



Customer Advisory Committee Meeting #5 Summary

Tuesday, February 26, 2019, 6:30-9:15 pm

INTRODUCTION

Jenna Moser, Chair of the Customer Advisory Committee (CAC), called the meeting to order at 6:38 p.m. After welcoming the members of the CAC, she turned the meeting over to Laura Mason-Smith, the CAC meeting facilitator, who reviewed with the CAC the **Meeting Agenda:**

1. Introductions
2. Public Comment
3. Approve minutes of February 5, 2019 CAC Meeting #4
4. Spending/Funding Alternatives Assessment:
 - a. Background information and key considerations
 - b. Working group assessment and identification of the initial top Spending/Funding Alternatives
 - c. Final identification of the top Spending/Funding alternatives for further consideration at CAC Meeting #6 on March 19, 2019
5. Public Comment
6. Next Steps
7. Close

Laura reiterated that meeting materials are provided electronically to the CAC members in advance of and following their meetings and are posted on the CHWD website, [Customer Advisory Committee Section](#). In addition, meeting summaries that provide an overview of each of the CAC meetings as well as a video of the meetings are posted to the website to be available to the CAC members and the general public.



PROJECT 2030 WATER MAIN REPLACEMENT



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ATTENDEES

CAC Members:

Kimberly Berg	Commercial Representative
Julie Beyers	Residential Representative
Ray Bohlke	Residential Representative
Deborah Cartwright	Residential Representative
Wes Ervin	Commercial Representative
Michael Goble	Residential Representative
Suzanne Guthrie	Residential Representative
Doug MacTaggart	Residential Representative
Bren Martinez	Residential Representative
James Monteton	Residential Representative
Richard Moore	Residential Representative
Jenna Moser	Residential Representative and CAC Chair
Mike Nishimura	Commercial Representative
Cyndi Price	Institutional Representative
Ray Riehle	CHWD Director
Javed Siddiqui	Residential Representative

Unable to attend were:

Patti Catalano	Residential Representative
Katherine Cooley	Institutional Representative
Andrew Johnson	Residential Alternate
Dave Mitchell	Institutional Representative
Richard Moses	Residential Representative and CAC Vice Chair
David Paige	Residential Representative
Aimee Pfaff	Residential Representative
Peg Pinard	Residential Representative
Chris Ralston	Institutional Representative
Noe Villa	Institutional Representative

CHWD Staff:

Chris Castruita	Management Services Supervisor/Chief Board Clerk
Tamar Dawson	Assistant Engineer
Paul Dietrich	Project Manager
David Gordon	Operations Manager
Madeline Henry	Management Services Specialist/Deputy Board Clerk
Rex Meurer	Water Efficiency Supervisor
Missy Pieri	Engineering Manager/District Engineer
Susan Sohal	Administrative Services Manager
Hilary Straus	General Manager

Consultants:

Roger Kohne	Harris & Associates
Andrew MacDonald	Harris & Associates
Habib Isaac	Raftelis Financial Consultants, Inc.
Andrea Boehling	Raftelis Financial Consultants, Inc.
Laura Mason-Smith	Mason-Smith Success Strategies



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PUBLIC COMMENT

There was no public comment.

APPROVAL OF FEBRUARY 5, 2019, CAC MEETING #4 MINUTES

The minutes of the February 5, 2019, CAC Meeting #4 were unanimously approved without comments or changes.

SPENDING AND FUNDING ALTERNATIVES ASSESSMENT

Background Information

Project 2030 Manager Missy Pieri reviewed the 2019 CAC Meeting Schedule, progress to date, and the topics for the upcoming CAC meetings (please see the CHWD Website section on Project 2030 CAC Meeting #5 for the slide presentation detail).

Funding Overview

Habib Isaac provided a recap of previously discussed funding concepts. He then reviewed key considerations to be considered when assessing each of the Spending/Funding Alternatives:

- Annual Average Revenue Increase
- Pre-Funding
- Debt

Assessment of the 21 Spending/Funding Alternatives

CAC members moved into three table groups to utilize both hard-copy and computer based information and analyses to assess each of the 21 Spending/Funding Alternatives. After extensive discussion, CAC members identified their initial individual Top 4 Alternatives, and able spokespeople then reported out on the results of their table-group discussions and assessments. Some of the considerations cited by the table group spokespeople included:

- Prefunding:
 - Starts building today's dollars for the future
 - Provides compounding interest which can be used into the future
 - Eliminates or mitigates rate spikes
 - Is a more responsible approach



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- Debt:
 - Balances funding sources
 - Helps mitigate spikes
 - Is beneficial to spread costs between current and future generations of users
- General comments:
 - Alternatives 1, 2, and 3 do not make enough progress toward water main replacements and defer the issue to beyond 2080

Each CAC voting member then cast their votes for their final Top 4 Spending/Funding Alternatives, which resulted in five Alternatives moving on for further consideration at the March 19, 2019 CAC Meeting #6. At CAC Meeting #6, the CAC voting members will narrow down the Alternatives to their Top 2, and these two Alternatives will move forward for Market Research along with the District's Current Baseline Spending/Funding level.

Spending/Funding Alternatives Moving Forward For Consideration at the March 19, 2019 CAC Meeting #6

Alt #	Funding Description	Project Cost-- 2018 \$ Millions	Annual Spending 2018 \$ Millions	% of System Replaced by 2080 (50 years starting in 2030)	Total Votes
4.4	Prefunding, with Debt	320	6.4	59%	10
5.2	Prefunding, No Debt	390	7.8	72%	9
5.4	Prefunding, with Debt	390	7.8	72%	12
6.4	Prefunding, with Debt	480	9.6	89%	10
7.4	Prefunding, with Debt	510	10.2	94%	6



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CAC PROCESS AND LOGISTICS OVERVIEW

The CAC reviewed the updated schedule of 2019 CAC meetings ([see the CAC Document Library on the website for the schedule graphic](#)). These after-dinner meetings and the high-level topics anticipated for each of the meetings are shown below.

Workshop #6: March 2019, 6:30-9:30 pm, Citrus Heights Community Center

- Review the considerations related to the Top 5 Spending/Funding Alternatives
- Select the Top 2 Spending/Funding Alternatives for Market Research (along with the District's current Baseline Spending/Funding level)
- Market Research Primer

Workshop #7: March 2019, 6:30-9:15 pm, Citrus Heights Community Center

- Market Research Results
- Develop Final Recommendation to the Board
- Steps for Implementation Plan

Workshop #8: September 10, 2019, 6:30-9:15 pm, Citrus Heights Community Center

- Review Implementation
- Review Final Board Recommendation



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CAC MEMBER CLOSING COMMENTS

The CAC members indicated what they were taking away from the Meeting as:

1. This was a very interesting process
2. Fabulous exercise; people were so prepared and had very thoughtful insights
3. Excellent collaboration
4. Enjoyed the group discussions
5. Very productive discussion, and interesting process
6. Even with such diverse small groups, our voting confirmed our shared priorities
7. Appreciated having the staff members and consultants assigned to each of the small tables; they really helped by answering questions and providing insights
8. Everyone was so eager to speak their mind and share their opinions
9. Everyone was actively involved, which is so important since it will take all of us to make the final recommendations
10. Very good discussion
11. Lots of material to digest, and all of it was very well done
12. I had doubts about how this would work, and it worked very well
13. We had lots of questions, and it was very helpful to have the staff and consultants available to each of our groups
14. It really helped to have all the visuals and be able to assess the Alternatives in hard copy and on the computers at each table
15. Having homework was very helpful
16. The open discussion and information provided caused me to reconsider my previous opinions
17. We really appreciate the extensive work the staff has done to make this process so effective
18. Voting with the dots was fascinating
19. This was a fascinating and fun process

PUBLIC COMMENTS

None

CLOSE

CAC Chair Jenna Moser thanked the CAC members, District staff, and consultants for their participation and adjourned the meeting at 8:42 p.m.



PROJECT 2030
WATER MAIN REPLACEMENT



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APPROVED:

CHRISTOPHER CASTRUITA
Deputy Secretary
Citrus Heights Water District

RICHARD MOSES, Vice Chair
Customer Advisory Committee
Citrus Heights Water District