Customer Advisory Committee Meeting 1

May 29, 2018
Pledge of Allegiance
Agenda Review
Meeting Agenda

- District History
- Current Budget and Operations
- Project 2030 Water Main Replacement Study
- Selection of Customer Advisory Committee Chair and Vice Chair
- Preview of CAC Meeting 2 on August 28, 2018
- Meeting Take Aways
- Public Comment
Background and History
North Fork Ditch

- 1856
- The canal was 33 miles long
- 3 feet deep
- 8 feet wide at the top
- 5 feet wide at the bottom
- Size of Canal = 3,000 miner’s inches
1880s to 1920

- Development Progressing
- Wright Act of 1887
- North Fork Ditch Company - Ownership change in 1909
  - Status as a Wholesale Supplier confirmed
- Orange Vale Water Company, 1896
  - Mutual
- Carmichael Irrigation District, 1916
- Fair Oaks Irrigation District, 1917
- Citrus Heights Irrigation District, 1920
December 1920 – Board approved $240,000 to install piped water to every 10 acre tract in the District:

Bids for the project included pipe types of:
1. Soil-Proofed Steel Pipe
2. Redwood Main-Steel Distribution
3. Redwood System
4. Double Dipped, Double Riveted Steel
5. Fir Main – Redwood Distribution
6. Fir Wood, Stave
1920 – The CHID service area included
  • 225 farms
  • 4.7 square miles (3,028 acres)

Water Supply Availability
  • North Fork Ditch Company promoted Conservation
  • Sirens were used to notify water was off
    • Sylvan Cemetery
    • Corner of Greenback and Mariposa
• Pres. Harry S. Truman signed the Engle Act commissioning the 1 Million AF Folsom Dam, **1949**
Formation of San Juan Suburban Water District (SJSWD)

- **February 10, 1954** - voters approve the formation of the San Juan Suburban Water District as a community services district to ensure the water supply was publicly owned, among other reasons.

- **April 17, 1955** – Reclamation made the first water delivery from Folsom Reservoir to SJSWD.
San Juan Water District

- San Juan as Wholesaler to Five Water Retailers
  - Citrus Heights Water District
  - San Juan Water District – Retail
  - Orange Vale Water Company
  - Fair Oaks Water District
  - City of Folsom (West of American River)
• 1979, Peterson Treatment Plant completed
  ▪ 120 Million Gallons per Day (Originally)
  ▪ 150 Million Gallons per Day (Today)
• 1980, Current covered Hinkle Reservoir completed
• High quality surface water
1940’s and 1950’s – Region began to urbanize
Transmission Main Installation Project
Authorized issuance of $750,000 in Bonds
1960 to 1985 – Big Development
History of District Wells

• Palm Well #2 – 1991
• Sylvan Well – 1991
• Sunrise Well – 1992
• Mitchell Well – 2008
• Bonita Well – 2010
• Skycrest Well – 2016

Current

Decommissioned
Recent History

1998 - Cooperative Transmission Pipeline Project

- Provided redundancy from SJWD – Wholesaler
- Provide surface water to Region using groundwater only
- Largest pipeline serving CHWD
- Multi-Agency Project
History Activity
Timeline Activity

1. Stand and line up next to the time period that represents when you moved into CHWD’s service area.
   - 1955
   - 1970
   - 1985
   - 2000
   - 2015

2. Introduce yourself to the person next to you and share when you moved into the area.
The Organization and Budget
CHWD Boundaries
The Organization
Administrative Services

Board of Directors
- General Manager/Secretary
- General Counsel

Administrative Services
- Manager/Treasurer

Finance, Treasurer, Purchasing, Customer Services, IT, BOD Support, Strategic Planning, HR, Risk Management, Clerk of the Board, & Special Projects

- Principal IT Analyst
- Management Svs. Sup./Chief Bd. Ck.
- Mgt. Svs. Spec./Dep. Bd. Clerk
- Senior Accountant/Assessor/Collector
- Management Services Specialist (2)
- Customer Services Technician II (1) and CS Representative (1)

Engineering
- Engineering Manager/District Engineer

Operations
- Operations Manager
General Manager’s Office

Board of Directors
- General Manager/Secretary
- General Counsel

General Manager’s Office
- Administrative Services
- Engineering
- Operations

Water Efficiency, Metering, Safety, Loss Prevention, Regional, State and Federal Issues, and Special Projects

Water Efficiency Supervisor
- Senior Water Efficiency Specialist
- Water Efficiency Technician
About the Budget
Budget Process

Strategic Planning (Jun/Jul)

- Board Direction
- Budget & Rate Model Study Session (Aug)
- Introduction of Proposed Budget (Sep)
- Prop 218 Notice (Sep, if needed)
- Introduction of Proposed Misc. Charges and Fees (Oct)
- Community Meetings (Oct & Early Nov)
- Public Information & Engagement
- Budget & Rate Adoption (Nov/Dec)

• Public Hearings
• Rate Adoption
Long-term Financial Model

Input
- Operations and Maintenance Expenses
- Capital Improvement
- Funds and Reserves

Analyze
- Financial Model
- Rate Model

Output
- Revenue Needed
2018 Strategic Plan

• Capital Improvement Program
• Project 2030—Water Main Replacements
• Water Efficiency Program
• Water Supply
• Organization Wide Objectives
2018 Adopted Expense Budget

- **Operations and Maintenance**: 37.64%
- **Salary & Benefits**: 21.53%
- **Funds and Reserves Transfers**: 8.58%
- **Capital Improvement Program**: 32.25%
2018 Projected Revenue

- Metered Service Charges, 96%
- Miscellaneous *, 4%

- Metered Water Deliveries
- Miscellaneous *
Current Operations
Focus on Capital Improvement Program

- Operations and Maintenance, 37.64%
- Salary & Benefits, 21.53%
- Funds and Reserves Transfers, 8.58%
- Capital Improvement Program, 32.25%
• Current Capital Improvement Plan (1999-2029)
  ▪ Well development
  ▪ Water meter replacements
  ▪ Transmission, distribution mains & appurtenances replacements (e.g.: water services, valves, fire hydrants)

• List of projects developed for next 30 years
Well Development

- Water Surface Supply – Folsom Lake
- CHWD current operations
  - ~90% Surface Water
  - ~10% Groundwater
- Currently have 6 Wells
- Goal to develop 10 Wells for water supply reliability
- 2018 Goals - Property Acquisition (Well sites 7 & 8)
• State Law - All water connections to be metered

• CHWD residential water meter installation program (2000 – 2008)

• Meter Replacement Program
  ▪ Meter life - 20 years
  ▪ 20,000+/- meters serve CHWD
  ▪ Advanced Planning Study
  ▪ In Partnership with other Water Agencies
  ▪ Public Engagement/Information
Transmission, Distribution & Appurtenant Replacement

• Water Main Replacement Criteria
  ▪ Pipe Type (Thin-walled steel)
  ▪ Age
  ▪ Water Break Data
  ▪ Location
• **Key Issues:**
  • Replace Aging Infrastructure
    - 250+ miles of pipelines
    - Many of the Water Mains Installed in the 1960s-80s
    - Majority of the District Built by Private Developers

• **Key Goals:**
  • Develop an Asset Inventory
  • Develop a Comprehensive Water Main Replacement Program
  • Develop Funding Options
  • Inform and obtain feedback from our customers
Displays
Break
Project 2030 Water Main Replacement Study
Project 2030 Scope

- Asset Inventory
- Future Water Demand Projections
- Water Main Assessment & Costs
- Water Main Replacement Phasing Plan
- Funding Strategy/Rate Analysis
- Implementation Plan

Public Engagement
• Goal: Add key data to the District’s GIS water facility map

• Tasks:
  - Go through project files
  - Scan documents
  - Data entry into map
  - QA/QC
• Determine Long Term Water Demands
  ■ Predict Future Water Usage
  ■ Factors to Consider:
    ○ Conservation
    ○ Land Use Type
    ○ Density
    ○ Other Projections
    ○ Other Studies

Size of District

Size (Square Miles)

Future

Year
Water Main Assessment

• Risk Analysis – Computer Software
  ▪ Likelihood of Failure (LOF)
  ▪ Consequence of Failure (COF)
  ▪ Risk = LOF x COF

• Likelihood factors:
  ▪ Pipe age, material
  ▪ Service conditions

• Consequence factors:
  ▪ Size
  ▪ Location (Difficulty to repair)
  ▪ Redundancy

![Risk Analysis Table]

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Cost Estimates

- Transmission Mains – 12” & Greater
- Distribution Mains – Less than 12”
- Creek Crossings
Water Main Replacement Phasing Plan

Input
- Rates
- Bonds

Output
- Staffing
- Project Delivery
- Other Factors?
Funding Strategy/Rate Analysis

- Phasing Option 3 with Financing Options 1-5
- Phasing Option 4 with Financing Options 1-5
- Phasing Option 1 with Financing Options 1-5
- Phasing Option 2 with Financing Options 1-5
Funding Strategy/Rate Analysis

PROJECT 2030

RATE
(PAY AS YOU GO, DEBT SERVICE, BLENDED)

BASE
CHWD
RATE

DISTRIBUTIVE RATE MODEL

SALARY & BENEFITS, O&M, FUNDS & RESERVES,
NON-PROJECT 2030 CAPITAL IMPROVEMENT PROGRAM

YR 0

YR 10
Implementation Plan

• Don’t Want this Study to Just Sit on the Shelf
• Identify Tasks to be Performed Now and in the Future
• Example:

  - Transmission Main Evaluation
  - Condition Assessment
  - Alternative Analysis
Throughout the Study connect with customers to obtain input and feedback.
Risk Analysis Activity

Risk = Likelihood of Failure x Consequence of Failure

• How do you analyze risk with your personal purchases and investments, such as a new car?
When making a major personal purchase such as a new car how do you decide when to make that purchase?

What factors do you take into account?

Risk = Likelihood of Failure x Consequence of Failure
CAC Chair & Vice Chair Election
Role of the CAC Chair

• Call the CAC meetings to order
• Lead the Pledge of Allegiance
• Turn the meetings over to the facilitator for the agenda review and meeting facilitation
• Manage any voting processes during CAC meetings, as appropriate
• Manage the public comment portion of the CAC meetings
• Close the meetings
• Act as the official spokesperson for the CAC when presenting CAC Project 2030 updates at the CHWD Board meetings (at 30% and 60% through the Project 2030 study process)
• Act as the official spokesperson for the CAC when presenting the CAC majority position on recommendations to the CHWD Board at the conclusion of the Project
Role of the CAC Vice Chair

• Act for the CAC Chair, should that person be unable to serve
Candidate Comments
• Please vote for one candidate:
  ▪ Jenna Moser
  ▪ Richard Moses
  ▪ Mike Nishimura
  ▪ David Wheaton
CAC Member Take-Aways
• CHWD has a long history of reliably and efficiently delivering safe water to its customers.

• CHWD follows best accounting and financial industry practices to ensure long-term fiscal health and resiliency.

• Project 2030 will chart a path to preserve integrity of the system and customer satisfaction.
Next Steps

• Next Meeting: Tuesday, August 28\textsuperscript{th}
  - **Time**: 6:30 pm – 9:15 pm
  - **Location**: Citrus Heights Community Center, Hall A

• Strategic Planning Meeting: Tuesday, July 17\textsuperscript{th}
  - **Time**: 8:00 am – 12:00 pm
  - **Location**: Regional Water Authority Board Room
    5620 Birdcage Street, Citrus Heights, 95610

• Housekeeping Items
Preview of CAC Meeting #2

• Main Replacement Basics
• Introduction to Utility Benchmarking
• Discuss Asset Inventory Results
• Review Water Demand Forecast Memo
Public Comment
Closing