

Citrus Heights Water District 2025 Budget Presentation



**CITRUS
HEIGHTS
WATER
DISTRICT**

Agenda

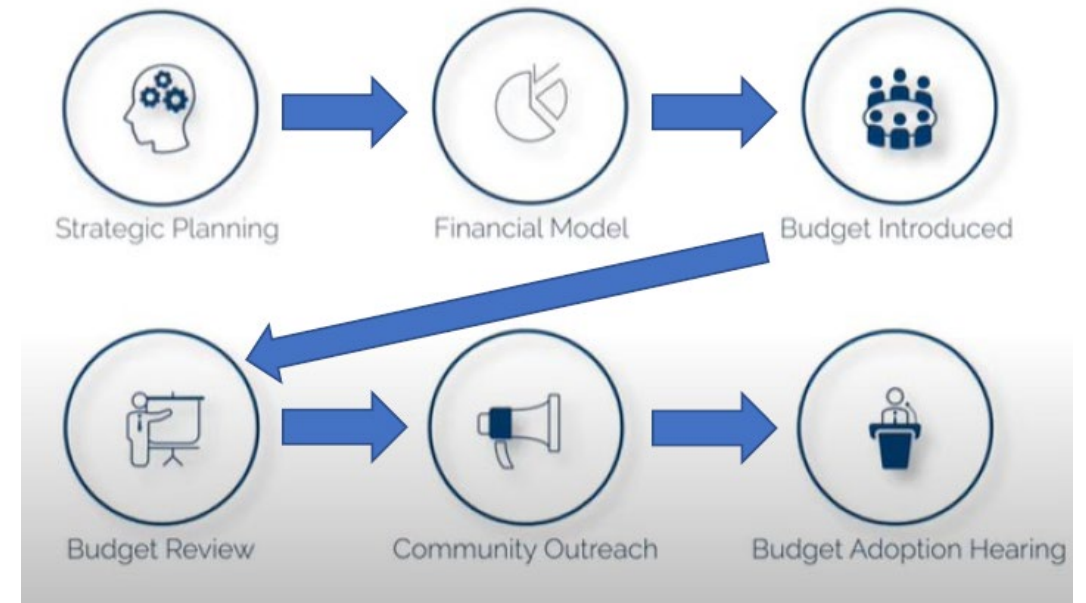
- Fall 2024 Waterline Update /2025 Budget Video
- Budget Process/Budget Overview
- Investing in the Future
- San Juan Water District
- Proposed 2025 Rates
- Rate Structure
- Water Efficiency Programs
- Q&A

Video



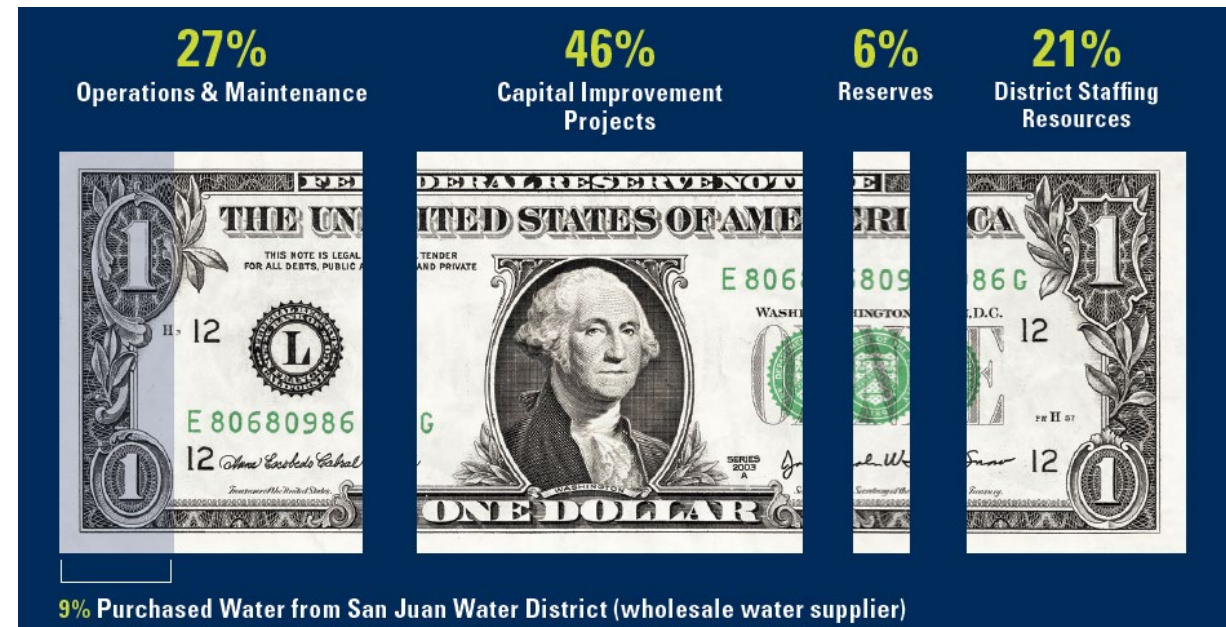
CHWD Budget Overview

- CHWD operates on a calendar budget from January through December
- Budget preparation begins during the strategic planning process in the preceding calendar year.
- Budget serves as an action plan for implementing CHWD's strategic planning projects and other district operational priorities.



Using Customer Dollars Wisely

- CHWD's 2025 budget focuses on:
 - Completing important long-range infrastructure and asset management planning
 - Expanding CHWD's groundwater program
 - Maintaining adequate reserves
 - Continuing to provide enhanced public services
 - Ongoing commitment to operational and financial efficiency
 - Providing expanded opportunities for customer participation



Proposed 2025 Budget

Proposed Capital Improvement Budget : \$16.9 million

- \$2.6 million – Water Main projects
- \$2.7 million – Annual Operational related projects
- \$8.1 million – Wells #7 & #8
- \$3.5 million – Other Projects

Grant Resources

- \$5.1 million – Grants for Wells #7 & #8

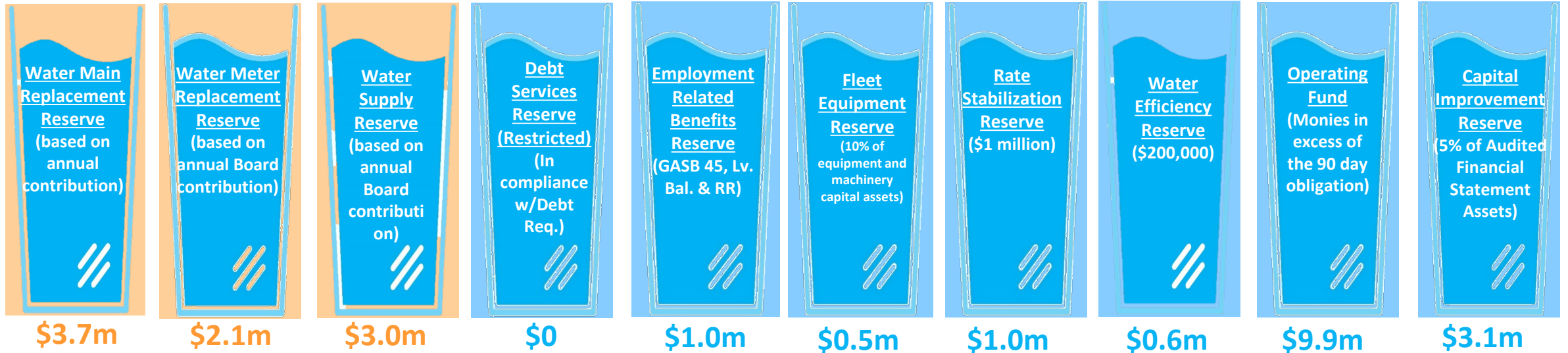


About the Budget- Transfers to Reserves



Based on annual Board contribution*
(discretionary)

Based on existing Board policy
(non-discretionary)



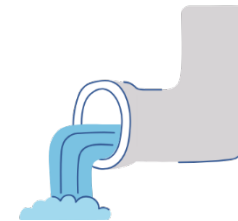
*Projected Balance at 12/31/2024

About the Budget – Discretionary Reserves

Discretionary reserves are important for ensuring long-term financial stability. They allow the District to prefund major projects, spread costs across generations of customers, and strengthen our debt capacity, while also providing a buffer against unexpected challenges.

Water Main Replacement Reserve (Project 2030)

Purpose: For projects like water transmission and distribution upgrades



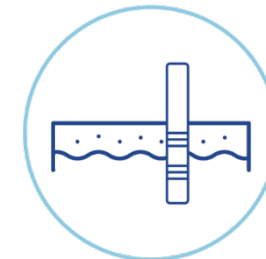
Water Meter Replacement Reserve

Purpose: Funds set aside for evaluating and replacing water meters and related technology.



Water Supply Reserve

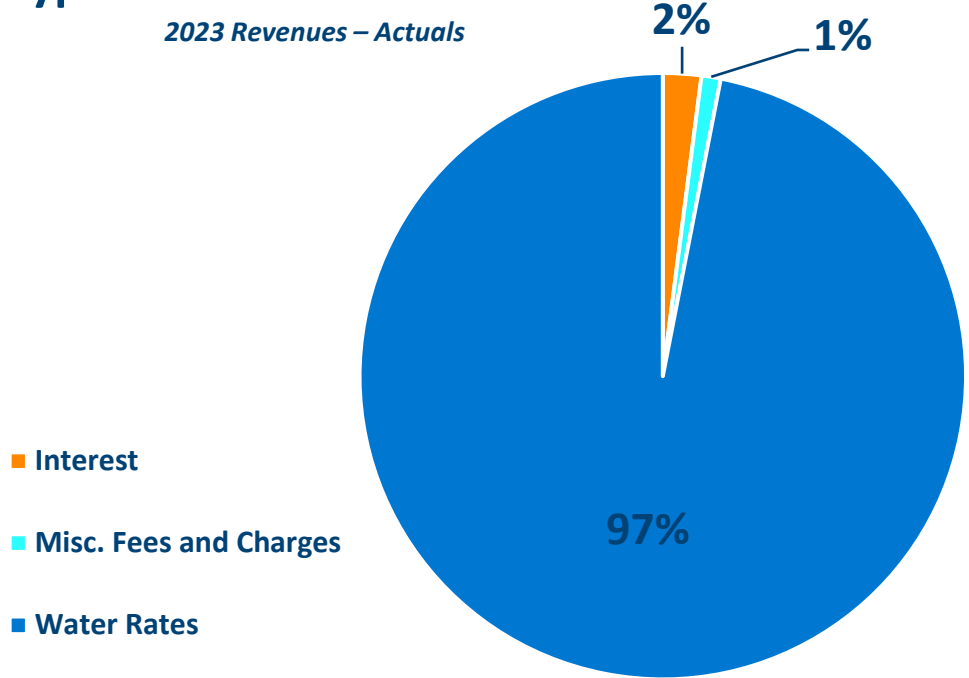
Purpose: Ensures funds for expanding and maintaining water supply, including groundwater wells.



Revenue Sources – Irrigation District

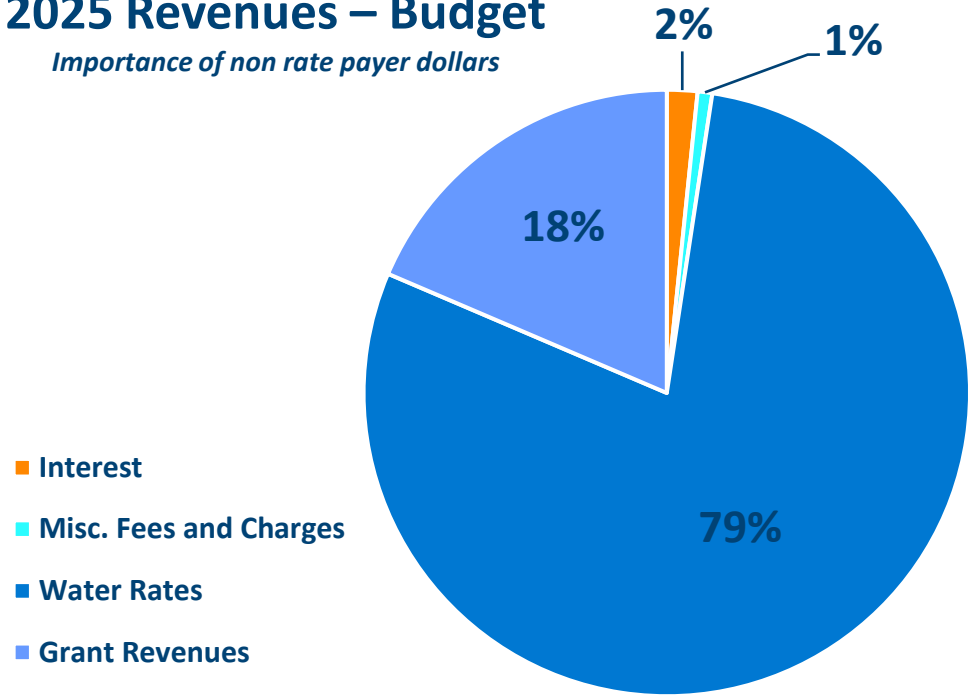
Typical Year Revenue Profile

2023 Revenues – Actuals



2025 Revenues – Budget

Importance of non rate payer dollars



Capital Improvement Budget – Grants

Grants Awarded for Wells #7 & #8: \$6.637 M, includes \$5.137 M for 2025

Awarding Agency	State/ Federal & Well	Amount Awarded	Status	Match %	Match Amount	Funding Year
Integrated Regional Water Management (IRWM)	State: Well #7	\$1,022,000	Approved, pending project completion	50%	\$511,000	2025
Environmental Protection Agency (EPA)	Federal: Well #7	\$585,000	Approved	20%	\$146,250	2025
EPA	Federal: Well #8	\$1,500,000	Pending	20%	\$300,000	2026
Dept. of Water Resources (DWR)	State: Well #8	\$3,530,000	Approved	N/A	\$0	2025
	TOTAL	\$6,637,000				

Investing in the Future



PROJECT 2030
WATER MAIN REPLACEMENT



 **METER
REPLACEMENT
PROGRAM**
ACCURACY + EFFICIENCY + TECHNOLOGY



 **Groundwater**
Expansion & Reinvestment

Capital Improvement Project Highlights

2024 Projects

- 221 Service Connections replaced
- 20 Valves replaced
- 12 Hydrants installed/replaced
- 30 Water Meter replacement
- Well #7 Construction Bid awarded
- Well #8 Design phase underway
- 2 Water Main projects completed
- 4,200 Linear Feet of Pipe installed
- 24 Water Valves installed
- 9 Fire Hydrants installed
- 2 Easements executed

2025 Proposed Projects

- Ongoing replacements:
 - Water Services
 - Valves
 - Hydrants
 - Meters
 - Meter registers
- Complete Well #7
- Start Well #8 Construction
- 3 Water Main Projects
- Start the Corporation Yard project

San Juan Water District- Wholesale Water

- CHWD purchases treated surface water from Folsom Lake through San Juan Water District (SJWD), our wholesale water provider



Water Measurement

1 unit on your bill =

5,665
16.9 oz Water Bottles



OR

748
1 Gallon Containers



5-hour shower



OR

10 full baths



One unit of water on your bill is equal to **748 gallons**. The proposed cost for that is **\$1.35**.

Proposed Rate Adjustments for 2025

CHWD unit rate:

- **\$1.60 to \$1.35 for 748 gallons**

Monthly CHWD base rates: 1" meter

- **\$50.64 to \$60.03**

Monthly 2030 Dedicated Charge: 1" meter

- **\$5.25 to \$8.63**

**Typical monthly increase
for 1" meter:**

- **about \$7.76 a month**
(assuming usage of 20
units per month)

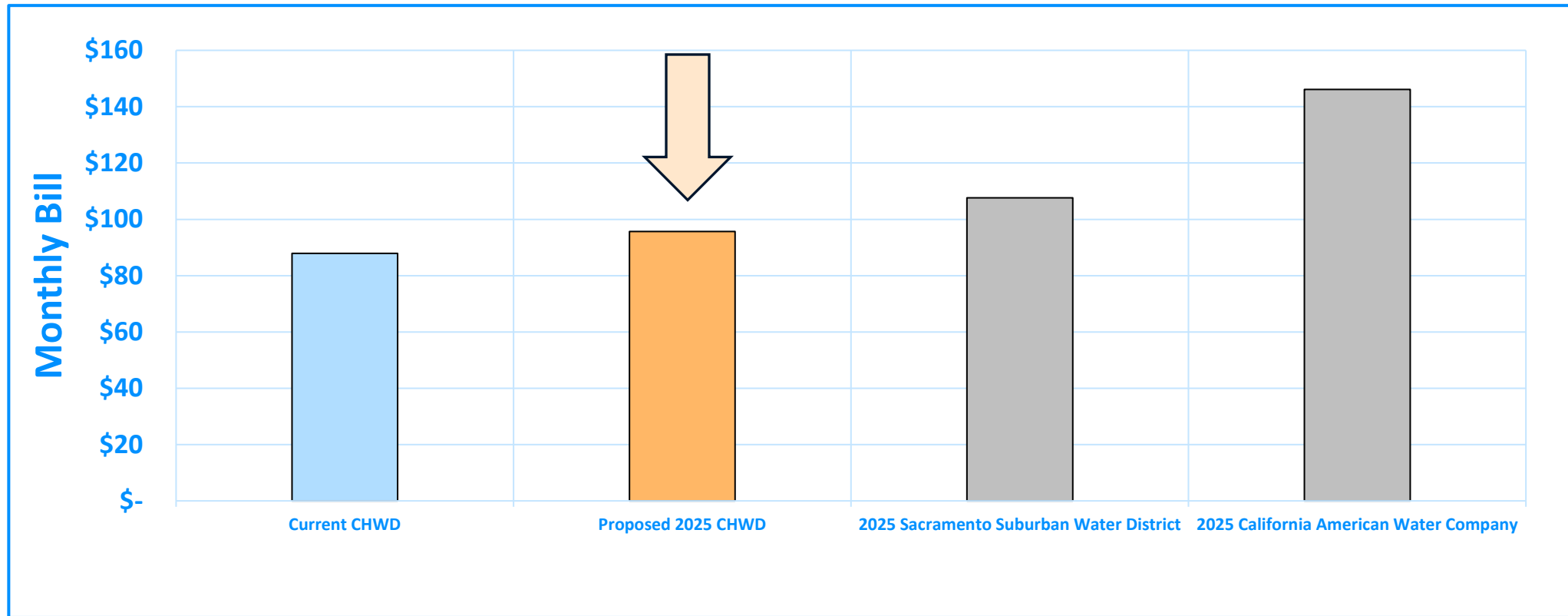
Why are Rates Changing?

The proposed adjustment is necessary to cover CHWD's costs.

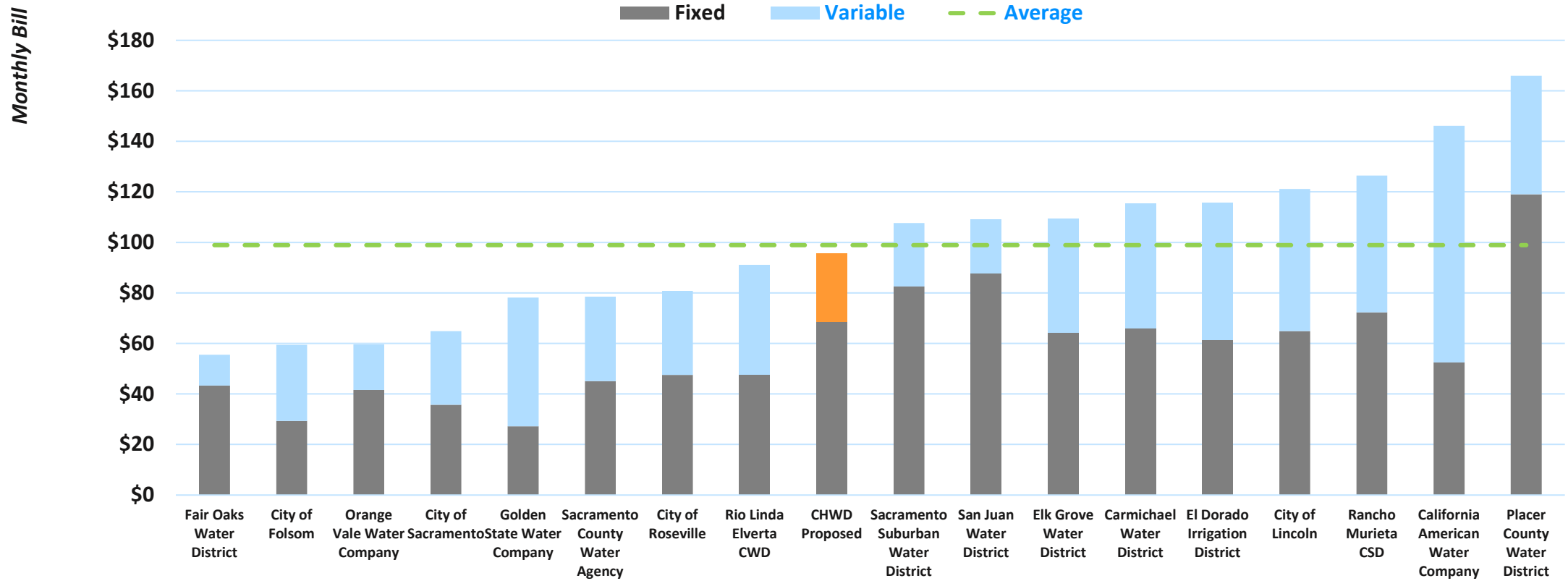
Here are the drivers:

- State mandates to reduce water consumption
- Maintaining our system (infrastructure)
- Increased Capital and Operation expenses
- Keeping adequate savings (reserves) in the event of urgent needs and for long-term replacements

Lowest Cost in Citrus Heights



Residential Monthly Water Bill for 1" Meter Customers Using 20 ccf



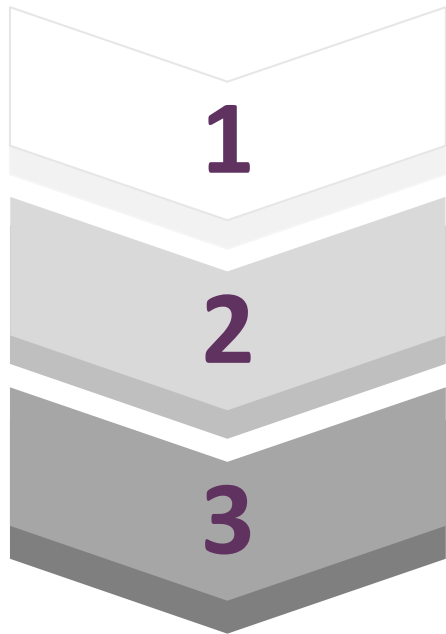
Cost below Regional Average

B CONSULTING



Rate Study Session

Preliminary Review / Impacts



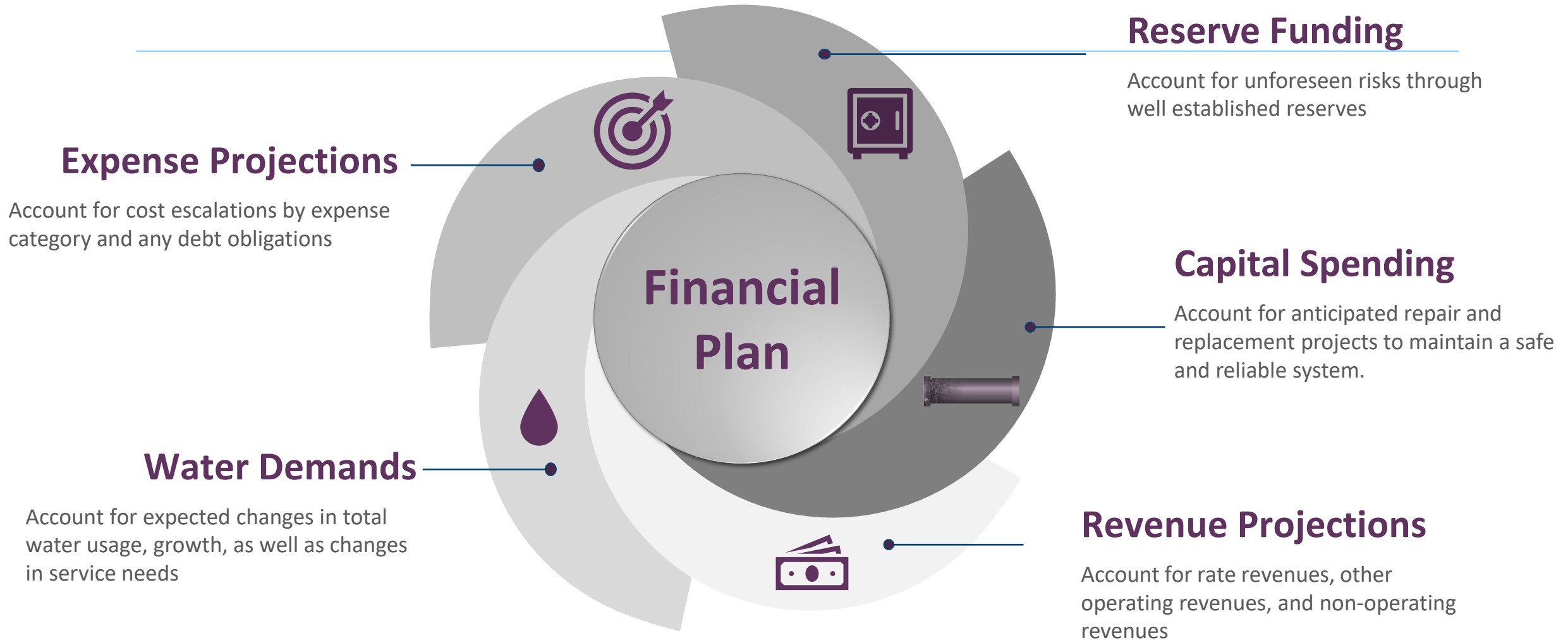
Financial Plan Summary

Key Assumptions

Cost-of-Service and Rate Design

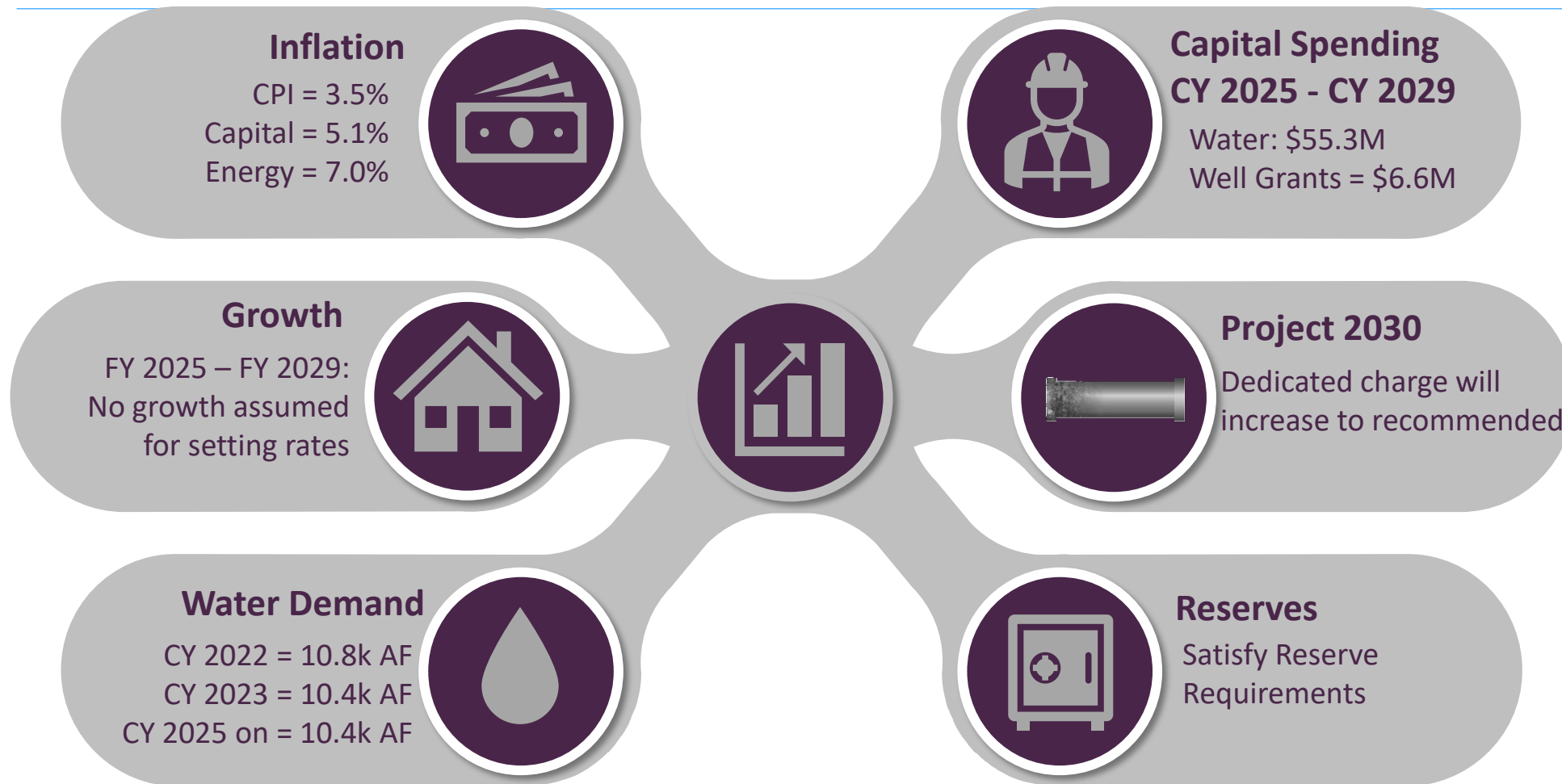
Financial Plan Summary

Factors Impacting the Financial Plan



Key Assumptions

Cost-of-Service Rate Study



Rate Design Adjustments

Fixed and Variable

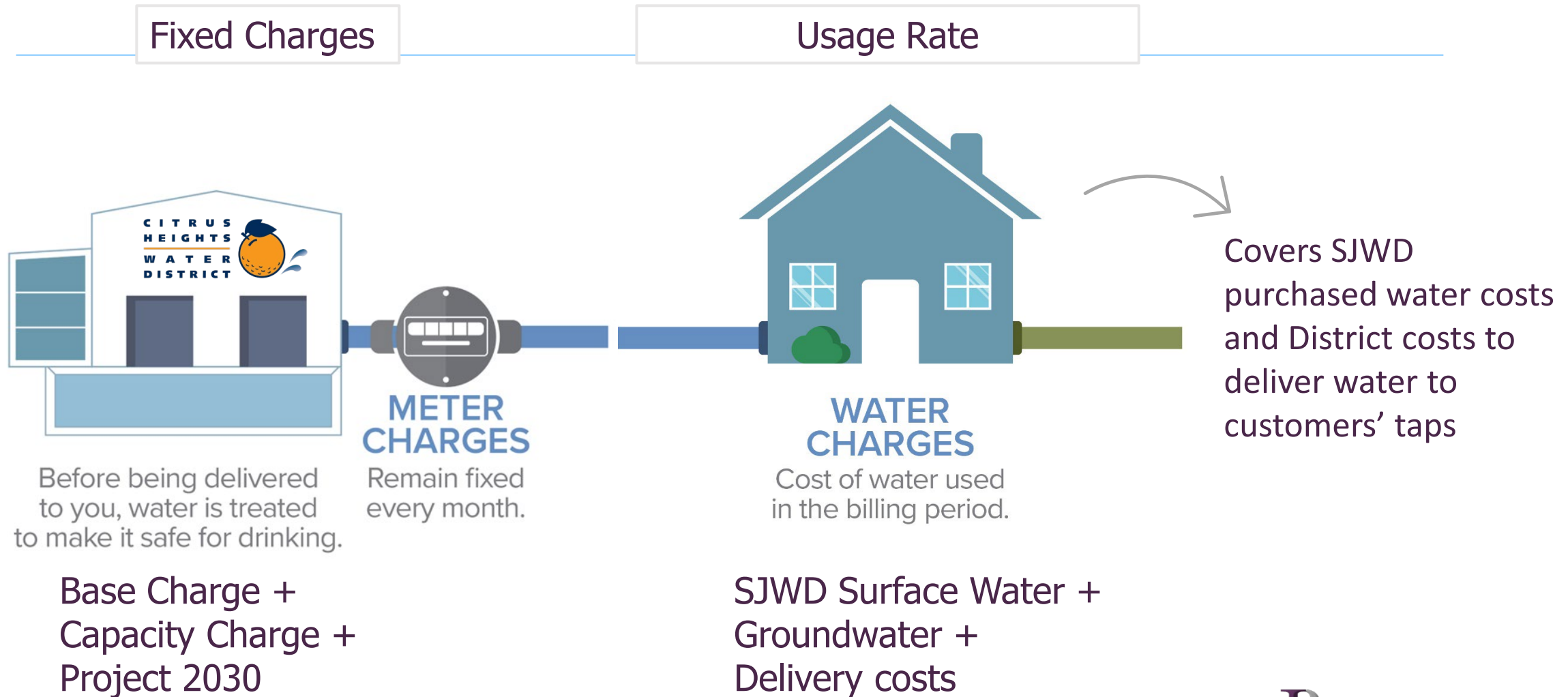
- Increase Project 2030 dedicated charge to what was initially recommended
 - Currently charging a 1" Meter \$5.25 monthly
 - Recommended charges for 1" Meter from initial study was \$8.63 monthly

- Fixed cost recovery
 - Incorporated District's CY 2025 budget
 - District costs recovered in fixed charges have increased
 - Project 2030 adjustment also increases fixed cost recovery

- Variable rates
 - CY 2025 rate will reduce as fixed cost recovery increases

Cost-of-Service

FY 2025 Revenue Requirements



Budget Hearing

Tuesday, December 10, 2024

6:00 PM

Citrus Heights Community Center
South Flex Room



Water Efficiency Programs, Classes & Rebates

CHWD has water efficiency programs available to help the community use water wisely and save money:

- Free **WaterSmart** classes (virtually, in-person and via our on-demand online library).
- Free **landscape irrigation** review and **smart controller**.
- **Rebates** – pressure reducing valve, ultra-low flush toilet, and high efficiency clothes washer.



Water Efficiency Website: chwd.org/water-efficiency

Questions?

