



# Notice of Public Hearing on Proposed Water Rate Adjustments

Thank you for your continued support of the Citrus Heights Water District (CHWD). With your help, we've been able to maintain and implement much needed improvements to our infrastructure and facilities. These investments and reinvestments to more than 19,800 service connections help us continue to provide reliable service to you. This year alone, we've replaced many water mains, services, and added another high capacity groundwater well to serve you. Thank you, again, for your support as we move forward with a continued proactive program of system-wide investments and reinvestments.

CHWD has and will continue to control operating costs, including personnel expenses, as a result of efficiencies, such as maintaining a small workforce, reorganization and pension reform.

Your dollars are already hard at work throughout the District on key capital

<b>PUBLIC HEARING:</b> Tuesday, November 15, 2016 6:30 PM	<b>HEARING LOCATION:</b> Rusch Park Community Center, SunrisePatio Room 7801 Auburn Boulevard, Citrus Heights, California
At a Public Hearing on Tuesday, November 15, 2016, at 6:30 PM, the Citrus Heights Water District (CHWD, or District) Board of Directors will consider the adoption of a rate increase on bi-monthly service charges and usage charges for water consumed.	

improvement projects that will keep our water supply healthy and balanced. To maintain our stewardship over District costs, we need to continue making a number of system replacements and upgrades. This includes: 1) replacing aging water mains; 2) expanding the District's system of groundwater supply wells; and 3) replacing aging water meters. These future infrastructure replacements and upgrades require the District to maintain a sound financial position. In order to continue to provide our customers with the best possible value, and to cover the costs of the required replacements and upgrades, CHWD will be requesting a rate increase for 2017.

**1. Water Main Replacements**—Many of CHWD's water mains were installed from the 1960s through the 1980s when the majority of residential and commercial development occurred in the District. Real estate developers installed most of the existing infrastructure as a condition of the new development. Now, it's CHWD's responsibility to maintain, repair and replace this aging infrastructure. We currently operate, maintain, and repair more than 271 miles of pipelines that carry water underground throughout the District's 12-square mile service area. Many of these decades-old pipelines must be replaced over the next 5 to 25 years in phases. Replacing the old water mains is

## Why a Rate Increase is Needed



### SUPPORTING DEPENDABLE INFRASTRUCTURE

**Water Main Replacements** are required to prevent costly watermain failures, disruptions in service, and water loss.



### SECURING A DIVERSE WATER SUPPLY

**Groundwater Wells** will help improve system reliability and flexibility and reduce our reliance on surface water.



### INCREASE ACCURACY & CUSTOMER CONTROL

**Water Meter Replacements** ensure accurate meter reads and will help customers manage water usage by providing real time data.

crucial to maintaining highly dependable service, which means that we need to plan and set aside funds today.

If the water delivery system is not kept up to date, catastrophic incidents, caused by malfunctions become more likely. System failures can cause property damage from flooding and waste large quantities of precious water. These incidents are expensive, so taking the necessary precautions are much less costly over time.

*Acting now is key to ensuring dependable service and a quality water supply for our future.*



**2. Groundwater Wells**—Increasing the number of groundwater supply wells will help add reliability and flexibility to the CHWD system, while reducing our dependency on surface water. Approximately one-third of CHWD’s operations and maintenance budget is currently spent on purchasing treated surface water from Folsom Lake through the San Juan Water District (SJWD). SJWD’s current Financial Plan projects significant annual increases in wholesale water rates to continue to treat and deliver water to CHWD in the future. These projections will result in growing costs for us and our customers.

Groundwater sourced from wells is available in our District as a supplementary resource. We currently have six groundwater supply wells, with a forecasted need to build an additional four wells. Additional wells add variety to our water sources and provide access to more water, which translates into reliable service during times of limited

surface water availability and cost savings over the long-term. These wells cost approximately \$3 million each, factoring in land acquisition, design, construction and permitting.

**3. Water Meter Replacements**—In compliance with Federal mandates, the majority of water meters for customers were installed in the early 2000s. Like other infrastructure and facilities, meters need to be replaced to ensure reliability and compatibility with new and more efficient technology. By 2020, we will need to begin the process of replacing the oldest meters. New, more cost-effective meter technology will better serve customers as the new meters will provide real time data that will help you manage water usage.

CHWD will continue to take steps to prevent infrastructure failures by investing in capital improvements. Previous capital improvement activities have resulted in a decrease in water main leaks in the District’s system from 85 in 2001 to 14 water main leaks in 2015, a nearly 84% reduction.

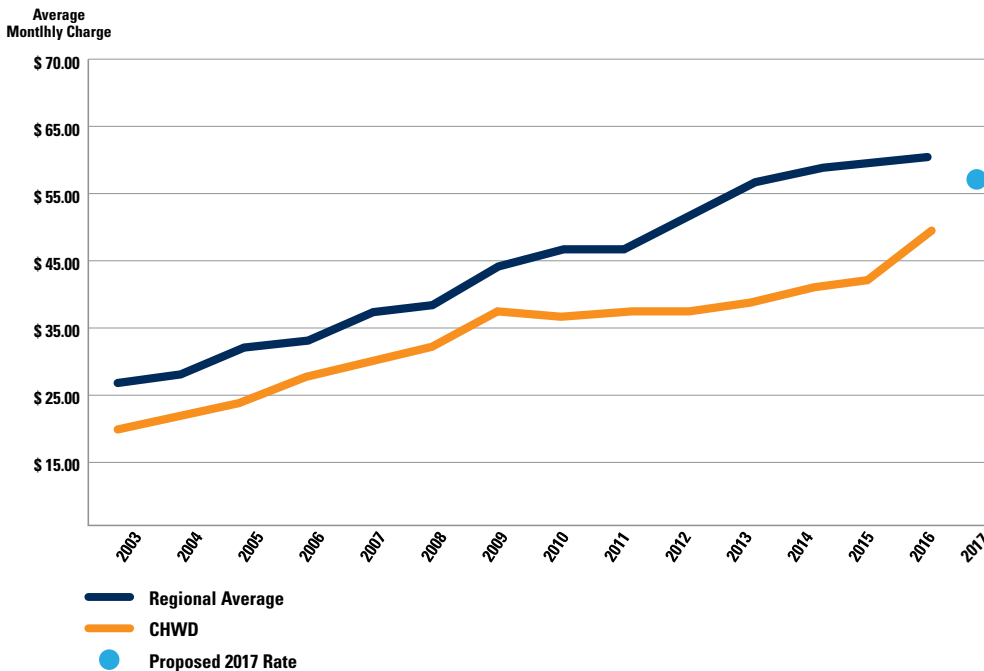
CHWD is committed to continuing this focus on system reinvestments.

Droughts in California have placed a stress on water agencies’ finances throughout the State. To combat future droughts, and increase our efficiency, CHWD is requesting to increase rates to ensure that

## Regional Rate Comparison

### Still Below the Regional Average

CHWD has a proven record of providing quality service at low rates. CHWD rates have been significantly lower than the average for the region. The District’s current rates are nearly 15% below the region’s average. Even with the proposed rate increase, CHWD customers will pay considerably lower rates compared to many other water customers in the Sacramento area.



*What does it mean for me?*

*The proposed rate increase, based on average consumption for a family of four in a single family home with a one-inch water meter, is about \$6.43 per month.*

adequate funding is available for necessary capital improvement projects. Paying as we go and maintaining contingency funding instead of using bonds to finance

Gradual rate increases reduce the overall costs to our customers over time. These additional funds allow CHWD to avoid relying on debt service and associated debt

economic hurdles in the short-term and long-term.

Throughout the year, we will keep our customers informed by providing progress reports concerning water main replacements, other capital improvements, and system reinvestment projects. Customers can stay up to date with our *WaterLine* newsletter, Facebook page and website updates about infrastructure and financial planning efforts for medium and long-term capital investments and reinvestments.

*New meters provide real-time data, making it easier to manage your water usage.*

necessary capital improvements will save costs to our customers over time, and mitigate large and unexpected expenses in the future. It's more cost effective for CHWD and our customers to incur gradual rate increases versus maintaining current rates, thereby delaying planned and needed improvements.

service costs and restrictions. Moreover, a dependence on debt financing would undermine our local control over water rates—as debt service includes covenants mandating rate increases to maintain required ratios of revenue over expense. Periodic rate increases would protect CHWD and its customers from unforeseen

## Summary of Rates

Below is a summary of the proposed changes to the bi-monthly customer service charges and usage charges for water consumed.

TYPE OF CHARGE	APPLIED BASIS OR FREQUENCY	2016 ADOPTED	2017 PROPOSED	\$ BI-MONTHLY CHANGE
<b>Charges for Metered Rate Customer Accounts</b>				
<b>Service Charge, Domestic, Commercial &amp; Irrigation Meters</b>				
¾-inch meter	bi-monthly, per meter	\$ 42.05	\$ 47.52	\$ 5.47
1-inch meter	bi-monthly, per meter	\$ 63.98	\$ 72.30	\$ 8.32
1½-inch meter	bi-monthly, per meter	\$ 78.60	\$ 88.82	\$ 10.22
2-inch meter	bi-monthly, per meter	\$ 151.69	\$ 171.41	\$ 19.72
3-inch meter	bi-monthly, per meter	\$ 239.42	\$ 270.54	\$ 31.12
4-inch meter	bi-monthly, per meter	\$ 473.35	\$ 534.89	\$ 61.54
<b>Service Charge, Combination Meters</b>				
Low flow bypass meter	bi-monthly, per meter	\$ 0.00	\$ 0.00	\$ 0.00
4-inch meter	bi-monthly, per meter	\$ 151.69	\$ 171.41	\$ 19.72
6-inch meter	bi-monthly, per meter	\$ 239.42	\$ 270.54	\$ 31.12
8-inch meter	bi-monthly, per meter	\$ 473.35	\$ 534.89	\$ 61.54
10-inch meter	bi-monthly, per meter	\$ 1,153.17	\$ 1,303.08	\$ 149.91
<b>Usage Charges for Water Consumed (1 unit = 100 cubic feet = 748 gallons)</b>				
<b>Domestic, Commercial, Irrigation &amp; Combination Meter</b>				
All meter sizes	per unit	\$ 0.8735	\$ 0.9871	\$ 0.1136
<b>Commercial Fire Sprinkler Service Charges</b>				
4-inch and smaller	per service, bimonthly	\$ 66.83	\$ 75.52	\$ 8.69
6-inch	per service, bimonthly	\$ 86.69	\$ 97.96	\$ 11.27
6-inch; one-half shared	per service, bimonthly	\$ 43.34	\$ 48.98	\$ 5.64
6-inch; one-third shared	per service, bimonthly	\$ 28.88	\$ 32.65	\$ 3.77
8-inch	per service, bimonthly	\$ 105.58	\$ 119.31	\$ 13.73
8-inch; one-half shared	per service, bimonthly	\$ 52.79	\$ 59.65	\$ 6.86
10-inch	per service, bimonthly	\$ 142.32	\$ 160.82	\$ 18.50
12-inch	per service, bimonthly	\$ 188.56	\$ 213.07	\$ 24.51



P.O. Box 286  
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<b>Street Address</b> 6230 Sylvan Road Citrus Heights, CA 95610-5610	<b>Directors</b> Allen B. Dains, President
<b>Office Hours</b> M-Th: 8:00 am – 5:30 pm Closed on Friday, Holidays	Caryl F. Sheehan, Vice President
<b>24-Hour Phone:</b> (916) 725-6873	Raymond A. Riehle, Director
<b>Fax:</b> (916) 725-0345	Robert A. Churchill, General Manager/Secretary
<b>Web:</b> <a href="http://www.chwd.org">www.chwd.org</a>	Hilary M. Straus, Assistant General Manager/Treasurer
<b>Email:</b> <a href="mailto:custserv@chwd.org">custserv@chwd.org</a>	Susan K. Sohal, Accounting Supervisor/ Assessor/Collector

*Postal Customer and Water Consumer in Citrus Heights Water District*

## How to protest the proposed rate increase

All owners and tenants of property receiving water service from Citrus Heights Water District are invited to attend the Public Hearing on Tuesday, November 15, 2016 and to comment on the proposed rate increase. Proposition 218 allows property owners to file a written protest before or during the public hearing. If written protests are presented by a majority of the property owners, a rate increase will not be approved. Only one written protest per identified parcel or property will be counted for purposes of determining whether there is a majority protest. Protests must be received in writing prior to the close of the Public Hearing to be considered. Electronic delivery of protests by fax or e-mail will not be accepted.

The written protest must be signed by the property owner(s) and must include a description of the affected property, including address and/or Assessor's Parcel Number. If you were not identified as the owner of the property on the most recent Sacramento County or Placer County tax roll, include written evidence that you presently own the property.

Written protests can be mailed to:

District Secretary  
Citrus Heights Water District  
P.O. 286  
Citrus Heights, CA 95611-0286

Or, written protests may be hand-delivered to Citrus Heights Water District officials or staff at the District Administration Office by 5:30 PM on November 15, 2016, or up to the close of the Public Hearing on the night of the meeting, November 15, 2016, at the Board of Directors meeting location at the Rusch Park Community Center—Sunrise/Patio Room, 7801 Auburn Boulevard, Citrus Heights, California.

The CHWD Administration Office is located at 6230 Sylvan Road, Citrus Heights, CA 95610. Office Hours are Monday through Thursday, 8 AM to 5:30 PM. For the latest information from CHWD, and the proposed rate increase, please visit our website [www.chwd.org](http://www.chwd.org). Be sure to follow us on Facebook at <https://www.facebook.com/citrusheightswaterdistrict>.