



Customer Advisory Committee Meeting Summary

Wednesday October 22, 2025, 5:45-7:45 p.m.

INTRODUCTION

Customer Advisory Committee (CAC) Chair Andrew Johnson called the meeting to order at 5:48 p.m., welcomed the CAC members, and led the Pledge of Allegiance. Clerk Brittney Moore conducted a formal roll call. Chair Johnson then opened a **Public Comment** session, and there was no Public Comment.

Chair Johnson turned the meeting over to Jennifer Liebermann, the CAC meeting facilitator, who reviewed the following **Meeting Agenda** for the evening:

1. Call to Order and Roll Call
2. Pledge of Allegiance
3. Visitors and Public Comment
4. Agenda Review and Introductions
5. Recognizing CAC Members
6. Budget Overview
7. Q&A Breakout Groups
8. Preview December CAC Meeting
9. Public Comment
10. Adjourn

ATTENDEES

Customer Advisory Committee

Alan Utzig	Residential Member
Amanda Camacho	Residential Alternate
Andrew Johnson	Residential Member and CAC Chair
Janet Hogan	Residential Member
Julia Eunice	Residential Member
Julie Beyers	Residential Member
Michael Nishimura	Residential Member and CAC Vice Chair
Paul Dietrich	Residential Member
Richard Moses	Residential Member
Richard Moses	Residential Member
Steven Pay	Alternate Residential Member
Susan Powers	Residential Member

Citrus Heights Water Board of Directors

David Wheaton	Board Member
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Ray Riehle

Board President

Citrus Heights Water Staff

Annie Liu	Director of Administrative Services
Mary Elise Conzelmann	Principal Public Affairs Analyst
Habib Isaac	Finance Advisor
Todd Jordan	Director of Operations
Brittney Moore	Administrative Services Manager
Viviana Munoz	Customer Service Technician
Megan Selling	Senior Accountant
Ben Strange	Accounting Manager
Hilary Straus	General Manager

Guests

Mickey Rich	Paradise Irrigation District
Tracy Niemela	Paradise Irrigation District
Darleen Sowers	Paradise Irrigation District
Marc Sulik	Paradise Irrigation District
Elliott Prest	Paradise Irrigation District

Facilitator

Jennifer Liebermann Jennifer Liebermann Consulting

FRAMING

Jennifer Liebermann, facilitator, opened the meeting by reflecting on how the original CAC spent a lot of time developing the policy recommendation for how to fund Project 2030 with the dedicated charge.

Between 2018 and 2021, nine CAC meetings were held to evaluate the District's substantial increase in pipe replacements. Based on the CAC's recommendations, the District adopted the Project 2030 Water Main Replacement Study on June 29, 2021.

The Project 2030 Water Main Replacement Study established a funding strategy for future project needs, combining pay-as-you-go funding, debt financing, available grants,



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and advance funding through the 2030 Dedicated Charge to help prefund upcoming costs.

Jennifer framed the evening's purpose: CAC members would gain an understanding of what it means to implement their Project 2030 policy recommendation through an understanding of rates and budget. The meeting was designed to provide a comprehensive budget overview and allow CAC members to ask questions about Citrus Heights Water's financial planning.

BEGINNING OF MEETING INTRODUCTIONS

CAC members, staff, Board members, and guests introduced themselves and shared what they value most about their water service:

- "Quality and reliability."
- "Customers who show up like at tonight's CAC and partner with us at the District."
- "Taste."
- "Safe water."
- "Reliability."
- "Foresight. Being proactive about everything so that we are not burdening our children and grandchildren."
- "Water is always on and it tastes good."
- "I value groundwater with natural minerals."
- "Quality of our water; it tastes great."
- "Community outreach as a business owner."
- "I had a leak on Christmas Eve and Citrus Heights Water District came out and fixed it! Who does that? I value the great service!"
- "I value the team that we have. That includes our staff, the Board, and the CAC. I view this as our extended team."
- "I deeply appreciate what we are doing as a District with the CAC and how we share those learnings at ACWA JPIA. We have five guests here from the Paradise Irrigation District that drove two hours to see how this CAC program works."
- "I'm a resident and I value taste."
- "I value that we have so many guests here from Paradise."
- "I value the laser focus on delivering water and the pride we have."
- "Community and CAC involvement."

RECOGNIZING CAC MEMBERS



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Mary Elise Conzelmann, Principal Public Affairs Analyst, recognized changes to the CAC membership.

Welcome New Members:

- Susan Powers
- Lana Crum
- Stephen Pay
- Pennie Rose
- Korene Woodard

Thank You to Departing Member:

Mary Elise thanked Jenna Moser, Founding CAC Chair, who served the CAC from its inception in 2018 until 2025.

BUDGET OVERVIEW

The Finance team—Director of Administrative Services Annie Liu, Accounting Manager Ben Strange, Senior Accountant Megan Selling, and Finance Advisor Habib Isaac—provided a comprehensive overview of the Citrus Heights Water's 2026 budget and long-term financial planning.

Strategic Planning and Budget Development

The Finance team explained that strategic planning guides Citrus Heights Water's budget development, which operates on a calendar budget from January through December. The budget serves as an action plan for implementing Citrus Heights Water's strategic planning projects and other operational priorities.

Citrus Heights Water's 2026 budget focuses on:

- Replacing pipes
- Project 2030 planning
- Building new wells
- Saving for the future
- Improving services
- Finding efficiencies
- Engaging customers

Funding Sources



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Citrus Heights Water is primarily funded by customer rates. However, the team emphasized efforts to bring in outside dollars:

- The team actively pursues grants and funding to reduce the burden on customers.
- Over \$6.6 million has been awarded for Wells #7 and #8 alone.
- Approximately 19% of the 2025 budget and 5% of the 2026 budget are covered by non-ratepayer funding.
- Citrus Heights Water also maximizes investments.

Proposed Rate Adjustment for 2026

The Finance team presented the proposed rate adjustment for 2026. For customers with a 1" meter (which represents 84% of service meters), the typical monthly increase would be about \$4.57 per month.

The team explained that the proposed adjustment is necessary to cover Citrus Heights Water's costs. Key drivers include:

- Project 2030 implementation
- Maintaining the aging system
- Increased capital and operational expenses
- Keeping adequate savings (reserves) in the event of urgent needs and for long-term replacements
- State mandates to reduce water consumption

Despite the adjustment, Citrus Heights Water's rates remain below the regional average.

Todd Jordan, Director of Operations, spoke to the importance of investing in the future to ensure reliable water service for the community.

Rate Model and Financial Planning

The Finance team provided a refresher on the rate model and factors impacting the financial plan, including water demands, revenue projections, capital spending, expense projections, and reserve funding.

Reserves



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Habib Isaac, Finance Advisor, reviewed the factors that go into the reserve structure, including undesignated reserves (operating, rate stabilization, and capital improvement and replacement) and designated reserves for specific projects and programs such as meter replacement, water supply, Project 2030, employment-related benefits, water efficiency, fleet equipment, and debt.

Rate Structure

Habib Isaac explained the 2026 monthly bill structure, which includes the service charge, usage charge, and water main replacement dedicated charge.

SMALL GROUP Q&A BREAKOUT

CAC members broke into four small groups, each led by a member of the Finance team:

- Group 1: Habib Isaac, Finance Advisor
- Group 2: Annie Liu, Director of Administrative Services
- Group 3: Megan Selling, Senior Accountant
- Group 4: Ben Strange, Accounting Manager

Group leaders fielded clarifying questions for 10 minutes. At the end, group leaders wrote down questions from their small groups to share with the larger group.

Questions from Small Group Breakouts:

Questions from the group included:

Question: What does the capacity fee cover?

Answer: A capacity fee is a one-time payment that helps pay for the existing and future water system capacity needed to serve a new home, business, or development.

Capacity fees typically fund:

- Pumping and transmission systems
- Existing infrastructure capacity that the new user will utilize
- Expansion needed due to growth



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Question: What technologies can be used to help reduce costs for Project 2030?

Answer: Pipe check-up technologies identify whether a pipe is approaching failure and guide decisions on the optimal timing for replacement, helping prevent catastrophic breaks. The District is piloting non-invasive, acoustic-based tools to assess their accuracy and effectiveness so we can incorporate them into long-term asset management and replacement planning.

Question: Could funding from Project 2030 be applied to a water main breaking in 2025 through 2027?

Answer: The District currently spends \$2 million a year on planned pipe replacements. In addition, the District allocates funding in its annual budget for minor pipe breaks.

Question: Why has the budget doubled when the length of pipe (size of the system) has remained the same at 250 miles?

Answer: Replacing water mains has gotten more expensive. In 2015, it cost around \$317 per foot for small pipelines; today it's closer to \$431 per foot. That means \$2 million only replaces about 4,600 feet—less than a mile—of pipe.

Question: What types of materials are being used to replace pipes in the future?

Answer: Typical pipe material is polyvinyl chloride and ductile iron for water mains and polyethylene for water services.

Jennifer Liebermann clustered the questions and had small group leaders answer them for the full group.

Mary Elise Conzelmann, Principal Public Affairs Analyst, spoke about the upcoming Budget Hearing scheduled for Wednesday, November 12, 2025, at 6 p.m. at the Citrus Heights Events Center, South Flex Room, 6300 Fountain Square Drive, Citrus Heights.



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DECEMBER CAC MEETING PREVIEW

Mary Elise Conzelmann provided a preview of the December 17, 2025 CAC Meeting, which will be a celebration and recognition of the work the CAC has done in 2025.

PUBLIC COMMENT

Chair Andrew Johnson opened a second Public Comment session.

Mike Nishimura asked CAC members to attend the Budget Hearing scheduled for November 12. He shared the original CAC's hope not to burden the community's children and grandchildren with the whole cost of Project 2030. He reminded people that the pipes were essentially free to the original residents of Citrus Heights because the builders paid for them when homes were built in the 1950s.

Andrew Johnson made a public comment about how far the community has come in addressing Project 2030 and how to fund it. He shared that funding infrastructure is a very complex task, and he urged others to show up at the Budget Hearing and show support as a CAC member or a customer.

ADJOURN

CAC Chair Andrew Johnson thanked the CAC members and Citrus Heights Water staff for their participation and closed the meeting at 7:37 p.m.