



**CITRUS
HEIGHTS
WATER
DISTRICT**

6230 Sylvan Road
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Citrus Heights
California
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**BOARD MEETING AGENDA
REGULAR MEETING OF THE BOARD OF DIRECTORS OF
CITRUS HEIGHTS WATER DISTRICT
AUGUST 9, 2016 beginning at 6:30 PM**

**DISTRICT ADMINISTRATIVE OFFICE
6230 SYLVAN ROAD, CITRUS HEIGHTS, CA**

In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the Management Services Supervisor/Chief Board Clerk at (916) 725-6873. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

CALL TO ORDER:

Upon request, agenda items may be moved to accommodate those in attendance wishing to address that item. Please inform the General Manager.

ROLL CALL OF DIRECTORS:

PLEDGE OF ALLEGIENCE:

VISITORS:

PUBLIC COMMENT:

The Public shall have the opportunity to directly address the Board on any item of interest to the public before or during the Board's consideration of that item pursuant to Government Code Section 54954.3. Public comment on items of interest within the jurisdiction of the Board is welcome. The Presiding Officer will limit comments to three (3) minutes per speaker.

(A) Action Item (D) Discussion Item (I) Information Item

CONSENT CALENDAR: (A)

All items under the Consent Calendar are considered to be routine and will be approved by one motion. There will be no separate discussion of these items unless a member of the Board, Audience, or Staff request a specific item be removed for separate discussion/action before the motion to approve the Consent Calendar.

- CC-1 Minutes of the Regular Meeting – July 12, 2016.
- CC-2. Revenue Analysis Report for July 2016.
- CC-3. Assessor/Collector's Roll Adjustment for July 2016.
- CC-4. Treasurer's Report for July 2016.
- CC-5. Treasurer's Report of Fund Balances for July.
- CC-6. Operations Budget Analysis for July 2016.
- CC-7. Capital Projects Summary July 2016.
- CC-8. Warrants for July 2016.
- CC-9. CAL-Card Distributions for July 2016.
- CC-10. Summary of 2016 Employees, Officers and Directors Training Courses, Seminars and Conference.

Board of Directors
Allen B. Dains
Caryl F. Sheehan
Raymond A. Riehle

*General Manager/
Secretary*
Robert A. Churchill

*Assistant General
Manager/Treasurer*
Hilary M. Straus

*Accounting Supervisor
Assessor/Collector*
Susan K. Sohal

CC-11. Administration Building Expansion and Renovation Project Acceptance (A)

Adopt Resolution 21-2016 Accepting the Administration Building Expansion and Renovation Project and authorize the filing of a Notice of Completion.

CC-12. Citrus Heights City Hall Easement Acceptance (A)

Adopt Resolution 20-2016 Accepting an Easement From CP City Hall, LLC at 6360 Fountain Square Drive.

CC-13. Call for a Special Meeting (A)

Call of a Special 2017 Budget Workshop Meeting at 6:30 PM on August 29, 2016.

ADJOURN TO CHWD FINANCING CORPORATION:

See Citrus Heights Water District Financing Corporation Agenda

RECONVENE AS CHWD BOARD OF DIRECTORS:

OLD BUSINESS:

O-1. Approval of 2017 Strategic Plan Update (D/A)

Discussion and possible action concerning the Citrus Heights Water District 2017 Strategic Plan.

NEW BUSINESS:

N-1. Training/Continued Education /Meetings (I)

Discuss training, continued education, and meeting opportunities.

N-2. Funds and Reserves Policies Amendments (A)

Consider amendments to the District's Funds and Reserves Policies.

N-3. RWA Regional Water Reliability Plan (A)

Consider approval of a Project Agreement with the Regional Water Authority to participate in a Regional Water Reliability Plan.

N-4. Limerick Way, Dublin Way, Tipperary Way and Galway Court Pavement Restoration Project (A)

Consider acceptance of a bid for pavement restoration for the Limerick Way, Dublin Way & Galway Court Water Main Replacement Project.

N-5. SJWD Draft Wholesale Financial Plan and Water Rate Update Study (I/D)

Receive and Review San Juan Water District's Draft Wholesale Financial Plan and Water Rate Update Study and 150-Day Advance Written Notice of Proposed Changes in Water Rates and Charges.

CONSULTANTS' AND LEGAL COUNSEL'S REPORTS (I):

PROJECT MANAGER’S REPORTS (I):

- PM-1. Accepted Water Systems.
- PM-2. Projects Under Construction by Private Developers.
- PM-3. Contractor / Developer Projects Pending Construction.
- PM-4. Proposed District Capital Improvement Projects.
- PM-5. Projects Contracted by Citrus Heights Water District.
- PM-6. City of Citrus Heights Projects.

OPERATIONS MANAGER’S REPORTS (I):

- OM-1. Monthly report on construction and maintenance activities plus water analysis reports.
- OM-2. 2016 Water Supply – Purchased and Produced.
- OM-3. Surface Water Supply.

RECESS: The Meeting will have a brief recess.

DIRECTOR’S AND REPRESENTATIVE’S REPORTS (I):

- D-1. Regional Water Authority (Dains, Churchill).
- D-2. Sacramento Groundwater Authority (Sheehan).
- D-3. San Juan Water District.
- D-4. Association of California Water Agencies (Dains).
- D-5. ACWA Joint Powers Insurance Authority.
- D-6. Sacramento Local Agency Formation Commission.
- D-7. City of Citrus Heights.
- D-8. Chamber of Commerce Government Issues Committee (Straus).
- D-9. Other Reports:

ASSISTANT GENERAL MANAGER’S REPORTS (I):

- AGM-1. Water Efficiency Program Update.
- AGM-2. Finance Update

GENERAL MANAGER’S REPORTS (I):

- GM-1. Employee Recognition.
- GM-2. General Manager’s Task List.
- GM-3. Long Range Board Agenda.

CORRESPONDENCE:

None

CLOSED SESSION:

None

FUTURE CHWD BOARD OF DIRECTORS MEETING DATES:

August 29, 2016	6:30 PM	Special Meeting – Budget Workshop
September 13, 2016	6:30 PM	Regular Meeting
October 11, 2016	6:30 PM	Regular Meeting

ADJOURNMENT:

CERTIFICATION:

I do hereby declare and certify that this agenda for this Regular Meeting of the Board of Directors of the Citrus Heights Water District was posted in a location accessible to the public at the District Administrative Office Building, 6230 Sylvan Road, Citrus Heights, CA 95610 at least 72 hours prior to the regular meeting in accordance with Government Code Section 54954.2.

Lisa Smoot

LISA SMOOT, Chief Board Clerk

Dated: August 4, 2016

CITRUS HEIGHTS WATER DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
July 12, 2016

The Regular Meeting of the Board of Directors was called to order at 6:32 p.m. by President Dains and roll was called. Present were:

Allen B. Dains, President
Caryl F. Sheehan, Vice President
Raymond A. Riehle, Director
Robert A. Churchill, General Manager
Hilary M. Straus, Assistant General Manager
Paul A. Dietrich, Project Manager
David M. Gordon, Operations Manager
Susan K. Sohal, Accounting Supervisor
Beth Shockley, Management Services Specialist / Deputy Board Clerk
Brian M. Hensley, Water Quality Supervisor / Chief Operator

VISITORS:

Nicholas L. Spiers, Water Distribution Specialist
Robert Swartz, Regional Water Authority Manager of Technical Services

PLEDGE OF ALLEGIANCE:

Director Dains led the Pledge of Allegiance, followed by a moment of silence for the fallen Dallas Police Officers.

PUBLIC COMMENT:

There was no Public Comment.

PRESENTATIONS:

RWA Regional Reliability Study

Robert Swartz, Technical Services Manager for the Regional Water Authority, provided the CHWD Board of Directors with an overview of RWA's Regional Water Reliability Study. Swartz explained why RWA is undertaking this Plan preparation as called for in RWA's 2013 Strategic Plan. The drought has highlighted significant threats to local water resources and the Plan could help protect long-term water resources in the region. Swartz then presented some key elements that would be anticipated to be included in the Plan and expected outcomes, including a Regional Water Bank. Swartz concluded by providing an overview of the Plan development's budget and anticipated cost to each participating agency, including CHWD. CHWD's Phase 1 share of cost is anticipated to be \$9,600, with a not-too-exceed cost of \$16,000. Next steps include RWA sending out Project Agreements to participating agencies to execute. The Regional Water Reliability Plan is anticipated to take about two years to complete, with related and concurrent projects of a Regional Model Development and

Regional Water Bank being completed in a three to four year time frame. The CHWD Board indicated interest in CHWD participating in this RWA initiative.
Mr. Swartz left the meeting at 7:25 PM.

CONSENT CALENDAR:

President Dains asked for consideration and/or approval of the Consent Calendar consisting of the following action or information items:

Minutes of the Regular Meeting – June 14, 2016.
Minutes of the Special Meeting – June 26, 2016.
Revenue Analysis Report for June 2016.
Assessor/Collector’s Roll Adjustment for June 2016.
Treasurer’s Report for June 2016.
Treasurer’s Report of Fund Balances for June.
Operations Budget Analysis for June 2016.
Capital Improvements Budget Analysis for June.
Payables for June.
CAL–Card Purchases for June 2016.

Summary of 2016 Directors, Officers and Employees Training, Seminars and Conference Expenses.

Administration Building Improvements Project

GM Churchill presented an informational report on the status of the Administration Building improvements Project. Upon issuance of a building permit from the City of Citrus Heights on April 15, 2016, construction of the Administration Building office addition by Kaler-Dobler Construction began. Construction is now substantially complete with final inspections and approval on June 1, 2016 by the City of Citrus Heights and Sacramento Metro Fire District. Minor cosmetic corrections remain prior to final acceptance by the District. It is anticipated that Final Acceptance and a Notice of Completion will be brought forward to the Board of Directors on August 9, 2016. Furniture delivery is expected in July.

Customer Account Deposit Policy Amendments

AS Sohal and AGM Straus requested the Board amend Accounts Receivable Policy 7120 – Customer Account Deposits. Due to many homes ending up in the possession of banks/lending institutions and/or third party representatives the District has found that many properties that have not been adequately managed, leaving damaged meters (cut or unlocked) and/or bills for usage unpaid. It has been the practice of CHWD to, in a few cases, absorb those costs, but in most cases in the absence of any other cost recovery method, to place the resulting cost burden on the new property owner/customer to pay. To address the liability to the District and/or new owners, staff is proposing that Accounts Receivable Policy 7120 – “Customer Account Deposits” be updated. The policy amendments accompanying this staff report (with changes highlighted) provide for the District to collect a deposit on the account from third party owners and/or their representatives. The proposed amount of the deposit to collect, currently \$170, is specified in the current year’s adopted Water Rates, Miscellaneous Charges and Fees, and is subject to change when the Fee Schedule is updated and adopted by the Board typically updated annually in conjunction with the

budget adoption. Based on a history of liabilities of this type, staff feels that the current deposit charge should cover most of the potential costs. It should be noted that the collection of a deposit does not preclude the District from billing a third party and/or a third party representative for the total cost of a liability in excess of the deposit.

Capital Nursery Plaza Easements Acceptance

PM Dietrich requested the Board adopt Resolutions 16-2016, 17-2016 and 18-2016 accepting three (3) easements from Sunrise Madison Retail, LLC and Resolution 19-2016 accepting one (1) easement from Singlewood, LLC on portions of the Capital Nursery Plaza. Site improvements to the Capital Nursery Plaza required the installation of new water distribution mains, water services and fire protection facilities to provide water service to the site. Easements for the water facilities was granted by Sunrise Madison Retail, LLC and Singlewood, LLC at no cost to the District.

CITRUS HEIGHTS WATER DISTRICT
RESOLUTION NO. 16-2016

RESOLUTION OF THE BOARD OF DIRECTORS
OF CITRUS HEIGHTS WATER DISTRICT
ACCEPTING AN EASEMENT FROM
SUNRISE MADISON RETAIL, LLC
FOR WATER DISTRIBUTION FACILITIES WITHIN
7945 MADISON AVENUE, CAPITAL NURSERY PLAZA

Whereas SUNRISE MADISON RETAIL, LLC for a valuable consideration, receipt of which is hereby acknowledged, does hereby grant to CITRUS HEIGHTS WATER DISTRICT, a political subdivision of the State of California formed pursuant to Division 11 of the Water Code, a right-of-way and non-exclusive easement to construct, reconstruct, operate, maintain and/or repair water pipelines together with any and all appurtenances appertaining thereto; together with the perpetual right of ingress thereto and egress there from for the purpose of exercising and performing all of the rights and privileges granted herein; said pipelines and appurtenances to be of such size(s) and character as the grantee may determine, on, over, across and under all that certain real property, situate in the County of Sacramento, State of California particularly described as follows:

Being portions of Parcel 1, as shown on Parcel Map "PM 14-02", recorded in Book 226 at Page 2, Sacramento County Records, being more particularly described as follows:

PARCEL X

Beginning at the southeast corner of said Parcel 1, said Point of Beginning also being on the northerly right-of-way line for Madison Avenue, a public road; thence from said Point of Beginning along the east line of said Parcel 1 North 01°32'55" West 10.00 feet; thence leaving said east line South 88°26'39" West 40.00 feet to the west line of said Parcel 1; thence along the west line of said Parcel 1 South 01°32'55" East 10.00 feet to the northerly line of Madison Avenue; thence along said northerly line North 88°26'39" East 40.00 feet to the Point of Beginning for this description.

PARCEL Y

Beginning at an angle point in said Parcel 1, said Point of Beginning being the westerly terminus of the course designated "South 66°10'16" East 44.19 feet"; thence from said Point of Beginning along the last said course South 66°10'16" East 11.64 feet; thence leaving the boundary line of said Parcel 1 the following three (3) courses and distances:

1. North 24°18'12" East 21.24 feet;
2. North 1°26'17" West 134.52 feet;
3. South 88°33'43" West 88.74 feet to the west line of said Parcel 1:

Thence along the perimeter of said Parcel 1 the following three (3) courses and distances:

1. South 1°32'55" East 9.21 feet;
2. North 88°27'05" East 46.62 feet to the beginning of a tangent curve to the right having a radius of 32.00 feet;
3. Along said tangent curve to the right through a central angle of 35°24'23" an arc length of 19.77 feet;

Thence leaving said perimeter of said Parcel 1 North 88°33'43" East 8.55 feet; thence South 1°26'17" East 9.00 feet to the boundary line of said Parcel 1; thence along the perimeter of said Parcel 1 the following three (3) courses and distances:

1. Along a curve concave to the southwest having a radius of 32.00 feet, from which the center thereof bears South 56°13'10" West, through a central angle of 32°13'55" an arc length of 18.00 feet;
2. South 1°32'55" East 64.18 to the beginning of a tangent curve to the right having a radius of 100.00 feet;
3. Along said tangent curve through a central angle of 25°44'25" an arc length of 44.93 feet to the Point of Beginning for this description.

PARCEL Z

Commencing at the northwest corner of said Parcel 1; thence from said Point of Commencement along the west line of said Parcel 1 South 1°32'55" East 10.79 feet to the True Point of Beginning for this description; thence from said True Point of Beginning along the following six (6) courses and distances:

1. North 88°33'43" East 269.53 feet;
2. North 47°15'41" East 6.02 feet;
3. South 42°44'19" East 34.00 feet;
4. South 47°15'41" West 27.86 feet;
5. South 1°32'55" East 217.15 feet;
6. North 88°33'43" East 31.14 feet to the east line of said Parcel 1:

Thence along said east line of said Parcel 1 South 1°32'55" East 15.00 feet; thence leaving

said east line of said Parcel 1 the following eleven (11) courses and distances:

1. South 88°33'43" West 85.51 feet;
2. North 1°26'17" West 32.67 feet;
3. North 88°33'43" East 15.00 feet;
4. South 1°26'17" East 17.67 feet;
5. North 88°33'43" East 24.34 feet;
6. North 1°32'55" West 242.11 feet;
7. South 88°33'43" West 245.78 feet;
8. South 1°26'17" East 7.00 feet;
9. South 88°33'43" West 10.00 feet;
10. North 1°26'17" West 7.00 feet;
11. South 88°33'43" West 4.71 feet to the west line of said Parcel 1:

Thence along said west line of said Parcel 1 North 1°32'55" West 15.00 feet to the Point of Beginning for this description.

NOW THEREFORE, BE IT RESOLVED that CITRUS HEIGHTS WATER DISTRICT accepts said Grant of Easement and conveyance and that a certified copy of this Resolution be provided to the County of Sacramento to be attached to and recorded with said Grant of Easement in the Office of the County Recorder of Sacramento County.

PASSED AND ADOPTED by the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT this 12th day of July 2016 by the following vote, to wit:

AYES: Directors: Dains, Sheehan, Riehle
NOES: Directors:
ABSTAIN: Directors:
ABSENT: Directors:

SEAL

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

ATTEST:

ROBERT A. CHURCHILL, Secretary
Citrus Heights Water District

CITRUS HEIGHTS WATER DISTRICT
RESOLUTION NO. 17-2016

RESOLUTION OF THE BOARD OF DIRECTORS
OF CITRUS HEIGHTS WATER DISTRICT
ACCEPTING AN EASEMENT FROM
SUNRISE MADISON RETAIL, LLC
FOR WATER DISTRIBUTION FACILITIES WITHIN
5406/5410 SUNRISE BLVD, CAPITAL NURSERY PLAZA

Whereas SUNRISE MADISON RETAIL, LLC for a valuable consideration, receipt of which is hereby acknowledged, does hereby grant to CITRUS HEIGHTS WATER DISTRICT, a political subdivision of the State of California formed pursuant to Division 11 of the Water Code, a right-of-way and non-exclusive easement to construct, reconstruct, operate, maintain and/or repair water pipelines together with any and all appurtenances appertaining thereto; together with the perpetual right of ingress thereto and egress there from for the purpose of exercising and performing all of the rights and privileges granted herein; said pipelines and appurtenances to be of such size(s) and character as the grantee may determine, on, over, across and under all that certain real property, situate in the County of Sacramento, State of California particularly described as follows:

Being a portion of Parcel 2, as shown on Parcel Map "PM 14-02", recorded in Book 226 at Page 2, Sacramento County Records, being more particularly described as follows:

Beginning at the north-west corner of said Parcel 2, said Point of Beginning also being on the easterly right-of-way line for Sunrise Boulevard, a public road; thence from said Point of Beginning along the north line of said Parcel 2 North 88°33'43" East 12.50 feet; thence leaving said north line of said Parcel 2 the following four (4) courses and distances:

1. South 1°35'18" East 5.79 feet;
2. North 88°33'43" East 130.58 feet;
3. South 1°26'17" East 5.00 feet;
4. North 88°33'43" East 23.63 feet to the east line of said Parcel 2;

Thence along said east line South 1°32'55" East 15.00 feet; thence leaving said east line the following three (3) courses and distances:

1. South 88°33'43" West 23.66 feet;
2. South 1°26'17" East 201.87 feet;
3. North 88°33'43" East 24.05 feet to the east line of said Parcel 2;

Thence along said east line South 1°32'55" East 9.21 feet to the south east corner of said Parcel 2; thence along the south line of said Parcel 2 South 88°27'05" West 123.08 feet; thence, leaving said south line the following ten (10) courses and distances:

1. North 1°26'17" West 22.00 feet;
2. North 88°27'05" East 31.00;
3. South 1°26'17" East 12.61 feet;

4. North 88°33'43" East 53.02 feet;
5. North 1°26'17" West 206.87 feet;
6. South 88°33'43" West 64.04 feet;
7. South 1°26'17" East 19.90 feet;
8. South 88°33'43" West 30.00 feet;
9. North 1°26'17" West 19.90 feet;
10. South 88°33'43" West 34.00 feet to the easterly right-of-way line for Sunrise Boulevard;

Thence along said easterly right-of-way line North 1°35'18" West 20.79 feet to the Point of Beginning for this description.

NOW THEREFORE, BE IT RESOLVED that CITRUS HEIGHTS WATER DISTRICT accepts said Grant of Easement and conveyance and that a certified copy of this Resolution be provided to the County of Sacramento to be attached to and recorded with said Grant of Easement in the Office of the County Recorder of Sacramento County.

PASSED AND ADOPTED by the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT this 12th day of July 2016 by the following vote, to wit:

AYES: Directors: Dains, Sheehan, Riehle
 NOES: Directors:
 ABSTAIN: Directors:
 ABSENT: Directors:

SEAL

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

ATTEST:

 ROBERT A. CHURCHILL, Secretary
 Citrus Heights Water District

CITRUS HEIGHTS WATER DISTRICT
 RESOLUTION NO. 18 -2016

RESOLUTION OF THE BOARD OF DIRECTORS
 OF CITRUS HEIGHTS WATER DISTRICT
 ACCEPTING AN EASEMENT FROM
 SUNRISE MADISON RETAIL, LLC
 FOR WATER DISTRIBUTION FACILITIES WITHIN
 7925/7935 MADISON AVE, CAPITAL NURSERY PLAZA

Whereas SUNRISE MADISON RETAIL, LLC for a valuable consideration, receipt of which is hereby

acknowledged, does hereby grant to CITRUS HEIGHTS WATER DISTRICT, a political subdivision of the State of California formed pursuant to Division 11 of the Water Code, a right-of-way and non-exclusive easement to construct, reconstruct, operate, maintain and/or repair water pipelines together with any and all appurtenances appertaining thereto; together with the perpetual right of ingress thereto and egress there from for the purpose of exercising and performing all of the rights and privileges granted herein; said pipelines and appurtenances to be of such size(s) and character as the grantee may determine, on, over, across and under all that certain real property, situate in the County of Sacramento, State of California particularly described as follows:

Being portions of Parcel 3, as shown on Parcel Map "PM 14-02", recorded in Book 226 at Page 2, Sacramento County Records, being more particularly described as follows:

PARCEL A:

Beginning at the southeast corner of said Parcel 3, said point also being on the northerly right-of-way line for Madison Avenue, a public road; thence from said Point of Beginning along said northerly right-of-way line South 88°26'39" West 24.00 feet; thence leaving said northerly right-of-way line the following four (4) courses and distances;

1. North 1°32'55" West 62.57 feet;
2. North 88°27'05" East 17.00 feet;
3. South 1°32'55" East 52.57 feet;
4. North 88°26'39" East 7.00 feet to the east line of said Parcel 3;

Thence along said east line South 1°32'55" East 10.00 feet to the Point of Beginning for this description.

PARCEL B:

Beginning at the most northwesterly corner of said Parcel 3; Thence from said Point of Beginning along the northerly line of said Parcel 3 South 66°10'16" East 11.64 feet; Thence leaving said northerly line the following six (6) courses and distances:

1. South 24°18'12" West 123.04 feet;
2. South 1°32'10" East 69.10 feet;
3. North 88°27'50" East 3.00 feet;
4. South 1°32'10" East 9.55 feet;
5. North 88°27'50" East 5.00 feet;
6. South 1°32'10" East 16.81 feet to the northerly right-of-way line for said Madison Avenue;

Thence along said northerly right-of-way line South 88°26'39" West 23.00 feet; thence leaving said northerly right-of-way line North 1°32'10" West 98.92 feet; thence North 24°18'12" East 53.36 feet to a point on the westerly line of said Parcel 3; thence along said westerly line North 27°02'12" East 68.13 feet to the beginning of a tangent curve to the left having a radius of 100.00 feet; thence along said tangent curve to the left through a central angle of 2°50'41" an arc length of 4.97 feet to the Point of Beginning for this description.

NOW THEREFORE, BE IT RESOLVED that CITRUS HEIGHTS WATER DISTRICT accepts said Grant of Easement and conveyance and that a certified copy of this Resolution be provided to the County of Sacramento to be attached to and recorded with said Grant of Easement in the Office of the County Recorder of Sacramento County.

PASSED AND ADOPTED by the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT this 12th day of July 2016 by the following vote, to wit:

AYES: Directors: Dains, Sheehan, Riehle
NOES: Directors:
ABSTAIN: Directors:
ABSENT: Directors:

SEAL

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

ATTEST:

ROBERT A. CHURCHILL, Secretary
Citrus Heights Water District

CITRUS HEIGHTS WATER DISTRICT
RESOLUTION NO. 19-2016

RESOLUTION OF THE BOARD OF DIRECTORS
OF CITRUS HEIGHTS WATER DISTRICT
ACCEPTING AN EASEMENT FROM
SINGLEWOOD, LLC
FOR WATER DISTRIBUTION FACILITIES WITHIN
5402 SUNRISE BLVD, CAPITAL NURSERY PLAZA

Whereas SINGLEWOOD, LLC for a valuable consideration, receipt of which is hereby acknowledged, does hereby grant to CITRUS HEIGHTS WATER DISTRICT, a political subdivision of the State of California formed pursuant to Division 11 of the Water Code, a right-of-way and non-exclusive easement to construct, reconstruct, operate, maintain and/or repair water pipelines together with any and all appurtenances appertaining thereto; together with the perpetual right of ingress thereto and egress there from for the purpose of exercising and performing all of the rights and privileges granted herein; said pipelines and appurtenances to be of such size(s) and character as the grantee may determine, on, over, across and under all that certain real property, situate in the County of Sacramento, State of California particularly described as follows:

Being portions of Parcel 4, as shown on Parcel Map "PM 14-02", recorded in Book 226 at Page 2, Sacramento County Records, being more particularly described as follows:

PARCEL A:

Commencing at the north west corner of said Parcel 4, said Point of Commencement also being located on the easterly right-of-way line for Sunrise Boulevard, a public road, as shown on said Parcel Map; thence from said Point of Commencement along the northerly line of said Parcel 4 North 88°27'05" East 33.47 feet to the True Point of Beginning for this description; thence from said True Point of Beginning, continuing along said north line North 88°27'05" East 169.71 feet to the beginning of a tangent curve to the right having a radius of 32.00 feet; thence along said tangent curve to the right through a central angle of 35°24'23" an arc length of 19.77 feet; thence leaving the boundary of said Parcel 4 South 88°33'43" West 188.26 feet; thence North 1°26'17" West 5.55 feet to the True Point of Beginning for this description.

PARCEL B:

Commencing at the south east corner of said Parcel 4; thence from said Point of Commencement along the east line of said Parcel 4 North 27°02'12" East 8.83 feet to the True Point of Beginning for this description; thence from said True Point of Beginning, continuing along said east line North 27°02'12" East 68.13 feet to the beginning of a tangent curve to the left having a radius of 100.00 feet; thence along said tangent curve to the left through a central angle of 28°35'07" an arc length of 49.89 feet; thence North 1°32'55" West 64.18 feet to the beginning of a tangent curve to the left having a radius of 32.00 feet; thence along said tangent curve to the left through a central angle of 32°13'55" an arc length of 18.00 feet; thence leaving the boundary of said Parcel 4 the following six (6) courses and distances:

1. South 1°26'17" East 60.80 feet;
2. South 88°33'43" West 22.00 feet;
3. South 1°26'17" East 30.00 feet;
4. North 88°33'43" East 22.00 feet;
5. South 1°26'17" East 16.30 feet;
6. South 24°18'12" West 90.93 feet to the True Point of Beginning for this description.

NOW THEREFORE, BE IT RESOLVED that CITRUS HEIGHTS WATER DISTRICT accepts said Grant of Easement and conveyance and that a certified copy of this Resolution be provided to the County of Sacramento to be attached to and recorded with said Grant of Easement in the Office of the County Recorder of Sacramento County.

PASSED AND ADOPTED by the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT this 12th day of July 2016 by the following vote, to wit:

AYES: Directors: Dains, Sheehan, Riehle
NOES: Directors:
ABSTAIN: Directors:
ABSENT: Directors:
SEAL

ALLEN B. DAINS, President

ATTEST:

ROBERT A. CHURCHILL, Secretary
Citrus Heights Water District

ACTION: Director Riehle moved and Director Sheehan seconded a motion to accept the Consent Calendar. The motion carried 3-0 with all Directors voting yes.

PUBLIC HEARING:

Water Quality Public Health Goals

Water Quality Supervisor Brian Hensley presented the Board for adoption CHWD's Public Health Goals (PHG). Provisions of the California Health and Safety Code, Section 116470 (b), specify that public water systems serving more than 10,000 service connections such as Citrus Heights Water District (CHWD) (19,610 connections) must prepare a special report by July 1, 2010 and every three years thereafter, that gives information on the detection of any constituents above the Public Health Goals (PHG) published by the State Office of Environmental Health Hazard Assessment (OEHHA) which is part of Cal EPA. This report must be provided and made available at a public hearing of the District shortly after said date. The law also requires that where OEHHA has not adopted a PHG for a constituent, the water suppliers are to use the Maximum Contaminant Level Goals (MCLGs) adopted by United States Environmental Protection Agency (USEPA). Only constituents which have a California primary drinking water standard and for which either a PHG or MCLG has been set are to be addressed. PHGs and MCLGs are not enforceable. The Best Available Technology (BAT) to reach such low levels has not been defined and may not realistically be available. Accurate cost estimates are difficult, if not impossible, and are highly speculative and theoretical. Therefore, they have limited value and may not warrant significant investment of agency time and money.

These reports are unique to California. They are required in addition to the extensive public reporting of water quality information that California water utilities have been doing for many years and in addition to the federally mandated annual Consumer Confidence Reports/Water Quality Reports. In compliance with the California Health and Safety Code, the District previously prepared a PHG Report dated June 4, 2013, conducted a Public Hearing on June 11, 2013 and ordered the Report filed.

President Dains opened the Public Hearing on the PHG at 7:32 PM and requested public comments.

There were no public comments; therefore, the Public Hearing was closed at 7:33 PM.

ACTION: Director Sheehan moved and Director Riehle seconded a motion to adopt the Districts Public Health Goals. The motion carried 3-0 with all Directors voting yes.

At 7:35 PM the meeting was adjourned to the CHWD Finance Corporation.

At 7:43 PM the Board of Directors reconvened to the CHWD Regular Board Meeting.

OLD BUSINESS:

None

NEW BUSINESS:

Training/Continued Education/Meetings

GM Churchill presented an item on upcoming training and continued education events.

CSDA Board of Directors Election

GM Churchill presented the Board with the Ballot Information and Candidate Information Sheets for seat B from the Sierra Network on the Board of Directors for the California Special Districts Association (CSDA). The candidates were as follows:

- Paul Green, Director: Rio Linda / Elverta Community Water District
- Gil Albiani, Director: Cosumnes Community Services District
- Ginger Root, Chief Administrative Officer / Clerk of the Board: Lincoln Rural County Fire Protection District

ACTION: Director Riehle moved and Director Sheehan seconded a motion to: Vote for Paul Green. The motion carried 3-0 with all Directors voting yes.

Sacramento County Proposed Trench Restoration

OM Gordon presented information about the proposed revisions to the Sacramento County standard detail requirements for trench restoration. A consortium of public and private utilities have been meeting regularly on this topic. The proposed revisions would change the typical pipeline trench pavement restoration width from 5.3-feet to 12.5-feet and the typical water service trench pavement restoration width from 4.8-feet to 30-feet. The Item to be brought before the Sacramento County Board of Supervisors was postponed until the May 24, 2016 meeting and subsequently postponed until the upcoming August 9, 2016 meeting. The Board of Supervisors did not want to move for approval without outreach to affected public and private utility parties. The estimated financial impact to the District is as follows:

	2015 CIP Paving Costs	Future CIP yearly Costs
Current Standard	\$ 263,757	\$ 625,025
Proposed Standard	\$ 840,314	\$ 1,957,650
Difference	\$ 576,557	\$ 1,332,625

Using the 2016 Budget:

The **PROPOSED** trench restoration requirements would increase the District's CIP Budget by: **37%**

The **PROPOSED** trench restoration requirements would increase the District's Overall Budget by: **9%**

The Board requested that a letter to the Board of Supervisors be prepared for the President's signature expressing the Districts concerns and fiscal impacts.

Public Employee Retirement and Succession – Employment Agreement for General Manager
 GM Churchill presented the Board with the General Manager’s Employment Agreement with Assistant General Manager Hilary Straus, who has been selected by the Board of Directors to succeed Churchill as General Manager. As a result of an interview process with Assistant General Manager (AGM) Hilary Straus on May 10, 2016, the Board of Directors selected Mr. Straus to succeed Mr. Churchill as General Manager upon his retirement on November 17, 2016. Additionally on May 10th, the Board provided direction to develop a General Manager’s Employment Agreement with AGM Straus for Board review/consideration on June 14, 2016 in Closed Session, and for discussion/possible action for approval in Open Session on July 12, 2016. If approved, the Agreement term would become effective on November 18, 2016, the day following Churchill’s retirement. In developing the proposed Employment Agreement, the new Department Managers’ employment agreement template was used but modified, and some key provisions were incorporated from Churchill’s General Manager’s Employment Agreement. Further, special counsel Paul Phillips has reviewed and edited the proposed Employment Agreement.

ACTION: Director Sheehan moved and Director Riehle seconded a motion to: Approve the terms and condition as presented, and to which Mr. Straus has reviewed and agreed. Should the Board approve the Employment Agreement on July 12th, it will be become effective upon Churchill’s retirement on November 18, 2016. The motion carried 3-0 with all Directors voting yes.

PROJECT MANAGER’S REPORT:

PM Dietrich presented a report on the following activities during the month of May 2016 by the Project Management and Engineering Department. *New values or projects noted in bold italics*

ACCEPTED WATER SYSTEMS

Recent additions to the District’s water distribution system that were constructed by independent State Licensed contractors on behalf of private developers / owners, inspected by the District and formally accepted:

<u>Project</u>	<u>Count</u>	<u>Facilities</u>	<u>Value</u>
<i>Village at Fair Oaks</i>	<i>1,253 l.f.</i>	<i>8-Inch PVC Water Main</i>	<i>\$235,435.00</i>
<i>55 Condominiums</i>	<i>112 l.f.</i>	<i>8-Inch DIP Water Main</i>	
<i>(2015-53)</i>	<i>236 l.f.</i>	<i>6-Inch DIP Water Main</i>	
	<i>457 l.f.</i>	<i>4-Inch PVC Water Main</i>	
	<i>11</i>	<i>8-Inch Gate Valve</i>	
	<i>8</i>	<i>6-Inch Gate Valve</i>	
	<i>7</i>	<i>Steamer Fire Hydrant</i>	
	<i>55</i>	<i>1-Inch Metered Water Service</i>	
	<i>1</i>	<i>1 1/2” Metered Irrigation Service</i>	
	<i>4</i>	<i>1-inch Air/Vacuum Valve</i>	
	<i>5</i>	<i>2-Inch Blow Off Valve</i>	

PROJECTS UNDER CONSTRUCTION BY PRIVATE DEVELOPERS

Water distribution system facilities currently under construction by independent State Licensed contractors on behalf of private developers / owners requiring District inspection:

<u>Project</u>	<u>Location</u>	<u>Status</u>
McDonalds	5402 Sunrise Blvd	30% Complete
Northridge Grove 47 Condominiums	5555 Mariposa Ave	30% Complete
Citrus Heights City Hall	6350 Fountain Square Dr	80% Complete
Memory Care Facility	6825-33 Sunrise Blvd	70% Complete
Dundee Estates 3 Lot Subdivision (2015-58)	Mariposa Ave @ Highland Ave	98% Complete
California American Water Co. San Juan Avenue Tank - Intertie and Water Service	5444 San Juan Ave	98% Complete
Capitol Nursery Plaza Commercial Center (2015-50)	Sunrise Blvd @ Madison Ave	Substantially Complete
Sylvan Middle School (2015-63)	7085 Auburn Blvd	Substantially Complete

CONTRACTOR / DEVELOPER PROJECTS PENDING CONSTRUCTION

<u>Project</u>	<u>Location</u>	<u>Status</u>
<i>Dignity Health Building</i>	<i>7115 Greenback Ln</i>	<i>Awaiting System Construction</i>
<i>Bearpaw Expansion Commercial Building</i>	<i>7524 Old Auburn Rd</i>	<i>Awaiting System Construction</i>
<i>Louis-Orlando Bus Transfer Point</i>	<i>Louis Ln @ Orlando Ave</i>	<i>Awaiting System Construction</i>

PROPOSED DISTRICT CAPITAL IMPROVEMENT PROJECTS

Project Plans and Contracts currently under review and development by the Engineering Department:

<u>Project</u>	<u>Location</u>	<u>Status</u>
Fair Way Intertie with City of Roseville	9955 Fair Way	<i>Agreement – 99% Plans – 95% Cost Estimate – 90%</i>
Blossom Hill Dr Intertie with City of Roseville	Blossom Hill Dr at 1100 Main Sail Cir	<i>Agreement – 99% Plans – 95% Cost Estimate – 90%</i>
Crestmont Ave Intertie with City of Roseville	Crestmont Ave at 8199 Bonnie Oak Way	<i>Agreement – 99% Plans – 95% Cost Estimate – 90%</i>
Baird Way 12” Water Main Area West Engineers, Inc.	Auburn Blvd to Holly Dr	<i>90% Plan Development Continues</i>

PROJECTS CONTRACTED BY CITRUS HEIGHTS WATER DISTRICT

Capital Improvement Projects currently under construction by Citrus Heights Water District contractors requiring coordination and inspection by the District:

<u>Project</u>	<u>Location</u>	<u>Status</u>
Mariposa Ave, Limerick Way and Dublin Way Water Mains KASL Consulting Engineers, Inc.	Limerick Way to Farmgate Way and Eastgate Ave to Northeast Circle (south end)	<i>30% Complete</i>

CITY OF CITRUS HEIGHTS PROJECTS

City of Citrus Heights Projects requiring coordination and inspection by the District:

None

OPERATIONS MANAGER’S REPORT:

OM Gordon reported as follows:

A total of 186 work orders were performed during the month of June by field operations crews, administration field crews and contractors. The results of recent bacteriological testing, a total of 72 samples, have met all California Department of Drinking Water (DDW) requirements.

District-wide water consumption for the calendar year 2016 through the end of June was 1343.76 acre-feet, a decrease of 29.9% percent compared with the water consumption during the same period in 2013.

As of midnight on June 30, 2016, storage in Folsom Reservoir was at 691,561 acre-feet, 71 percent of

the total capacity of 977,000 acre-feet. This is about 87 percent of historical average for this date. This represents a decrease in storage of 134,473 acre-feet in the past month.

Director Dains called a recess to the meeting at 8:22 PM.

PM Dietrich, OM Gordon and AS Sohal left the meeting.

Director Dains reconvened the meeting at 8:30 PM.

DIRECTOR'S AND REPRESENTATIVES REPORTS:

Regional Water Authority (Dains, Churchill)

No report.

Sacramento Groundwater Authority (Sheehan)

No report.

San Juan Water District

No report.

Association of California Water Agencies (Dains)

No report.

ACWA Joint Powers Insurance Authority (Churchill)

No report.

Sacramento Local Agency Formation Commission

No report.

City of Citrus Heights

No report.

Chamber of Commerce Government Issues Committee (Straus)

No report.

Other Reports:

No report.

ASSISTANT GENERAL MANAGER'S REPORT:

AGM Straus reported as follows:

Water Efficiency Program activities during the month of June 2016 included:

- 11 ultra-low-flush toilet rebates for the month of June. A total of \$6,600 in rebates have been provided to customers during 2016 to date.
- For the period of June 2016, No High Efficiency Clothes Washer (HECW) rebates were processed by SMUD for District customers.
- 67 water waste calls were received during the month of June. 13 reports of water waste were received through the CHWD's Drought Resources web page. A total of 43 contacts (mostly visits to customers' homes and phone calls) have been completed based on these reports.
- The June 2016 Residential Gallon per Capita per Day (R-GPCD) was 213. This information is submitted monthly to the State Water Resources Control Board.

- The J. Crowley Group, Inc. submitted the adopted 2015 Urban Water Management Plan to the California Department of Water Resources (DWR). The updated plan includes a comprehensive assessment and description of the District's water distribution system, water demands, water supplies, conservation, 20x2020 analysis and target compliance, demand management, and demand-to-supply contingency planning.

Drought Response Plan activities summarized for June are as follows:

- CHWD's Water Reduction Target for 2016 has been adjusted by the State Water Resource Control Board (SWRCB). Water reduction targets will be based on a District's local water supply reliability conditions.
- Based on the updated Water Reduction target issued by the SWRCB, CHWD's 3-year water supply reliability analysis indicates the District's water reduction target is zero. At the June 14th Board meeting, the Board adopted a Stage 2 Water Alert Modified. Customers are being asked to voluntarily cutback water use by 5%-10% through 2016.
- CHWD is partnering with the City of Citrus Heights to hold an Ecolandscape classes on July 23rd. The class will be held at the Citrus Heights Community Center. The class will cover "right plant-right placement" and best irrigation practices for customers. There will be a demonstration on how to convert spray irrigation to drip and water efficient outreach materials.
- The Top 20% water reduction campaign is focusing on the 72 no response/non-compliant "Bad-Bad's". These are the customers who did not submit a water reduction plan and did not meet their water reduction target. The 72 "Bad-Bads" are being contacted by District staff. Customers will be offered a water efficiency review and left with water conservation program information and literature.

Paladin Night Patrol began conducting night time water waste monitoring on July 29th, 2015. Below is a chart illustrating the number of incidents reported by category for August 2015 through June 2016.

Date	*Incident Report	Wrong Day	Equipment Waste	Theft
AUGUST 2015	108	79	90	1
SEPTEMBER 2015	96	47	80	0
OCTOBER 2015	46	37	42	0
NOVEMBER 2015	69	15	69	0
DECEMBER 2015	56	31	54	0
JANUARY 2016	32	15	32	0

FEBRUARY				
2016	29	18	29	0
MARCH				
2016	34	20	34	0
APRIL				
2016	16	6	16	0
MAY				
2016	34	27	30	0
JUNE				
2016	23	10	23	0
Totals	543	305	499	1

*A single incident report can include one or more violation categories. One incident report can overlap into multiple categories.

As of July 1, 2016 Staff has suspended Paladin night patrols. The need for night-time water waste patrols will be monitored on a monthly basis throughout the summer. If water waste complaints increase throughout the summer, consideration will be given to reinstate the partrols.

Stage 2 Water Alert Modified

At the June 14th Board meeting, the Board adopted a Stage 2 Water Alert Modified. A Public Outreach campaign is being implemented to promote the Stage 2 Water Alert regulations. The messaging is intended to educate District customers about Stage 2 regulations and direct customers to our website promoting water efficiency. The following are included in the Public Outreach effort:

- A Direct Mailer promoting the Stage 2 Water Alert:
- The District's website
- Facebook
- Waterline Newsletter
- Phone message recording

GENERAL MANAGER'S REPORT:

1. Twenty three employees received recognition for superior attendance, outstanding customer service and quality of work during the month of June 2016. Directors were provided with a list of the employees and items for which each received recognition.
2. A list of the General Manager's significant assignments and activities was provided.
3. Long Range Board Agenda.

Meeting Date	Item	Assigned To
August 9, 2016	CIP Adoption	All
	Compensation Study/Salary	Churchill/Straus/Smoot

	Schedule Update/Policies	
	Roseville Intertie Agreement	Churchill
	Reserve Policy Updates	Churchill/Straus/Sohal/Meurer
	Water Supply Agreement	Churchill
	Project Agreement with RWA— Regional Reliability Study	Straus
August 29, 2016	Budget and Rates Study Session	Straus/Sohal
September 13, 2016	Budget and Rates Workshop	Straus/Sohal
October 11, 2016		
November 8, 2016		
November 15, 2016	Operating and Capital Budgets	Straus/Dietrich/Gordon
	Water Rates, Charges & Fees	Straus/Sohal
	Capacity Fees	Straus/Sohal
	Water Shortage Charges	Straus/Sohal
December 13, 2016		

CORRESPONDENCE:

None

CLOSED SESSION:

None

FUTURE CHWD BOARD OF DIRECTORS MEETING DATES:

Dates and locations of upcoming Regular Meetings of the Board of Directors were noted for the calendar.

ADJOURNMENT:

There being no other business to come before the Board, the meeting was adjourned at 8:43 PM.

APPROVED:

 ROBERT A. CHURCHILL
 Secretary
 Citrus Heights Water District

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

**CITRUS HEIGHTS WATER DISTRICT
2016 REVENUE ANALYSIS**

Mo-Yr	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Actual Revenue	Budgeted Revenue	Variance	% Collected
Metered Service Charges	99,738	346,471	750,526	530,498	648,666	801,158	482,374	3,659,431	7,609,121	3,949,690	48.1%
Metered Water Deliveries	35,969	118,197	180,494	144,723	229,594	387,965	309,781	1,406,723	4,581,136	3,174,413	30.7%
Penalties	17,458	12,003	15,564	13,906	11,522	11,970	13,995	96,417	150,000	53,583	64.3%
Interest		0		0	26	0	0	26	0	-26	0.0%
New Acct, Fire & Backflow											
Fees	8,550	12,603	9,758	13,813	7,909	18,395	5,554	76,583	95,866	19,283	79.9%
WS Install & S&R	8,360	4,598	6,501	0	11,800	22,769	27,953	81,981	26,626	-55,355	307.9%
Grant Funds		540,000	0	0	60,000	0	715	600,715	0	-600,715	0.0%
Misc*	6,052	1,416	15,603	2,318	52,164	71,025	150,147	298,726	120,510	-178,216	247.9%
Connection Fees	15,037	6,683	6,683	0	0	0	0	28,403			
Wheeling Water	2,217	0	0	0	0	0	0	2,217	4,429	2,212	50.1%
Reserves				0	0	0	0	0	0	0	0.0%
Total	193,380	1,041,971	985,129	705,258	1,021,682	1,313,282	990,518	6,251,221	12,587,688	6,336,467	49.7%

Outstanding Receivables

Aged Trial Balance					
Total ₁	Current	31-90	91-150	>150	Unapplied Current
873,017	677,453	276,980	7,519	8,492	(97,427)

General Ledger Balance	Total
Outstanding A/R	906,799
Outstanding Liens	0
Outstanding Grants	61,211
Less Unapplied Payments	(97,878)
Total₁	\$ 870,132

* Includes Assessments, Inclusions, Back Charges, Capacity Fees and other Miscellaneous Revenue Sources

**ASSESSOR/COLLECTOR'S ROLL ADJUSTMENTS FOR
July 31, 2016**

Board Of Directors
Citrus Heights Water District

Pursuant to Policy No. 7315 the following charges have been cancelled.

LID	CID	Charge Type	Date	Reason For Cancellation	Amount
13967	0012396	DEFAULT	7/12/2016	One time courtsey	1.20
20606	0032095	DEFAULT	7/13/2016	One time courtsey	0.68
20554	0032095	DEFAULT	7/13/2016	One time courtsey	1.06
05135	0004583	DEFAULT	7/19/2016	One time courtsey	4.42
20610	0032095	DEFAULT	7/19/2016	One time courtsey	3.37
20616	0032095	DEFAULT	7/19/2016	One time courtsey	3.33
20582	0031302	DEFAULT	7/20/2016	One time courtsey	4.57
07613	0030044	DEFAULT	7/25/2016	One time courtsey	3.94
11355	0025878	DEFAULT	7/26/2016	One time courtsey	3.99
01658	0033141	DEFAULT	7/28/2016	One time courtsey	4.03
08729	0007813	DEFAULT	7/28/2016	One time courtsey	4.07
20038	0031244	DEFAULT	7/6/2016	One time courtsey	3.46
00893	0024549	NEW ACCOUNT FEE	7/6/2016	New Owner	20.00
04740	0033894	DEFAULT	7/7/2016	One time courtsey	2.87
03255	0003113	DEFAULT	7/7/2016	One time courtsey	4.25
					<u>\$ 65.24</u>

TREASURER'S REPORT TO THE BOARD OF DIRECTORS
CITRUS HEIGHTS WATER DISTRICT
 Month of July 2016

Bank of the West			
Balance Per Bank July 2016			\$2,477,790
RECEIPTS:		1,024,073	
DISBURSEMENTS:			
Checks Issued / ACH Payments	401,193		
Payroll	204,332		
Returned Checks	462		
	605,987		418,086
Bank of the West			
Balance per Bank July 31, 2016			2,895,876
Add :Outstanding Checks			(1,167,865)
Less: Deposit in Transit			15,623
Balance Per Books July 31, 2016			\$1,743,634
<hr/>			
RECONCILEMENT:			
Bank of the West			\$1,743,634
Local Agency Investment Fund			6,046,968
COP Reserve Account			533,354
Money Mkt Activity Account			530,453
TOTAL BALANCE			\$8,854,409

CASH & INVESTMENT SUMMARY:		
Bank of the West (General Account)		\$1,743,634
Local Agency Investment Fund		6,046,968
COP 2010 Reserve Account		533,354
Money Mkt Activity Account		530,453
Total		\$8,854,409

INSTITUTION	MATURITY DATE	INT RATE	DEPOSIT AMOUNT	DATE OF LAST TRANSACTION
Local Agency Investment Fund	Daily	0.32%	4,928.02	1/14/2016

I certify that this report accurately reflects all pooled investments and is in compliance with applicable State of California Government Codes and is in conformity with Investment of District Funds Policy 6300. As Treasurer of the Citrus Heights Water District, I hereby certify that sufficient investment liquidity and anticipated revenue are available to meet the next six months' estimated expenditures.

HILARY M. STRAUS, Treasurer	ROBERT CHURCHILL, Secretary
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Signed: 08/03/2016

TREASURER'S REPORT OF FUND BALANCES
July 31, 2016

	Beginning Balance 1/1/2016	Year to Date Transfers In / Collections	Year to Date Transfers Out	Current Month Transfers In / Collections	Current Month Transfers Out	07/31/2016 Ending Balance	2016 Target Balance per Policy
Connection Fund	\$ -					\$ -	N/A
Operating Fund	\$ 3,611,289					\$ 3,611,289	\$1,918,930
Operating Reserve	\$ 1,912,263					\$ 1,912,263	N/A
Rate Stabilization Fund	\$ 634,000					\$ 634,000	\$1,000,000
Depreciation Reserve	\$ 808,169					\$ 808,169	\$2,029,295
Capital Improvement Reserve	\$ 845,857					\$ 845,857	\$2,760,316
Restricted for Debt Service	\$ 536,963					\$ 536,963	N/A
Fleet Equipment Reserve	\$ 291,569					\$ 291,569	\$316,968
Employment-Related Benefits Reserve	\$ 396,310					\$ 396,310	\$864,229
	\$ 9,036,420	\$ -	\$ -	\$ -	\$ -	\$ 9,036,420	

CITRUS HEIGHTS WATER DISTRICT
2016 OPERATING EXPENDITURE VS BUDGET
July 31, 2016

Account	Description	2016 MTD Expense	2016 YTD Expense	2016 Budget	Variance \$	Variance %
Water Demand Management						
	WATER DEMAND MANAGEMENT - POSTAGE	-	-	14,000	14,000	0.0%
	WATER DEMAND MANAGEMENT - PRINTING	-	2,678	25,000	22,322	10.7%
	WATER DEMAND MANAGEMENT - MATERIALS AND SUPPLIES	696	9,281	11,500	2,219	80.7%
	WATER DEMAND MANAGEMENT - CONTRACT SERVICES	18,211	117,559	221,000	103,441	53.2%
	WATER DEMAND MANAGEMENT - OTHER	175	3,949	8,000	4,051	49.4%
	WATER DEMAND MANAGEMENT - INCENTIVE PROGRAMS	1,550	8,675	3,000	(5,675)	289.2%
		20,632	142,142	282,500	140,358	50.3%
Operations						
	PURCHASED WATER	582,668	1,478,558	2,387,701	909,143	61.9%
	COOPERATIVE TRANSMISSION PIPELINE MAINTENANCE	-	-	5,000	5,000	0.0%
	POWER TO WELLS	7,733	67,432	244,904	177,472	27.5%
	WELLS - REPAIR / MAINTENANCE	-	3,332	22,000	18,668	15.1%
	WATER QUALITY ANALYSIS	832	11,658	41,000	29,342	28.4%
	FIELD MISCELLANEOUS - DUMP FEES	77	1,086	1,000	(86)	0.0%
	FIELD MISCELLANEOUS - OTHER	-	16	1,000	984	1.6%
	SMALL TOOLS - FIELD	1,332	16,592	23,400	6,808	70.9%
	SUPPLIES - FIELD	1,822	13,704	19,000	5,296	72.1%
	MATERIALS	33,135	165,816	6,000	(159,816)	2763.6%
	MATERIALS (Allocation to CIP)	(22,009)	(93,343)	-	-	0.0%
	ROADBASE	11,350	22,276	20,000	(2,276)	111.4%
	MAINTENANCE AGREEMENTS - EQUIPMENT	1,535	5,494	6,700	1,206	82.0%
	MAINTENANCE AGREEMENTS - SOFTWARE	5,235	123,920	1,343,322	1,219,402	9.2%
	REPAIR - FLEET EQUIPMENT	3,675	28,048	40,000	11,952	70.1%
	REPAIR - TOOLS AND EQUIPMENT	5	10,004	12,000	1,996	83.4%
	GAS AND OIL	4,418	19,776	51,000	31,224	38.8%
	EQUIPMENT RENTAL - FIELD	114	3,519	3,000	(519)	117.3%
	EQUIPMENT RENTAL & MAINT - OFFICE & BUILDING EQUIP	620	5,333	14,366	9,033	37.1%
	EQUIPMENT (Allocation to CIP)	(15,052)	(93,343)	-	-	-
	PERMIT FEE - AIR QUALITY / HAZ MAT	-	2,374	5,700	3,327	41.6%
	PERMIT FEE - STATE WATER RESOURCES CONTROL BOARD (SWRCB)	-	6,618	14,000	7,382	47.3%
	PERMIT FEE - ENCROACHMENT PERMITS	-	4,208	44,000	39,792	9.6%
		617,490	1,803,080	4,305,093	2,315,328	41.9%
Professional & Contract Services						
	PROFESSIONAL / CONTRACT SERVICES - ENGINEERING	-	275	20,000	19,725	1.4%
	PROFESSIONAL / CONTRACT SERVICES - TEMPORARY LABOR	2,974	57,148	50,000	(7,148)	114.3%
	PROFESSIONAL / CONTRACT SERVICES - WELLS	-	-	-	-	0.0%
	PROFESSIONAL / CONTRACT SERVICES - OFFICE LABOR	-	52,277	130,000	77,723	0.0%
	PROFESSIONAL / CONTRACT SERVICES - METER READING	5,897	61,203	108,960	47,757	56.2%
	PROFESSIONAL / CONTRACT SERVICES - BILL PRINT/MAIL	2,235	19,288	27,600	8,312	69.9%
	PROFESSIONAL / CONTRACT SERVICES - FINANCIAL	8,665	10,145	5,000	(5,145)	0.0%
	PROFESSIONAL / CONTRACT SERVICES - OTHER	14,478	79,582	133,460	53,878	59.6%
	CONTRACT SERVICES - CONCRETE	-	-	8,000	8,000	0.0%
	CONTRACT SERVICES - MISC FIELD / O&M	13,229	27,278	30,000	2,722	90.9%
	CONTRACT SERVICES - OFFICE REPAIRS / MAINT	-	1,261	2,000	739	63.1%
	CONTRACT SERVICES - PAVING	-	1,791	9,000	7,209	19.9%
		47,477	310,249	524,020	213,771	59.2%
Administration & General Services						
	JANITORIAL	837	5,439	11,100	5,661	49.0%
	BANK FEES	6,666	42,748	71,000	28,252	60.2%
	OFFICE EXPENSE	210	8,141	15,000	6,859	54.3%
	SMALL OFFICE EQUIPMENT	-	5,086	2,000	(3,086)	254.3%
	DUES & SUBSCRIPTIONS	36,113	94,393	112,210	17,817	84.1%
	POSTAGE	10,300	69,704	103,000	33,296	67.7%
	PRINTING	46	703	7,700	6,997	9.1%
	TELEPHONE - WIRELESS	1,077	8,219	16,800	8,581	48.9%
	TELEPHONE - LOCAL / LONG DISTANCE	1,777	14,783	12,500	(2,283)	118.3%
	TELEPHONE - ANSWERING SERVICE	256	1,119	2,400	1,281	46.6%
	UTILITIES	991	11,971	19,700	7,729	60.8%

CITRUS HEIGHTS WATER DISTRICT
2016 OPERATING EXPENDITURE VS BUDGET
July 31, 2016

Account	Description	2016 MTD Expense	2016 YTD Expense	2016 Budget	Variance \$	Variance %
	LEGAL & AUDIT	14,926	47,981	78,900	30,919	60.8%
	CONTINUED EDUCATION	5,342	24,519	45,780	21,261	53.6%
	PUBLICATION NOTICES	128	460	1,500	1,040	30.7%
	OFFICE MISC - DISTRICT EVENTS	170	2,563	5,110	2,547	50.2%
	OFFICE MISC - MEETING ACCOMODATIONS	84	1,190	2,000	810	59.5%
	OFFICE MISC - OTHER	-	1,248	2,200	952	56.7%
	OFFICE MISC - MILESTONE EVENTS	-	-	5,100	5,100	0.0%
	BAD DEBT EXPENSE	1,031	1,275	5,000	3,725	25.5%
	COMPUTER SOFTWARE	-	400	3,700	3,300	10.8%
		79,953	341,944	522,700	180,756	65.4%
Administration Other						
	ELECTION EXPENSE	-	-	29,000	29,000	0.0%
	DIRECTORS MEETING COMPENSATION	1,160	7,975	20,300	12,325	39.3%
	RETIREE HEALTH CARE BENEFIT	3,201	20,957	43,547	22,590	48.1%
		4,361	28,932	92,847	63,915	31.2%
Salary & Benefits						
	SALARY - GENERAL MANAGER	14,021	105,120	162,016	56,896	64.9%
	SALARY - MANAGER (3 authorized positions)	11,427	150,248	219,132	68,884	68.6%
	SALARY - OFFICE (6 authorized positions)	30,273	138,127	374,100	235,973	36.9%
	SALARY -WATER DEMAND MANAGEMENT (2 authorized positions)	11,381	86,350	156,088	69,738	55.3%
	SALARY - FIELD / O&M (15 authorized positions)	88,979	618,059	1,118,893	500,834	55.2%
	STANDBY DUTY	1,380	10,260	17,940	7,680	57.2%
	SALARY - PROJECT MNGMT & ENGINEERING	(20,096)	102,241	315,145	-	0.0%
	EMPLOYEE BENEFIT - VISION INSURANCE	753	7,206	5,100	(2,106)	141.3%
	EMPLOYEE BENEFIT - DENTAL INSURANCE	2,990	33,217	43,200	9,983	76.9%
	EMPLOYEE BENEFIT - HEALTH INSURANCE	30,147	218,481	375,272	156,791	58.2%
	EMPLOYEE BENEFIT - PERS RETIREMENT	54,744	348,696	422,544	73,848	82.5%
	EMPLOYEE BENEFIT - SOCIAL SECURITY	12,202	84,737	153,444	68,707	55.2%
	EMPLOYEE BENEFIT - MEDICARE	2,854	19,818	35,886	16,068	55.2%
	EMPLOYEE BENEFIT - UNEMPLOYMENT INSURANCE	103	6,139	7,875	1,736	78.0%
	EMPLOYEE BENEFIT - HEALTH INSURANCE REIMBURSEMENT	1,709	18,273	26,000	7,727	70.3%
	EMPLOYEE SALARY & BENEFITS - (Allocation to CIP)	(24,067)	(275,249)	(339,867)	(64,618)	81.0%
		218,799	1,671,723	3,092,768	1,208,142	54.1%
Insurance						
	INSURANCE - LIABILITY & COMPREHENSIVE	(16,353)	61,648	75,300	13,652	81.9%
	INSURANCE - DISABILITY & LIFE	1,972	19,345	28,300	8,955	68.4%
	INSURANCE - WORKER'S COMPENSATION	28,862	28,862	54,319	25,457	53.1%
		14,481	109,854	157,919	48,065	69.6%
Reserves & Debt Services						
	RATE STABLIZATION RESERVE	-	-	100,000	100,000	0.0%
	DEPRECIATION RESERVE	-	-	1,001,744	1,001,744	0.0%
	CAPITAL IMPROVEMENT RESERVE	-	-	1,000,000	1,000,000	0.0%
	EMPLOYMENT-RELATED BENEFITS RESERVE	-	-	-	-	0.0%
	DEBT SERVICE - COP SERIES 2010	-	50,503	571,200	520,697	8.8%
	DEBT SERVICE - COP SERIES 2012	46,435	168,871	169,063	192	99.9%
		46,435	219,373.32	2,842,007.00	2,622,633.68	7.7%
		\$ 1,049,628	\$ 4,627,296	\$ 11,819,854	\$ 6,792,969	39.15%

Citrus Heights Water District
 Capital Projects Summary
 Fiscal Period End as of July 2016

Project No.	Description	Budget				Remaining Commitments	Amounts Paid			Remaining Projections
		Total Project Budget	Adopted Budget 2016	Expenditures to 12/2015	Total Remaining Commitments	Current Unpaid Committed	Month to Date	Year to Date	Project to date	2017
2015-31	Baird Way 12" Water Main Replacement Project	504,283		5,698	498,586		9,677	18,218	23,916	476,781
2015-32	Graham Circle 6" and Circuit Drive 8" Water Main Replacement Project			-	-	-	-	-	-	-
2015-33	Highland Avenue 8" Main Replacement and Rosa Vista Avenue 8" Main Installation Project	396,672	24,619	-	396,672	-	-	-	-	372,053
2015-34	Michigan Drive 8" / 6" Water Main Replacement Project			-	-	-	-	-	-	-
2015-35	Sunrise Blvd Streetscape Phase III			162,183	(162,183)	-	-	4,199	166,381	-
2015-36	Sylvan Road Street Improvements			4,161	(4,161)	-	-	89	4,250	-
2016-31	Wind Way 8-Inch and Longwood Way 6-Inch Water Main Replacements	324,446		-	324,446	-	-	-	-	-
2016-34	Auburn Blvd - Rusch Park to Placer County Line	158,252	8,968	-	158,252	-	-	-	-	323,446
Distribution Mains - Replacement		1,383,653	33,587	172,041	728,914	-	9,677	22,506	194,547	1,172,280
2016-14	Fire Hydrants - Replacements / Upgrades / Infill / New	147,092	147,092	-	147,092	-	492	73,631	73,631	-
Fire Hydrants - Replacements/Upgrades/New		147,092	147,092	-	147,092	-	492	73,631	73,631	-
2015-02	Annual Corporation Yard Improvements/Replacements	109,500	109,500	-	109,500	-	6,650	18,691	18,691	-
2016-03	Annual Fleet and Field Operations Equipment Improvements/Replacements	32,200	32,200	-	32,200	-	48,600	48,600	48,600	75,000
2015-04	Annual Technology Hardware and Software Improvements/Replacements	750,000	300,000	3,356	746,644	-	18,825	25,692	29,049	450,000
2016-04	Annual Technology Hardware and Software Improvements/Replacements	38,934	38,934	-	38,934	-	4,319	46,738	46,738	-
2016-10	Water Main Pipeline Replacements	28,465	28,465	-	28,465	-	-	18,811	18,811	-
2016-11	Water Valve Replacements	91,281	91,281	-	91,281	-	-	78,288	78,288	-
2016-12	Water Service Replacements	757,685	757,685	-	757,685	-	-	345,385	345,385	-
2015-38	Mariposa Avenue 12" Water Main Replacement Project	27,111	27,111	-	27,111	-	-	-	-	-
2015-39	Cal Am Inter Connection			4,064	(4,064)	-	-	2,775	6,839	-
2016-40	Other City Partnership Opportunities	99,057	99,057	-	99,057	-	-	-	-	149,284
2016-41	Other Miscellaneous Infrastructure Projects	99,057	99,057	-	99,057	-	-	-	-	-
Miscellaneous Projects		2,033,290	1,583,290	7,420	2,025,870	-	78,394	584,980	592,401	674,284
2012-13	Administration Building Expansion / Renovation Project			1,205,171	-	-	-	4,785	1,209,957	-
2016-25	Other Miscellaneous Infrastructure Projects - Admin Building Extension	100,000	100,000	-	-	-	7,724	79,823	79,823	-
Miscellaneous Projects - Facilities		-	-	1,205,171	-	-	7,724	84,608	1,289,779	-
2013-30	San Juan High School 24" North Property Line Transmission Main Installation	483,671	225,591	312,473	171,198	-	1,165	102,504	414,977	-
2014-36	San Juan Park 12" Water Main Installation - 5555 Mariposa Avenue to UC Davis Medical Center	348,800	198,842	177,630	171,170	-	-	67,773	245,402	-
2015-30	Poplar Avenue 14" Transmission Main Installation	112,335	99,655	4,756	107,579	-	1,165	13,612	18,368	-
Transmission Mains - New		944,806	524,088	494,858	449,948	-	2,329	183,890	678,748	-
2014-33	Mariposa Avenue 18" & 8" Sycamore Drive to Pratt Avenue			414,356	-	-	-	15,769	430,125	-
2016-30	Mariposa Avenue 12-inch Mains	533,706	533,706	10,214	523,493	-	360,637	414,049	424,263	-
2016-33	Limerick Way 8-Inch Main Replacements	239,415	239,415	-	-	-	13,353	71,491	71,491	-
Transmission Mains - New and Distribution Mains - Replacement		773,121	773,121	424,570	523,493	-	373,989	501,309	925,879	-
2016-13	Water Meter Replacements	53,158	53,158	-	53,158	-	-	28,505	28,505	-
Water Meters		53,158	53,158	-	53,158	-	-	28,505	28,505	-
2011-01	Fair Way 12" x 8" Interconnection w/ RV	28,105	28,105	-	28,105	-	-	-	-	-
2012-09	Blossom Hill Drive 6" x 10" Interconnection w/ RV	25,480	25,480	-	25,480	-	-	-	-	-
2012-10	Crestmont Avenue 6" Interconnection w/ RV	19,980	19,980	-	19,980	-	-	-	-	-
2013-21	Skycrest Skycrest Construction	2,081,569	-	2,145,695	-	-	-	245,597	2,391,292	-
2016-20	Groundwater Well Improvements	48,900	48,900	-	48,900	-	-	102,957	102,957	-
2015-37	C-Bar-C Pressure Control Station	200,000	200,000	-	200,000	-	-	-	-	-
Water Meters - Emergency Intertie Water Meters		2,404,034	322,465	2,145,695	322,465	-	-	348,553	2,494,248	-
Grand Total		7,739,154	3,436,801	4,449,756	4,250,939	-	472,605	1,827,982	6,277,738	1,846,564

JULY 2016 WARRANTS

61840	Rotary Club of Citrus Heights	Continued Education	\$420.00
61841	Blackbird Associates	Contract Services-Engineering	\$9,738.13
61842	Kaler/Dobler Construction Inc	Contract Services-Engineering	\$60,227.61
61843	NV5 / Nolte Associates, Inc.	Contract Services-Engineering	\$8,162.70
61844	SMUD	Utilities	\$9,436.72
61845	US Bank I.M.P.A.C. Government Services	Continued Education	\$8,122.13
61846	Terri Cahill	Customer Refund	\$71.25
61847	Gregory J Moreno	Customer Refund	\$136.77
61848	Magill Family 1998 Revocable Trust	Customer Refund	\$160.34
61849	Kristen N Cook-Cabana	Customer Refund	\$98.80
61850	Clifford W Meyer	Customer Refund	\$60.33
61851	Jan E Gilmore	Customer Refund	\$10.48
61852	Steven/Sue Richards	Customer Refund	\$126.34
61853	3 Point Real Estate & Construction	Customer Refund	\$59.16
61854	AFLAC	Employee Paid Insurance	\$362.66
61855	Bart/Riebes Auto Parts	Repair-Trucks	\$7.55
61856	Corelogic Information Solutions Inc	Dues & Subscriptions	\$185.83
61857	Coverall North America Inc	Janitorial	\$450.00
61858	Cybex	Equipment Rental-Office	\$139.45
61859	J4 Systems	Contract Services-Other	\$2,763.96
61860	KASL Consulting Engineers	Contract Services-Engineering	\$2,051.00
61861	KBA DOCUSYS	Maintenance Agreement-Equipment	\$146.87
61862	KBA Docusys Inc	Equipment Rental-Office	\$343.43
61863	Moonlight BPO	Contract Services-Bill Print	\$2,855.57
61864	Sonitrol	Equipment Rental-Office	\$162.27
61865	Borey Swing	Continued Education	\$265.94
61866	John/Elaine L Garayalde	Customer Refund	\$105.15
61867	Julie Ann Lowery, Successor Trustee	Customer Refund	\$109.99
61868	June L Davidson Trust	Customer Refund	\$75.65
61869	Nathan/Kathryn Lauppe	Customer Refund	\$152.29
61870	Antoinette S Dzaklui	Customer Refund	\$94.39
61871	Steven/Sarah Renaud	Customer Refund	\$21.36
61872	Oleksandr Huzovatyy	Customer Refund	\$115.90
61873	Alexander's Contract Services	Contract Services-Meter Read	\$1,867.54
61874	AnswerNet	Telephone-Answering Service	\$255.58
61875	Bryce Consulting, Inc	Legal & Audit	\$1,640.00
61876	BSK Associates	Water Analysis	\$540.00
61877	California Landscape Associates Inc	Janitorial	\$200.00
61878	City of Citrus Heights	Permit Fees	\$175.00
61879	Robin Cope	Health Insurance	\$402.00
61880	Gaynor Telesystems Incorporated	Fixed Assets	\$362.72
61881	Ferguson Enterprises Inc #1423	Material	\$976.82
61882	HD Supply Waterworks LTD	Material	\$1,497.97
61883	Indoor Environmental Services	Maintenance Agreement-Equipment	\$580.83
61884	Moonlight BPO	Contract Services-Bill Print	\$1,719.33
61885	One Print Source & Graphics	Printing	\$46.44
61886	Pace Supply Corp	Material	\$5,710.46
61887	Paladin Private Security	Contract Services-Other	\$4,009.50
61888	Protection One Alarm Monitoring	Equipment Rental-Office	\$140.00
61889	Ramos Environmental Services	Field Miscellaneous	\$76.50
61890	Republic Services #922	Utilities	\$201.17
61891	RW Trucking	Contract Services-Miscellaneous	\$4,417.50
61892	SureWest Directories	Telephone-Local/Long Distance	\$49.00
61893	A. Teichert & Son, Inc.	Road Base	\$409.50

61894	Titan Workforce LLC	Contract Services-Temporary Labor	\$1,715.18
61895	Union Bank Trust Department-Fees	Small Office Equipment	\$270.15
61896	Gary E/Lanaya D Dix	Customer Refund	\$10.50
61897	Randall A Pape	Customer Refund	\$244.42
61898	James L/Kami L Greenly	Customer Refund	\$7.65
61899	Keller Williams Realty	Customer Refund	\$184.94
61900	Andrew W Johnson	Customer Refund	\$22.82
61901	Gerald D/Heather C Radford	Customer Refund	\$81.15
61902	Dana Silchuck	Customer Refund	\$215.66
61903	AIA Services, LLC/NDS	Water Conservation-Material/ Supplies	\$3,560.48
61904	Alexander's Contract Services	Contract Services-Meter Read	\$2,638.27
61905	Applied Best Practices	Contract Services-Financial	\$1,589.00
61906	Axcient Inc	Maintenance Agreement-Software	\$444.30
61907	Consolidated	Telephone-Local/Long Distance	\$1,727.70
61908	GM Construction & Developers	Contract Services-Miscellaneous	\$7,756.00
61909	J4 Systems	Contract Services-Other	\$1,420.00
61910	Kaiser Foundation Health Plan, Inc	Health Insurance	\$14,287.76
61911	Kurey & Associates	Contract Services-Engineering	\$3,600.00
61912	Moonlight BPO	Contract Services-Bill Print	\$2,627.46
61913	Office Depot	Office Expense	\$71.05
61914	The Sacramento Gazette	Publication Notices	\$128.35
61915	VOID	VOID	\$0.00
61916	SHI International Corp	Maintenance Agreement-Software	\$4,319.33
61917	SMUD	Utilities	\$2,167.13
61918	Sophos Solutions	Contract Services-Other	\$2,240.00
61919	Titan Workforce LLC	Contract Services-Temporary Labor	\$356.40
61920	J Crowley Group Inc	Water Conservation-Other	\$1,800.00
61921	Rick C Morales	Toilet Rebate Program	\$150.00
61922	James M Cuccia	Toilet Rebate Program	\$150.00
61923	Michelle Hampton	Toilet Rebate Program	\$75.00
61924	Chris Winchell or Jana Holm	Toilet Rebate Program	\$75.00
61925	Mark S/Lucinda R Driscoll	Customer Refund	\$86.76
61926	Mary E Thomas Trust	Customer Refund	\$20.66
61927	Danielle Odell	Customer Refund	\$135.07
61928	Luigi Caprio Realty Inc	Customer Refund	\$13.32
61929	Kelly Harder	Customer Refund	\$55.15
61930	ABA DABA Rentals & Sales	Supplies-Field	\$846.76
61931	AIA Services, LLC/NDS	Water Conservation-Material/ Supplies	\$695.64
61932	Airgas NCN	Supplies-Field	\$55.04
61933	Alexander's Contract Services	Contract Services-Meter Read	\$2,456.11
61934	Applied Best Practices	Contract Services-Financial	\$625.00
61935	AREA Restroom Solutions	Equipment Rental- Field	\$114.34
61936	Bart/Riebes Auto Parts	Repair-Trucks	\$130.51
61937	Bennett Engineering Services, Inc	Contract Services-Engineering	\$1,164.50
61938	Blueline Rental	Equipment Rental- Field	\$1,078.66
61939	BSK Associates	Water Analysis	\$690.00
61940	California Cut & Core Inc	Contract Services-Paving/Concrete	\$1,552.52
61941	California Surveying & Drafting Supply	Small Tools	\$5.00
61942	Caltronics Business System	Small Office Equipment	\$59.40
61943	CirclePoint	Contract Services-Water Conservation	\$4,060.07
61944	Dawson Oil Company	Gas & Oil	\$1,285.36
61945	Future Ford	Repair-Trucks	\$723.07
61946	Ferguson Enterprises Inc #1423	Material	\$5,441.92
61947	Hesse, Daniel	Small Tools	\$189.00
61948	J4 Systems	Contract Services-Other	\$1,090.92
61949	KASL Consulting Engineers	Contract Services-Engineering	\$1,533.00
61950	KBA DOCUSYS	Maintenance Agreement-Equipment	\$807.04
61951	Kei Window Cleaning #12	Janitorial	\$92.00

61952	Mason Smith Success Strategies	Contract Services-Financial	\$6,250.00
61953	Anthony Matraccia	Liability & Comp Insurance	\$340.93
61954	Maze & Associates	Legal & Audit	\$1,500.00
61955	Moonlight BPO	Contract Services-Bill Print	\$4,169.04
61956	Pace Supply Corp	Material	\$614.97
61957	Red Wing Shoe Store	Small Tools	\$230.00
61958	Les Schwab Tires	Repair-Trucks	\$416.48
61959	SHI International Corp	Maintenance Agreement-Software	\$1,955.68
61960	Sonsray Machinery, LLC	Fixed Assets	\$1,686.79
61961	State Water Resources Control Board	Dues & Subscriptions	\$80.00
61962	A. Teichert & Son, Inc.	Road Base	\$7,129.80
61963	The Lincoln National Life Insurance Company	Disability & Life Insurance	\$5,806.42
61964	Titan Workforce LLC	Contract Services-Temporary Labor	\$3,651.66
61965	Twin Home Services	Janitorial	\$95.00
61966	Underground Service Alert	Dues & Subscriptions	\$2,372.20
61967	Verizon Wireless	Telephone-Wireless	\$1,077.00
61968	Voyager Fleet Systems Inc	Gas & Oil	\$1,985.49
61969	Wallace Kuhl & Associates Inc	Contract Services-Miscellaneous	\$785.00
61970	Water Research Foundation	Dues & Subscriptions	\$1,845.00
TOTAL			<u>\$253,451.86</u>

ACH	2016 INT PYMNT	COP Debt Service	\$46,434.64
ACH	FP MAILING SOLUTIONS	Postage	\$1,000.00
ACH	JUNE 2016 BANK FEE	Bank Fee	\$2,365.23
ACH	JUNE 2016 FD	Bank Fee	\$291.57
ACH	JUNE 2016 PH	Bank Fee	\$251.34
ACH	JUNE 2016 WEB	Bank Fee	\$3,600.67
ACH	PAYCHEX	Contract Services-Other	\$520.35
ACH	PERS 6/30/16 PAYDAY	PERS	\$14,009.21
ACH	PERS 7/14/16 PAYDAY	PERS	\$14,348.77
ACH	PERS 7/28/16 PAYDAY	PERS	\$14,361.16
ACH	VALIC 7/28/16 PAYDAY	Deferred Compensation	\$3,220.00
ACH	VK7077 7/28/16 PAYDAY	Deferred Compensation	\$45.00
ACH	WHA AUG 2016	Health Insurance	\$16,907.59
ACH	PERS EMPLOYER CONTRIBUTION	PERS	\$26,741.84
ACH	VALIC 7/14/16 PAYDAY	Deferred Compensation	\$3,520.00
ACH	VK7077 7/14/16 PAYDAY	Deferred Compensation	\$45.00
ACH	VANCO	Contract Services-Other	\$79.10
TOTAL			<u>\$147,741.47</u>

GRAND TOTAL			<u><u>\$401,193.33</u></u>
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August Checks Approved at August Board Meeting

61984	US Bank I.M.P.A.C. Government Services	See Agenda Item CC:9	\$8,399.63
61983	SMUD	Utilities	\$8,523.33
61979	RW Trucking	Contract Services-Miscellaneous	\$8,811.26
61973	Area West Engineers Inc	Contract Services-Engineering	\$9,677.25
61971	ACWA/JPIA	Workers Compensation Insurance	\$12,934.00
61972	Albietz Law Firm	Legal & Audit	\$13,425.61
61976	Corporate Design Group Inc	Contract Services-Other	\$14,034.00
61978	Proud AV Inc	Contract Services-Other	\$15,779.28
61975	Corix Water Products, Inc	Material	\$18,564.21
61982	Sacramento Groundwater Authority	Dues & Subscriptions	\$30,411.00
61977	Elk Grove Auto Group Inc	Fixed Assets	\$48,600.00
61980	Regional Water Authority	Dues & Subscriptions	\$63,794.00

61974	Civil Engineering Construction, Inc.	Contract Services-Miscellaneous	\$332,243.50
61981	San Juan Water District	Purchased Water	<u>\$582,668.12</u>
TOTAL			<u>\$1,167,865.19</u>

US BANK - CAL-Card Distributions

July 2016

i/users/ap/CalCard/(current year) -Distribution for monthly payment.xls

TOTAL
BILL

#REF!	51000-04	52400	54210	54211	54231-02	54241-01	54241-02	54242	56200	56230	56830	56840-08	56890-01	56890-02
	Water Conser/ Cont Serv	Wtr Analys	Tools	Supplies	Main Agree Software	Repair Truck	Repair - Equip/Hardw are	Gas & Oil	Office Exp	Postage	C.E.	C/S Financial	Office Misc, District Event	Mtg Accom

Churchill	\$	-														
Cutler	\$	119.13			119.13											
Dains	\$	-														
Dietrich	\$	15.99					15.99									
Evans	\$	2,935.66	73.53		465.58	1,287.66		674.43	4.51	69.77	138.86			169.73	51.59	
Gordon	\$	48.38								48.38						
Hensley	\$	185.55		57.61		50.94						77.00				
Riehle	\$	-														
Sheehan	\$	-														
Shockley	\$	2,003.47										330.48	1,440.00	200.61	32.38	
Smoot	\$	2,813.47									116.10	2,697.37				
Straus	\$	277.98					250.00	27.98								
	\$	8,399.63	73.53	57.61	465.58	1,457.73	250.00	718.40	4.51	118.15	138.86	446.58	4,214.37	200.61	169.73	83.97

2016

V#: _____
Date: 7/31/16

DRAFT

**REGIONAL WATER AUTHORITY
PROJECT AGREEMENT**

REGIONAL WATER RELIABILITY PLAN

This Agreement is made and entered into as of the ____ day of _____, 2016, by and between the Regional Water Authority (“RWA”), a joint exercise of powers authority formed under California Government Code section 6500, and following, and the Members and Contracting Entities of RWA listed in Exhibit 1 to this Agreement, upon their execution of this Agreement (who are collectively referred to in this Agreement as “Participants”), to provide for carrying out a project or program that is within the authorized purposes of RWA, and sharing in the cost and benefits by the Participants.

RECITALS

A. RWA is a joint powers authority, formed to serve and represent regional water supply interests and to assist its members in protecting and enhancing the reliability, availability, affordability and quality of water resources.

B. The joint powers agreement (“RWA JPA”) pursuant to which RWA was formed and operates, authorizes RWA to enter into a “Project or Program Agreement,” which is defined in the RWA JPA as an agreement between RWA and two or more of its Members or Contracting Entities to provide for carrying out a project or program that is within the authorized purposes of RWA, and sharing in the cost and benefits by the parties to the Project or Program Agreement.

C. Article 21 of the RWA JPA states: “The Regional Authority’s projects are intended to facilitate and coordinate the development, design, construction, rehabilitation, acquisition or financing of water-related facilities (including sharing in the cost of federal, State or local projects) on behalf of Members and/or Contracting Entities. The Regional Authority may undertake the development, design, construction, rehabilitation, acquisition or funding of all or any portion of such projects on behalf of Members and/or Contracting Entities in the manner and to the extent authorized by such Members and/or Contracting Entities as provided in this Agreement, but shall not accomplish these functions, nor acquire or own water-related facilities in its own name.”

D. Article 22 of the RWA JPA states: “Prior to undertaking a project or program, the Members and/or Contracting Entities who elect to participate in a project or program shall enter into a Project or Program Agreement. Thereafter, all assets, benefits and obligations attributable to the project shall be assets, benefits and obligations of those Members and/or Contracting Entities that have entered into the Project or Program Agreement. Any debts, liabilities, obligations or indebtedness incurred by the Regional Authority in regard to a particular project or program, including startup costs advanced by the Regional Authority, shall be obligations of the

participating Members and/or Contracting Entities, and shall not be the debts, liabilities, obligations and indebtedness of those Members and/or Contracting Entities who have not executed the Project or Program Agreement.”

E. RWA and the Participants desire to carry out a project and share in the costs and benefits of the project, as a Project or Program Agreement as provided for in Articles 21 and 22 of the RWA JPA.

In consideration of the promises, terms, conditions and covenants contained herein, the parties to this Agreement hereby agree as follows:

1. **Recitals Incorporated.** The foregoing recitals are hereby incorporated by reference.
2. **Defined Terms.** Terms defined in the RWA JPA will have the same meaning in this Agreement.
3. **Description of the Project.** The project (“Project”) that RWA and the Participants desire to carry out is the development of a Regional Water Reliability Plan (“RWRP”) to improve the reliability of water supplies of the Participants. To achieve time and cost efficiencies, this RWRP is being integrated with an existing effort to develop a Regional Drought Contingency Plan (“RDCP”) among five large municipal water agencies^a with United States Bureau of Reclamation water service or settlement contracts that will also participate in the RWRP. A more detailed scope of work, schedule, and budget for the RWRP is attached hereto as Exhibit 2 (“Project Description”).
4. **Project Committee.** The Participants hereby form a Project Committee consisting of one representative (and alternates) designated by each Participant. The Project Committee will meet as necessary from time to time to administer and implement this Agreement on behalf of the Participants. A majority of the members of the Project Committee will constitute a quorum, and a majority of the members of the Project Committee will be required for an affirmative vote to take action on behalf of the Participants.
5. **Sharing in Project Costs and Benefits.** The total estimated cost to complete the Project is \$821,000. Of that total, \$361,000 is funded through an RDCP grant, an existing RWA designation for integrated water management, and RDCP Participant and RWA in-kind services. While it is anticipated that other sources of funding will be pursued during development of the RWRP, the Participants will be responsible for funding up to the not-to-exceed identified funding need of \$460,000. No obligations exceeding this amount will be incurred without prior approval of the Participants. Project funds will be collected over multiple phases from the Participants, with a Phase 1 collection total of \$276,000. The remaining funds will be collected if attempts to secure additional funding from other sources are unsuccessful. Additional phases of collecting funds from the Participants will not occur prior to July 1, 2017. The existing

^a The RDCP agencies include: Placer County Water Agency, the cities of Folsom, Roseville, and Sacramento, and San Juan Water District.

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sources of funds, funding levels of the Participants, Phase 1 assessments, and not-to exceed budgets for each Participant are further described and attached hereto as Exhibit 3 (“Financing Plan”). Each of the Participants will make one or more payments to RWA for completion of the Project.

At the conclusion of the Project, RWA will pay back any surplus funds to the Participants on a pro rata basis reflecting the amount of the payments made by each of the Participants.

6. Role of RWA. The RWA will (a) ensure that the interests of Members and Contracting Entities of RWA who do not participate in this Project are not adversely affected in performing this Agreement, (b) provide information to the Participants on the status of implementation of the Project, (c) assist the Project Committee in carrying out its activities under this Agreement, d) secure consultant support services through a competitive selection process as identified in RWA Policy 300.2; and e) manage consultant support services in completion of the Project.

7. Authorization to Proceed with the Project. The Project is authorized to proceed upon the commitment of \$100,000 from Project Participants to fund initial Project costs. Upon execution of this Agreement, the Participants agree to fund portion of the Project costs in an amount and manner as described in Exhibit 3 (“Financing Plan”) to this Agreement.

8. Term. This Agreement will remain in effect for so long as any obligations under this Agreement and/or obligations from other sources of funding secured for completing the Project remain outstanding.

9. Withdrawal. A Participant may withdraw from this Agreement without requiring termination of this Agreement, effective upon ninety days’ notice to RWA and the other Participants, provided that, the withdrawing Participant will remain responsible for any indebtedness incurred by the Participant under this Agreement prior to the effective date of withdrawal.

10. Amendments. This Agreement may be amended from time to time with the approval of all of the Participants and RWA.

11. General Provisions. Any notice to be given under this Agreement may be made by: (a) depositing in any United States Post Office, postage prepaid, and shall be deemed received at the expiration of 72 hours after its deposit; (b) transmission by facsimile copy; (c) transmission by electronic mail; or (d) personal delivery. This Agreement shall be governed by the laws of the State of California. This Agreement may be executed by the parties in counterpart, each of which when executed and delivered shall be an original and all of which together will constitute one and the same document.

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The foregoing Regional Water Reliability Plan Project Agreement is hereby agreed to by RWA and the Participants.

Dated: _____, 2016

_____, 2016

Signature

Signature

Name

Name

Regional Water Authority

Agency

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EXHIBIT 1

PROJECT PARTICIPANTS

REGIONAL WATER AUTHORITY

REGIONAL WATER RELIABILITY PLAN PROJECT

Agency (Proposed)

California American Water
Carmichael Water District
Citrus Heights Water District
City of Folsom
City of Lincoln
City of Roseville
City of Sacramento
Del Paso Manor Water District
El Dorado County Water Agency
El Dorado Irrigation District
Elk Grove Water District
Fair Oaks Water District
Golden State Water Company
Orange Vale Water Company
Placer County Water Agency
Rancho Murieta Community Services District
Rio Linda/Elverta Community Water District
Sacramento County Water Agency
Sacramento Regional County Sanitation District
Sacramento Suburban Water District
San Juan Water District

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EXHIBIT 2

PROJECT DESCRIPTION

REGIONAL WATER AUTHORITY

REGIONAL WATER RELIABILITY PLAN PROJECT

[insert Exhibit 2 here]

REGIONAL WATER AUTHORITY REGIONAL WATER RELIABILITY PLAN

SCOPE OF WORK / SCHEDULE / BUDGET

A. SCOPE OF WORK

This scope of work includes both North American Basin Regional Drought Contingency Plan (RDCP) and Regional Water Authority Regional Water Reliability Plan (RWRP) activities. Some tasks/subtasks are combined efforts, while others apply to only one plan.

Task 1 – Vulnerability Assessment

This is a combined RDCP/RWRP activity.

Purpose:

This task will evaluate the risks and impact of current and future drought in the RDCP and RWRP areas. Assessment of the region's vulnerabilities in terms of its water supply reliability will be conducted for each of the 22 RWA member agencies¹, 2 RWA associate member agencies², and 1 water agency that is not an RWA member³ to allow for more complete assessment of potential mitigation and response actions that can leverage regional collaboration and coordinated actions.

Due to the limited timeframe for completion of the RDCP and RWRP, collecting the information and data needed to develop the Vulnerability Assessment, RDCP, and RWRP must be done efficiently and make effective use of existing and readily available sources. It is anticipated that sources will include regional, State, and federal studies and datasets; local agency information; existing modeling datasets.

A survey/questionnaire template will be developed. Existing and available information will be reviewed and summarized before finalizing the survey questions. This will allow for most efficient use of the resources and agency staff time. Summarized information will be distributed for each agency prior to its survey to allow for verification of the developed information.

Assumptions:

- One interview per agency (total of up to 25 agencies)
- Maximum of two follow-up calls/emails per agency to acquire outstanding information/data
- Agencies will provide requested information, data, and other materials in a timely manner and be responsive to follow-up communications
- Information and data from the interviews and follow-up communications will be included in the RDCP or RWRP

¹ RWA member agencies in the RDCP area include: California American Water Company, Carmichael Water District, Citrus Heights Water District, City of Folsom, City of Lincoln, City of Roseville, City of Sacramento, Del Paso Manor Water District, Fair Oaks Water District, Golden State Water Company, Orange Vale Water Company, Placer County Water Agency, Rio Linda/Elverta Community Services District, Sacramento County Water Agency, Sacramento Suburban Water District, San Juan Water District.

Additional RWA member agencies in the RWRP area include: City of West Sacramento, City of Yuba City, El Dorado Irrigation District, Elk Grove Water District, Rancho Murieta Community Service District, Woodland-Davis Clean Water Agency.

² RWA associate member agencies in the RWRP area include: El Dorado County Water Agency and Sacramento Regional County Sanitation District.

³ Natomas Central Mutual Water Company will also be interviewed because it has the potential for key mitigation measures in the RWRP and RDCP.

Description:

Vulnerability assessment is the process of identifying, quantifying, and prioritizing the key factors that can negatively affect water supply reliability. The vulnerability assessment process involves the following activities:

(1) Develop Agency Water Supply Portfolio –

Develop summary of each agency's water rights and contract entitlements, groundwater production capacity, and recycled water. Assess the priority and place of use restrictions for surface water rights, and reliability of contract entitlements.

Using historical water use information and other available information, develop an estimate of total water demands under existing and projected future demands at build-out (2035). Estimate total source capacity and storage capacity (i.e., surface water, groundwater pumping capacity, available storage, and interconnections). Compare total source capacity with estimated water demands for existing and future demand conditions, and under dry and average hydrologic conditions. This comparison will be developed for each agency to highlight the demand variability throughout the course of year, and variability of supplies across multiple years of different hydrological conditions.

(2) Inventory Major Regional Water Infrastructure & Interties –

Develop an inventory of key water infrastructure assets (diversions, interties, water treatment, groundwater wells, etc.). A geographical information system (GIS) based map of major regional water infrastructure will be developed to identify the current ability to move water around the region. Data in the map will include water system interconnections between agencies, as well as information on major pipelines and system operating pressures. Status of system fluoridation will also be identified, as it is a key barrier for regional interconnections. This information will be used to characterize the adequacy of regional conveyance capacities and interconnections.

(3) Establish Agency's Preference for Level of Service and Type of Mitigation –

For each agency, establish two levels of desired service – (1) a minimum water supply reliability threshold under extreme drought conditions, and (2) a preferred level of service (slightly above the minimum) – and both a short-term and long-term outlook. These thresholds will be used to measure the degree of vulnerability facing each agency from the various threats. As part of the survey, gauge each agency preference for the various types of mitigation actions, and establish any policy limitations on its participation in certain actions (e.g., fluoridated supplies).

(4) Identify Potential Vulnerabilities –

Assess vulnerabilities of water supply reliability under conditions of:

- Hydrologic and regulatory droughts (low reservoir storage, low precipitation and snow pack, water rights curtailments, water contract entitlement reductions, state-mandated conservation targets)
- Future climate change using the existing climate impacts assessment included in the American River Basin Integrated Regional Water Management Plan (ARB IRWMP). Additionally, information from recently completed Reclamation basin study of the Sacramento and San Joaquin Basins will be used to inform vulnerabilities under future climate conditions.

Summarize other identified regional water treatment and delivery challenges, and highlight agency-specific needs.

Identify the key vulnerabilities and organize them into logical categories that facilitate identification and evaluation of potential mitigation and response actions. Examples of potential categories include: treatment facility conditions, treated water conveyance and interconnections, untreated water conveyance, operational efficiency and utilization, and institutional/regulatory.

Development of Data/Information Needs and Conduct of Water Agency Interviews:

- Develop a consolidated list of information and data needed and sources (from Subtasks 2.1, 2.2, and 8.4, and the RDCP portion of Task 3)
- Develop survey/questionnaire template
- For each agency, pre-populate survey/questionnaire with existing and readily available information
- Schedule and conduct 23 interviews
- Conduct agency follow-up (as needed)

Deliverables:

Deliverable	Included in:	
	RDCP	RWRP
List of information and data needed and sources – electronic copy	✓	✓
Draft agency survey/questionnaire template – electronic copy	✓	✓
Revised agency survey/questionnaire template – electronic copy	✓	✓
Pre-populated surveys/questionnaires (by agency) – electronic copy for email; 2 hard copies of each survey/questionnaire for interview	✓	✓
Brief Interview Summaries – electronic copies	✓	✓
Draft Vulnerability Assessment TM – electronic copy	✓	✓
Final Vulnerability Assessment TM – electronic copy	✓	✓

Task 2 – Mitigation Actions and Response Actions

Subtask 2.1 Mitigation Actions

This is a combined RDCP/RWRP activity.

Purpose:

This task will identify, evaluate, and prioritize actions and activities to improve the region’s resiliency in the face of drought conditions. In particular, the vulnerabilities identified in Task 1 will be used to develop mitigation actions.

Description:

This task include the following activities:

(1) Identify Mitigations Actions –

Identification of mitigation actions will be through facilitated workgroup meetings among the water agencies to discuss their vulnerabilities (identified above) and then begin identifying potential actions. Prior to workgroup meetings, a potential range of mitigation actions will be identified from existing regional plans and studies (e.g., the ARB IRWMP, Urban Water Management Plans). This range of actions will be summarized and used a starting points for workgroup discussions. It is anticipated that up to four (4) workgroup meetings will be conducted for the water agencies. In addition, Reclamation input will be used identify what range of actions are appropriate to explore with respect to coordinated local and Federal actions.

The range of mitigation actions will include:

- Structural improvements
- Operational improvements
- Institutional/Administrative improvements

(2) Develop Evaluation Criteria and Metrics –

To evaluate the identified mitigation actions, evaluation criteria and metrics will be developed. The evaluation criteria will be cover the following considerations:

- Achieving and maintaining the reliability in water supply threshold (desired level of service) under various hydrologic conditions.
- Meeting both short-term and long-term growth needs, and providing flexibility to address uncertainty from the dynamic urban growth
- Protecting the groundwater basin by pumping within the long-term average annual sustainable yield, as defined in the Water Forum Agreement.
- Maintaining compatibility with existing and planned water supply infrastructure
- Leveraging regional solutions to achieve resiliency goals for multiple agencies in a cost-efficient matter.
- Implementation complexity and practicability

The evaluation criteria will be vetted and refined by the participating agencies during the workgroup meetings planned for developing the mitigation actions.

(3) Preliminary Screening of Mitigation Actions –

The developed evaluation criteria will be used to evaluate the mitigation actions. The evaluation will be conducted using available information and done at conceptual levels. The purpose of this high level evaluation is to identify major flaws or undesirable attributes of the compiled mitigation actions, which will be eliminated from further considerations.

(4) Prioritization of Mitigations Actions –

The screened mitigation actions will be further evaluated to assess implementation requirements, costs, and how whether these actions can be implemented by individual agencies or are part of a broader regional actions (e.g., federally recognized groundwater bank). Additional synergy and discord among different alternatives will be also reviewed and reported.

Evaluation of screened mitigation actions will not involve detailed hydraulic analysis for facility planning, or detailed operation modeling of the integrated surface water and groundwater resources. Spreadsheet tools will be used to post process information from existing studies and available historical data.

The mitigation actions will be classified into short-, mid-, and long-term actions. The actions will also be grouped into actions by single agency, by multiple adjacent agencies, and broad regional actions. The result of the evaluation and classification of mitigation actions will be used prioritize the mitigation actions for implementation.

Deliverables:

Deliverable	Included in:	
	RDCP	RWRP
Draft Mitigation Actions TM – electronic copy	✓	✓
Final Mitigation Actions TM – electronic copy	✓	✓

Subtask 2.2 – Response Actions

This is a combined RDCP/RWRP activity.

Purpose:

This task will identify, evaluate, and prioritize response actions and activities that can expeditiously mitigate impacts during an ongoing drought.

Description:

The task will include the following activities:

(1) Summarize Water Shortage Contingency Plans –

This task involve collecting existing water shortage contingency plans in the RDCP and RWRP areas. These water shortage plans identify specific trigger and water cutback requirements based on water supply stages. These response actions will be organized into logical categories to facilitate comparison.

(2) Develop Regional Response Actions –

Based on a review and summary of existing water shortage stage actions, recommended regional response actions related to the drought monitoring framework (Subtask 8.4) will be developed.

Deliverables:

Deliverable	Included in:	
	RDCP	RWRP
Draft Response Actions TM – electronic copy	✓	✓
Final Response Actions TM – electronic copy	✓	✓

Task 3 – Conjunctive Use Program Operational Analysis

This is a combined RDCP/RWRP activity.

Purpose:

Evaluating larger conjunctive use opportunities and a groundwater bank will require an understanding of the conjunctive use potential of the groundwater basin. This task will use existing and available information to gain a high-level understanding of the capacity of the North and South American River groundwater basins for these activities.

Description:

This task includes the following activities:

(1) Characterize the Groundwater Basin Storage Potential –

- Describe and illustrate the storage potential of the groundwater basins underlying the Sacramento Groundwater Authority, the Western Placer County Partnership Area, and the Sacramento Central Groundwater Authority. Consider the evacuated storage space based on spring, 2016 groundwater level conditions.
- Describe the capacity of the basin to store groundwater within the existing pumping depressions in the areas listed above.
- Identify, evaluate and describe potential limiting factors that may be encountered by raising groundwater levels to realize full conjunctive use capacity of basins (i.e. clean-up at McClellan, Mather, Aerojet, increase in groundwater loss to rivers, etc.)

- Plot and describe winter groundwater use over the past 5 years in each of the basins and management areas within the basins
- Define (Plot) the refill and extraction characteristics.

(2) Evaluate the Recharge Potential for the Groundwater Basin –

Information to support analysis under this subtask is collected under subtask 1.1. *Develop Agency Water Supply Portfolio.*

- Evaluate the timing and frequency of water available for recharge within the watershed and correlate this to groundwater basin refill rate. Information to support this activity is collected under Task 1.1. *Develop Agency Water Supply Portfolio.*
- Summarize and describe how the available water entitlements in region compare to the groundwater recharge potential.
- Describe groundwater extraction capacity and typical production patterns, considering the following:
 - o Location and pumping capacity of extraction wells,
 - o Spring and summer production pattern
 - o Fall and winter production
 - o Production during prolonged drought periods
- Develop an estimate for the potential recharge potential in the basin

(3) Evaluate Existing Infrastructure Limitations and Constraints –

Information to support analysis under this subtask is collected under subtask 1.2. *Inventory Major Regional Water Infrastructure & Interties, and subtask 1.4. Identify Potential Vulnerabilities”.*

- What are the infrastructure constraints/limitations on conjunctive use potential in basins? Describe the integration of surface water infrastructure and groundwater storage – where are the existing limitations in the system, consider:
 - o Capacity of Surface Water Treatment Plants
 - o Member agency water distribution
 - o Regional water transmission pipelines
- Water Quality Considerations
 - o Fluoridation at treatment plants
 - o Fluoridation of groundwater by water districts – who do, who does not, how do we mitigate
- Describe energy use patterns under various put and take scenarios for conjunctive use. Does energy pose a constraint to realizing full conjunctive use potential in the basin?

These activities are covered under **Task 1 - Vulnerability Assessment:** “Inventory Major Regional Water Infrastructure & Interties”, and “Identify Potential Vulnerabilities”

(4) Develop a Conjunctive Use Operations Tool

- Develop a spreadsheet-based tool for analyzing conjunctive use operations in the North and South American River groundwater basins. The tool integrates information on water surface availability, treatment capacity, conveyance limitations, and groundwater recharge potential.
- Apply the tool to evaluate the mitigation options identified in task 2.1.

Deliverables:

Deliverable	Included in:	
	RDCP	RWRP
Draft Conjunctive Use Program Operational Analysis TM – electronic copy	✓	✓
Final Conjunctive Use Program Operational Analysis TM – electronic copy	✓	✓

Task 4 – Implementation Road Map

Subtask 4.1 – Operational and Administrative Framework

This is a combined RDCP/RWRP activity.

Purpose:

This task will develop and describe the roles, responsibilities, and procedures for conducting drought monitoring, initiating mitigation and response actions, and updating both the RDCP and RWRP. Funding mechanisms for these activities will also be addressed. Anticipated frequencies will be discussed. (NOTE that some activities may be initiated based on a trigger or other event, as opposed to a pre-selected date or timeframe.) Conduct of this task will include RWA and the 23 water agencies.

Description:

- Develop framework meeting facilitation plan, agenda, and other materials. The purpose of this meeting will be to get input on proposed roles, responsibilities, procedures, funding mechanisms, and activity frequencies.
- Schedule and conduct framework meeting.
- Develop draft Operational and Administrative Framework (based on input received at framework meeting).

Deliverables:

Deliverable	Included in:	
	RDCP	RWRP
Meeting materials – 20 hard copies	✓	✓
Draft Operational and Administrative Framework TM – electronic copy	✓	✓

Subtask 4.2 – Update Process

This is a combined RDCP/RWRP activity.

Purpose:

This task will develop and describe a process and schedule for monitoring, evaluating, and updating both the RDCP and RWRP. Coordination with other ongoing regional efforts and updates will be addressed. (NOTE that some activities may be initiated based on a trigger or other event, as opposed to a pre-selected date or timeframe.) Conduct of this task will include RWA and the 23 water agencies.

Description:

- Develop proposed RDCP update process materials for use in Subtask 4.2 meeting (unless it is determined that a separate meeting is needed to address the update process)
- Develop draft RDCP Update Process (based on input received at Subtask 4.2 meeting)

Deliverables:

Deliverable	Included in:	
	RDCP	RWRP
Proposed update process materials (for Subtask 4.2 meeting)	✓	✓
Draft Update Process TM – electronic copy	✓	✓

Subtask 4.3 – Develop High-Level Framework for Larger CU Opportunities and Regional GW Bank

This is a RWRP only activity.

Purpose:

This task will develop a high-level framework for regional conjunctive use and the proposed regional groundwater bank. Conduct of this task will focus on the North and South American River groundwater basins.

Description:

This task will include 4 activities:

1. Develop and conduct a survey to understand stakeholder issues, concerns, and interests
2. Identify and summarize governance structures of existing groundwater banks and water transfer programs (e.g., Kern Water Bank, Semitropic Groundwater Storage Bank, Apex Ranch, Yuba County Water Agency's Lower Yuba River Accord)
3. Review and discussion of existing SGA Water Accounting Framework in relation to a potential future regional groundwater bank
4. Using information from #1 - #3, develop a high-level framework for regional conjunctive use and the proposed regional groundwater bank. This framework will include recommendations for next steps for future development and implementation.

Deliverables:

Deliverable	Included in:	
	RDCP	RWRP
Draft High-Level Framework for Regional Conjunctive Use & GW Banking TM – electronic copy		✓
Revised Draft High-Level Framework for Regional Conjunctive Use & GW Banking TM – electronic copy		✓

Task 5 – Documentation and Reporting

Subtask 5.1a – Prepare Draft Regional Drought Contingency Plan

This is a RDCP only activity.

Purpose:

This task will prepare the draft RDCP for review.

The six required DCP elements include:

- Drought Monitoring (Subtask 8.4) – Section 2
- Vulnerability Assessment (Task 1) – Section 3
- Mitigation Actions (Subtask 2.1) – Section 4
- Response Actions (Subtask 2.2) – Section 5
- Operational and Administrative Framework (Subtask 4.1) – Section 6
- Plan Update Process (Subtask 4.2) – Section 7

The draft TMs developed in each subtask listed above will be included in the draft RDCP as chapters. An Introduction section (Section 1) will be added to provide background information; describe pre-RDCP development activities (DPTF, overall work plan, C&O Plan); summarize efforts of the planning leads and DPTF as well as stakeholder and public outreach; and describe document organization.

Description:

- Develop annotated outline for RDCP (note that this outline will be developed for use in the kick-off meeting; it will likely be revised during conduct of Subtasks 2.1, 2.2, and 8.4, and the RDCP portion of Task 3, depending on the outcomes of those tasks/subtasks)
- Develop draft Section 1 (Introduction)
- Prepare draft RDCP using draft Section 1 and the draft TMs from Subtasks 2.1, 2.2, 4.1, 4.2, 8.4, and the RDCP portion of Task 3. Appendices to the draft RDCP will include any appendices to the draft TMs, the revised C&O Plan, and other summaries/materials (as appropriate).

Deliverables:

Deliverable	Included in:	
	RDCP	RWRP
RDCP Annotated Outline – electronic copy	✓	
Draft RDCP – electronic copy; 10 hard copies	✓	

Subtask 5.1b – Prepare Final Regional Drought Contingency Plan

This is a RDCP only activity.

Purpose:

This task will produce the Final RDCP for public release.

Following completion of the draft RDCP, a review copy will be submitted to Reclamation to ensure the plan meets program requirements. Additionally, a draft of the RDCP will be provided to the DPTF participants and other interested stakeholders for a 30-day review period. This task will address comments and prepare a final version of the RDCP.

Description:

- Provide draft RDCP to Reclamation, DPTF participants, and other interested stakeholders.
- Compile comments. Planning Leads will review comments and determine how to address them.
- Produce final RDCP.

Deliverables:

Deliverable	Included in:	
	RDCP	RWRP
Final RDCP – electronic copy; 10 hard copies	✓	

Subtask 5.2a – Prepare Draft RWRP

This is a RWRP only activity.

Purpose:

This task will prepare the draft RWRP for review. The RWRP will include a 4-pages Executive Summary (or “visioning document”).

Following completion of the draft RDCP, a review copy will be submitted to Reclamation to ensure the plan meets program requirements. Additionally, a draft of the RDCP will be provided to the DPTF participants and other

interested stakeholders for a 30-day review period. This task will address comments and prepare a final version of the RDCP.

Description:

- Develop annotated outline for RWRP (including Executive Summary).
- Provide annotated outline for review by RWA staff and others (as appropriate).
- Compile comments. RWA staff and contractor will review comments and determine how to address them.
- Produce revised annotated outline for RWRP.
- Prepare draft RWRP, based on revised annotated outline and using the draft TMs from Tasks 1, 2.1, 2.2, 3, 4.1, 4.2. Appendices to the draft RWRP will include any appendices to the draft TMs and other summaries/materials (as appropriate).

Deliverables:

Deliverable	Included in:	
	RDCP	RWRP
Draft RWRP Annotated Outline – electronic copy		✓
Revised RWRP Annotated Outline – electronic copy		✓
Draft RWRP – electronic copy; 6 hard copies		✓

Subtask 5.2b – Prepare Final RWRP

This is a RWRP only activity.

Purpose:

This task will produce the Final RWRP for public release.

Following completion of the draft RWRP, a review copy will be provided to the DPTF participants, RWA member agencies, and other interested stakeholders for a 30-day review period. This task will address comments and prepare a final version of the RWRP.

Description:

- Provide draft RWRP to DPTF participants, RWA member agencies, and other interested stakeholders.
- Compile comments. RWA staff and contractor will review comments and determine how to address them.
- Produce final RWRP.

Deliverables:

Deliverable	Included in:	
	RDCP	RWRP
Final RWRP – electronic copy; 6 hard copies		✓

Task 6 – Prepare Proposition 1 IRWM Planning Grant Application

This is a RWRP only activity.

Purpose:

RWA intends to submit an application for Proposition 1 IRWM planning grant funds to develop portions of the RWRP that address potential effects of climate change on water supply availability and the necessary response and

mitigation actions to help ensure long-term water supply reliability in the RWRP area (i.e., area not currently covered by RDCP efforts and funding), as this information is germane to an update of the ARB IRWMP.

It is anticipated that the planning grant PSP will be released in June 2016, applications will be due in August 2016, and final awards will be approved in September 2016.

Description:

- Attend DWR's applicant workshop
- Develop draft application sections; this effort will likely require coordination with RWA staff and others (member agencies, Water Forum, DWR, etc.)
- Provide draft application sections for review by RWA staff and others (as appropriate)
- Compile comments. RWA staff and contractor will review comments and determine how to address them.
- Produce final application sections and upload to the GRanTS website.

Deliverables:

Deliverable	Included in:	
	RDCP	RWRP
Draft planning grant application sections – electronic copies		✓
Final planning grant application sections – electronic copies		✓

Task 7 – CVP Partner Engagement

This is a RWRP only activity.

Purpose:

Opportunities to operate a regional groundwater bank may involve internal (intra-basin) or external partners. Through this task, RWA and others (SGA, member agencies, etc. as appropriate) will engage potential CVP partners to explore water transfer opportunities. These potential partners could include Reclamation or agencies that have contracts for CVP water.

Task activities will be conducted, up to the currently budgeted amount.

Description:

- Investigate potential CVP partners
- Schedule and participate in discussions with interested CVP partners
- Develop supporting meeting materials (as appropriate)
- Engage RWA or SGA legal counsel (as appropriate)

Deliverables:

Deliverable	Included in:	
	RDCP	RWRP
Meeting materials (as appropriate) – hard copies		✓
Other documentation (as appropriate) – electronic or hard copies		✓

Task 8 – Administrative Activities

Subtask 8.1 – Establish RDCP Drought Planning Task Force

This is a RDCP only activity.

Purpose:

This task will establish a Drought Planning Task Force (DPTF) and conduct a kick-off meeting. The Partners and RWA will act as the Planning Leads. A minimum of 12 additional water supply agencies in the project area will be engaged as potential active participants. These agencies represent the M&I and agricultural water suppliers in the RDCP area. Additionally, the Sacramento Water Forum will be engaged as a key representative of the environmental interest for water. DWR will be engaged as a potential participant. Reclamation will be engaged as a key interest within the RDCP area and beyond.

Meeting content is assumed to come from the work plan (Subtask 8.2) and Communications and Outreach Plan (C&O Plan) (Subtask 8.3).

Description:

- Develop kick-off meeting facilitation plan, agenda, and other materials. There are several objectives for this meeting – refine the purpose, goals, and objectives for the RDCP; confirm roles and responsibilities; discuss potential constraints for planning purposes; agree on protocols for communications and interactions with elected officials and other organizations/agencies that may be become involved in this process; and agree on the RDCP schedule and milestones. As this group will likely be making decisions related to the RDCP, this group will be chartered.
- Schedule and conduct kick-off meeting with DPTF.
- Note: Subtask 8.1 only includes establishing the DPTF. Tasks 4 and 5 include convening the DPTF for development of the draft and final RDCPs.

Deliverables:

Deliverable	Included in:	
	RDCP	RWRP
RDCP kick-off meeting materials, including draft DPTF charter (based on RDCP work plan) – 10 hard copies	✓	
RDCP kick-off meeting summary – electronic copy	✓	

Subtask 8.2a – Develop Detailed RDCP Work Plan

This is a RDCP only activity.

Purpose:

This task will develop a detailed work plan prior to commencing substantive work on the RDCP. This work plan will include the tasks, schedule, and budget required to complete the RDCP.

Description:

- Develop draft work plan for preparation of the RDCP including detailed task descriptions, project schedule (with task timelines, meetings, deliverables and other plan development milestones, and review periods), budget, and a RACI chart for involved parties (Planning Leads, consultant, Reclamation, DPTF, stakeholders and other interested parties). Note that this RACI chart will be developed through the C&O plan (Subtask 8.3).
- Provide draft RDCP work plan to Reclamation for review.

- Address Reclamation comments and develop revised RDCP work plan.

Deliverables:

Deliverable	Included in:	
	RDCP	RWRP
Draft RDCP work plan – electronic copy	✓	
Revised RDCP work plan – electronic copy	✓	

Subtask 8.2b – Develop RWRP Scope of Work / Schedule / Budget

This is a RWRP only activity.

Purpose:

This task will develop the scope of work, schedule, and budget for the RWRP. This work plan will build on the RDCP work plan.

Description:

- Develop draft scope of work / schedule / budget preparation of the RWRP including task descriptions, project schedule (with task timelines, meetings, deliverables and other plan development milestones, and review periods), budget, and a RACI chart for involved parties.
- Provide draft RWRP scope of work / schedule / budget to RWA for review.
- Address RWA comments and develop revised RWRP scope of work / schedule / budget.

Deliverables:

Deliverable	Included in:	
	RDCP	RWRP
Draft RWRP scope of work / schedule / budget – electronic copy		✓
Revised RWRP scope of work / schedule / budget – electronic copy		✓

Subtask 8.3 – Develop RDCP Communications & Outreach Plan

This is a RDCP only activity.

Purpose:

The task will develop a C&O Plan to ensure active stakeholder and public engagement in preparation of the RDCP. Work with current stakeholders, including Reclamation, to identify if there are any additional stakeholders that should be involved in the process. The C&O Plan will identify how to reach out to those stakeholders and how to keep them engaged or informed of the RDCP development process.

This task will capitalize on the strengths, skills, and existing processes that have been employed by RWA as well as the ongoing stakeholder relationships RWA has developed over the course of many years and projects. The C&O Plan will be prepared as a “living document,” adjustable as circumstances and information change. Utilizing existing information and processes, the C&O Plan will provide overall direction and coordination with other planning functions. It will include:

- **Goals** by activity and audience (internal and external).
- **Roles and Responsibilities:** A RACI responsibility matrix (RACI chart) will be developed for the involved parties (Planning Leads, consultant, Reclamation, DPTF, stakeholders and other interested parties), defining the participation by those groups in developing the RDCP. This RACI chart will help to track accountability, to improve the value of meetings, and to see the bigger picture.
- **Relevant Key Messages:** Key messages will be developed for the RDCP and for each audience identified in the RACI responsibility matrix.
- **Activities and Tools:** A range of outreach activities and tools will be identified for each audience and targeted according to their unique needs and communication preferences, and consistent with the RACI responsibility matrix.
- **Measures of Success:** Specific measurable outcomes will be identified.
- **Timeline:** A timeline for completing tasks and evaluating results will be developed so the Planning Leads and DPTF remain on target for completion of the RDCP.

Description:

- Develop the draft C&O Plan. Provide to Reclamation for review.
- Address Reclamation comments and developed revised C&O Plan.
- Note: Task 8.3 only includes developing the C&O Plan. Implementation of the C&O Plan is included in development of the draft and final RDCPs.

Deliverables:

Deliverable	Included in:	
	RDCP	RWRP
Draft C&O Plan (up to 10 pages) – electronic copy	✓	
Revised C&O Plan (up to 10 pages) – electronic copy	✓	

Subtask 8.4 – RDCP Drought Monitoring

This is a RDCP only activity.

Purpose:

This task will create a framework for predicting and confirming future droughts by establishing data metrics used to indicate drought conditions in the RDCP area.

Description:

This task include the following activities:

(1) Summarize Water Availability Data –

The region currently has significant ongoing monitoring efforts. Sources of data include State, federal, and local data available on the California Data Exchange Center (CDEC), participating water supply agencies, and regional groundwater management agencies. The available data for near- and long-term water availability in the RDCP area will be reviewed, consolidated, and summarized.

(2) Summarize Water Supply Conditions Indices –

A number of indices exists that describe the water supply conditions for different sources. Through the Water Forum process, local water suppliers define water conditions based on unimpaired inflow to Folsom Reservoir. Inflow dictates when certain agencies can divert surface water or when they must use groundwater as an alternate water source. In turn, Reclamation uses conditions throughout its Central

Valley reservoirs to define supply conditions to assign annual allocations to its contractors. It is possible to have relatively normal conditions in the American River watershed, while having dry conditions in other parts of the Central Valley Project (CVP). These various indices need to be understood to develop effective mitigation strategies in the RDCP. The various water supply indices affecting supply sources in the region will be compiled and described.

(3) Explore Developing a Water Supply Index for the American River Basin –

There is a need for a composite index for the American River Basin that describes the overall water supply conditions in the region that accounts for both the hydrological conditions, as well as the CVP water supply conditions. This index will facilitate prediction and confirmation of future droughts. Various potential formulations of this index will be explored and their performance against historical record will be investigated. Input will be sought from the participating agencies, Reclamation, and DWR to gauge acceptance and utility of this potential index.

Deliverables:

Deliverable	Included in:	
	RDCP	RWRP
Draft RDCP Drought Monitoring TM – electronic copy	✓	
Final RDCP Drought Monitoring TM – electronic copy	✓	

Subtask 8.5 – Reclamation Agreement Management for RDCP

This is a RDCP only activity.

Purpose:

This task will ensure that all project activities are in compliance with the Reclamation funding agreement. This task will be consistent with the RDCP work plan schedule (developed in Subtask 8.2a).

Description:

- Procure contractor to support Planning Leads in development of RDCP.
- Prepare semi-annual reports for submission to Reclamation.
- Prepare reimbursement requests for submission to Reclamation.
- Prepare final project report for submission to Reclamation.

Deliverables:

Deliverable	Included in:	
	RDCP	RWRP
Contractor RFP, selection, and contract/agreement execution	✓	
Semi-annual RDCP reports (assume 3 reports – June 2016, December 2016, June 2017)	✓	
Final RDCP project report (assume 1 report – December 2017)	✓	
Monthly RDCP reimbursement requests (assume 21 requests – April 2016 – December 2017)	✓	

Subtask 8.6 – RWRP Project Management

This is a RWRP only activity.

Purpose:

This task will ensure that all project activities are in compliance with the Reclamation funding agreement. This task will be consistent with the work plan schedule (developed in Task 2).

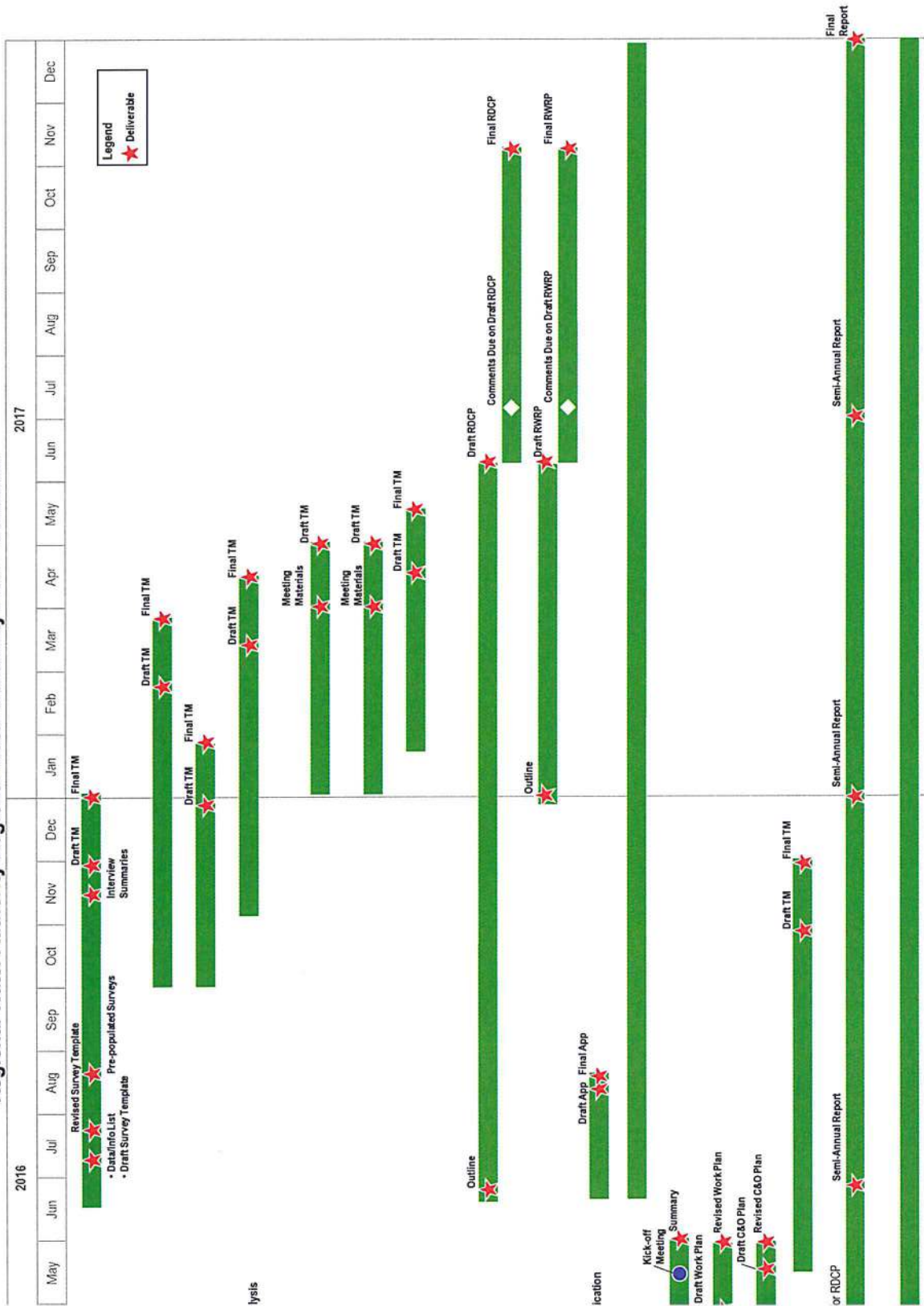
Description:

- Prepare and execute project agreements with RWA member agencies for development of the RWRP
- Provide periodic RWRP updates at RWA and SGA board meetings
- Conduct periodic RWRP workgroup meetings to facilitate plan development
- Process contractor invoices and payments

Deliverables:

Deliverable	Included in:	
	RDCP	RWRP
Draft and executed project agreements		✓
RWA and SGA board meeting materials (as needed)		✓
RWRP workgroup meeting materials (as needed)		✓
Contractor agreement execution and payments		✓

Regional Water Authority Regional Water Reliability Plan – Schedule



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**RWA Regional Water Reliability Plan
Scope of Work / Schedule / Budget**

C. Budget

RWA RWRP Budget

RWRP TASKS	RDCP		RWRP	Total
	Budget	Reclamation Work Plan Task(s)	Additional Budget	
Task 1 – Vulnerability Assessment	\$ 113,900	4.2	\$ 29,800	\$ 143,700
Task 2 – Mitigation Actions & Response Actions				
2.1 Mitigation Actions	\$ 98,300	4.3	\$ 25,600	
2.2 Response Actions	\$ 24,000	4.4	\$ 6,400	\$ 154,300
Task 3 – Conjunctive Use Program Operational Analysis	\$ 20,000	4.3	\$ 173,200	\$ 193,200
Task 4 – Implementation Road Map				
4.1 Operational & Administrative Framework	\$ 17,200	4.5	\$ 4,700	
4.2 Update Process	\$ 11,000	4.6	\$ 3,400	
4.3 Develop Framework for Larger CU Opportunities and Regional GW Bank		n/a	\$ 50,000	\$ 86,300
Task 5 – Documentation and Reporting				
5.1 RDCP (draft and final)	\$ 51,000	5		
5.2 RWRP (draft and final)		n/a	\$ 47,000	\$ 98,000
Task 6 – Prepare Proposition 1 IRWM Planning Grant Application		n/a	\$ 25,000	\$ 25,000
Task 7 – CVP Partner Engagement		n/a	\$ 25,000	\$ 25,000
Task 8 – Administrative Activities				
8.1 Establish RDCP DPTF	\$ 11,400	1		
8.2 Develop Work Plans (RDCP and RWRP)	\$ 17,600	2	\$ 4,800	
8.3 Develop RDCP C&O Plan	\$ 8,500	3		
8.4 RDCP Drought Monitoring	\$ 21,000	4.1		
8.5 Reclamation Agreement Management for RDCP	\$ 18,000	6		
8.6 RWRP Project Management		n/a	\$ 14,200	\$ 95,500
	\$ 411,900		\$ 409,100	\$ 821,000

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EXHIBIT 3

FINANCING PLAN

REGIONAL WATER AUTHORITY

REGIONAL WATER RELIABILITY PLAN PROJECT

As shown in the table below, the total estimated cost to complete the Project is \$821,000. Of that total, \$361,000 in funding is currently available through in-kind time, an existing grant, and an existing designation from RWA. This leaves an unmet funding amount of \$460,000.

Total Project Cost	\$821,000
Existing Sources of Funding:	
Approved In-Kind Staff Time to Prepare RDCP	\$111,000
Reclamation Grant to Prepare RDCP	\$200,000
Existing RWA Designation for IRWM	\$50,000
Unmet Funding Need to Complete Project	\$460,000

During implementation of the Project, additional sources of funding (e.g., grants) will likely be pursued to supplement the unmet funding need. To ensure the unmet funding need is covered if the other sources are not realized, a not-to-exceed fee of \$460,000 is being established for the Project Participants.

Fees will be collected from Participants through multiple phased assessments. The Phase 1 assessment will collect 60% of the not-to-exceed fee (\$276,000 of the \$460,000 total). Any assessments beyond the Phase 1 assessment, if necessary, will not occur prior to July 1, 2017. For purposes of establishing the Participant fees, multiple factors were considered, including: 1) the agency customer service connections; 2) whether the Participant is also a Regional Drought Contingency Plan Partner; and 3) whether the Participant is within, partially within, or outside the core American River Basin Integrated Regional Water Management Plan area. For agencies outside the core area, no fee is being assessed. Activities with those agencies will consist of limited surveying/interviewing, with those costs being covered through the existing RWA IRWM designation. Because there are no fees to the agencies outside the core area, they will not be required to execute a Project agreement with RWA and will not be considered Project Participants. The resulting fees for the Project Participants are shown in the table below.

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DRAFT - FOR DISCUSSION PURPOSES

Agencies to be consulted or interviewed during plan development

	Phase 1	Not-to-Exceed
California American Water	\$ 24,000	\$ 40,000
Carmichael Water District	\$ 7,800	\$ 13,000
Citrus Heights Water District	\$ 9,600	\$ 16,000
City of Folsom (1)	\$ 18,000	\$ 30,000
City of Lincoln	\$ 9,600	\$ 16,000
City of Roseville (1)	\$ 30,000	\$ 50,000
City of Sacramento (1)	\$ 30,000	\$ 50,000
City of West Sacramento (3)	\$ -	\$ -
City of Yuba City (3)	\$ -	\$ -
Del Paso Manor Water District	\$ 1,800	\$ 3,000
El Dorado County Water Agency (2)	\$ 6,000	\$ 10,000
El Dorado Irrigation District (2)	\$ 6,000	\$ 10,000
Elk Grove Water District	\$ 7,800	\$ 13,000
Fair Oaks Water District	\$ 7,800	\$ 13,000
Golden State Water Company	\$ 9,600	\$ 16,000
Orange Vale Water Company	\$ 2,400	\$ 4,000
Placer County Water Agency (1)	\$ 30,000	\$ 50,000
Rancho Murieta Community Services District (2)	\$ 1,200	\$ 2,000
Rio Linda/Elverta Community Water District	\$ 2,400	\$ 4,000
Sacramento County Water Agency	\$ 24,000	\$ 40,000
Sacramento Regional County Sanitation District	\$ 12,000	\$ 20,000
Sacramento Suburban Water District	\$ 24,000	\$ 40,000
San Juan Water District (1)	\$ 12,000	\$ 20,000
Woodland-Davis Clean Water Agency (3)	\$ -	\$ -
	\$ 276,000	\$ 460,000

(1) RDCP Partner

(2) Partially in contiguous core planning area

(3) Not in contiguous core planning area

Citrus Heights Water District
2016 Director Training Courses/Seminars/Conferences

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as of 8/2/2016

Date	Days	Topic	Sponsor	Location	Attendee	Total Expenses	Registration	Hotel	Air/Travel	Car rental	Meals	Parking/Taxi/ phone
02/04/16	1	Water Workshop 101	AMWA CAINV	West Sacramento	Ray Riehle	225.00	225.00					
05/02/16	2	ACWA Spring Conference	ACWA	Monterey	Al Dains	1,650.87	695.00	675.41		246.10	34.36	
						0.00						
						0.00						
						0.00						
						0.00						
						0.00						
					Grand Total	1,875.87						

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS AUGUST 9, 2016 REGULAR MEETING

SUBJECT : ADMINISTRATION BUILDING EXPANSION AND RENOVATION PROJECT
AND OFFICE ADDITION ACCEPTANCE
STATUS : Action Item – Consent Calendar
REPORT DATE : August 3, 2016
PREPARED BY : Robert A. Churchill, General Manager

OBJECTIVE:

Adopt Resolution 21-2016 Accepting the Administration Building Expansion and Renovation Project and authorize the filing of a Notice of Completion.

BACKGROUND AND ANALYSIS:

Construction of the Administration Building Expansion and Renovation Project and Office Addition is now complete with final inspections and approval on June 1, 2016 by the City of Citrus Heights and Sacramento Metro Fire District. Minor cosmetic corrections were completed by contractor Kaler/Dobler Construction, Inc. on July 21, 2016.

RECOMMENDATION:

Adopt Resolution 21-2016 Accepting the Administration Building Expansion and Renovation Project and authorize the filing of a Notice of Completion.

ACTION:

Moved by Director _____, Seconded by Director _____, Carried _____

CITRUS HEIGHTS WATER DISTRICT
RESOLUTION NO. 21-2016

RESOLUTION OF THE BOARD OF DIRECTORS
ACCEPTING
THE ADMINISTRATION BUILDING EXPANSION AND RENOVATION
PROJECT AND OFFICE ADDITION

WHEREAS, on December 9, 2014 the Board of Directors of the Citrus Heights Water District authorized the award of a contract to Kaler/Dobler Construction, Inc. for the Administration Building Expansion and Renovation Project and Office Addition Change Order executed February 16, 2016; and

WHEREAS, on December 10, 2014 the contract was fully executed between the District and Kaler/Dobler Construction, Inc.; and

WHEREAS, Kaler/Dobler Construction, Inc. has completed the work for the Administration Building Expansion and Renovation Project and Office Addition in accordance with the plans, specifications and contract documents prepared by the District pursuant to a final inspection on July 21, 2016.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Citrus Heights Water District that Administration Building Expansion and Renovation Project and Office Addition is accepted as complete.

BE IT FURTHER RESOLVED that the District Secretary is authorized to execute a Notice of Completion for the Administration Building Expansion and Renovation Project and Office Addition and to have said Notice recorded with the Office of the Recorder of Sacramento County.

PASSED AND ADOPTED by the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT this 9th day of August 2016 by the following vote, to wit:

AYES: Directors: Dains, Sheehan, Riehle
NOES: Directors:
ABSTAIN: Directors:
ABSENT: Directors:

SEAL

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

ATTEST:

ROBERT A. CHURCHILL, Secretary
Citrus Heights Water District

CERTIFICATION

I, ROBERT A. CHURCHILL, the duly and regularly appointed Secretary of the CITRUS HEIGHTS WATER DISTRICT, hereby certify and acknowledge that the foregoing Resolution 21-2016 was duly and regularly passed and adopted at a meeting of said Board of Directors at Citrus Heights, California on August 9, 2016, an original of which is on file at the Administrative Office of the Citrus Heights Water District and duly and regularly entered into the official records of proceedings of the Board of Directors of CITRUS HEIGHTS WATER DISTRICT.

SEAL

DATE: August 9, 2016

ROBERT A. CHURCHILL, Secretary
Citrus Heights Water District

RECORDED AT THE REQUEST OF
OWNER AND RETURN TO:

CITRUS HEIGHTS WATER DISTRICT
P.O. BOX 286
CITRUS HEIGHTS, CA 95611-0286

NO FEE FOR RECORDING
(Government Code Section 6103)

Space above for Recorders use only

NOTICE OF COMPLETION
FOR
ADMINISTRATION BUILDING EXPANSION AND RENOVATION PROJECT
AND OFFICE ADDITION

1. *Project Name:* Administration Building Expansion and Renovation Project and Office Addition
2. *Prime Contractor:* Kaler/Dobler Construction, Inc. of Rancho Cordova, California
3. *Date of Contract:* December 10, 2014
4. *Date of Final Inspection and Completion:* July 21, 2016
5. *Site Location:* 6230 Sylvan Road in the City of Citrus Heights, California.
6. *Description of Work or Materials Furnished:* Office Building Interior Renovation and Expansion, Landscaping, Parking Lot and all other work described pursuant to the contract plans and specifications on file with Citrus Heights Water District.
7. *Owner's Property Interest in Site is:* Grant Deed
8. *Owner:* Citrus Heights Water District
9. *Signature for Owner:*

Robert A. Churchill, General Manager/Secretary
Citrus Heights Water District

VERIFICATION

I hereby verify, under the penalty of perjury, that I am the person who signed the foregoing Notice of Completion and that the facts and contents therein are true and correct to the best of my knowledge.

DATE: August 9, 2016
PLACE: Citrus Heights, California

Robert A. Churchill, General Manager/Secretary
Citrus Heights Water District

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS AUGUST 9, 2016 REGULAR MEETING

SUBJECT : CITRUS HEIGHTS CITY HALL EASEMENT ACCEPTANCE
STATUS : Action Item – Consent Calendar
REPORT DATE : August 2, 2016
PREPARED BY : Paul A. Dietrich, Project Manager

OBJECTIVE:

Consider adoption of Resolution 20-2016 accepting an easement from CP City Hall, LLC.

BACKGROUND AND ANALYSIS:

Site improvements to the new Citrus Heights City Hall at 6360 Fountain Square Drive required the installation of new water distribution mains, water services and fire protection facilities to provide water service to the site. An easement for the water facilities was granted by CP City Hall, LLC at no cost to the District.

See attached Grant of Easement including Exhibit “A”, Legal Description and Exhibit “B”, Plat Map.

RECOMMENDATION:

Adopt Resolution 20-2016 accepting an easement from CP City Hall, LLC.

ACTION:

Moved by Director _____, Seconded by Director _____, Carried _____

RECORDED AT THE REQUEST OF
AND RETURN TO:

CITRUS HEIGHTS WATER DISTRICT
P.O. BOX 286
CITRUS HEIGHTS, CA 95611-0286

EXEMPT FROM TRANSFER TAX
(Revenue and Taxation Code Section 11922)

NO FEE FOR RECORDING
(Government Code Section 6103)

Space above for Recorder's use only

COUNTY APN: 243-0010-027
LOCATION: Citrus Heights, CA

GRANT OF EASEMENT
TO
CITRUS HEIGHTS WATER DISTRICT

CP CITY HALL, LLC, a California Limited Liability Company, for a valuable consideration, receipt of which is hereby acknowledged, does hereby grant to CITRUS HEIGHTS WATER DISTRICT, a political subdivision of the State of California formed pursuant to Division 11 of the Water Code (the "District"), a right-of-way and non-exclusive easement to construct, reconstruct, operate, maintain and/or repair water pipelines together with any and all appurtenances appertaining thereto; together with the perpetual right of ingress thereto and egress there from for the purpose of exercising and performing all of the rights and privileges granted herein; said pipelines and appurtenances to be of such size(s) and character as the grantee may determine, on, over, across and under all that certain real property, situate in the City of Citrus Heights County of Sacramento, State of California particularly described as follows:

See Exhibit A and Exhibit B, attached hereto and made a part hereof.

Use of this easement by the Grantor or by the Grantor's assignees or successors in interest, which is not compatible or interferes with the District's construction, reconstruction, operation, maintenance or repair of the water pipelines and appurtenances, shall not be allowed. The District acknowledges and agrees that Grantor and Grantor's assignees or successors in interest shall, at all times, be allowed to utilize the easement as a roadway, parking area or outdoor open space, including any hardscaped or landscaped area, and shall be permitted to maintain these improvements in a manner compatible with such uses on the easement. Any other proposed use by the Grantor or by the Grantor's assignees or successors in interest shall be requested in writing and subject to written approval by the District prior to the proposed construction or use of the easement by the Grantor. The Grantor at the Grantor's sole expense shall remove in a timely manner any use not specified and acknowledged above or approved in writing by the District. Should the District find it necessary to remove any part or all of the acknowledged or approved improvements of Grantor or Grantor's assignees or successors in interest for the


purpose of constructing or maintaining its water pipelines and appurtenances at any time, pursuant to the District's rights granted herein, the District shall be liable for all costs of removal of any such roadways, parking areas or other improvements and shall be responsible for the repair and restoration of such areas to the condition such areas were in prior to District's removal of any such improvements.

In witness thereof, Grantors have hereunto subscribed their names this 26th day of July, 2016.

CP City Hall, LLC,
a California limited liability company

Date July 22, 2016

By: R.B. Johnson Investments, LLC,
A California limited liability company,
Member/Manager

By: 
Rodney B. Johnson, Managing Member

By: Buckel Investments, LLC,
A California limited liability company,
Member/Manager

By: 
John A. Buckel, Managing Member

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

§
§
§

COUNTY OF Sacramento

On July 26, 2016 before me, S. Caruso, Notary Public, personally appeared Rodney S. Johnson and John A. Ruckel, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature S. Caruso (Seal)
Signature of Notary Public



EXHIBIT "A"
LEGAL DESCRIPTION
WATER EASEMENT
PAGE 1 OF 3

All that certain real property situate in the City of Citrus Heights, County of Sacramento, State of California, described as follows:

A portion of that certain Tract of land described in that certain Certificate of Compliance recorded in Book 20070323, Page 1434, Sacramento County Official Records, described as follows:

Parcel One

A strip of land the uniform width of fifteen (15) feet, lying five (5) feet to the left and ten (10) feet to the right of the following described line:

BEGINNING at a point hereinafter referred to as Point A, on the easterly line of that certain Easement for Public Roadway and Public Utilities, as said easement is described in that certain document recorded in Book 20070323, Page 1435, Sacramento County Official Records, from which the southwest corner of the above referenced Tract bears the following two (2) courses: (1) along said easterly line, South 10°54'31" West 178.67 feet to the southerly line of said Tract and (2) along said southerly line South 89°14'13" West 40.00 feet; thence from the point of beginning, leaving said easterly line, North 89°33'05" East 5.50 feet to a point hereinafter referred to as Point B; thence continuing North 89°33'05" East 56.62 feet; thence South 00°26'55" East 122.60 feet; thence North 89°14'28" East 61.09 feet to a point hereinafter referred to as Point C; thence continuing North 89°14'28" East 228.86 feet; thence North 00°45'32" West 6.00 feet to a point hereinafter referred to as Point D; thence continuing North 00°45'32" West 8.99 feet to a point hereinafter referred to as Point E; thence continuing North 00°45'32" West 80.13 feet to a point hereinafter referred to as Point F; thence continuing North 00°45'32" West 242.41 feet to a point hereinafter referred to as Point G; thence continuing North 00°45'32" West 70.10 feet to a point hereinafter referred to as Point H; thence South 89°14'28" West 206.89 feet; thence South 66°44'28" West 39.65 feet; thence North 70°26'16" West 38.76 feet to a point on said easterly line hereinafter referred to as Point I and the terminus of the herein described easement.

The sidelines of said strip shall be lengthened or shortened to terminate at said easterly line.



EXHIBIT "A"
LEGAL DESCRIPTION
WATER EASEMENT
PAGE 2 OF 3



Parcel Two

A strip of land the uniform width of ten (10) feet, the centerline of which is described as follows:

BEGINNING at said Point B; thence South 00°45'47" East 29.16 feet to the terminus of the herein described easement.

Parcel Three

A strip of land the uniform width of ten (10) feet, the centerline of which is described as follows:

BEGINNING at said Point C; thence North 00°45'32" West 12.67 feet to the terminus of the herein described easement.

Parcel Four

A strip of land the uniform width of ten (10) feet, the centerline of which is described as follows:

BEGINNING at said Point D; thence North 89°14'28" East 29.98 feet to the terminus of the herein described easement.

Parcel Five

A strip of land the uniform width of ten (10) feet, the centerline of which is described as follows:

BEGINNING at said Point E; thence South 89°14'28" West 14.25 feet to the terminus of the herein described easement.

Parcel Six

A strip of land the uniform width of twenty-five (25) feet, the centerline of which is described as follows:

BEGINNING at said Point F; thence South 89°20'02" West 32.02 feet to the terminus of the herein described easement.

EXHIBIT "A"
LEGAL DESCRIPTION
WATER EASEMENT
PAGE 3 OF 3



Parcel Seven

A strip of land the uniform width of ten (10) feet, the centerline of which is described as follows:

BEGINNING at said Point G; thence South 89°14'28" West 14.25 feet to the terminus of the herein described easement.

Parcel Eight

A strip of land the uniform width of fifteen (15) feet, lying five (5) feet to the left and ten (10) feet to the right of the following described line:

BEGINNING at said Point H; thence North 00°45'32" West 35.00 feet to the terminus of the herein described easement.

Parcel Nine

A strip of land the uniform width of 3.5 feet, the westerly line of which is described as follows:

BEGINNING at said Point I; thence along the above referenced easterly line along the arc of a curve to the right, concave to the east, having a radius of 1122 feet, and being subtended by a chord bearing North 20°45'19" East 45.97 feet to the terminus of the herein described easement.

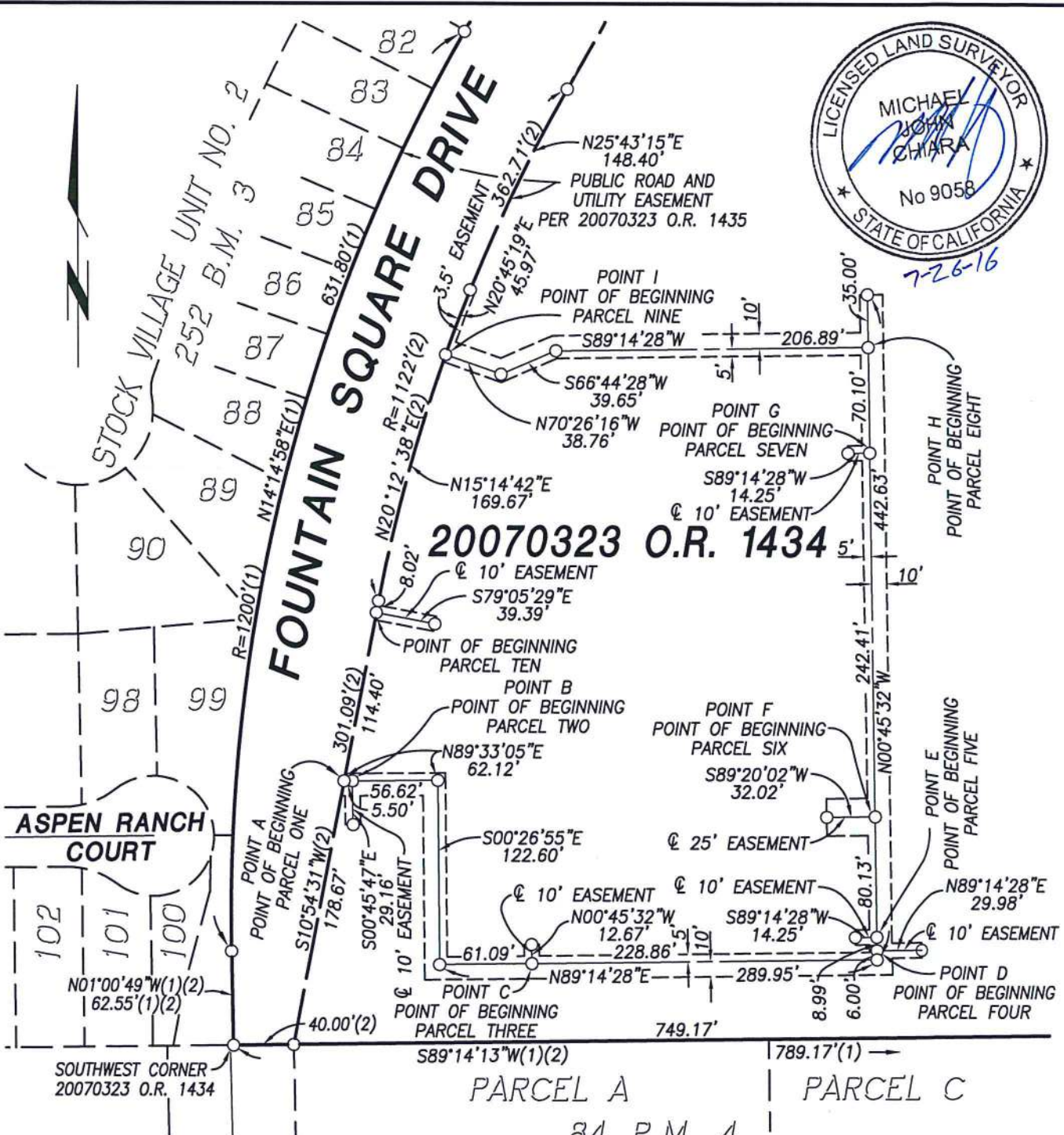
Parcel Ten

A strip of land the uniform width of ten (10) feet, the centerline of which is described as follows:

BEGINNING at a point on the above referenced easterly line from which said Point A bears South 10°54'31" West 114.40 feet; thence from the point of beginning, leaving said easterly line, South 79°05'29" East 39.39 feet to the terminus of the herein described easement.

The sidelines of said strip shall be lengthened or shortened to terminate at said easterly line.

Dwg: X:1201414-0049-00 (CITRUS HEIGHTS CITY HALL) \DWG\SRV\EXHIBITS\140049-S1-EX01.DWG | Saved: 08-25-15 03:01pm MCHHARA | Plotted: 01-12-16 01:44pm MCHHARA



REFERENCES
 (1)....20070323 O.R. 1434
 (2)....20070323 O.R. 1435



MORTON & PITALO, INC.
 CIVIL ENGINEERING • LAND PLANNING • LAND SURVEYING
 LANDSCAPE ARCHITECTURE • TRAFFIC ENGINEERING
 75 Iron Point Circle, Suite 120 • Folsom, CA 95630
 phone: 916.984.7621 • fax: 916.984.9617
 survey email: staking@mpengr.com • web: www.mpengr.com

DRAWN:	MJC	JOB NO:	140049
CHECKED:	CJG	DATE:	JANUARY 2016
SCALE:	1"=100'	SHEET:	1 of 1

EXHIBIT B

WATER EASEMENT
PORTION OF CERTIFICATE OF COMPLIANCE - 20070323 O.R. 1434

CITY OF CITRUS HEIGHTS, CALIFORNIA

CITRUS HEIGHTS WATER DISTRICT
RESOLUTION NO. 20-2016

RESOLUTION OF THE BOARD OF DIRECTORS
OF CITRUS HEIGHTS WATER DISTRICT
ACCEPTING AN EASEMENT FROM
CP CITY HALL, LLC
FOR WATER DISTRIBUTION FACILITIES WITHIN
6360 FOUNTAIN SQUARE DR, CITRUS HEIGHTS CITY HALL

Whereas CP CITY HALL, LLC, a California Limited Liability Company, for a valuable consideration, receipt of which is hereby acknowledged, does hereby grant to CITRUS HEIGHTS WATER DISTRICT, a political subdivision of the State of California formed pursuant to Division 11 of the Water Code, a right-of-way and non-exclusive easement to construct, reconstruct, operate, maintain and/or repair water pipelines together with any and all appurtenances appertaining thereto; together with the perpetual right of ingress thereto and egress there from for the purpose of exercising and performing all of the rights and privileges granted herein; said pipelines and appurtenances to be of such size(s) and character as the grantee may determine, on, over, across and under all that certain real property, situate in the City of Citrus Heights, County of Sacramento, State of California particularly described as follows:

A portion of that certain Tract of land described in that certain Certificate of Compliance recorded in Book 20070323, Page 1434, Sacramento County Official Records, described as follows:

Parcel One

A strip of land the uniform width of fifteen (15) feet, lying five (5) feet to the left and ten (10) feet to the right of the following described line:

BEGINNING at a point hereinafter referred to as Point A, on the easterly line of that certain Easement for Public Roadway and Public Utilities, as said easement is described in that certain document recorded in Book 20070323, Page 1435, Sacramento County Official Records, from which the southwest corner of the above referenced Tract bears the following two (2) courses: (1) along said easterly line, South 10°54'31" West 178.67 feet to the southerly line of said Tract and (2) along said southerly line South 89°14'13" West 40.00 feet; thence from the point of beginning, leaving said easterly line, North 89°33'05" East 5.50 feet to a point hereinafter referred to as Point B; thence continuing North 89°33'05" East 56.62 feet; thence South 00°26'55" East 122.60 feet; thence North 89°14'28" East 61.09 feet to a point hereinafter referred to as Point C; thence continuing North 89°14'28" East 228.86 feet; thence North 00°45'32" West 6.00 feet to a point hereinafter referred to as Point D; thence continuing North 00°45'32" West 8.99 feet to a point hereinafter referred to as Point E; thence continuing North 00°45'32" West 80.13 feet to a point hereinafter referred to as Point F; thence continuing North 00°45'32" West 242.41 feet to a point hereinafter referred to as Point G; thence continuing North 00°45'32" West 70.10 feet to a point hereinafter referred to as Point H; thence South 89°14'28" West 206.89 feet; thence South 66°44'28" West 39.65 feet; thence North 70°26'16" West 38.76 feet to a point on said easterly line hereinafter referred to as Point I and the terminus of the herein described easement.

The sidelines of said strip shall be lengthened or shortened to terminate at said easterly line.

Parcel Two

A strip of land the uniform width of ten (10) feet, the centerline of which is described as follows:

BEGINNING at said Point B; thence South $00^{\circ}45'47''$ East 29.16 feet to the terminus of the herein described easement.

Parcel Three

A strip of land the uniform width of ten (10) feet, the centerline of which is described as follows:

BEGINNING at said Point C; thence North $00^{\circ}45'32''$ West 12.67 feet to the terminus of the herein described easement.

Parcel Four

A strip of land the uniform width of ten (10) feet, the centerline of which is described as follows:

BEGINNING at said Point D; thence North $89^{\circ}14'28''$ East 29.98 feet to the terminus of the herein described easement.

Parcel Five

A strip of land the uniform width of ten (10) feet, the centerline of which is described as follows:

BEGINNING at said Point E; thence South $89^{\circ}14'28''$ West 14.25 feet to the terminus of the herein described easement.

Parcel Six

A strip of land the uniform width of twenty-five (25) feet, the centerline of which is described as follows:

BEGINNING at said Point F; thence South $89^{\circ}20'02''$ West 32.02 feet to the terminus of the herein described easement.

Parcel Seven

A strip of land the uniform width of ten (10) feet, the centerline of which is described as follows:

BEGINNING at said Point G; thence South 89°14'28" West 14.25 feet to the terminus of the herein described easement.

Parcel Eight

A strip of land the uniform width of fifteen (15) feet, lying five (5) feet to the left and ten (10) feet to the right of the following described line:

BEGINNING at said Point H; thence North 00°45'32" West 35.00 feet to the terminus of the herein described easement.

Parcel Nine

A strip of land the uniform width of 3.5 feet, the westerly line of which is described as follows:

BEGINNING at said Point I; thence along the above referenced easterly line along the arc of a curve to the right, concave to the east, having a radius of 1122 feet, and being subtended by a chord bearing North 20°45'19" East 45.97 feet to the terminus of the herein described easement.

Parcel Ten

A strip of land the uniform width of ten (10) feet, the centerline of which is described as follows:

BEGINNING at a point on the above referenced easterly line from which said Point A bears South 10°54'31" West 114.40 feet; thence from the point of beginning, leaving said easterly line, South 79°05'29" East 39.39 feet to the terminus of the herein described easement.

The sidelines of said strip shall be lengthened or shortened to terminate at said easterly line.

NOW THEREFORE, BE IT RESOLVED that CITRUS HEIGHTS WATER DISTRICT accepts said Grant of Easement and conveyance and that a certified copy of this Resolution be provided to the County of Sacramento to be attached to and recorded with said Grant of Easement in the Office of the County Recorder of Sacramento County.

PASSED AND ADOPTED by the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT this 9th day of August 2016 by the following vote, to wit:

AYES: Directors: Dains, Sheehan, Riehle
NOES: Directors:
ABSTAIN: Directors:
ABSENT: Directors:

SEAL

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

ATTEST:

ROBERT A. CHURCHILL, Secretary
Citrus Heights Water District

CERTIFICATION:

I, ROBERT A. CHURCHILL, hereby certify and acknowledge that Resolution 20-2016 was adopted by the Board of Directors of Citrus Heights Water District at a duly called and noticed regular meeting of said Board on the 9th day of August 2016.

ROBERT A. CHURCHILL, Secretary
Citrus Heights Water District

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS AUGUST 9, 2016 REGULAR MEETING

SUBJECT : 2017 BUDGET WORKSHOP SPECIAL MEETING
STATUS : Action Item
REPORT DATE : August 3, 2016
PREPARED BY : Robert A. Churchill, General Manager

OBJECTIVE:

Call for a Special Meeting of the Board of Directors at 6:30 PM on Monday, August 29, 2016 for the purpose of conducting a 2017 Budget Workshop Meeting.

BACKGROUND AND ANALYSIS:

A work session with the Board of Directors highlighting the “building blocks” of the operations and capital budgets/key assumptions/strategic plan needs is proposed for August 29th, followed by an initial budget presentation at the September Regular Board of Directors Meeting in September.

RECOMMENDATION:

Call for a Special Meeting of the Board of Directors at 6:30 PM on Monday, August 29, 2016 for the purpose of conducting a 2017 Budget Workshop Meeting.

ACTION:

Moved by Director _____, Seconded by Director _____, Carried _____

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS AUGUST 9, 2016 REGULAR MEETING

SUBJECT : APPROVAL OF 2017 STRATEGIC PLAN
 STATUS : Discussion and Action Item
 REPORT DATE : August 2, 2016
 PREPARED BY : Robert A. Churchill, General Manager
 Hilary M. Straus, Assistant General Manager
 Lisa A. Smoot, Management Services Supervisor/Chief Board Clerk

OBJECTIVE:

Discussion and possible action concerning the Citrus Heights Water District 2017 Strategic Plan.

BACKGROUND AND ANALYSIS:

Beginning with the 2017 budget process, CHWD has initiated an annual Strategic Planning process. The goal of Strategic Planning has been to bring the Board of Directors and key District staff together to identify and prioritize the District's key policy, program and project issues, and to identify what items, given limited resources (i.e., funding, time and staffing resources) the District should be working on over and above daily operations in the coming year. One key follow-up item of this planning process is to prepare a budget for the coming year that reflects the results of the Strategic Plan.

The Strategic Planning process includes three major components: 1) Education; 2) Team Building; 3) Work Program Development.

The *education component* consisted of a tour of the Sidney Peterson Water Treatment Plant at San Juan Water District, an extensive bus tour of the Citrus Heights Water District service area and a key issues briefing by CHWD staff on May 31, 2016. Also on June 14, 2016, San Juan Water District Assistant General Manager Keith Durkin provided a key issues briefing to the CHWD Board of Directors on the San Juan Wholesale operation.

The *Team Building* and *Work Program Development* components took place on June 26, 2016, in a session attended by the Board of Directors and key District staff, facilitated by Laura Mason-Smith.

Accompanying this staff report are the Strategic Planning notes, prepared by facilitator Laura Mason-Smith. District leadership staff has made initial assignments as to who will serve as Project/Issue Lead and who will serve on the Project or Issue/Team to accomplish each objective.

District leadership staff will be reviewing progress on the Strategic Plan several times each month, and update the Board of Directors quarterly or more often as requested.

RECOMMENDATION:

Review the Strategic Plan notes accompanying this staff report, approve the 2017 Strategic Plan, and direct that Strategic Planning Goals and Objectives be strongly considered for funding in the 2017 budget, which will be considered by the Board of Directors for adoption in November.

Moved by Director _____, Seconded by Director _____, Carried _____

Citrus Heights Water District

***STRATEGIC PLAN
SESSION SUMMARY***

Sunday, June 26, 2016

designed and facilitated by



*Laura Mason-Smith
916-485-3582 www.masonsmith.com*

Citrus Heights Water District
2017-2020 STRATEGIC PLAN SESSION SUMMARY
Sunday, June 26, 2016

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Citrus Heights Water District
2017-2020 STRATEGIC PLAN SESSION SUMMARY

Sunday, June 26, 2016

OVERVIEW

On Sunday, June 26, 2016, the following members of the Board and Management of the Citrus Heights Water District met to develop the District's 2017-2020 Strategic Plan:

Allen B. Dains	President of the Board
Caryl F. Sheehan	Vice President of the Board
Raymond A. Riehle	Director
Robert A. Churchill	General Manager
Hilary M. Straus	Assistant General Manager
Paul A. Dietrich	Project Manager
David M. Gordon	Operations Manager
Lisa A. Smoot	Management Services Supervisor/Chief Board Clerk
Susan K. Sohal	Accounting Supervisor
Brian M. Hensley	Water Quality Supervisor
Tim R. Cutler	Water Distribution Supervisor
Missy A. Pieri	Associate Civil Engineer
Rex W. Meurer	Water Efficiency Coordinator

The session was facilitated by Laura Mason-Smith of Mason-Smith SUCCESS STRATEGIES. Outlined on the following pages is a summary of the Strategic Plan Session results.

Citrus Heights Water District
2017-2020 STRATEGIC PLAN SESSION SUMMARY
Sunday, June 26, 2016

INTRODUCTION

Board Chair Allen Dains welcomed everyone and called the meeting to order. General Manager Robert Churchill explained that the purpose of the session was to develop the 2017-1010 Strategic Plan for the District.

DISTRICT ACCOMPLISHMENTS AND STRENGTHS

The participants identified the following District City accomplishments and strengths:

1. The District is running very well; we do things right and demonstrate accountability
2. Excellent customer service/relations and positive public perceptions
3. Effective drought response programs and positive results
4. Great people – customers, elected Board members, and staff
5. Extremely effective budget process – options, notices, public engagement, and rate adjustments
6. District's important role in the Citrus Heights community
7. Leadership in the local water industry
8. Reliability, trustworthiness, and follow-through on commitments
9. Foresight and on-call capabilities
10. Well development
11. Proactively preparing a well-established foundation for the future
12. Building capacity, both externally and internally
13. Administration building remodel, and water main beyond San Juan High School
14. Professional response to the San Juan and Sacramento Suburban Water Districts' merger
15. Resilient and very professional workforce
16. Succession planning
17. Both staff longevity and staff taking on new positions and roles
18. High level of respect really stands out
19. Increasingly coming together and working in unison
20. Integrity throughout comes from the top
21. Family atmosphere and mutual respect – a great place to work!

REAFFIRMATION OF THE DISTRICT'S MISSION AND CORE VALUES

The participants reaffirmed the District's Mission, Vision, Core Values, and Commitments as follows.

MISSION STATEMENT

The mission of the Citrus Heights Water District is to furnish a dependable supply of safe, quality water delivered to its customers in an efficient, responsive, and affordable manner.

VISION STATEMENT

The Citrus Heights Water district will continue to evolve as a dynamic provider of municipal water service to assure that our customers receive the best value without giving it a second thought.

CORE VALUES

not in priority order

Integrity

Teamwork

Dependability

Accountability

Professionalism

COMMITMENTS

(See Attachment A)

ISSUES, FACTORS, AND TRENDS

The participants identified the following key issues, factors, and trends that do or could affect the District:

1. San Juan Water District/Regional Water Authority Reliability Study
2. SGMA implications
3. Water banking
4. Public engagement, information, and education
5. Aging infrastructure (mains, meters, buildings, yards)
6. CIP pressure control, power generation, and SMUD interaction
7. Outside agencies regarding interties
8. CIP Master Plan
9. Billing and HR software updates
10. Document and asset management
11. State and regional fees increasing
12. San Juan Water District (SJWD) capital projects funding impacts on our District
13. LAFCO process of closing “donut holes”
14. Well development and sight acquisition
15. New County requirements, such as paving and others
16. State mandates, both known and unknown
17. 24-inch water main replacement requirements
18. SGMA implementation
19. Conservation requirement and Water Resources Control Board oversight
20. San Juan Water District wholesale debt
21. EPA and other regulations, and regulatory cost drivers
22. Project flexibility within the CIP
23. Corporation Yard Improvement Project
24. Operations Building remodel
25. HR policy updating, succession planning, career laddering, hiring, training, and records retention

Citrus Heights Water District
2017-2020 STRATEGIC PLAN SESSION SUMMARY
Sunday, June 26, 2016

ISSUES, FACTORS, AND TRENDS (continued)

26. Document and asset management
27. Folsom Lake reliability
28. Water conservation regulations
29. Water supply reliability
30. Potential consolidation of water districts in our region
31. Public goods charge
32. Water transfer
33. Avoiding new debt
34. Ratepayer involvement
35. Human resources expenses for healthcare and PERS
36. Potential implications of the “Internet of Things”

THREE-YEAR GOALS – 2017-2020

(not in priority order)

After extensive discussion, the participants prioritized the District’s five top Three-Year Goals:

- ***Project 2030 – Water Main Improvements***
- ***Meter Replacement Program***
- ***Well Development***
- ***Capital Improvements Program***
- ***Organization-Wide Objectives***

Citrus Heights Water District
2017-2020 STRATEGIC PLAN SESSION SUMMARY
 Sunday, June 26, 2016

CITRUS HEIGHTS WATER DISTRICT ☼ 2017 STRATEGIC OBJECTIVES

THREE-YEAR GOAL: *PROJECT 2030 – WATER MAIN IMPROVEMENTS*

Objectives to be Completed in the 2017 Year							
#	WHEN	WHO	WHAT	STATUS			COMMENTS
				Done	On Target	Revised	
1	9/17	Borey S. (Lead), Paul D., Missy P., ACE, Lisa S., Beth S. & Susan S.	Asset inventory into ESRI				
2.	9/17	Missy P. (Lead), Susan S., ACE, Paul D., David G., Brian H., & Hilary S.	Prepare Request for Proposal (RFP) for an Engineering/Funding Planning Study				
3.	2018	Missy P. (Lead), Susan S., Paul D., David G., ACE, Brian H., & Hilary S.	Gain Board direction based on options from the Engineering/Funding Planning Study				

Citrus Heights Water District
2017-2020 STRATEGIC PLAN SESSION SUMMARY
 Sunday, June 26, 2016

CITRUS HEIGHTS WATER DISTRICT ☼ 2017 STRATEGIC OBJECTIVES

THREE-YEAR GOAL: METER REPLACEMENT PROGRAM

Objectives to be Completed in the 2017 Year							
#	WHEN	WHO	WHAT	STATUS			COMMENTS
				Done	On Target	Revised	
1	7/17	Kelly D. (Lead), Rex M., Susan S., Alberto P., David G., IT, and Hilary S.	Identify technology platform				
2.	7/17	Kelly D. (Lead), Rex M., Susan S., Alberto P., David G., IT, and Hilary S.	Identify replacement timeline				
3.	8/17	Susan S. (Lead), Alberto P., Kelly D., Rex M., David G., IT, and Hilary S.	Prepare cost estimates				
4.	11/17	Susan S (Lead), Alberto P., Kelly D., Rex M., David G., IT, and Hilary S.	Establish Meter Replacement Fund Reserve and timeline				

Citrus Heights Water District
2017-2020 STRATEGIC PLAN SESSION SUMMARY
 Sunday, June 26, 2016

CITRUS HEIGHTS WATER DISTRICT ✪ 2017 STRATEGIC OBJECTIVES

THREE-YEAR GOAL: WELL DEVELOPMENT

Objectives to be Completed in the 2017 Year							
#	WHEN	WHO	WHAT	STATUS			COMMENTS
				Done	On Target	Revised	
1.	1/17	Brian H. (Lead), David G., Missy P., Susan S., Hilary S. and Real Estate Rep.	Acquire the site for Well # 7 and successfully test the hole				
2.	1/17	Brian H. (Lead), David G., Missy P., Susan S., and Hilary S.	Complete the Peak Demand Assessment (PDA) using current data				
3.	3/17	Brian H. (Lead), David G., Missy P., Susan S., and Hilary S.	Complete upgrades to Palm and Sunrise Wells				
4.	12/17	Brian H. (Lead), David G., Missy P., Susan S., and Hilary S.	Complete design and grant funding for # 7				
5.	1-12/17	Brian H. (Lead), David G., Missy P., Susan S., Hilary S. and Real Estate Rep.	Continue other well site acquisition				

Citrus Heights Water District
2017-2020 STRATEGIC PLAN SESSION SUMMARY
 Sunday, June 26, 2016

CITRUS HEIGHTS WATER DISTRICT ☼ 2017 STRATEGIC OBJECTIVES

THREE-YEAR GOAL: CAPITAL IMPROVEMENTS PROGRAM

Objectives to be Completed in the 2017 Year							
#	WHEN	WHO	WHAT	STATUS			COMMENTS
				Done	On Target	Revised	
1	6/17	Paul D. (Lead), Missy P., ACE, Susan S., Alberto P. and Hilary S.	Update the Ten-Year Capital Improvement Program (CIP)				
2.	9/17	Paul D. (Lead), Missy P., ACE, Susan S., Alberto P. and Hilary S.	Determine one-year CIP options				
3.	8/17	Paul D (Lead), Missy P., ACE, Susan S., Alberto P. and Hilary S.	Complete the Operations Building design				
4.	10/17	Paul D. (Lead), Missy P., ACE, Susan S., Alberto P. and Hilary S.	Complete the Corporation Yard build				
5.	12/17	Paul D. (Lead), Missy P., ACE, Susan S., Alberto P. and Hilary S.	Complete the Pressure Reduction/ Power Generation plan				

Citrus Heights Water District
2017-2020 STRATEGIC PLAN SESSION SUMMARY
 Sunday, June 26, 2016

CITRUS HEIGHTS WATER DISTRICT ✪ 2017 STRATEGIC OBJECTIVES

THREE-YEAR GOAL: ORGANIZATION-WIDE OBJECTIVES

Objectives to be Completed in the 2017 Year							
#	WHEN	WHO	WHAT	STATUS			COMMENTS
				Done	On Target	Revised	
1.	Q1 2017	Susan S. (Lead), Alberto P., Lisa S., Beth S. & IT	Develop the Finance/Utility/HR/Timekeeping system software replacements Request for Proposal (RFP)				
2.	Q1 2017	Hilary S. (Lead), Lisa S., Beth S., Susan S., David G. and Missy P.	Complete Performance Evaluation System policy and administrative updates				
2.	Q2 2017	Lisa S. (Lead), Hilary S., Susan S., David G., Beth S. and Board	Prepare RFP for new General Counsel Services and get recommendations from other agencies				
3.	Q3 2017	General Counsel, Hilary S., David G., Susan S., Brian H. and Kelly D.	Update Intertie Agreements: <ul style="list-style-type: none"> • Conduct needs assessment • Meet with other agencies 				
4.	Q3 2017	Lisa (Lead), Hilary S., Beth S., Susan S., David G., Paul D. and Employment Practices Special Counsel	Update HR Policies: <ul style="list-style-type: none"> • Needs assessment • Resource assessment • Employee communication 				
5.	Q3-4 2017	Hilary S. (Lead), Board, Lisa S. and Susan S.	Pursue Community Leadership Development for future Board members				
6.	Q4 2017	Lisa S. (Lead), Beth S., Susan S. and Hilary S.	Complete document management/indexing: <ul style="list-style-type: none"> • Update retention schedule • Enterprise-wide document imaging strategy 				
7.	Q4 2017	Lisa S. (Lead), Hilary S., Beth S., Susan S., David G., Paul D., and Missy P.	Address career ladderding: <ul style="list-style-type: none"> • Create Employee Relations Committee (ERC) • Create job descriptions 				

ATTACHMENT A

DISTRICT COMMITMENTS

We commit to being good stewards of our water supply and the environment.

We commit to responsible resource management of the District's capital, fiscal and personnel assets.

We commit to provide reliable and dependable water service at an affordable cost.

We commit to provide a water supply that meets or exceeds State and federal water quality standards.

We commit to provide customer service that is extraordinary to both our rate-payers and to our work team.

We commit to be a valuable resource for our customers in consistently providing friendly, respectful service.

We commit to provide information that is accurate, complete and relevant.

We commit to excel beyond our commitments when moments of opportunity arise.

We commit to conduct our affairs with the highest ethical standards.

We commit to develop and implement reasonable policies and procedures that foster integrity and trust.

We commit to have a friendly, courteous and professional person readily available to telephone customers during business hours.

DISTRICT COMMITMENTS (continued)

We commit to have a well-trained staff that supports one another in opportunities for personal and professional growth.

We commit to provide the equipment, technology and training necessary to assure that our customers received the best value in water service.

We commit to work together for each other and for our customers.

We commit to provide employee compensation and benefits commensurate with the public agency marketplace in the Sacramento region.

We commit to an empowered staff that is accountable, team-oriented and supportive of each member's performance.

We commit to create a positive and safe work environment that recognizes and rewards superior performance.

We commit to hire progressive employees that will fulfill the mission of the District.

We commit to support economic growth by ensuring water service adequate to meet new customer demand.

We commit to collaborate with other agencies in support of regional endeavors of mutual interest and benefit.

We commit to efficiently and effectively accomplish the day's business while preparing for the future.

We commit to choosing a great attitude.

ATTACHMENT B
PARKING LOT – OBJECTIVES FOR CONSIDERATION AFTER 2017

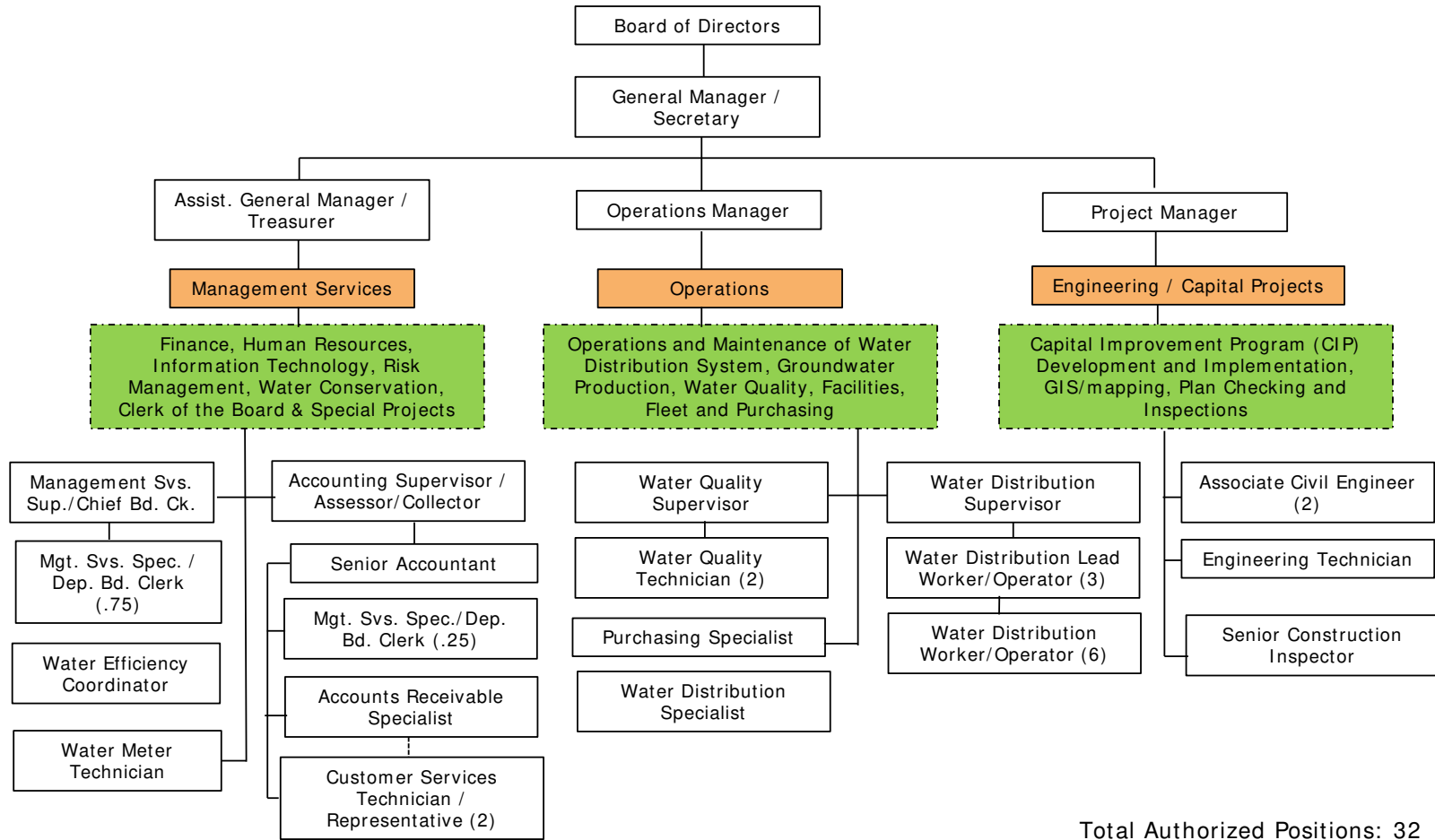
1. LAFCO annexations:
 - a. Reevaluate approach
 - b. Prioritize
 - c. Develop proposed strategy

2. Assess use of surplus well sites

3. Redo the rate model for 2018

Citrus Heights Water District
2017-2020 STRATEGIC PLAN SESSION SUMMARY
 Sunday, June 26, 2016

ATTACHMENT C
ORGANIZATION CHART



Total Authorized Positions: 32

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS AUGUST 9, 2016 REGULAR MEETING

SUBJECT : TRAINING / CONTINUED EDUCATION / MEETINGS
 STATUS : Information Item
 REPORT DATE : August 3, 2016
 PREPARED BY : Robert A. Churchill, General Manager

Upcoming training, continued education and meeting opportunities for Directors and Management Staff for consideration. New items are noted in *bold italics*.

Common Abbreviations:	ACWA	Association of California Water Agencies
	ASCE	American Society of Civil Engineers
	AWWA	American Water Works Association
	CSDA	California Special Districts Association
	JPIA	Joint Powers Insurance Authority
	WEF	Water Education Foundation

A. Sep 28-Oct 1 ASCE National Conference
Portland, OR

Recommended Attendees: GM Churchill

B. Oct 10-13 CSDA Annual Conference
San Diego, CA

Recommended Attendees:

C. Oct 24-27 AWWA CA/NV Section Fall Conference
San Diego, CA

Recommended Attendees:

D. Nov 28-29 ACWA-JPIA Fall Conference
Anaheim, CA

Recommended Attendees: Directors Dains, Sheehan, Riehle, IGM Straus

E. Nov 30-Dec 2 ACWA Fall Conference
Anaheim, CA

Recommended Attendees: Directors Dains, Sheehan, Riehle, IGM Straus

F. WEF 2016 Water Tours

Oct 19-21 Northern California Tour

Nov 2-3 San Joaquin River Restoration Tour

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS AUGUST 09, 2016 REGULAR MEETING

SUBJECT : FUNDS AND RESERVES POLICY AMENDMENTS
 STATUS : Action Item
 REPORT DATE : August 4, 2016
 PREPARED BY : Susan K. Sohal, Accounting Supervisor
 Hilary M. Sohal, Assistant General Manager

OBJECTIVE:

Consider approving amendments to District Fiscal Management Policies regarding District Funds and Reserves.

BACKGROUND AND ANALYSIS:

The District's Fiscal Management Policies contain separate policies relating to the District's Funds and Reserves that are used to organize and allocate all District monies for various purposes. These policies define the purpose for which the specified Fund or Reserve is to be used, and set forth certain responsibilities and restrictions on the transfer or expenditure of monies.

Five of the Funds and Reserves policies are being presented for discussion with proposed amendments or deletion to policy. In addition, three new proposed policies are being presented pertaining to the two newly adopted Funds and new Reserve in 2015 and one concerning the existing Debt Services Reserve. Copies of each of the policies with proposed amendments are attached to this staff report. The proposed changes or deletions will serve to do the following:

- Establish three new policies for the specified Fund or Reserve.
- Amend three existing Funds: Rate Stabilization Reserve, Capital Improvement Reserve, and Employment-Related Benefits Reserve.
- Delete two policies: the Depreciation Reserve Policy and the Connection Fund Policy, and consolidate those two funds with the Capital Improvement Reserve.

The amended Policies would continue to allow for monies to be transferred in or out of most of the Funds and Reserves at the direction of the District Treasurer with monthly reports to the Board on said actions, except for the Rate Stabilization Reserve. For that fund, expenditure or transfer of monies out would remain under the authority of the Board of Directors. The amounts of monies to be retained in each of the specified Funds and Reserves are expressed as "targets" rather than absolute dollar amounts to serve as a guideline for managing each Fund or Reserve. The Board of Directors, and the Treasurer under the Board's direction, retains the authority to determine appropriate levels for each source under circumstances that will undoubtedly change over time.

Funds with proposed amendments:

Policy 6220, Rate Stabilization Reserve. This Fund was established in 1995 to provide funds for use to ensure financial and customer rate stability. The proposed strike out provision in Attachment 1 is addressed with the creation of the Debt Services Reserve Policy. Therefore, the Rate Stabilization

Reserve will no longer be available for debt payment.

Policy 6240, Capital Improvement Reserve. This Fund was established in 1995 to provide funds for use in evaluating, designing and constructing, replacing or rehabilitating facilities and for new capital facilities to benefit District customers. The Depreciation Reserve and Connection Fund are proposed to be merged into the Capital Improvement Reserve.

Policy 6270, Employment-Related Benefits Reserve. This Fund was established in 1995 to set aside funds over an extended period of time to pay the costs of employment-related benefits for existing and retired District employees. This proposed change to this Reserve is the inclusion of Management Leave and CTO (Compensated Time Off) as allowable uses of the Reserve.

Funds requiring policies:

As the funds were created by the Board, policies governing their use are required.

The Debt Services Reserve is a restricted reserve and was established as a way to set monies aside to maintain debt coverage ratios in accordance with bond covenants or other agreements or requirements associated with the issuance of debt by the District.

The Water Supply Reserve was established in 2015 as a way to set monies aside for use in evaluating, designing and constructing, replacing or rehabilitating capital facilities such as wells, water supply projects, and recycled and reclaimed water projects.

The Water Efficiency Fund was established in 2015 as a way to set monies (a target of \$200,000) aside for use in a water supply shortage, water supply interruption, to meet Federal/State/Regional/Local mandates or for other water efficiency related programmatic needs.

Policies recommended for deletion:

The Depreciation Reserve and Connection Fund Policies are proposed to be combined with the Capital Improvement Reserve to be at least the amount needed to meet the District's estimated capital outlays for replacement and rehabilitation of capital facilities during the current and following fiscal years with the goal of reaching 5% of the total capital assets (less equipment and machinery) when reasonably feasible. Combining the funds would allow for a more efficient accounting method of the capital assets as a whole rather than managing these Funds separately.

Policy 6230, Depreciation Reserve. This Fund was established in 1995 as a way to set monies aside to replace or rehabilitate capital facilities at the end of useful life. This fund is proposed to be combined with the Capital Improvement Reserves for all capital facilities: replacement, rehabilitations and new.

Policy 6250, Connection Fund. This Fund was established in 1995 as a depository for Capacity Fees paid in conjunction with development or redevelopment. In this fund, monies were set aside for use in evaluating, designing and constructing capital facilities. This fund is proposed to be combined to with the Capital Improvement Reserve for all capital facilities: replacement, rehabilitations and new.

RECOMMENDATION:

Approve proposed amendments to the following District Fiscal Management Policies:

Policy 6220	Rate Stabilization Reserve	Attachment 1
Policy 6240	Capital Improvement Reserve	Attachment 2
Policy 6270	Employment-Related Benefits Reserve	Attachment 3

Approve the addition of the following District Fiscal Management Policies:

Policy 6225	Debt Services Reserve	Attachment 4
Policy 6245	Water Supply Reserve	Attachment 5
Policy 6280	Water Efficiency Fund	Attachment 6

Approve the deletion of the following District Fiscal Management Policies (Note: these two policies will be consolidated with the Policy 6240 (Attachment 2) as noted in staff report above:

Policy 6230	Depreciation Reserve	Attachment 7
Policy 6250	Connection Fund	Attachment 8

ACTION:

Moved by Director _____, Seconded by Director _____, Carried _____

ATTACHMENT 1

Rate Stabilization Reserve

CITRUS HEIGHTS WATER DISTRICT
POLICIES AND PROCEDURES MANUAL

POLICY TYPE : FISCAL MANAGEMENT
POLICY TITLE : RATE STABILIZATION RESERVE
POLICY NUMBER : 6220
DATE ADOPTED : OCTOBER 3, 1995
DATE AMENDED : AUGUST 12, 2014
AMENDMENTS : (1) MAY 2, 2000

6220.00 RATE STABILIZATION RESERVE

The District shall establish and maintain a Rate Stabilization Reserve to provide funds for use to ensure financial and customer rate stability in responding to conditions including but not limited to the following:

- Unanticipated operating and/or capital expenditures.
- Unanticipated revenue shortfall due to water shortages, drought or other conditions.
- Changes to the District's billing methods, policies and procedures.
- Natural or man-made disasters.
- Major transmission or distribution main failures.
- Purchase of water from other than normal sources / budgeted including electrical expenses associated with long-term use of the District's groundwater wells.
- ~~To maintain debt coverage ratios in accordance with bond covenants or other agreements or requirements associated with the issuance of debt by the District.~~

The target amount of funds to be maintained in the Rate Stabilization Reserve shall be \$1,000,000. Should transfers from the Rate Stabilization Reserve be made for any purpose, it shall be the policy of the Board of Directors to restore the Reserve to its \$1,000,000 target level at the earliest opportunity. Monies shall be transferred to or from the Rate Stabilization Reserve only upon the specific direction of the Board of Directors.

The District Treasurer shall report in writing each month to the Board of Directors on the dollar balance of the Rate Stabilization Reserve at the end of the preceding calendar month and any amounts transferred to or from the Rate Stabilization Reserve during the month as directed by the Board of Directors.

ATTACHMENT 2

Capital Improvement Reserve

CITRUS HEIGHTS WATER DISTRICT
POLICIES AND PROCEDURES MANUAL

POLICY TYPE : FISCAL MANAGEMENT
POLICY TITLE : CAPITAL IMPROVEMENT RESERVE
POLICY NUMBER : 6240
DATE ADOPTED : OCTOBER 3, 1995
DATE AMENDED : AUGUST 12, 2014
AMENDMENTS :

6240.00 CAPITAL IMPROVEMENT RESERVE

The District shall establish and maintain a Capital Improvement Reserve to provide funds for use in evaluating, designing and constructing, replacing or rehabilitating and new capital facilities to benefit District customers including but not limited to the following:

- Water Transmission and Distribution Facilities and related appurtenances including water services, water meters, water valves, fire hydrants, etc.-
- Groundwater Production Wells.
- Pressure Control Facilities
- In-Conduit Power Generation Facilities
- Buildings and Improvements.
- Machinery and Equipment.
- Water Supply Projects.
- Land and Right-of-Way Acquisition.
- Water Efficiency Projects.
- Technology Hardware and Software Improvements

Monies may be transferred to or from the Capital Improvement Reserve at the direction of the District Treasurer in accordance with this Policy and the Policies setting forth the purpose, guidelines and restrictions for other District Funds and Reserves. Monies may also be transferred to or from the Capital Improvement Reserve upon the specific direction of the Board of Directors.

The target amount of funds to be maintained in the Capital Improvement Reserve shall be the lesser of the following two amounts: 1) monies sufficient to meet the District's estimated capital outlays for evaluating, designing and constructing new capital facilities during the current and following fiscal year as determined by the capital improvement plan adopted by the Board of Directors; or 2) five percent (5.00%) of net total capital assets being depreciated, as determined by the District's most recent financial statements.

The District Treasurer shall report in writing each month to the Board of Directors on the dollar balance of the Capital Improvement Reserve at the end of the preceding calendar month and any amounts transferred to or from the Capital Improvement Reserve during the month.

ATTACHMENT 3

Employment-Related Benefits Reserve

CITRUS HEIGHTS WATER DISTRICT
POLICIES AND PROCEDURES MANUAL

POLICY TYPE : FISCAL MANAGEMENT
POLICY TITLE : EMPLOYMENT-RELATED BENEFITS RESERVE
POLICY NUMBER : 6270
DATE ADOPTED : JULY 10, 2007
DATE AMENDED : AUGUST 12, 2014
AMENDMENTS :

6270.00 EMPLOYMENT-RELATED BENEFITS RESERVE

The District shall establish and maintain an Employment-Related Benefits Reserve to set aside funds over an extended period of time to pay the costs of employment-related benefits for existing and retired District employees, including but not limited to the following:

- Health insurance benefits for retirees.
- Payment of accrued leave balances including such as sick leave, annual leave, management leave, compensatory time off (CTO) and others per District Policy, upon retirement or separation of employment from the District.
- Payments to employees under the District's Recognition, Rewards and Accountability Program.
- Defraying the future cost of other employment-related benefits for District employees.

Monies may be transferred to or from the Employment-Related Benefits Reserve at the direction of the District Treasurer in accordance with this Policy and the Policies setting forth the purpose, guidelines and restrictions for other District Funds and Reserves. Monies may also be transferred to or from the Employment-Related Benefits Reserve upon the specific direction of the Board of Directors.

The target amount of funds to be maintained in the Employment-Related Benefits Reserve shall be the sum of monies sufficient to meet the total of the following amounts: 1) the District's Net OPEB (Other Post-Employment Benefits) Obligation (the NOO) as calculated in the District's most recent actuarial analysis of retiree health benefits performed in compliance with Governmental Accounting Standards Board (GASB) Statement No. 45; 2) the cost for payout of accrued leave balances upon retirement or separation of employment from the District for the current and following fiscal year as estimated by the District Treasurer; and 3) the cost for payments to employees under the District's Recognition, Rewards and Accountability Program for the current and following fiscal year as estimated by the General Manager.

The District Treasurer shall report in writing each month to the Board of Directors on the dollar balance of the Employment-Related Benefits Reserve at the end of the preceding calendar month, and any amounts transferred to or from the Employment-Related Benefits Reserve during the month.

ATTACHMENT 4
Debt Services Reserve

CITRUS HEIGHTS WATER DISTRICT
POLICIES AND PROCEDURES MANUAL

POLICY TYPE : FISCAL MANAGEMENT
POLICY TITLE : DEBT SERVICES RESERVE
POLICY NUMBER : 6225
DATE ADOPTED : Draft JULY 6, 2016
DATE AMENDED :
AMENDMENTS :

6225.00 DEBT SERVICES RESERVE

The District shall establish and maintain a restricted Debt Services Reserve to provide funds for use to including but not limited to the following:

- To maintain debt coverage ratios in accordance with bond covenants or other agreements or requirements associated with the issuance of debt by the District.

The amount of funds to be maintained in the Debt Services Reserve shall be in compliance with the requirements as set forth in the agreement with the financing institution

The District Treasurer shall report in writing each month to the Board of Directors on the dollar balance of the Debt Services Reserve at the end of the preceding calendar month.

ATTACHMENT 5
Water Supply Reserve

CITRUS HEIGHTS WATER DISTRICT
POLICIES AND PROCEDURES MANUAL

POLICY TYPE : FISCAL MANAGEMENT
POLICY TITLE : WATER SUPPLY RESERVE
POLICY NUMBER : 6245
DATE ADOPTED : Draft JULY 6, 2016
DATE AMENDED :
AMENDMENTS :

6245.00 WATER SUPPLY RESERVE

The District shall establish and maintain a Water Supply Reserve to provide funds for use in evaluating, designing and constructing, replacing or rehabilitating capital facilities to benefit District customers including but not limited to the following:

- Groundwater Production Wells.
- Aquifer Storage and Recovery (ASR) Wells
- Surface Water Supply Projects including but not limited to water diversion, treatment and transmission facilities.
- Recycled / Reclaimed Water Projects.
- Land and Right-of-Way Acquisition.

Monies may be transferred to or from the Water Supply Reserve at the direction of the District Treasurer in accordance with this Policy and the Policies setting forth the purpose, guidelines and restrictions for other District Funds and Reserves. Monies may also be transferred to or from the Water Supply Reserve upon the specific direction of the Board of Directors.

The target amount of funds to be maintained in the Water Supply Reserve shall be monies as a build up to meet the District's future estimated capital outlays for evaluating, designing and constructing new water supply facilities as a build up to future as determined by the capital improvement plan adopted by the Board of Directors.

The District Treasurer shall report in writing each month to the Board of Directors on the dollar balance of the Capital Improvement Reserve at the end of the preceding calendar month and any amounts transferred to or from the Capital Improvement Reserve during the month.

ATTACHMENT 6
Water Efficiency Fund

CITRUS HEIGHTS WATER DISTRICT
POLICIES AND PROCEDURES MANUAL

POLICY TYPE : FISCAL MANAGEMENT
POLICY TITLE : WATER EFFICIENCY FUND
POLICY NUMBER : 6280
DATE ADOPTED : Draft JULY 19, 2016
DATE AMENDED :
AMENDMENTS :

6280.00 WATER EFFICIENCY FUND

The District shall establish and maintain a Water Efficiency Fund to provide funds for use in a water supply shortage, water supply interruption, Federal State Regional or Local mandates, or other programmatic needs. The Water Efficiency Fund is to be used for programs including but not limited to the following:

- Water Efficiency Projects.
- Drought Response.
- Temporary Labor.
- Consulting Services.
- Public Outreach and Communication.
- Water Use Monitoring
- Workshops.
- Outdoor and Indoor Incentives.
- Information Technology Services.
- Regional Efficiency Programs.
- Water Loss Programs.
- Grants.
- Demonstration Garden.
- Cooling Towers.

Monies may be transferred to or from the Water Efficiency Fund at the direction of the District Treasurer in accordance with this Policy and the Policies setting forth the purpose, guidelines and restrictions for other District Funds and Reserves. Monies may also be transferred to or from the Water Efficiency Fund upon the specific direction of the Board of Directors.

The target amount of funds to be maintained in the Water Efficiency Fund shall be \$200,000.

The District Treasurer shall report in writing each month to the Board of Directors on the dollar balance of the Water Efficiency Fund at the end of the preceding calendar month and any amounts transferred to or from the Water Efficiency Fund during the month.

ATTACHMENT 7
Depreciation Reserve

CITRUS HEIGHTS WATER DISTRICT
POLICIES AND PROCEDURES MANUAL

POLICY TYPE : FISCAL MANAGEMENT
POLICY TITLE : DEPRECIATION RESERVE
POLICY NUMBER : 6230
DATE ADOPTED : OCTOBER 3, 1995
DATE AMENDED : AUGUST 12, 2014
AMENDMENTS : (1) NOVEMBER 7, 1995

6230.00 DEPRECIATION RESERVE

The District shall establish and maintain a Depreciation Reserve d to set aside funds to replace or rehabilitate capital facilities at the end of useful life, including but not limited to the following:

- ~~Transmission and Distribution Facilities.~~
- ~~Groundwater Production Wells.~~
- ~~Buildings and Improvements.~~

~~Monies may be transferred to or from the Depreciation Reserve at the direction of the District Treasurer in accordance with this Policy and the Policies setting forth the purpose, guidelines and restrictions for other District Funds and Reserves. Monies may also be transferred to or from the Depreciation Reserve upon the specific direction of the Board of Directors.~~

~~The target amount of funds to be maintained in the Depreciation Reserve shall be at least monies sufficient to meet the District's estimated capital outlays for replacement and rehabilitation of capital facilities during the current and following fiscal year as determined by the capital improvement plan adopted by the Board of Directors; with the goal of reaching five percent (5.00%) of the total capital assets being depreciated less the total of equipment and machinery, as determined by the District's most recent financial statements, when reasonably feasible.~~

~~The District Treasurer shall report in writing each month to the Board of Directors on the dollar balance of the Depreciation Reserve at the end of the preceding calendar month and any amounts transferred to or from the Depreciation Reserve during the month.~~

ATTACHMENT 8

Connection Fund

CITRUS HEIGHTS WATER DISTRICT
POLICIES AND PROCEDURES MANUAL

POLICY TYPE : FISCAL MANAGEMENT
POLICY TITLE : CONNECTION FUND
POLICY NUMBER : 6250
DATE ADOPTED : OCTOBER 3, 1995
DATE AMENDED : AUGUST 12, 2014
AMENDMENTS : (1) SEPTEMBER 7, 1999

~~6250.00~~ ————— CONNECTION FUND

~~The District shall establish and maintain a Connection Fund as a depository for Capacity Fees paid in conjunction with development or redevelopment. Said Fund shall provide monies for use in evaluating, designing and constructing capital facilities to benefit District customers including but not limited to the following:~~

- ~~• Transmission and Distribution Facilities.~~
- ~~• Groundwater Production or Injection Wells.~~
- ~~• Buildings and Improvements.~~
- ~~• Machinery and Equipment.~~
- ~~• Water Supply Projects.~~
- ~~• Land and Right of Way Acquisition.~~

~~The Connection Fund shall accrue interest based upon a calculation of the District's annual audited return on its invested monies using information provided in the District's annual financial audit report. Said interest accrual shall be applied following completion of the audit and shall be calculated based upon the average Connection Fund balance during the appropriate calendar year.~~

~~Deposits of funds collected and interest allocated into the Connection Fund shall be the responsibility of the Treasurer in consultation with the General Manager.~~

~~Expenditure or transfer of funds from the Connection Fund shall be by action of the Board of Directors.~~

~~The District Treasurer shall report in writing each month to the Board of Directors on the dollar balance of the Connection Fund at the end of the preceding calendar month and any amounts transferred to or from the Connection Fund during the month as directed by the Board of Directors.~~

~~As necessary by direction of the Board of Directors, the Connection Fund may borrow monies from other District Funds and Reserves. As additional Capacity Fees are collected, the Connection Fund shall reimburse said Fund(s) and/or Reserves(s) including accrued interest based upon the District's annual financial audit reported return on its invested monies.~~

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS AUGUST 9, 2016 REGULAR MEETING

SUBJECT : RWA REGIONAL WATER RELIABILITY PLAN
 STATUS : Action Item
 REPORT DATE : August 4, 2016
 PREPARED BY : Robert A. Churchill, General Manager

OBJECTIVE:

Consider approval of a Project Agreement with the Regional Water Authority to participate in a Regional Water Reliability Plan.

BACKGROUND AND ANALYSIS:

Robert Swartz, Technical Services Manager for the Regional Water Authority, provided the CHWD Board of Directors with an overview of RWA's Regional Water Reliability Study at the regular Board of Directors Meeting of July 12, 2016. At that time, the CHWD Board indicated interest in CHWD participating in this RWA initiative.

At the Board Meeting, Mr. Swartz explained why RWA is undertaking this Plan preparation as called for in RWA's 2013 Strategic Plan. The drought has highlighted significant threats to local water resources and the Plan could help protect long-term water resources in the region. Swartz then presented some key elements that would be anticipated to be included in the Plan and expected outcomes, including a Regional Water Bank. He concluded by providing an overview of the Plan development's budget and anticipated cost to each participating agency, including CHWD.

CHWD's Phase 1 share of cost is anticipated to be \$9,600, with a not-too-exceed cost of \$16,000.

RECOMMENDATION:

Approve entering into a Project Agreement with the Regional Water Authority to participate in a Regional Water Reliability Plan and authorize the General Manager to execute the Agreement.

ACTION:

Moved by Director _____, Seconded by Director _____, Carried _____

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS AUGUST 9, 2016 REGULAR MEETING

SUBJECT : LIMERICK WAY, DUBLIN WAY, TIPPERARY WAY AND GALWAY CT
PAVEMENT RESTORATION PROJECT

STATUS : Action Item

REPORT DATE : August 3, 2016

PREPARED BY : David M. Gordon, Operations Manager

OBJECTIVE:

Consider acceptance of a bid to restore pavement following replacement of water mains and services by District Operations staff on portions of Limerick Way, Dublin Way, Tipperary Way and Galway Court in the City of Citrus Heights.

BACKGROUND AND ANALYSIS:

District Operations staff is nearing completion of replacement of water mains and services on portions of Limerick Way, Dublin Way, Tipperary Way and Galway Court in the City of Citrus Heights. Bid Packages were distributed to fifteen contractors and three material suppliers to restore approximately 7,300 square feet of 4” asphaltic concrete (AC) paving.

The District received four (4) sealed proposals on August 3, 2016, at which time proposals were opened and read publicly. The apparent low bidder is Central Valley Engineering & Asphalt, Inc. of Roseville, CA. Bids received are as follows:

- | | |
|--|---------------------|
| 1. Central Valley Engineering & Asphalt, Inc. | \$ 38,982.00 |
| 2. Martin Brothers Construction, Inc. | \$ 52,341.00 |
| 3. Arrow Construction | \$ 58,400.00 |
| 4. Sierra Asphalt, Inc. | \$ 88,987.00 |

RECOMMENDATION:

Accept the bid of Central Valley Engineering & Asphalt, Inc. in the amount of \$38,982.00 and establish a change order contingency fund in the amount of \$3,900.00 (10%). Authorize the General Manager to execute the contract.

ACTION:

Moved by Director _____, Seconded by Director _____, Carried _____

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS AUGUST 9, 2016 REGULAR MEETING

SUBJECT : SJWD DRAFT WHOLESALE FINANCIAL PLAN AND WATER RATE
UPDATE STUDY
STATUS : Information/Discussion Item
REPORT DATE : August 4, 2016
PREPARED BY : Robert A. Churchill, General Manager

OBJECTIVE:

Receive and review San Juan Water District's Draft Wholesale Financial Plan and Water Rate Update Study and 150-Day Advance Written Notice of Proposed Changes in Water Rates and Charges.

BACKGROUND AND ANALYSIS:

Attached for review is SJWD's 150-Day Advance Written Notice of Proposed Changes in Water Rates and Charges dated August 2, 2016 and its Draft Wholesale Financial Plan and Water Rate Update Study dated July 29, 2016.

Due to the timing of receiving this information, staff has not had an opportunity to review and comment on the contents.

RECOMMENDATION:

Review.

ACTION:

Moved by Director _____, Seconded by Director _____, Carried _____



August 2, 2016

Bob Churchill, General Manager
Citrus Heights Water District
6230 Sylvan Road
Citrus Heights, CA 95610

Directors
Edward J. "Ted" Costa
Kenneth H. Miller
Dave Peterson
Pamela Tobin
Bob Walters
General Manager
Shauna Lorance

Subject: 150-Day Advance Written Notice of Proposed Changes In Water Rates
And Charges

Dear Mr. Churchill:

San Juan Water District has been developing a five-year wholesale financial plan over the past few months. The plan includes a projection of water rates for a five year period. The SJWD Board of Directors is evaluating the decision to adopt the proposed rates for a period of up to the next five years.

The proposed rates are included on pages 31-32 of the attached draft financial plan developed by The Reed Group. The draft financial plan describes the basis for and calculation of the 2017-2021 wholesale water rate structure based on the financial projections discussed in the report. Please note the proposed rates in the attached plan include a change in rate structure. The Board of Directors is considering a revision to the existing split between fixed and variable revenue. The recent drought has demonstrated the financial variability that arises with the current rate structure. The existing rate structure includes fixed costs in the volumetric portions of the rates. With less water usage, the ability to cover fixed costs, such as treatment plant personnel, is at risk. The Board of Directors is considering increasing the amount of revenue obtained from the service charge (fixed portion of water rates) and decreasing the revenue from volumetric water usage. This will work towards stabilizing the revenue to cover fixed costs in the future in anticipation of the state's continued requirements to reduce water consumption by all users in California.

The SJWD Board of Directors has approved staff's transmittal to you of this 150-day advance written notice of proposed changes in water rates and charges. This letter is being sent to comply with Section 11 of the Wholesale Water Supply Agreement between SJWD and Citrus Heights Water District (Citrus Heights), which is stated in full as follows:

Water Rates and Charges.

A. Wholesale Water Rates and Charges. SJWD will set wholesale water rates and charges from time to time for making treated water supplies available to Citrus Heights, and other agencies that contract for wholesale water supplies from SJWD, to recover SJWD's costs of making treated water supplies available, including without limitation, the cost of untreated water under SJWD's Water Rights and Water Entitlements, and the cost of operation, maintenance, repair, replacement of, and capital improvements to, SJWD's Water Treatment and Conveyance Facilities. SJWD's wholesale water rates and charges will include the melded cost of water from SJWD's Water Rights and Water Entitlements. SJWD's wholesale water rates and charges will include interest and penalties for delinquent payments, as appropriate. SJWD will determine its wholesale water rates and charges based on cost-of-service principles and other applicable provisions of law. SJWD will ensure that revenues collected by SJWD from Citrus Heights and other Member Agencies for wholesale water service are equitably used for the benefit of such wholesale water customers. SJWD will provide Citrus Heights with 150-day advance written notice of proposed changes in water rates and charges under this Agreement, provide Citrus Heights an opportunity to comment on such proposed changes prior to adoption of changes by SJWD, and account for Citrus Heights's comments in making its determination. Changes in water rates and charges will typically be effective as of January 1 of the calendar year following adoption by SJWD.

B. Schedule for Payment. SJWD will bill Citrus Heights quarterly in advance for one-quarter of the annual water service charge and one-quarter of any required debt service payments. SJWD will bill Citrus Heights in arrears for actual water deliveries provided to Citrus Heights during the prior calendar quarter under this Agreement. SJWD will bill Citrus Heights during the month following the end of each calendar quarter.

In the event that the measurements for water deliveries to Citrus Heights based upon SJWD's water measurement facility or facilities are determined to be incomplete or inaccurate, SJWD and Citrus Heights shall collaborate and agree on how to determine a reasonable estimate of water delivered to Citrus Heights. Said estimate methods may include, but are not limited to, utilization of Citrus Heights in-series water measurement facilities, summation of Citrus Heights water deliveries to its retail customers, comparison to a prior time period, or other method mutually acceptable to the parties and approved by the Citrus Heights and SJWD Boards of Directors.

The 150-day comment period provided in Section 11 of the Wholesale Water Supply Agreement will end on December 30, 2016. The SJWD Board of Directors will consider

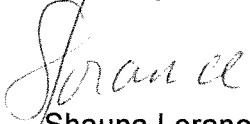
August 2, 2016

150-Day Advance Written Notice of Proposed Changes In Water Rates And Charges

Page 2

adopting the updated wholesale water rates at the January 11, 2017 Board Meeting. To provide adequate time to respond to any questions or comments, it would be helpful to receive any comments prior to December 1, 2016 to allow the Board of Directors time to consider comments prior to the January 11, 2017 meeting.

Sincerely,

A handwritten signature in cursive script that reads "Shauna Lorance".

Shauna Lorance
General Manager

Attachment

cc: San Juan Water District Board of Directors

SAN JUAN WATER DISTRICT

Wholesale Financial Plan and Water Rate Update Study

Draft Report

July 29, 2016



THE REED GROUP, INC.

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SECTION I. SUMMARY

INTRODUCTION AND BACKGROUND

In early 2016, the San Juan Water District retained The Reed Group, Inc. to update the District's ten-year wholesale and retail financial plans and develop recommendations for updating water rates for a five-year period from 2017 through 2021. The purpose of the study was to ensure that the District's wholesale and retail water systems continue to meet financial obligations for ongoing operation and maintenance, debt service, and capital improvements while maintaining prudent reserves. This report contains analyses and recommendations related to the District's wholesale operations. A separate report contains analyses and recommendations related to the District's retail operations.

One focus of this wholesale financial plan is to help ensure adequate funding of the District's wholesale capital improvement program. The wholesale capital improvement program includes about \$64.6 million (in future dollars) in capital improvements over the ten-year planning period extending through FY 25-26. The financial plan presented herein indicates that undertaking this capital program, as planned and scheduled, will require the issuance of an estimated \$28.75 million in new wholesale long-term debt in 2019 in order to fund two of the largest capital improvement projects. Based on financial plan analyses, all other planned capital improvement projects can be funded on a pay-as-you-go basis.

A second focus of this wholesale financial plan is to address the outstanding unfunded accrued liability (UAL) associated with the District's retirement programs. Based on the most recent actuarial analysis, the wholesale water system has an outstanding UAL of about \$2.3 million as of June 30, 2016. The District is paying interest on this accrued liability of 7.5 percent while its financial reserves are earning about 0.5 percent. The financial plan includes a strategy for paying off this outstanding liability using available financial reserves, which is a more economically efficient use of the District's financial resources.

In other respects, the wholesale financial plan provides a strategy and recommendations for annually adjusting water rates in order to meet financial and service obligations while maintaining prudent reserves. While the financial plan covers a ten-year planning period, water rate recommendations cover five years. It is recommended that the District update the financial plan analysis at least once every five years, as warranted.

Wholesale water rate calculations were updated based on the revenue needs developed through the financial planning process. The cost allocation methodology used in the rate calculations is generally the same as in past studies. One change, however, is a shift in the overall rate structure to place greater emphasis on quarterly fixed service charges with a corresponding reduction in the reliance on water usage charge revenue. The wholesale water rates will continue to include a uniform water usage charge applicable to all member agencies and fixed service charges that reflect differences in service requirements for each member agency. Charges related to debt service obligations also continue to be segregated as separate charges to each member agency based on previously determined allocations for existing debt.

Continuing with current practices, fixed service charges, debt service charges, as well as existing capital facilities charges, will be billed to each member agency on a quarterly basis in advance, and water usage charges will be billed in arrears following the end of each quarter based on the actual water used during the quarter.

During the course of this study, preliminary results and recommendations were presented to the District's Board of Directors in a workshop on June 29. Following that workshop changes were made with regards to the UAL issue, as well as other minor refinements.

This report summarizes the analyses and recommendations of the wholesale financial plan and water rate study. It includes a financial strategy that relies upon ongoing revenues as well as available reserves to meet all financial obligations, including the planned capital improvement program.

FINANCIAL PLAN AND REVENUE NEEDS

The financial plan model covers the ten-year planning period from FY 16-17 through FY 25-26. The plan reflects estimated operation and maintenance costs, debt service obligations, and capital improvement needs of the wholesale water system. The financial plan is a cash-flow model, and differs from standard accounting income statements and balance sheets. The financial plan also separately reflects ongoing operation and maintenance, debt service payment obligations, and the capital improvement program, with separate revenue sources reflected for each. Financial reserves are also reflected in the financial planning model.

During the past couple of years, the District's operations have been impacted by the sustained drought that has affected all of California. Reduced water sales to wholesale member agencies (as well as to the District's retail customers) resulted in reduced revenues without a corresponding reduction in costs. As a result, the District cut costs, where possible, deferred capital improvement projects, and relied more heavily on available financial reserves. In addition, property tax revenue normally dedicated to capital improvement projects have been needed to help cover operating, maintenance, and debt service costs. At the present time, the financial condition of the wholesale water system is more financially stressed than it has been in a number of years.

Details of the financial plan assumptions, findings, and recommendations are presented in Section II of this report. However, the analysis indicates that the District needs to increase wholesale water rates each year for the next five years. The District's Board of Directors plans to approve a FY 16-17 wholesale budget without a rate increase, however that budget requires a dramatic use of reserves and would leave the District in greater financial stress. It is recommended that the District revise the FY 16-17 budget once proposed new wholesale water rates are adopted. Primary findings and recommendations stemming from the wholesale financial plan analysis include:

- Annual water sales have declined in recent years likely due to the slowdown in the economy, the recent drought, and water conservation efforts by each member agency. The financial plan assumes there will be a modest rebound in water demand beginning in FY 16-17 that then continues and extends over several years.

- Based on the most recent actuarial estimates, the wholesale water system has an outstanding unfunded accrued liability under its Public Employee Retirement System (PERS) retirement programs of about \$2.3 million. It is recommended that the District utilize available financial reserves to pay off this liability in FY 16-17, thereby avoiding the 7.5 percent annual interest on the UAL.
- The District should anticipate issuing about \$28.75 million in new long-term debt for the wholesale water system in 2019 in order to finance the replacement of the Hinkle reservoir liner and cover, as well as make planned water treatment filter improvements¹. It is anticipated that all other capital improvement projects can be funded on a pay-as-you-go basis thereby avoiding additional interest expenses.
- The District's financial reserve policies have served and continue to serve the District well. However, changes in certain reserves and reserve policies are recommended in order to provide greater economic efficiency and cost savings. A summary of reserve policy recommendations include:
 - Maintain the 20 percent operating reserve for working capital and emergency purposes
 - Fully utilize the \$1 million rate stabilization reserve to help cover current costs (thereby reducing the proposed rate increase), and replenish the reserve by 2025
 - Eliminate the compensated absence reserve as unnecessary
 - Use funds from the PERS stabilization reserve and the Hinkle reservoir reserve to payoff the \$2.3 million PERS UAL balance
 - Maintain required and restricted debt service reserves
 - Continue to utilize the general CIP reserve to help fund planned capital improvement projects.
- It is recommended that the overall level of wholesale water rates be increased on an annual basis, as follows:

○ January 2017	16%
○ January 2018	9%
○ January 2019	9%
○ January 2020	9%
○ January 2021	5%
- Previously adopted capital facilities charges should be maintained with reconciliation of revenues and capital project costs occurring at the completion of each project covered by the charges. The capital facilities charge for Fair Oaks Water District (FOWD) related to the Fair Oaks 40 transmission pipeline relining project should be replaced with the cost sharing and payment terms reflected in the recent agreement between the District and FOWD.

¹ An estimated additional \$12.75 million may be needed to fund planned retail capital improvement projects.

As with past practice, the District should monitor financial conditions and needs on an ongoing (annual) basis and update the financial plan model and future estimates at least every three to five years, or when conditions or plans changes sufficiently to warrant an update. Actual future conditions, such as water supply conditions, water deliveries, water sales revenue, operating and maintenance expenses, CIP project costs/timing, project financing, etc., may differ from the financial plan assumptions reflected herein. Material differences affecting the overall financial condition of the wholesale water system may warrant closer review and/or an earlier update. The need and magnitude of annual wholesale water rate increases may also be affected by differences between assumed and actual conditions, including the potential refunding of existing debt and the issuance of new debt.

PROPOSED WHOLESALE WATER RATES

Exhibit I-1 presents proposed wholesale water rates to be implemented in January of each year from 2017 through 2021. Fixed service charges, debt service charges, and capital facilities charges are billed quarterly in advance. Water usage charges are billed in arrears at the end of each quarter, based on actual water deliveries.

The proposed wholesale water rates include a decrease in the amount of the water usage rate and increases in quarterly fixed service charges effective in January 2017. Thereafter, the water usage rate is maintained and required revenue increases are realized through increases in the quarterly service charges. Debt service charges are maintained consistent with previously approved allocation of debt service costs to member agencies, then expected to increase with the issuance of new debt. The water rate structure changes will result in a gradual shift of the water rate revenue mix such that more of the revenue is obtained through the fixed charges. At present, about 43 percent of wholesale water rate revenue is derived from water usage charge. By FY 20-21, water usage charge revenue would be reduced to about 31 percent of the total.

Water usage charges, service charges, and debt service charges presented in Exhibit I-1 together are intended to reflect and recover the costs associated with ongoing operation and maintenance, contributions to the ongoing pay-as-you-go capital program, debt service, and maintenance of financial reserves. Capital facilities charges are related to certain capital improvements that benefit some, but not all, member agencies and provide an equitable means of cost sharing. The District should update the financial plan and rate analyses within five years, or if there is material change to any of the information and/or assumptions reflected in this report.

**Exhibit I-1
San Juan Water District
Current and Proposed Wholesale Water Rates**

	Current	Jan. 2017	Jan. 2018	Jan. 2019	Jan. 2020	Jan. 2021
Overall Composite Water Rate Incr. -->		16%	9%	9%	9%	5%
San Juan Retail District						
Water Usage Rate (\$/AF)	\$ 102.02	\$ 77.85	\$ 77.85	\$ 77.85	\$ 77.85	\$ 77.85
Qtrly. Serv. Charge (O, M, & R)	\$ 126,315	\$ 303,609	\$ 367,703	\$ 439,767	\$ 391,507	\$ 440,404
Qtrly. Capital Facil. Charge (1)	\$ 123,290	\$ 106,665	\$ 8,631	\$ 8,631	\$ 8,631	\$ -
Quarterly Debt Service Charges						
2009 COPs	\$ 106,297	\$ 106,363	\$ 106,463	\$ 106,463	\$ 106,325	\$ 106,225
2012 Refunding Rev. Bonds	\$ 47,156	\$ 47,075	\$ 46,988	\$ 46,988	\$ 47,113	\$ 47,188
2019 COPs (2)					\$ 136,950	\$ 136,950
Citrus Heights Water District						
Water Usage Rate (\$/AF)	\$ 102.02	\$ 77.85	\$ 77.85	\$ 77.85	\$ 77.85	\$ 77.85
Qtrly. Serv. Charge (O, M, & R)	\$ 132,586	\$ 310,964	\$ 376,611	\$ 450,420	\$ 400,991	\$ 451,072
Qtrly. Capital Facil. Charge (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Quarterly Debt Service Charges						
2009 COPs	\$ 113,161	\$ 113,238	\$ 113,338	\$ 113,338	\$ 113,200	\$ 113,088
2012 Refunding Rev. Bonds	\$ 55,047	\$ 54,963	\$ 54,850	\$ 54,838	\$ 54,988	\$ 55,088
2019 COPs (2)					\$ 124,500	\$ 124,500
Fair Oaks Water District						
Water Usage Rate (\$/AF)	\$ 102.02	\$ 77.85	\$ 77.85	\$ 77.85	\$ 77.85	\$ 77.85
Qtrly. Serv. Charge (O, M, & R)	\$ 102,172	\$ 231,017	\$ 279,787	\$ 334,621	\$ 297,899	\$ 335,105
Qtrly. Capital Facil. Charge (3)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Quarterly Debt Service Charges						
2009 COPs	\$ 70,427	\$ 70,475	\$ 70,538	\$ 70,538	\$ 70,450	\$ 70,375
2012 Refunding Rev. Bonds	\$ 40,451	\$ 40,388	\$ 40,313	\$ 40,300	\$ 40,400	\$ 40,475
2019 COPs (2)					\$ 95,450	\$ 95,450
Orangevale Water Company						
Water Usage Rate (\$/AF)	\$ 102.02	\$ 77.85	\$ 77.85	\$ 77.85	\$ 77.85	\$ 77.85
Qtrly. Serv. Charge (O, M, & R)	\$ 44,801	\$ 107,622	\$ 130,342	\$ 155,887	\$ 138,780	\$ 156,113
Qtrly. Capital Facil. Charge (1)	\$ 54,862	\$ 54,862	\$ 2,294	\$ 2,294	\$ 2,294	\$ -
Quarterly Debt Service Charges						
2009 COPs	\$ 35,567	\$ 35,588	\$ 35,613	\$ 35,613	\$ 35,575	\$ 35,550
2012 Refunding Rev. Bonds	\$ 12,413	\$ 12,400	\$ 12,375	\$ 12,375	\$ 12,400	\$ 12,425
2019 COPs (2)					\$ 45,650	\$ 45,650
City of Folsom						
Water Usage Rate (\$/AF)	\$ 102.02	\$ 77.85	\$ 77.85	\$ 77.85	\$ 77.85	\$ 77.85
Hinkle PS Surcharge (\$/AF) (4)	\$ 68.87	\$ 74.38	\$ 80.33	\$ 86.76	\$ 93.70	\$ 99.32
Qtrly. Serv. Charge (O, M, & R)	\$ 12,869	\$ 30,918	\$ 37,445	\$ 44,784	\$ 39,869	\$ 44,848
Qtrly. Capital Facil. Charge (1)	\$ 17,899	\$ 17,899	\$ -	\$ -	\$ -	\$ -
Quarterly Debt Service Charges						
2009 COPs	\$ 11,037	\$ 11,038	\$ 11,050	\$ 11,050	\$ 11,038	\$ 11,025
2012 Refunding Rev. Bonds	\$ 3,034	\$ 3,063	\$ 3,050	\$ 3,050	\$ 3,063	\$ 3,075
Direct Portion of 2012 Debt (4)	\$ 21,500	\$ 21,438	\$ 21,388	\$ 21,388	\$ 21,450	\$ 21,488
2019 COPs (2)					\$ 12,450	\$ 12,450

Notes:

- (1) Unchanged from 2014 rate study, except to remove charges related to Storage Building (old shop) Replacement, and to remove FOWD Fair Oaks 40" component (per new agreement).
- (2) Estimates based on estimated debt service obligations and cost allocations associated with anticipated new debt.
- (3) Actual cost sharing and payments from FOWD to be based on the recent agreement between the District and FOWD related to the Fair Oaks 40" transmission pipeline relining project.
- (4) Unique charges to City of Folsom and revenue to the retail water system.

SECTION II. WHOLESALE FINANCIAL PLAN

This section of the report describes the financial plan for the District's wholesale water system. The ten-year financial plan is used to determine annual wholesale water rate revenue requirements. The annual rate revenue requirement is the amount of revenue needed from water rates to cover planned operating, maintenance, debt service, and capital program costs with consideration of other revenues and financial reserves.

FUND STRUCTURE AND CASH FLOWS

The financial plan is an annual cash flow model. As a cash flow model, it differs from standard accounting income statements, and balance sheets. The financial plan models sources and uses of funds into, out of, and between the various funds and reserves of the wholesale water system.

The financial plan model is based on a fund, reserve, and account structure that separately addresses operating, debt service, and capital program needs, with three funds for these three purposes. This presentation helps provide transparency as to the sources and uses of funds for each type of obligation. The District recently replaced and upgraded its financial accounting system. This financial plan was developed based on the new account structure reflected in the District's financial accounting software.

An understanding of the fund/reserve structure is helpful in understanding the financial plan worksheets that model annual cash flows through the wholesale water system from one year to the next. The fund/reserve structure is comprised of:

- ***Wholesale Operating Fund*** - The wholesale operating fund is the primary fund within the wholesale water system. Most wholesale revenues, including water rate revenues, flow into the operating fund and all operating and maintenance costs are paid out of this fund. Funds are also transferred from the operating fund to the wholesale capital fund to help pay for capital projects intended to rehabilitate and upgrade facilities, and to a separate debt service fund used to make debt service payments and maintained required debt service reserves. Five separate reserves are currently reflected within the operating fund.
 - ***Operating Reserve*** - The District maintains an operating reserve within the operating fund equal to 20 percent of annual wholesale operating and maintenance costs. The purpose of the operating reserve is to provide working capital and funds for unplanned operating and maintenance expenditures. At the end of FY 15-16, the target balance of the wholesale operating reserve was about \$1,507,000 based on budgeted operating and maintenance costs for FY 16-17.
 - ***Rate Stabilization Reserve*** - The District also seeks to maintain a \$1 million rate stabilization reserve. The rate stabilization reserve provides a buffer against variable revenues that may result from abnormal (e.g., water shortage) fluctuations in water demand. The reserve could also be used as a tool to mitigate unexpected (and unacceptably high) water rate increases due to changing circumstances. Even though drought

conditions and reduced water sales revenue have placed financial stress on the wholesale water system, the District has chosen to maintain the rate stabilization reserve at its \$1 million target amount through the end FY 15-16. This was achieved, however, by transferring a portion of capital fund reserves to the operating fund in FY 15-16.

- *Compensated Absence Reserve* – The District has maintained a separated reserve to fund its liability for compensated absences. At the end of FY 15-16 this reserve had an estimated balance of about \$194,000. The need to maintain the reserve has been under review by District staff and Board. A policy recommendation to eliminate this reserve is supported by staff and incorporated in the financial plan analyses.
- *PERS Stabilization Reserve* – A separate Public Employee Retirement System (PERS) stabilization reserve is shown as a part of the operating fund, and reflects the balance of funds set aside to meet PERS UAL obligations. At the end of FY 15-16, the PERS stabilization reserve had an estimated balance of about \$416,000. At present, the wholesale water system is responsible for about \$2.3 million of the UAL obligation. Because this obligation is carried with a 7.5 percent interest rate, and the District only earns about 0.5 percent on its total investment pool, it would be advantageous to use this reserve to reduce the UAL obligation. This matter is discussed in greater detail later in this section.
- *Delta/Water Rights Reserve* – The District created and began funding this reserve to provide funds for the defense of the District’s water rights. This reserve ended FY 15-16 with about \$103,000.
- *Uncommitted Fund Balance* – The balance in the operating fund in excess of the target amount for the operating reserves, as well as the balances of other reserves, is shown in the financial plan as uncommitted fund balance. After all other obligations are met the uncommitted fund balance is available to offset rate increases, and the financial plan model generally seeks to reduce any uncommitted fund balance over time. Negative amounts for the uncommitted fund balance would indicate the degree to which the minimum operating reserve is not met. To prevent a negative uncommitted balance at the end of FY 15-16 the financial plan model includes a transfer of funds from the capital fund to the operating fund of \$945,000.
- *Wholesale Capital Fund* – The wholesale capital fund is used to account for capital project expenditures and related funding sources. The District applies a portion of property tax revenues (the 1 percent increment taxes) to the capital program, and connection fee revenue also directly accrue to the capital fund. In addition, a portion of revenues from the wholesale water rates is transferred annually to the capital fund, in support of the long-term capital program. Capital projects funded from this fund are intended to rehabilitate, upgrade, and expand the wholesale water system to meet current and future needs of the District and member agencies. The financial plan model generally seeks to maintain a positive balance in the capital fund while also covering the costs of

planned capital improvement projects. The capital fund is comprised of four separate reserves.

- *General CIP Reserve* – This reserve reflects the capital fund balance that is generally available for capital improvement purposes. At the end of FY 15-16, this reserve had a balance of about \$6.45 million. All money in the capital fund that has not been designated to the reserves listed below is included in the general CIP reserve.
- *Vehicle/Equipment Reserve* – This reserve is intended to provide funds for the replacement of vehicles and major equipment. At the end of FY 15-16 the reserve had an estimated balance of about \$77,000. District staff and the Board of Directors are currently reviewing the need to maintain this as a separate reserve, and it may be rolled into the general CIP reserve.
- *Hinkle Reservoir Reserve* – The District has maintained a sinking fund for the eventual replacement and upgrade of Hinkle reservoir. The sinking fund had an estimated balance of about \$2.67 million at the end of FY 15-16. The District currently adds \$50,000 annually to this reserve. The cover and liner for Hinkle reservoir is planned to be replaced in FY 20-21, along with other improvements to the reservoir, for an estimated cost of about \$23.8 million (in future dollars). The Hinkle reservoir reserve will only cover a small fraction of the total cost of this major project.
- *Project Fund* – The financial plan includes the issuance of new long-term debt in 2019 to finance two major capital projects (Hinkle reservoir and treatment plant filter improvements). The financial plan model includes a project fund as part of the capital fund as a means of accounting for the use of debt proceeds.
- *Debt Service Fund* – The financial plan model also includes a debt service fund as the mechanism for tracking debt service obligations as well as payments made by member agencies in support of debt service payments. Outstanding debt was issued in 2009 and in 2012. Restricted debt service reserves are required under the terms of the 2009 COPs, and it is anticipated that similar reserve may be required as part of the anticipated 2019 debt issue.
 - *2009 COP Debt Service Reserves* – The 2009 certificates of participation (COPs) requires the District to maintain certain debt service reserves. These reserves are shown as part of the overall debt service fund balance. Wholesale 2009 COP debt service reserves total about \$1.86 million as of the end of FY 15-16. Money in this reserve is restricted and can only be used for specific purposes related to the 2009 COPs.
 - *2019 Debt Service Reserves* – Estimated costs for the 2019 debt issue include providing money from the issuance to fund a debt service reserve. Such a reserve has been included in the financial plan model.

FINANCIAL PLAN ASSUMPTIONS

The financial plan was created to reflect the FY 15-16 estimated actual revenues, expenses, and year-end financial position, as well as the FY 16-17 budget, ten-year capital

improvement program, and existing debt service schedules. The financial plan also reflects estimates of future operating and maintenance costs, revenues based on a number of assumptions, potential future debt service obligations, and information provided by the District.

The process used to develop the financial plan involved estimating future revenues and expenditures based on inflation and interest rates, water supply and demand projections, anticipated capital improvement needs, and other information. The District does not have formal estimates of future operating and maintenance costs, and capital improvement needs are defined at a planning level. The financial plan is based on the best available information and assumptions are believed to be reasonable; however, no assurance can be provided as to the accuracy and completeness of the estimates.

Primary assumptions reflected in financial plan analyses are summarized below:

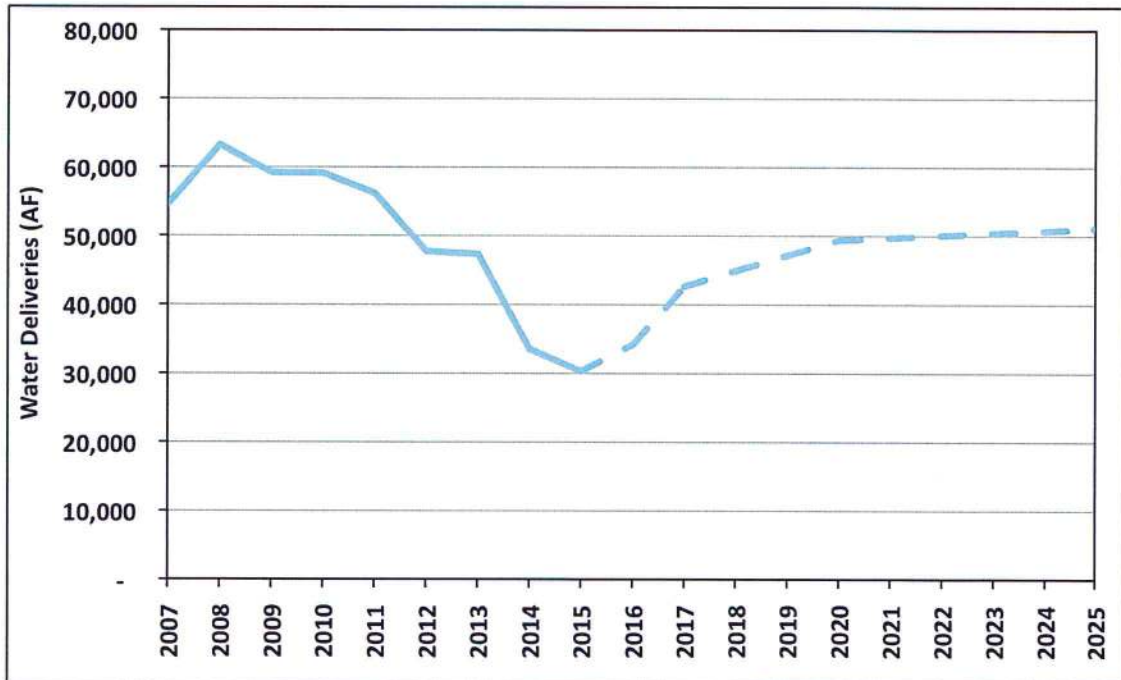
- *Interest Rates* – The District invests most of its available funds in the Local Agency Investment Fund (LAIF), which has been earning less than 0.5 percent for the past several years. A small portion of the District’s available assets is invested in other securities that have recently yielded about 1.5 percent. In aggregate, in FY 14-15 the District’s invested funds returned about 0.5 percent. The financial plan model incorporates an assumed 0.5 percent rate of return on all funds. This interest rate is assumed to gradually increase to 1.0 percent by the end of the ten-year planning period. Interest calculations are based on beginning-of-year balances and interest accrues to each of the funds. The District also pays interest on outstanding long-term debt obligations. The interest payments on outstanding debt are those contained in existing contracts and repayment schedules.
- *Inflation Rates* – Annual inflation rates for general operating and maintenance costs is 3.0 percent per year throughout the planning period. Inflation for chemical and energy costs is assumed 5.0 percent per year. Inflation on retiree medical costs and other post-employment benefit (OPEB) obligations is assumed at 6.0 percent per year. Finally, construction costs are assumed to increase 3.0 percent annually.
- *Retail Customer Base and Water Deliveries* – Modest growth in the customer base of each wholesale member agency is incorporated for financial planning purposes based on data received by the District from each member agency. Annual growth of the total retail customer base ranges between 0.6 and 0.8 percent during the planning period. Water deliveries are estimated to rebound toward historic levels over the next several years, based on the assumed return to normal water supplies in 2016 and demand rebound over several years reaching normal demand by 2020. Water demand in 2020 is based on estimates included in the 2015 Urban Water Management Plan. **Exhibit II-1** summarizes historic and estimated future annual water deliveries during the planning period. While the District wheels water to the Sacramento Suburban Water District (SSWD) in most years, the financial plan conservatively assumes no deliveries to SSWD during the planning period.

**Exhibit II-1
San Juan Water District
Summary of Past and Estimated Future Wholesale Water Deliveries**

	Annual Water Deliveries (AF) (1)						Total
	San Juan RSA	Citrus Heights WD	Fair Oaks WD	Orangevale WC	City of Folsom	SSWD (2)	
2007	15,133	18,769	11,178	3,642	1,695	4,144	54,561
2008	16,659	16,559	11,537	4,452	1,820	12,206	63,233
2009	17,064	17,036	10,534	4,703	1,608	8,210	59,155
2010	13,569	12,783	11,072	4,486	1,647	15,514	59,071
2011	12,651	12,165	10,606	4,657	1,331	14,728	56,138
2012	14,945	13,583	9,987	4,657	1,529	2,995	47,696
2013	14,945	14,416	10,939	5,139	1,462	409	47,310
2014	11,077	10,008	7,262	3,932	1,230	-	33,509
2015	9,666	9,133	7,257	3,257	963	-	30,276
2016	10,953	10,420	7,989	3,695	1,068		34,125
2017	13,680	13,015	9,978	4,615	1,334		42,622
2018	14,420	14,359	10,187	4,599	1,346		44,911
2019	15,137	15,665	10,389	4,584	1,358		47,132
2020	15,855	16,970	10,591	4,568	1,370		49,354
2021	16,039	17,053	10,647	4,592	1,370		49,700
2022	16,222	17,135	10,703	4,615	1,370		50,046
2023	16,406	17,218	10,760	4,639	1,370		50,392
2024	16,589	17,300	10,816	4,662	1,370		50,738
2025	16,773	17,383	10,872	4,686	1,370		51,084

Notes:

- (1) Historical data through 2015 from District's water delivery records (Excel file).
- (2) Wholesale financial plan analysis assumes no water deliveries to SSWD.
- (3) Deliveries for 2016 and 2017 adjusted to match SJWD FY 16-17 budget.
- (4) Values for 2020 and 2025 from District's DRAFT 2015 UWMP. Delivery estimates are a straight line interpolation from 2017 to 2020 and from 2020 to 2025.



- *Cost of Water Supplies* – The cost of water supplies depends on the mix of water from each of the District’s water supply sources, however the mix of supplies is expected to remain relatively static. The District first utilizes water under its existing water rights then uses a combination of water under PCWA and USBR contracts. Temporary supplies are sometimes available, but not included in the analyses contained herein. Unit water supply costs are assumed to increase at the general inflation rate.

The District currently owes Citrus Heights Water District (CHWD) and Fair Oaks Water District (FOWD) a combined \$1,981,500 for treated water purchase costs related to groundwater used during the recent drought. The financial plan model assumes that this obligation will be repaid as follows, based on information provided by the District:

○ FY 16-17	\$866,900
○ FY 17-18	\$371,520
○ FY 18-19	\$371,520
○ FY 19-20	\$371,520

- *Operation and Maintenance Costs* – The financial plan model is based on current operating and maintenance costs as reflected in the FY 16-17 operating budget. Future operating and maintenance costs are estimated based on assumed inflation rates. Supply and other variable costs are also assumed to increase in proportion to changes in the total amount of water deliveries.
- *Staff Additions* – The wholesale financial plan incorporates the following new staff positions, based on needs identified by District staff.
 - Water Treatment Plant Operator – This position is added mid-year in FY 16-17 at a total annual cost of \$130,000. It has been included in the District’s FY 16-17 budget.
 - Human Resources Specialist – This position is added mid-year in FY 16-17 at a total annual cost of \$125,000. The position has been split equally between the wholesale and retail water systems, and has been included in the District’s FY 16-17 budget.
 - Administrative Assistant – This position is added in FY 17-18 at a total annual cost of \$80,000. The position has been split equally between the wholesale and retail water systems.
- *Large Non-Capital Projects* – Large non-capital projects, such as studies, assessments, and large maintenance items had previously been included in the District’s capital improvement program. Beginning in FY 16-17 these items are being included in the operating budget, and treated as operating and maintenance expenses (rather than capitalized and expensed over time). The wholesale financial plan includes the budgeted FY 16-17 items totaling about \$104,000, and this cost is escalated at the pace of inflation in future years. One additional item has also been explicitly added to the wholesale financial plan.
 - Wholesale master plan at an estimated cost of \$299,000 in FY 20-21

It is believed that these estimates and allowances conservatively reflect future non-capital project needs.

- *Debt Obligations* – The District’s wholesale debt obligations are currently limited to repayment of 2009 COPs and 2012 refunding revenue bonds. The wholesale portion of annual debt service on the 2009 COPs total about \$1.35 million. The wholesale portion of annual debt service on the 2012 refunding revenue bonds total about \$630,000.

The financial plan model includes estimates related to the issuance of additional long-term debt in 2019 in order to fund major capital improvement projects. The 2019 new debt issue is estimated with a total par amount of \$41.5 million (\$28.75 million for wholesale projects and \$12.75 million for retail projects). Estimated terms include a 4.0 percent interest rate, 30-year repayment term, issuance costs of 2.0 percent of the par amount, funding of a debt service reserve, and approximately equal annual principal and interest payments throughout the repayment period. Actual terms would be determined at the time of debt issuance and will reflect market conditions at that time. The actual allocation of debt service obligations to each member agency will also be determined at the time of issuance. At this time, estimated debt repayment obligations of each member agency are based on average annual water deliveries to each member agency over the period from 2012 through 2015.

Exhibit II-2 provides details on current actual and estimated future debt service obligations, including the distribution of debt service costs to each member agency. The District is currently meeting debt service coverage obligations, and financial plan analyses consider this requirement in developing estimates for future annual water rate adjustments.

The District has considered refunding the 2009 COPs in order to take advantage of current low interest rates. However, because of pre-payment penalties, financial advisors have indicated that it will likely be more feasible to refund the COPs in a few years when pre-payment penalties no longer apply. Financial plan analyses do not reflect any potential cost savings associated with refunding of the 2009 COPs.

- *Capital Improvement Program* – The District’s wholesale 10-year capital improvement program includes about 50 projects totaling about \$64.6 million in future dollars, averaging about \$6.5 million annually. **Exhibit II-3** lists the planned projects, as well as estimated cost and timing. Costs in Exhibit II-3 have been escalated to the year of expenditure based on a 3.0 percent annual construction inflation factor.

The capital improvement program has a concentration of project expenditures in FY 16-17, as well as in the FY 19-20 and FY 20-21 period. The concentration in FY 16-17 is primarily associated with pre-treatment improvements, with construction contracts already in place. These improvements will be funded from available general CIP reserves. The concentration in FY 19-20 and FY 20-21 primarily includes treatment plant filter improvements and upgrades to Hinkle reservoir, which together total about \$28.4 million. Because of the size of these two projects, it is virtually impossible to undertake these projects without issuing new long-term debt.

Exhibit II-2
San Juan Water District
Summary of Wholesale and Retail Debt Service Obligations

	Alloc. %	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
2009 Certificates of Participation												
Principal		430,000	450,000	475,000	500,000	525,000	550,000	580,000	615,000	650,000	690,000	725,000
Interest		1,672,400	1,653,050	1,630,550	1,606,800	1,580,550	1,551,675	1,521,425	1,488,075	1,452,713	1,415,338	1,379,113
Total Payment		2,102,400	2,103,050	2,105,550	2,106,800	2,105,550	2,101,675	2,102,850	2,103,075	2,102,713	2,105,338	2,104,113
Outstanding Balance		28,825,000	28,375,000	27,900,000	27,400,000	26,875,000	26,325,000	25,745,000	25,130,000	24,480,000	23,790,000	23,065,000
Retail Share	36%	756,900	757,100	758,000	758,400	758,000	756,600	756,500	757,100	757,000	757,900	757,500
Wholesale Share	64%	1,345,500	1,346,000	1,347,600	1,348,400	1,347,600	1,345,100	1,344,900	1,346,000	1,345,700	1,347,400	1,346,600
SJWD-RSA	31.59%	425,000	425,200	425,700	426,000	425,700	424,900	424,900	425,200	425,100	425,600	425,400
Citrus Heights WD	33.63%	452,500	452,700	453,200	453,500	453,200	452,400	452,300	452,700	452,600	453,100	452,900
Fair Oaks WD	20.93%	281,600	281,700	282,100	282,200	282,100	281,500	281,500	281,700	281,700	282,000	281,800
Orange Vale WC	10.57%	142,200	142,300	142,400	142,500	142,400	142,200	142,200	142,300	142,200	142,400	142,300
City of Folsom	3.28%	44,100	44,100	44,200	44,200	44,200	44,100	44,100	44,100	44,100	44,200	44,200
Total	100.00%	1,345,400	1,346,000	1,347,600	1,348,400	1,347,600	1,345,100	1,345,000	1,346,000	1,345,700	1,347,300	1,346,600
2012 Refunding Revenue Bonds												
Principal		440,000	450,000	465,000	485,000	500,000	530,000	555,000	580,000	610,000	630,000	650,000
Interest		539,200	526,000	508,000	487,075	472,525	447,525	421,025	393,275	364,275	345,975	327,075
Total Payment		979,200	976,000	973,000	972,075	972,525	977,525	976,025	973,275	974,275	975,975	977,075
Outstanding Balance		11,285,000	10,835,000	10,370,000	9,885,000	9,385,000	8,855,000	8,300,000	7,720,000	7,110,000	6,480,000	5,830,000
Retail Share	26.39%	258,400	257,600	256,800	256,600	256,700	258,000	257,600	256,900	257,100	257,600	257,900
Wholesale Share	8.80%	86,100	85,900	85,600	85,500	85,600	86,000	85,900	85,600	85,700	85,900	86,000
SJWD-RSA	64.81%	634,600	632,500	630,600	630,000	630,300	633,500	632,600	630,800	631,400	632,500	633,200
Citrus Heights WD	29.82%	189,200	188,600	188,000	187,900	188,000	188,900	188,600	188,100	188,300	188,600	188,800
Fair Oaks WD	34.81%	220,900	220,200	219,500	219,300	219,400	220,500	220,200	219,600	219,800	220,200	220,400
Orange Vale WC	25.58%	162,300	161,800	161,300	161,200	161,200	161,800	161,800	161,400	161,500	161,800	162,000
City of Folsom	7.85%	49,800	49,700	49,500	49,500	49,500	49,700	49,700	49,500	49,600	49,700	49,700
Total	100.00%	1,230,000	1,230,000	1,230,000	1,230,000	1,230,000	1,230,000	1,230,000	1,230,000	1,230,000	1,230,000	1,230,000
2019 New Debt Issue - Wholesale												
Principal		634,500	632,600	630,500	630,100	630,300	633,400	632,600	630,800	631,400	632,600	633,200
Interest						510,000	530,000	550,000	575,000	595,000	620,000	645,000
Total Payment						1,150,000	1,130,000	1,108,000	1,086,000	1,063,000	1,040,000	1,015,000
Outstanding Balance					28,750,000	28,240,000	27,710,000	27,160,000	26,585,000	25,990,000	25,370,000	24,725,000
SJWD-RSA	33.0%					547,800	547,800	547,140	548,130	547,140	547,800	547,800
Citrus Heights WD	30.0%					498,000	498,000	497,400	498,300	497,400	498,000	498,000
Fair Oaks WD	23.0%					381,800	381,800	381,340	382,030	381,340	381,800	381,800
Orange Vale WC	11.0%					182,600	182,600	182,710	182,380	182,710	182,600	182,600
City of Folsom	3.0%					49,800	49,800	49,740	49,830	49,740	49,800	49,800
Total	100.00%					1,660,000	1,660,000	1,658,000	1,661,000	1,658,000	1,660,000	1,660,000
2019 New Debt Issue - Retail												
Principal						225,000	235,000	245,000	255,000	265,000	275,000	285,000
Interest						510,000	501,000	492,000	482,000	472,000	461,000	450,000
Total Payment						735,000	736,000	737,000	737,000	737,000	736,000	735,000
Outstanding Balance					12,750,000	12,525,000	12,290,000	12,045,000	11,790,000	11,525,000	11,250,000	10,965,000

Exhibit II-3
SAN JUAN WATER DISTRICT
TEN-YEAR WHOLESALE CAPITAL IMPROVEMENT PROGRAM - SUMMARY TABLE

Line	Project Name	Construction Inflation Factor -->	Cost Est. 1	Total Cost 2	1.03	1.06	1.09	1.13	1.16	1.19	1.23	1.27	1.30	1.34	1.38
					FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26
Pre-Treatment															
1	Floc/Scd Basin & Settled Water Channel Improvements ³⁰		\$ 7,500,000	\$ 7,470,000	\$ 1,098,000	\$ 6,372,000									
2	Washdown Piping Improvements		\$ 22,000	\$ 26,000					\$ 26,000						
3	Settling Tube Cleaning System		\$ 210,000	\$ 243,000					\$ 243,000						
4	Existing SVC Resurface, Joint Repair, and Caulk		\$ 240,000	\$ 278,000					\$ 278,000						
Filters															
5	Filter Floor Repairs and Media/Nozzle Replacement ¹¹		\$ 3,500,000	\$ 4,045,000				\$ 394,000	\$ 3,652,000						
6	Resurface Filter Basin Walls		\$ 325,000	\$ 376,000				\$ 37,000	\$ 339,000						
7	Backwash Hood Pumps		\$ 50,000	\$ 50,000											
8	Backwash Hood Rehabilitation		\$ 500,000	\$ 580,000											
9	Filter Valve Actuators Replacements		\$ 180,000	\$ 249,000											
10	EM Electric Actuator Replacement		\$ 5,500	\$ 6,000											\$ 249,000
Chemical Feed Systems															
11	CL2 Piping Project - 10yr replacement		\$ 50,000	\$ 58,000											
12	Line System Control & Feeder System Improvements		\$ 60,000	\$ 64,000		\$ 64,000									
13	Line Girt Containment (Curbing & Cover)		\$ 25,000	\$ 27,000			\$ 27,000								
14	Line Tower Assmnt/design & Replmt		\$ 350,000	\$ 406,000											
15	Alum Feed Pump Replacement & VFD's		\$ 94,000	\$ 103,000			\$ 103,000								
16	Polymer System Improvements (in Control Bldg) ³⁰		\$ 24,000	\$ 25,000											
Solids Handling Facilities															
17	Clarifier Wall Lining & Leakage Repairs		\$ 450,000	\$ 506,000				\$ 506,000							
18	Solids Containment Area & Handling Imprvmt's		\$ 295,000	\$ 341,000				\$ 331,000	\$ 308,000						
Hinkle Reservoir															
19	Hinkle Res. Monitoring Wells Level Probes		\$ 56,000	\$ 59,000		\$ 59,000									
20	Hinkle Res. Outlet Actuator (Equip & Power)		\$ 65,000	\$ 73,000				\$ 73,000							
21	Hinkle Reservoir Overflow Apron Drains		\$ 15,000	\$ 15,000											
22	Hinkle Overflow Channel Lining (East or AFR)		\$ 100,000	\$ 109,000			\$ 109,000								
23	Replace cover & liner, bifurcate, add 2nd inlet/outlet		\$ 20,000,000	\$ 23,811,400					\$ 2,318,500	\$ 21,492,900					
Plant Piping															
24	Hinkle Res. 48" Bypass Pipe Cleaning/Repair		\$ 60,000	\$ 70,000					\$ 70,000						
25	Refine 60" Pipe from Filters to Inlet Structure		\$ 1,750,000	\$ 2,352,000										\$ 2,352,000	
Transmission Pipelines															
26	FO-40 Transmission Pipeline Re-Lining		\$ 2,000,000	\$ 2,185,000			\$ 2,185,000								
Water Supply Reliability Projects															
27	SSWD-SWMD Pump Back Project		\$ 2,400,000	\$ 2,205,000	\$ 2,205,000										
28	Control Valve Stations ^{31,32}		\$ 700,000	\$ 700,000	\$ 700,000										
Vehicle Replacement & Reserves															
29	Vehicles (roll-up from detail below)		\$ 264,000	\$ 370,500	\$ 31,500	\$ 87,000	\$ 34,000	\$ 29,000	\$ 29,000	\$ 42,000	\$ 87,000	\$ 87,000	\$ 87,000	\$ 87,000	\$ 65,000
	Articulating Boom Lift, 40' Service Vehicle		\$ 30,000	\$ 32,000		\$ 37,000									
	Whsl Operations - Vehicle #7 (F150)		\$ 35,000	\$ 42,000						\$ 42,000					
	Whsl Operations - Vehicle #20 (Ram)		\$ 35,000	\$ 37,000											
	Whsl Operations - Vehicle #25 (Dump Truck)		\$ 65,000	\$ 87,000											
	Whsl Operations - Vehicle #29 (Dakota)		\$ 30,000	\$ 34,000											
	Whsl Operations - GEM		\$ 25,000	\$ 29,000				\$ 34,000							
	Whsl Operations - Share of Pool Vehicle #30		\$ 12,500	\$ 34,000					\$ 29,000						\$ 21,000
	Vehicle #10 - Whsl Share General Mgr. Assigned Car		\$ 31,500	\$ 75,500	\$ 31,500	\$ 13,000									\$ 44,000

Exhibit II-3 -- Continued
SAN JUAN WATER DISTRICT
TEN-YEAR WHOLESALE CAPITAL IMPROVEMENT PROGRAM -- SUMMARY TABLE

Line	Project Name	Construction Inflation Factor -->	Cost Est.	Total Cost ¹	1.03	1.06	1.09	1.13	1.16	1.19	1.23	1.27	1.30	1.34	1.38
					FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26
Miscellaneous CIP Items															
30	Solar Site Access Culvert Replacement		\$ 200,000	\$ 225,000											
31	ABC Fish Assessment and Improvements		\$ 200,000	\$ 200,000	\$ 50,000	\$ 150,000		\$ 225,000							
32	In-Plant Pump Station Improvements		\$ 65,000	\$ 69,000		\$ 69,000									
33	Electrical Equip. R&R		\$ 100,000	\$ 118,000		\$ 55,000					\$ 63,000				
34	SBW Pump Station Rehab (& BW EQ Basin)		\$ 175,000	\$ 228,000					\$ 217,000	\$ 2,015,000					\$ 484,000
35	WTP Generator Replacement		\$ 350,000	\$ 484,000											
36	Administration Building Imprpm't/Repm't		\$ 448,000	\$ 2,232,000											
37	Storage Building (Old Shop) Replacement		\$ 1,000,000	\$ 1,305,000											
38	SCADA Improvements/Replacements		\$ 30,000	\$ 39,000									\$ 1,305,000		
39	WTP Streaming Current Detector Upgrade		\$ 150,000	\$ 184,000	\$ 15,000			\$ 169,000					\$ 39,000		
40	Security Improvements (WTP)		\$ 125,000	\$ 141,000				\$ 141,000							
41	Corp Site Perimeter Fencing Replacements		\$ 200,000	\$ 225,000				\$ 225,000							
42	Corp Site Paving, Slurry Seal & Re-Stripe		\$ 15,000	\$ 17,000				\$ 17,000							
43	Perimeter Fencing for Barton Rd Parcel		\$ 2,500,000	\$16,465,800	\$ 106,700	\$ 26,500	\$ 27,300	\$ 28,100	\$ 29,000	\$ 29,900	\$ 3,075,000	\$ 3,167,000	\$ 3,262,000	\$ 3,360,000	\$ 3,461,000
44	Unspecified Rehab/Upgrade Projects		\$ 106,700	\$ 106,700											
45	Solar Facility Improvements (NEMA)		\$ 2,500	\$ 2,500											
46	Truck Mounted Actuator														
Information Technology															
47	New Servers		\$ 12,500	\$ 30,000				\$ 14,000					\$ 16,000		
48	New Switches		\$ 8,000	\$ 9,000					\$ 9,000						
49	Barcode Backup Appliance		\$ 7,250	\$ 8,000		\$ 8,000									
50	New Appliances		\$ 5,000	\$ 13,000				\$ 6,000							
51	Whl Share of Tyler Financial Software System		\$ 9,500	\$ 9,500	\$ 9,500										\$ 7,000
52	VMWare Server		\$ 5,500	\$ 5,500											
53	Whl Share of Engineering Copier		\$ 4,375	\$ 5,000	\$ 5,000										
54	Boardroom Projector		\$ 2,500	\$ 2,500	\$ 2,500										
Capital Improvement Program Totals ¹			\$48,887,325	\$68,928,400	\$ 4,322,200	\$ 6,835,500	\$ 2,506,300	\$ 1,992,100	\$ 8,567,500	\$3,579,800	\$ 3,075,000	\$ 3,230,000	\$ 4,850,000	\$ 5,799,000	\$ 4,266,000

Notes:

- All estimated costs are shown in Feb 2014 dollars, ENR Index 9681.
- Total costs include construction inflation factors applied in year of project implementation.
- Work on the existing settled water channel cannot be completed until the new settled water channel is constructed which allows the existing settled water channel to be taken off-line for this service repair project.
- The scope, cost and implementation year of the Hinkle replacement project is currently unknown and will be identified during the cover assessment project.
- The cost of this project will be reimbursed to SIWD-W in the percentages approximated in the May 2011 EQ-40 Rehabilitation Project Report: FOWD 91%, OWWC 2.6%, and SIWD-R 6.4%.
- A portion of this project was completed in FY14-15. \$2,400,000 is 80% of total project cost (SIWD pays 20%). Cost to SIWD-W \$564,000. Cost recovery from other agencies are SIWD-R \$1.12M, OWWC \$520,000, City of Folsom \$175,000.
- This project will be done concurrently for wholesale and retail. If old shop is replaced, 70% of the project cost should be reimbursed to Wholesale by SIWD-R.
- GIS project will be done concurrently for wholesale and retail. Needs assessment split 60/40, implementation split 25/75 W/R.
- Where appropriate, IT costs split between wholesale and retail.

Financial plan analyses suggest that with the exception of the two large projects referenced above, the entire capital improvement program can be financed on a pay-as-you-go basis using capital program revenue, transfers from the operating fund, and available reserves.

Annual transfers from the operating fund to the capital fund range from zero dollars initially (due to inadequacy of water rate revenues) to \$3.0 million annually toward the end of the planning period. By establishing rates sufficient to support a portion of the capital program the District may be able to avoid the need for additional long-term debt beyond 2019. This has been an objective of the financial plan, and the proposed rates help to achieve this objective.

- *New Administration Building* – An estimated cost of nearly \$4.5 million (in future dollars) for a new administration building is included in financial plan analyses, and equally split between the wholesale and retail capital improvement programs with construction in FY 20-21. Financial plan analyses indicate that this project can be funded at that time on a pay-as-you-go basis from available capital program revenues and reserves. Prior to completion of a new administration building the financial plan assumes the District will add temporary trailers to provide additional space from FY 17-18 through FY 20-21.
- *PERS UAL Obligations* – Based on the most recent actuarial analysis (completed in 2015) the District has a total estimated unfunded accrued liability (UAL) associated with its retirement programs of about \$5.477 million. The wholesale water system is responsible for about \$2.3 million of this amount; \$3.177 million is the responsibility of the retail water system. Interest accrues on the UAL at a rate of 7.5 percent annually, which is significantly greater than the 0.5 percent the District earns of its investments. The current practice of holding reserves while this liability grows is economically inefficient and costly to the District. Financial plan analyses suggest it is possible for the wholesale water system to pay off its UAL obligation from existing reserves. This will result in net annual cost savings to the District. The financial plan assumes that the wholesale portion of the current UAL will be paid off with funds from the following reserves:

○ PERS stabilization reserve	\$416,000
○ Hinkle reservoir reserve	\$1,884,000

While the District has been gradually accumulating the Hinkle reservoir reserve to help fund major improvements to that facility in a few years, it will only provide a modest amount toward the total cost, and the District will be required to fund most of the project in new long-term debt. It is economically more efficient to use the available reserve funds to pay off the UAL than to hold it for the Hinkle reservoir project. The District's Board of Directors generally supported this use of funds during the workshop held on June 29.

- *Loan to Retail Water System* – The retail water system is also responsible for a portion of the PERS UAL, and the District would also like to pay off this obligation. However, the retail water system has less available financial reserves for this purpose. The Board of Directors provided direction to consider directing the remaining balance in the Hinkle reservoir reserve (after applying a portion for the wholesale UAL obligation) as a loan to the retail water system.

A loan of \$790,000 from the wholesale water system to the retail water system has been included in the financial plan analyses. The loan would be repaid in four years, in a balloon payment that includes four years of interest at 1.5 percent. The loan payment of \$838,000 would be made during construction of the Hinkle reservoir improvements, thereby enabling the funds to be used for its original intended purpose. Also, the 1.5 percent interest rate is better than the wholesale water system would otherwise likely realize. As a result, the wholesale water system would be better off with this arrangement.

FINANCIAL PLAN RESULTS

Details of the wholesale financial plan analyses are presented in **Exhibits II-4, II-5, and II-6** reflecting the operating fund, capital fund, and debt service fund, respectively. The financial plan is also presented graphically in **Exhibit II-7**. The colored bands in Exhibit II-7 show wholesale operating and maintenance costs, debt service payments, and pay-as-you-go capital program expenditures. Debt-financed capital expenditures are not reflected, although the associated debt service is. The dashed line in the exhibit show minimum target reserves, and the solid black line shows estimated total year-end reserves. The financial plan analysis seeks to keep the solid line above the dashed line throughout the planning period.

Results of the financial plan analyses are summarized below.

- The recent multi-year drought has created financial stress for the wholesale water system resulting in a significant decline in total financial reserves over the past two years.
- Current wholesale water rate revenues are insufficient to fully cover ongoing operating and maintenance costs and debt service payment obligations. As a result, a portion of capital fund revenues and reserves are being used for operating purposes. The current net operating loss and existing capital program revenues do not adequately support the capital improvement program. Because of the costs and timing of planned projects, the District will need to issue new long-term debt. It is not practical to avoid new debt unless the Hinkle reservoir project is postponed for a significant period of time.
- The District should fully utilize the \$1 million rate stabilization reserve in FY 16-17, and then gradually replenish it during the planning period. Doing so would help enable the District to more gradually implement the required and recommended water rate increases, and avoid a 2017 spike in water rates. Using the reserve in this manner is consistent with its intended purpose.
- The pace and extent of rebound in water demands from wholesale agencies is uncertain and will have an impact on annual water rate revenues. The rebound trajectory (see Exhibit II-1) has been reviewed with staff and is believed reasonable. Nevertheless it is an area of potential financial risk, which should be monitored. This risk is at least partially offset by the assumption of no water sales to SSWD during the planning period.

Exhibit II-4
San Juan Water District
Wholesale Financial Plan -- Operating Fund

	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
		16%	9%	9%	9%	5%	5%	5%	5%	5%	5%
Calendar Year Overall Rate Increases -->											
WHOLESALE OPERATIONS											
Beginning Balance	3,271,500	3,219,500	1,665,900	2,141,780	2,861,660	2,722,440	3,033,740	3,318,940	3,274,440	3,196,040	3,234,840
Sources of Funds											
OM&R Fixed Charges	1,568,000	2,805,000	4,351,000	5,233,000	5,387,000	5,391,000	6,042,000	6,728,000	7,450,000	8,209,000	8,598,000
OM&R Usage Charges	2,723,000	3,416,000	3,531,000	3,714,000	3,895,000	4,014,000	4,042,000	4,070,000	4,098,000	4,126,000	4,142,000
Debt Service Charges	1,979,000	1,978,400	1,978,400	1,978,300	2,808,200	3,638,100	3,636,600	3,636,600	3,637,300	3,638,200	3,914,600
Wholesale Rate Revenue	6,270,000	8,199,400	9,860,400	10,925,300	12,090,200	13,043,100	13,720,600	14,434,600	15,185,300	15,973,200	16,654,600
Sacramento Suburban WD	400,600	-	-	-	-	-	-	-	-	-	-
Granite Bay Golf Course	23,600	31,300	23,400	23,400	23,400	23,400	23,400	24,600	25,800	27,100	28,500
Misc. Operating Revenue	110,900	112,500	116,000	119,000	123,000	127,000	131,000	135,000	139,000	143,000	147,000
Interest Earnings	14,700	9,900	18,000	28,000	32,000	47,000	49,000	51,000	68,000	67,000	68,000
Total Sources of Funds	6,819,800	8,353,100	10,017,800	11,095,700	12,268,600	13,240,500	13,924,000	14,645,200	15,418,100	16,210,300	16,898,100
Uses of Funds											
Source of Supply	574,500	1,078,900	1,210,300	1,350,700	1,496,400	1,613,000	1,678,800	1,746,900	1,817,800	1,891,400	1,959,700
Treated Water Purchase Costs	-	866,900	371,520	371,520	371,520	-	-	-	-	-	-
Water Treatment & Operations	1,853,800	2,147,900	2,277,000	2,345,000	2,415,000	2,487,000	2,562,000	2,639,000	2,718,000	2,800,000	2,884,000
Energy and Chemicals	307,000	360,600	439,000	485,000	534,000	578,000	611,000	646,000	683,000	722,000	761,000
Executive & Board of Directors	783,700	740,500	763,000	786,000	810,000	834,000	859,000	885,000	912,000	939,000	967,000
Administration & Info. Tech.	581,500	724,200	836,000	836,000	861,000	887,000	914,000	914,000	941,000	969,000	998,000
Finance	487,800	389,800	401,000	413,000	425,000	438,000	451,000	465,000	479,000	493,000	508,000
Human Resources	105,400	241,000	279,000	287,000	296,000	305,000	314,000	323,000	333,000	343,000	353,000
Retiree Medical and OPEB	325,000	206,600	219,000	232,100	246,000	260,700	276,400	293,000	310,600	329,200	348,900
PERS UAL Req'd Payment	132,300	141,300	-	-	-	-	-	-	-	-	-
PERS UAL Reduction	-	2,300,000	-	-	-	-	-	-	-	-	-
Engineering	317,000	368,900	380,000	391,000	403,000	415,000	427,000	440,000	453,000	467,000	481,000
Wholesale Master Plan	-	-	-	-	-	-	-	-	-	-	-
Conservation & Outreach	368,900	376,500	388,000	400,000	412,000	424,000	437,000	450,000	464,000	478,000	492,000
Transfer to Debt Service	-	-	-	-	-	-	-	-	-	-	-
2009 COPs	1,345,400	1,346,000	1,347,600	1,348,400	1,347,600	1,345,100	1,345,000	1,346,000	1,345,700	1,347,300	1,346,600
2012 Refunding Rev. Bonds	634,500	632,600	630,500	630,100	630,300	633,400	632,600	630,800	631,400	632,600	633,200
2019 New Debt Issue	-	-	-	-	1,660,000	1,660,000	1,658,000	1,661,000	1,658,000	1,660,000	1,660,000
Transfer to Capital Fund	(945,000)	(2,015,000)	-	500,000	500,000	750,000	1,500,000	2,250,000	2,750,000	3,100,000	3,000,000
Total Uses of Funds	6,871,800	9,906,700	9,541,920	10,375,820	12,407,820	12,929,200	13,638,800	14,689,700	15,496,500	16,171,500	16,392,400
Ending Balance	3,219,500	1,665,900	2,141,780	2,861,660	2,722,440	3,033,740	3,318,940	3,274,440	3,196,040	3,234,840	3,740,540
Operating Reserve (20%)	1,507,140	1,513,000	1,579,000	1,654,000	1,708,000	1,701,000	1,760,000	1,822,000	1,886,000	1,951,000	2,017,000
Rate Stabilization Reserve	1,000,000	-	-	500,000	500,000	750,000	750,000	750,000	750,000	750,000	1,000,000
Comp. Absence Reserve	193,555	-	-	-	-	-	-	-	-	-	-
PERS Stabilization Reserve	415,833	-	-	-	-	-	-	-	-	-	-
Delta/Wtr. Rights Reserve	102,666	153,000	203,000	253,000	303,000	353,000	403,000	453,000	503,000	553,000	603,000
Uncommitted Fund Balance	306	(100)	359,780	454,660	211,440	229,740	405,940	249,440	57,040	(19,160)	120,540

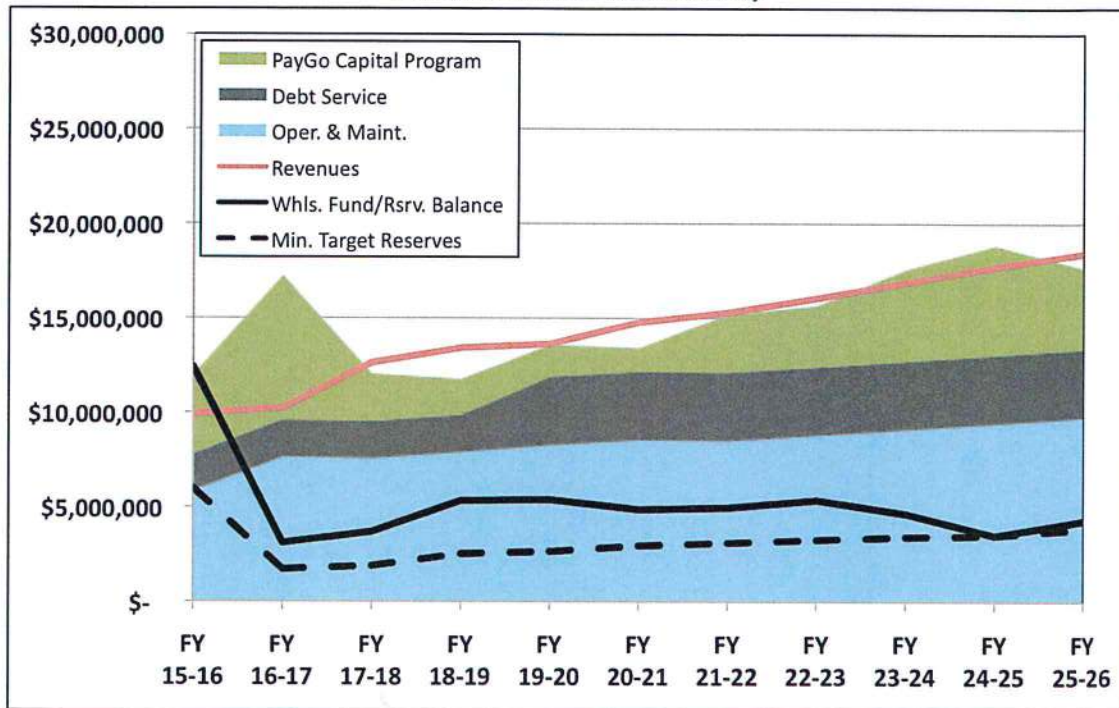
Exhibit II-5
San Juan Water District
Wholesale Financial Plan -- Capital Fund

	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
WHOLESALE CAPITAL PROGRAM FUNDING											
<i>Beginning Balance</i>	11,203,300	9,175,300	1,433,300	1,547,200	2,465,800	22,284,400	1,833,600	1,642,400	2,085,700	1,458,600	269,200
<i>Sources of Funds</i>											
Transfer from Operations	(945,000)	(2,015,000)	-	500,000	500,000	750,000	1,500,000	2,250,000	2,750,000	3,100,000	3,000,000
Capital Facilities Charges	889,500	784,200	380,800	43,800	43,800	21,900	-	-	-	-	-
SJ RSA CFC Reimb. (Stor. Bldg.)	-	-	-	-	-	-	-	-	-	-	-
FOWD FO40 Cost Share Pmts.	-	-	994,200	994,200	-	-	-	-	-	-	-
Property Taxes (50% of 1% Incr.)	995,000	1,045,000	1,076,000	1,108,000	1,141,000	1,175,000	1,210,000	1,246,000	1,283,000	1,321,000	1,361,000
Wholesale Connection Fees	52,000	75,000	162,000	167,000	172,000	177,000	160,000	165,000	169,000	174,000	180,000
CSI Solar Rebate	355,000	72,000	-	-	-	-	-	-	-	-	-
Grant Revenue (Ant. Pump Back)	761,600	-	-	-	-	-	-	-	-	-	-
Interest Earnings	53,400	50,300	7,200	7,700	12,300	167,100	13,800	12,300	20,900	14,600	2,700
Debt Proceeds	-	-	-	-	26,512,000	-	-	-	-	-	-
Total Sources of Funds	2,161,500	(121,500)	2,620,200	2,820,700	28,381,100	2,291,000	2,883,800	3,673,300	4,222,900	4,609,600	4,543,700
<i>Uses of Funds</i>											
Pre-Treatment Projects	1,098,000	6,372,000	-	-	547,000	-	-	-	-	-	-
Filter Projects	50,000	-	-	431,000	4,571,000	-	-	-	-	-	249,000
Chemical Feed System Projects	25,000	64,000	130,000	-	464,000	-	-	-	-	-	-
Solids Handling Facility Projects	-	-	-	539,000	308,000	-	-	-	-	-	-
Hinkle Reservoir	15,000	59,000	109,000	73,000	2,318,500	21,492,900	-	-	-	-	-
Plant Piping	-	-	-	-	70,000	-	-	-	-	2,352,000	-
Transmission Pipelines	-	-	2,185,000	-	-	-	-	-	-	-	-
Water Supply Reliability Projects	2,905,000	-	-	-	-	-	-	-	-	-	-
Vehicle/Equipment Replacements	31,500	82,000	-	34,000	29,000	42,000	-	-	-	87,000	65,000
Miscellaneous CIP Items	65,000	245,500	82,300	805,100	246,000	2,044,900	3,075,000	3,230,000	4,834,000	3,360,000	3,945,000
Information Technology	-	8,000	-	20,000	9,000	-	-	-	16,000	-	7,000
Loan to Retail (from HRR)	-	790,000	-	-	-	(838,000)	-	-	-	-	-
Total Uses of Funds	4,189,500	7,620,500	2,506,300	1,902,100	8,562,500	22,741,800	3,075,000	3,230,000	4,850,000	5,799,000	4,266,000
Ending Balance	9,175,300	1,433,300	1,547,200	2,465,800	22,284,400	1,833,600	1,642,400	2,085,700	1,458,600	269,200	546,900
General CIP Reserve	6,424,300	1,388,800	1,452,700	2,355,300	2,530,400	1,694,100	1,452,900	1,846,200	1,169,100	16,700	309,400
Vehicle/Equip. Reserve	76,506	44,500	94,500	110,500	131,500	139,500	189,500	239,500	289,500	252,500	237,500
Hinkle Reservoir Reserve	2,674,494	-	-	-	-	-	-	-	-	-	-
Project Fund (Debt Proceeds)	-	-	-	-	19,622,500	-	-	-	-	-	-

Exhibit II-6
San Juan Water District
Wholesale Financial Plan --- Debt Service Fund

	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
DEBT SERVICE FUND											
Beginning Balance	1,863,200	1,862,900	1,863,000	3,525,900	3,526,000	3,526,000	3,525,900	3,526,000	3,526,000	3,526,000	3,526,000
Sources of Funds											
2009 Certificate of Participation											
San Juan WD - RSA	425,000	425,200	425,700	426,000	425,700	424,900	424,900	425,200	425,100	425,600	425,400
Citrus Heights WD	452,500	452,700	453,200	453,500	453,200	452,400	452,400	452,700	452,600	453,100	452,900
Fair Oaks WD	281,600	281,700	282,100	282,200	282,100	281,500	281,500	281,700	281,700	282,000	281,800
Orangevale WC	142,200	142,300	142,400	142,500	142,400	142,200	142,200	142,300	142,200	142,400	142,300
City of Folsom	44,100	44,100	44,200	44,200	44,200	44,100	44,100	44,100	44,100	44,200	44,200
2012 Refunding Revenue Bond											
San Juan WD - RSA	189,200	188,600	188,000	187,900	188,000	188,900	188,600	188,100	188,300	188,600	188,800
Citrus Heights WD	220,900	220,200	219,500	219,300	219,400	220,500	220,200	219,600	219,800	220,200	220,400
Fair Oaks WD	162,300	161,800	161,300	161,200	161,200	162,000	161,800	161,400	161,500	161,800	162,000
Orangevale WC	49,800	49,700	49,500	49,500	49,500	49,700	49,700	49,500	49,600	49,700	49,700
City of Folsom	12,300	12,300	12,200	12,200	12,200	12,300	12,300	12,200	12,200	12,300	12,300
2019 New Debt Issue											
San Juan WD - RSA					547,800	547,800	547,140	548,130	547,140	547,800	547,800
Citrus Heights WD					498,000	498,000	497,400	498,300	497,400	498,000	498,000
Fair Oaks WD					381,800	381,800	381,340	382,030	381,340	381,800	381,800
Orangevale WC					182,600	182,600	182,380	182,710	182,380	182,600	182,600
City of Folsom					49,800	49,800	49,740	49,830	49,740	49,800	49,800
Total Sources of Funds	1,979,900	1,978,600	1,978,100	1,978,500	3,637,900	3,638,500	3,635,600	3,637,800	3,635,100	3,639,900	3,639,800
Uses of Funds											
2009 Certificate of Participation											
Principal Payment	275,200	288,000	304,000	320,000	336,000	352,000	371,200	393,600	416,000	441,600	464,000
Interest Payment	1,070,300	1,058,000	1,043,600	1,028,400	1,011,600	993,100	973,700	952,400	929,700	905,800	882,600
2012 Refunding Revenue Bond											
Principal Payment	285,200	291,600	301,400	314,300	324,100	343,500	359,700	375,900	395,300	408,300	421,300
Interest Payment	349,500	340,900	329,200	315,700	306,200	290,000	272,900	254,900	236,100	224,200	212,000
2019 New Debt Issue											
Principal Payment					510,000	530,000	550,000	575,000	595,000	620,000	645,000
Interest Payment					1,150,000	1,130,000	1,108,000	1,086,000	1,063,000	1,040,000	1,015,000
Total Uses of Funds	1,980,200	1,978,500	1,978,200	1,978,400	3,637,900	3,638,600	3,635,500	3,637,800	3,635,100	3,639,900	3,639,900
Ending Balance	1,862,900	1,863,000	3,525,900	3,526,000	3,526,000	3,525,900	3,526,000	3,526,000	3,526,000	3,526,000	3,525,900
Wholesale 2009 DS Reserve	1,863,200	1,863,200	1,863,200	1,863,200	1,863,200	1,863,200	1,863,200	1,863,200	1,863,200	1,863,200	1,863,200
Wholesale 2019 DS Reserve		1,663,000	1,663,000	1,663,000	1,663,000	1,663,000	1,663,000	1,663,000	1,663,000	1,663,000	1,663,000
Est. W.+R DS Cvrng. (min.=1.15)	1.18	1.59	2.66	2.99	1.91	2.14	2.32	2.46	2.60	2.74	2.86

Exhibit II-7
San Juan Water District
Wholesale Financial Plan Summary



- The District is meeting debt service coverage obligations, and is expected to continue to meet this requirement throughout the planning period even with new debt issued in 2019.
- Earlier in 2016, the District’s financial advisors suggested that refunding of the 2009 COPs is possible at this time (with certain pre-payment penalty associated costs), but that it may be more advantageous to refund the COPs in 2018 when the pre-payment penalties no longer apply. Because future market conditions cannot be known, financial plan analyses do not reflect any cost savings associated with refunded COPs. However, the District should re-consider a refunding in 2018, and the annual cost savings that may result.
- The compensated absence reserve does not need to be maintained as a separate reserve, as it is unlikely that it would ever need to be paid out in lump sum. It would be advantageous to the District to eliminate this reserve. Money currently designated to this reserve could be used to help reduce the magnitude of the needed water rate increase for January 2017. District staff supports this change, and it has been incorporated in the financial plan analyses.
- Maintaining the PERS stabilization and Hinkle reservoir reserves while the \$2.3 million PERS UAL remains outstanding is economically inefficient and results in unnecessary interest costs to the District. The District should pay off this obligation.
- Wholesale water rate increases are required over the next several years in order to meet current and future financial and service obligations, as well as to

position the District for issuing new long-term debt in 2019. Estimated annual increases in the overall level of wholesale water rates for each January (beginning in 2017) of the ten-year planning period are 16 percent, 9 percent, 9 percent, 9 percent, 5 percent, 5 percent, 5 percent, 5 percent, 5 percent, and 5 percent, respectively.

- With the exception of the rate stabilization reserve, these annual water rate increases will enable the District to maintain overall reserve levels above minimum target levels throughout the planning period. The target \$1 million rate stabilization reserve would be gradually replenished during the planning period.

The next section of this report includes recommendations for modifying wholesale water rates including increasing the emphasis on fixed charge revenue and reducing the portion of revenue for water usage charges. This change would help reduce the financial risk associated with variable and uncertain water deliveries.

At this point in time, it is recommended that the District adopt a five-year wholesale water rate plan with new rates implemented each January. It is also recommended that the District re-evaluate its financial condition and update the financial plan prior to issuing new long-term debt.

As with past practice, the District should monitor financial conditions and needs on an ongoing (annual) basis and update the financial plan model if conditions or plans change sufficiently to warrant an update. Actual future conditions, such as water deliveries, water sales revenue, operating and maintenance expenses, CIP project costs/timing, project financing, etc., may differ from the financial plan assumptions reflected herein. Material differences affecting the overall financial condition of the wholesale water system may warrant closer review and/or an earlier update. The need for and magnitude of annual wholesale water rate increases may also be affected by differences between assumed and actual conditions.

Debt service charges paid by each member agency are generally unaffected by this rate recommendations. Debt service charges will be adjusted commensurate with annual debt repayment obligations, including the anticipated issuance of new debt in 2019.

The next section of this report provides details on wholesale water rate calculations for 2017, as well as specific water rate schedules for each year from 2017 through 2021.

SECTION III. WHOLESALE WATER RATES

Proposed wholesale water rates were calculated using the same general rate methodology originally developed by the District in 1998 and updated several times since then. The wholesale water rates include a uniform water usage rate applicable to each acre-foot (AF) of water deliveries, a fixed quarterly service charge, a fixed quarterly debt service charge, and quarterly capital facilities charges (for some agencies and related to specific limited-benefit capital improvement projects). The capital facilities charges provide an equitable and timely reimbursement for capital project costs that have unique cost allocations among member agencies, based on benefits received. The process for calculating water rates includes three basic steps.

1. Annual water rate revenue requirement determination. The revenue requirement is the amount of revenue to be generated from water rates to cover operating, debt service, and capital program needs with consideration of other revenues and reserve policies. The financial planning model presented in Section II of this report serves to determine the annual water rate revenue requirement.
2. Cost of service analysis and allocation of costs to each member agency. The annual revenue requirement is allocated to each member agency through cost of service analysis and a cost allocation process. Costs are allocated to each agency based on (1) the annual average of recent actual water deliveries to each member agency, (2) anticipated current annual water deliveries, and (3) the number of retail customers served. Debt service costs are allocated to each agency based on previously approved allocations associated with each debt issue. A small number of capital projects benefit some but not all member agencies. The allocation of costs for these projects has been incorporated into capital facilities charges that apply to benefiting member agencies. Distribution pumping costs within the San Juan RSA necessary to convey water to the City of Folsom are retail costs and removed from the wholesale water rate analysis herein. A special pumping surcharge is added to the water rates for the City of Folsom, and is a source of retail revenue for the District.
3. Water rate design. The rate design process involves determining the fixed service charges and a water usage rate that will generate the required revenues from each customer. The wholesale water rates include a separate service charge for debt service allocated to each member agency. In addition, for rate simplicity, a single uniform water usage rate is used for all member agencies, with any difference in the allocation of costs to agencies reflected in the service charge.

CURRENT WHOLESALE WATER RATES

Current wholesale water rates are presented in **Exhibit III-1** for reference purposes. The water rates were last adjusted in January 2016 when the District increased the water usage rate and quarterly fixed service charges by about 14.5 percent². Debt service charges

² Because debt service charges were largely unchanged in 2016, the total wholesale water rate revenue was estimated to increase by slightly less than 10 percent under the 2017 water rates (exclusive of the impact of any change in water deliveries).

changed very slightly, based on very slight changes in annual debt service. Capital facilities charges were adjusted based on the previously adopted charge schedule. Capital facilities charges are described separately later in this section, and are not part of the general water rate calculation process due to their limited scope and purpose.

**Exhibit III-1
San Juan Water District
2016 Wholesale Water Rates**

Jan. 2016	
Water Usage Rate (\$/AF)	
All Water Deliveries	\$ 102.02
Quarterly O, M, & R Service Charges	
San Juan Water District	\$ 126,315
Citrus Heights Water District	\$ 132,586
Fair Oaks Water District	\$ 102,172
Orangevale Water Company	\$ 44,801
City of Folsom	\$ 12,869
Quarterly Debt Service Charges	
San Juan Water District	\$ 153,453
Citrus Heights Water District	\$ 168,208
Fair Oaks Water District	\$ 110,878
Orangevale Water Company	\$ 47,980
City of Folsom	\$ 35,571

Notes:

(1) Folsom pumping surcharge and capital facilities charges are not shown.

2017 WHOLESALE WATER RATE REVENUE REQUIREMENT

The wholesale financial plan includes revenues and expenses for each fiscal year over the ten-year planning period. The District, however, adjusts water rates on a calendar year basis. As a result the financial and rate analyses necessarily involve certain translations back and forth between fiscal and calendar years. On this basis, the wholesale water rate revenue requirement for calendar year 2017 was determined to be \$9,233,000³. This amounts to an overall 16 percent increase in the overall amount of water rate revenue, after adjusting for the fact that the anticipated rebound in water demand will also result in increased revenues.

The 2017 wholesale water rate revenue requirement was determined based on the financial plan analyses presented in Section II of the report, and it reflects assumptions regarding operating and maintenance costs, debt service obligations, capital improvement program (including cost sharing), and the availability of financial reserves and non-rate revenues.

³ This amount excludes the revenue generated from capital facilities charges, which is related to a limited number of specific capital improvement projects and provides revenue directly to the capital fund.

COST OF SERVICE ANALYSES

The cost of service analysis for wholesale water rates was performed on each of the District's broad (departmental) cost classifications, including source of supply, water treatment and operations, executive and board of directors, administration and information technology, finance and purchasing, human resources, engineering, water conservation and outreach, debt service transfer, and capital program transfer. Non-rate revenues and changes in operating fund balance were also factors in determining the annual revenue requirement. **Exhibit III-2** presents the multi-part process of the cost of service analysis. The small table at the top of Exhibit III-2 presents cost allocation metrics for each member agency, including estimated water deliveries for 2017, recent historical average water deliveries, and number of retail customers. Average historical water use from 2012 through 2015 is used in the rate analysis, as this period encompasses the most recent historical record. The estimated water deliveries for 2017 reflect a partial return to normal water demand, and are based on the rescission of state-mandated water conservation efforts. The District obtained information from each member agency to assist in developing these estimates.

The lower portion of Exhibit III-2 shows how the revenue requirement is allocated to various cost categories to arrive at unit costs for supply (variable), treatment (fixed and variable), customer costs (fixed), and debt service (fixed).

Exhibit III-3 shows how unit costs are then applied to the units of service (metrics) for each agency to arrive a total allocation of costs to each member agency. The far right columns in Exhibit III-3 summarize the total allocation of the wholesale water rate revenue requirement to each member agency, and serves as a check to the rate calculations.

WATER RATE DESIGN

The wholesale water rates include fixed service charges and a uniform water usage rate for each member agency. The uniform water usage rate is the sum of the unit costs for the variable cost components for water supply and water treatment ($\$31.38 + \$46.47 = \$77.85/\text{AF}$). The annual service charge for operations, maintenance, and replacement (O, M, & R) for each agency is the sum of the fixed cost components for water treatment, and customers allocated to each agency. For example, the annual service charge for the San Juan RSA is $(\$1,093,841 + \$120,596 = \$1,214,437)$. The annual debt service charge for each agency is based on previously approved allocations of debt service obligations associated with each debt issue. In the case of San Juan RSA the annual debt service charge is \$613,750.

Each member agency's share of annual debt service costs over the planning period was presented in Exhibit II-2, in Section II of this report. This exhibit also includes estimates related for anticipated new debt to be issued in 2019. Actual debt service charges related to that issue will depend on actual debt repayment obligations as well as decisions related to the allocation of that debt to each member agency.

**Exhibit III-2
San Juan Water District
Wholesale Water Rate Cost Allocation Steps**

Wholesale Cost Allocation -- Units of Service

Wholesale Customer	Annual Water Use		No. of Customers (Accts.)
	Estimated for 2017 (AF)	Avg. for 2012-2015 (AF)	
San Juan WD - RSA	13,680	12,658	10,582
Citrus Heights WD	13,015	11,785	19,785
Fair Oaks WD	9,978	8,861	13,894
Orangevale WC	4,615	4,246	5,577
City of Folsom	1,334	1,296	1,025
Totals	42,622	38,847	50,863

Wholesale Cost Allocation -- Unit Costs of Service (2017)

	Total Cost	Supply (Variable)	Water Treatment		Customer (Fixed)	Debt Serv. (Fixed)
			(Variable)	(Fixed)		
Units of Service		42,622 AF	42,622 AF	38,847 AF	50,863 Accts.	
Source of Supply						
Total	\$ 882,000	\$ 882,000				
Unit Cost						
Water Treatment & Operations						
Total	\$ 2,612,250		\$ 1,306,125	\$ 1,306,125		
Unit Cost						
Executive & Board of Directors						
Total	\$ 751,750	\$ 138,600	\$ 205,200	\$ 347,800	\$ 60,100	
Unit Cost						
Administration & Info. Tech.						
Total	\$ 780,100	\$ 143,800	\$ 213,000	\$ 361,000	\$ 62,300	
Unit Cost						
Finance & Purchasing						
Total	\$ 395,400	\$ 72,900	\$ 108,000	\$ 183,000	\$ 31,600	
Unit Cost						
Human Resources						
Total	\$ 543,450	\$ 100,200	\$ 148,400	\$ 251,500	\$ 43,400	
Unit Cost						
Engineering						
Total	\$ 374,450			\$ 374,450		
Unit Cost						
Conservation & Outreach						
Total	\$ 382,250				\$ 382,250	
Unit Cost						
Transfers for Debt Service						
Total	\$ 1,978,350					\$ 1,978,350
Unit Cost						
Transfer To/(From) Cap. Fund						
Total	\$ (1,007,500)			\$ (1,007,500)		
Unit Cost						
Offsetting Misc. Revenues						
Total	\$ (114,250)			\$ (114,250)		
Unit Cost						
To/(From) Reserves						
Total	\$ 1,654,750			\$ 1,654,750		
Unit Cost						
Total Revenue Reqmt.	\$9,233,000	\$ 1,337,500	\$ 1,980,725	\$ 3,356,875	\$ 579,650	\$ 1,978,350
Unit Costs of Service		\$ 31.38	\$ 46.47	\$ 86.41	\$ 11.40	
		Per AF	Per AF	Per AF	Per Acct.	

Exhibit III-3
San Juan Water District
Wholesale Water Rate Cost Allocation Steps -- Continued

Wholesale Cost Allocation -- Allocation to Wholesale Customers

Wholesale Customers	Supply (Variable)	Water Treatment (Fixed)		Customer (Fixed)	Debt Serv. (Fixed)	O, M&R and DS Costs (\$)	O, M&R and DS Costs (%)
		(Variable)	(Fixed)				
Unit Costs of Service -->	\$ 31.38	\$ 46.47	\$ 86.41	\$ 11.40			
	Per AF	Per AF	Per AF	Per Acct.			
San Juan WD -RSA							
Units of Service	13,680	13,680	12,658	10,582			
Allocation of Costs	\$ 429,293	\$ 635,747	\$ 1,093,841	\$ 120,596	\$ 613,750	\$ 2,893,227	31%
Citrus Heights WD							
Units of Service	13,015	13,015	11,785	19,785			
Allocation of Costs	\$ 408,403	\$ 604,810	\$ 1,018,381	\$ 225,476	\$ 672,800	\$ 2,929,870	32%
Fair Oaks WD							
Units of Service	9,978	9,978	8,861	13,894			
Allocation of Costs	\$ 313,122	\$ 463,707	\$ 765,730	\$ 158,340	\$ 443,450	\$ 2,144,349	23%
Orangevale WC							
Units of Service	4,615	4,615	4,246	5,577			
Allocation of Costs	\$ 144,822	\$ 214,470	\$ 366,932	\$ 63,557	\$ 191,950	\$ 981,732	11%
City of Folsom							
Units of Service	1,334	1,334	1,296	1,025			
Allocation of Costs	\$ 41,859	\$ 61,990	\$ 111,992	\$ 11,681	\$ 56,400	\$ 283,922	3%
Totals	\$ 1,337,500	\$ 1,980,725	\$ 3,356,875	\$ 579,650	\$ 1,978,350	\$ 9,233,100	100%

The cost allocations encompassed in Exhibits III-2 and III-3 and the water rate design result in a shift to greater emphasis on the fixed service charge, resulting in a reduction in the water usage rate from the current rate. This allocation is in better alignment with the District's cost structure, and should somewhat lessen the revenue variability associated with fluctuating water demands. In addition, proposed rate schedule for 2018 through 2021 maintain the water usage rate at the 2017 amount; increased revenues are derived from adjustments to the fixed service charges and/or the debt service charges. At present, about 43 percent of wholesale water rate revenue is tied to water deliveries. By 2021, it is estimated that about 31 percent of wholesale water rate revenue will be tied to water deliveries.

Capital Facilities Charges

In 2015, the District adopted a system of capital facilities charges related to a small number of planned wholesale capital improvement projects that benefit some, but not all, of the wholesale member agencies. The charges help to ensure equitable and timely cost recovery for these projects, and recover the costs for projects with unique cost sharing attributes. The capital facilities charges recover costs through fixed quarterly charges over a 5-year period, beginning 18 months prior to the year of construction of affected projects.

As originally developed, wholesale capital improvement projects incorporated in the capital facilities charges included the following:

- ARC Flash Assessment and Improvements
- SSWD-SJWD Pump Back Project
- Storage Building (Old Shop) Replacement
- Fair Oaks 40" Transmission Pipeline Re-Lining

Two changes have occurred since the capital facilities charges were adopted and implemented. First, the storage building replacement project has been removed from the capital improvement program. Seventy percent of that project had been assigned to the San Juan RSA (with 30 percent incorporated in general wholesale water rates). As a result of this cancellation, the sum paid by the retail system to the wholesale system should be reimbursed. The financial plan analysis assumes that this reimbursement (of \$133,000) will occur in the early months of 2017 (i.e., in FY 16-17).

Second, the FOWD recently negotiated an alternative cost sharing and payment arrangement with the District with regards to the Fair Oaks 40" transmission pipeline re-lining project, Phase 2. As a result, the terms of that agreement should be implemented in-lieu of the capital facilities charge component related to the Fair Oaks 40 project. While the timing of the District's invoicing and FOWD's payments in relation to this project are based on milestones and costs in the design and construction of the project, the financial plan presented herein assumes that FOWD will pay the District a total of \$1,988,350 evenly distributed over FY 17-18 and FY 18-19. This is believed to be a conservative estimate, and actual cost reimbursement may be due sooner.

It is recommended that the District continue to collect capital facilities charges from member agencies as originally developed (with the above adjustments). As each included capital improvement project is completed and total actual costs are known, the District should adjust or otherwise reconcile the charges as they related to that project.

Exhibit III-4 presents an updated capital facilities charges schedule reflecting the above changes, including the recently negotiated agreement between the District and FOWD regarding an alternative cost sharing and payment arrangement for the Fair Oaks 40" transmission pipeline relining project.

PROPOSED WHOLESALE WATER RATES FOR 2017 THROUGH 2021

Exhibit III-5 summarizes the current and proposed wholesale water rate schedules for January 2017 through January 2021, including each of the rate components. The actual costs to each member agency will depend on actual water deliveries. Three aspects of the proposed five-year rate plan are significant.

1. Rate structure changes (i.e., the shift to reduce emphasis on the water usage charge and increase emphasis on fixed charges) primarily occur with the water rates proposed for January 2017. This is the beginning of a gradual transition in the revenue mix embodied in the rate structure.
2. Beginning in January 2018 increased revenue needs are achieved through increases in fixed service charges, rather than through an increase in the water usage rate. This continues a gradual shift to a higher proportion of fixed revenue.
3. The water rates for January 2020 includes a significant increase in the debt service charge, based on estimates of annual debt service associated with the 2019 new debt issue. A decrease in the fixed O, M, &R service charges also occurs at this time such that total annual water rate revenues reflect the necessary 9 percent increase. In other years the debt service charges are relatively stable reflecting relatively stable debt service requirements.

Exhibit III-6 summarizes the change in the annual cost of service to each member agency based on proposed water rates for January 2017, relative to current water rates. Because the annual cost to wholesale agencies is a function of both the water rates and water deliveries, the exhibit holds the water deliveries constant in this comparison. That is, annual water costs under both 2016 and 2017 water rates are calculated using estimated water deliveries for 2017. This facilitates the assessment of the impact of the rate structure without the influence of changes in overall water demands. It should be noted that the costs to the City of Folsom shown in Exhibit III-6 also incorporate the pumping surcharge and direct debt service (i.e., the Folsom-specific debt obligation). The inclusion of these two elements contribute to the smaller overall percentage change in water service costs for the City of Folsom. These two elements also result in the higher overall cost of service (per AF) borne by the City of Folsom.

**Exhibit III-4
San Juan Water District
Wholesale Capital Facilities Charges (1)**

Capital Project (Year of Construction)	San Juan RSA	Citrus Heights WD	Fair Oaks WD	Orange Vale WC	City of Folsom	Wholesale Funding Thru Rates/ Rsrvs (FY)	Total Project Cost Recovery
ARC Flash Assessment and Improvements (FY 14-15)							
Cost Assignment -->	50.0%					50.0%	
CY 2015	29,000					87,000	116,000
CY 2016	29,000						29,000
CY 2017	29,000						29,000
Antelope Pump Back Project (FY 14-15)							
Cost Assignment -->	56.3%			32.6%	11.1%	0.0%	
CY 2015	363,135			210,270	71,595	-	645,000
CY 2016	363,135			210,270	71,595	-	645,000
CY 2017	363,135			210,270	71,595	-	645,000
FO-40 Transmission Pipeline Re-Lining (FY 17-18)							
Cost Assignment -->	6.4%		91.0%	2.6%		0.0%	
CY 2016	34,523		(2)	9,177		-	43,700
CY 2017	34,523		497,088	9,177		-	540,788
CY 2018	34,523		994,175	9,177		-	1,037,875
CY 2019	34,523		497,088	9,177		-	540,788
CY 2020	34,523			9,177		-	43,700
CY 2021	-			-		-	-
Capital Facilities Charge Annual Totals							
CY 2015	392,135	-		210,270	71,595	87,000	761,000
CY 2016	426,658	-	(2)	219,447	71,595	-	717,700
CY 2017	426,658	-	497,088	219,447	71,595	-	1,214,788
CY 2018	34,523	-	994,175	9,177	-	-	1,037,875
CY 2019	34,523	-	497,088	9,177	-	-	540,788
CY 2020	34,523	-		9,177	-	-	43,700
CY 2021	-	-		-	-	-	-
Totals	1,349,020	-	1,988,350	676,695	214,785	87,000	4,315,850

Notes:

- (1) Based on the capital facilities charge schedule adopted in 2015. The storage building replacement project has been deferred, and charges collected for the project are assumed reimbursed in early 2017.
- (2) Estimates based on terms of agreement between the District and FOWD regarding cost sharing for Fair Oaks 40 transmission pipeline relining project.

It is recommended that the District adopt the proposed five-year wholesale water rate schedule with rate adjustments occurring each January from 2017 through 2021. The proposed water rates are reflect the cost of providing water service and are intended to meet the District current and estimated future service and financial obligations, enable the District to fund capital improvement projects as planned and schedule, help to minimize rate changes in any single year, and position the District for obtaining more favorable terms in issuing new long-term debt (as well as for the potential refunding of existing debt).

**Exhibit III-5
San Juan Water District
Current and Proposed Wholesale Water Rates**

	Current	Jan. 2017	Jan. 2018	Jan. 2019	Jan. 2020	Jan. 2021
Overall Composite Water Rate Incr. -->		16%	9%	9%	9%	5%
San Juan Retail District						
Water Usage Rate (\$/AF)	\$ 102.02	\$ 77.85	\$ 77.85	\$ 77.85	\$ 77.85	\$ 77.85
Qtrly. Serv. Charge (O, M, & R)	\$ 126,315	\$ 303,609	\$ 367,703	\$ 439,767	\$ 391,507	\$ 440,404
Qtrly. Capital Facil. Charge (1)	\$ 123,290	\$ 106,665	\$ 8,631	\$ 8,631	\$ 8,631	\$ -
Quarterly Debt Service Charges						
2009 COPs	\$ 106,297	\$ 106,363	\$ 106,463	\$ 106,463	\$ 106,325	\$ 106,225
2012 Refunding Rev. Bonds	\$ 47,156	\$ 47,075	\$ 46,988	\$ 46,988	\$ 47,113	\$ 47,188
2019 COPs (2)					\$ 136,950	\$ 136,950
Citrus Heights Water District						
Water Usage Rate (\$/AF)	\$ 102.02	\$ 77.85	\$ 77.85	\$ 77.85	\$ 77.85	\$ 77.85
Qtrly. Serv. Charge (O, M, & R)	\$ 132,586	\$ 310,964	\$ 376,611	\$ 450,420	\$ 400,991	\$ 451,072
Qtrly. Capital Facil. Charge (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Quarterly Debt Service Charges						
2009 COPs	\$ 113,161	\$ 113,238	\$ 113,338	\$ 113,338	\$ 113,200	\$ 113,088
2012 Refunding Rev. Bonds	\$ 55,047	\$ 54,963	\$ 54,850	\$ 54,838	\$ 54,988	\$ 55,088
2019 COPs (2)					\$ 124,500	\$ 124,500
Fair Oaks Water District						
Water Usage Rate (\$/AF)	\$ 102.02	\$ 77.85	\$ 77.85	\$ 77.85	\$ 77.85	\$ 77.85
Qtrly. Serv. Charge (O, M, & R)	\$ 102,172	\$ 231,017	\$ 279,787	\$ 334,621	\$ 297,899	\$ 335,105
Qtrly. Capital Facil. Charge (3)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Quarterly Debt Service Charges						
2009 COPs	\$ 70,427	\$ 70,475	\$ 70,538	\$ 70,538	\$ 70,450	\$ 70,375
2012 Refunding Rev. Bonds	\$ 40,451	\$ 40,388	\$ 40,313	\$ 40,300	\$ 40,400	\$ 40,475
2019 COPs (2)					\$ 95,450	\$ 95,450
Orangevale Water Company						
Water Usage Rate (\$/AF)	\$ 102.02	\$ 77.85	\$ 77.85	\$ 77.85	\$ 77.85	\$ 77.85
Qtrly. Serv. Charge (O, M, & R)	\$ 44,801	\$ 107,622	\$ 130,342	\$ 155,887	\$ 138,780	\$ 156,113
Qtrly. Capital Facil. Charge (1)	\$ 54,862	\$ 54,862	\$ 2,294	\$ 2,294	\$ 2,294	\$ -
Quarterly Debt Service Charges						
2009 COPs	\$ 35,567	\$ 35,588	\$ 35,613	\$ 35,613	\$ 35,575	\$ 35,550
2012 Refunding Rev. Bonds	\$ 12,413	\$ 12,400	\$ 12,375	\$ 12,375	\$ 12,400	\$ 12,425
2019 COPs (2)					\$ 45,650	\$ 45,650
City of Folsom						
Water Usage Rate (\$/AF)	\$ 102.02	\$ 77.85	\$ 77.85	\$ 77.85	\$ 77.85	\$ 77.85
Hinkle PS Surcharge (\$/AF) (4)	\$ 68.87	\$ 74.38	\$ 80.33	\$ 86.76	\$ 93.70	\$ 99.32
Qtrly. Serv. Charge (O, M, & R)	\$ 12,869	\$ 30,918	\$ 37,445	\$ 44,784	\$ 39,869	\$ 44,848
Qtrly. Capital Facil. Charge (1)	\$ 17,899	\$ 17,899	\$ -	\$ -	\$ -	\$ -
Quarterly Debt Service Charges						
2009 COPs	\$ 11,037	\$ 11,038	\$ 11,050	\$ 11,050	\$ 11,038	\$ 11,025
2012 Refunding Rev. Bonds	\$ 3,034	\$ 3,063	\$ 3,050	\$ 3,050	\$ 3,063	\$ 3,075
Direct Portion of 2012 Debt (4)	\$ 21,500	\$ 21,438	\$ 21,388	\$ 21,388	\$ 21,450	\$ 21,488
2019 COPs (2)					\$ 12,450	\$ 12,450

Notes:

- (1) Unchanged from 2014 rate study, except to remove charges related to Storage Building (old shop) Replacement, and to remove FOWD Fair Oaks 40" component (per new agreement).
- (2) Estimates based on estimated debt service obligations and cost allocations associated with anticipated new debt.
- (3) Actual cost sharing and payments from FOWD to be based on the recent agreement between the District and FOWD related to the Fair Oaks 40" transmission pipeline relining project.
- (4) Unique charges to City of Folsom and revenue to the retail water system.

**Exhibit III-6
San Juan Water District
2017 Costs of Water Service for Member Agencies (1)**

	SJWD	CHWD	FOWD	OVWC	Folsom
Est. 2017 Water Deliveries (AF)	13,680	13,015	9,978	4,615	1,334
Estimated Water Service Costs					
Wtr. Usage Chrg. @ \$77.85/AF (2)	\$ 1,065,018	\$ 1,013,246	\$ 776,809	\$ 359,288	\$ 203,078
OM&R Service Charge	\$ 1,214,437	\$ 1,243,856	\$ 924,070	\$ 430,490	\$ 123,673
Debt Service Charge (3)	\$ 613,750	\$ 672,800	\$ 443,450	\$ 191,950	\$ 142,150
Total Water Service Costs	\$ 2,893,204	\$ 2,929,902	\$ 2,144,329	\$ 981,727	\$ 468,901
% Chng. from 2016 Rates (4)	15.1%	15.8%	14.7%	16.6%	11.2%
Est. 2017 overall cost per AF	\$ 211.49	\$ 225.12	\$ 214.91	\$ 212.73	\$ 351.50

Notes:

- (1) Capital facilities charges are not included in this exhibit.
- (2) City of Folsom is also subject to a pumping surcharge of \$74.38 per AF, which is included herein.
- (3) City of Folsom is also subject to an additional debt service charge (direct debt), which is included herein.
- (4) Comparison between 2017 rates and 2016 rates with estimated 2017 water usage.

CITRUS HEIGHTS WATER DISTRICT

PROJECT MANAGER'S REPORT TO BOARD OF DIRECTORS AUGUST 9, 2016 REGULAR MEETING

SUBJECT : PROJECT MANAGER'S REPORT
 STATUS : Information Item
 REPORT DATE : August 3, 2016
 PREPARED BY : Paul A. Dietrich, Project Manager

Significant assignments and activities for the Project Manager (PM) and District engineering, construction inspection, and geographical information system maintenance staff are summarized below. I will be available at the meeting to answer questions and/or provide additional details.

New values or projects noted in bold italics

PM-1 ACCEPTED WATER SYSTEMS

Recent additions to the District's water distribution system that were constructed by independent State Licensed contractors on behalf of private developers / owners, inspected by the District and formally accepted:

<u>Project</u>	<u>Count</u>	<u>Facilities</u>	<u>Value</u>
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None

PM-2 PROJECTS UNDER CONSTRUCTION BY PRIVATE DEVELOPERS

Water distribution system facilities currently under construction by independent State Licensed contractors on behalf of private developers / owners requiring District inspection:

<u>Project</u>	<u>Location</u>	<u>Status</u>
McDonalds (2015-60)	5402 Sunrise Blvd	50% Complete
Northridge Grove 47 Condominiums (2013-59)	5555 Mariposa Ave	60% Complete
Citrus Heights City Hall (2015-54)	6350 Fountain Square Dr	80% Complete
Memory Care Facility (2015-56)	6825-33 Sunrise Blvd	70% Complete

<u>Project</u>	<u>Location</u>	<u>Status</u>
Dundee Estates 3 Lot Subdivision (2015-58)	Mariposa Ave @ Highland Ave	98% Complete
California American Water Co. San Juan Avenue Tank - Intertie and Water Service (2015-39)	5444 San Juan Ave	98% Complete
Capitol Nursery Plaza Commercial Center (2015-50)	Sunrise Blvd @ Madison Ave	Substantially Complete
Sylvan Middle School (2015-63)	7085 Auburn Blvd	Substantially Complete

PM-3 CONTRACTOR / DEVELOPER PROJECTS PENDING CONSTRUCTION

<u>Project</u>	<u>Location</u>	<u>Status</u>
Dignity Health Building (2015-55)	7115 Greenback Ln	Awaiting System Construction
Bearpaw Expansion Commercial Building (2015-59)	7524 Old Auburn Rd	Awaiting System Construction
Louis-Orlando Bus Transfer Point (2015-66)	Louis Ln @ Orlando Ave	Awaiting System Construction
Meier Estates 7 Lot Subdivision (2015-68)	North Sims Way	Awaiting System Construction

PM-4 PROPOSED DISTRICT CAPITAL IMPROVEMENT PROJECTS

Project Plans and Contracts currently under review and development by the Engineering Department:

<u>Project</u>	<u>Location</u>	<u>Status</u>
Fair Way Intertie with City of Roseville (2011-01)	9955 Fair Way	Agreement – 99% Plans – 100% Cost Estimate – 100%

<u>Project</u>	<u>Location</u>	<u>Status</u>
Blossom Hill Dr Intertie with City of Roseville (2012-09)	Blossom Hill Dr at 1100 Main Sail Cir	Agreement – 99% Plans – 100% Cost Estimate – 100%
Crestmont Ave Intertie with City of Roseville (2012-10)	Crestmont Ave at 8199 Bonnie Oak Way	Agreement – 99% Plans – 100% Cost Estimate – 100%
Baird Way 12” Water Main Area West Engineers, Inc. (2015-31)	Auburn Blvd to Holly Dr	<i>Preparing to Pothole</i>
<i>Corporation Yard Improvements Phase 1 (2015-02)</i>	<i>6230 Sylvan Road</i>	<i>Preparing Request for Design & Const Mgmt Proposals</i>
<i>Highwood Ave & Rosa Vista Ave 8” Water Mains Warren Consulting Engineers (2015-33)</i>	<i>Highwood Ave at Rosa Vista Ave</i>	<i>Design Underway</i>

PM-5 PROJECTS CONTRACTED BY CITRUS HEIGHTS WATER DISTRICT

Capital Improvement Projects currently under construction by Citrus Heights Water District contractors requiring coordination and inspection by the District:

<u>Project</u>	<u>Location</u>	<u>Status</u>
Mariposa Ave Civil Engineering Construction (2016-30)	Limerick Way to Farmgate Way and Eastgate Ave to Northeast Circle (south end)	80% Complete

PM-6 CITY OF CITRUS HEIGHTS PROJECTS

City of Citrus Heights Projects requiring coordination and inspection by the District:

None

CITRUS HEIGHTS WATER DISTRICT

OPERATIONS MANAGER'S REPORT TO BOARD OF DIRECTORS AUGUST 9, 2016 REGULAR MEETING

SUBJECT : OPERATIONS MANAGER'S REPORT
 STATUS : Information Item
 REPORT DATE : August 1, 2016

HYDRANT INSTALL: (1)

July 27, 2016 5810 MERLINDALE DR

HYDRANT REPAIR: (1)

July 27, 2016 8429 SUNRISE BLVD

HYDRANT REPLACEMENT: (4)

July 13, 2016 5900 YEOMAN WAY
 July 14, 2016 5830 PRIMROSE DR
 July 20, 2016 7700 FARMGATE WAY
 July 21, 2016 8420 PYRACANTHA CT

MAIN REPAIR: (1)

July 6, 2016 5617 MARIPOSA AVE

METER BOX MAINTENANCE: (2)

July 4, 2016 7640 MARIPOSA AVE
 July 26, 2016 7415 LARKSPUR LN

METER CHANGE OUT: (3)

July 25, 2016 7551 SUNRISE BLVD
 July 25, 2016 7565 WICKHAM DR
 July 27, 2016 6065 SUNDALE WAY

RADIO READ METER INSTALL: (2)

July 5, 2016 6416 BRANDO LOOP
 July 5, 2016 6420 BRANDO LOOP

REGISTER CHANGE OUT: (9)

July 5, 2016 7741 ZIEBELL CT
 July 5, 2016 7737 MCCONNELL DR
 July 7, 2016 7741 ZIEBELL CT
 July 7, 2016 7157 CANELO HILLS DR
 July 11, 2016 7030 DRYWOOD WAY
 July 11, 2016 8281 CROSSOAK WAY

July 13, 2016	5849 SUNRISE VISTA DR
July 18, 2016	5941/43 MOSS CREEK CIR
July 26, 2016	8400 PYRACANTHA CT

SERVICE RAISE/LOWER: (1)

July 13, 2016	7801 ANTELOPE RD
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SERVICE REPLACEMENT: (1)

July 11, 2016	5525 KINGSWOOD DR
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SERVICE/SADDLE REPLACEMENT: (4)

July 7, 2016	7675 PLEIDES AVE
July 7, 2016	8140 WALNUT FAIR CIR
July 25, 2016	7793 NELSON LN
July 28, 2016	6925 MITCHELL CT

VALVE EXERCISE: (1)

July 26, 2016	6130 CALIENTE CT
---------------	------------------

VALVE LOCATE: (2)

July 26, 2016	8431 HIALEAH WAY
July 26, 2016	8431 HIALEAH WAY

Total Count: 32

WATER ANALYSIS REPORTS:

Bacteriological testing has met all California Department of Public Health requirements.
72 samples were collected with no positive results.

**CITRUS HEIGHTS WATER DISTRICT
 OPERATIONS MANAGER'S REPORT TO BOARD OF DIRECTORS
 AUGUST 9, 2016 REGULAR BOARD MEETING**

SUBJECT : 2016 WATER SUPPLY - PURCHASED & PRODUCED
 STATUS : Information Item
 REPORT DATE : August 3, 2016
 PREPARED BY : Brian M. Hensley, Water Resources Supervisor

OBJECTIVE:

Report on annual water supply including comparison with prior years and current 5 - 10% voluntary reduction directive.

Month	2013	2014	2015	2016				Year-to-Date Comparison to 2013	
	acre feet			Surface Water Purchased	Ground Water Produced	Total Water Monthly	Total Water Annual		
	Jan	602.52	602.39	570.05	463.53	76.07	539.60	539.60	-62.92
Feb	606.36	450.96	511.52	387.51	97.02	484.53	1,024.13	-184.75	-15.3%
Mar	819.55	612.20	725.95	442.62	74.94	517.56	1,541.69	-486.74	-24.0%
Apr	1,029.73	737.30	761.02	609.95	67.86	677.81	2,219.50	-838.66	-27.4%
May	1,603.43	1,190.07	869.08	882.03	97.46	979.49	3,198.99	-1,462.60	-31.4%
Jun	1,816.73	1,548.66	1,065.10	1,270.95	72.81	1,343.76	4,542.75	-1,935.57	-29.9%
Jul	2,059.21	1,622.10	1,184.95	1,418.32	126.25	1,544.57	6,087.32	-2,450.21	-28.7%
Aug	1,924.28	1,477.49	1,188.18						
Sep	1,509.82	1,275.11	1,069.78						
Oct	1,297.42	1,030.74	918.67						
Nov	911.55	682.48	589.6						
Dec	700.94	563.15	519.57						
Total	14,881.54	11,792.65	9,973.47	5,474.91 89.94%	612.41 10.06%	6,087.32	6,087.32		

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS AUGUST 9, 2016 REGULAR MEETING

SUBJECT : SURFACE WATER SUPPLY
STATUS : Information Item
REPORT DATE : August 3, 2016
PREPARED BY : David M. Gordon, Operations Manager

OBJECTIVE:

Receive status report on surface water supplies available to the District.

BACKGROUND AND ANALYSIS:

As of midnight on August 2, 2016, storage in Folsom Lake was at 469,125 acre-feet, 48 percent of the total capacity of 977,000 acre-feet. This is about 68 percent of historical average for this date. This represents a decrease in storage of 222,436 acre-feet in the past month.

The District's total water use during the month of July 2016 (1544.57 acre-feet) was 25.0% below that of July 2013 (2059.21 acre-feet).

CHWD continues to assist with preserving surface water supplies in the Lake by operating its groundwater wells. All District wells (Bonita, Mitchell Farms, Palm, Skycrest, Sylvan and Sunrise) remain operational and are being operated on a rotational, or as-needed, basis.

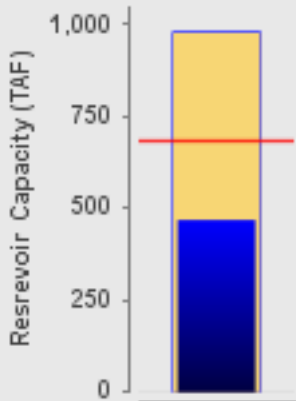


Reservoir Conditions - Folsom Lake



Folsom Lake Conditions

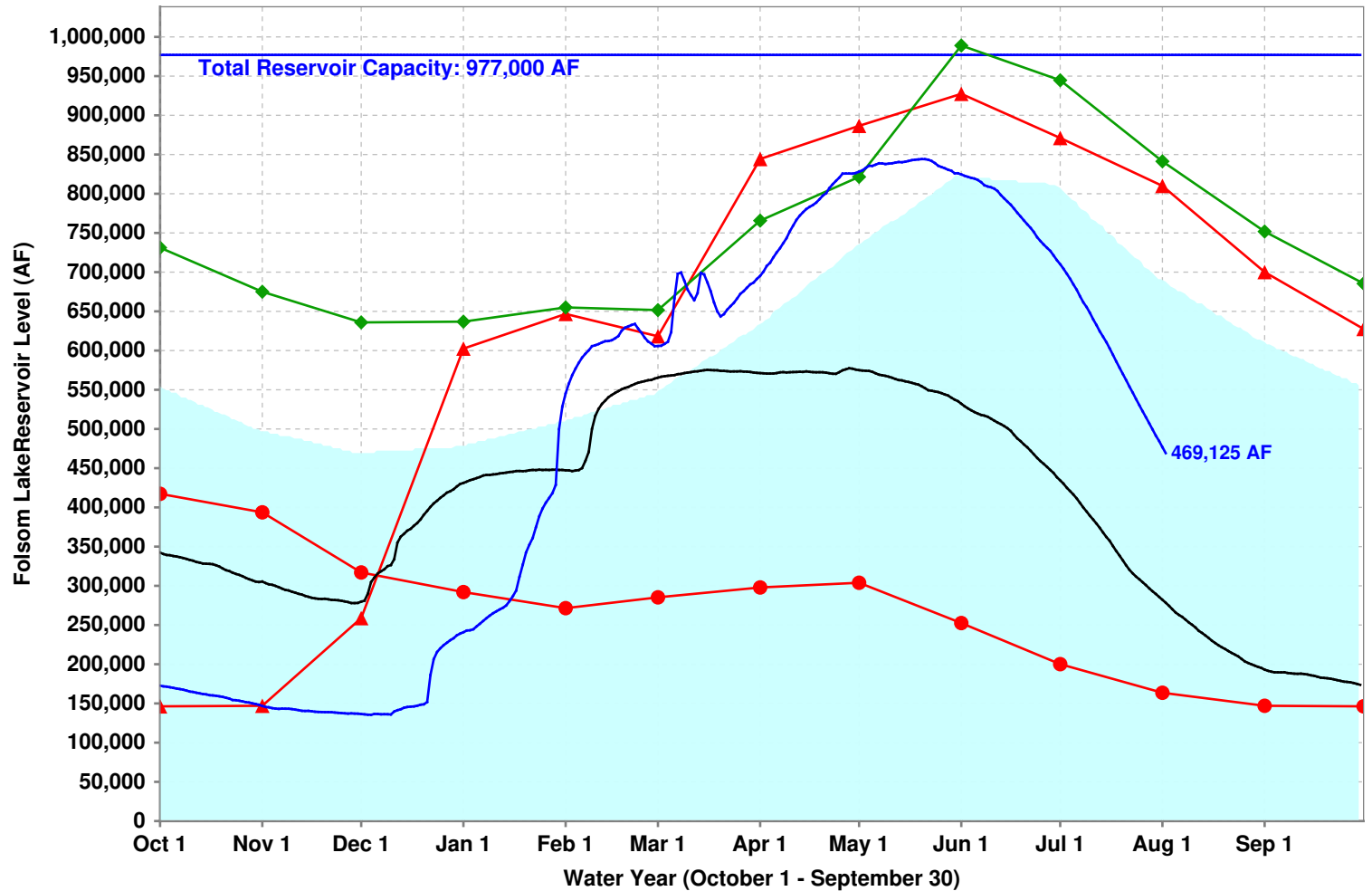
(as of Midnight - August 2, 2016)



Current Level: 469,125 AF

48% (Total Capacity) | 68% (Historical Avg.)

Folsom Lake Levels: Various Past Water Years and Current Water Year, Ending At Midnight August 2, 2016



CITRUS HEIGHTS WATER DISTRICT

ASSISTANT GENERAL MANAGER'S REPORT TO BOARD OF DIRECTORS AUGUST 9, 2016 REGULAR MEETING

SUBJECT : ACTIVITIES AND PROGRESS REPORT
 STATUS : Information Item
 REPORT DATE : August 2, 2016
 PREPARED BY : Hilary M. Straus, Assistant General Manager
 Rex W. Meurer, Water Efficiency Coordinator

Significant assignments and activities for the Assistant General Manager (AGM) and District Administrative, Customer Service and Water Efficiency staff are summarized below.

AGM-1 WATER EFFICIENCY PROGRAM UPDATE

Water Efficiency Program activities during the month of July 2016 included:

- 10 ultra-low-flush toilet rebates for the month of July 2016. A total of \$7,350 in rebates has been provided to customers' year to date.
- For the period of July 2016, no High Efficiency Clothes Washer (HECW) rebates were processed. Year-to-date, 9 HECW rebates were processed by SMUD for District customers.
- 87 water waste calls were received during the month of July. 12 reports of water waste were received through the CHWD's Drought Resources web page. A total of 87 contacts (mostly visits to customers' homes and phone calls) have been completed based on these reports.
- The following table summarizes the R-GPCD values for CHWD to date:

Month	R-GPCD
January 2015	75
February	83
March	108
April	117
May	129
June	163
July	176
August	172
September	160
October	140
November	82
December	75
January 2016	80
February	77
March	77
April	107
May	155

Month	R-GPCD
June	213
July	Not Available

***This information is submitted monthly to the State Water Resources Control Board.**

The District is currently in a Stage 2 Water Alert Modified. Customers are being asked to voluntarily cutback water use by 5%-10% through 2016. A Public Outreach campaign promoting the Stage 2 Water Alert regulations is underway. The messaging is intended to educate District customers about Stage 2 modified regulations. The following are included in the Public Outreach effort:

- A bill stuffer promoting the Stage 2 Water Alert
- The District’s website
- FaceBook
- Phone message recording
- Waterline Newsletter
- CHWD along with the City of Citrus Heights, California American Water Company and Sacramento Suburban Water District held an Ecolandscape class on July 23rd. The class was held at the Citrus Heights Community Center. The class covered “right plant-right placement” and best irrigation practices for customers. There was a demonstration on how to convert spray irrigation to drip, outreach materials, raffle prizes and refreshments. Over 30 people participated in the class.
- The Top 20% water reduction campaign is focusing on the 72 no response/non-compliant “Bad-Bad’s”. These are the customers who did not submit a water reduction plan and did not meet their water reduction target. The 72 “Bad-Bad’s” are being contacted by District staff. Customers are offered a water efficiency review and left with water conservation program information and literature. Currently the program has generated 27 water efficiency reviews for the “Bad-Bad’s”.

<i>ACTION TAKEN</i>	<i># of Responses</i>	<i># Compliant</i>	<i># Non-Compliant</i>
Responded with Plan	96	84	12
No Response with Plan	86	14	72

** All Top 20% customers saved a total of 42% as compared to 2013.*

AGM-2 FINANCE UDPATE

Finance staff has completed an update of CHWD’s regional rate survey/comparison. This information will be available to the Board as it considers various rate options at its August 29th and September 13th budget workshops. Budget preparation is well underway, and during the next few weeks, staff will be updating the Rate Model to generate options and accompanying analysis associated with each rate option for Board consideration.

CITRUS HEIGHTS WATER DISTRICT

GENERAL MANAGER'S REPORT TO BOARD OF DIRECTORS AUGUST 9, 2016 REGULAR MEETING

SUBJECT : EMPLOYEE RECOGNITION
 STATUS : Information Item
 REPORT DATE : August 3, 2016

The following District employees were recognized for superior attendance, outstanding customer service and quality of work during the month of July 2016.

OPERATIONS and WATER QUALITY DEPARTMENT

Tim Cutler: Superior Attendance

Robyn Evans: Superior Attendance
 Work Quality – Safety Meeting Presentation on “Safety Data Sheets” – 2016 Jul 07

James Ferro: Customer Service – Compliments from customer at 7675 Pleides Ave re: Service Replacement – 2016 Jul 07
 Customer Service – Compliments from customer at 5525 Kingswood Drive re: meter box leak – 2016 Jul 07

Jarrett Flink: Superior Attendance

Gil Garcia: Superior Attendance

Brian Hensley: Superior Attendance
 Work Quality – Board Meeting Presentation on Public Health Goals – 2016 Jul 07

Rick Jimenez: Superior Attendance

Mike Mariedth: Superior Attendance

Chris Nichols: Superior Attendance

Nick Spiers: Superior Attendance

Jason Tupper: Superior Attendance
 Work Quality – Saturday testing of Backflow Prevention Assembly at Small Business Administration Office on Sylvan Road – 2016 Jul 02

ADMINISTRATION and WATER DEMAND MANAGEMENT DEPARTMENT

Brady Chambers: Superior Attendance
 Work Quality – 2 hours+ overtime work on Move-in/Move-outs due to short staff – 2016 Jul 06
 Work Quality – Discovered a shortcut in the billing system that allowed more efficient entry or meter reads on an account with 54 connections – 2016 Jul 07

Kelly Drake: Superior Attendance
Work Quality – Completion of MSDS Online SDS Update Project – 2016 Jul

Dana Mellado: Customer Service – Thanks from out-of-state owner for prompt response to tenant’s
report of a leak at 6525-27 Mauna Way – 2016 Jul 13

Rex Meurer: Superior Attendance
Work Quality – Safety Meeting Presentation on “Lightning Safety” – 2016 Jul 21

Beth Shockley: Superior Attendance

Desiree Smith: Superior Attendance
Work Quality – 2 hours+ overtime work on Move-in/Move-outs due to short staff –
2016 Jul 06

Lisa Smoot: Superior Attendance

Susan Sohal: Superior Attendance
Work Quality – Citrus Heights Water District Financing Corporation Reports –
2016 Jul
Work Quality – Treasurer’s Support Work – 2016 Jul

PROJECT MANAGEMENT and ENGINEERING DEPARTMENT

Missy Pieri: Superior Attendance

Borey Swing: Superior Attendance

John Spinella: Superior Attendance
Work Quality – 6.5 hours of overtime work to provide Friday inspection of Mariposa
Avenue 12” Water Main Replacement Project – 2016 Jul 22

CITRUS HEIGHTS WATER DISTRICT

GENERAL MANAGER'S REPORT TO BOARD OF DIRECTORS AUGUST 9, 2016 REGULAR MEETING

SUBJECT : GENERAL MANAGER'S TASK LIST
STATUS : Information Item
REPORT DATE : August 3, 2016

Significant assignments and activities for the General Manager (GM) are listed on the attached list. I will be available at the meeting to answer questions and/or provide additional details.

**Citrus Heights Water District
General Manager's Task List
Date: 8/3/2016**

TASK LIST NO. 128		August 9, 2016			GM-2b	
Category	Green: Items that are substantially complete, delegated or awaiting action by others	GM Hrs to Complete	Waiting on or delegated to:	Deadline	Notes	
Water Distribution	District Capital Project 2011-02: Beech Ave Metered Interconnection with Orange Vale WC	5	OVWC	15-Oct-2016	Draft Agreement sent to OVWC - awaiting comments	

**Citrus Heights Water District
General Manager's Task List
Date : 8/3/2016**

Category	Red: Top Priority Items	GM Hrs to Complete	Waiting on or delegated to:	Deadline	Notes
Administration	2016 District Election			8-Nov-2016	Divisions One (4 year) and Two (2 year)
Administration	<i>Annexations: Livoti Tract (4 of 8)</i>	40	Church hill	15-Sep-2016	
Administration	<i>Annexations: Sacramento County (4 of 8)</i>	40	Church hill	15-Sep-2016	
Administration	<i>Annexation of Verme Tract Territory to SJWD</i>	40	Church hill	15-Sep-2016	
Administration	Fiscal Management Policy - Disbursement of Funds	2	Every 3 Years	11-Oct-2016	
Human Resources	Salary Schedule Update	40	Every 3 Years	13-Sep-2016	Last Updated Jan 2014, Update by July 2016 for 2017 Budget
Human Resources	Retire from Citrus Heights Water District		Church hill	17-Nov-2016	Planned Date
Water Distribution	<i>Future CIP Projects Summary Binder (2 of 8)</i>	20	GM/ Engr Dept	13-Sep-2016	Ed it in Progress
Water Distribution	<i>Technology Improvements: Document Management / Project Management / Asset Management / Easements (7 of 8)</i>	30	Smooth/wing/etc	15-Dec-2016	
Water Supply	<i>SJWD Shortage Policy Cost Update (1 of 8)</i>	10	SJWD	15-Jul-2016	MOU in Development
Water Supply	<i>SJWD Wholesale Water Supply Agreement</i>	30	Church hill/ Albietz	15-Oct-2016	SJWD GM Reviewing
Water Supply	SJWD Hydraulic Model Maintenance Agreement	5	Church hill	15-Sep-2016	
Water Supply	Sites Reservoir Advocacy	40	Straus/Riehle		
	HOURS SUBTOTAL:	297			

**Citrus Heights Water District
General Manager's Task List
Date: 8/3/2016**

Category	Orange: High Priority Items	GM Hrs to Complete	Waiting on or delegated to:	Deadline	Notes
External Influences	Regional Water Authority Board & Executive Committee: Organize Files	20	Churchill	1-Nov-2016	
Water Distribution	District Capital Project 2011-01: Fair Way 8" Metered Interconnection with Roseville	20	Churchill	1-Nov-2016	To CHWD Board and City Council in September
Water Distribution	District Capital Project 2012-09: Blossom Hill Dr 6" Metered Interconnection with Roseville	20	Churchill	1-Nov-2016	To CHWD Board and City Council in September
Water Distribution	District Capital Project 2012-10: Crestmont Dr 6" Metered Interconnection with Roseville	20	Churchill	1-Nov-2016	To CHWD Board and City Council in September
Water Quality	Cross Connection Ordinance Update	5	Churchill	1-Oct-2016	
Water Quality	Private Well Policy	5	Hensley	1-Oct-2016	
Water Supply	Cal Am Interconnection Agreements	5	Churchill		
Water Supply	Locate and Secure additional Well Sites	40	GM / OPS / WRS	ongoing	
	HOURS SUBTOTAL:	135			

**Citrus Heights Water District
General Manager's Task List
Date : 8/3/2016**

Category	Yellow: Medium Priority Items	GM Hrs to Complete	Waiting on or delegated to:	Deadline	Notes
Administration	Master Plan Update: RFP for Engineering Services	0	PM/ Engr Dept		
Administration	Policies & Procedures: Write Missing Policies	32		ongoing	
Water Distribution	District Capital Project 2015-30: Poplar Avenue 14"	10	Bennett Engr	1-Oct-2016	Design Phase
Water Distribution	District Capital Project 2015-31: Baird Way 12"	10	Area West Engr	1-Oct-2016	Design Phase
Water Distribution	District Capital Project 2015-40: Mariposa Avenue 12"	10	Civil Engr Const	20-Aug-2016	Construction Phase
Water Distribution	Metering Projects: Meter Installation Policy Coordination with City of CH	2			
Water Distribution	Easements: Berry Lane	2			
Water Distribution	Easements: Ross	2			
Water Supply	Find Property Deeds: Wells Ave. Well Site	10		1-Oct-2016	Discuss with City of CH
	HOURS SUBTOTAL:	78			

**Citrus Heights Water District
General Manager's Task List
Date : 8/3/2016**

Category	Blue: Non-Priority Items	GM Hrs to Complete	Waiting on or delegated to:	Deadline	Notes
Human Resources	Salary Schedule Update		Every 3 Years	13-Sep-2019	
Human Resources	GASB 45 Actuarial Analysis		Every Year		Complete for 2016
Administration	2016 District Election	10		8-Nov-2018	Divisions Three (4 year)
Administration	Conflict of Interest Code - Biennial Update	15	FPPC	31-Dec-2016	Biennial Update
Administration	Division Boundary Analysis	0	2020 Census	1-Jun-2021	Reviewed May 2011
Administration	Citrus Heights Water Takers Assn - Transcribe Meeting Minutes	20	Staff	1-Nov-2016	1917-1922 Handwritten Minutes of Predecessor to CHID / CHWD
Administration	Board of Directors Policies "3000 Series"	10	Every 4 Years		Last completed 14 Feb 2012
Human Resources	Continued Education: Obtain and document contact hours for Water Treatment Operator T2 Certification	0	Renewed	1-Sep-2017	16 total hours needed
Human Resources	Continued Education: Obtain and document contact hours for Water Distribution Operator D5 Certification	0	Renewed	1-Jan-2018	36 total hours needed
Human Resources	Biennial Ethics Training	0	Every 2 Years	7-May-2017	Completed at ACWA Conference - 7 May 2015
Human Resources	Biennial Sexual Harassment Training	0	Every 2 Years	5-May-2017	Completed at ACWA JPIA Conference - 5 May 2015
Water Supply	Patton Ave Well Property Disposal			Hold	No Interested Parties
Water Supply	Watson Way Well Property Disposal			Hold	No Interested Parties
Water Supply	Public Health Goal Report & Public Hearing	1	OM, WRS	12-Jul-2019	Every 3 Years
Water Distribution	PIV Photos & Locks	3			
	HOURS SUBTOTAL:	59			
	HOURS TOTAL:	569			

CITRUS HEIGHTS WATER DISTRICT

GENERAL MANAGER'S REPORT TO BOARD OF DIRECTORS AUGUST 9, 2016 REGULAR MEETING

SUBJECT : LONG RANGE BOARD AGENDA
 STATUS : Information Item
 REPORT DATE : August 2, 2016

In an effort to plan workloads and schedules, Executive staff has been maintaining a Long Range Board Agenda, and the August update is provided below. Please let General Manager Churchill know if you have any questions or comments.

Meeting Date	Item	Assigned To
August 29, 2016	Budget and Rates Study Session	Straus/Sohal
September 13, 2016	Budget and Rates Workshop	Straus/Sohal
	Roseville Intertie Agreement	Churchill
	Compensation Study/Salary Schedule Update/Policies/Career Ladders/Employee PERS Pick-up	Churchill/Straus/Smoot/Sohal
	Engineering/Design Firm Award of Contract – Corporation Yard Improvements	Dietrich
	CIP Adoption	Churchill/Dietrich/Godon/Straus/Sohal/Pieri
October 11, 2016	Water Charges and Fees— Presentation of Proposed Updates	Straus/Sohal
November 8, 2016	2016-17 Committee Assignments	Churchill
	2016-17 District Officers	Churchill
November 15, 2016	Operating and Capital Budgets	Straus/Dietrich/Gordon
	Water Rates, Charges & Fees	Straus/Sohal
	Capacity Fees	Straus/Sohal
	Water Shortage Charges	Straus/Sohal
December 13, 2016		



**CITRUS
HEIGHTS
WATER
DISTRICT**

6230 Sylvan Road
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Citrus Heights
California
95611-0286

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916/ 725-6873

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website
www.chwd.org

Board of Directors
Allen B. Dains
Caryl F. Sheehan
Raymond A. Riehle

General Manager/
Secretary
Robert A. Churchill

Assistant General
Manager/Treasurer
Hilary M. Straus

Accounting Supervisor
Assessor/Collector
Susan K. Sohal

**BOARD MEETING AGENDA
MEETING OF THE BOARD OF DIRECTORS OF
CITRUS HEIGHTS WATER DISTRICT FINANCING CORPORATION
AUGUST 9, 2016 beginning at 6:30 PM**

**DISTRICT ADMINISTRATIVE OFFICE
6230 SYLVAN ROAD, CITRUS HEIGHTS, CA**

In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the Secretary at (916) 725-6873. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

CALL TO ORDER:

Upon request, agenda items may be moved to accommodate those in attendance wishing to address that item. Please inform the Secretary.

ROLL CALL OF DIRECTORS:

PLEDGE OF ALLEGIENCE:

VISITORS:

PUBLIC COMMENT:

The Public shall have the opportunity to directly address the Board on any item of interest to the public before or during the Board's consideration of that item pursuant to Government Code Section 54954.3. Public comment on items of interest within the jurisdiction of the Board is welcome. The Presiding Officer will limit comments to three (3) minutes per speaker.

(A) Action Item (D) Discussion Item (I) Information Item

CONSENT CALENDAR: (A)

All items under the Consent Calendar are considered to be routine and will be approved by one motion. There will be no separate discussion of these items unless a member of the Board, Audience, or Staff request a specific item be removed for separate discussion/action before the motion to approve the Consent Calendar.

None

OLD BUSINESS:

None

NEW BUSINESS:

N-1. CONSIDERATION OF APPROVAL OF THE MINUTES OF THE ANNUAL MEETING OF THE CITRUS HEIGHTS WATER DISTRICT FINANCING CORPORATION OF JULY 12, 2016 (A)

Review and consider approval of the draft minutes.

ADJOURNMENT:

CERTIFICATION:

I do hereby certify that this agenda was posted in a location accessible to the public at 6230 SYLVAN ROAD, CITRUS HEIGHTS, CA 95610 at least 72 hours prior to the regular meeting in accordance with Government Code Section 54954.2.



HILARY M. STRAUS, SECRETARY
Citrus Heights Water District Financing Corporation

Dated: August 2, 2016

CITRUS HEIGHTS WATER DISTRICT FINANCING CORPORATION
BOARD OF DIRECTORS MEETING
July 12, 2016

The Annual Meeting of the Board of Directors of the Citrus Heights Water District Financing Corporation was called to order at 7:33 PM by President Dains. Present were:

Allen B. Dains, President
Carol F. Sheehan, Vice President
Raymond A. Riehle, Director
Robert A. Churchill, Secretary
Hilary M. Straus, Chief Financial Officer
Susan K. Sohal, Accounting Supervisor
David M. Gordon, Operations Manager
Paul A. Dietrich, Project Manager
Beth Shockley, Management Services Specialist/Deputy Board Clerk
Brian M. Hensley, Water Quality Supervisor/Chief Operator

VISITORS

Nicholas L. Spiers, Water Distribution Specialist

Confirmation / Appointment of CHWD Financing Corporation Officers

The Board confirmed and appointed the following Citrus Heights Water District Financing Corporation Officers upon a motion by Director Sheehan and a second by Director Riehle and carried 3-0 with all Directors voting yes.

President	Allen B. Dains	Reconfirmed as President
Vice President	Caryl F. Sheehan	Confirmed as Vice President
Director	Raymond A. Riehle	Confirmed as Director
Chief Financial Officer	Susan K. Sohal	Appointed as CFO
Secretary	Hilary M. Straus	Appointed as Secretary

Status of the CHWD Revenue Refunding Certificates of Participation, Series 2010

Accounting Supervisor Sohal reported that the Citrus Heights Water District Financing Corporation (the Corporation) was formed in July 2000 for the purpose of issuing the \$7.9 million in Certificates of Participation (COPs) for the financing of water meter retrofits and well improvements. Section 3.5 of the Bylaws for the Corporation requires that an annual meeting be held each year. In June 2010, the Corporation authorized the refunding of the Series 2000 COPs with the issuance of the Revenue Refunding COPs, Series 2010, in the amount of \$5,155,000. The purpose of the meeting is to review information or developments related to the COP financing and to fulfill a legal requirement for California non-profit corporations.

Included with Directors' agenda packets was a copy of the Continuing Disclosure Annual

Report for the Revenue and Revenue Refunding COPs. This report is a requirement of the District's COP issuance and is generally required for all publicly-traded securities. It is filed with Nationally Recognized Municipal Securities Information Repositories where these reports are made available to the public. The Annual Report shows the status of the principal on the COPs and other financial and operating information about the District as of December 31, 2014. The balance outstanding on the COPs at that time was \$2,530,000.00.

The District made two installment payments in 2015 on the Series 2010 COPs for a total of \$569,200; \$450,000.00 as repayment of principal on the COPs; and \$119,200.00 in interest on the debt. The District has five years of payments remaining on this 10-year debt refunding as of December 31, 2015. The District's AA bond rating on its debt was most recently reaffirmed in September 2015 during a review done by S&P every three years. The rating is a continued affirmation of the District's strong financial policies and financial stability.

The debt under the San Juan Water District (SJWD)/CHWD COPs, originally issued in 2003, was not issued under the authority of the CHWD Financing Corporation, since it was done under the authority of the San Juan Suburban Water District Financing Corporation. However, staff has typically reported on the status of the SJWD/CHWD debt issuance at the time of the CHWD Financing Corporation Annual Meeting.

CHWD participated with SJWD in a refunding of the 2003 Series debt that was completed in May 2012. The new debt issuance is identified as the SJWD/CHWD Refunding Revenue Bonds, Series 2012A. This refunding resulted in a savings to SJWD and CHWD over the remaining life of their respective debt. The principal amount outstanding for CHWD on the Series 2012A bonds as of December 31, 2015 was \$2,020,000.00. CHWD's annual principal and interest payments on the Series 2012A debt ranges from \$167,287.00 to \$175,937.00 annually over the remaining life of the debt through its retirement in 2033.

Directors and staff discussed the District's debt issuances.

ADJOURNMENT

There being no other business to come before the Board, the meeting was adjourned at 7:43 PM by President Dains.

APPROVED:

ROBERT A. CHURCHILL
Secretary
Citrus Heights Water District
Financing Corporation

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



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**BOARD MEETING AGENDA
SPECIAL MEETING OF THE BOARD OF DIRECTORS OF
CITRUS HEIGHTS WATER DISTRICT**

**TUESDAY, AUGUST 9, 2016 beginning at 5:30 PM
DISTRICT ADMINISTRATIVE OFFICE BUILDING
6230 SYLVAN ROAD, CITRUS HEIGHTS, CA**

In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the Management Services Supervisor at (916) 725-6873. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

CALL TO ORDER:

Upon request, agenda items may be moved to accommodate those in attendance wishing to address that item. Please inform the General Manager.

VISITORS:

Shellie Anderson, Bryce Consulting

PUBLIC COMMENT:

The Public shall have the opportunity to directly address the Board on any item of interest to the public before or during the Board's consideration of that item pursuant to Government Code Section 54954.3. Public comment on items of interest within the jurisdiction of the Board is welcome. The Presiding Officer will limit comments to three (3) minutes per speaker.

STUDY SESSION:

- SS-1. Implementation of Career Ladders throughout CHWD (D)
Discuss adding career ladders throughout the organization.
- SS-2. Compensation Study and Proposed Salary Range Changes (D)
Discuss findings and recommendations from Bryce Consulting and CHWD leadership staff.
- SS-3. Employee pick-up of the Member Contribution to Cal-PERS pension Benefit (D)
Discuss staff recommendation concerning timing and approach to CHWD employees paying the employee contribution to the CHWD-provided Cal-PERS pension benefit.

ADJOURNMENT:

Board of Directors
Allen B. Dains
Caryl F. Sheehan
Raymond A. Riehle

*General Manager/
Secretary*
Robert A. Churchill

*Assistant General
Manager/Treasurer*
Hilary M. Straus

*Accounting Supervisor
Assessor/Collector*
Susan K. Sohal

CERTIFICATION:

I do hereby declare and certify that this agenda for the Special Meeting of the Board of Directors of the Citrus Heights Water District was posted in a location accessible to the public at the outdoor bulletin board at the District Administrative Office Building, 6230 Sylvan Road, Citrus Heights, CA 95610 at least 24 hours prior to the Special Meeting in accordance with Government Code Section 54945.2.

Lisa A. Smoot

LISA A. SMOOT, Chief Board Clerk

Dated: August 4, 2016
