

CITRUS HEIGHTS WATER DISTRICT
BOARD OF DIRECTORS SPECIAL MEETING
NOVEMBER 17, 2015

The Special Meeting of the Board of Directors was called to order at 6:31pm by President Al Dains and roll was called. Present were:

Allen B. Dains, President
Caryl F. Sheehan, Director
Ray Riehle, Director
Robert A. Churchill, General Manager
Hilary Straus, Assistant General Manager
David Gordon, Interim Operations Manager
Paul A. Dietrich, Project Manager
Susan Sohal, Accounting Supervisor
Lisa Smoot, Human Resources Specialist

VISITORS

Nick Spiers, District Employee

The following visitors were present in protest of the proposed rate increase:

John Pope
Jim Baker
Maria Carnes
Pam Banks

PUBLIC HEARING

Operating and Capital Improvement Budget

Interim Operations Manager David Gordon and Project Manager Dietrich, provided an overview of the proposed Operating and Capital Improvement Budgets for 2016. Resolution 25-2015, accompanying this item, establishes the Fiscal Year 2016 Operating and Capital Improvement Budgets, which includes a summary of these budgets in the following amounts:

2016 Operating Budget:	\$10,934,664
2016 Capital Improvement appropriations:	
New Capital Projects for 2016:	\$2,179,909
Previously-Approved Projects Carried Over from 2015:	<u>\$1,383,633</u>
Total 2016 Capital Improvements:	\$3,563,542

The 2016 Operating Budget was prepared with the goal of supporting the District's mission of providing a dependable supply of safe, quality water delivered in an efficient, responsive and affordable manner. District staff recommends the proposed 2016 Operating Budget as the proposal achieves a balance between maintaining high-quality water service and keeping costs in

check.

Highlights of proposed 2016 spending for operations are summarized below.

Operating Budget \$10.93 million, an increase \$1.18 million from the 2015 budget.

- Includes \$2.10 million in transfers to the Capital Improvement and Depreciation Reserves. This reflects a transfer of \$100,000 to replenish the Rate Stabilization Reserve, \$1 million to the Depreciation Reserve per the Board's policy of transferring one-half the amount of calculated depreciation into this Reserve, and a \$1 million transfer to the Capital Improvement Reserve.
- A 7.5% aggregate increase in per-unit cost of treated water cost from San Juan Water District. The projected quantity of water estimated to be purchased is reduced to 12,000 AF, which is lower than the projected 2015 total water purchased. This reduction is due to the forecast that drought conditions will continue into 2016.
- Salary COLA increases of 2.3% (estimated based on the July 2015 Consumer Price Index - West) and merit increases averaging 2.7% at the discretion of the General Manager. However, some salary amounts will go down due to decreased salary amounts for new employees replacing long-term employees, who were at higher points in their salary ranges.
- Employee benefit cost decrease of about \$130,000. A number of factors contribute to the overall decrease including 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, an increase of 12% in Healthcare premium costs and an decrease of 15% in the District's CalPERS employer contribution rate.

About \$339,000 in salary and benefit costs are allocated to the Capital Improvement Budget to account for time spent in the planning, design and construction of capital projects by District employees.

2016 Capital Projects Budget

New Capital Projects for 2016:	\$2,179,909
Previously-Approved Projects Carried Over from 2015:	<u>\$1,383,633</u>
Total 2016 Capital Improvements:	\$3,563,542

Highlights of proposed 2016 Capital Projects are summarized below:

- Replacement of aging customer water services budgeted at \$930,590.
- Replacement, upgrades and new fire hydrants for \$150,000.
- Three water main replacement or installation projects, scheduled to start design, will be undertaken in 2016 with construction targeted for 2017 at a total cost of \$883,000.
- Operations equipment replacements and new equipment totaling \$32,200 for 2016.
- Carryover of Upgrades/Replacements to the District's billing and accounting software

and purchase of a replacement color printer for the Administration department for a total of \$50,000 and \$250,000 for the Document Management Plan for 2016.

- Additional transfers to CIP Reserves for buildup of funds towards Meter Replacements at the end of their useful life projected to start in 2020.

ACTION: Director Sheehan moved to Adopt Resolution 25-2015, Establishing the Fiscal Year 2016 Operating and Capital Improvement Budgets. Director Riehle seconded the motion.

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

CITRUS HEIGHTS WATER DISTRICT
RESOLUTION NO. 25-2015

RESOLUTION ESTABLISHING
FISCAL YEAR 2016 OPERATING AND CAPITAL IMPROVEMENT BUDGETS
FOR CITRUS HEIGHTS WATER DISTRICT

WHEREAS, CITRUS HEIGHTS WATER DISTRICT has identified the costs of operating the District and for providing capital improvements to the infrastructure of the District, for the Fiscal Year beginning January 1, 2016; and

WHEREAS, the District has prepared budgets setting forth the dollar amounts proposed for District operations and capital improvements; as follows:

Operating Budget: \$10,934,664 Capital Improvement Budget: \$3,563,542; and

WHEREAS, a noticed Public Hearing was held on November 17, 2015 for the purpose of receiving public comment on the proposed Fiscal Year 2016 Operating and Capital Improvement Budgets.

THEREFORE BE IT RESOLVED that the Fiscal Year 2016 Operating and Capital Improvement Budgets accompanying this resolution and incorporated herein as part of this Resolution, are hereby adopted.

PASSED AND ADOPTED by the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT, this 17th day of November, 2015, by the following vote, to-wit:

AYES: Directors:
NOES: Directors:
ABSTAIN: Directors:
ABSENT: Directors:

S E A L

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

ATTEST:

ROBERT A. CHURCHILL, Secretary

2016 Water Rates and Miscellaneous Charges and Fees

Assistant General Manager Hilary Straus and Accounting Supervisor Susan Sohal presented the proposed Water Rates and Miscellaneous Charges and Fees for 2016, except for Capacity Fees that will be considered in a separate Public Hearing following the Public Hearing on water rates. Accompanying this report is a draft resolution adopting water rates, charges and fees for 2016.

Notice of this Public Hearing was mailed to all District property owners on September 27, 2015 as part of the required Proposition 218 notification. Notice was posted on the District's web site, and posted on the public notice board at the entrance to the District Office.

The Board conducted a budget and rate study session on August 25, 2015. At that study session, the Board considered a number of rate options and corresponding operating and capital impacts based upon an assessment of the District's Long-term financial plan (Rate Model). The Board provided additional direction to staff on September 8, 2015 to distribute a Proposition 218 Notice which included the maximum rates that the Board would consider at a public hearing on November 17, 2015.

The maximum rate adjustment to be considered by the Board on November 17th is based on a financial assessment whereby future annual increases, including the 2016 rate increase being considered by the Board on November 17th, will enable the District to plan for operational budgetary increases and complete needed Capital Improvement projects without the need to incur additional debt in the near future.

The District has received 29 written protests from property owners. Directors were provided with copies of the written protests along with their agenda binders prior to the Board meeting. Any additional written protests received before the time of Public Hearing will be presented to Directors at the Public Hearing.

2016 Schedule of Water Rates, Fees and Charges

A schedule comparing current 2015 rates with the proposed 2016 Water Rates, Fees and Charges to be considered by the Board accompanies this report. Significant elements of the 2016 water rate schedule are as follows:

- Increases to bi-monthly service charges in 2016 for a typical single-family residential customer are \$12.15 (or \$6.08 per month). Costs for other customer classifications and meter sizes will increase between \$5.16 and \$58.13 bi-monthly for meter sizes from 1½-

inch to 4-inch, respectively.

- Consumption charges are proposed to increase from 76.63 cents to 87.35 cents per 100-cubic-foot-unit of water (748 gallons); a net increase of 10.72 cents per 100-cubic-foot-unit of water.
- Other charges such as Wheeling Water Charges, Construction Meters, and Fire Sprinkler Charges are proposed to increase consistent with the fourteen percent (14%) overall rate increase.
- Adjustments to other charges and fees are based on staff analysis of the staff time, equipment, materials and other costs involved in providing the specified services.

Capacity Charges are included on the schedule, but will be considered in a separate Public Hearing at this Board Meeting. The Capacity Charges for new connections to the District have been recalculated in accordance with District policy.

A 2016 Water Shortage Rate Structure will also be considered in a separate Public Hearing at this Board Meeting.

The following additional information accompanies this report:

- A copy of the District's Public Hearing Notice of projected water rate increases required by Proposition 218.

ACTION: Director Riehle moved to Adopt Resolution 26-2015, Establishing Fiscal Year 2016 Water Rates and Miscellaneous Charges and Fees. Director Sheehan seconded the motion.

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

**CITRUS HEIGHTS WATER DISTRICT
RESOLUTION NO. 26-2015**

**RESOLUTION ADOPTING
WATER RATES AND MISCELLANEOUS CHARGES AND FEES FOR
CITRUS HEIGHTS WATER DISTRICT FOR 2016**

WHEREAS, upon motion duly moved, seconded, and carried, the following water rates and miscellaneous charges and fees were adopted for the fiscal year 2016:

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Type of Charge	Applied Basis or Frequency	2015 Adopted	2016 Proposed
<u>Charges for Metered Rate Customer Accounts</u>			
<i>Service Charge, Domestic, Commercial & Irrigation Meters</i>			
¾-inch meter	bi-monthly, per meter	\$36.89	\$42.05
1-inch meter	bi-monthly, per meter	\$56.13	\$63.98
1½-inch meter	bi-monthly, per meter	\$68.95	\$78.60
2-inch meter	bi-monthly, per meter	\$133.07	\$151.69
3-inch meter	bi-monthly, per meter	\$210.02	\$239.42
4-inch meter	bi-monthly, per meter	\$415.22	\$473.35
<i>Service Charge, Combination Meters</i>			
Low flow bypass meter	bi-monthly, per meter	\$0.00	\$0.00
4-inch meter	bi-monthly, per meter	\$133.07	\$151.69
6-inch meter	bi-monthly, per meter	\$210.02	\$239.42
8-inch meter	bi-monthly, per meter	\$415.22	\$473.35
10-inch meter	bi-monthly, per meter	\$1,011.56	\$1,153.17
<u>Public Agencies with Mutual Assistance Agreements</u>			
<u>(SJUSD, SRPD, SCD) (Multiplier = 0.50)</u>			
<i>Service Charge, Domestic, Commercial & Irrigation Meters</i>			
¾-inch meter	bi-monthly, per meter	\$18.44	\$21.02
1-inch meter	bi-monthly, per meter	\$28.06	\$31.99
1½-inch meter	bi-monthly, per meter	\$34.47	\$39.30
2-inch meter	bi-monthly, per meter	\$66.53	\$75.84
3-inch meter	bi-monthly, per meter	\$105.01	\$119.71
4-inch meter	bi-monthly, per meter	\$207.61	\$236.67
<i>Service Charge, Combination Meters</i>			
Low flow bypass meter	bi-monthly, per meter	\$0.00	\$0.00
4-inch meter	bi-monthly, per meter	\$66.53	\$75.84
6-inch meter	bi-monthly, per meter	\$105.01	\$119.71
8-inch meter	bi-monthly, per meter	\$207.61	\$236.67
10-inch meter	bi-monthly, per meter	\$505.78	\$576.58
<u>Other Service Charges</u>			
<i>Service Charge, Construction Meters</i>			
2½-inch and 3-inch meters	bi-monthly, per meter	\$210.02	\$239.42
<i>Service Charge, North Ridge Country Club Meter</i>			
(multiplier = 3.00, not annexed)	bi-monthly, per meter	\$168.39	\$191.94
<i>Service Charge, Mount Vernon Memorial Park</i>			
(multiplier = 2.31, based upon property annexed)			
Low flow bypass meter	bi-monthly, per meter	\$0.00	\$0.00
8-inch Combination meter	bi-monthly, per meter	\$959.16	\$1,093.43
<i>1 unit = 100 cubic feet = 748 gallons</i>			
<u>Usage Charges for Water Consumed</u>			
<i>All Domestic, Commercial, Irrigation, Combination</i>			
Meter, and Fire Service Accounts except as	per unit	\$0.7663	\$0.8735

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otherwise specified below:

<i>Construction Meters</i>	per unit, for all units bi-monthly	\$2.2989	\$2.6205
<i>North Ridge Country Club Meter</i>	per unit, for all units bi-monthly	\$2.2989	\$2.6205
<i>Mount Vernon Memorial Park (2.31 multiplier)</i>	per unit, for all units bi-monthly	\$1.7702	\$2.0177
<i>Unannexed property (surplus water only)</i>	multiplier times annexed rate, applied to service charge and commodity charge	3	3

Wheeling Water Charge
(unless otherwise adopted by mutual aid agreement)

per acre-foot to Cal-American WC	\$43.25	\$49.30
per acre-foot to Carmichael WD	\$43.25	\$49.30
per acre-foot to Fair Oaks WD	\$0.00	\$49.30
per acre-foot to Orange Vale WC	\$0.00	\$3.36
per acre-foot to City of Roseville	\$43.25	\$49.30
per acre-foot to Sacramento Suburban WD	\$43.25	\$49.30
per acre-foot to San Juan WD	\$2.94	\$3.36

Fire Sprinkler Service Charges

4-inch and smaller	per service, bimonthly	\$58.63	\$66.83
6-inch	per service, bimonthly	\$76.05	\$86.69
6-inch; one-half shared	per service, bimonthly	\$38.02	\$43.34
6-inch; one-third shared	per service, bimonthly	\$25.34	\$28.88
8-inch	per service, bimonthly	\$92.62	\$105.58
8-inch; one-half shared	per service, bimonthly	\$46.31	\$52.79
10-inch	per service, bimonthly	\$124.85	\$142.32
12-inch	per service, bimonthly	\$165.41	\$188.56

Construction Water Charges

Schedule A - Projects	minimum charge	\$170.88	\$194.79
Schedule B - Trenches, Excavations & Grading	per lot	\$117.50	\$133.94
Schedule C - Tank Trucks	per 100 cubic yards	\$31.73	\$36.17
	per 1,000 gallons	\$5.27	\$6.00

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Schedule D - Metered Use	meter rate	-----	-----
Schedule E - Non-Profit	per day	\$35.70	\$40.69



Plan Check Charges	minimum charge + per connection	\$635.00	\$928.00
	per connection	\$16.50	\$18.80
Easement/Quitclaim	per easement/quitclaim	-----	\$626.00
Inspection Charges			
Minimum	min. + per connect. + per main tie-in	\$1,257.00	\$973.00
Plus per connection	per connection	\$144.00	\$164.00
Plus per main tie-in	per main tie-in	\$894.00	\$1,019.00
AC pipe disposal charge	per foot, 4 feet minimum (\$200 min.)	\$50.00	\$50.00
Hydrostatic pressure test	each	\$230.00	\$278.00
Backflow Prevention Assembly Testing Charge for New Development			
Bacteriological water test sampling	per assembly minimum	\$247.00	\$83.00
Additional Bacteriological water sample	additional samples after minimum	\$108.00	\$308.00
Chlorination & Flushing	per project	-----	\$185.00
Weekend/After Hours	per hour (4 hr. minimum)	\$125.00	\$124.00
Holiday	per hour (4 hr. minimum)	\$155.00	\$155.00



Water Service Installation Charges

¾-inch services w/meter	per service	\$3,730.00	\$4,138.00
1-inch service w/meter	per service	\$3,855.00	\$4,265.00
1¼-inch & larger service w/meter	actual cost, with minimum charge	\$3,855.00	\$4,265.00
Service abandonments/relocations	actual cost		
Meter set charge:			
⅝ inch x ¾ inch	per meter	\$335.00	\$414.00
¾ inch	per meter	\$405.00	\$469.00
1 inch	per meter	\$505.00	\$574.00
1½ inch	per meter	\$710.00	\$808.00
2 inch	per meter	\$920.00	\$956.00
>2 inch	actual cost		
Backflow prevention assembly installation charge			
¾ inch	each	\$3,065.00	\$3,088.00
1 inch	each	\$3,260.00	\$3,281.00
1½ inch	each	\$3,780.00	\$3,802.00
2 inch	each	\$4,010.00	\$4,031.00
>2 inch	actual cost		



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Capacity Fees

Residential- Multi-Family:

Townhomes/Condos/Duplexes w/3/4-inch max.	per service + non-residential uses	\$3,868.00	\$4,177.00
Townhomes/Condos/Duplexes w/1-inch max.			

Fire Sprinklers w/1-inch max.

per service + non-residential uses	\$6,189.00	\$6,683.00
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Residential- Single Family:

0 - 2.499 acres with 1-inch max.	per service	\$6,189.00	\$6,683.00
2.500 - 4.999 acres with 1 1/4-inch max.	per service	\$6,963.00	\$7,518.00
5.00 - 7.500 acres with 1 1/2-inch max.	per service	\$7,736.00	\$8,354.00
Over 7.500 acres with 2-inch max.	per service	\$15,473.00	\$16,708.00

Nonresidential Users:

Based on service size, including, but not limited to, commercial, industrial, irrigation, commercial swimming pools, and clubhouse applications:

5/8 inch	per service	\$2,321.00	\$2,506.00
3/4 inch	per service	\$3,868.00	\$4,177.00
1 inch	per service	\$6,189.00	\$6,683.00
1 1/4 inch	per service	\$6,963.00	\$7,518.00
1 1/2 inch	per service	\$7,736.00	\$8,354.00
2 inch	per service	\$15,473.00	\$16,708.00
3 inch	per service	\$24,756.00	\$26,732.00
4 inch	per service	\$49,512.00	\$53,464.00
6 inch	per service	\$193,406.00	\$208,844.00
8 inch	per service	\$371,340.00	\$400,980.00
10 inch	per service	\$587,955.00	\$634,885.00
12 inch	per service	\$773,625.00	\$835,375.00

Other Charges and Fees

Inclusion / Annexation Fee	per gross acre, 1/2 acre or greater	\$2,214.00	\$2,223.00
	minimum to 1/2 acre	\$1,107.00	\$1,111.50
Agenda-By-Mail Charge (e-mail delivery free)	per packet	\$0.00	\$30.00
Agenda-By-Mail Charge (e-mail delivery free)	per year	\$65.00	\$371.00
Standby Service Charge	per hour, 1 hour minimum	\$98.00	\$97.00
New Account Application Fee	per application	\$30.00	\$0.00
Returned Check Fee	per check	\$20.00	\$25.00
Late Payment Penalty	5% of overdue account balance	5.00%	5.00%
Turn-off Notice Service Charge	per occurrence	\$25.00	\$22.00
Disconnect / Reconnect Service Charge	per occurrence	\$58.00	\$100.00
Meter Re-Read / Maintenance Charge	per occurrence	\$39.00	\$39.00
Customer Account Deposit	per account	\$170.00	\$200.00
Construction Meter Deposit	per meter	\$1,750.00	\$1,769.00
Copy Charge	per page	\$0.10	\$0.10
Backflow Prevention Assembly Testing Charge	per assembly bimonthly	\$12.00	\$12.50
Backflow Prevention Assembly Re-testing Charge	per test	-----	\$80.00
Fire Flow Certification Letter	per letter	\$25.00	\$22.00

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Fire Flow Modeling	per modeling	\$240.00	\$333.00
Fire Flow Modeling & Certification Letter	per modeling plus letter	-----	\$355.00
Tamper Charge	per occurrence minimum	\$58.00	\$100.00
Water Conservation Violation Charge	first occurrence	-----	\$50.00
Water Conservation Violation Charge	second occurrence	-----	\$75.00
Water Conservation Violation Charge	third occurrence	-----	\$100.00

PASSED AND ADOPTED by the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT, this 17th day of November 2015, by the following vote, to-wit:

AYES: Directors:
NOES: Directors:
ABSTAIN: Directors:
ABSENT: Directors:

S E A L

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

ATTEST:

ROBERT A. CHURCHILL, Secretary

2016 Capacity Charges

This report presents the proposed Capacity Charges for 2016. Accompanying this report is a proposed resolution, Resolution 27-2015, adopting Capacity Charges for CHWD for 2016. The resolution includes a schedule of Capacity Charges.

Capacity charges are a method for ensuring that new connections, reconnections or enlarged connections to the District's water system are assessed for their equitable share of capacity in the existing facilities and assets of the District. The District uses a "System Buy-In Methodology" which recognizes the current value of providing the capacity needed to serve additional users, based on the replacement cost of the assets of the District less depreciation.

Proposed Capacity Charges for 2016 were calculated in accordance with District Policy No. 7500, Capacity Charges. Although these Capacity Charges will be adopted as a separate Board action, once adopted, they will be incorporated in the schedule of CHWD Water Rates and Miscellaneous Charges and Fees for 2016.

ACTION: Director Riehle moved to Adopt Resolution 27-2015 Establishing Fiscal Year 2016 Capacity Charges. Director Sheehan seconded the motion.

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

CITRUS HEIGHTS WATER DISTRICT
RESOLUTION NO. 27-2015

RESOLUTION ADOPTING CAPACITY CHARGES
FOR CITRUS HEIGHTS WATER DISTRICT FOR 2016

WHEREAS, upon motion duly moved, seconded, and carried, the following Capacity Charges were adopted for the year 2016:

<u>Type of Charge</u>	<u>Applied Basis or Frequency</u>	<u>2016 Adopted</u>
<u>Capacity Fees</u>		
Residential- Multi-Family:		
Townhomes/Condos/Duplexes w/3/4-inch max.	per service + non-residential uses	\$4,177.00
Townhomes/Condos/Duplexes w/1-inch max.		
Fire Sprinklers w/1-inch max.	per service + non-residential uses	\$6,683.00
Residential- Single Family:		
0 - 2.499 acres with 1-inch max.	per service	\$6,683.00
2.500 - 4.999 acres with 1¼-inch max.	per service	\$7,518.00
5.00 - 7.500 acres with 1½-inch max.	per service	\$8,354.00
Over 7.500 acres with 2-inch max.	per service	\$16,708.00
Nonresidential Users:		
Based on service size, including, but not limited to, commercial, industrial, irrigation, commercial swimming pools, and clubhouse applications:		
5/8 inch	per service	\$2,506.00
¾ inch	per service	\$4,177.00
1 inch	per service	\$6,683.00
1¼ inch	per service	\$7,518.00
1½ inch	per service	\$8,354.00
2 inch	per service	\$16,708.00
3 inch	per service	\$26,732.00
4 inch	per service	\$53,464.00
6 inch	per service	\$208,844.00
8 inch	per service	\$400,980.00
10 inch	per service	\$634,885.00
12 inch	per service	\$835,375.00

PASSED AND ADOPTED by the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT, this 17th day of November 2015, by the following vote, to-wit:

AYES: Directors:
NOES: Directors:
ABSTAIN: Directors:
ABSENT: Directors:

S E A L

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

ATTEST:

ROBERT A. CHURCHILL, Secretary

2016 Water Shortage Rate Structure

Accompanying this report is the existing Water Shortage Rate Structure and a resolution to renew and extend it. As background, the Reed Group, Inc., presented the proposed Water Shortage Rate Structure on September 9, 2014, and it was adopted by the Board on November 19, 2014. The current term of the Water Shortage Rate Structure expires on December 31, 2015. The accompanying resolution renews and extends the Water Shortage Rate Structure until or unless the Board votes to remove the Water Shortage Rate Structure.

As was the case in 2015, adoption of Resolution No. 28-2015, renewing and extending the Water Shortage Rate Structure, does not approve the Water Shortage Rates for implementation. In the event the Water Shortage Rate Structure is needed to offset future revenue shortfalls, due to a drought or another water supply emergency, a separate Board action will be required.

As part of staff's budget proposal to the Board for 2016, renewing and extending the Water Shortage Rate Structure is recommended, and discontinuing the 25% Water Shortage Rate on the usage portion of customer's bills, enacted by the Board on May 12, 2015, is recommended, effective January 1, 2016.

ACTION: Director Riehle moved to Adopt Resolution 28-2015, Renewing and Extending the existing Water Shortage Rate Structure. Motion includes removing the twenty five percent water shortage rate structure applied to customers' bills. Director Sheehan seconded the motion.

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

CITRUS HEIGHTS WATER DISTRICT
RESOLUTION NO. 28-2015

RESOLUTION RENEWING AND EXTENDING THE WATER SHORTAGE RATE STRUCTURE
FOR CITRUS HEIGHTS WATER DISTRICT
AND
REMOVING THE TWENTY FIVE PERCENT (25%) WATER SHORTAGE RATE APPLIED TO THE
USAGE PORTION OF CUSTOMERS' BILLS

WHEREAS, CITRUS HEIGHTS WATER DISTRICT continues to identify the potential financial impacts of water shortage due to drought or other water supply emergency; and

WHEREAS, the District developed a Water Shortage Rate Structure, enacted in 2015, for offsetting the resulting financial deficit; and

WHEREAS, a noticed Public Hearing was held on November 17, 2015 for the purpose of receiving public comment on the proposed renewal of the Water Shortage Rate Structure; and

WHEREAS, discontinuing the twenty-five percent (25%) Water Shortage Rate on the usage portion of customers' bills, effective January 1, 2016, is recommended as part of the overall budget and rate adoption process for 2016.

NOW THEREFORE, BE IT RESOLVED AND ORDERED AS FOLLOWS:

1. The proposed extended Water Shortage Rate Structure is:

CITRUS HEIGHTS WATER DISTRICT WATER SHORTAGE RATE STRUCTURE ⁽¹⁾						
	STAGE 1 NORMAL SUPPLY	STAGE 2 WATER ALERT	STAGE 3 WATER WARNING	STAGE 4 WATER CRISIS	STAGE 5 WATER EMERGENCY	USBR HEALTH & SAFETY STD
Use Reduction Goals	None	5% to 10%	11% to 25%	26% to 50%	Over 50%	Over 75%
Bi-Monthly Service Charges ⁽²⁾						
Water Usage Charges (\$/CCF) ⁽³⁾						
Standard Water Usage Rate (a)	\$ 0.8735	\$ 0.8735	\$ 0.8735	\$ 0.8735	\$ 0.8735	\$ 0.8735
Water Shortage Charge ⁽⁴⁾			10%	25%	40%	55%
Sample Water Shortage Charges (b)			\$ 0.0874	\$ 0.2184	\$ 0.3494	\$ 0.4804
Sample Aggregated Usage Rates (a + b)			\$ 0.9609	\$ 1.0919	\$ 1.2229	\$ 1.3539
Excess Use Charge ⁽⁵⁾				50%	150%	250%
Sample Excess Use Charges (c)				\$ 0.5459	\$ 1.8344	\$ 3.3848
Sample Aggr. Excess Use Rates (a + b + c)				\$ 1.6378	\$ 3.0573	\$ 4.7387
Excess Use Charge applies to usage above amounts shown ⁽⁶⁾		¾-inch meter	26 CCF			
		1-inch meter	52 CCF			
		1½-inch meter	156 CCF			
		2-inch meter	208 CCF			
		3-inch meter	416 CCF			
		4-inch meter & larger	832 CCF			

(1) This Table shows the proposed Water Shortage Charges and Excess Use Charges applied to the Standard Water Usage Rates, using 2016 as an example. The percentages would be applied to any then-current Standard Water Usage Rates in future years.

(2) No changes to the bi-monthly service charges are proposed during water shortages.

(3) 1 CCF equals 100 cubic feet which equals 748 gallons of water.

(4) Water Shortage Charges are incremental increases in the Standard Water Usage Rate applied in

Stages 3, 4 and 5, and with the United States Bureau of Reclamation (USBR) Health and Safety limitation.

(5) Excess Use Charges effectively create a higher-priced second tier, and would apply only in Stages 4 and 5, and with the Health and Safety limitation. The percentage is applied to the combined Standard Water Usage and Water Shortage rate to create the second tier.

(6) Excess Use Charge applies to bi-monthly usage in excess of amounts shown for each meter size.

The Water Shortage Rate Structure will remain in effect until or unless the Board opts to remove the Water Shortage Rate Structure.

2. Section 3 of Citrus Heights Water District Resolution 14-2015, enacting a 25% Water Shortage Rate applied to the usage portion of customers' bills, is repealed, effective January 1, 2016.

PASSED AND ADOPTED by the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT, this 17th day of November 2015, by the following vote, to-wit:

AYES: Directors:
NOES: Directors:
ABSTAIN: Directors:

ABSENT: Directors:

S E A L

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

ATTEST:

ROBERT A. CHURCHILL, Secretary

ADJOURNMENT

There being no other business to come before the Board, the meeting was adjourned at 7:42 pm.

APPROVED:

ROBERT A. CHURCHILL
Secretary
Citrus Heights Water District

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