarial assumptions used in the June 30, 2015 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website under Forms and Publications.

Change of Assumptions – GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense, but without reduction for pension plan administrative expense. The discount rate of 7.50 % used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65 % used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense. All other assumptions for the June 30, 2014 measurement date were the same as those used for the June 30, 2015 measurement date.

Discount Rate – The discount rate used to measure the total pension liability was 7.65% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

**CITRUS HEIGHTS WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Years Ended December 31, 2016 and 2015**

NOTE 7 – DEFINED BENEFIT PENSION PLAN (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	<u>100%</u>		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 8 – OTHER POST-RETIREMENT BENEFITS

Plan Description: The District administers a single-employer defined benefit other postemployment healthcare (OPEB) plan providing health plan coverage to eligible retired employees and their eligible dependents. The District offers retirees the option to obtain coverage under the same medical plans as its active employees if such coverage is offered by the health insurer. Employees become eligible to retire and receive healthcare benefits with at least 20 years of service to the District. The OPEB Plan does not issue a publicly available financial report.

CITRUS HEIGHTS WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Years Ended December 31, 2016 and 2015

NOTE 8 – OTHER POST-RETIREMENT BENEFITS (Continued)

Funding Policy: The contribution requirements of plan members and the District are established and may be amended by the Board of Directors. The required contribution is based on projected pay-as-you-go financing requirements. For 2016 and 2015, the District contributed \$37,365 and \$30,352 respectively, to the plan.

Annual OPEB Cost and Net OPEB Obligation: The District’s annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District’s annual OPEB cost for 2016 and 2015, the amount actually contributed to the plan, and changes in the District’s net OPEB obligation to the OPEB plan:

	<u>2016</u>	<u>2015</u>
Normal Cost	\$40,342	\$40,342
Amortization of unfunded AAL	61,306	61,306
Annual required contribution	101,648	101,648
Interest and amortization of net OPEB obligation	(12,341)	(11,283)
Contributions made (premium payments made)	<u>(37,365)</u>	<u>(30,352)</u>
Change in net OPEB obligation	51,942	60,013
Net OPEB obligation, beginning of year	<u>692,813</u>	<u>632,800</u>
Net OPEB obligation, end of year	<u>\$744,755</u>	<u>\$692,813</u>

The District’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016, 2015, and 2014 were as follows:

<u>Year Ended</u>	<u>Annual OPEB</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
December 31, 2014	\$123,823	21.08%	\$632,800
December 31, 2015	101,648	29.86%	692,813
December 31, 2016	101,648	36.76%	744,755

The schedule of funding progress presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the unfunded actuarial accrued liability (UAAL) for benefits. Information as of December 31, 2016 is presented below:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (A)</u>	<u>Actuarial Accrued Liability (AAL)- Simplified Entry Age (B)</u>	<u>Unfunded AAL (Uaal) (B - A)</u>	<u>Funded Ratio (A/B)</u>	<u>Covered Payroll (C)</u>	<u>UAAL as a Percentage of/Covered Payroll ((B-A)/C)</u>
January 1, 2015	\$0	\$1,060,112	\$1,060,112	0	\$2,659,682	39.86%

**CITRUS HEIGHTS WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Years Ended December 31, 2016 and 2015**

NOTE 8 – OTHER POST-RETIREMENT BENEFITS (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information below, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets consistent with the long-term perspective of the calculations.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Various claims have been filed against the District. In the opinion of the District's management and legal counsel, the claims will not have a material impact on the basic financial statements.

The District has capital project commitments as of December 31, 2016 and 2015 totaling \$2,197,621 and \$1,164,971, respectively, related to construction work.

NOTE 10 – ECONOMIC DEPENDENCY

During 2016 and 2015, the District purchased 95.61% and 91.57%, respectively, of its water supply from the San Juan Water District (SJWD). Total purchases for the year ended December 31, 2016 and 2015 was \$2,190,061 and \$1,950,627, respectively. In addition, the District owns water transmission capacity entitlements through the cooperative transmission pipeline project owned and operated by SJWD.

NOTE 11 – INSURANCE

The District participates in the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA) a public entity risk pool of California water agencies, for general and auto liability, public officials liability, property damage, fidelity insurance and workers compensation liability. ACWA/JPIA provides insurance through the pool up to a certain level, beyond which group purchased commercial excess insurance is obtained.

The District pays an annual premium to ACWA/JPIA that includes its pro-rata share of excess insurance premiums, charges for the pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the ACWA/JPIA. The District's deductibles and maximum coverage are as follows:

**CITRUS HEIGHTS WATER DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 For the Years Ended December 31, 2016 and 2015**

NOTE 11 – INSURANCE (Continued)

Type of Coverage (Deductible)	ACWA/ JPIA	Commercial Insurance	Deductible
General and Auto Liability (Includes Public Officials Liability)	\$5,000,000	Statutory	None
Property Damage	100,000	150,000,000	2,500 - 5,000
Crime	100,000	None	1,000
Workers Compensation Liability	2,000,000	Statutory	None
Employers Liability	2,000,000	Statutory	None

The District continues to carry commercial insurance for all other risks of loss to cover all claims for risk of loss to which the District is exposed. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 12 – SUBSEQUENT EVENTS DISCLOSURE

In December 2016, CalPERS’ Board of Directors voted to lower the discount rate from 7.5% to 7.0% over the next three fiscal years, beginning in fiscal year 2018. The change in the discount rate will affect the contribution rates beginning in fiscal year 2019 and result in increases to the normal costs and unfunded actuarial liabilities.

On February 1, 2017, San Juan Water District agreed to compensate Citrus Heights Water District for all of its expenses related to providing groundwater supplies between 2009 and 2014. In April 2017, the District will be reimbursed \$264,698 for the expenses incurred in 2014. A reimbursement of \$66,175 will be made to the District every quarter over three years beginning July 2017 to compensate for the costs of operation from 2009-2013. In accordance to these terms, San Juan Water District is responsible to provide the District a total credit of \$1,058,793.

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Required Supplementary Information

**CITRUS HEIGHTS WATER DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION
For the Years Ended December 31, 2016 and 2015**

Citrus Heights Water District, a Cost-Sharing Defined Pension Plan
As of fiscal year ending December 31, 2016
**Schedule of the Plan's Proportionate Share of the Net Pension Liability and
Related Ratios as of the Measurement Date
Last 10 Years***

	Tier 1	Tier 2	Tier 1	Tier 2	PEPRA
	6/30/2014	6/30/2014	6/30/2015	6/30/2015	6/30/2015
Plan's Proportion of the Net Pension Liability/Asset	0.05389%	0.00009%	0.12217%	-0.00001%	-0.000002%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$3,353,100	\$5,840	\$3,351,664	(\$197)	(\$45)
Plan's Covered-Employee Payroll	\$1,909,003	\$220,884	\$1,492,183	\$643,723	\$226,708
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	175.65%	2.64%	224.61%	-0.03%	-0.02%
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of the Plan's Total Pension Liability	77.43%	83.03%	78.26%	100.21%	100.66%

* Fiscal year 2015 was the 1st year of implementation.

CITRUS HEIGHTS WATER DISTRICT REQUIRED SUPPLEMENTAL INFORMATION For the Years Ended December 31, 2016 and 2015

Citrus Heights Water District, a Cost-Sharing Defined Pension Plan
As of fiscal year ending December 31, 2016
SCHEDULE OF CONTRIBUTIONS
Last 10 Years*

	Tier 1 2015	Tier 2 2015	Tier 1 2016	Tier 2 2016	PEPRA 2016
Actuarially determined contribution	\$ 405,696	\$ 31,543	\$ 550,805	\$ 46,982	\$ 14,222
Contributions in relation to the actuarially determined contributions	(405,696)	(31,543)	(550,805)	(46,982)	(14,222)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
 Covered-employee payroll	 \$ 1,909,003	 \$ 220,884	 \$ 1,492,183	 \$ 643,723	 \$ 226,708
 Contributions as a percentage of covered- employee payroll	 21.25%	 14.28%	 36.91%	 7.30%	 6.27%

* Fiscal year 2015 was the 1st year of implementation.

CITRUS HEIGHTS WATER DISTRICT REQUIRED SUPPLEMENTAL INFORMATION For the Years Ended December 31, 2016 and 2015

Schedule of Funding Status – Other Post-Employment Benefits Obligation

Funded Status and Funding Progress of the Plan

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Liability (AAL)- Simplified Entry Age (B)	Unfunded AAL (Uaal) (B - A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of/Covered Payroll ((B-A)/C)
December 31, 2009	\$0	\$1,449,500	\$1,449,500	\$0	\$2,154,000	67.29%
December 31, 2012	0	1,414,800	1,414,800	0	2,266,500	62.42%
January 1, 2015	0	1,060,112	1,060,112	0	2,659,682	39.86%

In the January 1, 2015 actuarial valuation, the projected unit credit actuarial method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses), which is based on the District's own investments. The annual healthcare-cost trend rates are 5.0%-8.0% for 2015 through 2018+ respectively. The UAAL is being amortized as a level dollar amount on an open basis. The remaining amortization period at December 31, 2016, was 29 years.

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and the pattern of sharing of costs between the employer and plan members to that point. Consistent with the long-term perspective of actuarial calculations, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities for benefits.

The following is a summary of the actuarial assumptions and methods:

Valuation date	January 1, 2015
Actuarial cost method	Projected unit credit method
Amortization method	Level percent of payroll amortization
Remaining amortization period	30 years as of the valuation date
Actuarial assumptions:	
Investment rate of return	4.00%
Projected salary increase	0.00%
Inflation rate	3.00%
Health care cost trend rates	5.00% - 8.00%

Attachment 2
Memorandum on Internal Control and
Required Communications
For the Year Ended December 31, 2016

CITRUS HEIGHTS WATER DISTRICT
MEMORANDUM ON INTERNAL CONTROL
AND
REQUIRED COMMUNICATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016

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**CITRUS HEIGHTS WATER DISTRICT
MEMORANDUM ON INTERNAL CONTROL
AND
REQUIRED COMMUNICATIONS**

For the Year Ended December 31, 2016

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MEMORANDUM ON INTERNAL CONTROL

To the Board of Directors of
the Citrus Heights Water District
Citrus Heights, California

In planning and performing our audit of the basic financial statements of the Citrus Heights Water District (District) as of and for the year ended December 31, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist and that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that are considered to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control included on the Schedule of Significant Deficiencies to be significant deficiencies. However, material weaknesses may exist that have not been identified.

Included in the Schedule of Other Matters are recommendations not meeting the above definitions that we believe are opportunities for strengthening internal controls and operating efficiency.

Management's written responses included in this report have not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, Board of Directors, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Maze + Associates

Pleasant Hill, California
May 24, 2017

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**CITRUS HEIGHTS WATER DISTRICT
SCHEDULE OF SIGNIFICANT DEFICIENCIES
FOR THE YEAR ENDED DECEMBER 31, 2016**

2016 – 01: Review of Journal Entries

Criteria: Journal entries are an important transaction cycle that affects all aspects of accounting and financial reporting. Prudent internal control concepts dictate that no single employee should process a transaction without the involvement of another employee. For journal entries, this typically takes the form of a second employee performing a review and approving the proposed entry prior to posting. The review and approval should be documented by a reviewer signing and dating the journal entry to ensure that his or her review has been completed and the entry is approved in a timely manner.

Condition: During the interim phase of the audit, we selected twenty-two journal entries to test for segregation of duties and approval. This includes observation that the reviewer is someone other than the preparer and that audit evidence is present on the journal entries showing approval. Through our testing, we noted one journal entry was prepared and reviewed by the same employee. Additionally, we noted five journal entries did not include audit evidence which would signify someone other than the preparer reviewed the journal entries.

Cause: The District overlooked having two individuals prepare and review its journal entries.

Effect: Failure to adhere to a defined journal entry approval process could result in entries being entered into the system inappropriately and incorrectly, increasing the chances of reporting inaccurate financial information.

Recommendation: We recommend all journal entries be reviewed by a second person who will sign and date his or her review. We also recommend the District implement controls for posting journal entries within the accounting software which would not allow one user to have the ability to prepare and post journal entries without a second approver.

Management's Response: The Citrus Heights Water District (District) agrees with the recommendations presented. In considering this finding, the District recognized that it was short of staffing resources, specifically, a second accountant. Therefore, in March 2016, District staff recommended and the Board of Directors approved the inclusion of a second accounting position in the 2016 budget. The District then hired a second accountant (Senior Accountant, Alberto Preciado) in August of 2016. With the addition of the second accountant, finance/accounting workloads have been realigned, and procedures and practices have been updated. One procedure is the entering/reviewing of journal entries. The District has remedied the finding by adding the procedure of having one accountant enter the journal entry and having the second accountant review and approve the journal entry, documenting the approval with a signature and date.

District staff is researching the capabilities of the accounting software, Microsoft Great Plains, to determine whether rules/permissions can be set up within the software to prevent a journal entry being posted by one accountant without the approval of a second accountant.

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**CITRUS HEIGHTS WATER DISTRICT
SCHEDULE OF OTHER MATTERS
FOR THE YEAR ENDED DECEMBER 31, 2016**

2016-02: Bank Reconciliation and Treasurer's Report Preparation

Criteria: Bank reconciliations and Treasurer's Reports are not considered complete until they have been prepared, reconciled and reviewed in their entirety. The District's Board of Directors should be approving a complete report of the District's cash and investments without the need for adjustments or further reconciliation subsequent to approval.

Condition: During our review of the December 2016 Treasurer's Report, we noted that cash and investment items were understated by \$64,533 due to: (1) November 2016 payroll charges posted to the month of December 2016; (2) incorrect bank deposit amount; (3) voided checks in November 2016 and December 2016 and; (4) timing of monthly interest charges. Restricted cash and investments was also understated by \$26 which was due to the timing of monthly interest charges. Lastly, outstanding checks appear to be understated by \$2,439. During our review of the December 31, 2016 bank reconciliation we noted that the adjusted bank balance did not tie to the general ledger by \$1,371.

Cause: It is the District's current practice to prepare the bank reconciliations subsequent to the preparation of the Treasurer's Report due to the schedule of the board meetings occurring during the first part of the month.

Effect: At the time of preparation of both the bank reconciliation and Treasurer's Report, the District lacks the necessary documents in order to complete the documents in their entirety. These timing differences increase the risk of potential errors and misstatement being undetected or uncorrected in a timely manner.

Recommendation: In order to ensure accurate financial statement reporting, we recommend that (1) the Treasurer Report and bank reconciliations be completed once all of the requisite documents are available; (2) the District allows ample time in preparing the Treasurer's Report and bank reconciliations; and that (3) the District also ensures that the Treasurer's Report discloses correct information and minimized errors prior to the submission and approval of the Board of Directors.

Management's Response: The Citrus Heights Water District (District) agrees with the recommendations presented. The variances noted by the auditors have been reconciled and corrected. Due to time constraints presented as a result of preparing financial statements in time for inclusion in the monthly Board of Directors (Board) meeting agenda packet, the Treasurer's Report has been prepared using unreconciled bank balances. This has been a practice of the District for many years. The variances noted by the auditors have been a result of bank statements not being available until after the Board meetings are held. Beginning with the August 2017 Board meeting, the Board of Directors meetings will be held on the third Wednesday of the month, providing the necessary time for Finance staff to receive and analyze bank statements for reconciliation of accounts and entry of transactions required for the preparation of the monthly Treasurer's Report.

**CITRUS HEIGHTS WATER DISTRICT
SCHEDULE OF OTHER MATTERS
FOR THE YEAR ENDED DECEMBER 31, 2016**

2016-03: UPCOMING GASB

There are a number of new accounting and financial reporting pronouncements that have been issued by the Governmental Accounting Standards Board, the authoritative standard setting body in the United States. We have included the one that will have an impact on the District's financial statements, effective in fiscal year ending December 31, 2018, to keep you informed about these developments on a proactive basis.

The following pronouncement is effective in fiscal year 2018:

GASB 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*

The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

**CITRUS HEIGHTS WATER DISTRICT
STATUS OF PRIOR YEAR SIGNIFICANT DEFICIENCIES
FOR THE YEAR ENDED DECEMBER 31, 2016**

2015 – 01: Review of Journal Entries

Criteria: Journal entries are an important transaction cycle that affects all aspects of accounting and financial reporting. Prudent internal control concepts dictate that no single employee should process a transaction without the involvement of another employee. For journal entries, this typically takes the form of a second employee performing a review and approving the proposed entry prior to posting. The review and approval should be documented by a reviewer signing and dating the journal entry to ensure that their review has been completed and the entry is approved in a timely manner.

Condition: During the interim phase of the audit, Maze selected 21 journal entries to test for segregation of duties and approval. This includes the reviewer being someone other than the preparer; and audit evidence being present on the journal entries indicating such. Through our testing, we noted one journal entry was prepared and reviewed by the same employee. Additionally, we noted five journal entries did not include audit evidence which would signify someone other than the preparer reviewed the journal entries.

Cause: The District simply overlooked having two individuals prepare and review its journal entries.

Effect: Failure to adhere to a defined journal entry approval process could result in entries being entered into the system inappropriately and incorrectly, increasing the chances of reporting inaccurate financial information.

Recommendation: We recommend all journal entries be signed and dated for review in a timely manner. We also recommend the District implement controls for posting journal entries within the accounting software which would not allow one user to have the ability to prepare and post journal entries without a second approver.

Current Status: See 2016-01 in Schedule of Significant Deficiencies above.

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**CITRUS HEIGHTS WATER DISTRICT
STATUS OF PRIOR YEAR OTHER MATTERS
FOR THE YEAR ENDED DECEMBER 31, 2016**

2015 – 02: Fixed Asset Policy Update

Criteria: Under the District’s Fixed Asset Policy, section 6700.20 - Depreciation of Fixed Assets, it stipulates the “Fleet Equipment” classification should be depreciated over five years.

Condition: During the final phase of the audit, Maze recalculated the District’s depreciation expense of its capital assets to determine if it was reasonable or not. While performing the test for the fleet equipment, it appeared that on average, the useful life was ten years.

Cause: Upon inquiry with the finance staff, the District feels ten years is a better reflection of the useful life of its cars and fleet than the policy stated five years.

Effect: The District is not in compliance with its published Fixed Asset Policy.

Recommendation: We recommend the District update its fixed asset policy to reflect its current depreciation practice for fleet equipment; or follow a five year depreciation schedule for all assets in the Fleet Equipment category as the Fixed Asset Policy currently states.

Current Status: The District adopted a revised Fixed Assets Accounting Control policy on November 8, 2016, which included revised verbiage for the useful life and depreciation of fixed assets. As of December 31, 2016, it appears the District is in compliance with its policy.

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REQUIRED COMMUNICATIONS

To the Board of Directors of
the Citrus Heights Water District
Citrus Heights, California

We have audited the basic financial statements of the Citrus Heights Water District (District) for the year ended December 31, 2016. Professional standards require that we communicate to you the following information related to our audit under generally accepted auditing standards.

Significant Audit Findings

Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year, except as follows:

GASB Statement No. 72 – Fair Value Measurement and Application

This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is 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. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

This Statement establishes a hierarchy of inputs to valuation techniques used to measure fair value. That hierarchy has three levels:

- 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 the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs, such as management’s assumption of the default rate among underlying mortgages of a mortgage-backed security.

This Statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Governments should organize these disclosures by type of asset or liability reported at fair value. It also requires additional disclosures regarding investments in certain entities that calculate net asset value per share (or its equivalent).

The pronouncement became effective and affected the notes to the financial statements, but did not have a material effect on the financial statements. See Notes 1 and 2 to the financial statements for current year disclosures.

GASB Statement No. 76 – *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*

The objective of this Statement is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*.

The requirements in this Statement improve financial reporting by (1) raising the category of GASB Implementation Guides in the GAAP hierarchy, thus providing the opportunity for broader public input on implementation guidance; (2) emphasizing the importance of analogies to authoritative literature when the accounting treatment for an event is not specified in authoritative GAAP; and (3) requiring the consideration of consistency with the GASB Concepts Statements when evaluating accounting treatments specified in nonauthoritative literature. As a result, governments will apply financial reporting guidance with less variation, which will improve the usefulness of financial statement information for making decisions and assessing accountability and enhance the comparability of financial statement information among governments.

The pronouncement became effective, but did not have a material effect on the financial statements.

GASB Statement No. 79 – *Certain External Investment Pools and Pool Participant*

The requirements of this Statement are effective for reporting periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. Those provisions are effective for reporting periods beginning after December 15, 2015.

This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant.

If an external investment pool does not meet the criteria established by this Statement, that pool should apply the provisions in paragraph 16 of Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as amended. If an external investment pool meets the criteria in this Statement and measures all of its investments at amortized cost, the pool’s participants also should measure their investments in that external investment pool at amortized cost for financial reporting purposes. If an external investment pool does not meet the criteria in this Statement, the pool’s participants should measure their investments in that pool at fair value, as provided in paragraph 11 of Statement 31, as amended.

GASB Statement No. 79 – *Certain External Investment Pools and Pool Participant (Continued)*

This Statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals.

The pronouncement became effective, but did not have a material effect on the financial statements.

GASB Statement No. 82 – *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*

The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

Prior to the issuance of this Statement, Statements 67 and 68 required presentation of covered-employee payroll, which is the payroll of employees that are provided with pensions through the pension plan, and ratios that use that measure, in schedules of required supplementary information. This Statement amends Statements 67 and 68 to instead require the presentation of covered payroll, defined as the payroll on which contributions to a pension plan are based, and ratios that use that measure.

This Statement clarifies that a deviation, as the term is used in Actuarial Standards of Practice issued by the Actuarial Standards Board, from the guidance in an Actuarial Standard of Practice is not considered to be in conformity with the requirements of Statement 67, Statement 68, or Statement 73 for the selection of assumptions used in determining the total pension liability and related measures.

This Statement clarifies that payment that are made by an employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements should be classified as plan member contributions for purposes of Statement 67 and as employee contributions for purposes of Statement 68. It also requires that an employer's expense and expenditures for those amounts be recognized in the period for which the contribution is assessed and classified in the same manner as the employer classifies similar compensation other than pensions (for example, as salaries and wages or as fringe benefits).

The pronouncement is effective in fiscal year 2017, but management early-implemented the provisions of the Statement in fiscal year 2016.

Unusual Transactions, Controversial or Emerging Areas

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

Estimated Fair Value of Investments: As of December 31, 2016, the District held \$10.2 million of cash and investments as measured by fair value as disclosed in Note 2 to the financial statements. Fair value is essentially market pricing in effect as of December 31, 2016. These fair values are not required to be adjusted for changes in general market conditions occurring subsequent to December 31, 2016.

Estimate of Depreciation: Management's estimate of the depreciation is based on useful lives determined by management. These lives have been determined by management based on the expected useful life of assets as disclosed in Note 1 to the financial statements. We evaluated the key factors and assumptions used to develop the depreciation estimate and determined that it is somewhat reasonable in relation to the basic financial statements taken as a whole.

Estimate of Compensated Absences: Accrued compensated absences which are comprised of accrued vacation, holiday, and certain other compensating time is estimated using accumulated unpaid leave hours and hourly pay rates in effect at the end of the fiscal year as disclosed in Note 4 to the financial statements. We evaluated the key factors and assumptions used to develop the accrued compensated absences and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Estimated Net Pension Liabilities and Pension-Related Deferred Outflows and Inflows of Resources: Management's estimate of the net pension liabilities and deferred outflows/inflows of resources are disclosed in Note 7 to the financial statements and are based on actuarial studies determined by a consultant, which are based on the experience of the District. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Estimated Net OPEB Liability: Management's estimate of the net OPEB liability is disclosed in Note 8 to the financial statements and is based on actuarial study determined by a consultant, which is based on the experience of the District. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Disclosures

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in a management representation letter dated May 24, 2017.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information Accompanying the Financial Statements

We applied certain limited procedures to the required supplementary information that accompanies and supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the required supplementary information and do not express an opinion or provide any assurance on the required supplementary information.

This information is intended solely for the use of the Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Maze + Associates

Pleasant Hill, California
May 24, 2017

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS JUNE 13, 2017 REGULAR MEETING

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

STATUS : Action Item

REPORT DATE : June 7, 2017

PREPARED BY : David M. Gordon, Operations Manager

OBJECTIVE:

Consider acceptance of a responsive proposal for on-call pavement restoration services for the Citrus Heights Water District (District) and approve agreement with Central Valley Engineering & Asphalt for on-call pavement restoration services.

BACKGROUND AND ANALYSIS:

The District’s Operations work crews are involved in daily maintenance of the District’s underground water infrastructure. This includes, but is not limited to, streets, driveways and parking lot excavations for repair to and/or replacement work 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, contracting out pavement restoration work is necessary.

Based on history, the quantities of the patch pavement repair needed varies between 1,000 and 3,000 SF during any two (2) month period. The quantities of the pipeline pavement repair varies by job, but will typically vary between 4,000 and 7,000 SF, per main replacement project. 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 District issued a Request for Proposal for on-call pavement restoration service on May 25, 2017. In response, two (2) sealed bids were received on June 6, 2017, at which time the proposals were opened and read publicly. The apparent low bidder is Central Valley Engineering & Asphalt, Inc. of Roseville, CA. Bids received are as follows:

Bidder	Patch Paving Restoration		Pipeline Trench Paving Restoration		Total
	\$/SF	\$/15,000SF	\$/SF	\$/15,000 SF	
1. Central Valley Engineering & Asphalt, Inc.	\$10.75	\$161,250.00	\$10.75	\$161,250.00	\$322,500.00
2. California Pavement Maintenance Company, Inc.	\$21.90	\$328,500.00	\$18.90	\$283,500.00	\$612,000.00

The District’s previous contract amount for on-call pavement restoration was \$12.59 per SF for patch paving restoration.

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 (5) percent increase on the bid items for the 24-months following the

end of the initial contract term date of December 31, 2018. The use of the optional increase and extension of the contract will follow with a new payment and performance bond by the contractor.

RECOMMENDATION:

Accept the proposal 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 on-call pavement restoration services. Authorize the General Manager to utilize the contractor as necessary during the term of the agreement.

ACTION:

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

CITRUS HEIGHTS WATER DISTRICT
CONSTRUCTION CONTRACT
2017/2018 ON-CALL PAVEMENT RESTORATION

1. PARTIES AND DATE.

This Contract is made and entered into this [***INSERT DAY***] day of [***INSERT MONTH***], [***INSERT YEAR***] 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., a Corporation with its principal place of business at 216 Kenroy Lane, Roseville, CA 95678, telephone number (916) 791-1609 (“Contractor”). 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 2017/2018 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 (\$___250.00___) 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 ten dollars and seventy five cents per square-foot (\$10.75/SF) for patch pavement restoration and ten dollars and seventy five cents per square-foot (\$10.75/SF) for pipeline trench pavement restoration exceeding two thousand square-feet (2,000 SF) as requested by District. The total amount paid to Contractor shall not exceed three hundred twenty two thousand, five hundred dollars (\$322,500.00) ("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 \$2,000,000 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 reinstatement 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 Lane
Roseville, CA 95678
Attn: James Castle, CFO/Secretary

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 CENTRAL VALLEY ENGINEERING & ASPHALT, INC.**

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the
[***INSERT DAY***] day of [***INSERT MONTH***], [***INSERT YEAR***].

CITRUS HEIGHTS WATER DISTRICT

CENTRAL VALLEY ENGINEERING &
ASPHALT

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 2,000 square feet (SF) per location) and one (1) to two (2) times per year for pavement restoration above 2,000 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 2,000 SF to as large as 7,000 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 2,000 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 1, 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 2,000 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.

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 3" to 6" Asphalt 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, 2018 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, 2018. 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
2017/18 ON-CALL PAVEMENT RESTORATION PROJECT

The following Construction Details pertain to Citrus Heights Water District’s 2017/18 On-Call Pavement Restoration Project:

Detail TREN_713CH	4” Through 12” Trench Detail – Pavement – City of Citrus Heights
Detail TREN_713SC	4” Through 12” Trench Detail – Pavement –County of Sacramento
Detail TREN_713PC	4” Through 12” Trench Detail – Pavement – County of Placer
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

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.

*****INSERT CONTRACTOR NAME*****

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.

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.

EXHIBIT “G”

FEDERAL REQUIREMENTS

[***NOT APPLICABLE***]

EXHIBIT "H"

**COPY OF INSTRUCTIONS TO BIDDERS AND
CENTRAL VALLEY ENGINEERING & ASPHALT, INC. BID**

INSTRUCTIONS TO BIDDERS

AVAILABILITY OF CONTRACT DOCUMENTS

Bids must be submitted to the District on the Bid Documents which are a part of the Bid Package for the Project. Prospective bidders may obtain a complete set of Contract Documents as stated in the Notice Inviting Bids.

EXAMINATION OF CONTRACT DOCUMENTS

The District has made copies of the Contract Documents available, as indicated above. Bidders shall be solely responsible for examining the Contract Documents, including any Addenda issued during the bidding period, and for informing itself with respect to local labor availability, means of transportation, necessity for security, laws and codes, local permit requirements, wage scales, local tax structure, contractors' licensing requirements, availability of required insurance, and other factors that could affect the Work. Bidders are responsible for consulting the standards referenced in the Contract. Failure of Bidder to so examine and inform itself shall be at its sole risk, and no relief for error or omission will be given except as required under State law.

INTERPRETATION OF CONTRACT DOCUMENTS

Discrepancies in, and/or omissions from the Plans, Specifications or other Contract Documents or questions as to their meaning shall be immediately brought to the attention of the District by submission of a written request for an interpretation or correction to the District. Such submission, if any, must be sent via email, U.S. Mail or facsimile to:

David M. Gordon P.E.
Citrus Heights Water District
6230 Sylvan Road
P.O. Box 286
Citrus Heights, CA 95610
dgordon@chwd.org
916-735-7722

and received no later than Wednesday, May 29, 2017 at 5:00pm.

Any interpretation of the Contract Documents will be made only by written addenda duly issued and provided to all recipients of complete sets of the Contract Documents. The District will not be responsible for any explanations or interpretations provided in any other manner. No person is authorized to make any oral interpretation of any provision in the Contract Documents to any Bidder, and no Bidder should rely on any such oral interpretation.

Bids shall include complete compensation for all items of work to be performed under the Contract Documents.

ADDENDA

The District reserves the right to revise the Contract Documents prior to the bid opening date. Revisions, if any, shall be made by issuing Addenda. All plan holders will be notified by e-mail when an addendum is posted to the bid management system. All addenda issued by the District

shall be included in the bid and made part of the Contract Documents. Pursuant to Public Contract Code Section 4104.5, if the District issues an Addendum which includes material changes to the Project less than **72 hours** prior to the deadline for submission of bids, the District will extend the deadline for submission of bids. The District may determine, in its sole discretion, whether an Addendum warrants postponement of the bid submission date. Please Note: Bidders are responsible for ensuring that they have received any and all Addenda.

ALTERNATE BIDS

If alternate bid items are called for in the Contract Documents, the lowest bid will be determined on the basis of the base bid only, unless otherwise specified in the Notice Inviting Bids. The time required for completion of the alternate bid items has been factored into the Contract Time and no additional time will be awarded for any of the alternate bid items. The District may elect to include one or more of the alternate bid items, or to otherwise remove certain work from the Project scope of work, accordingly each Bidder must ensure that each bid item contains a proportionate share of profit, overhead and other costs or expenses which will be incurred by the Bidder.

COMPLETION OF BID FORMS

Bids shall only be prepared using copies of the Bid Forms which are included in the Contract Documents. The use of substitute bid forms will not be permitted. Bids shall be executed by an authorized signatory as described in these Instructions to Bidders. Deviations in the bid form may result in the bid being deemed non-responsive.

MODIFICATIONS OF BIDS

Each Bidder shall submit its Bid in strict conformity with the requirements of the Contract Documents. Unauthorized additions, modifications, revisions, conditions, limitations, exclusions or provisions attached to a Bid may render it non-responsive and may cause its rejection. Bidders shall neither delete, modify, nor supplement the printed matter on the Bid Forms, nor make substitutions thereon. Oral, telephonic and electronic modifications will not be considered, unless the Notice Inviting Bids authorizes the submission of electronic bids and modifications thereto and such modifications are made in accordance with the Notice Inviting Bids.

DESIGNATION OF SUBCONTRACTORS

Pursuant to State law, the Bidders must designate the name and location of each subcontractor who will perform work or render services for the Bidder in an amount that exceeds one-half of one percent (1/2%) of the Bidder's Total Bid Price, as well as the portion of work each such subcontractor will perform on the form provided herein by the District. No additional time will be provided to bidders to submit any of the requested information in the Designation of Subcontractor form.

LICENSING REQUIREMENTS

Pursuant to Section 7028.15 of the Business and Professions Code and Section 3300 of the Public Contract Code, all bidders must possess proper licenses for performance of this Contract. Subcontractors must possess the appropriate licenses for each specialty subcontracted. Pursuant to Section 7028.5 of the Business and Professions Code, the District shall consider any bid submitted by a contractor not currently licensed in accordance with state law and pursuant to the

requirements found in the Contract Documents to be nonresponsive, and the District shall reject the Bid. The District shall have the right to request, and Bidders shall provide within five (5) calendar days, evidence satisfactory to the District of all valid license(s) currently held by that Bidder and each of the Bidder's subcontractors, before awarding the Contract.

Notwithstanding anything contained herein, if the Work involves federal funds, the Contractor shall be properly licensed by the time the Contract is awarded, pursuant to the provisions of Public Contract Code Section 20103.5.

SIGNING OF BIDS

All Bids submitted shall be executed by the Bidder or its authorized representative. Bidder shall upload an electronic scanned copy of the executed Bid Form to the electronic bid management system. Bidders may be asked to provide evidence in the form of an authenticated resolution of its Board of Directors or a Power of Attorney evidencing the capacity of the person signing the Bid to bind the Bidder to each Bid and to any Contract arising therefrom. Hard copy of bids shall also be submitted at the District's offices. Hard copy of bids will be due at the same time as the electronic submittal. In case of discrepancy between the hard copy submittal and the electronic submittal, the hard copy submittal shall prevail.

If a Bidder is a joint venture or partnership, it may be asked to submit an authenticated Power of Attorney executed by each joint venturer or partner appointing and designating one of the joint venturers or partners as a management sponsor to execute the Bid on behalf of Bidder. Only that joint venturer or partner shall execute the Bid. The Power of Attorney shall also: (1) authorize that particular joint venturer or partner to act for and bind Bidder in all matters relating to the Bid; and (2) provide that each venturer or partner shall be jointly and severally liable for any and all of the duties and obligations of Bidder assumed under the Bid and under any Contract arising therefrom. The Bid shall be executed by the designated joint venturer or partner on behalf of the joint venture or partnership in its legal name.

BID GUARANTEE (BOND)

Each bid shall be accompanied by: (a) cash; (b) a certified check made payable to the District; (c) a cashier's check made payable to the District; or (d) a bid bond payable to the District executed by the bidder as principal and surety as obligor in an amount not less than 10% of the maximum amount of the bid. Personal sureties and unregistered surety companies are unacceptable. The surety insurer shall be California admitted surety insurer, as defined in Code of Civil Procedure Section 995.120. The cash, check or bid bond shall be given as a guarantee that the bidder shall execute the Contract if it be awarded to the bidder, shall provide the payment and performance bonds and insurance certificates and endorsements as required herein within ten (10) calendar days after notification of the intent to award the Contract to the bidder. Failure to provide the required documents may result in forfeiture of the bidder's bid deposit or bond to the District and the District may award the Contract to the next lowest responsible bidder, or may call for new bids.

SUBMISSION OF SEALED BIDS

Bidders may submit their bids via electronic transmission pursuant to Public Contract Code Sections 1600 and 1601. The acceptable method(s) of electronic transmission are stated in the Notice Inviting Bids. District shall not accept bids otherwise transmitted. **No oral, telephonic, or facsimile bids will be considered.**

DELIVERY AND OPENING OF BIDS

Bids must be received in the Administrative Office of Citrus Heights Water District, 6230 Sylvan Road, Citrus Heights, CA 95610. Bids will be opened at the date and time stated in the Notice Inviting Bids, and the amount of each Bid will be read aloud and recorded. All Bidders may, if they desire, attend the opening of Bids. The District may in its sole discretion, elect to postpone the opening of the submitted Bids. District reserves the right to reject any or all Bids and to waive any informality or irregularity in any Bid. In the event of a discrepancy between the written amount of the Bid Price and the numerical amount of the Bid Price, the written amount shall govern.

WITHDRAWAL OF BID

Prior to the bid closing deadline, a Bid may be withdrawn by the Bidder. Any request to withdraw a bid after bid opening must be made in accordance with Public Contract Code section 5100 *et seq.* and must be submitted in writing within five (5) working days, excluding Saturday, Sundays and State holidays, specifying in detail how the mistake was made.

BASIS OF AWARD; BALANCED BIDS

The District shall award the Contract to the lowest responsible Bidder submitting a responsive Bid. The District may reject any Bid which, in its opinion when compared to other bids received or to the District's internal estimates, does not accurately reflect the cost to perform the Work. The District may reject as non-responsive any bid which unevenly weights or allocates costs, including but not limited to overhead and profit to one or more particular bid items.

DISQUALIFICATION OF BIDDERS; INTEREST IN MORE THAN ONE BID

No bidder shall be allowed to make, submit or be interested in more than one bid. However, a person, firm, corporation or other entity that has submitted a sub-proposal to a bidder, or that has quoted prices of materials to a bidder, is not thereby disqualified from submitting a sub-proposal or quoting prices to other bidders submitting a bid to the District. No person, firm, corporation, or other entity may submit sub-proposal to a bidder, or quote prices of materials to a bidder, when also submitting a prime bid on the same Project.

INSURANCE REQUIREMENTS

The successful bidder shall procure the insurance in the form and in the amount specified in the Contract Documents.

AWARD PROCESS

Once all Bids are opened and reviewed to determine the lowest responsive and responsible Bidder, the District may award the contract, or reject all bids. The apparent successful Bidder should begin to prepare the following documents: (1) the Performance Bond; (2) the Payment Bond; and (3) the required insurance certificates and endorsements. Once the District notifies the Bidder of the intent to award, the Bidder will have ten (10) consecutive calendar days from the date of this notification to execute the Contract and supply the District with all of the required documents and certifications. Regardless whether the Bidder supplies the required documents and certifications in a timely manner, the Contract time will begin to run ten (10) calendar days from the date of the notification. Once the District receives all of the properly

drafted and executed documents and certifications from the Bidder, the District shall issue a Notice to Proceed to that Bidder.

FILING OF BID PROTESTS

Any bid protest relating to the form or content of the Bid or Contract Documents must be submitted in writing at least five (5) business days before the original date set for the bid opening. Any bidder who submits a bid without making a protest shall be deemed to have waived any objection to the form or content of the Bid or Contract Documents not previously stated in writing.

Submitted bids will be timely made available for review upon written request of any bidder. Bidders may file a "protest" of a Bid with the District's General Manger. In order for a Bidder's protest to be considered valid, the protest must:

- A. Be filed in writing not later than 5:00 p.m. on the fifth business day after the bid opening date;
- B. Clearly identify the specific irregularity or basis for the protest;
- C. Specify, in detail, the factual and legal grounds for the protest; and
- D. Include all relevant supporting documentation with the protest at time of filing.

If the protest does not meet all of these requirements, the District may reject it without further review.

If the protest is timely and complies with all of the above requirements, the District's General Manger, or other designated District staff or representative, shall review the protest, any response from the challenged bidder, and all other relevant information. The District will provide a written response to the protestor.

The procedure and time limits set forth in this section are mandatory and are the sole and exclusive remedy in the event of a bid protest. Failure to comply with these procedures shall constitute a failure to exhaust administrative remedies and a waiver of any right to further pursue the bid protest, including filing a Government Code Claim or legal proceedings.

WORKERS COMPENSATION

Each bidder shall submit the Contractor's Certificate Regarding Workers' Compensation form.

RETENTION AND SUBSTITUTION OF SECURITY

The Contract Documents call for monthly progress payments based upon the percentage of the work completed. Unless the District has made findings pursuant to Public Contract Code section 7201 (that the work included in this Contract is substantially complex, and therefore a retention of 10% shall be withheld from each progress payment as provided by the Contract Documents), the District will retain five percent (5%) of each progress payment as provided by the Contract Documents. At the request and expense of the successful Bidder, the District will substitute securities for the amount so retained in accordance with Public Contract Code Section 22300.

PREVAILING WAGES

The District has obtained from the Director of the Department of Industrial Relations the general prevailing rate of per diem wages in the locality in which this work is to be performed for each craft or type of worker needed to execute the Contract. These rates are on file and available at the District's offices, 6230 Sylvan Road, Citrus Heights, California 95610, or may be obtained online at <http://www.dir.ca.gov/dlsr>. Bidders are advised that a copy of these rates must be posted by the successful Bidder at the job site(s).

If the Work involves federal funds or otherwise requires compliance with the Davis-Bacon Fair Labor Standards Act, the Contractor and all its subcontractors shall pay the higher of the state or federal prevailing wage rates.

DEBARMENT OF CONTRACTORS AND SUBCONTRACTORS

In accordance with the provisions of the Labor Code, contractors or subcontractors may not perform work on a public works project with a subcontractor who is ineligible to perform work on a public project pursuant to Section 1777.1 or Section 1777.7 of the Labor Code. Any contract on a public works project entered into between a contractor and a debarred subcontractor is void as a matter of law. A debarred subcontractor may not receive any public money for performing work as a subcontractor on a public works contract. Any public money that is paid to a debarred subcontractor by the Contractor for the Project shall be returned to the District. The Contractor shall be responsible for the payment of wages to workers of a debarred subcontractor who has been allowed to work on the Project.

PERFORMANCE BOND AND PAYMENT BOND REQUIREMENTS

Within the time specified in the Contract Documents, the Bidder to whom a Contract is awarded shall deliver to the District four identical counterparts of the Performance Bond and Payment Bond in the form supplied by the District and included in the Contract Documents. Failure to do so may, in the sole discretion of District, result in the forfeiture of the Bid Guarantee. 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 as defined in the Contract Documents.

REQUEST FOR SUBSTITUTIONS

The successful bidder shall comply with the substitution request provisions set forth in the Special Conditions, including any deadlines for substitution requests **which may occur prior to the bid opening date.**

SALES AND OTHER APPLICABLE TAXES, PERMITS, LICENSES AND FEES

Contractor and its subcontractors performing work under this Contract will be required to pay California sales tax and other applicable taxes, and to pay for permits, licenses and fees required by the agencies with authority in the jurisdiction in which the work will be located, unless otherwise expressly provided by the Contract Documents. Bidders shall include all applicable taxes and fees that are in effect or reasonably anticipated on the bid date in their bid price.

EXECUTION OF CONTRACT

As required herein, the Bidder to whom an award is made shall execute two identical counterparts of the Contract in the amount determined by the Contract Documents. The District may require appropriate evidence that the persons executing the Contract are duly empowered to do so.

CONTRACT BID ITEMS

Item #	Description	Quantity	Unit	Unit Price	Total
1	3" to 6" AC Patch Paving Restoration	15,000	square feet	10 ⁷⁵	161250 ⁻
2	3" to 6" AC Pipeline Trench Paving Restoration	15,000	square feet	10 ⁷⁵	161250 ⁻
	GRAND TOTAL ALL ITEMS (1)				322500 ⁻

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	3" to 6" AC Patch Paving Restoration	5 ⁻
2	3" to 6" AC Pipeline Trench Paving Restoration	5 ⁻

*this is not a requirement to the Bidding Process

Quantities are not guaranteed. Payments will be based on actual installed quantities measured in the field. The estimate of construction quantities set forth above 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 increase 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.

The bid item as listed is meant to encompass all construction and work items as called out in these contract specifications.

All incidental and overhead costs such as administration, permits, mobilization, demobilization, bonds and insurance, etc., shall be included in the bid item.

All bids will be compared on the basis of the District's estimate of the quantities of the work to be done.

The undersigned has checked carefully all of the above figures and understands that the District shall not be responsible for any errors or omissions on the part of the undersigned in making up this bid.

In case a discrepancy or error exists between the bid item extensions totals and the grand total, the sum of the extensions shall prevail as the basis for award. In case of a discrepancy between words and figures, the words shall prevail.

DRAFT

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS JUNE 13, 2017 REGULAR MEETING

SUBJECT : METER REPLACEMENT STUDY UPDATE
STATUS : Information Item
REPORT DATE : June 08, 2017
PREPARED BY : Hilary Straus, General Manager
Rex Meurer, Water Efficiency Supervisor

Staff will provide an update to the Board on the status of the Meter Replacement Program Request for Proposals (RFP). Staff will also update the Board on efforts to identify other water district partners who may wish to participate in the Meter Replacement Program Study with a potential goal of developing a multi-agency program.