

**BOARD MEETING AGENDA
REGULAR MEETING OF THE BOARD OF DIRECTORS OF
CITRUS HEIGHTS WATER DISTRICT (CHWD)
JUNE 20, 2018 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 General Manager 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: (I/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-1a. Minutes of the Special Meeting – May 16, 2018
- CC-1b. Minutes of the Regular Meeting – May 16, 2018
- CC-2. Revenue Analysis Report for May 2018
- CC-3. Assessor/Collector's Roll Adjustment for May 2018
- CC-4. Treasurer's Report for May 2018
- CC-5. Treasurer's Report of Fund Balances for May 2018
- CC-6. Operations Budget Analysis for May 2018
- CC-7. Capital Projects Summary May 2018
- CC-8. Warrants for May 2018
- CC-9. CAL-Card Distributions for May 2018
- CC-10. Summary of 2018 Employees and Directors Training Courses, Seminars and Conference
- CC-11. Employee Recognitions

- CC-12. Long Range Board Agenda (I)
Board Agenda Items Planned for Upcoming Meetings.
- CC-13. Engineering Department Report (I)
Significant assignments and activities for the Engineering Department are summarized.
- CC-14. Operations Department Report (I)
Monthly report on construction and maintenance activities.
- CC-15. 2018 Water Supply – Purchased and Produced (I)
Report on annual water supply including comparison with prior years.
- CC-16. Water Supply Reliability (I)
Receive status report on surface water supplies available to the Citrus Heights Water District (District).
- CC-17. Water Efficiency and Safety Program Update (I)
Monthly report on Water Efficiency program activities.
- CC-18. Discussion and Possible Action to Approve a Contract Amendment for an Agreement with Planning Partners (A)
Consider a contract amendment with Environmental Planning Partners, Inc. for additional work preparing the Ella Way Well Project's California Environmental Quality Act compliance documents.
- CC-19. Discussion and Possible Action to Consider Acceptance of Completion of Highland Ave and Rosa Vista Lane Water Main Replacement Project (A)
Consider adoption of Resolution 11-2018 for the Highland Avenue and Rosa Vista Lane Water Main Replacement Project, and authorize execution and recording of a Notice of Completion for the project.
- CC-20. Discussion and Possible Action to Adopt Resolution 12-2018 Amending Resolution 09-2018 Calling For a November 2018 Election in Sacramento County (A)
Consider adoption of Resolution 12-2018 amending Resolution 09-2018 to state that Candidates are to pay the Sacramento County Voter Registration and Elections Office for their voluntary Candidate's Statement.

PRESENTATIONS:

None.

STUDY SESSIONS:

None.

BUSINESS:

B-1. Comprehensive Annual Financial Report (CAFR) Review (I/D)

Receive and file a presentation on the 2017 Comprehensive Annual Financial Report.

B-2. Discussion and Possible Action to Authorize a Notice of Completion for Corporation Yard Safety Improvement Project (A)

Consider adoption of Resolution 13-2018 for the Corporation Yard Safety Improvement Project, and authorize execution and recording of a Notice of Completion for the project.

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

None.

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

- D-1. Regional Water Authority (Dains).
- D-2. Sacramento Groundwater Authority (Sheehan).
- D-3. San Juan Water District (All).
- D-4. Association of California Water Agencies (Dains).
- D-5. ACWA Joint Powers Insurance Authority (Dains/Castruita).
- D-6. City of Citrus Heights (Pieri).
- D-7. Chamber of Commerce Government Issues Committee (Gordon/Meurer).
- D-8. RWA Lobbying Program Update (Gordon/Meurer).
- D-9. Customer Advisory Committee (Riehle/Pieri)
- D-10. Other Reports.

MANAGEMENT SERVICES REPORTS (I):

- MS-1. Meter Replacement Program Update.

CORRESPONDENCE:

None.

CLOSED SESSION:

None.

FUTURE CHWD BOARD OF DIRECTORS MEETING DATES:

July 18, 2018	6:30 PM	Regular Meeting
August 15, 2018	6:30 PM	Regular Meeting
September 5, 2018	6:00 PM	Special Meeting
September 19, 2018	6:30 PM	Regular Meeting
October 17, 2018	6:30 PM	Regular Meeting
November 14, 2018	6:30 PM	Special Meeting
December 5, 2018	6:30 PM	Special Meeting
December 19, 2018	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.



Dated: June 14, 2018

Madeline Henry, Management Services
Specialist/Deputy Board Clerk

CITRUS HEIGHTS WATER DISTRICT
BOARD OF DIRECTORS SPECIAL MEETING MINUTES
May 16, 2018

The Special Meeting of the Board of Directors was called to order at 6:00p.m. by President Riehle and roll was called. Present were:

Raymond A. Riehle, President
Caryl F. Sheehan, Vice President
Allen B. Dains, Director

Absent:

None.

Staff: Hilary Straus, General Manager
Steve Anderson, General Counsel
Joshua Nelson, Assistant General Counsel
Susan Sohal, Administrative Services Manager
Chris Castruita, Management Services Supervisor/Chief Board Clerk
Madeline Henry, Management Services Specialist/Deputy Board Clerk
David Gordon, Operations Manager
Brian Hensley, Water Resources Supervisor
Melissa Pieri, Engineering Manager

VISITORS:

Mary Wilson, Environmental Planning Partners, Inc.

CLOSED SESSION:

CL-1. Pursuant to Section 54956.8:

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Property: Parcel Numbers 251-0150-006 and 216-0150-014-0000

Agency negotiators: Chris Castruita, David Gordon, Madeline Henry, Brian Hensley,
Josh Nelson, Melissa Pieri, Hilary Straus, Susan Sohal, Mary Wilson

Negotiating parties: Gary and Nellie Tingler, Karen O'Dea

Under negotiation: Both Price and Terms of Payment

CL-2. Pursuant to Section 54956.8:

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Property: Parcel Numbers 211-0192-087-0000

Agency negotiators: Chris Castruita, David Gordon, Madeline Henry, Brian Hensley,
Josh Nelson, Melissa Pieri, Hilary Straus, Susan Sohal

Negotiating parties: First Apostolic Church Incorporated of Citrus Heights

Under negotiation: Both Price and Terms of Payment

CL-3. Pursuant to Section 54956.8:

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Property: 12,098 acre-feet of water

Agency negotiators: Chris Castruita, David Gordon, Madeline Henry, Brian Hensley,
Josh Nelson, Melissa Pieri, Hilary Straus, Susan Sohal

Negotiating parties: San Juan Water District

Under negotiation: Both Price and Terms of Payment

ADJOURNMENT:

The Closed Session was adjourned at 6:32 pm.

No reportable action.

ADJOURNMENT:

There being no other business to come before the Board, the meeting was adjourned at 6:32 pm.

APPROVED:

MADELINE HENRY
Acting Deputy Secretary
Citrus Heights Water District

RAYMOND A. RIEHLE, President
Board of Directors
Citrus Heights Water District

CITRUS HEIGHTS WATER DISTRICT
BOARD OF DIRECTORS REGULAR MEETING MINUTES
May 16, 2018

The Regular Meeting of the Board of Directors was called to order at 6:36 p.m. by President Riehle and roll was called. Present were:

Raymond A. Riehle, President
Caryl F. Sheehan, Vice President
Allen B. Dains, Director

Absent:

None.

Staff: Hilary Straus, General Manager
Joshua Nelson, Assistant General Counsel
Susan Sohal, Administrative Services Manager
Chris Castruita, Management Services Supervisor/Chief Board Clerk
Madeline Henry, Management Services Specialist/Deputy Board Clerk
David Gordon, Operations Manager
Brian Hensley, Water Resources Supervisor
Missy Pieri, Engineering Manager
Alberto Preciado, Senior Accountant
Rex Meurer, Water Efficiency Supervisor

VISITORS:

Annabelle Ng
Jinne Calvi
Leila Gross
Susanne Slayton
Shelby Gibbs
Sallee Weston
Peter Martin, Innovyze
Roger Kohne, Harris & Associates
Cody Smith, Maze & Associates
Ramesh Narasimhan, NCS Engineers

PLEDGE OF ALLEGIANCE:

Board President Raymond Riehle led the Pledge of Allegiance.

PUBLIC COMMENT:

None.

CONSENT CALENDAR:

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

- Minutes of the Special Meeting – April 21, 2018
- Minutes of the Regular Meeting – April 21, 2018
- Revenue Analysis Report for April 2018
- Assessor/Collector’s Roll Adjustment for April 2018
- Treasurer’s Report for April 2018
- Treasurer’s Report of Fund Balances for April 2018
- Operations Budget Analysis for April 2018
- Capital Projects Summary April 2018
- Warrants for April 2018
- CAL–Card Distributions for April 2018
- Summary of 2018 Employees and Directors Training Courses, Seminars and Conferences
- Employee Recognitions
- Long Range Board Agenda (I)
 - Board Agenda Items Planned for Upcoming Meetings.
- Engineering Department Report (I)
 - Significant assignments and activities for the Engineering and Capital Projects Department is summarized.
- Operations Department Report (I)
 - Monthly report on construction and maintenance activities.
- 2018 Water Supply – Purchased and Produced (I)
 - Report on annual water supply including comparison with prior years.
- Water Supply Reliability (I)
 - Receive status report on surface water supplies available to the Citrus Heights Water District (District).
- Water Efficiency and Safety Program Update (I)
 - Monthly report on Water Efficiency and Safety programs activities.
- Discussion and Possible Action to accept an easement at 5414-50 Sunrise Boulevard (A)
 - Approval of Resolution 06-2018 for the acceptance of an easement at 5414-50 Sunrise Boulevard.

APRIL 2018 WARRANTS

<u>CHECK</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
65269	Monica Gavia	Customer Refund	\$13.47
65270	James Day	Customer Refund	\$26.82

APRIL 2018 WARRANTS

65271	Nicolas/Meryssa Tenthorey	Customer Refund	\$9.37
65272	ABA DABA Rentals & Sales	Supplies-Field	\$279.22
65273	ACWA/JPIA	Workers Comp Insurance	\$7,949.00
65274	AFLAC	Employee Paid Insurance	\$395.99
65275	AIA Services, LLC/NDS	Water Conservation- Material/Supplies	\$809.08
65276	Airgas USA, LLC	Supplies-Field	\$104.76
65277	American General Life Insurance Company	Disability & Life Insurance	\$3,100.00
65278	Best Best & Krieger	Legal Services	\$7,998.35
65279	Betty Ann Bertoglio	Contract Services-Miscellaneous	\$3,000.00
65280	Bryce Consulting, Inc	Support Services	\$2,560.00
65281	Califronia Electra-Kote LLC	Contract Services-Miscellaneous	\$650.00
65282	California Landscape Associates Inc	Janitorial	\$200.00
65283	Capio	Continued Education	\$225.00
65284	Robin Cope	Health Insurance	\$422.30
65285	Cybex	Equipment Rental-Office	\$158.16
65286	Dawson Oil Company	Gas & Oil	\$1,258.62
65287	Domenichelli and Associates, Inc	Contract Services-Engineering	\$7,134.75
65288	Holdcom	Telephone-Local/Long Distance	\$305.10
65289	Integrity Administrators Inc	Health Insurance	\$318.50
65290	J4 Systems	Contract Services-Other	\$2,110.00
65291	KBA Docusys Inc	Equipment Rental-Office	\$342.63
65292	Kei Window Cleaning #12	Janitorial	\$94.00
65293	Moonlight BPO	Contract Services-Bill Print/Mail	\$3,985.14
65294	Occu-Med	Office Miscellaneous	\$116.00
65295	One Print Source & Graphics	Printing	\$46.33
65296	USPS	Postage	\$250.00
65297	Protection One Alarm Monitoring	Equipment Rental-Office	\$258.56
65298	Republic Services #922	Utilities	\$212.71
65299	Rescue Training Institute Inc	Fixed Assets	\$2,320.00
65300	Regional Government Services	Contract Services-Other	\$3,168.50
65301	Sonitrol	Equipment Rental-Office	\$175.10
65302	Spot on Signs & Graphics	Contract Services-Office Repair/Maintenance	\$205.79
65303	Superior Equipment Repair	Repair-Trucks	\$2,100.93
65304	The Lincoln National Life Insurance Company	Disability & Life Insurance	\$7,198.42
65305	Warren Consulting Engineers Inc	Contract Services-Engineering	\$4,250.00

APRIL 2018 WARRANTS

65306	Zane Dezign	Contract Services-Conservation	\$60.00
65307	Zee Medical Company	Supplies-Field	\$176.79
65308	Susan M Ryan	Customer Refund	\$10.96
65309	CirclePoint	Contract Services-Water Conservation	\$10,586.01
65310	City of Citrus Heights	Permit Fees	\$17,274.99
65311	Corix Water Products, Inc	Material	\$10,086.52
65312	Ferguson Enterprises Inc #1423	Material	\$18,856.25
65313	Harris & Associates	Contract Services-Engineering	\$8,797.50
65314	Lund Construction	Contract Services- Engineering	\$169,639.60
65315	Maze & Associates	Support Services	\$9,458.00
65316	Planning Partners Inc	Contract Services-Wells	\$10,483.86
65317	PNP Construction, Inc	Contract Services-Engineering	\$57,682.00
65318	SMUD	Utilities	\$8,561.61
65319	Esther A Posey Rev Liv Trust	Customer Refund	\$87.15
65320	Solon D/Jeanine M Kobza	Customer Refund	\$10.18
65321	Kolak Trust	Customer Refund	\$152.60
65322	Sherry A Deurloo	Customer Refund	\$18.57
65323	Magaret M Nossardi	Customer Refund	\$57.19
65324	Sandra J Scott	Customer Refund	\$94.50
65325	Brian/Kathleen S Rupe	Customer Refund	\$11.20
65326	Thomas H Kervin Family Trust	Customer Refund	\$107.63
65327	Glenn U Raney	Customer Refund	\$19.57
65328	Johnathan T Forbes- Peyton	Customer Refund	\$186.06
65329	Jennifer Mendez	Customer Refund	\$54.56
65330	Terra J Evans	Customer Refund	\$76.99
65331	A&A Stepping Stone Manufacturing	Supplies-Field	\$71.12
65332	FP Mailing Solutions	Equipment Rental-Office	\$181.76
65333	Grainger	Small Tools	\$4,300.22
65334	J4 Systems	Contract Services-Other	\$648.75
65335	RW Trucking	Contract Services-Miscellaneous	\$1,912.50
65336	Minarets LLC	Customer Refund	\$12.94
65337	William H/Linda L Halfhill	Customer Refund	\$47.20
65338	Kevin M/Ellen L Price	Customer Refund	\$97.34
65339	James R Baxter	Customer Refund	\$228.26
65340	Aaron R/Elaine C Montag	Customer Refund	\$75.81
65341	Mustafa/Ljiljana Vuk	Customer Refund	\$151.16

APRIL 2018 WARRANTS

65342	Christopher W/Linda M Baker	Customer Refund	\$6.42
65343	Margaret Wilkin	Customer Refund	\$799.14
65344	PNP Construction Inc	Contract Services-Engineering	\$1,776.24
65345	Dustin Trevino	Customer Refund	\$101.47
65346	Christopher/Allyssa Eatough	Customer Refund	\$13.37
65347	Chun H Bernal	Customer Refund	\$82.79
65348	Lucas D/Samantha J Yetter	Customer Refund	\$7.21
65349	Mendocino Holdings, LLC	Customer Refund	\$9.94
65350	ABA DABA Rentals & Sales	Supplies-Field	\$185.24
65351	Airgas USA, LLC	Supplies-Field	\$525.79
65352	Alexander's Contract Services	Contract Services-Meter Reading	\$3,434.93
65353	AnswerNet	Telephone-Answering Service	\$278.14
65354	Axcient Holdings LLC	Maintenance Agreement-Software	\$444.30
65355	BSK Associates	Water Analysis	\$981.00
65356	California Surveying & Drafting Supply	Small Tools	\$10.00
65357	Citrus Heights Saw & Mower	Repair-Equipment/Hardware	\$21.15
65358	City of Citrus Heights	Permit Fees	\$1,460.00
65359	Consolidated	Telephone-Local/Long Distance	\$1,734.63
65360	Corelogic Information Solutions Inc	Dues & Subscriptions	\$200.00
65361	County of Sacramento Municipal Services	Field Miscellaneous	\$133.05
65362	Express Office Products Inc	Office Expense	\$70.20
65363	Future Ford	Repair-Trucks	\$1,478.38
65364	Grainger	Small Tools	\$137.72
65365	Ferguson Enterprises Inc #1423	Material	\$7,308.41
65366	J4 Systems	Contract Services-Other	\$772.50
65367	KBA DOCUSYS	Equipment Rental-Office	\$492.79
65368	Lowe's	Supplies-Field	\$1,537.87
65369	Luhdorff & Scalmanini	Contract Services-Wells	\$4,756.35
65370	Mars Company	Wells Maintenance	\$22.48
65371	Messenger Publishing Group	Publication Notices	\$555.00
65372	Moonlight BPO	Contract Services-Bill Print/Mail	\$4,184.11
65373	Stacie Morse	Contract Services-Miscellaneous	\$70.00
65374	Pacific Gas & Electric	Utilities	\$49.86
65375	Evangelina Rangel	Customer Refund	\$108.18
65376	Les Schwab Tires	Repair-Trucks	\$233.05
65377	S.I.C.H.	Office Miscellaneous	\$320.00

APRIL 2018 WARRANTS

65378	Sunset Painting	Contract Services-Miscellaneous	\$6,470.00
65379	Superior Equipment Repair	Repair-Trucks	\$1,560.48
65380	SureWest Directories	Telephone-Local/Long Distance	\$49.00
65381	Voyager Fleet Systems Inc	Gas & Oil	\$1,851.82
65382	Warren Consulting Engineers Inc	Contract Services-Engineering	\$1,658.75
65383	Best Best & Krieger	Legal Services	\$7,261.54
65384	Adell J Stewart	Customer Refund	\$42.94
65385	Jeanette V Hayward- Wolffe	Customer Refund	\$97.14
65386	Rachel O Rincon	Customer Refund	\$23.94
65387	Phil/Christine Yorde	Customer Refund	\$33.99
65388	Yuris Remodeling Inc	Customer Refund	\$43.68
65389	Anita Anderson	Customer Refund	\$24.44
65390	Allgeier Family Trust	Customer Refund	\$225.53
65391	Richard A/Susan/James Bristow	Customer Refund	\$57.93
65392	John A Lafave	Customer Refund	\$56.03
65393	Eugene A/Ida E Volmer	Customer Refund	\$44.45
65394	April S Edsberg	Customer Refund	\$41.21
65395	Nicholas A/Adelaida T Hicks	Customer Refund	\$240.23
65396	Sam S/Patricia A Baio	Customer Refund	\$12.81
65397	Adam D/Jennifer A Quilici	Customer Refund	\$20.20
65398	George T Xenakis	Customer Refund	\$41.08
65399	Michael J McLaughlin	Customer Refund	\$179.90
65400	Kerry Kennedy	Customer Refund	\$11.79
65401	Nancy Lowinger Family Trust	Customer Refund	\$88.41
65402	Robert B Peters	Customer Refund	\$47.00
65403	Christina E Thomas	Customer Refund	\$7.39
65404	Lina Kravtson	Customer Refund	\$158.24
65405	Jon/Audrey Young	Customer Refund	\$12.68
65406	Robert R Carter	Customer Refund	\$11.11
65407	West Coast Property Dev LLC	Customer Refund	\$32.34
65408	Madison Luther Holdings, LLC	Customer Refund	\$12.22
65409	Afman Supply	Small Tools	\$672.62
65410	Alexander's Contract Services	Contract Services-Meter Reading	\$2,735.56
65411	AM Conservation Group Inc	Water Conservation- Materials/Supply	\$431.00
65412	AREA Restroom Solutions	Equipment Rental-Field	\$118.76
65413	Avalon Custodial Care	Janitorial	\$695.00

APRIL 2018 WARRANTS

65414	Best Best & Krieger	Legal Services	\$7,422.83
65415	Bell Marine Co., Inc.	Supplies-Field	\$380.00
65416	Bryce Consulting, Inc	Support Services	\$1,200.00
65417	Corix Water Products, Inc	Material	\$1,569.66
65418	Dawson Oil Company	Gas & Oil	\$2,248.49
65419	Grainger	Small Tools	\$20.67
65420	Ariana Johnson	Water Conservation-Other	\$50.00
65421	Kaiser Foundation Health Plan, Inc	Health Insurance	\$17,853.35
65422	Kiwanis of Citrus Heights	Continued Education	\$452.00
65423	Moonlight BPO	Contract Services-Bill Print/Mail	\$2,718.06
65424	Christopher Nichols	Continued Education	\$42.03
65425	North State Electric & Pump	Wells Maintenance	\$3,687.90
65426	Occu-Med	Office Miscellaneous	\$116.00
65427	Regional Government Services	Contract Services-Other	\$1,492.50
65428	River City Fire Equipment	Repair-Equipment/Hardware	\$555.65
65429	Sophos Solutions	Contract Services-Other	\$3,760.00
65430	WaterWise Consulting, Inc	Contract Services-Water Conservation	\$1,925.00
65431	World Environment & Energy Inc	Contract Services-Miscellaneous	\$406.61
65432	Pace Supply Corp	Material	\$967.86
65433	Pace Supply Corp	Material	\$993.13
Total			<hr/> \$501,264.61 <hr/>

ACH	APRIL 2018 SERVICE FEE	PAYCHEX	\$397.20
ACH	APRIL 2018 GASB	PERS	\$30,046.58
ACH	APRIL 2018 POSTAGE	Equipment Rental-Office	\$1,000.00
ACH	CHASE MARCH 2018	Bank Fee	\$2,105.73
ACH	CORIX	Material	\$10,086.52
ACH	INVOICE CLOUD	Bank Fee	\$4,745.95
ACH	US Bank I.M.P.A.C Government Services	See April Agenda Item CC-9	\$21,363.41
ACH	MARCH 2018 FD	Bank Fee	\$119.98
ACH	MARCH 2018 S FEE	Bank Fee	\$2,200.83
ACH	MARCH 2018 WB	Bank Fee	\$90.81
ACH	MAY 2018 HEALTH	Health Insurance	\$13,885.21
ACH	PERS 3/22/18 PAYDAY	PERS	\$17,771.28
ACH	VALIC 4/19/18 PAY DAY	Deferred Compensation	\$2,804.50

APRIL 2018 WARRANTS

ACH	VALIC 4/5/18 PAY DAY	Deferred Compensation	\$2,954.50
ACH	VANCO MARCH 2018	Contract Services-Other	\$30.28
ACH	VOYA 4/19/18 PAY DAY	Deferred Compensation	\$25.00
ACH	VOYA 4/5/18 PAY DAY	Deferred Compensation	\$25.00
ACH	MARCH 2018 PH	Bank Fee	\$117.98
Total			<u>\$109,770.76</u>

Grand Total

\$611,035.37

May Payments Approved At May Board Meeting

ACH	Groeniger/Ferguson	Material	\$18,856.25
ACH	Lund Construction	Contract Services- Engineering	\$139,836.77
ACH	Corix	Material	\$11,053.55
ACH	US Bank I.M.P.A.C Government Services	See May Agenda Item CC-9	\$11,209.56
65482	CirclePoint	Contract Services- Conservation	\$17,119.19
65483	J&S Asphalt	Contract Services-Paving/Concrete	\$10,740.00
65484	North State Drilling	Contract Services-Wells	\$76,725.00
65485	North State Electric & Pump	Wells Maintenance	\$16,997.56
65486	San Juan Water District	Purchased Water	\$569,907.54
65487	Zuke's Landscape	Contract Services-Concrete	\$24,812.00
			<u>\$897,257.42</u>

Employee Recognitions— Thirteen employees received recognition for attendance during February 2018, and fifteen were recognized for outstanding customer service and quality of work during the month of March 2018. Directors were provided with a list of the employees and items for which each received recognition.

The Long Range Board Agenda was provided showing Directors upcoming items for future scheduled Board Meetings.

Engineering Department Report

The Engineering and Capital Projects Department staff presented a report on the following activities during the month of April 2018.

Items of Interest	Department	Project Team	Date	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
PROJECT 2030 Water Main Replacement Project	Engineering	Engineering Manager and Project Manager	On-going	Yes, 10/18/17 (Award of Contract)	Yes	2017-2018 Masterplan for replacement of mains installed in 1960-1985.	Asset Inventory and water demand projections in progress. Customer Advisory Committee (CAC) Orientation occurred on 03/19/18. CAC Meeting #1 scheduled for 05/29/18.
CAPITAL IMPROVEMENT PROJECT Corporation Yard Safety Improvements Project	Engineering	Engineering Manager, Project Manager and Senior Construction Inspector	On-going	Yes, 06/20/18 (Anticipated Notice of Completion)	Yes	2017 design and construction of Vacuum Spoils Disposal, Wash Station, Materials Storage, and Safety and Efficiency Upgrades.	Board approved contract on 07/24/17. Letter of Acceptance sent to Contractor on 04/05/18. 100% Complete. Awaiting lien releases and final warranty documents from the Contractor.
CAPITAL IMPROVEMENT PROJECT Corporation Yard / Facilities Master Plan Buildout	Engineering	Engineering Manager and Project Manager	On-going	TBD	Yes	2017-18 Masterplan for office space requirements through 2040.	Restart Project. Engineering meeting completed 03/29/18. Next meeting scheduled for 05/16/18.

Items of Interest	Department	Project Team	Date	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
CAPITAL IMPROVEMENT PROJECT Highland Ave & Rosa Vista Ln 8" Water Mains	Engineering	Engineering Manager and Assistant Engineer	On-going	Yes, 01/17/18 (Award of Contract)	Yes	2017 design and construction.	Award of Contract occurred at the 01/17/18 Board Meeting. Contractor began construction on 02/26/18. 95% Complete.
CAPITAL IMPROVEMENT PROJECT Graham Cir and Circuit Dr 8" Water Mains	Engineering	Project Manager and Assistant Engineer	On-going	Yes, 04/18/18 (Award of Contract)	Yes	2017 design, 2018 construction.	Award of Contract at the 04/18/18 Board Meeting. Awaiting documents from Contractor prior to executing agreement.
CAPITAL IMPROVEMENT PROJECT Wind Way and Longwood Way 8" Water Mains	Engineering	Project Manager and Assistance Engineer	On-going	Yes, TBD	Yes	2017 design, 2018 construction.	75% Plans received from Engineer on 02/05/18. Potholing completed. Revised plans sent back to Engineer on 05/01/18.
CAPITAL IMPROVEMENT PROJECT Pleasant View Drive 8" Water Main	Engineering	Project Manager and Assistant Engineer	On-going	Yes, TBD	Yes	2017 design, 2018 construction.	Plans sent to Engineer on 05/01/18. Potholing to be scheduled for May 2018.

Items of Interest	Department	Project Team	Date	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
CAPITAL IMPROVEMENT PROJECT Michigan Drive 8" & 6" Water Mains	Engineering	Project Manager and Assistant Engineer	On-going	Yes, TBD	Yes	2017 design, 2018 construction	Plans sent to Engineer on 05/02/18. Potholing to be scheduled for May 2018.
CAPITAL IMPROVEMENT PROJECT 6230 Sylvan Road East Side Wall	Engineering	Project Manager and Assistant Engineer	On-going	Yes, TBD	No	Wall along the east side of District property.	We anticipate this project will be included in the 2019 CIP. Begin communication with SJUSD during 2018.
PRIVATE DEVELOPMENT Northridge Grove - 5555 Mariposa Ave 47 Condominiums	Engineering	Senior Construction Inspector and Engineering Manager	On-going	Yes, TBD	No	Private development	District met on 03/01/18. District to follow-up with developer regarding a cost-sharing agreement for system improvements made in conjunction with the project.
PRIVATE DEVELOPMENT Commercial Building Remodel - 5414-50 Sunrise Blvd	Engineering	Senior Construction Inspector and Engineering Manager	On-going	Yes, 05/16/18 (Anticipated Approval of Resolution for Easement)	No	Private development	Project and punch list items complete except for easements. Submitting easement and resolution to the Board on 05/16/18.

Items of Interest	Department	Project Team	Date	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
PRIVATE DEVELOPMENT Dignity Health Building - 7115 Greenback Ln	Engineering	Engineering Manager and Senior Construction Inspector	On-going	Yes, TBD	No	Medical office building by developer.	Portions of demolition of existing water facilities complete. Coordinate easement with engineer and City of Citrus Heights.
PRIVATE DEVELOPMENT 3 lot Residential Subdivision - 5648-5696 San Juan Ave	Engineering	Senior Construction Inspector	On-going	No	No	3 lot subdivision.	Preconstruction meeting occurred on 03/12/18. Construction in progress. 25% Complete.
PRIVATE DEVELOPMENT Mitchell Farms - 7925 Arcadia Drive	Engineering	Engineering Manager and Assistant Engineer	On-going	Yes, TBD	No	200-300 unit development by Watt Communities .	Comments regarding Draft Environmental Impact Report due 05/07/18. Engineer preparing Improvement Plans for proposed land exchange.
PRIVATE DEVELOPMENT Mariposa Creek Subdivision - Antelope Road	Engineering	Senior Construction Inspector	On-going	No	No	15 lot subdivision located on Antelope Road.	Final plans received on 01/23/18. Developer grading site. Water installation anticipated in May 2018.

Items of Interest	Department	Project Team	Date	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
PRIVATE DEVELOPMENT Citrus Place Subdivision	Engineering	Engineering Manager and Assistant Engineer	On-going	No	No	7 lot subdivision located near Wachtel Way & Talbot Way.	Received revised plans from engineer on 04/03/18. Met with Engineer on 04/10/18. Received updated plans from engineer on 04/30/18.
PRIVATE DEVELOPMENT 7581 Sycamore Dr - Parcel Split 1 - 3	Engineering	Engineering Manager and Assistant Engineer	On-going	No	No	Parcel being split into 3 for 3 home subdivision.	Reviewed plans and provided comments 09/28/17. Fire flow analysis request submitted on 02/05/18. Engineer submitted revised plans on 03/22/18. Comments sent to engineer on 04/04/18. Awaiting resubmittal.
PRIVATE DEVELOPMENT 8027 Holly Dr - Parcel Split 1 - 3	Engineering	Engineering Manager and Assistant Engineer	On-going	No	No	Parcel being split into 3 for 3 home subdivision.	Sent 95% plans with comments to Engineer on 02/26/18. Awaiting resubmittal.
PRIVATE DEVELOPMENT Sunrise Blvd_ 5437-5439 - Sunrise Village Retail Center - parcel split	Engineering	Engineering Manager and Assistant Engineer	On-going	TBD	No	Parcel being split into 3 for individual sales that previously occurred.	Sent comments to City 09/13/17. Awaiting to determine if developer/owner chooses to split the parcel.

Items of Interest	Department	Project Team	Date	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
PRIVATE DEVELOPMENT 7601 Sunrise Blvd The Human Bean	Engineering	Engineering Manager and Assistant Engineer	On-going	No	No	Commercial Development	District signed plans on 12/21/17. Awaiting construction.
PRIVATE DEVELOPMENT 6920 Auburn Blvd Stock Ranch Plaza - Parcel 11	Engineering	Senior Construction Inspector	On-going	No	No	Commercial Development	Received easement information on 11/30/17. Signed plans on 02/26/18. Preconstruction meeting on 04/30/18.
PRIVATE DEVELOPMENT 7766 Auburn Blvd Quick Slice	Engineering	Engineering Manager and Assistant Engineer	On-going	No	No	Commercial Development	Sent comments to City on 11/27/17. Awaiting final plans from developer for District review.
PRIVATE DEVELOPMENT 6199 Sunrise Blvd US Bank Parcel Split	Engineering	Engineering Manager and Assistant Engineer	On-going	No	No	Commercial Development	Sent Will Serve letter on 12/27/17. Awaiting to determine if developer/owner chooses to split the parcel.
PRIVATE DEVELOPMENT 8501 Auburn Blvd Studio Movie Grill	Engineering	Engineering Manager and Assistant Engineer	On-going	No	No	Commercial Development	Sent Will Serve letter on 12/28/17. Awaiting plans from developer for District review.

Items of Interest	Department	Project Team	Date	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
COMCAST	Engineering	Assistant Engineer and GIS Specialist	On-going	No	No	Various communications boring projects throughout the service area.	Received 13 utility requests as of 05/01/18. District has provided water utility maps for all projects. Received "B" plans on 5 projects as of 05/01/18 and provided comments. Awaiting resubmittal from Comcast Engineer.
CITY OF CITRUS HEIGHTS PROJECT City Drainage Project	Engineering	Engineering Manager and Assistant Engineer	On-going	Yes, TBD	Yes	Highland Ave, Wonder St, Dana Butte Way, and Sunhill Dr Storm Drain Project.	Anticipate bid and start of construction in Spring 2018. "B" Plans sent back 08/21/17 with comments. Coordinating utility conflicts.
CITY OF CITRUS HEIGHTS PROJECT City Baird Way Storm Drain Improvements	Engineering	Operations and Senior Construction Inspector	On-going	Yes, TBD	Yes	Baird Way Storm Drain Project.	Awaiting Preconstruction Meeting with the Contractor and the City.
CITY OF CITRUS HEIGHTS PROJECT Sunrise Blvd Complete Streets Phase 2A (C16-142)	Engineering	Operations and Senior Construction Inspector	On-going	Yes, TBD	Yes	Frontage improvements along west side of Sunrise from Sayonara to north and Storm Drain Improvements	Attended preconstruction meeting on 03/14/18. CHWD to begin any water facility relocations in May/June 2018.

Items of Interest	Department	Project Team	Date	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
CITY OF CITRUS HEIGHTS PROJECT Mariposa Ave - Safe Routes to School Phase III	Engineering	Engineering Manager and Assistant Engineer	On-going	Yes, TBD	Yes	Frontage improvements along west side of Mariposa Ave from Northridge to Eastgate.	Received signed Utility Agreement. Anticipate bid and start of construction in Spring 2018.
CALIFORNIA DEPT OF TRANSPORTATION Weigh Station at I-80 & Antelope	Engineering	Engineering Manager and Assistant Engineer	On-going	No	No	Weigh station and off-ramp improvements	Sent water facility maps and as-builts to Engineer on 11/20/17. Awaiting plans from CalTrans for District review.

Operations Department Report

Operations Manager Gordon reported as follows:

A total of 87 work orders were performed during the month of April 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.

2018 Water Supply – Purchased and Produced

The District’s total water use during the month of April 2018 (665.35 acre-feet) was 35.4 percent below that of March 2013 (1,029.73 acre-feet).

Surface Water Supply Reliability

As of May 1, 2018, storage in Folsom Lake (Lake) was at 866,400 acre-feet, 89 percent of the total capacity of 977,000 acre-feet. This represents an increase in storage of 49,600 acre-feet in the past month.

The District continues to assist with preserving surface water supplies in the Lake by operating its groundwater wells. The District’s groundwater production wells: Bonita, Mitchell Farms, Skycrest, and Sylvan, are operational and used on a rotational or as-needed basis.

Water Efficiency Program Update

Water Efficiency Supervisor Meurer provided the Water Efficiency Program updates below.

Activities and Progress Report

Water Efficiency, Safety and Meter Program activities during the month of April 2018 include:

- 11 ultra-low-flush toilet (ULFT) rebates were processed for the month of April. The 5 year average (2013-2017) of April ULFT rebates is 21. A total of \$4,350.00 in rebates were issued year to date.
- A total of 11 High Efficiency Clothes Washer (HECW) rebates have been issued during the first quarter of 2018. To better align with SMUD's schedule for reporting monthly numbers, staff will report HECW rebates on a quarterly basis.
- 11 water waste calls were received during the month of April. No reports of water waste were received through CHWD's Drought Resources web page.
- Operations staff completed their annual respirator fit test and refresher training on April 5, 2018. The fit test ensures that an employee's mask will fit properly and provide a tight seal while the respirator is being used.
- Staff completed the annual fire extinguisher training and fire extinguisher recharging on April 12, 2018. The training included a hands on demonstration on how to use a fire extinguisher and which class of fire extinguisher is appropriate for use during certain types of fires.
- An Ecolandscape class will be held on Saturday, May 19th from 9:00 am – 12:00 pm. The class is titled "Designing Eco-Friendly Landscapes and Water-Wise Irrigation Systems". This is the second class in a series of 5 classes to be held by the District this year.
- Staff will be issuing a Professional Services Agreement (PSA) for assistance with the Validation of the 2017 AWWA Water Audit. Validation must be performed by a certified independent auditor who does not contribute to data collection. Validation must be complete and submitted to the Department of Water Resources (DWR), by October 1, 2018.
- Staff began a telephone outreach campaign promoting the District's free Irrigation Efficiency Reviews. WaterWise Consulting is working with staff to contact many of CHWD's high water use customers. They are currently reaching out to CHWD's single-family customers. Due to this effort, a total of 9 additional Irrigation Efficiency Reviews were generated and completed for the month of April. This compares to 2 Irrigation Reviews completed during the same month in 2017. A total of 72 Irrigation Efficiency Reviews have been completed since the outreach campaign began in December 2017. This compares to 11 Irrigation Efficiency Reviews completed for the same time in December 2016 thru March 2017.

- The following table summarizes the Residential Gallons Per Capita Per Day (R-GPCD) values for CHWD to date:

Month	R-GPCD 2017	R-GPCD 2018	% CHANGE
January	75	77	+3%
February	72	85	+18%
March	80	79	-.01%
April	87	100	+13%

- Since 2013, RWA has been providing the District with a recap of the region's individual Agency R-GPCD for the current month/year, including a year to date comparison for 2013. RWA has reformatted the monthly update and will no longer be providing the regional water savings comparison.

Discussion and Possible Action to accept an easement at 5414-50 Sunrise Boulevard (A)

Site improvements to 5414-50 Sunrise Boulevard 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 Alta Sunrise Devco, LLC, at no cost to the District.

Staff recommended the adoption of Resolutions 06-2018 for the acceptance of an easement from Alta Sunrise Devco, LLC on portions of Assessor's Parcel Numbers 233-0044-005 and -008 located at 5414-50 Sunrise Boulevard, and authorize execution and recording of the easement.

ACTION: Director Dains moved and Director Sheehan seconded a motion to accept the Consent Calendar.

The motion carried 3-0 with all Directors voting yes.

PRESENTATIONS:

Water Awareness Poster Contest

The District's water conservation staff, in conjunction with Orange Vale Water Company, Fair Oaks Water District and San Juan Water District sponsored the twenty-second annual Water Awareness Poster Contest. A total of 413, 4th, 5th and 6th grade students at five elementary schools within the District's service area submitted posters based on this year's theme, "Winter, Summer, Fall or Spring Water Conservation Is A Year Round Thing."

Each agency awards a first-place prize of \$100.00 and two runner-up prizes of \$50.00. In addition, each winning student's class receives an award of \$100.00 for the winning entry. The winning entries will also be featured in the 2018 Water Efficiency Calendar. The Grand Prize Winner is featured on the cover of the calendar and in the month of May, which represents Water Awareness Month. The Grand Prize Winner receives an additional \$100.00 check.

The winners for schools within the Citrus Heights Water District are:

- First Place Winner: Annabelle Ng, 5th Grade, Skycrest Elementary School
Teacher: Jinne Calvi
- Runner-Up: Leila Gross, 6th Grade, Woodside School
Teacher: Susanne Slayton
- Runner-Up: Shelby Gibbs, 5th Grade, Trajan Elementary School
Teacher: Sallee Weston

The contest entries in the Citrus Heights Water District service area were judged by Alison Bermudez from the City of Citrus Heights; Paul Buchanan representing the Citrus Heights Chamber of Commerce; and Lee Hollingsworth and Sharon Mueller from the Sunrise Recreation and Park District.

The winners and their families, teachers, and friends were invited to the CHWD Board of Directors meeting on May 16, 2018 to receive their awards and recognition for their efforts.

STUDY SESSIONS:

Review of Asset Management Systems

Innovyze provided a presentation to the CHWD Board concerning the asset management software, InfoMaster, that is recommended to be used as part of the Project 2030 Study. Staff is assessing an additional module, Life Cycle Cost Analysis (LCCA), and will report back to the Board on their findings and recommendations concerning whether or not to acquire the additional software module.

BUSINESS:

Discussion and Possible Action to Purchase the Ella Way Property and Accept a City of Citrus Heights Owned Parcel

Water Resources Manager Hensley requested the Board consider adoption of Resolution No. 07-2018 to exercise the option to purchase the rear .55 acres of 8026 Patton Avenue (“Property”); to approve the Mitigated Negative Declaration for the Ella Way well site project (Project); to adopt a Mitigation Monitoring and Reporting Program for the Project and to approve Additional Information to this Mitigated Negative Declaration. Staff also requested the Board consider the adoption of Resolution No. 08-2018 to authorize the General Manager to accept interests in real property on behalf of the District.

The Citrus Heights Water District (the District) previously executed an Option to Purchase and Purchase and Sale Agreement for the Property (“PSA”). The PSA allowed the District to drill a test well on the Property to ensure that it had sufficient groundwater for the District’s purposes. This test well was drilled in November 2017, and subsequent tests confirmed that the Project will generate an estimated one thousand (1,000) gallons per minute (gpm). Based on this result, staff recommends that the Board of Directors exercise its option to purchase the Property. The Board approved the purchase. The next steps will be for staff to send the owners of the Property notice and open escrow. Escrow will close upon the City’s approval of a lot line adjustment (as explained below).

In addition, staff has coordinated with the City of Citrus Heights for the City to quitclaim a small, triangle-shaped parcel (“Triangle Parcel”) adjacent to the Property to the District. The City Council quitclaimed the Triangle Parcel to the District on May 10th. The second resolution in this item was the authorization of the General Manager to accept the Triangle Parcel and future interests in property on behalf of the District. Once the 25 Triangle Parcel is officially accepted, the District will apply to move the boundaries of the Triangle Parcel to the edge of the Property. Upon approval of this lot line adjustment by the City, the acquisition of property for the Project will be complete.

The District is required to comply with the California Environmental Quality Act (CEQA) when purchasing property and approving the Project. Planning Partners was retained by the District to assist the District in complying with CEQA. For the Ella Way Well project, the District acts as Lead Agency for CEQA compliance. Other permitting agencies such as the State Board’s Division of Drinking Water (DDW) are required to use the District’s CEQA documents in their processing of future permits related to the Project. As Lead Agency, the District will consider the entirety of information resulting from environmental review activities, and act as the primary decision-maker for the project.

Environmental review of the Project is required because CEQA establishes a duty for public agencies to avoid or minimize environmental damage where feasible. As Lead Agency, the District is responsible to comply with CEQA and the CEQA Guidelines in determining the potential impacts on the environment from constructing and operating the Project. Once the CEQA document is approved by the District, the Board may determine whether the Project should be approved. In considering the Project approval, the District also has the obligation to balance a variety of public objectives in making that decision, including economic, environmental, and social factors. CEQA:

- Provides the framework to inform decision-making bodies and the public about the potential environmental impacts of a proposed project;
- Identifies mitigation measures to avoid or reduce significant environmental impacts; and
- Discloses to the public the reasons why an agency approves a project.

Some projects implemented by the District or other public agencies may be determined to be exempt from CEQA. However, the preliminary review of the proposed Project confirmed the need to complete additional environmental analysis and documentation. The proposed Project does not qualify for a Categorical Exemption because it could not meet the criteria established in the CEQA Guidelines since implementation of the proposed project would result in a physical change in the environment. An Initial Study was prepared, and several potential environmental impacts were identified, including those to air quality, biological and cultural resources, groundwater quality, and construction and operational noise. However, after mitigation for each of these effects, there was no substantial evidence that the proposed project in any of its aspects could cause a significant effect on the environment. For this reason, a Mitigated Negative Declaration was chosen as the appropriate CEQA document for the Project; an Environmental Impact Report is not required.

The scope of the work included analysis of all 19 CEQA-required environmental topic areas. Analysis showed that implementation of the Project would have a less-than-significant effect for the majority of the environmental topics, except for those discussed above.

The analysis of the suitability of the site for additional municipal water access was supported by a Phase I Environmental Site Assessment (ESA) and preliminary Drinking Water Source Assessment (DWSA). The ESA did not identify any recognized environmental conditions associated with the property for purchase.

The preliminary DWSA was prepared for the site using an anticipated pumping rate of 1,000 gpm and the likely construction details of the proposed well. A preliminary evaluation of the vulnerability ranking for the Property was completed. Based on the evaluation, the well site is most vulnerable to the following activities: automobile gas stations (auto repair), dry cleaners, historical gas stations, and underground storage tanks – confirmed leaking tanks. Seal placement will exceed 100 feet in depth and the proposed ground water use of approximately four days per month will minimize the potentially contaminating activities impacts to the aquifer. Based on preliminary DWSA information and confined ground water conditions, the proposed well would have a high physical barrier effectiveness against potentially contaminating activities. Physical barrier effectiveness and vulnerability assessment updates will be finalized for the well permit.

Two other environmental areas were determined to require additional analysis over and above the original scope of work. They are the use of the well for Aquifer Storage and Recovery (ASR), and Tribal Cultural Resources (TCR).

A. **Aquifer Storage and Recovery:** Constructing the Project as an ASR well would allow the District to use the well both as a production well to withdraw water, and as an injection well to recharge the aquifer during periods of abundant surface water supplies. Operating the Project as an ASR well would be consistent with District obligations under the Water Forum Agreement, and consistent with the policies established through the Sacramento Groundwater Authority.

The concept of using the Project as an ASR facility was not originally contemplated for the project, and hence was outside of the original scope of Planning Partners work. To assess the potential environmental effects of using the Ella Way Well for ASR purposes, the consultant team modified the draft environmental analysis to include additional information regarding State requirements, potential effects to groundwater quality, and the development of additional mitigation to ensure the maintenance of groundwater quality during ASR operations. This additional work was completed within the original project schedule to allow the District to maintain its aggressive schedule for the purchase, engineering, and development of the Project.

B. **Tribal Cultural Resources:** Effective July 1, 2015, Assembly Bill 52 (AB 52) amended CEQA to require that: 1) a lead agency provide notice to any California Native American tribes that have requested notice of projects proposed by the lead agency; and 2) for any tribe that responded to the notice within 30 days of receipt with a request for consultation, the lead agency must consult with the tribe. Shortly prior to the public and agency circulation of the draft Initial Study/Mitigated Negative Declaration (IS/MND), the District identified several Native American tribes that had registered with the District to receive notices of offers of consultation.

Because the notice of consultation must have been received by all registered tribes prior to circulation of the draft IS/MND, Planning Partners guided the District through the AB 52 process, thereby

maintaining the Project's schedule. The District sent letters prepared by Planning Partners offering consultation to the three tribes that had requested notice of proposed projects. A single response that was received from the United Auburn Indian Community (UAIC) requested consultation. The other two tribes did not respond to the District's offer. The UAIC response requested additional information and copies of reports prepared on the Project, and also requested that the UAIC be informed should new information come to light on existing or newly-discovered cultural resources within the Project area.

Planning Partners assisted the District in its consultation activities, including the drafting of a response to the UAIC, the production of the requested reports and information, and an offer to meet with UAIC representatives to discuss the project and continue consultation at a May 7, 2018 meeting. There has been no further communication from the UAIC, and no tribal representatives attended the May 7, 2018 meeting. The District has concluded its consultation with the UAIC, having complied with all requirements of AB 52.

In summary, environmental review showed that the Project has the potential to adversely impact air quality (construction dust), biological resources (migratory birds, protected trees), undiscovered cultural resources, groundwater quality (from ASR operations) and noise (construction and operations). However, with the implementation of mitigation measures identified in IS/MND, all potential impacts would be reduced to a less-than-significant level. No significant or potentially significant impacts would remain.

Because the tribal consultation process was completed after circulation of the draft IS/MND, Planning Partners has prepared Additional Information to the Mitigated Negative Declaration to document the conclusions and findings of tribal consultation.

Public participation is an essential part of the CEQA process. In addition to offering the consultation process to Native American tribes, the environmental review process includes specific requirements for public review. The IS/MND was filed with the State Clearinghouse on March 30, SCH #2018032075. It was publicly noticed by the District through publication in the Carmichael Times on March 30, 2018. The document was available, both on line and in hard copy at the District Office, for the entirety of the 30-day review period that began on March 30, 2018 and concluded on April 30, 2018.

No written comments were received from the general public on the draft document. Agency comments were received from Sacramento Municipal Utility District (SMUD), the State Office of Planning and Research (OPR), and the Central Valley Regional Water Quality Control Board (CVRWQCB). Although CEQA does not require that the District formally respond to comments received on the draft IS/MND, it does require that the Board consider each comment prior to certifying the IS/MND and taking action on the Project. To assist the Board in its consideration of the comments, we provide the following summary and conclusions.

- CVRWQCB - The letter provides a list of potential permits under the CVRWQCB's jurisdiction for a generic well project. Impacts to water quality, including necessary permits, were evaluated in Section IX, *Hydrology and Water Quality*, of the IS/MND. The comments from the CVRWQCB raise no issues regarding the environmental information or conclusions

presented in the IS/MND for the Project. Since no environmental issue was raised by the comment that was not previously evaluated in the IS/MND, no modification of the IS/MND is necessary.

- SMUD - The comments from SMUD discuss a number of construction details and requirements to avoid existing SMUD facilities, and to construct any needed new facilities to meet SMUD standards. The comments from SMUD raise no issues regarding the environmental information or conclusions presented in the IS/MND for the Project. Since no environmental issue was raised by the comment that was not previously evaluated in the IS/MND, no modification of the IS/MND is necessary.
- OPR – This letter transmits a copy of the CVRWQCB’s comments noted above. The comments from OPR raise no issues regarding the environmental information or conclusions presented in the IS/MND for the Project. Since no environmental issue was raised by the comment that was not previously evaluated in the IS/MND, no modification of the IS/MND is necessary.

Staff recommended the adoption of Resolution 07-2018 and Resolution 08-2018.

ACTION: Director Sheehan moved and Director Dains seconded a motion to approve Resolution 07-2018 and Resolution 08-2018.

The motion carried 3-0 with all Directors voting yes.

Discussion and Possible Action to Accept an Audited Financial Report for Year Ending December 31, 2017

Senior Accountant Preciado requested the Board consider approving the Audited Financial Statements of the Citrus Heights Water District (District) for Year ended December 31, 2017 and related reports and the Memorandum on Internal Control and Required Communications for the Year ended December 31, 2017.

The Audit was conducted by Maze and Associates, an Accountancy Corporation of Pleasant Hill, California. This is the third year of a five-year engagement for financial auditing services with Maze & Associates.

The Financial Statements include the following sections:

- Independent Auditor’s Report
- Management Discussion and Analysis
- Basic Financial Statements

The Financial Statements summarize the financial activity in the previous year, as well as the net position of the District at December 31, 2017 and provides a narrative explanation in the Management Discussion and Analysis of significant policies, events, and activities from the past year. As valuable historical information, these documents are used to identify and track revenue and expenditure trends, evaluate past actions and decisions, and to develop budgets and make future plans and decisions.

The audit shows that the District's financial statements present fairly the financial position of the District and that its accounting practices continue to conform with generally accepted accounting principles. The Management's Discussion and Analysis section contained in Pages 3 through 10 of the Audited Financial Statements, prepared by District management, provides a narrative of financial highlights, an overview of the financial statements, and a discussion of economic factors and future budget considerations.

As mentioned in the Management and Discussion Analysis, following are the financial highlights of 2017:

- The District's assets exceeded its liabilities at the end of 2017 by \$64,769,085 as compared to \$59,651,741 in 2016;
- District's Assets and Deferred Outflows of Resources in 2017 totaled \$75,269,620 and \$69,686,423 in 2016, or an increase of \$5,583,197; due mainly to increased capital improvement, cash and investments, and pension-related deferred outflows;
- Liabilities in 2017 amounted to \$10,312,007 and \$9,574,888 in 2016, an increase of \$737,119;
- Unrestricted net position in 2017 was \$10,347,199 and \$6,782,716 in 2016;
- Net Income in 2017 was \$5,117,344 and \$3,789,062 in 2016.

For the Year Ended December 31, 2017, the District will issue a Comprehensive Annual Financial Report (CAFR) for the first time. The CAFR is a more robust presentation of the District's financial position and includes the basic financial statements, as well as additional disclosures and statistical information about the District, its community, and its customers. In issuing a CAFR, the District is eligible to apply for an award given by the Governmental Finance Officers Association that recognizes excellence in financial reporting.

Due to the additional information required, staff has elected to first issue basic financial statements, then issue the CAFR and present it to the Board at the June regular meeting.

Staff recommended the Board approve the Audited Financial Statements of the Citrus Heights Water District (District) for Year ended December 31, 2017 and related reports and the Memorandum on Internal Control and Required Communications for the Year ended December 31, 2017.

ACTION: Director Sheehan moved and Director Dains seconded a motion to approve the Audited Financial Statements and for the Year Ended December 31, 2017, and authorize staff to submit the completed Audit Report to the State Controller's Office.

The motion carried 3-0 with all Directors voting yes.

Discussion and Possible Action to Call for a November 6, 2018 Election

Management Services Supervisor Castruita requested the Board consider adopting Resolutions 09-2018 (Sacramento County) and 10-2018 (Placer County) calling for a November 6, 2018 election of a Director for a regular 4-year term in Division Two and election of a Director for a regular 4-year term in Division Three.

Citrus Heights Water District (CHWD) staff has prepared resolutions calling for and conducting of an election consolidated with the Counties of Sacramento and Placer.

The nomination period for candidates for the Citrus Heights Board of Directors begins July 16, 2018, and ends August 10, 2018. If an incumbent does not file, the filing period is extended until August 15, 2018.

As in prior elections, in the event of a tie vote for the Board positions, the winner will be determined by lot selected by the Registrar of Voters of the County of Sacramento.

The District's Division boundaries were last reviewed and adjusted in May 2002 to provide better equity in population among the three Divisions. The District's service connection count in May 2002 was 19,106. The service connection count as of April 2018 is 19,932 representing an increase of 826 services (+4.32%). With such a small increase in the number of service connections, a division boundary analysis is not recommended at this time.

Staff recommended the adoption of Resolutions 09-2018 (Sacramento County) and 10-2018 (Placer County).

ACTION: Director Dains moved and Director Sheehan seconded a motion to adopt Resolutions 09-2018 (Sacramento County) and 10-2018 (Placer County) calling for a November 6, 2018 election of a Director for a regular 4-year term in Division Two and election of a Director for a regular 2-year term in Division Three.

The motion carried 3-0 with all Directors voting yes.

Discussion and Possible Action to Approve an Agreement with San Juan Water District for Groundwater Substitution Transfer

Operations Manager Gordon requested the Board consider authorizing the General Manager to execute an agreement with San Juan Water District (SJWD) for a Groundwater Substitution Transfer in 2018. Staff requested the Board authorize the General Manager to negotiate with SJWD and insert into the final form of agreement the amount of staff/legal time reimbursement to be paid to the District in conjunction with the agreement.

In January 2018, the Citrus Heights Water District (the District) staff began discussions with several regional water agencies regarding a potential groundwater substitution transfer in 2018. On May 2, 2018 the regional water agencies group was offered, and tentatively accepted, a request to purchase 12,098 acre-feet (AF) of water offered by a group of several water agencies south of the Delta. The sale and purchase of water would occur through a short-term groundwater substitution transfer. Due to constraints in the Delta, short-term water transfers are generally targeted to occur between the period of July 1st through September 30th each year.

Of the 12,098 AF of regional water being offered for transfer, the District has tentatively offered a maximum amount of 2,000 AF of groundwater to transfer during the summer transfer period. The

2,000 AF being offered by the District is based on a technical review of the District's ability to produce excess groundwater for transfer without compromising the District's ability to provide groundwater to its customers through conjunctive use during the dry season.

Accompanying this staff report is a proposed Agreement between the District and SJWD for a Groundwater Substitution Transfer in 2018. The Agreement is substantially complete and has been reviewed by the District's staff and General Counsel. Some noteworthy terms in the Agreement are the following:

- (1) The District agrees to increase the amount of groundwater pumped and used within its service territory up to a maximum of 2,000 AF during the transfer period in-lieu of purchasing treated surface water from SJWD.
- (2) The total quantity of groundwater substitution water being sold from SJWD to the buyer is based on the amount of water produced by the District (2,000 AF maximum) and other regional water agencies, less American River instream flow losses of 8%. This will result in a total of 1,840 AF for potential water transfer to be sold and purchased through this agreement.
- (3) The Wholesale Water Agency has offered a price that will be disclosed to the District's Board of Directors in Closed Session for the transfer of groundwater as the deal is still pending.
- (4) This 2018 Agreement will not affect future groundwater substitution or other transfer agreements between SJWD and the District (e.g. quantity of water to be made available by the District and pricing).

Should the Board approve the agreement, staff will work with SJWD to meet the regulatory requirements to accomplish the transfer. Although most of the responsibility for meeting the legal requirements for the transfer will be on the shoulders of SJWD, other regional agencies and the buyer, the District will need to satisfy a few specific transfer requirements set by the California Department of Water Resources. One other item to note is that if conditions in the Delta do not allow water conveyance this summer or if other insurmountable hurdles are presented, under the terms of the agreement the transfer would not occur.

Staff recommended the authorization to execute an agreement with San Juan Water District (SJWD) and to negotiate with SJWD and insert into the final form of agreement the amount of staff/legal time reimbursement to be paid to the District in conjunction with the agreement.

ACTION: Director Dains moved and Director Sheehan seconded a motion to approve the agreement with San Juan Water District for a Groundwater Substitution Transfer in 2018 and authorize the General Manager to execute the agreement, subject to negotiating a final reimbursement amount with SJWD as well as any minor or non-substantive changes agreed to by the General Manager and General Counsel.

The motion carried 3-0 with all Directors voting yes.

2018 Strategic Plan Update

Management Services Specialist Henry requested the Board receive and file an update to the 2018 Strategic Plan.

Beginning with the 2017 budget process, CHWD initiated an annual Strategic Planning process. The goal of Strategic Planning is 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 actionable steps to take over the coming year given limited funding and staffing resources, to help take CHWD to the next level. Given that Strategic Planning items are above and beyond daily operations, the need to prioritize issues is critical to the success of the Strategic Plan.

The 2018 Strategic Plan was approved by the Board of Directors on July 11, 2017. Staff will provided a PowerPoint presentation at the May 16, 2018 Board Meeting to review the work completed through the end of the first quarter of 2018.

Staff recommended the Board receive and file the update to the 2018 Strategic Plan.

ACTION: Director Sheehan moved and Director Dains seconded a motion to receive and file an update to the 2018 Strategic Plan.

The motion carried 3-0 with all Directors voting yes.

CONSULTANTS' AND LEGAL COUNSEL'S REPORTS:

None.

DIRECTORS' AND REPRESENTATIVES' REPORTS:

Regional Water Authority (Dains)

General Manager Straus gave a presentation of the multi-agency Water Meter Replacement and Operations Program Memorandum of Understanding (MOU). RWA approved the MOU and will join at an L1 level.

Sacramento Groundwater Authority (Sheehan)

No report.

San Juan Water District (All)

General Manager Straus informed the Board that San Juan Water District and Sacramento Suburban Water District are developing a 2X2 Committee to discuss the possibility of a merger.

Association of California Water Agencies (ACWA) (Dains)

Each Board Member provided comments on the 2018 ACWA Spring Conference. Director Sheehan stated that she attended a worthwhile communications seminar with tips on webpage improvements. She spoke with USGS about the rolling out of GAMMA, an online geographic information system with ties into SGMA modeling.

Director Dains stated that he attended the Groundwater Committee Meeting. The Committee is chaired by John Woodling and the information presented is available through the

Regional Water Authority (RWA). He also attended sessions on the Folsom Dam and AB1234 Ethics Training.

President Riehle stated that he attended the communications session and the session on the Folsom Dam. He stated that the session on Folsom Dam raised interesting questions on passive groundwater recharge.

ACWA Joint Powers Insurance Authority (JPIA) (Dains/Castruita)

General Manager Straus informed the Board that ACWA JPIA is considering the question of whether or not to form a captive domiciled in Utah. This captive could provide a higher rate of return. The California State Association of Counties Excess Insurance Authority (CSAC EIA) formed a captive in 2016, seeing a rate of return of 8% of return versus 0.9% rate on LAIF.

City of Citrus Heights (Pieri)

Engineering Manager Pieri stated that the Stuart Hodgkins has been selected as the new City Engineer. The District is working closely with the City and their contractor to ensure that new storm drains do not conflict with the District's water lines.

Chamber of Commerce Government Issues Committee (Gordon/Meurer)

No report.

RWA Lobbying Program Update (Gordon/Meurer)

General Manager Straus informed the Board that RWA is still working to fill the position of Legislative Affairs Manager, which was previously held by Adam Robin. General Manager Straus has been asked to participate on the interview panel.

Other Reports

Engineering Manager Pieri informed the Board that she will provide a final update on the Corporation Yard Safety Improvement Project and present the Board with a Notice of Completion for the Project at the June 20, 2018 Regular Board Meeting.

General Manager Straus informed the Board he would be out on vacation for three weeks in June through July. He will appoint each of the Department Managers to acting duties over one week of the time.

Administrative Services Manager Sohal informed the Board that Management Services Specialist Henry will be Acting Deputy Secretary in the absence of General Manager Straus and Management Services Supervisor Castruita.

General Manager Straus stated that he is continuing a tour of the Citrus Heights Neighborhood Associations to update them on the District's current projects including the Project 2030 Water Main Replacement Study and the upcoming Board elections. Neighborhood Association #11's meeting on July 18, 2018 conflicts with CHWD's Regular Board Meeting and the plan is to send a CHWD staff member to that meeting other than General Manager Straus.

MANAGEMENT SERVICES REPORT:

Meter Replacement Program Update

Water Efficiency Supervisor Meurer provided an update to the Board on CHWD's progress in working with several surrounding water districts to develop a multi-agency Water Meter Replacement and Operations Program. The update included status reports on the Memorandum of Understanding (MOU) approvals by the various governing boards of the newly-forming Meter Replacement Consortium and the development and schedule for release of the Request for Proposal (RFP) of the Advanced Planning Study.

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 9:32 pm.

APPROVED:

MADELINE HENRY
Acting Deputy Secretary
Citrus Heights Water District

RAYMOND A. RIEHLE, President
Board of Directors
Citrus Heights Water District

MAY 2018

2018 REVENUE ANALYSIS

Outstanding Receivables

Aged Trial Balance					
Total	Current	31-90	91-150	>150	Unapplied Current
959,551	741,207	96,249	3,735	208,270	(89,911)

General Ledger Balance	Total
Outstanding A/R	1,043,813
Outstanding Liens	-
Unclaimed Funds	(8,621)
Outstanding Grants	1,247
Less Unapplied Payments	(91,294)
Total	\$ 945,145

**ASSESSOR/COLLECTOR'S ROLL ADJUSTMENTS FOR
May 31, 2018**

Board Of Directors
Citrus Heights Water District

Assessor/Collector Roll Adjustment		
May-18		
	Dollar	Count
DEFAULT		
One-Time Courtesy	\$ 17.93	5
DEFAULT Total	\$ 17.93	5
3-DAY DOOR HANG		
New Owner	\$ 23.00	1
3-DAY DOOR HANG Total	\$ 23.00	1
DEPOSIT		
New Owner	\$ 450.00	2
DEPOSIT Total	\$ 450.00	2
Grand Total	\$ 490.93	8

Reason For Cancellation	Charge Type	Amount
New Owner	3-DAY DOOR HANG	23.00
New Owner	DEPOSIT	225.00
New Owner	DEPOSIT	225.00
One-Time Courtesy	DEFAULT	1.84
One-Time Courtesy	DEFAULT	4.43
One-Time Courtesy	DEFAULT	4.28
One-Time Courtesy	DEFAULT	3.82
One-Time Courtesy	DEFAULT	3.56
		<u>\$ 490.93</u>

**TREASURER'S REPORT TO THE BOARD OF DIRECTORS
CITRUS HEIGHTS WATER DISTRICT**

CC-04

Month of May 2018

Bank of the West			
Beginning Balance			\$5,465,380
RECEIPTS:		1,187,394	
DISBURSEMENTS:			
Checks Issued / ACH Payments	1,037,422		
Payroll	458,505		
Returned Checks	1,339		
	1,497,265		(309,872)
Bank of the West			
Balance per Bank May 31, 2018			5,155,509
Outstanding Checks			(135,394)
Deposit in Transit			63,186
Balance Per Books May 31, 2018			\$5,083,301
<hr/>			
RECONCILEMENT:			
Bank of the West			\$5,083,301
Local Agency Investment Fund			6,163,367
COP Reserve Account			536,606
Money Mkt Activity Account			531,493
TOTAL BALANCE			\$12,314,767

CASH & INVESTMENT SUMMARY:		
Bank of the West (General Account)		\$5,083,301
Local Agency Investment Fund		6,163,367
COP 2010 Reserve Account		536,606
Money Mkt Activity Account		531,493
Total		\$12,314,767

INSTITUTION	MATURITY DATE	INT RATE	DEPOSIT AMOUNT	DATE OF LAST TRANSACTION
Local Agency Investment Fund	Daily	1.51%	22,846.45	4/13/2018

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.



SUSAN K. SOHAL
Treasurer



HILARY M. STRAUS
Secretary

Signed: 06/13/2018

TREASURER'S REPORT OF FUND BALANCES

May 31, 2018

	Beginning Balance 01/01/2018	Year to Date Transfers In / Collections	Year to Date Transfers Out	Current Month Transfers In / Collections	Current Month Transfers Out	Ending Balance 05/31/2018	2018 Target Balance per Policy
Operating Fund	\$ 3,634,963	\$ 4,405,719	\$ (4,378,362)	\$ 1,187,394	\$ (1,497,265)	\$ 3,352,449	\$ 2,334,017
Operating Reserve	\$ 2,975,286					\$ 2,975,286	N/A
Rate Stabilization Fund	\$ 834,000					\$ 834,000	\$ 1,000,000
Capital Improvement Reserve	\$ 2,654,025					\$ 2,654,025	\$ 2,644,621
Restricted for Debt Service	\$ 536,963					\$ 536,963	N/A
Water Supply Reserve	\$ 200,000					\$ 200,000	N/A
Water Efficiency Reserve	\$ 150,000					\$ 150,000	\$ 200,000
Water Meter Replacement Reserve	\$ 1,025,000					\$ 1,025,000	N/A
Fleet Equipment Reserve	\$ 350,069					\$ 350,069	\$ 318,559
Employment-Related Benefits Reserve	\$ 256,862					\$ 256,862	\$ 864,229
	<u>\$ 12,617,167</u>	<u>\$ 4,405,719</u>	<u>\$ (4,378,362)</u>	<u>\$ 1,187,394</u>	<u>\$ (1,497,265)</u>	<u>\$ 12,334,653</u>	



 SUSAN K. SOHAL, Treasurer

TREASURER'S REPORT OF FUND BALANCES
May 31, 2018

Fund Transfers Summary:

The Operating Fund Transferred:	\$ 1,187,394	from funds collected in May 2018 per Treasurer's Report
	<u>\$ (1,497,265)</u>	disbursements made in May 2018 per Treasurer's Report
	\$ (309,871)	

Citrus Heights Water District
Budget Performance Report
As of 5/31/2018

CC-06

	May Actual	Year-to-Date Actual	Year-to-Date Budget	YTD Variance Amount	YTD Variance Percent	Annual Budget
Revenues						
Metered Service Charges	\$887,025.81	\$3,863,631.28	\$3,508,245.00	\$355,386.28	10.13%	\$8,419,792.00
Metered Water Deliveries	298,943.17	1,189,039.95	1,669,043.00	(480,003.05)	-28.76%	6,532,500.00
Non-Metered Service Charges	7,611.96	40,802.77	58,335.00	(17,532.23)	-30.05%	140,000.00
Penalties	4,991.95	25,627.19	38,325.00	(12,697.81)	-33.13%	150,000.00
Interest	2,588.67	32,724.70	4,165.00	28,559.70	685.71%	10,000.00
Backflow Fees	4,204.17	21,480.29	48,335.00	(26,854.71)	-55.56%	116,000.00
Water Service Install & S&R	18,607.68	29,662.98	11,375.00	18,287.98	160.77%	27,300.00
Grant Funds		1,200.00		1,200.00	0.00%	
Miscellaneous *	17,278.23	81,500.34	54,165.00	27,335.34	50.47%	130,000.00
Cost Reimbursements		747.68		747.68	0.00%	
Income - Wheeling Water		4,410.02	690.00	3,720.02	539.13%	2,700.00
Income - Connection Fees	20,328.00	20,328.00		20,328.00	0.00%	
Total Revenue	<u>1,261,579.64</u>	<u>5,311,155.20</u>	<u>5,392,678.00</u>	<u>(81,522.80)</u>	<u>-1.51%</u>	<u>15,528,292.00</u>
*includes Assessments, New Account, Back Charges & other Miscellaneous Revenue Sources						
Operating Expenses						
Cost of Water						
Purchased Water		1,152,608.54	1,285,544.20	(132,935.66)	-10.34%	3,085,306.08
Ground Water	58,480.24	213,298.30	147,145.95	66,152.35	44.96%	341,195.95
	<u>58,480.24</u>	<u>1,365,906.84</u>	<u>1,432,690.15</u>	<u>(66,783.31)</u>	<u>-4.66%</u>	<u>3,426,502.03</u>
Labor & Benefits						
Labor Regular	325,401.69	1,206,735.36	1,121,345.45	85,389.91	7.61%	2,693,210.08
Labor Taxes	25,171.96	96,529.46	103,464.60	(6,935.14)	-6.70%	248,315.04
Labor Workers Comp			26,250.00	(26,250.00)	-100.00%	63,000.00
Labor External	161.91	3,801.44	37,791.70	(33,990.26)	-89.94%	90,700.08
Benefits Med/Den/Vis	38,525.33	184,693.92	198,143.70	(13,449.78)	-6.79%	475,544.88
Benefits LTD/Life/EAP	6,021.45	19,871.68	14,737.10	5,134.58	34.84%	35,369.04
Benefits CalPers	26,428.41	80,567.53	324,475.30	(243,907.77)	-75.17%	778,740.72
Benefits Other	1,031.70	10,774.51	12,500.00	(1,725.49)	-13.80%	30,000.00
Benefit Retiree Expenses	3,539.30	17,751.50	21,055.40	(3,303.90)	-15.69%	50,532.96
Benefit Unemployment	74.81	4,710.84	3,500.00	1,210.84	34.60%	8,400.00
Benefit GASB 68	30,046.58	150,232.90		150,232.90	0.00%	
Capitalized Labor & Benefit Contra	<u>(42,576.73)</u>	<u>(210,357.59)</u>		<u>(210,357.59)</u>	<u>0.00%</u>	
	<u>413,826.41</u>	<u>1,565,311.55</u>	<u>1,863,263.25</u>	<u>(297,951.70)</u>	<u>-15.99%</u>	<u>4,473,812.80</u>
General & Administrative						
Fees & Charges	9,014.41	42,557.49	39,187.97	3,369.52	8.60%	102,409.59
Regulatory Compliance/Permits	50.00	19,303.20	52,089.60	(32,786.40)	-62.94%	125,015.04
District Events & Recognition	6,359.96	10,369.65	11,179.20	(809.55)	-7.24%	26,830.08
Maintenance/Licensing	518.60	28,713.74	62,843.05	(34,129.31)	-54.31%	150,823.32
Equipment Maintenance	5,070.31	31,588.52	29,166.65	2,421.87	8.30%	69,999.96

Citrus Heights Water District
Budget Performance Report
As of 5/31/2018

CC-06

	May	Year-to-Date	Year-to-Date	YTD Variance		Annual
	Actual	Actual	Budget	Amount	Percent	Budget
Professional Development	3,076.81	24,953.13	34,456.00	(9,502.87)	-27.58%	94,533.50
Department Admin	3,629.89	19,873.58	22,760.35	(2,886.77)	-12.68%	54,624.84
Dues & Subscriptions	712.51	15,205.58	59,637.10	(44,431.52)	-74.50%	143,129.04
Fuel & Oil	4,765.95	20,791.85	21,250.00	(458.15)	-2.16%	51,000.00
General Supplies	5,788.27	15,242.71	15,458.35	(215.64)	-1.39%	37,100.04
Insurance - Auto/Prop/Liab	20,241.26	21,877.86	35,416.65	(13,538.79)	-38.23%	84,999.96
Leasing/Equipment Rental	2,491.66	8,755.52	12,659.15	(3,903.63)	-30.84%	30,381.96
Parts & Materials	23,117.58	160,560.66	22,916.70	137,643.96	600.63%	55,000.08
Postage/Shipping/Freight	9,898.56	53,429.95	51,314.03	2,115.92	4.12%	123,294.74
Rebates & Incentives	1,125.00	4,575.00	8,200.00	(3,625.00)	-44.21%	19,680.00
Telecom/Network	3,039.55	13,563.38	17,208.35	(3,644.97)	-21.18%	41,300.04
Tools & Equipment	2,955.49	18,599.37	25,708.35	(7,108.98)	-27.65%	61,700.04
Utilities	214.15	2,871.18	13,458.35	(10,587.17)	-78.67%	32,300.04
Write-Off Bad Debt Exp			2,083.35	(2,083.35)	-100.00%	5,000.04
Capitalized G&A Contra	(18,492.69)	(158,731.51)		(158,731.51)	0.00%	
Capitalized Equipment Contra	(41,243.22)	(121,637.81)		(121,637.81)	0.00%	
	<u>42,334.05</u>	<u>232,463.05</u>	<u>536,993.20</u>	<u>(304,530.15)</u>	<u>-56.71%</u>	<u>1,309,122.31</u>
Professional & Contract Services						
Support Services	93,984.32	334,548.90	719,864.60	(385,315.70)	-53.53%	1,727,675.04
Legal Services		55,780.81	135,833.35	(80,052.54)	-58.93%	326,000.04
Printing Services	2,003.11	2,867.25	16,750.00	(13,882.75)	-82.88%	38,515.00
	<u>95,987.43</u>	<u>393,196.96</u>	<u>872,447.95</u>	<u>(479,250.99)</u>	<u>-54.93%</u>	<u>2,092,190.08</u>
Reserves & Debt Services						
Interest Expense		23,231.20	306,640.00	(283,408.80)	-92.42%	735,936.00
Net Increase(Decrease) in Value of Investments		(11,671.29)		(11,671.29)	0.00%	
		<u>11,559.91</u>	<u>306,640.00</u>	<u>(295,080.09)</u>	<u>-96.23%</u>	<u>735,936.00</u>
Total Operating Expenses	<u>610,628.13</u>	<u>3,568,438.31</u>	<u>5,012,034.55</u>	<u>(1,443,596.24)</u>	<u>-28.80%</u>	<u>12,037,563.22</u>
Net Income / (Expense)	<u>650,951.51</u>	<u>1,742,716.89</u>	<u>380,643.45</u>	<u>1,362,073.44</u>	<u>357.83%</u>	<u>3,490,728.78</u>

Project Number	Project Name	BUDGET				COMMITMENTS	AMOUNTS PAID			PROJECTION
		Project Forecast Budget	Expenditures to 12/2017	Remaining Budget	2018 Budget	Open Commitments	Month to Date	Year to Date	Project to Date	2019 Forecast
C15-102	Corporation Yard Improvements	\$2,632,325	\$1,593,598	\$1,038,727	\$0	\$0	\$649	\$697,106	\$2,290,704	
C15-133	Higland Ave and Rosa Vista	\$396,487	\$35,334	\$361,153	\$0	\$0	\$0	\$385,342	\$420,676	
C15-137	C-Bar-C Pressure Control	\$550,000	\$0	\$550,000	\$250,000	\$0	\$0	\$0	\$0	
C16-131	Wind Way and Longwood Way	\$327,158	\$7,785	\$319,373	\$305,154	\$0	\$0	\$12,198	\$19,983	
C16-134	Auburn Blvd-Rusch Park Placer	\$166,357	\$0	\$166,357	\$157,880	\$0	\$0	\$0	\$0	
C16-142	Sunrise BI Streetscape Ph 2	\$50,000	\$450	\$49,550		\$0	\$0	\$0	\$450	
C18-101	Stock Ranch Res. Svc Replcmnts	\$662,653	\$0	\$662,653	\$607,432	\$0	\$0	\$0	\$0	
Construction in Progress		\$4,784,980	\$1,637,167	\$3,147,813	\$1,320,466	\$0	\$649	\$1,094,645	\$2,731,812	\$0
C18-010	Water Main Replacements	\$64,888	\$0	\$64,888	\$59,897	\$0	\$0	\$4,274	\$4,274	
C18-011	Water Valve Replacements	\$144,200	\$0	\$144,200	\$135,428	\$0	\$0	\$6,763	\$6,763	
C18-012	Water Service Connections	\$850,000	\$0	\$850,000	\$823,750	\$0	\$18	\$383,393	\$383,393	
C18-013	Water Meter Replacements	\$107,000	\$0	\$107,000	\$98,083	\$0	\$0	\$31,627	\$31,627	
C18-014	Fire Hydrants	\$154,500	\$0	\$154,500	\$150,787	\$0	\$0	\$39,964	\$39,964	
Annual Infrastructure		\$1,320,588	\$0	\$1,320,588	\$1,267,945	\$0	\$18	\$466,022	\$466,022	\$0
C15-104B	Document Management System	\$250,000	\$5,361	\$244,639	\$120,000	\$0	\$0	\$0	\$5,361	
C17-003	Fleet/Field Operations Equip	\$287,500	\$218,364	\$69,136		\$0	\$0	\$0	\$218,364	
C17-003A	1/2 Ton Pickup Unit 14	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
C17-004	Technology Hardware/Software	\$0	\$15,290	(\$15,290)	\$0	\$0	\$2	\$2	\$15,292	
C17-004A	Server Upgrade	\$100,000	\$18,190	\$81,810		\$0	\$0	\$0	\$18,190	
C17-004B	Workstation Replacements	\$20,000	\$1,405	\$18,595		\$0	\$0	\$0	\$1,405	
C17-004C	Hydraulic Model	\$42,000	\$38,607	\$3,393		\$0	\$0	\$0	\$38,607	
C18-003	Fleet/Field Operations Equip	\$287,500	\$0	\$287,500	\$287,500	\$0	\$0	\$65,711	\$65,711	
C18-004	Technology Hardware/Software	\$35,000	\$0	\$35,000	\$32,308	\$0	\$0	\$9,875	\$9,875	
Fleet and Equipment		\$1,022,000	\$297,216	\$724,784	\$439,808	\$0	\$2	\$75,588	\$372,804	\$0

Project Number	Project Name	BUDGET				COMMITMENTS	AMOUNTS PAID			PROJECTION
		Project Forecast Budget	Expenditures to 12/2017	Remaining Budget	2018 Budget	Open Commitments	Month to Date	Year to Date	Project to Date	2019 Forecast
C15-101	Fairway 12" & 8" Intertie	\$19,690	\$1,217	\$18,473	\$0	\$0	\$0	\$18,010	\$19,227	
C15-109	Blossom Hill Way 6" & 10" Inte	\$22,015	\$0	\$22,015		\$0	\$0	\$0	\$0	
C15-110	Crestmont Ave 6" Intertie	\$19,980	\$0	\$19,980		\$0	\$0	\$0	\$0	
C15-131	Baird Way 12in Main	\$360,337	\$316,772	\$43,565		\$0	\$0	\$0	\$316,772	
C15-132	Graham Cir and Circuit Dr	\$570,984	\$30,268	\$540,716	\$524,048	\$0	\$0	\$8,051	\$38,319	
C17-100	24in Oak at C-Bar-C to Arcade	\$2,100,000	\$0	\$2,100,000	\$500,000	\$0	\$0	\$0	\$0	\$750,000
C17-101	Pleasant View Dr-Oak to Poppy	\$499,231	\$6,549	\$492,682	\$460,130	\$0	\$0	\$4,455	\$11,004	
C17-102	Michigan Dr - Sunrise to West	\$249,258	\$1,289	\$247,969	\$231,005	\$0	\$0	\$1,545	\$2,833	
C18-102	Thunderhead Cir 8in Main Rplc	\$665,842	\$0	\$665,842	\$292,049	\$0	\$0	\$13	\$13	\$349,456
C18-103	Cologne Way 6in Main Replace	\$242,384	\$0	\$242,384	\$116,345	\$0	\$0	\$0	\$0	\$116,343
C18-104	Quiet Oak Ln 8in Main Oak S	\$121,011	\$0	\$121,011	\$58,085	\$0	\$0	\$0	\$0	\$58,085
C18-105	Old Auburn Rd Dafodil Wooddale	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
Water Mains		\$4,870,732	\$356,095	\$4,514,637	\$2,181,662	\$0	\$0	\$32,074	\$388,169	\$1,273,884
C17-005	Facilities Improvements	\$75,000	\$42,621	\$32,379	\$0	\$0	\$0	\$5,568	\$48,189	
C17-103	Operations Building Remodel	\$1,475,000	\$19,010	\$1,455,990	\$1,300,000	\$0	\$0	\$0	\$19,010	
C18-005	Facilities Improvements	\$125,000	\$0	\$125,000	\$115,385	\$0	\$0	\$35,552	\$35,552	
C18-040	Other City Partnerships	\$300,000	\$0	\$300,000	\$275,000	\$0	\$0	\$0	\$0	
C18-041	Other Infrastructure Projects	\$103,000	\$0	\$103,000	\$94,417	\$0	\$0	\$0	\$0	
Miscellaneous Projects		\$2,078,000	\$61,631	\$2,016,369	\$1,784,801	\$0	\$0	\$41,120	\$102,751	\$0
C17-020	Groundwater Well Improvements	\$165,500	\$2,884	\$162,616	\$0	\$0	\$0	\$78,382	\$81,266	
C17-020A	Groundwater Well Rehab Sunrise	\$50,500	\$0	\$50,500	\$23,146	\$0	\$0	\$0	\$0	
C17-104	Groundwater Well Property Acq	\$640,000	\$123,943	\$516,057	\$0	\$0	\$0	\$55,667	\$179,609	
C17-104A	Groundwater Well Prop Highland	\$250,000	\$0	\$250,000	\$0	\$0	\$0	\$292	\$292	\$0
C18-020	Groundwater Well Improvements	\$100,000	\$0	\$100,000	\$91,667	\$0	\$0	\$10,376	\$10,376	
C18-106	Groundwater Well #7	\$796,860	\$0	\$796,860	\$382,493	\$0	\$0	\$398	\$398	\$382,493
Wells		\$2,002,860	\$126,827	\$1,876,033	\$497,305	\$0	\$0	\$145,114	\$271,941	\$382,493
Grand Totals:		\$16,079,160	\$2,478,936	\$13,600,224	\$7,491,987	\$0	\$668	\$1,854,563	\$4,333,499	\$1,656,377

MAY 2018 WARRANTS

<u>CHECK</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
65434	Parr 2006 Living Trust	Customer Refund	\$214.56
65435	Grant S III/Shirley M Pyle	Customer Refund	\$9.21
65436	Gerard K/Eleanor Stern	Customer Refund	\$8.35
65437	Penny Snider	Customer Refund	\$71.54
65438	Perkins Trust	Customer Refund	\$6.55
65439	Thomas A Richie	Customer Refund	\$113.07
65440	Allison Family Trust	Customer Refund	\$27.15
65441	Jeannie/ Damon Gillespie	Customer Refund	\$55.39
65442	Andrew Piet	Customer Refund	\$99.30
65443	Chielo Arce	Customer Refund	\$54.62
65444	Muna A Fahmi	Customer Refund	\$17.25
65445	Mark A Scott	Customer Refund	\$169.97
65446	Susan L Hea	Customer Refund	\$30.65
65447	Robert/Sunshine Barron	Customer Refund	\$9.04
65448	Dan E Erskine	Customer Refund	\$32.51
65449	Masood Rasooli	Customer Refund	\$114.25
65450	Reliant Ventures LLC	Customer Refund	\$81.58
65451	ABA DABA Rentals & Sales	Supplies-Field	\$160.45
65452	Alexander's Contract Services	Contract Services- Meter Reads	\$2,383.66
65453	Betty Ann Bertoglio	Contract Services- Miscellaneous	\$3,000.00
65454	California Landscape Associates Inc	Janitorial	\$200.00
65455	Robin Cope	Health Insurance	\$422.30
65456	Core & Main LP	Material	\$74.68
65457	Corix Water Products, Inc	Material	\$1,520.38
65458	Sacramento County Utilities	Utilities	\$186.75
65459	Cybex	Equipment Rental-Office	\$158.16
65460	Express Office Products Inc	Office Expense	\$142.38
65461	Gaynor Telesystems Incorporated	Contract Services-Other	\$290.00
65462	Karen E Good	Toilet Rebate Program	\$75.00
65463	Grainger	Small Tools	\$509.50
65464	Graybar Electric Co	Supplies-Field	\$334.67
65465	Headsets.com	Office Expense	\$549.36
65466	Integrity Administrators Inc	Health Insurance	\$318.50
65467	J4 Systems	Contract Services-Other	\$533.75
65468	Kei Window Cleaning #12	Janitorial	\$94.00
65469	Miles Treaster & Associates	Office Expense	\$5,568.07
65470	Mansour Monem	Toilet Rebate Program	\$150.00
65471	Moonlight BPO	Contract Services- Bill Print	\$2,936.49
65472	Pirtek Power Inn	Repair-Trucks	\$2,831.81
65473	River City Fire Equipment	Repair-Equipment/Hardware	\$344.71
65474	Barbara Scarlett	Toilet Rebate Program	\$150.00
65475	Sonitrol	Equipment Rental-Office	\$6.54
65476	Tadas Spelis	Contract Services- Miscellaneous	\$812.50
65477	State Water Resources Control Board	Dues & Subscriptions	\$70.00
65478	The Lincoln National Life Insurance Company	Disability & Life Insurance	\$6,753.11

MAY 2018 WARRANTS

<u>CHECK</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
65479	United Textile	Supplies-Field	\$516.01
65480	Verizon Wireless	Telephone-Wireless	\$1,219.27
65481	Zane Dezin	Contract Services-Water Conservation	\$20.00
65482	CirclePoint	Contract Services-Water Conservation	\$17,119.19
65483	J&S Asphalt	Contract Services-Paving/Concrete	\$10,740.00
65484	North State Drilling	Contract Services-Wells	\$76,725.00
65485	North State Electric & Pump	Wells Maintenance	\$16,997.56
65486	San Juan Water District	Purchased Water	\$569,907.54
65487	Zuke's Landscape	Contract Services- Miscellaneous	\$24,812.00
65488	Blaine R/Barbara M Burnett	Customer Refund	\$947.84
65489	Joseph A/Nancy M Cronin	Customer Refund	\$85.68
65490	Robinson-Smith Trust	Customer Refund	\$25.47
65491	Jackie H Rogers	Customer Refund	\$606.44
65492	David P Sutter	Customer Refund	\$29.18
65493	ABA DABA Rentals & Sales	Supplies-Field	\$91.59
65494	AFLAC	Employee Paid Insurance	\$395.99
65495	AnswerNet	Telephone-Answering Service	\$288.14
65496	Bart/Riebes Auto Parts	Repair-Trucks	\$4.87
65497	Best Best & Krieger	Legal & Audit	\$7,723.54
65498	Bruton's Glass Co	Repair-Trucks	\$290.60
65499	BSK Associates	Water Analysis	\$1,270.00
65500	City of Citrus Heights	Permit Fees	\$1,267.00
65501	Consolidated	Telephone-Local/Long Distance	\$1,733.35
65502	Corix Water Products, Inc	Material	\$905.11
65503	Domenichelli and Associates, Inc	Contract Services-Engineering	\$4,980.00
65504	Hach Company	Wells Maintenance	\$87.26
65505	Indoor Environmental Services	Maintenance Agreement-Equipment	\$4,157.27
65506	J4 Systems	Contract Services-Other	\$1,888.75
65507	KBA Docusys Inc	Equipment Rental-Office	\$342.63
65508	Moonlight BPO	Contract Services- Bill Print	\$3,191.95
65509	One Print Source & Graphics	Printing	\$46.33
65510	Planning Partners Inc	Contract Services-Wells	\$1,260.00
65511	Protection One Alarm Monitoring	Equipment Rental-Office	\$179.95
65512	Republic Services #922	Utilities	\$212.81
65513	Rescue Training Institute Inc	Contract Services-Other	\$50.00
65514	Regional Government Services	Contract Services-Other	\$2,315.24
65515	RW Trucking	Contract Services- Miscellaneous	\$3,060.00
65516	Signs In 1 Day Inc	Repair-Trucks	\$123.92
65517	Spot on Signs & Graphics	Contract Services-Other	\$205.79
65518	Wallace Kuhl & Associates Inc	Contract Services- Miscellaneous	\$1,410.00
65519	Jinne Calvi	Water Conservation- Other	\$100.00
65520	Shelby Gibbs	Water Conservation- Other	\$50.00
65521	Leila Gross	Water Conservation- Other	\$50.00
65522	Annabelle Ng	Contract Services- Miscellaneous	\$100.00
65523	Susanne Slayton	Water Conservation- Other	\$100.00

MAY 2018 WARRANTS

<u>CHECK</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
65524	Weston, Sallee	Water Conservation- Other	\$100.00
65525	Stanley D/Barbara J Bowers	Customer Refund	\$59.32
65526	Daniel A/Susan M Paul	Customer Refund	\$81.01
65527	Christine A Ingram	Customer Refund	\$65.01
65528	Michele R Meder	Customer Refund	\$9.50
65529	Michael A Clark	Customer Refund	\$23.36
65530	Frank/Monica L Cathers	Customer Refund	\$9.32
65531	Evon Sadrian	Customer Refund	\$27.61
65532	Brian/Wendy Barnes	Customer Refund	\$258.65
65533	GM Construction & Developers	Customer Refund	\$1,555.75
65534	Michael L/Christy A Gorre	Customer Refund	\$10.25
65535	Ryan M Luttrell	Customer Refund	\$43.71
65536	Eric L Callagher	Customer Refund	\$89.42
65537	Toni V/Richard E Collins	Customer Refund	\$102.75
65538	VLK Investment Inc	Customer Refund	\$99.12
65539	Raymond P Zechender	Customer Refund	\$62.42
65540	Ygnacio/Rosemarie Reyes	Customer Refund	\$96.57
65541	Jeni N Alcantar	Customer Refund	\$103.12
65542	HPOF Two LP	Customer Refund	\$276.78
65543	Krystal Newcomb	Customer Refund	\$1,212.42
65544	Casey/Kami Powers	Customer Refund	\$225.66
65545	CKM Holdings Inc	Customer Refund	\$559.67
65546	Alexander's Contract Services	Contract Services- Meter Reads	\$3,875.15
65547	AREA Restroom Solutions	Equip Rental-Field	\$118.76
65548	Bart/Riebes Auto Parts	Repair-Trucks	\$1,153.49
65549	Best Best & Krieger	Legal & Audit	\$1,268.50
65550	Bobcat of Sacramento	Equip Rental-Field	\$7,434.75
65551	City of Citrus Heights	Permit Fees	\$1,500.00
65552	County of Sacramento - Clerk	Publication Notices	\$2,320.75
65553	Dawson Oil Company	Gas & Oil	\$1,156.76
65554	Integrity Administrators Inc	Health Insurance	\$5,000.00
65555	J4 Systems	Contract Services-Other	\$997.50
65556	John Tony David	Field Miscellaneous	\$250.00
65557	Lowe's	Supplies-Field	\$282.18
65558	Moonlight BPO	Contract Services- Bill Print	\$3,093.43
65559	Pace Supply Corp	Material	\$7,937.78
65560	Pacific Gas & Electric	Utilities	\$27.40
65561	SureWest Directories	Telephone-Local/Long Distance	\$49.00
65562	Vice's Collision Repair	Repair-Trucks	\$3,524.84
65563	James H Fritch	Customer Refund	\$111.13
65564	AIA Services, LLC/NDS	Water Conservation-Material/Supply	\$3,827.86
65565	Alexander's Contract Services	Contract Services- Meter Reads	\$5,068.16
65566	Avalon Custodial Care	Janitorial	\$695.00
65567	Axcient Holdings LLC	Maintenance Agreement-Software	\$444.30
65568	Bart/Riebes Auto Parts	Repair-Trucks	\$153.71

MAY 2018 WARRANTS

<u>CHECK</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
65569	Corelogic Information Solutions Inc	Dues & Subscriptions	\$249.13
65570	County of Sacramento Municipal Services	Field Miscellaneous	\$88.35
65571	Express Office Products Inc	Office Expense	\$15.20
65572	Future Ford	Repair-Trucks	\$542.50
65573	Grainger	Small Tools	\$1,151.72
65574	Ferguson Enterprises Inc #1423	Material	\$5,964.23
65575	KBA DOCUSYS	Equipment Rental-Office	\$23.20
65576	Moonlight BPO	Contract Services- Bill Print	\$2,445.99
65577	One Print Source & Graphics	Printing	\$1,462.44
65578	Pace Supply Corp	Material	\$636.54
65579	Red Wing Shoe Store	Small Tools	\$248.23
65580	SMUD	Utilities	\$7,667.08
65581	Sophos Solutions	Contract Services-Other	\$5,680.00
65582	Steven Enterprises Inc	Office Expense	\$57.22
65583	TriFresh Technologies, Inc.	Wells Maintenance	\$690.37
65584	WaterWise Consulting, Inc	Contract Services-Water Conservation	\$1,575.00
65585	BP Productions	Office Miscellaneous	\$1,370.00
65586	David/Margaret M Grant	Customer Refund	\$211.34
65587	Samuel J Keller	Customer Refund	\$39.58
65588	Stanley W/Linda M Ruggles Jr	Customer Refund	\$13.99
65589	George F Jr Bixler	Customer Refund	\$9.92
65590	Mary E Trujillo	Customer Refund	\$58.87
65591	Robert W/Mary J Luscombe	Customer Refund	\$97.96
65592	Donald L/Delaine D Timberlake	Customer Refund	\$83.61
65593	Jerome A Nichols	Customer Refund	\$11.07
65594	GTG Trust	Customer Refund	\$9.48
65595	Lisa Marie Skelton	Customer Refund	\$56.68
65596	Susan M Ryan	Customer Refund	\$92.76
65597	Ryan G Peek	Customer Refund	\$7.14
65598	Raymond P Zechender	Customer Refund	\$81.58
65599	GM Construction & Developers Inc	Customer Refund	\$1,625.12
65600	Ivan/Jamielynn St Clair	Customer Refund	\$106.41
65601	Prowess Utility Group Inc.	Customer Refund	\$1,273.90
65602	Lori Brand	Toilet Rebate Program	\$75.00
65603	Scott Brown	Toilet Rebate Program	\$75.00
65604	Bryce Consulting, Inc	Legal & Audit	\$1,080.00
65605	BSK Associates	Water Analysis	\$2,113.00
65606	Corix Water Products, Inc	Material	\$452.55
65607	Dawson Oil Company	Gas & Oil	\$1,195.92
65608	Ferguson Enterprises Inc #1423	Material	\$646.50
65609	J4 Systems	Contract Services-Other	\$1,413.75
65610	Kaiser Foundation Health Plan, Inc	Health Insurance	\$21,135.35
65611	Moonlight BPO	Contract Services- Bill Print	\$3,453.00
65612	Occupational Safety	Small Tools	\$1,165.00
65613	Office Depot	Office Expense	\$193.89

MAY 2018 WARRANTS

<u>CHECK</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
65614	One Print Source & Graphics	Printing	\$85.34
65615	Sylvan Supply	Repair-Trucks	\$215.50
65616	A. Teichert & Son, Inc.	Road Base	\$2,445.27
65617	Ed Villarreal	Toilet Rebate Program	\$75.00
65618	Voyager Fleet Systems Inc	Gas & Oil	\$2,413.27
TOTAL			\$916,566.85

ACH	4/19/18 PAYDAY	PERS	\$17,771.28
ACH	5/3/18 PAYDAY VALIC	Deferred Compensation	\$2,804.50
ACH	ADMIN FEE- MAY	PERS	\$200.00
ACH	APRIL 2018	See May Agenda Item CC-9	\$11,209.56
ACH	APRIL 2018	Bank Fee	\$1,539.65
ACH	APRIL 2018 CHASE	Bank Fee	\$1,566.33
ACH	APRIL 2018 FD	Bank Fee	\$119.98
ACH	APRIL 2018 PH	Bank Fee	\$117.98
ACH	APRIL 2018 WB	Bank Fee	\$87.98
ACH	PAYCHEX 5/10/18	Contract Services-Other	\$397.40
ACH	PERS 4/5/18 PAYDAY	PERS	\$17,771.28
ACH	VANCO APRIL 2018	Contract Services-Other	\$30.28
ACH	VOYA 5/3/18 PAYDAY	Deferred Compensation	\$25.00
ACH	WHA JUNE 2018	Health Insurance	\$13,885.21
ACH	5/30/18 PAYDAY	PERS	\$18,109.36
ACH	LUND CONSTRUCTION	Contract Services-Engineering	\$49,609.00
ACH	MAY 2018 GASB68	PERS	\$30,046.58
TOTAL			\$165,291.37

GRAND TOTAL**\$1,081,858.22****June Payments Approved at June Board Meeting**

65672	SMUD	Utilities	\$8,983.20
65673	Warren Consulting Engineers Inc	Contract Services-Engineering	\$11,412.50
65666	B&M Builders	Contract Services-Engineering	\$17,198.13
65667	CirclePoint	Contract Services-Water Conservation	\$18,507.81
65664	ACWA/JPIA	Workers Comp Insurance	\$20,241.26
65670	Harris & Associates	Contract Services-Engineer	\$41,421.03
65668	Clark Equipment Co. dba Bobcat Company	Equipment Rental-Field	\$57,124.20
65671	PNP Construction, Inc	Contract Services-Engineer	\$84,330.00
			\$259,218.13

US BANK - CAL-Card Distributions
May-18

Name	Dues & Subscriptions	Continued Education	Capital Project (CIP)	Meetings	Office Misc. - District Event	Supplies	Maint. Agrmt. - Software	Maint. Agrmt. - Equipment / Hardware	Postage	Water Cnsvr - Material / Supply	Repair - Truck	Office - Expense	Water Cnsvr - Other	Tools	Prepaid	Total Bill
Cutler		\$54.71	\$666.07													\$720.78
Henry				\$787.47	\$637.69											\$1,425.16
Hensley			\$2.10			\$118.77										\$120.87
Sohal	\$115.00			\$182.84			\$269.35	(\$754.23)								(\$187.04)
Pieri		\$53.71														\$53.71
Shockley		\$435.00		\$1,136.54	\$1,174.80				\$107.20	\$78.59	\$8.00	\$352.40	\$205.84			\$3,498.37
Gordon											\$105.99					\$105.99
Spiers					\$38.85	\$511.06								\$217.12		\$767.03
Straus	\$12.99	\$182.91														\$195.90
N/A															(\$0.01)	(\$0.01)
Total Bill	\$127.99	\$726.33	\$668.17	\$2,106.85	\$1,851.34	\$629.83	\$269.35	(\$754.23)	\$107.20	\$78.59	\$113.99	\$352.40	\$205.84	\$217.12	(\$0.01)	\$6,700.76

Citrus Heights Water District
2018 Director Training Courses/Seminars/Conferences
as of 6/13/2018

Date	Days	Topic	Organizing Agency	Location	Attendee	Total Expenses	Registration	Hotel	Air/Travel	Car rental	Meals	Parking/Taxi/ phone
05/8/18-05/11/18	4	ACWA 2018 Spring Conference	ACWA	Sacramento, CA	Ray Riehle	699.00	699.00					
05/8/18-05/11/18	4	ACWA 2018 Spring Conference	ACWA	Sacramento, CA	Al Dains	699.00	699.00					
05/8/18-05/11/18	4	ACWA 2018 Spring Conference	ACWA	Sacramento, CA	Caryl Sheehan	699.00	699.00					
					Grand Total	2,097.00						

CITRUS HEIGHTS WATER DISTRICT

**DISTRICT STAFF REPORT TO BOARD OF DIRECTORS
June 20, 2018 MEETING**

SUBJECT : Employee Recognition
 STATUS : Information Item
 REPORT DATE : June 12, 2018
 PREPARED BY : Madeline Henry, Management Services Specialist/Deputy Board Clerk

The following District employees were recognized for perfect attendance during April 2018, and outstanding customer service and quality of work during the month of May 2018.

Administrative Services & Water Efficiency Department

<u>Name</u>	<u>Attendance</u>	<u>Customer Service</u>	<u>Work Quality</u>
Chris Castruita	Yes		Preparation of and support for both the May CAC meeting and the Corporation Yard Ribbon Cutting.
Brady Chambers	Yes		Assisted with the Corporation Yard Ribbon Cutting Event on May 31 st .
Kelly Drake	Yes		Assisted with the Corporation Yard Ribbon Cutting Event on May 31 st .
Madeline Henry	Yes		Preparation of and support for both the May CAC meeting and the Corporation Yard Ribbon Cutting. Attended and presented at the May Board meeting.
Mersadez Hogan		Was extremely professional and courteous to a difficult customer who was going to be shut-off.	Assisted with the Corporation Yard Ribbon Cutting Event on May 31 st .
Dana Mellado	Yes	Was extremely professional and courteous to a difficult customer who was going to be shut-off.	Assisted with the Corporation Yard Ribbon Cutting Event on May 31 st .

<u>Name</u>	<u>Attendance</u>	<u>Customer Service</u>	<u>Work Quality</u>
Rex Meurer	Yes		Assisted with the Corporation Yard Ribbon Cutting Event on May 31 st . Attended CAC Meeting on 5/29/18.
Alberto Preciado			Attended May Board Meeting presenting the completed basic financial statements. Assisted with the Corporation Yard Ribbon Cutting Event on May 31 st .
Beth Shockley	Yes	Cutting a check on short notice. Presented a Safety Presentation at the monthly Safety Meeting.	Assisted with the Corporation Yard Ribbon Cutting Event on May 31 st . Assisted with the Painting of the Previous Material Storage Wall.
Desiree Smith	Yes	Assisted customers to sign-up for our May 19 th Ecolandscape class. Customer does not have an email address and was having difficulties signing up.	Assisted with the Corporation Yard Ribbon Cutting Event on May 31 st .

Engineering Department

<u>Name</u>	<u>Attendance</u>	<u>Customer Service</u>	<u>Work Quality</u>
Tamar Dawson	Yes		Assisted with the Corporation Yard Ribbon Cutting Event on May 31 st . Attended CAC Meeting on 5/29/18.
Paul Dietrich	Yes		Assisted with the Corporation Yard Ribbon Cutting Event on May 31 st . Attended CAC Meeting on 5/29/18.
Borey Swing	Yes		Assisted with the Corporation Yard Ribbon Cutting Event on May 31 st .
Neil Tamagni	Yes	Investigated customer complaint regarding low water flow on Highland/Rosa Vista Project	Worked 8 hrs overtime on 5/4/18 on Highland/Rosa Vista Project. Assisted with the Corporation Yard

		Presented a Safety Presentation at the monthly Safety Meeting.	Ribbon Cutting Event on May 31 st .

Operations Department

<u>Name</u>	<u>Attendance</u>	<u>Customer Service</u>	<u>Work Quality</u>
James Buford		Property owner call to say they were very impressed with the quality of work and the customer service they received while the District Crew replaced the District's water service to their property.	Assisted with the Corporation Yard Ribbon Cutting Event on May 31 st .
Tim Cutler	Yes		Construction of the screens used to filter material within the Vacuum Excavation Basins Assisted in the Clean-up and Preparation for the slurry seal of the existing Corporation Yard pavement area. Assisted with the Corporation Yard Ribbon Cutting Event on May 31 st .
James Ferro			Assisted with the Corporation Yard Ribbon Cutting Event on May 31 st .
Jarrett Flink		Property owner call to say they were very impressed with the quality of work and the customer service they received while the District Crew replaced the District's water service to their property.	Assisted with the Corporation Yard Ribbon Cutting Event on May 31 st .
Gil Garcia		Presented a Safety Presentation at the monthly Safety Meeting.	Assisted with the Corporation Yard Ribbon Cutting Event on May 31 st . Assisted in the Clean-up and Preparation for the slurry seal of the existing Corporation Yard pavement area.

			Assisted Water Resources with the removal and installation of the above ground pipe assemblies at both Sunrise and Pam Well Sites.
Brian Hensley	Yes		<p>Attended and presented at the May Board meeting.</p> <p>Assisted with the Corporation Yard Ribbon Cutting Event on May 31st.</p>
Daniel Hesse	Yes		Assisted with the Corporation Yard Ribbon Cutting Event on May 31 st .
Rick Jimenez	Yes		<p>Assisted with the Corporation Yard Ribbon Cutting Event on May 31st.</p> <p>Assisted in the Clean-up and Preparation for the slurry seal of the existing Corporation Yard pavement area.</p> <p>Assisted Water Resources with the removal and installation of the above ground pipe assemblies at both Sunrise and Pam Well Sites.</p>
Ricky Kelley	Yes		Assisted with the Corporation Yard Ribbon Cutting Event on May 31 st .
Mike Mariedth	Yes		<p>Assisted with the Corporation Yard Ribbon Cutting Event on May 31st.</p> <p>Assisted in the Clean-up and Preparation for the slurry seal of the existing Corporation Yard pavement area.</p> <p>Assisted Water Resources with the removal and installation of the above ground pipe assemblies at both Sunrise and Pam Well Sites.</p>
Chris Nichols			Construction of the screens used to filter material within the Vacuum Excavation Basins.

			<p>Assisted with the Painting of the Previous Material Storage Wall.</p> <p>Assisted with the Corporation Yard Ribbon Cutting Event on May 31st.</p>
Ryon Ridner		<p>Property owner call to say they were very impressed with the quality of work and the customer service they received while the District Crew replaced the District's water service to their property.</p>	<p>Assisted with the Corporation Yard Ribbon Cutting Event on May 31st.</p>
Nick Spiers	Yes		<p>Construction of the screens used to filter material within the Vacuum Excavation Basins.</p> <p>Assisted in the Clean-up and Preparation for the slurry seal of the existing Corporation Yard pavement area.</p> <p>Assisted with the Painting of the Previous Material Storage Wall.</p> <p>Assisted with the Corporation Yard Ribbon Cutting Event on May 31st.</p>
John Spinella	Yes		<p>Construction of the screens used to filter material within the Vacuum Excavation Basins.</p> <p>Assisted with the Corporation Yard Ribbon Cutting Event on May 31st.</p>
Jason Tupper			<p>Assisted with the Corporation Yard Ribbon Cutting Event on May 31st.</p>

**CITRUS HEIGHTS WATER DISTRICT
DISTRICT STAFF REPORT TO BOARD OF DIRECTORS
MAY 16, 2018 BOARD MEETING**

SUBJECT : LONG RANGE AGENDA
 STATUS : Consent/Information Item
 REPORT DATE : June 11, 2018
 PREPARED BY : Madeline Henry, Management Services Specialist/Deputy Board Clerk

OBJECTIVE:

Listed below is the current Long Range Agenda.

Legend	
S	Study Session
CC	Consent Calendar
P	Presentation
B	Business
PH	Public Hearing
CL	Closed Session

CITRUS HEIGHTS WATER DISTRICT LONG RANGE AGENDA					
MEETING DATE	MEETING TYPE	ITEM DESCRIPTION	ASSIGNED	AGENDA TYPE	AGENDA ITEM
July 17, 2018					
July 17, 2018	Special Board Meeting	Strategic Planning Session	Straus/Castruita/Henry	S	I/D
July 18, 2018					
July 18, 2018		Update on Groundwater Sustainability Plan	Gordon/Sac GW Authority	P	I/D
July 18, 2018		Accept Easement for 7115 Greenback Lane	Pieri	CC	A
July 18, 2018	Finance Corporation Meeting	Confirm & Appoint Officers of the Finance Corp., Status of Finance Corp.	Sohal	B	A
July 18, 2018		Initiation Litigation	Straus/Gordon/Sohal/Anderson/Nelson	CL	I/D
July 18, 2018		Transfer/Real Property	Straus/Gordon/Sohal/Anderson/Nelson	CL	I/D
August 15, 2018					
August 15, 2018		Meter Replacement Study RFP Review	Gordon/Meurer	S	I/D
August 15, 2018		NOC--Graham/Circuit	Pieri	CC	A
August 15, 2018		Approval of 2019 Strategic Plan	Sohal/Henry	B	A
August 15, 2018		Transfer/Exchange of Real Property	Pieri/Nelson	CL	A
September 5, 2018					
September 5, 2018		Budget Rate Model Options Workshop	Sohal	S	I/D
September 19, 2018					
September 19, 2018		Refined Budget Options/Prop 218 Direction	Sohal/Straus	B	A
September 19, 2018		Approval of Land Exchange Agreement	Pieri/Nelson	B	A
September 19, 2018		Project 2030 Update (30% Completion)	Pieri/CAC Chair/Harris and Associates	B	A
October 17, 2018					
October 17, 2018					
November 14, 2018					
November 14, 2018		Cost-of-Living Adjustment to Salary Schedule, Retiree Insurance Benefits, and Directors' Compensation	Castruita	B	A
November 14, 2018		Results of District Elections	Castruita	B	A
November 14, 2018		Updates to Emergency Operations Plan Policy (Policy #5100) and Emergency Operations Plan	Meurer/Drake	B	A

CITRUS HEIGHTS WATER DISTRICT LONG RANGE AGENDA					
MEETING DATE	MEETING TYPE	ITEM DESCRIPTION	ASSIGNED	AGENDA TYPE	AGENDA ITEM
November 14, 2018		Misc. Charges and Fees - Proposed	Sohal	S	I/D
December 5, 2018					
December 5, 2018	Special Board Meeting	Operating and Capital Budgets	Straus/Sohal/Pieri/Gordon	PH	A
December 5, 2018	Special Board Meeting	Water Rates, Charges & Fees	Straus/Sohal	PH	A
December 5, 2018	Special Board Meeting	Capacity Fees	Straus/Sohal	PH	A
December 19, 2018					
December 19, 2018		Recognition of Al Dains for Service to CHWD	Castruita	P	I/D
December 19, 2018		SGMA Implementation/GSA Development	Gordon/Anderson	P	I/D
December 19, 2018		Committee Assignments	Castruita	B	A
December 19, 2018		District Officers	Castruita	B	A
December 19, 2018		Seating of Newly Elected (Board Member(s))	Castruita	B	A
December 19, 2018		Selection of President and Vice President	Castruita	B	A

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS JUNE 20, 2018 MEETING

SUBJECT : ENGINEERING DEPARTMENT REPORT
 STATUS : Information Item
 REPORT DATE : May 31, 2018
 PREPARED BY : Missy Pieri, Engineering Manager/District Engineer

Significant assignments and activities for the Engineering Department are summarized below. I will be available at the meeting to answer questions and/or provide additional details.

Items of Interest	Department	Project Team	Date	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
PROJECT 2030 Water Main Replacement Project	Engineering	Engineering Manager and Project Manager	On-going	Yes, 10/18/17 (Award of Contract)	Yes	2017-2018 Masterplan for replacement of mains installed in 1960-1985.	Asset Inventory and water demand projections in progress. CAC Meeting #1 occurred on 05/29/18. CAC Meeting #2 scheduled for 08/28/18.

Items of Interest	Department	Project Team	Date	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
CAPITAL IMPROVEMENT PROJECT Corporation Yard Safety Improvements Project	Engineering	Engineering Manager, Project Manager and Senior Construction Inspector	On-going	Yes, 06/20/18 (Anticipated Notice of Completion)	Yes	2017 design and construction of Vacuum Spoils Disposal, Wash Station, Materials Storage, and Safety and Efficiency Upgrades.	Letter of Acceptance sent to Contractor on 04/05/18. 100% Complete. Notice of Completion to be filed upon Board approval anticipated on 06/2018.
CAPITAL IMPROVEMENT PROJECT Corporation Yard / Facilities Master Plan Buildout	Engineering	Engineering Manager and Project Manager	On-going	TBD	Yes	2017-18 Masterplan for office space requirements through 2040.	Restart Project. Engineering meeting completed 03/29/18. Next meeting scheduled for 06/04/18.

Items of Interest	Department	Project Team	Date	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
CAPITAL IMPROVEMENT PROJECT Highland Ave & Rosa Vista Ln 8" Water Mains	Engineering	Engineering Manager and Assistant Engineer	On-going	Yes, 06/20/18 (Anticipated Notice of Completion)	Yes	2017 design and construction.	Award of Contract occurred at the 01/17/18 Board Meeting. 100% Complete pending punch list. Notice of Completion to be filed upon Board approval anticipated on 06/2018.
CAPITAL IMPROVEMENT PROJECT Graham Cir and Circuit Dr 8" Water Mains	Engineering	Project Manager and Assistant Engineer	On-going	Yes, 04/18/18 (Award of Contract)	Yes	2017 design, 2018 construction.	Award of Contract at the 04/18/18 Board Meeting. Contract signed and work began on 05/21/18. 40% Complete.
CAPITAL IMPROVEMENT PROJECT Wind Way and Longwood Way 8" Water Mains	Engineering	Project Manager and Assistance Engineer	On-going	Yes, TBD	Yes	2017 design, 2018 construction.	Potholing completed. Preparing 90% draft plans.

Items of Interest	Department	Project Team	Date	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
CAPITAL IMPROVEMENT PROJECT Pleasant View Drive 8" Water Main	Engineering	Project Manager and Assistant Engineer	On-going	Yes, TBD	Yes	2017 design, 2018 construction.	Plans sent to Engineer on 05/01/18. Potholing scheduled for June 2018.
CAPITAL IMPROVEMENT PROJECT Michigan Drive 8" & 6" Water Mains	Engineering	Project Manager and Assistant Engineer	On-going	Yes, TBD	Yes	2017 design, 2018 construction.	Plans sent to Engineer on 05/02/18. Potholing scheduled for June 2018.
CAPITAL IMPROVEMENT PROJECT 6230 Sylvan Road East Side Wall	Engineering	Project Manager and Assistant Engineer	On-going	Yes, TBD	No	Wall along the east side of District property.	We anticipate this project will be included in the 2019 CIP. Begin communication with SJUSD during 2018.

Items of Interest	Department	Project Team	Date	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
PRIVATE DEVELOPMENT Northridge Grove - 5555 Mariposa Ave 47 Condominiums	Engineering	Senior Construction Inspector and Engineering Manager	On-going	Yes, TBD	No	Private development.	District met on 03/01/18. District sent cost-sharing agreement for system improvements made in conjunction with the project on 05/23/18.
PRIVATE DEVELOPMENT Commercial Building Remodel - 5414-50 Sunrise Blvd	Engineering	Senior Construction Inspector and Engineering Manager	On-going	Yes, 05/16/18 (Approval of Resolution for Easement)	No	Private development.	Submitted easement and resolution to the Board on 05/16/18. Sent easement and resolution to the County for recordation on 05/23/18.
PRIVATE DEVELOPMENT Dignity Health Building - 7115 Greenback Ln	Engineering	Engineering Manager and Senior Construction Inspector	On-going	Yes, TBD	No	Medical office building by developer.	99% Complete. Awaiting punchlist to be completed by the contractor. Coordinate easement with engineer and City of Citrus Heights.

Items of Interest	Department	Project Team	Date	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
PRIVATE DEVELOPMENT 3 lot Residential Subdivision - 5648-5696 San Juan Ave	Engineering	Senior Construction Inspector	On-going	No	No	3 lot subdivision.	Preconstruction meeting occurred on 03/12/18. Construction in progress. 75% Complete.
PRIVATE DEVELOPMENT Mitchell Farms - 7925 Arcadia Drive	Engineering	Engineering Manager and Assistant Engineer	On-going	Yes, TBD	No	200-300 unit development by Watt Communities.	District submitted Conditions of Approval for the project on 05/07/18. Engineer preparing Improvement Plans for proposed land exchange.
PRIVATE DEVELOPMENT Mariposa Creek Subdivision - Antelope Road	Engineering	Senior Construction Inspector	On-going	No	No	15 lot subdivision located on Antelope Road.	Final plans received on 01/23/18. Developer grading site. Creek crossing revision submitted on 05/25/18 for District review.

Items of Interest	Department	Project Team	Date	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
PRIVATE DEVELOPMENT Citrus Place Subdivision	Engineering	Engineering Manager and Assistant Engineer	On-going	No	No	7 lot subdivision located near Wachtel Way & Talbot Way.	Received updated plans from engineer on 04/30/18. District sent back comments on 05/22/18. Awaiting a resubmittal.
PRIVATE DEVELOPMENT 7581 Sycamore Dr - Parcel Split 1 - 3	Engineering	Engineering Manager and Assistant Engineer	On-going	No	No	Parcel being split into 3 for 3 home subdivision.	Engineer submitted revised plans on 03/22/18. Comments sent to engineer on 04/04/18. Resubmittal received on 05/02/18.
PRIVATE DEVELOPMENT 8053 Holly Dr - Parcel Split 1 - 3	Engineering	Engineering Manager and Assistant Engineer	On-going	No	No	Parcel being split into 3 for 3 home subdivision.	Final Plans signed and fees received on 05/10/18.
PRIVATE DEVELOPMENT Sunrise Blvd_5437-5439 - Sunrise Village Retail Center - parcel split	Engineering	Engineering Manager and Assistant Engineer	On-going	TBD	No	Parcel being split into 3 for individual sales that previously occurred.	Sent comments to City 09/13/17. Awaiting to determine if developer/owner chooses to split the parcel.

Items of Interest	Department	Project Team	Date	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
PRIVATE DEVELOPMENT 7601 Sunrise Blvd The Human Bean	Engineering	Engineering Manager and Assistant Engineer	On-going	No	No	Commercial Development.	District signed plans on 12/21/17. Awaiting construction.
PRIVATE DEVELOPMENT 6920 Auburn Blvd Stock Ranch Plaza - Parcel 11	Engineering	Senior Construction Inspector	On-going	No	No	Commercial Development.	Received easement information on 11/30/17. Signed plans on 02/26/18. Preconstruction meeting on 04/30/18. Awaiting easements for entire property.
PRIVATE DEVELOPMENT 7030 Auburn Blvd Stock Ranch - Traffic Circulation	Engineering	Senior Construction Inspector	On-going	No	No	Commercial Development.	Plans signed on 02/26/18. Fees paid on 05/22/18. 90% Complete.
PRIVATE DEVELOPMENT 7766 Auburn Blvd Quick Slice	Engineering	Engineering Manager and Assistant Engineer	On-going	No	No	Commercial Development.	Sent comments to City on 11/27/17. Awaiting final plans from developer for District review.

Items of Interest	Department	Project Team	Date	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
PRIVATE DEVELOPMENT 6199 Sunrise Blvd US Bank Parcel Split	Engineering	Engineering Manager and Assistant Engineer	On-going	No	No	Commercial Development.	Sent Will Serve letter on 12/27/17. Awaiting to determine if developer/owner chooses to split the parcel.
PRIVATE DEVELOPMENT 8501 Auburn Blvd Big Lots	Engineering	Engineering Manager and Assistant Engineer	On-going	No	No	Commercial Development.	Will Serve letter sent on 05/23/18. Received plans for review on 05/22/18.
PRIVATE DEVELOPMENT 8501 Auburn Blvd Studio Movie Grill	Engineering	Engineering Manager and Assistant Engineer	On-going	No	No	Commercial Development.	Sent Will Serve letter on 12/28/17. Awaiting plans from developer for District review.

Items of Interest	Department	Project Team	Date	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
COMCAST	Engineering	Assistant Engineer and GIS Specialist	On-going	No	No	Various communications boring projects throughout the service area.	Received 13 utility requests as of 05/01/18. District has provided water utility maps for all projects. Received "B" plans on 5 projects as of 05/01/18 and provided comments. Awaiting resubmittal from Comcast Engineer.
CITY OF CITRUS HEIGHTS PROJECT City Drainage Project	Engineering	Engineering Manager and Assistant Engineer	On-going	Yes, TBD	Yes	Highland Ave, Wonder St, Dana Butte Way, and Sunhill Dr Storm Drain Project.	Anticipate bid and start of construction in Spring 2018. "B" Plans sent back 08/21/17 with comments. Coordinating utility conflicts and possible easement.

Items of Interest	Department	Project Team	Date	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
CITY OF CITRUS HEIGHTS PROJECT Bonita, Old Auburn Rd, & Mariposa Ave Storm Drain Improvements	Engineering	Engineering Manager and Assistant Engineer	On-going	No	No	Bonita Way, Old Auburn Road, & Mariposa Ave Storm Drain Project.	Received 30% plans at the meeting with Dokken Engineering on 05/21/18. District to send engineer data.
CITY OF CITRUS HEIGHTS PROJECT Baird Way Storm Drain Improvements	Engineering	Operations and Senior Construction Inspector	On-going	Yes, TBD	Yes	Baird Way Storm Drain Project.	Construction in progress by City contractor.
CITY OF CITRUS HEIGHTS PROJECT Sunrise Blvd Complete Streets Phase 2A (C16-142)	Engineering	Operations and Senior Construction Inspector	On-going	Yes, TBD	Yes	Frontage improvements along west side of Sunrise from Sayonara to north and Storm Drain Improvements.	Attended preconstruction meeting on 03/14/18. Construction in progress by City contractor. CHWD to begin any water facility relocations in June 2018.

Items of Interest	Department	Project Team	Date	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
CITY OF CITRUS HEIGHTS PROJECT Mariposa Ave - Safe Routes to School Phase III	Engineering	Engineering Manager and Assistant Engineer	On-going	Yes, TBD	Yes	Frontage improvements along west side of Mariposa Ave from Northridge to Eastgate.	Received signed Utility Agreement. Anticipate bid and start of construction in Spring 2018. Received plans for review on 05/17/18. Pre-bid meeting on 06/05/18.
CALIFORNIA DEPT OF TRANSPORTATION Weigh Station at I-80 & Antelope	Engineering	Engineering Manager and Assistant Engineer	On-going	No	No	Weigh station and off-ramp Improvements.	Sent water facility maps and as-builts to Engineer on 11/20/17. Awaiting plans from CalTrans for District review.
Annexations	Engineering	Engineering Manager, Project Manager and Assistant Engineer	2018	Yes, TBD	Yes	Strategic Planning Item. Annexations of various parcels throughout the District and clean-up District boundary.	Scoping meeting completed on 04/18/18. Preparing Draft Request for Proposal. Review of Draft Request for Proposal on 08/08/18.

Items of Interest	Department	Project Team	Date	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
Easements	Engineering	Engineering Manager, Project Manager and Assistant Engineer	2018	Yes, TBD	Yes	Strategic Planning Item. Inventory easements and incorporate into District's GIS map.	Scoping meeting completed on 04/18/18. Preparing Draft Request for Proposal. Review of Draft Request for Proposal on 08/08/18.

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS JUNE 20, 2018 BOARD MEETING

SUBJECT : OPERATIONS DEPARTMENT REPORT
 STATUS : Information Item
 REPORT DATE : June 20, 2018
 PREPARED BY : David M. Gordon, Operations Manager
 Tim Cutler, Water Distribution Supervisor

Facilities Maintenance			CIP Projects		
	Completed WO's			Completed WO's	
	Current Mth	Year to Date		Current Mth	Year to Date
Backflow Maintenance	0	0	C18-010 Water Mainline	0	0
Blow Off Maintenance	0	0	C18-011 Water Valves	1	5
Hydrant Maintenance	7	121	C18-012 Water Services	30	147
Leak Investigation	0	2	C18-013 Water Meters	17	85
Mainline Repair/Maintenance	0	1	C18-014 Fire Hydrants	0	6
Meter Box Maintenance	6	22	TOTAL	48	243
Meter Register Replacement	8	79	Water Quality		
Meter Repair/Test/Maintenance	0	1	<i>Water Analysis Report: Bacteriological testing has met all California Department of Public Health requirements. 90 samples were collected with no positive results.</i>		
Pot Hole Work	0	1			
Water Service Repair/Locate	1	2			
Valve, Mainline Maintenance	17	203			
Valve Box Maintenance	1	1			
TOTAL	40	433			

**CITRUS HEIGHTS WATER DISTRICT
DISTRICT STAFF REPORT TO BOARD OF DIRECTORS
JUNE 20, 2018 BOARD MEETING**

SUBJECT : 2018 WATER SUPPLY - PURCHASED & PRODUCED
 STATUS : Information Item
 REPORT DATE : June 4, 2018
 PREPARED BY : Brian M. Hensley, Water Resources Supervisor
 David M. Gordon, Operations Manager

OBJECTIVE:

Report on annual water supply including comparison with prior years and current 5 - 10% voluntary reduction policy. NOTE: March/April consumption corrected as per SJWD 5/23/2018.

Month	2013	2014	2015	2016	2017	2018				Year-to-Date Comparison to 2013	
	Total Water Monthly					Surface Water Purchased	Ground Water Produced	Total Water Monthly	Total Water Annual	acre feet	%
	acre feet					acre feet				acre feet	%
Jan	602.52	602.39	570.05	539.60	506.81	481.10	50.28	531.38	531.38	-71.14	-11.8%
Feb	606.36	450.96	511.52	484.53	443.99	477.82	47.91	525.73	1,057.11	-151.77	-12.6%
Mar	819.55	612.20	725.95	517.56	546.60	514.54	29.65	544.19	1,601.30	-427.13	-21.1%
Apr	1,029.73	737.30	761.02	677.81	575.52	647.63	17.73	665.36	2,266.66	-791.50	-25.9%
May	1,603.43	1,190.07	869.08	979.49	1,138.72	1,027.12	45.15	1,072.27	3,338.93	-1,322.66	-28.4%
Jun	1,816.73	1,548.66	1,065.10	1,343.76	1,412.94						
Jul	2,059.21	1,622.10	1,184.95	1,544.57	1,650.76						
Aug	1,924.28	1,477.49	1,188.18	1,579.80	1,570.80						
Sep	1,509.82	1,275.11	1,069.78	1,257.91	1,441.76						
Oct	1,297.42	1,030.74	918.67	840.80	1,128.97						
Nov	911.55	682.48	589.6	561.82	631.55						
Dec	700.94	563.15	519.57	518.62	574.43						
Total	14,881.54	11,792.65	9,973.47	10,846.27	11,622.85	3,148.21	190.72	3,338.93	3,338.93		
% of Total						94.29%	5.71%				

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS JUNE 20, 2018 MEETING

SUBJECT : WATER SUPPLY RELIABILITY
STATUS : Information Item
REPORT DATE : June 4, 2018
PREPARED BY : David M. Gordon, Operations Manager
 Brian Hensley, Water Resources Supervisor

OBJECTIVE:

Receive status report on surface water supplies available to the Citrus Heights Water District (District).

BACKGROUND AND ANALYSIS:

As of June 1, 2018, storage in Folsom Lake (Lake) was at 954,600 acre-feet, 98 percent of the total capacity of 977,000 acre-feet. This represents an increase in storage of 88,200 acre-feet in the past month.

The District's total water use during the month of May 2018 (1,072.27 acre-feet) was 33.1 percent below that of May 2013 (1,603.43 acre-feet).

The District continues to assist with preserving surface water supplies in the Lake by operating its groundwater wells. The District's groundwater production wells: Bonita, Mitchell Farms, Skycrest, and Sylvan, are operational and used on a rotational or as-needed basis.

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS JUNE 20, 2018 REGULAR MEETING

SUBJECT : WATER EFFICIENCY & SAFETY PROGRAM UPDATE
 STATUS : Information Item
 REPORT DATE : June 05, 2018
 PREPARED BY : Rex W. Meurer, Water Efficiency Supervisor

Water Efficiency, Safety and Meter Program updates are summarized below.

ACTIVITIES AND PROGRESS REPORT

Water Efficiency, Safety and Meter Program activities during the month of May 2018 include:

- 4 Ultra-Low-Flush Toilet (ULFT) rebates were processed for the month of May. The 5 year average (2013-2017) of May ULFT rebates is 17. A total of \$4,650.00 in rebates were issued year to date.
- A total of 11 High Efficiency Clothes Washer (HECW) rebates have been issued during the first quarter of 2018. To better align with SMUD's schedule for reporting monthly numbers, staff will report HECW rebates on a quarterly basis.
- 18 water waste calls were received during the month of May. No reports of water waste were received through CHWD's Drought Resources web page.
- A WaterSmart class was held on Saturday, May 19th from 9:00 am – 12:00 pm. The class was titled "Designing Eco-Friendly Landscapes and Water-Wise Irrigation Systems". This was the second class in a series of 5 classes to be held by the District this year. The next class will be on Thursday, June 28th from 6:00 pm – 8:30pm. The class is titled "Keeping Your Eco-Friendly Landscape Looking Great With Less Water, Less Work and Fewer Chemicals". Classes are held at the Citrus H Community Center located at 6300 Fountain Square Dr.
- Staff began a telephone outreach campaign promoting the District's free Irrigation Efficiency Reviews. WaterWise Consulting is working with staff to contact many of CHWD's high water use customers. They are currently reaching out to CHWD's single-family customers. Due to this effort, a total of 8 additional Irrigation Efficiency Reviews were generated and completed for the month of May. This compares to 4 Irrigation Reviews completed during the same month in 2017. A total of 80 Irrigation Efficiency Reviews have been completed since the outreach campaign began in December 2017. This compares to 15 Irrigation Efficiency Reviews completed for the same time in December 2016 thru May 2017. For the customers who have completed an Irrigation Efficiency Review during this outreach campaign, Staff will conduct a year over year comparison of their water usage. A presentation will be given to the Board for a complete recap of the findings.
- Staff continued working on updates and improvements to the District's Emergency Operations Plan (EOP). The EOP addresses the District's planned response to emergency/disaster situations associated with technological incidents, natural and man-made disasters and national security emergencies. It is anticipated that a draft EOP will be presented to the Board for approval in the upcoming months.

- The following table summarizes the Residential Gallons Per Capita Per Day (R-GPCD) values for CHWD to date:

Month	R-GPCD 2017	R-GPCD 2018	% CHANGE
January	75	77	+3%
February	72	85	+18%
March	80	79	-.01%
April	87	100	+13%
May	166	156	-.06%

- Since 2013, RWA has been providing the District with a recap of the region's individual Agency R-GPCD for the current month/year, including a year to date comparison for 2013. RWA has reformatted the monthly update and will no longer be providing the regional water savings comparison.

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS JUNE 20, 2018 MEETING

SUBJECT : CONTRACT AMENDMENT WITH ENVIRONMENTAL PLANNING PARTNERS, INC. FOR ADDITIONAL WORK ON THE ELLA WAY WELL PROJECT

STATUS : Action Item

REPORT DATE : June 6, 2018

PREPARED BY : Brian Hensley, Water Resources Supervisor
David Gordon, Operations Manager

OBJECTIVE:

Consider a contract amendment with Environmental Planning Partners, Inc. for additional work preparing the Ella Way Well Project's California Environmental Quality Act compliance documents.

BACKGROUND AND ANALYSIS:

The Citrus Heights Water District (the District) previously executed an Option to Purchase and Purchase and Sale Agreement ("PSA") for the rear 0.55 acres of 8026 Patton Ave ("Ella Way Well"). The PSA allowed the District to comply with the California Environmental Quality Act (CEQA) when purchasing property and approving the Ella Way Well Project ("Project"). Although the District acts as the lead agency for the Project's CEQA compliance, the District retained Environmental Planning Partners, Inc. to assist the District in complying with CEQA by developing the following documents:

- 1) Phase I Environmental Site Assessment (ESA);
- 2) Preliminary Drinking Water Source Assessment (DWSA);
- 3) Initial Study/Mitigated Negative Declaration (IS/MND); and
- 4) Mitigation Monitoring and Reporting Program.

On May 16, 2018, the District Board approved Resolution No. 07-2018 to exercise the option to purchase the rear 0.55 acres of 8026 Patton Avenue, to approve the Mitigated Negative Declaration for the Project, to adopt a Mitigation Monitoring and Reporting Program for the Project and to approve Additional Information to this Mitigated Negative Declaration. Prior to approving Resolution No. 07-2018, Environmental Planning Partners, Inc. presented to the District Board the highlights and process of the CEQA documents that they prepared.

Two environmental areas were discussed at the May 16, 2018 District Board Meeting which was determined to require additional analysis over and above the original scope of work performed by Environmental Planning Partners, Inc. They are, the use of the well for Aquifer Storage and Recovery (ASR), and Tribal Cultural Resources (TCR).

A. Aquifer Storage and Recovery: Constructing the Project as an ASR well would allow the District to use the well both as a production well to withdraw water, and as an injection well to recharge the aquifer during periods of abundant surface water supply. Operating the Project as an ASR well would be consistent with District obligations under the Water Forum Agreement, and consistent with the policies established through the Sacramento Groundwater Authority.

The concept of using the Project as an ASR facility was not originally contemplated for the project, and hence was outside of the original scope of work by Environmental Planning Partners, Inc. To assess the potential environmental effects of using the Project for ASR purposes, the consultant team modified the draft environmental analysis to include additional information regarding State requirements, potential effects to groundwater quality, and the development of additional mitigation to ensure the maintenance of groundwater quality during ASR operations. This additional work was completed within the original project schedule to allow the District to maintain its aggressive schedule for the purchase, engineering, and development of the Project.

- B. Tribal Cultural Resources:** Effective July 1, 2015, Assembly Bill 52 (AB 52) amended CEQA to require that: 1) a lead agency provide notice to any California Native American Tribes (Tribes) that have requested notice of projects proposed by the lead agency; and 2) for any Tribe that responded to the notice within 30 days of receipt with a request for consultation, the lead agency must consult with the Tribe.

In previous well development projects, the District did not receive a request for notification by a Tribe in the region. Therefore, the District did not include the tribal consultation and additional report development in the initial scope of work from Environmental Planning Partners, Inc. Shortly prior to the public and agency circulation of the draft IS/MND, the District identified several Tribes that had recently registered with the District to receive notices of offers for consultation. In order to maintain the Project's schedule the District requested that Environmental Planning Partners, Inc. assist the District with the AB 52 process. The District sent letters prepared by Environmental Planning Partners, Inc. offering consultation to three Tribes that had requested notice. A single response was received from the United Auburn Indian Community (UAIC) requesting consultation. The other two tribes did not respond to the District's offer. The UAIC response requested additional information and copies of reports on the Project, and also requested that the UAIC be informed should new information come to light on existing or newly-discovered cultural resources within the Project area.

Environmental Planning Partners, Inc. assisted the District in its consultation activities, including the drafting of a response to the UAIC, the production of the requested reports and information, and an offer to meet with UAIC representatives to discuss the Project and continue consultation at a May 7, 2018 meeting. The District has concluded its consultation with the UAIC, having complied with all requirements of AB 52.

Because the tribal consultation process was completed after circulation of the draft IS/MND, Environmental Planning Partners, Inc. included the findings of the tribal consultation as Additional Information to the Mitigated Negative Declaration.

The two items highlighted above will be included in future well development environmental reviews. Moreover, as presented at the May 16, 2018 District Board Meeting, the District will not have to perform additional CEQA analysis outside of the documentation identified and approved in this study. By including ASR to this CEQA analysis the District will avoid additional staff time and costs of performing a separate CEQA analysis in the future.

RECOMMENDATION:

Amend the contract with Environmental Planning Partners, Inc. in the amount of \$6,257.50 for additional work preparing the Ella Way Well Project's California Environmental Quality Act compliance documents. The funding source is account number C18-106, Groundwater Well Development.

ATTACHMENT:

- 1) Proposed Contract Change Order Request for the Ella Way Well Phase 1 Environmental Site Assessment / Drinking Water Source Assessment Project.
- 2) Agreement for Professional Services for the Ella Way Well Phase 1 Environmental Site Assessment / Drinking Water Source Assessment Project dated December 14, 2017.

ACTION:

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

ATTACHMENT 1

**Proposed Contract Change Order Request for the Ella
Way Well Phase 1 Environmental Site Assessment /
Drinking Water Source Assessment Project**

CHANGE ORDER FORM

Citrus Heights Water District

Contract Change Order #1

Project: Ella Way Well Phase 1 Environmental
Site Assessment / Drinking Water
Source Assessment Project

Change Order No.: 1

Orig. Contract Amt./Time: \$20,855.00

Contractor: Environmental Planning Partners, Inc.

This Change: \$ 6,257.50

Owner: Citrus Heights Water District

Revised Contract Amt./Time: \$27,112.50

This Change Order covers changes to the subject contract as described herein. The Contractor shall construct, furnish equipment and materials, and perform all work as necessary or required to complete the Change Order items for a lump sum price agreed upon between the Contractor and Citrus Heights Water District, otherwise referred to as Owner.

Item No.	Description of Changes	Increase/ (Decrease) in Contract Amount	Contract Time Extension, Days
1	Tribal Consultation related to Assembly Bill 52 compliance	\$3800.00	
2	Addition of Aquifer Storage and Recovery (ASR) language	\$2457.50	
	Totals	\$6257.50	

This Contract Change Order consists of **2 pages** and any exhibits attached to this Contract Change Order shall not be part of the Contract Change Order unless specifically initiated by or on behalf of both the Contractor and the Citrus Heights Water District.

The amount of the contract will be increased by the sum of \$6,257.50 and the contract time shall be extended by 0 working days. The undersigned Contractor approves the foregoing Change Order # 1 as to the changes, if any, in the contract price specified for each item including any and all supervision costs and other miscellaneous costs relating to the change in work, and as to the extension of time allowed, if any, for completion of the entire work on account of said Change Order #. The Contractor agrees to furnish all labor and materials and perform all other necessary work, inclusive of the directly or indirectly related to the approved time extension, required to complete the Change order items. This document will become a supplement of the contract and all provisions will apply hereto. It is understood that the Change Order shall be effective when approved by the Owner.

Contractor accepts the terms and conditions stated above as full and final settlement of any and all claims arising out of or related to the subject of this Change Order and acknowledges that the compensation (time and cost) set forth herein comprises the total compensation due for the work or change defined in the Change Order, including all impact on any unchanged work. By signing this Change Order, the Contractor acknowledges and agrees that the stipulated compensation includes payment for all Work contained in the Change Order, plus all payment for any acceleration or interruption of schedules, extended overhead costs, delay, and all impact or cumulative impact on all Work under this Contract. The signing of this Change Order acknowledges full mutual accord and satisfaction for the change and that the stated time and/or cost constitute the total equitable adjustment owed the Contractor as a result of the change. The Contractor hereby releases and agrees to waive all rights, without exception or reservation of any kind whatsoever, to file any further claim or request for equitable adjustment of any type, for any reasonably foreseeable cause that shall arise out of, or as a result of, this Change Order and/or its impact on the remainder of the Work under the Contract.

Accepted:

 (Signature) Contractor's Authorized Representative

 Date

Recommended:

 (Signature) **[**INSERT NAME, TITLE**]**

 Date

Approved:

 (Signature) **[**INSERT NAME, TITLE**]**

 Date

Item No.	Justification for Change(s)
1	Tribal Consultation
2	ASR Language Inclusion

This Contract Change Order consists of **2 pages** and any exhibits attached to this Contract Change Order shall not be part of the Contract Change Order unless specifically initialed by or on behalf of both the Contractor and the Citrus Heights Water District.

ATTACHMENT 2

Agreement for Professional Services for the Ella Way
Well Phase 1 Environmental Site Assessment /
Drinking Water Source Assessment Project

**CITRUS HEIGHTS WATER DISTRICT
PROFESSIONAL SERVICES AGREEMENT**

This Agreement is made and entered into as of December 14, 2017 by and between the Citrus Heights Water District, an irrigation district organized and operating under the laws of the State of California with its principal place of business at 6230 Sylvan Road, Citrus Heights, California 95611 ("District"), and Planning Partners, Inc., a CORPORATION with its principal place of business at 3110 Gold Canal Drive, Ste. D, Rancho Cordova, California 95670-6164 (hereinafter referred to as "Consultant"). District and Consultant are sometimes individually referred to as "Party" and collectively as "Parties" in this Agreement.

RECITALS

A. District is a public agency of the State of California and is in need of professional services for the following project: ELLA WAY WELL PHASE 1 ENVIRONMENTAL SITE ASSESSMENT / DRINKING WATER SOURCE ASSESSMENT (hereinafter referred to as "the Project").

B. Consultant is duly licensed and has the necessary qualifications to provide such services.

C. The Parties desire by this Agreement to establish the terms for District to retain Consultant to provide the services described herein.

AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services.

Consultant shall provide the District with the services described in the Scope of Services attached hereto as Exhibit "A."

2. Compensation.

a. Subject to paragraph 2(b) below, the District shall pay for such services in accordance with the Schedule of Charges set forth in Exhibit "B."

b. In no event shall the total amount paid for services rendered by Consultant under this Agreement exceed the sum of \$20,855.00. This amount is to cover all printing and related costs, and the District will not pay any additional fees for printing expenses. Periodic payments shall be made within 45 days of receipt of an invoice which includes a detailed description of the work performed. Payments to Consultant for work performed will be made on a monthly billing basis.

3. Additional Work.

If changes in the work seem merited by Consultant or the District, and informal consultations with the other party indicate that a change is warranted, it shall be processed in the following manner: a letter outlining the changes shall be forwarded to the District by Consultant with a statement of estimated changes in fee or time schedule. An amendment to this Agreement shall be prepared by the District and executed by both Parties before performance of such services, or the District will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

4. Maintenance of Records.

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Consultant and made available at all reasonable times during the contract period and for four (4) years from the date of final payment under the contract for inspection by District.

5. Time of Performance.

Consultant shall perform its services in a prompt and timely manner and shall commence performance upon receipt of written notice from the District to proceed ("Notice to Proceed"). Consultant shall complete the services required hereunder within **120 days** as shown in "Exhibit C". The Notice to Proceed shall set forth the date of commencement of work.

6. Delays in Performance.

a. Neither District nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing party. For purposes of this Agreement, such circumstances include but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage or judicial restraint.

b. Should such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

7. Compliance with Law.

a. Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government, including Cal/OSHA requirements.

b. If required, Consultant shall assist the District, as requested, in obtaining and maintaining all permits required of Consultant by federal, state and local regulatory agencies.

c. If applicable, Consultant is responsible for all costs of clean up and/ or removal of hazardous and toxic substances spilled as a result of his or her services or operations performed under this Agreement.

8. Standard of Care

Consultant's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

9. Assignment and Subconsultant

Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the District, which may be withheld for any reason. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement. Nothing contained herein shall prevent Consultant from employing independent associates, and subconsultants as Consultant may deem appropriate to assist in the performance of services hereunder.

10. Independent Consultant

Consultant is retained as an independent contractor and is not an employee of District. No employee or agent of Consultant shall become an employee of District. The work to be performed shall be in accordance with the work described in this Agreement, subject to such directions and amendments from District as herein provided.

11. Insurance. Consultant shall not commence work for the District until it has provided evidence satisfactory to the District it has secured all insurance required under this section. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

a. Commercial General Liability

(i) The Consultant shall take out and maintain, during the performance of all work under this Agreement, in amounts not less than specified herein, Commercial General Liability Insurance, in a form and with insurance companies acceptable to the District.

(ii) Coverage for Commercial General Liability insurance shall be at least as broad as the following:

(1) Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 00 01) or exact equivalent.

(iii) Commercial General Liability Insurance must include coverage for the following:

- (1) Bodily Injury and Property Damage
- (2) Personal Injury/Advertising Injury
- (3) Premises/Operations Liability
- (4) Products/Completed Operations Liability
- (5) Aggregate Limits that Apply per Project
- (6) Explosion, Collapse and Underground (UCX) exclusion deleted
- (7) Contractual Liability with respect to this Contract
- (8) Broad Form Property Damage
- (9) Independent Consultants Coverage

(iv) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; (3) products/completed operations liability; or (4) contain any other exclusion contrary to the Agreement.

(v) The policy shall give District, its officials, officers, employees, agents and District designated volunteers additional insured status using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(vi) The general liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by the District, and provided that such deductibles shall not apply to the District as an additional insured.

b. Automobile Liability

(i) At all times during the performance of the work under this Agreement, the Consultant shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to the District.

(ii) Coverage for automobile liability insurance shall be at least as broad as Insurance Services Office Form Number CA 00 01 covering automobile liability (Coverage Symbol 1, any auto).

(iii) The policy shall give District, its officials, officers, employees, agents and District designated volunteers additional insured status.

(iv) Subject to written approval by the District, the automobile liability program may utilize deductibles, provided that such deductibles shall not apply to the District as an additional insured, but not a self-insured retention.

c. Workers' Compensation/Employer's Liability

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the

provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) To the extent Consultant has employees at any time during the term of this Agreement, at all times during the performance of the work under this Agreement, the Consultant shall maintain full compensation insurance for all persons employed directly by him/her to carry out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any acts amendatory thereof, and Employer's Liability Coverage in amounts indicated herein. Consultant shall require all subconsultants to obtain and maintain, for the period required by this Agreement, workers' compensation coverage of the same type and limits as specified in this section.

d. Professional Liability (Errors and Omissions)

At all times during the performance of the work under this Agreement the Consultant shall maintain professional liability or Errors and Omissions insurance appropriate to its profession, in a form and with insurance companies acceptable to the District and in an amount indicated herein. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

e. Minimum Policy Limits Required

(i) The following insurance limits are required for the Agreement:

Combined Single Limit

Commercial General Liability	\$1,000,000 per occurrence / \$2,000,000 aggregate for bodily injury, personal injury, and property damage
Automobile Liability	\$1,000,000 per occurrence for bodily injury and property damage
Employer's Liability	\$1,000,000 per occurrence
Professional Liability	\$1,000,000 per claim and aggregate (errors and omissions)

(ii) Defense costs shall be payable in addition to the limits.

(iii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of

any coverage normally provided by any insurance. Any available coverage shall be provided to the parties required to be named as Additional Insured pursuant to this Agreement.

f. Evidence Required

Prior to execution of the Agreement, the Consultant shall file with the District evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 00 01 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with required endorsements. All evidence of insurance shall be signed by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

g. Policy Provisions Required

(i) Consultant shall provide the District at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to the District at least ten (10) days prior to the effective date of cancellation or expiration.

(ii) The Commercial General Liability Policy and Automobile Policy shall each contain a provision stating that Consultant's policy is primary insurance and that any insurance, self-insurance or other coverage maintained by the District or any named insureds shall not be called upon to contribute to any loss.

(iii) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(iv) All required insurance coverages, except for the professional liability coverage, shall contain or be endorsed to waiver of subrogation in favor of the District, its officials, officers, employees, agents, and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against District, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

(v) The limits set forth herein shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability.

Further the limits set forth herein shall not be construed to relieve the Consultant from liability in excess of such coverage, nor shall it limit the Consultant's indemnification obligations to the District and shall not preclude the District from taking such other actions available to the District under other provisions of the Agreement or law.

h. Qualifying Insurers

(i) All policies required shall be issued by acceptable insurance companies, as determined by the District, which satisfy the following minimum requirements:

(1) Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and admitted to transact in the business of insurance in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

i. Additional Insurance Provisions

(i) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the District, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(ii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, District has the right but not the duty to obtain the insurance it deems necessary and any premium paid by District will be promptly reimbursed by Consultant or District will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, District may cancel this Agreement.

(iii) The District may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(iv) Neither the District nor any of its officials, officers, employees, agents or volunteers shall be personally responsible for any liability arising under or by virtue of this Agreement.

j. Subconsultant Insurance Requirements. Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to the District that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name the District as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, District may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

12. Indemnification.

a. To the fullest extent permitted by law, Consultant shall defend (with counsel reasonably approved by the District), indemnify and hold the District, its officials, officers, employees, agents and volunteers free and harmless from any and all claims, demands, causes of action, suits, actions, proceedings, costs, expenses, liability, judgments, awards, decrees, settlements, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, (collectively, "Claims") in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services, the Project or this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses. Notwithstanding the foregoing, to the extent Consultant's services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to Claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the District, its officials, officers, employees, agents or volunteers.

b. Additional Indemnity Obligations. Consultant shall defend, with counsel of District's choosing and at Consultant's own cost, expense and risk, any and all Claims covered by this section that may be brought or instituted against the District, its officials, officers, employees, agents or volunteers. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against the District, its officials, officers, employees, agents or volunteers as part of any such claim, suit, action or other proceeding. Consultant shall also reimburse District for the cost of any settlement paid by the District, its officials, officers, employees, agents or volunteers as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for the District's attorney's fees and costs, including expert witness fees. Consultant shall reimburse the District, its officials, officers, employees, agents and volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the District, its officials, officers, employees, agents and volunteers.

13. California Labor Code Requirements.

a. Consultant is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws, if applicable. Consultant shall defend, indemnify and hold the District, its officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Consultant and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages, employment of apprentices, hours of labor and

debarment of contractors and subcontractors. It shall be mandatory upon the Consultant and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Section 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of contractors and subcontractors (Labor Code Sections 1777.1).

b. If the services are being performed as part of an applicable “public works” or “maintenance” project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subconsultants performing such Services must be registered with the Department of Industrial Relations. Consultant shall maintain registration for the duration of the Project and require the same of any subconsultants, as applicable. This Project may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant’s sole responsibility to comply with all applicable registration and labor compliance requirements.

14. Verification of Employment Eligibility.

By executing this Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subconsultants and sub-subconsultants to comply with the same.

15. Laws and Venue.

This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of Sacramento, State of California.

16. Termination or Abandonment

a. District has the right to terminate or abandon any portion or all of the work under this Agreement by giving ten (10) calendar days written notice to Consultant. In such event, District shall be immediately given title and possession to all original field notes, drawings and specifications, written reports and other documents produced or developed for that portion of the work completed and/or being abandoned. District shall pay Consultant the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for the Project for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by District and Consultant of the portion of such task completed but not paid prior to said termination. District shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of work.

b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days' written notice to District only in the event of substantial failure by District to perform in accordance with the terms of this Agreement through no fault of Consultant.

17. Documents. Except as otherwise provided in "Termination or Abandonment," above, all original field notes, written reports, drawings and specifications and other documents, produced or developed for the Project ("Documents & Data") shall, upon payment in full for the services described in this Agreement, be furnished to and become the property of the District. Nothing contained in this Section shall be construed as limiting or depriving Consultant of its rights to use its basic knowledge and skills to carry out other projects or work for itself or others, whether or not such other projects or work are similar to the work to be performed pursuant to this Agreement. Consultant shall have the right to retain and use copies of any Documents & Data furnished or to be furnished by Consultant less any specific details provided by the District unless such details are within the public realm. All Documents & Data are instruments of service and are not intended to be modified or represented to be suitable for reuse on other projects by District except as may be contemplated pursuant to the terms of this Agreement. Any such modification or reuse without Consultant's prior written approval will be at District's sole risk, without liability or legal exposure to Consultant. Rights to intellectual property developed, utilized, or modified in the performance of the services under this Agreement including the Documents & Data developed hereunder ("Intellectual Property") shall remain the property of Consultant. Consultant hereby grants to District an irrevocable, nonexclusive, royalty-free license to utilize Intellectual Property provided to District as part of the Services for the purposes set forth in this Agreement.

18. Organization

Consultant shall assign Robert D. Klousner as Project Manager. The Project Manager shall not be removed from the Project or reassigned without the prior written consent of the District.

19. Limitation of Agreement.

This Agreement is limited to and includes only the work included in the Project described above.

20. Notice

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

DISTRICT
Citrus Heights Water District
6230 Sylvan Road

CONSULTANT:
Planning Partners, Inc.
3110 Gold Canal Drive., Ste. D

Citrus Heights, California 95610

Attn: Brian Hensley

Rancho Cordova, CA 95670-6164

Attn: Robert D. Klousner, Jr.

and shall be effective upon receipt thereof.

21. Third Party Rights

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the District and the Consultant.

22. Equal Opportunity Employment.

Consultant represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

23. Entire Agreement

This Agreement, with its exhibits, represents the entire understanding of District and Consultant as to those matters contained herein, and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters covered hereunder. Each party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This Agreement may not be modified or altered except in writing signed by both Parties hereto. This is an integrated Agreement.

24. Severability

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the provisions unenforceable, invalid or illegal.

25. Successors and Assigns

This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and assigns of each party to this Agreement. However, Consultant shall not assign or transfer by operation of law or otherwise any or all of its rights, burdens, duties or obligations without the prior written consent of District. Any attempted assignment without such consent shall be invalid and void.

26. Non-Waiver

None of the provisions of this Agreement shall be considered waived by either party, unless such waiver is specifically specified in writing.

27. Time of Essence

Time is of the essence for each and every provision of this Agreement.

28. District's Right to Employ Other Consultants

District reserves its right to employ other consultants, including engineers, in connection with this Project or other projects.

29. Prohibited Interests

Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, District shall have the right to rescind this Agreement without liability. For the term of this Agreement, no director, official, officer or employee of District, during the term of his or her service with District, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.


[SIGNATURES ON FOLLOWING PAGE]

**SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITRUS HEIGHTS WATER DISTRICT
AND PLANNING PARTNERS, INC.**

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

CITRUS HEIGHTS WATER DISTRICT

PLANNING PARTNERS, INC.

By: 

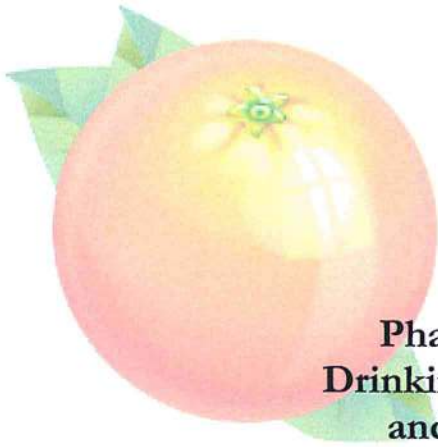
Hilary M. Straus
General Manager

By: 

Its: President

Printed Name: Robert D. Klausner

Federal ID No. 27-3399393
Business License Number _____ (City of _____)



SCOPE OF WORK

**Phase I Environmental Site Assessment,
Drinking Water Source Assessment Protection,
and Initial Study/Negative Declaration
for the
Ella Way Well**

**Presented to the
Citrus Heights Water District**

Presented by



December 12, 2017

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A. LETTER OF TRANSMITTAL

December 12, 2017

Mr. Brian Hensley
Water Resources Supervisor
Citrus Heights Water District
6230 Sylvan Road
Citrus Heights, CA 95610

Dear Mr. Hensley,

Planning Partners and our subconsultant, NV5 appreciate the invitation to submit this Proposal to provide engineering and environmental consulting services for the Citrus Heights Water District's (CHWD) Ella Way Well project. The Planning Partners team of experienced professionals has had a recent and successful record with the CHWD in preparing technical studies and environmental documents for well projects within the District, including both the Bonita Way Well and the Skycrest Well. We have additionally prepared a template Notice of Exemption for use by the District in the environmental review and approval of pipeline maintenance projects.

The authorized contract negotiator for Environmental Planning Partners, Inc. is:

Robert D. Klousner
Environmental Planning Partners, Inc.
3110 Gold Canal Drive, Suite D
Rancho Cordova, California 95670
(916) 852-8830
e-mail: bklousner@e-planningpartners.com

We look forward to your review of our team experience and qualifications, and to working with the CHWD on future projects. As the principal of Planning Partners, I may be contacted at any time during the evaluation process of this proposal. If you have any questions regarding our scope of work or the cost estimate, please contact me by phone or email. I hereby set forth that Environmental Planning Partners, Inc., a California Corporation, offers the above services under the cited conditions to the Citrus Heights Water District to complete the Phase I Environmental Site Assessment, Drinking Water Source Assessment Protection, and Initial Study/Negative Declaration for the Ella Way Groundwater Well project. As requested by the District, this proposal is valid for 120 days from the signature date.

Cordially,

Robert D. Klousner, President

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C. SUMMARY

Our proposal to the CHWD is based on our past successful experience with the District, our knowledge of environmental conditions in Citrus Heights, a site reconnaissance, and our understanding of the information necessary to allow the District to construct and operate a reliable and safe water supply well.

As requested by the District, we present our understanding of the project, proposed scope of work, summary of extensive background and experience, proposed cost, and schedule. Based on this proposal, we feel we are best suited to provide engineering studies and environmental documentation for the Ella Way Well project for the following reasons:

- **In-depth understanding of the CHWD.** Our project management and technical team have been working with the District since 2006; this provides us with an in-depth understanding of the District's issues, opportunities, and environmental setting. To ensure continuity and local expertise, the team presented in the attached proposal is the same team that has prepared the engineering and environmental studies and documentation for the District's two previous well projects. Because we have worked with the District on two similar projects, our team comes to the Ella Way Well project with an understanding of the project, and of the District's goals for the requested services.
- **Comprehensive but appropriate scope of work.** Our proposed scope of work will provide the information necessary to permit the CHWD to plan, approve, permit, and construct the proposed well without engaging in unnecessary studies and analyses. Our goal is to provide an adequate and complete environmental process and document while recognizing the the state of the existing environment on and adjacent to the project site, and the overall scope of the project proposed. With our wide-ranging well experience, some of it specifically within the District, we can focus our efforts on those issues most critical to the success of the CHWD's well project.
- **Extensive and relevant project experience.** Planning Partners is highly qualified to provide the full range of engineering and environmental services requested. We have expertise working with water providers throughout Northern and Central California to comply with the California Environmental Quality Act (CEQA), and with the requirements of the California State Water Resources Control Board, Division of Drinking Water (DDW). In addition to our previous work for the District, our team has recently provided engineering and environmental services for well siting and development to the Waukena Unified School District (Kings County), New Auberry Water Association (Fresno County), Franklin County Water District (Merced County), Amador Water Agency, and the Cities of Folsom, Manteca, and Plymouth.
- **Team Continuity.** The proposed Planning Partners team has worked together on over 75 water resource, water quality, and well projects since 1999, allowing us to provide our clients with efficient, expert and effective engineering and environmental services.
- **Committed Personnel.** All of Planning Partners' proposed team are available to perform within the Citrus Heights Water District's desired schedule, and will remain with the project to the extent within the control of Planning Partners. Should staff substitutions be necessary (e.g., for sickness or leaving the team), new staff will not be assigned without the prior consent of the CHWD.
- **Competitive Cost.** While we pride ourselves on assigning senior staff to projects in order to assure the quality of our work product and efficiency in completing our work, we realize that price is an important consideration for our clients. We structure our team and our budgets to minimize our costs both through our personnel assignments and through the development of a

work scope that meets our client's needs without seeking to do more than is necessary for any given project.

- **Efficient Schedule.** The District has requested an aggressive schedule to complete engineering and environmental documentation by late March 2018. We have structured our work scope to complete the engineering and environmental tasks in parallel to the greatest extent possible, thereby compressing the overall project schedule. This condensed schedule permits us to meet the District's timeline.

D. STATEMENT OF UNDERSTANDING

We understand the Citrus Height Water District (CHWD) proposes to purchase a 0.58-acre portion of a larger 1.55-acre property at 8026 Ella Way in Citrus Heights to install and operate a new water supply well, pumping station, and access roadway. Additional site improvements likely would include the construction of security fencing, a paved access and turn-around area sized to accommodate water district maintenance vehicles and fire apparatus, and the installation of underground utilities, on-site stormwater drainage management facilities, and landscaping.

The project site is currently undeveloped, and contains primarily non-native grasses with trees along the perimeter of the site. The project site is surrounded by single family residential uses to the north and west; apartments to the east, and undeveloped land associated with large-lot residential development to the south.

E. REPORT TASKS

Following is our scope of work, budget, and schedule to prepare engineering studies and a CEQA document for the project. Our scope is based on email correspondence with CHWD staff, area knowledge, previous project experience, published regional hydrologic/hydrogeologic data, field research, and the real estate appraisal for the project site.

TASK 1 PROJECT INITIATION, REVIEW OF EXISTING INFORMATION

To initiate the project, we will hold a meeting with CHWD staff to discuss the project, obtain further planning information, and confirm facts concerning the proposed project. The initiation meeting trip will also be used to conduct a field review of the project site. We will review existing documents and plans prepared for the project. After review of the plans and consideration of potential environmental effects, Planning Partners will prepare a preliminary project description for review by the CHWD for accuracy. After review, we will revise the Project Description in response to comments.

Deliverables

Meetings:	One Initiation Meeting with District Staff
Deliverables:	Draft Project Description Final Project Description
District Input:	Project information, including previous studies Confirmation of Project Description

TASK 2 PHASE I ENVIRONMENTAL SITE ASSESSMENT

This Task sets forth the steps necessary to prepare a Phase I Environmental Site Assessment (ESA). Pat Dunn of NV5, our hydrogeologist subconsultant, has based the scope and cost of both the ESA and the Draft SWAP/TurboSWAP on his knowledge of the area surrounding the proposed well site (low density single family and multi-family residential development). Based on this knowledge, NV5 has characterized the area as low risk with respect to potential contamination.

The ESA will provide information to support the preparation of the Initial Study/Negative Declaration, to assist the CHWD in the proper valuation of the property to be purchased related to site-specific environmental issues, and to identify potential additional field investigations, groundwater well site suitability, and water supply vulnerability. The ESA will identify hazardous conditions during site development, and assess the groundwater well location site. This proposed scope of services is based on preparing an ESA document in accordance with ASTM E 1527-05 and the "All Appropriate Inquiries" (AAI) rule written into Code 40 CFR on November 1, 2005. The AAI rule directly influences the purchase of commercial property that will be used for commercial or public purposes, and may claim protection under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), commonly known as Superfund.

Site Visit

Qualified technical staff will visually and physically observe the Ella Way property to evaluate whether the area of construction influence has been affected by recognized environmental conditions, or whether portions of the property are or have been subject to activities in violation of state or federal environmental regulations. This task does not include soil, groundwater, or stream sampling, or chemical analysis.

Vicinity Survey

Qualified technical staff will conduct a visual "windshield" survey of the area within one-half mile of the boundary of the Ella Way property to determine whether any neighboring sites contain any recognizable environmental conditions that would appear to pose an environmental threat to the integrity of the groundwater well project. Property owner interviews will be completed as necessary to identify potential impacts in the area.

Database Inquiries

Qualified technical staff will use a search service to request information to determine whether the Ella Way property, or any site within the recognized ASTM search distances of the boundary of the property, is or has been the site of recognized environmental conditions. The search service will request information from federal and state agencies that may include:

- U.S. EPA's National Priority List;
- U.S. EPA's CERCLIS database;
- California EPA's CALSITES database;
- California EPA's Border Zone Properties list;
- California CORTESE list; and,
- California RWQCB LUST list.

We will review the results of the search service and determine the need to contact local government agencies as appropriate to acquire environmental information. We may follow up the search service or other information with personal contact. Such contacts could include interviews with representatives of the current property or others.

Site Use History

We will review reasonably available historical sources for the Ella Way property and nearby areas to determine changes over time. Historical sources may include historical reports, topographic maps, aerial photographs, and readily available data research information. Particular attention will be paid to prior use of the property for mining, military, or industrial purposes, or as a landfill. Using this information, we will develop a time-line of land usage for the subject property.

Report Preparation

We will prepare a written report for the Ella Way property outlining the findings of the preceding tasks above. The report will provide a professional opinion, based upon statements of fact, regarding the environmental risk to the Ella Way property that could negatively affect value or construction effort. If the results of the ESA indicate that further investigation is required including soil and water quality sampling or other on-site activities, then a Phase II investigation will be recommended. Based on a review of preliminary documents, we do not anticipate that a Phase II investigation will be required.

NV5 senior technical staff would provide expert witness services in the event that such services are necessary with respect to the Phase I ESA.

Deliverables

Meetings:	Initiation meeting
Deliverables:	Phase I ESA report
District Input:	Respond to information requests as available
	Review of submitted Phase I ESA report

TASK 3 PRELIMINARY AND FINAL DRINKING WATER SOURCE ASSESSMENT AND PROTECTION PROGRAM (DWSAP AND TURBOSWAP)

Once the ESA is complete and area hydrogeologic information is compiled, a preliminary DWSAP will be prepared for the proposed municipal well site. The vulnerability of the proposed well site to contamination will be assessed by reviewing the hydrogeologic setting, proposed well design information, and the Possible Contaminating Activities (PCA). Other available hydrogeologic resource information, including the results of the on-site test boring program, will be used in this assessment.

For this DWSAP, the PCAs reflect the current and historic human activity that may impact ground water within specific ground water travel-time zones (source water zones) associated with the proposed well operation. The important elements with the DWSAPP include:

- **PCA Risk Ranking:** Each type of PCA is assigned a risk ranking (Very High, High, Moderate, or Low). The risk ranking is based on the approximate location of PCAs in the source water zones. The inventory for the basic DWSAPP assessments is a presence-absence review. If a PCA has been associated with a contaminant detected in the water supply, a notation is made in the PCA inventory.

- **PCA Inventory:** The PCA inventory is a review using local knowledge (ESA), databases, and on-site evaluations to identify the occurrence and initial protection areas.
- **Source Water Zones or Areas:** These are areas located around and typically adjacent to a drinking water source that have been identified based on characteristics of the source (pumping rate, etc.). PCAs located in the inner Zone A are considered more of a risk to the water supply than PCAs located in the middle Zone B5. Similarly, PCAs located in Zone B5 are considered more of a risk than PCAs located in the outer Zone B10.

With respect to the TurboSWAP submittal following completion of the well, the proposed preliminary DWSAP efforts will result in the generation of at least 95 percent of the data entry used in the TurboSWAP. NV5's experience is that the final TurboSWAP (electronic program version) typically is not finalized without involvement of the CHWD and California State Water Resources Control Board, Division of Drinking Water staff, in coordination with a well permit application (production well installation for the pump rate confirmation). Since submittal of the TurboSWAP follows well construction and testing, there may be a significant time delay between the time of preparation of the DWSAP and the TurboSWAP.

Because of data security concerns, submittal of the TurboSWAP often may require direct water agency coordination with the DDW following installation of the TurboSWAP software update on the agency's computer system. Under the proposed scope of work, NV5 staff could station themselves at the CHWD office and enter all necessary information into the software to complete the TurboSWAP program and report the results to CDPH. Alternatively, NV5 maintains the TurboSWAP program on their internal computing system and could complete the submittal in their office pending approval from the CHWD and DDW and acquisition of the CHWD's identification number and security code.

Deliverables

Meetings:	Initiation meeting
Deliverables:	DWSAP report Data entry and completion of the TurboSWAP
District Input:	Respond to information requests as available Review of submitted DWSAP report Access to District computer system to enter TurboSWAP, or Provision of the District's identification number and security code

TASK 4 PREPARE ADMINISTRATIVE DRAFT AND CIRCULATION DRAFT INITIAL STUDY/NEGATIVE DECLARATION

Planning Partners will prepare an administrative draft Initial Study / Negative Declaration to meet the requirements of the CHWD according to Section 15063(d) of the CEQA Guidelines and CHWD's Environmental Procedures. The Initial Study/Negative Declaration will consist of:

- A description of the project, including the location of the project;
- An identification of the environmental setting;
- An identification of the environmental effects of the project (using CEQA Guidelines format). All checklist answers will be explained. The explanation will be more or less detailed depending upon the importance of the environmental topic to the well treatment project;

- Identification and discussion of mitigation measures necessary to reduce identified significant effects to a less than significant level;
- A consistency evaluation of the project with respect to the City of Citrus Heights General Plan, zoning ordinance, and other pertinent District and City regulations; and,
- The name of the preparers of the Initial Study.

The Initial Study/Negative Declaration will evaluate all environmental topics contained in the Guidelines checklist and required by the CHWD’s environmental procedures, at a level of detail appropriate to the topic. All conclusions of “no significant impact” will be explained. Additionally, the Initial Study/Negative Declaration will explain what specific design and operational features of the project respond to the regulatory requirements of other agencies (such as RWQCB or DDW), and how such features avoid or minimize potential environmental effects. Additional requirements placed on the project by operation of law and agency regulations will be discussed.

AB 52 establishes consultation requirements between CEQA lead agencies and Native Americans with cultural interests in geographic area of the agency and/or the project site. However, AB 52 requires that tribes register with the lead agency to be contacted for consultation. Only those tribes that are traditionally and culturally affiliated to the area within the CHWD and who have submitted a written request for notification to the District are required to be notified. According to CHWD staff, no tribes have registered and requested notification. Accordingly, the District has no additional responsibilities under AB 52 for the proposed Ella Way Well project. Thus, our proposed scope of work for this issue in the Initial Study / Negative Declaration consists of contacting the Native American Heritage Commission (NAHC) to determine if any sacred lands are located in the project area for reporting in the document. If additional AB 52 compliance is necessary, any needed work is outside of the scope of the current offer and would require negotiation of an additional fee.

Three copies of the administrative draft Initial Study / Negative Declaration will be provided to the CHWD for review. Upon receipt of CHWD comments, Planning Partners will revise the Initial Study as needed and, after approval, we will produce an electronic copy of the document in PDF format for publication and distribution by the CHWD. We will assist the CHWD with the preparation of notices for local distribution and posting. We will additionally prepare a Notice of Completion for signature by the CHWD and deliver 15 copies of the Initial Study/Negative Declaration to the State Clearinghouse for review by state agencies.

Deliverables

Meetings:	None
Deliverables:	Administrative Draft Initial Study/Negative Declaration (3 copies) Circulation Initial Study/Negative Declaration (PDF) Circulation Initial Study/Negative Declaration (15 copies - SCH) Notices/Clearinghouse Transmittal Form
CHWD Input:	Review of Administrative Draft Initial Study/Negative Declaration Publish Draft Initial Study/Negative Declaration Circulate Draft Initial Study/Negative Declaration

**TASK 5 RESPOND TO PUBLIC COMMENTS ON THE NEGATIVE
DECLARATION / PUBLIC HEARING / MITIGATION MONITORING PROGRAM**

After completion of the public review process, Planning Partners will prepare responses to public comments and provide two copies of the Comment Responses to the CHWD for review. We will revise the responses to address CHWD comments. Upon approval, we will submit one reproducible copy of the final responses, together with an electronic copy, to the CHWD for insertion in CHWD staff’s report to the CHWD Board. Planning Partners’ principal, Robert D. Klousner, will attend one public hearing on the project before the Board. At this meeting, he will be available to answer questions regarding the IS/ND and the environmental process.

A mitigation monitoring program for all mitigation measures will also be prepared. We will prepare a Notice of Determination for posting by the CHWD with the Sacramento County Clerk and the State Clearinghouse. The CHWD will be responsible for paying any needed California Department of Fish and Wildlife Fees (currently \$2,256.25 in Sacramento County).

Deliverables

- Meetings: One Teleconference Call to discuss Administrative Draft Responses to comments
Attendance at one Public Hearing
- Deliverables: One Electronic Copy – Review draft Responses to comments
One Electronic Copy – Final Responses to comments
One Electronic Copy – Review Draft Mitigation Monitoring & Reporting Program
One Electronic Copy – Final Mitigation Monitoring & Reporting Program
One Electronic Copy – Notice of Determination
- CHWD Input: Review Draft Responses to Comments
Review of Draft Mitigation Monitoring & Reporting Program
Preparation of Staff Report
Review and acceptance of Final Mitigation Monitoring & Reporting Program

TASK 6 MEETINGS

We anticipate the need for up to three meetings with staff under the proposed scope of work, including one public hearing before the CHWD Board (included in Task 3). The initiation meeting and the public hearing will be face-to-face; the other scheduled meetings are assumed to be via telephone.

Deliverables

- Meetings: Staff coordination
Attendance at up to three meetings, plus one Public Hearing
- Deliverables: None
- CHWD Input: Notice and conduct public hearings

ASSUMPTIONS

In addition to the assumptions listed in the preceding scope of work, the scope, schedule, and cost provisions of this proposal are based upon several assumptions that are summarized below to further define the proposed scope of work. We recognize that these assumptions may be subject to change during the project. While such changes would not necessarily result in modification of the scope, schedule, or cost, Planning Partners must reserve the right to propose such modifications in the event of such changes.

- The Citrus Heights Water CHWD is the lead agency for CEQA.
- The project is locally funded and subject only to CEQA; since no federal or federally-originated funding is involved, no NEPA or NEPA-like documentation is necessary.
- Issues to be addressed in the Initial Study will be limited to those identified in this proposal. Issues that emerge after contract commencement are not included in the scope of work.
- The Phase I ESA does not include groundwater or stream sampling or analysis. Additionally, the identification of endangered or protected vegetation or wildlife species, historical or archeological sites, potential air quality and noise impacts, geological/geotechnical hazards and asbestos surveys are beyond the scope of the Phase I ESA, but will be included in the Initial Study / Negative Declaration.
- The scope of work shall be considered entire for project review. Tasks not explicitly included in the scope of work are hereby excluded.
- There will be no alteration to the project description during the course of work once accepted by the CHWD. Subsequent revisions to the project description may result in increased costs or a delay in project completion.
- The applicant, CHWD staff, and other responsible agencies will cooperate with the consultant team promptly. Work will not be stopped or delayed by the CHWD or others outside the study team. Should work be stopped or delayed by others, Planning Partners shall have the right to renegotiate costs of work required after January 1, 2019, the beginning of Planning Partners' subsequent fiscal year.
- Planning Partners will provide copies of all work products cited above in the proposed scope of work. Reproduction and local distribution shall be the responsibility of the CHWD.
- We assume that the proposed project is consistent with the provisions of the Water Forum Agreement. We additionally assume that the CHWD or its engineers will provide any necessary technical analyses of the impacts of groundwater withdrawal on surrounding wells and the regional aquifer. Existing information previously developed by the CHWD may satisfy the needs for evaluation of this environmental topic.
- The combined number of meetings at which a representative or representatives of the consultant team will be present will not exceed those presented in the cost proposal and scope of work, or future negotiated task orders. Additional meetings will be charged on a time and materials basis.
- Preparation of graphic materials specifically for use at public presentations or hearings will not be required. The applicant will provide any graphic materials deemed necessary. If requested by the CHWD, Planning Partners could produce additional graphics on a time and materials basis.
- Based on our understanding of the project and our project approach, Planning Partners has assumed up to 5 individual comments on the IS/ND and 10 hours of technical effort to prepare the Responses to Comments. Should additional time be required based on the

EXHIBIT B

Schedule of Charges/Payments

Consultant will invoice District on a monthly cycle. Consultant will include with each invoice a detailed progress report that indicates the amount of budget spent on each task. Consultant will inform District regarding any out-of-scope work being performed by Consultant. This is a time-and-materials contract.

The cost information presented herein reflects Planning Partners' estimate of the work necessary to prepare the environmental documentation for the proposed Ella Way Groundwater Well project based on our proposed scope of work and our knowledge of similar projects.

Planning Partners proposes to complete the work scope for a not-to-exceed price as shown in the table below without prior notice and agreement. The cost quoted includes all direct costs, such as telephone, travel, and reproduction. Requested additional incidental tasks and expenses not included in the fee proposal will be reimbursable on a time-and-materials basis at our standard billing rates. As requested, this proposed cost is valid for 120 days from the date of this proposal.

Task	Cost
Project Description	\$1,810
Phase I ESA	\$4,210
DWSAP/TurboSWAP	\$5,315
Admin Draft Initial Study/Negative Declaration	\$6,180
Respond to Comments/MMRP (if necessary)	\$1,260
Meetings	\$1,480
Direct Costs	\$600
Total	\$20,855

CHWD Ella Way Well Planning Partners Cost Estimate December 11, 2017		PERSONNEL						COST PER TASK	TOTAL HOURS
TASKS	R. Klumner	M. Wilson	R. Jacobstela	Graphics	Support	P. Dean			
Task 1 Project Initiation/Review Information	4	8		2	2	\$0	\$1,810	16	
Task 2 Phase I ESA	2	2				\$3,680	\$4,210	4	
Task 3 DWSAPP	2	2				\$4,755	\$5,315	4	
Task 4 Prepare Draft Initial Study/Negative Declaration	4	44	8		4	\$0	\$6,180	60	
Task 5 Respond to Comments / MMRP	2	8			2	\$0	\$1,260	12	
Task 6 Meetings	8					\$0	\$1,480	8	
HOURLY LABOR RATE	\$185	\$95	\$125	\$90	\$65				
TOTAL HOURS	22	64	8	2	8				
SUBTOTAL LABOR	\$4,978	\$4,880	\$1,000	\$180	\$528	\$8,405	\$20,265	104	
EXPENSES									
Printing							\$200		
Travel, Materials & Communications							\$400		
							SUBTOTAL EXPENSES		
							\$600		
TOTAL							\$20,865		

EXHIBIT C
Activity Schedule

Week Beginning	12/18/17	12/25/17	1/1/18	1/8/18	1/15/18	1/22/18	1/29/18	2/5/18	2/12/18	2/19/18	2/26/18	3/5/18	3/12/18	3/19/18	3/26/18	4/2/18
Task 1 Project Description			Doc													
CHWD Review																
Revise Project Description				Doc												
Task 2 Phase I ESA				Doc												
CHWD Review																
Revise Phase I ESA						Doc										
Task 3 DWSAP									Doc							
CHWD Review																
Revise DWSAP												Doc				
Task 4 Admin Draft IS/ND						Doc										
CHWD Review																
Revise IS/ND								Doc								
Circulation Period																
Task 5 Responses to Comments														Doc		
CHWD Review																
Revise Responses to Comments															Doc	
Task 5 MMRP														Doc		
CHWD Review																
Revise MMRP															Doc	
Task 5 Notice of Determination																Doc
Task 6 Meetings	Mtg						Mtg							Mtg		
Public Hearing																PH

Doc = Document submitted
Mtg = Consultant/Staff Meeting
PH = Public Hearing

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS JUNE 20, 2018 REGULAR MEETING

SUBJECT : DISCUSSION AND POSSIBLE ACTION TO CONSIDER ACCEPTANCE OF THE
HIGHLAND AVENUE AND ROSA VISTA LANE WATER MAIN
REPLACEMENT PROJECT

STATUS : Action Item

REPORT DATE : June 4, 2018

PREPARED BY : Missy Pieri, Engineering Manager/District Engineer

OBJECTIVE:

Consider Acceptance of the Highland Avenue and Rosa Vista Lane Water Main Replacement Project (C15-133), and authorize execution and recording of a Notice of Completion for the Project.

BACKGROUND AND ANALYSIS:

On January 31, 2018, a contract was executed with Lund Construction, Inc. for installing and connecting approximately 1,322 lineal feet of 8-inch water main, 24 linear feet of 6-inch water main, six (6) 8-inch gate valves, one (1) 6-inch gate valve, one (1) steamer fire hydrant, six (6) 1-inch metered water services, and sixteen (16) 1-inch water services with curb stops along Highland Avenue and Rosa Vista Lane in the City of Citrus Heights.

The original construction contract amount was \$377,792.20 with a contingency fund in the amount of \$36,589.80 (8.8%). The final amount paid to the contractor is \$377,984.60 for material, labor and equipment. The final construction cost from the original bid amount includes variations between the bid item estimates and the actual totals measured, including different pipe material installed. The variations total an additional cost of \$192.40.

The requested action is to approve the accompanying Notice of Completion (Attachment 1) and Resolution accepting the Highland Avenue and Rosa Vista Lane Water Main Replacement Project (Attachment 2) to complete this Capital Project.

RECOMMENDATION:

Adopt Resolution 11-2018 Highland Avenue and Rosa Vista Lane Water Main Replacement Project (C15-133), and authorize the District Secretary to execute and record a Notice of Completion for the Project.

ATTACHMENTS:

1. Notice of Completion for Highland Avenue and Rosa Vista Lane Water Main Replacement Project
2. Resolution of the Board of Directors Accepting Highland Avenue and Rosa Vista Lane Water Main Replacement Project (Resolution 11-2018)

ACTION:

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

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS JUNE 20, 2018 REGULAR MEETING

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2. Resolution of the Board of Directors Accepting Highland Avenue and Rosa Vista Lane Water Main Replacement Project (Resolution 11-2018)

ACTION:

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

ATTACHMENT 1

Notice of Completion for
Highland Avenue and Rosa Vista Lane
Water Main Replacement Project

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
THE HIGHLAND AVENUE AND ROSA VISTA LANE WATER MAIN REPLACEMENT
PROJECT

1. *Project Name:* Highland Avenue and Rosa Vista Lane Water Main Replacement Project C15-133
2. *Prime Contractor:* Lund Construction Company of North Highlands, California
3. *Date of Contract:* January 31, 2018
4. *Date of Final Inspection and Completion:* June 1, 2018
5. *Site Locations:* Within Highland Avenue, a public road in the City of Citrus Heights, California, from 150 feet west of Rosa Vista Lane extending easterly approximately 880 feet to Larkspur Avenue. Within Rosa Vista Lane, a private road in the City of Citrus Heights, California, from Highland Avenue extending northerly approximately 395 feet.
6. *Description of Work or Materials Furnished:* The work performed consisted, in general, of installing potable water mains, water valves, a fire hydrants, water services and related appurtenances including excavation, trench backfill and associated surface restorations 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:* vendee under contract
8. *Owner:* Citrus Heights Water District
9. *Signature for Owner:* _____
Hilary M. Straus, 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: June 21, 2018

Madeline Henry, Management Services
Specialist/Deputy Board Clerk
Citrus Heights Water District

ATTACHMENT 2

Resolution of the Board of Directors
Accepting
Highland Avenue and Rosa Vista Lane
Water Main Replacement Project
Resolution 11-2018

CITRUS HEIGHTS WATER DISTRICT
RESOLUTION NO. 11-2018

RESOLUTION OF THE BOARD OF DIRECTORS
ACCEPTING
HIGHLAND AVENUE AND ROSA VISTA LANE
WATER MAIN REPLACEMENT PROJECT

WHEREAS, on January 17, 2018 the Board of Directors of the Citrus Heights Water District authorized the award of a contract to Lund Construction, Inc. for the Highland Avenue and Rosa Vista Lane Water Main Replacement Project; and

WHEREAS, on January 31, 2018 the contract was fully executed between the District and Lund Construction, Inc.; and

WHEREAS, Lund Construction, Inc. has completed the work for the Highland Avenue and Rosa Vista Lane Water Main Replacement Project in accordance with the plans, specifications and contract documents prepared by the District pursuant to a final inspection on June 1, 2018.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Citrus Heights Water District that the Highland Avenue and Rosa Vista Lane Water Main Replacement Project is accepted as complete.

BE IT FURTHER RESOLVED that the District Secretary is authorized to execute a Notice of Completion for the Highland Avenue and Rosa Vista Lane Water Main Replacement Project 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 20th day of June 2018 by the following vote, to wit:

AYES: Directors:
NOES: Directors:
ABSTAIN: Directors:
ABSENT: Directors:

SEAL

RAYMOND RIEHLE, President
Board of Directors
Citrus Heights Water District

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of Resolution 11-2018 adopted by the Board of Directors of Citrus Heights Water District at its regular meeting held June 20, 2018.

Madeline Henry, Deputy Board Clerk
Citrus Heights Water District

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS JUNE 20, 2018 REGULAR MEETING

SUBJECT : DISCUSSION AND POSSIBLE ACTION TO ADOPT RESOLUTION 12-2018
AMENDING RESOLUTION 09-2018 CALLING FOR A NOVEMBER 2018
ELECTION IN SACRAMENTO COUNTY

STATUS : Action Item

REPORT DATE : June 14, 2018

PREPARED BY : Madeline Henry, Management Services Specialist/Deputy Board Clerk

OBJECTIVE:

Consider adoption of Resolution 12-2018 amending Resolution 09-2018 to state that Candidates are to pay the Sacramento County Voter Registration and Elections Office for their voluntary Candidate’s Statement.

BACKGROUND AND ANALYSIS:

Citrus Heights Water District (CHWD) staff has prepared Resolution 12-2018 amending Resolution 09-2018.

At the May 16, 2018 Board Meeting, the Citrus Heights Water District Board of Directors adopted Resolution 09-2018 Calling for a November 2018 Election in Sacramento County.

Resolution 09-2018 stated that candidates could prepay the District for the publication of the voluntary Candidate’s Statement, pursuant to Elections Code § 13307. However, County elections staff has advised that candidates are required to pay the Sacramento County Voter Registration and Elections Office for the publication of the voluntary Candidate’s Statement directly. Resolution 12-2018 cures and corrects Resolution 09-2018 to account for this change in procedure.

RECOMMENDATION:

Adopt Resolution 12-2018 amending Resolution 09-2018 to state that Candidates are to pay the Sacramento County Voter Registration and Elections Office for their voluntary Candidate’s Statement.

ATTACHMENTS:

1. Resolution 12-2018 Amending Resolution 09-2018
2. Resolution 09-2018 Calling For a November 6, 2018 Election Of A Director For a Regular 4-Year Term In Division Two And Election Of a Director For a Regular 4-Year Term In Division Three (Sacramento County)
3. Background Information Pertaining to Elections

ACTION:

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

ATTACHMENT 1

Resolution 12-2018
Amending Resolution 09-2018

CITRUS HEIGHTS WATER DISTRICT
RESOLUTION NO. 12-2018

RESOLUTION OF THE BOARD OF DIRECTORS
AMENDING RESOLUTION 09-2018

NOW THEREFORE BE IT RESOLVED that the Candidates are to pay the Voter Registration and Elections office for the publication of the voluntary Candidate's Statement, pursuant to Elections Code §13307 notwithstanding the language in Resolution 09-2018.

ADOPTED this 20th day of June, 2018

AYES: Board Members-

NOES: Board Members-

ABSTAIN: Board Members-

ABSENT: Board Members-

RAYMOND RIEHLE, President
Board of Directors
Citrus Heights Water District

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of Resolution 12-2018 adopted by the Board of Directors of Citrus Heights Water District at its regular meeting held June 20, 2018.

Madeline Henry, Deputy Board Clerk
Citrus Heights Water District

ATTACHMENT 2

**Resolution 09-2018 (Sacramento County)
Calling For a November 6, 2018 Election Of A
Director For a Regular 4-Year
Term In Division Two And Election Of a Director For
a Regular 4-Year Term In Division Three**

CITRUS HEIGHTS WATER DISTRICT
RESOLUTION NO. 09-2018

RESOLUTION OF THE BOARD OF DIRECTORS
CALLING FOR A NOVEMBER 6, 2018 ELECTION OF A DIRECTOR FOR A
REGULAR 4-YEAR TERM IN DIVISION TWO AND ELECTION OF A DIRECTOR
FOR A REGULAR 4-YEAR TERM IN DIVISION THREE

WHEREAS, an election will be held on November 6, 2018 within the Citrus Heights Water District that will affect Sacramento and Placer Counties for the purpose of electing two members to the District's Board of Directors for full four-year terms; and

WHEREAS, a general election will be held within the County of Sacramento on the same day; and

WHEREAS, Elections Code §10403 requires jurisdictions to file with the Board of Supervisors, and a copy with the Registrar of Voters, a resolution requesting consolidation with a statewide election; and

WHEREAS, pursuant to Elections Code §10509, the Board of Directors of the Citrus Heights Water District orders an election to be held in its jurisdiction on said date, at which election the issue to be presented to the voters shall be:

ELECTION OF THE DIRECTORS FOR THE CITRUS HEIGHTS WATER DISTRICT

1. Said election shall be to fill vacancies for the following Board Members whose terms expired:

Division Two: Full 4-Year Term currently held by Raymond A. Riehle whose term will expire on the first Friday of December 2018.

Division Three: Full 4-Year Term currently held by Allen B. Dains whose term will expire on the first Friday of December 2018.

2. Said Directors for this District are elected in the following manner:

Qualified by Division-Elected at Large. Directors must qualify to run by living in a specific Division, but all voters within the district may vote on all candidates.

3. The District has determined the following election particulars:

- a. In the case of a tie vote, the election shall be determined by lot by the Registrar of Voters of Sacramento County.
- b. The length of the Candidate Statement shall not exceed 200 words.
- c. The cost of the Candidate Statement shall be prepaid to the District by the

Candidate.

4. The District hereby certifies that there have not been changes to the District's Division boundary lines since the District's last election, but the District understands that the Registrar of Voters of Sacramento County will verify our District and District Division boundary lines prior to qualifying Candidates for the election.

NOW, THEREFORE, BE IT RESOLVED, THAT THE BOARD OF DIRECTORS OF THE CITRUS HEIGHTS WATER DISTRICT requests that the Board of Supervisors of Sacramento County to consolidate the regularly scheduled General Election with the statewide election to be held on November 6, 2018; and

BE IT FURTHER RESOLVED that the Citrus Heights Water District agrees to reimburse the Registrar of Voters of Sacramento County for actual costs accrued to provide election services; such costs to be calculated by the method set forth in the County's current Election Cost Allocation Procedures; and

BE IT FURTHER RESOLVED that the Candidates are to prepay the District for the publication of the voluntary Candidate's Statement, pursuant to Elections Code §13307. The limitation on the number of words that a Candidate may use in his or her voluntary Candidate's Statement is 200 words; and

BE IT FURTHER RESOLVED that the Board of Directors of Citrus Heights Water District requests Registrar of Voters of Sacramento County to coordinate the reporting of election results with the Placer County Elections Division.

ADOPTED this 16th day of May, 2018


AYES: Board Members- Riehle, Sheehan, Dains

NOES: Board Members-

ABSTAIN: Board Members-

ABSENT: Board Members-




RAYMOND RIEHLE, President
Board of Directors
Citrus Heights Water District

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of Resolution 09-2018 adopted by the Board of Directors of Citrus Heights Water District at its regular meeting held May 16, 2018.



Christopher Castruita, Chief Board Clerk
Citrus Heights Water District

ATTACHMENT 3

Background Information Pertaining to Elections

Background Information Pertaining to Elections

As presented at the May 16, 2018 Regular Board Meeting, the nomination period for candidates for the Citrus Heights Board of Directors begins July 16, 2018, and ends August 10, 2018. If an incumbent does not file, the filing period is extended until August 15, 2018.

As in prior elections, in the event of a tie vote for the Board positions, the winner will be determined by lot selected by the Registrar of Voters of the County of Sacramento.

The District's Division boundaries were last reviewed and adjusted in May 2002 to provide better equity in population among the three Divisions. The District's service connection count in May 2002 was 19,106. The service connection count as of April 2018 is 19,932 representing an increase of 826 services (+4.32%). With such a small increase in the number of service connections, a division boundary analysis is not recommended at this time.

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS JUNE 20, 2018 REGULAR MEETING

SUBJECT : COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR YEARS ENDED
DECEMBER 31, 2017 AND 2016

STATUS : Action Item

REPORT DATE : June 04, 2018

PREPARED BY : Alberto Preciado, Senior Accountant

OBJECTIVE:

Consider a motion to receive and file the following:

- Citrus Heights Water District's (District) Comprehensive Annual Financial Report for the Years Ended December 31, 2017 and 2016 (Attachment 1);

BACKGROUND AND ANALYSIS:-

Attached for the Board's review is the District's Comprehensive Annual Financial Report (CAFR) for the years ended December 31, 2017 and 2016.

In prior years, the District has issued Basic Financial Statements (BFS), which include the Independent Auditors' Report, the Management's Discussion and Analysis, and the District's financial statements. The Board approved the BFS at its May 16th meeting. This year, District staff, with the assistance of the District's auditors, Maze and Associates, prepared a CAFR in accordance with guidelines established by the Government Finance Officers Association (GFOA). A CAFR is dated for two fiscal periods; the main focus is the most recent fiscal year, hence its position as the first year referenced; the immediately preceding year is also included for comparative purposes. David Alvey, CPA, of Maze and Associates, will be in attendance to present the CAFR and answer questions related to the District's financial records and reporting.

The GFOA established the Certificate of Achievement for Excellence in Financial Reporting Program (CAFR Program) in 1945 to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare comprehensive annual financial reports in the interest of providing greater transparency and disclosure. Staff intends to submit the District's CAFR to the GFOA CAFR Program for consideration for the Certificate of Achievement. This is the first time in the District's history that a CAFR has been prepared, and the additional effort required helps to raise the District's financial statements to the next level in terms of financial reporting, transparency, and accountability.

A CAFR presentation differs from the previous financial statement reports in that it includes the following sections, in addition to the financial section:

- *Introductory Section* – introduces the basic financial statements, and provides an analytical overview of the District's activities. This expanded analysis is useful in assessing regional economic and social conditions that may impact the District's financial outlook.
- *Statistical Section* – comprises ten years of comparative statistical data that includes information on financial trends, revenue capacity, debt capacity, socioeconomic factors, and water system resources.

Due to the additional information required, staff elected to first issue basic financial statements, and then issue the CAFR and present it to the Board at the June regular meeting. In future years, the BFS and CAFR will be combined and presented together to the Board.

RECOMMENDATION:

Receive and File the District's Comprehensive Annual Financial Statements for the Years Ended December 31, 2017 and 2016.

ATTACHMENTS:

- 1) Comprehensive Annual Financial Statements for the Years Ended December 31, 2017 and 2016

ACTION:

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



Comprehensive Annual Financial Report

For the Fiscal Years Ended December 31, 2017 and 2016

Citrus Heights Water District

Citrus Heights, California



**CITRUS
HEIGHTS**

**WATER
DISTRICT**



**CITRUS
HEIGHTS
WATER
DISTRICT**

**Citrus Heights Water District
Citrus Heights, CA**

**Comprehensive Annual Financial Report
Years Ended December 31, 2017 and 2016**

Prepared By:

The Administrative Services Department

6230 Sylvan Road

Citrus Heights, CA 95610

www.chwd.org

CITRUS HEIGHTS WATER DISTRICT
Comprehensive Annual Financial Report
Years Ended December 31, 2017 and 2016

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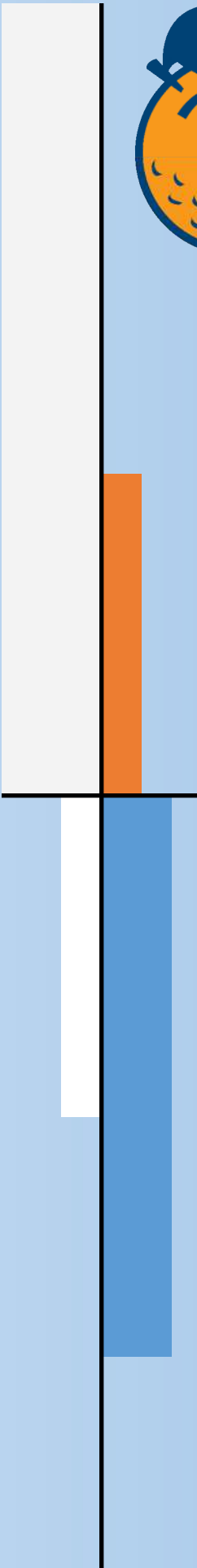
CITRUS HEIGHTS WATER DISTRICT
Comprehensive Annual Financial Report
Years Ended December 31, 2017 and 2016

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Introductory Section





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WATER
DISTRICT**

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California
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916/ 725-6873
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website
www.chwd.org

Board of Directors

**Caryl F. Sheehan
Raymond A. Riehle
Allen B. Dains**

*General Manager/
Secretary*
Hilary M. Straus

*Administrative
Services Manager/
Treasurer*
Susan K. Sohal

*Senior Accountant/
Assessor/Collector*
Alberto Preciado

May 3, 2018

Members of the Board of Directors
Citrus Heights Water District

We are pleased to present the Citrus Heights Water District's ("District") first Comprehensive Annual Financial Report ("CAFR") for the fiscal year ending December 31, 2017 and 2016. This report was prepared by District staff in conformity with generally accepted accounting principles ("GAAP") and audited in accordance with generally accepted auditing standards by a firm of certified public accountants.

The CAFR provides an assessment of the District's financial condition, informs readers about District services, includes information about capital improvement projects, and discusses current initiatives within the District's Basic Financial Statements. Financial and demographic trend information is provided within the statistical section located at the end of the report. Management at the District is responsible for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures. As management, we assert that, to the best of our knowledge and belief, the information and data, as presented, is accurate in all material respects, and it is presented in a manner that provides a fair representation of the financial position and operations of the District, and that we have included all disclosures that are necessary to enhance your understanding of the financial condition of the District.

The District's financial statements have been audited by Maze and Associates, a firm of independent certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ending December 31, 2017 and 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified ("clean") opinion that the District's financial statements for the fiscal years ending December 31, 2017 and 2016, were fairly presented in conformity with GAAP. The Independent Auditors' Report is presented as the first component of the financial section of this report.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview and analysis to accompany the financial statements in the form of the Management's Discussion and Analysis (MD&A) Section. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately after the Independent Auditor's Report.



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website

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Board of Directors

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Raymond A. Riehle
Allen B. Dains**

*General Manager/
Secretary*

Hilary M. Straus

*Administrative
Services Manager/
Treasurer*

Susan K. Sohal

*Senior Accountant/
Assessor/Collector*

Alberto Preciado

Citrus Heights Water District's Services

Citrus Heights Water District was established in 1920, as the Citrus Heights Irrigation District, encompassing slightly more than 4.7 square miles, and serving approximately 225 farms. The District currently serves water to a population of approximately 67,000 people within an about 12 square mile service area.

Economic Condition, Outlook and Major Initiatives

Citrus Heights Water District carries out its mission with a highly-motivated and competent staff empowered to conduct District's business by placing customer needs and their welfare first. Each day the District's employees strive to carry out their work mindful of the District's mission, "to furnish a dependable supply of safe, quality water delivered to its customers in an efficient, responsive, and affordable manner."

CHWD is primarily a residential community, with some commercial enterprises within its boundaries. The District is almost built out; therefore, the District does not anticipate a significant growth in revenue alone based upon new development. The District is forecasting a slow but steady revenue increase based on 0.5% growth per year from the demand in small infill of housing or commercial development within District boundaries.

The increase in water demand in 2017 compared to 2016 was a result of increased water consumption after the drought restrictions set during the 2015 drought were lifted by the State of California. The District continues the practice of establishing and maintaining funds to offset expected and unexpected significant expense fluctuations encountered year to year.

CHWD and its wholesale water supplier, San Juan Water District, continue to encounter changes in operations due to new regulations. The impact of current and future regulations, and the resulting cost impact on water supply operations, are an ongoing challenge for the District. The District anticipates a 9% rate increase from its wholesale water supplier in 2018.

As of Jan 01, 2017, CHWD charges a uniform commodity rate of \$.99 per unit and a bi-monthly fixed charge of \$72.30 for a 1 inch meter. One unit of water equals 748 gallons which means that the cost per gallon is 0.13 cents. At \$602.58 per year, the cost of water service for a typical single family home using 127,900 gallons of water annually remains a good value for CHWD's customers.

The District continues to repair and replace aging infrastructure throughout its system. During 2017, the District completed 323 service replacements, the Baird Way Water Main replacement, and the Poplar Avenue Transmission Main replacement, to name a few. Capital projects scheduled for 2018 total \$6.2 million.



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Alberto Preciado

Water Supply

In 2017, the District purchased 99% of its water from San Juan Water District (SJWD), and delivered it to approximately 19,800 residential and commercial service connections. Additionally, the District maintains six groundwater wells and approximately 225 miles of pipeline. CHWD has been treating and delivering groundwater to customers since 1943.

Internal Control Structure

CHWD's management is responsible for the establishment and maintenance of the internal control structure that ensures the assets of the District are protected from loss, theft or misuse. The internal control structure ensures that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). CHWD's internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Control

CHWD's Board annually adopts a budget prior to the new fiscal year. The budget authorizes and provides the basis for reporting and control of financial operations, accountability for CHWD's enterprise operations, and capital projects. The budget is presented on the accrual basis of accounting, and is consistent with the presentation of CHWD's Comprehensive Annual Financial Report. As part of the budget process the financial model is updated annually to analyze revenue and expenses along with capital improvements. CHWD's Board adopted the accelerated payoff to reduce the District's unfunded actuarial liability to the following: 20 years (OPEB) and 15 years (CalPERS) amortizations beginning in FY2018.

Investment Policy

The Board has adopted an investment policy that conforms to state law, CHWD's ordinances and resolutions, prudent money management, and the "prudent person" standards. The objectives of the Statement of Investment Policy are safety, liquidity, and then yield. Currently, funds are invested in various securities as authorized by CHWD's Investment Policy, with most of the District's funds invested in California's Local Agency Investment Fund (LAIF).

Audit and Financial Reporting

State Law and bond covenants require CHWD to obtain an annual audit of its financial statements by an independent Certified Public Accountant. The accounting firm of Maze and Associates conducted the audit of CHWD's financial statements. Their unmodified Independent Auditor's Report appears in the Financial Section. This is the third year of a five year engagement with Maze and Associates.



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Alberto Preciado

Risk Management

CHWD participates in the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA) for the purchase of workers' compensation, liability, property, automobile, and fidelity insurance. The typical liability limits are \$5 million per incident/occurrence.

Awards and Acknowledgements

This is the first year that CHWD is submitting its Comprehensive Annual Financial Report (CAFR) for the Government Finance Officers Association of the United States and Canada's (GFOA) Certificate of Achievement for Excellence in Financial Reporting. To be awarded a Certificate of Achievement, a governmental agency must publish an easily readable and efficiently organized CAFR. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

Certificates of Achievement are valid for a period of one year. We believe that this CAFR meets the Certificate of Achievement Program's requirements, and we are submitting CHWD's CAFR to the GFOA to determine its eligibility for the award for 2017.

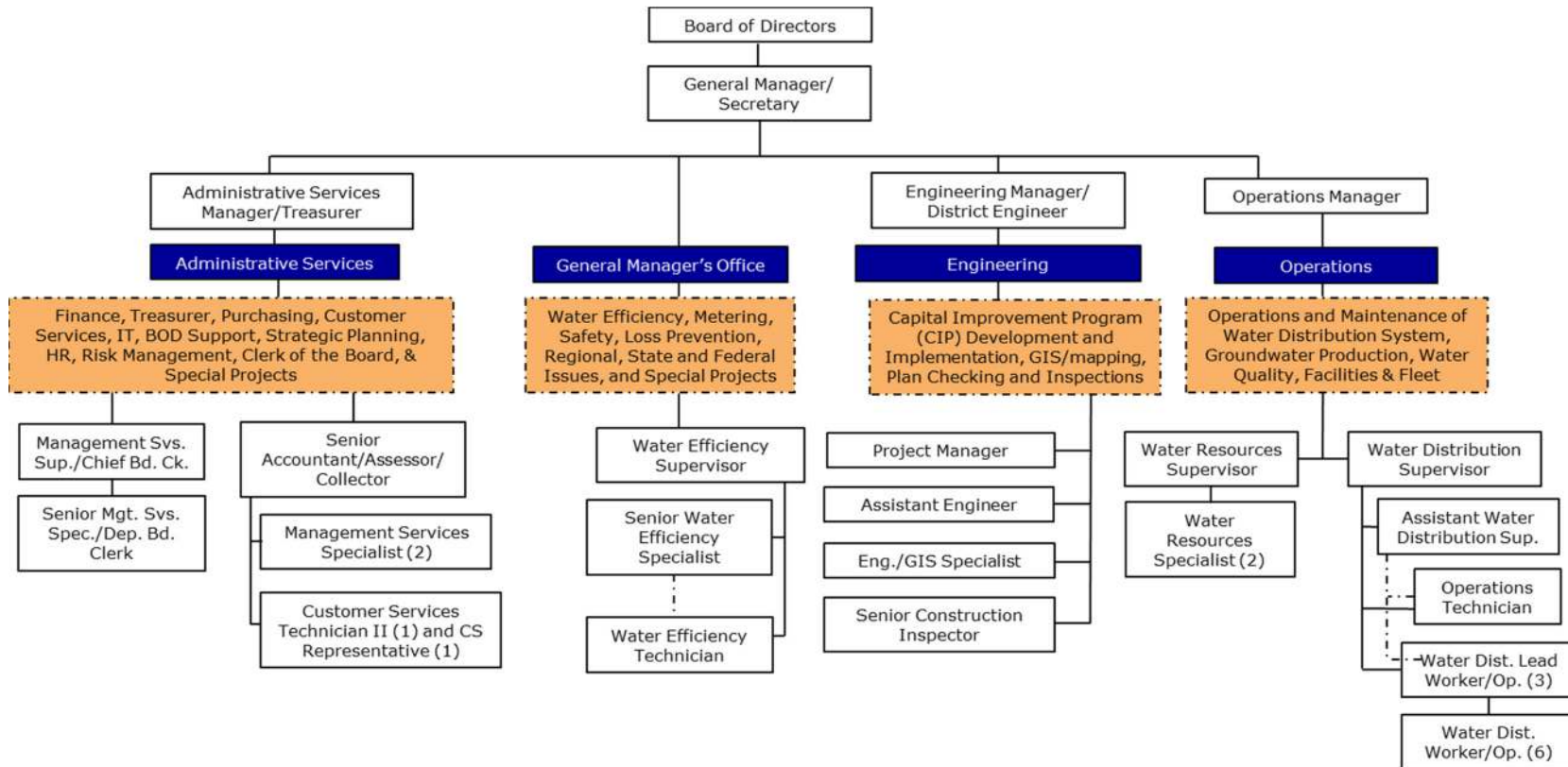
Preparation of this report was accomplished through the combined efforts of CHWD's staff. We appreciate the dedicated efforts and professionalism that these staff members contributed to CHWD's CAFR. We would also like to thank the members of the Board of Directors for their continued support in planning and implementing the District's fiscal policies.

Respectfully submitted,

Hilary M. Straus
General Manager

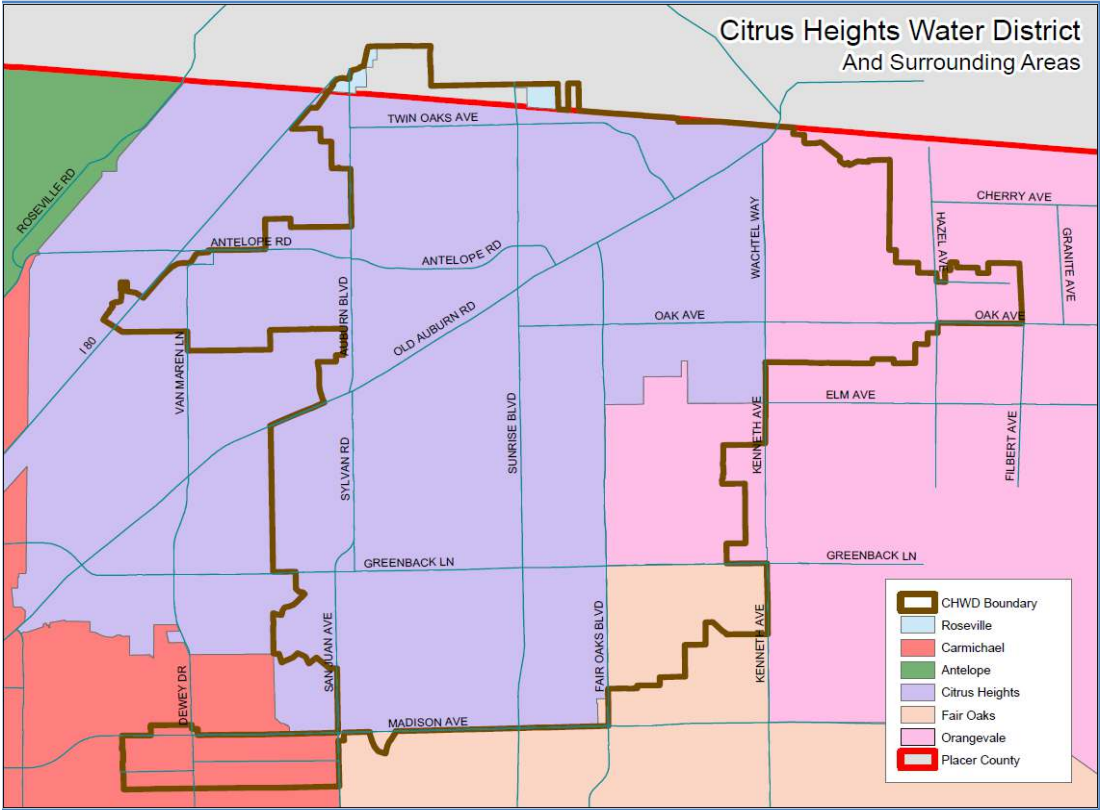
Susan K. Sohal
Administrative Services Manager

Organizational Structure



Total Positions: 32

CITRUS HEIGHTS WATER DISTRICT Service Area Map with Cities Served



CITRUS HEIGHTS WATER DISTRICT
Board of Directors and Principal Officers

Board of Directors

President	Caryl F. Sheehan	Division One
Vice President	Raymond A. Riehle	Division Two
Director	Allen B. Dains	Division Three

Executive Staff

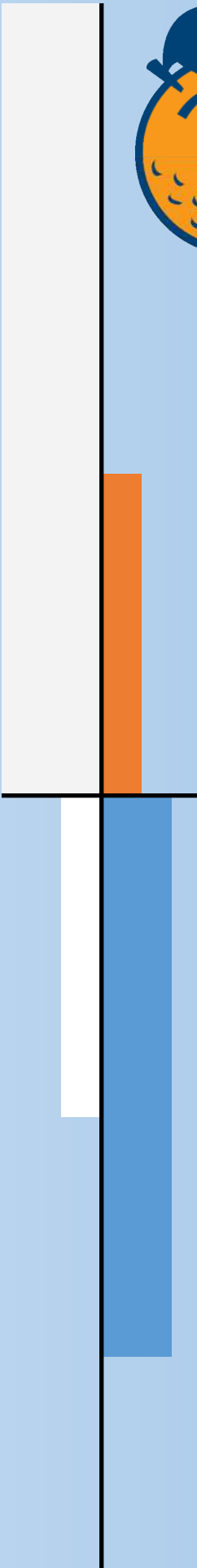
General Manager	Hilary M. Straus
Administrative Services Manager	Susan K. Sohal
Engineering Manager	Melissa Pieri
Operations Manager	David Gordon

Appointed Officers

Secretary	Hilary M. Straus
Treasurer	Susan K. Sohal
Assessor Collector	Alberto Preciado



Financial Section





Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the Board of Directors
Citrus Heights Water District
Citrus Heights, California

Report on Financial Statements

We have audited the accompanying financial statements of the Citrus Heights Water District (District), California, as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of December 31, 2017 and 2016, and the respective changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

Management adopted the provision of the following Governmental Accounting Standards Board Statement which became effective during the year ended December 31, 2017 as discussed in Note 1 to the financial statements:

Statement No. 82 – Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No.73

The emphasis of this matter does not constitute a modification to our opinions.

Other Matters

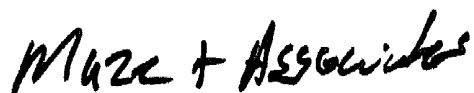
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management’s Discussion and Analysis, and other required supplementary information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The Introductory Section, and Statistical Section, as listed in the Table of Contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The Introductory and Statistical have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



Pleasant Hill, California
May 3, 2018



Management's Discussion and Analysis

The management of the Citrus Heights Water District (District) intends to present this Management Discussion and Analysis to serve as an introduction to the District's Financial Statements and to provide readers with a broad overview of the district's finances and an easier to understand narrative information that may help in interpreting the information presented in the Financial Statements for the year ending December 31, 2017.

Financial Highlights

The following items are, in the opinion of District management, among the most significant in assessing the District's overall financial activities during 2017 and its financial position at the close of the year 2017:

- ❖ The District's assets exceeded its liabilities at the end of year 2017 by \$64,769,085. About 83 percent of the District's net position, \$53,886,153, is composed of the capital assets of the District – the water transmission and distribution system, water production facilities, land, buildings, and equipment belonging to the District. Unrestricted net position totaled \$10,347,199, up from \$6,782,716 at the end of year 2016. This increase is due primarily to revenue generated from increased water sales in FY2017 as compared with FY2016, and also a 13 percent rate increase levied by the Board of Directors at the beginning of FY2017.
- ❖ Capital improvement spending in year 2017 decreased by \$6.9 million as compared with year 2016. Capital improvements capitalized in 2017 amounted to \$1,696,149.
- ❖ The District's operating revenues for 2017 were \$14,043,049. About 95.8 percent of operating revenues, \$13,448,691, came from water sales to customers. As previously mentioned, the District adopted a rate increase for FY2017, increasing water rates by 13 percent above water rates that were in place for FY2016.
- ❖ The District's total net long-term liabilities at the end of 2017, including the 2012 Revenue Refunding bonds, the 2010 Revenue Refunding Certificates of Participation, accrued other postemployment benefits, and compensated absences is \$9,072,301. The GASB 68 required recording of pension liability and pension related deferred inflows and outflows amounted to \$4,155,588. Liabilities from Bond debt service decreased by \$599,819 due in large part to a reduction in principal on debt during 2017 resulting from debt service payments during the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two parts: (1) management's discussion and analysis; and (2) the financial statements, including the notes to financial statements and required supplementary information.

The financial statements provide both long-term and short-term information about the District's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The

required supplementary information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) to provide more context regarding the financial statements from an appropriate operational, economic, or historical perspective.

The District's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units on an accrual basis. Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the Statement of Revenues, Expenses, and Changes in Net Position. All assets and liabilities associated with the operation of the District are included in the Balance Sheet.

The Balance Sheet presents the financial position of the District on a full accrual historical cost basis and provides information about the nature and amount of resources and obligations at year-end.

Balance Sheet

As of December 31, 2017, the total net position of the District was \$64,769,085. The following table summarizes assets, deferred outflows, liabilities, deferred inflows, and net position at December 31, 2017, 2016, and 2015:

	2017	2016	2015
Current assets, unrestricted	\$15,713,090	\$12,309,889	\$10,687,841
Restricted cash and cash equivalents	535,733	533,796	533,350
Capital assets, net	57,038,900	56,078,006	55,206,322
Deferred outflows	1,981,897	764,732	530,528
Total Assets and Deferred Outflows	75,269,620	69,686,423	66,958,041
Current Liabilities	2,031,682	1,618,896	1,675,151
Non-current liabilities	8,280,325	7,955,992	8,590,592
Deferred Inflows	188,528	459,794	829,619
Total Liabilities and Deferred Inflows	10,500,535	10,034,682	11,095,362
Net Position			
Net investment in capital assets	53,350,420	51,801,433	50,895,005
Restricted for debt service	535,733	533,796	533,350
Unrestricted	10,882,932	7,316,512	4,434,324
Total Net Position	\$64,769,085	\$59,651,741	\$55,862,679

The District's net position reflects restrictions imposed as a condition of its Certificates of Participation debt. The remaining net position is unrestricted.

Changes in Net Position

The following table summarizes the changes in net position for the fiscal years ended December 31, 2017, 2016, and 2015:

	2017	2016	2015
Operating revenues	\$14,043,049	\$12,325,057	\$10,884,550
Operating expenses:			
Customer service, administration and general	2,543,736	2,342,957	2,514,087
Water purchases	2,692,482	2,190,061	1,950,627
Transmission and distribution	1,963,750	2,114,019	1,239,387
Pumping and well maintenance	145,077	184,776	132,842
Water demand management (Conservation)	189,336	212,150	186,114
Depreciation and amortization	2,345,281	2,203,170	2,098,944
Total operating expenses	9,879,662	9,247,133	8,122,001
Operating income	4,163,377	3,077,924	2,762,549
Net non-operating revenues (expenses)	898,144	(186,265)	(120,929)
Net income before capital contributions	5,061,531	2,891,659	2,641,620
Capital contributions:			
Contributed (donated) assets	55,813	896,688	438,567
Grant Revenue	-	715	610,431
Total capital contributions	55,813	897,403	1,048,998
Change in net position	5,117,344	3,789,062	3,690,618
Net position, beginning of year	59,651,741	55,862,679	55,900,828
Prior period adjustment	-	-	(3,728,767)
Net position, end of year	\$64,769,085	\$59,651,741	\$55,862,679

Net position increased \$5,117,344, or 8.6 percent from the prior year. Operating revenue that exceeded operating expenses by \$4.1 million accounts for the increase in net position,

and most of these funds were expended for the construction of capital improvements or set aside for that purpose. The receipt of \$55,813 in donated assets from private developer additions to the District's water distribution system accounted for about 1 percent of the increase in net position.

Total operating revenues increased by \$1.7 million or 13.93 percent from the prior year. A combination of increased water sales and an increase in water rates accounts for most of this increase. Water consumption by the District customers increased in FY2017 compared with consumption in FY2016 as the state-wide drought conditions lifted.

Operating expenses also increased in 2017 by \$632,529, or 6.8 percent from prior year, due to increases in operating costs such as GASB 68 CalPERS unfunded liability and cost of materials and supplies used to operate and maintain the District's water distribution system and groundwater production wells.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2017, the District's investment in capital assets, net of related debt, was \$53,886,153, including: the water transmission and distribution system (underground pipelines, water services, water meters, fire hydrants, and other components), water production facilities (groundwater wells), land, buildings and both mobile and fixed equipment.

Replacement of aging pipelines and water service connections throughout the District's system continued to represent the majority of the \$3.5 million additions to the District's capital assets in 2017. A number of private development projects resulted in the addition of \$55,813 in donated capital assets.

Additional information on the District's capital assets can be found in Note 3, Capital Assets, of the notes to the basic financial statements.

Debt Administration

The District continues to meet its debt obligations under its 2010 Refunded Certificates of Participation (COPs) and the 2012 Revenue Refunding bonds. Through scheduled debt service payments during 2017, principal on its collective debt was reduced by \$599,819. The District's total debt from its COP and bond issuances now stands at approximately \$3.7 million.

Total compensated absences (long-term liability and current portion combined), are composed of leave hours earned by employees that are payable upon termination or retirement and are valued at \$378,339 at the end of 2017, a decrease from the FY2016

year-end amount of \$333,080. This reduction was due primarily to cash payments for accrued leave balances during the year to two departing employees.

The accrual for other post-employment benefits increased by \$95,772 in 2017 as a result of the annual cost of these benefits exceeding the amounts currently paid for premiums.

Additional information on the District's debt activity can be found in Note 4, Long-Term Liabilities, of the notes to the basic financial statements.

ECONOMIC FACTORS AND FUTURE BUDGET CONSIDERATIONS

The District continued to exercise fiscal restraint in budgeting for District operations in 2018, with an overall increase of 20 percent compared with the 2017 Operating Budget. This budget includes:

- ❖ Maintaining the current level of services and programs for District customers;
- ❖ An 8% aggregate increase of treated water cost from San Juan Water District due to projected 9% rate increase and anticipated increase in consumption. The projected quantity of water estimated to be purchased is 12,500 AF, which is greater than the projected 2017 total water purchased;
- ❖ Employee benefit net cost increase of about \$188,000. A number of factors contributed to the overall increase, including PERS UAL (Unfunded Actuarial Liability), payment of \$360,000 as recommended by CalPERS as approved by the Board to fund at the 15-year amortization schedule, an increase in new employees whose CalPERS contribution rates are lower, Board also approved the funding of Other Post-Employment Benefits (OPEB) UAL at a 20-year amortization schedule, lower total healthcare premiums as a result of new employees replacing long-term employees who were at higher premium points, and an increase of 12% in healthcare premium costs;
- ❖ Professional contract services increase of about \$475,000 for use towards the Project 2030 Study, as we move forward to plan our mains replacements beyond 2030. Additionally, advanced planning for a District-wide meter replacement program and District Easements Study.
- ❖ Includes \$435,000 in transfers to the Capital Improvement Reserves, a transfer of \$100,000 to replenish the Rate Stabilization Reserve, \$100,000 to the Water Supply Reserve, \$50,000 to the Water Efficiency Reserve, \$1.15 million to the Water Supply Reserve and, \$300,000 to the Water Meter Replacement Reserve.

A 2018 Operating Budget Summary is included at the conclusion of this Management's Discussion and Analysis to provide an overview of the District's operating budget.

The District plans to rebuild its financial reserves to a level that supports a higher level of capital investment from reserves. Total capital improvement expenditures budgeted for FY2018 are about \$6.6 million compared with \$5.8 million in FY2017. This amount includes about \$1.7 million in carry-over projects from prior years, and about \$4.9 million in new projects for FY2018. Installation of new fire hydrants as well as replacements and upgrades for \$154,500, four water main replacement or installation projects, scheduled to start design, will be undertaken in 2018 with construction targeted for 2019 at a total cost of \$1.1 million. Operations equipment replacements and new equipment purchases totaling \$145,000 are planned for 2018.

A 2018 Capital Improvement Budget Summary is included at the conclusion of this Management's Discussion and Analysis to provide an overview of the District's capital improvement budget.

A significant but declining portion of the District's budget continues to be the repayment of long-term debt financing in the form of Certificates of Participation originally issued in 2000 (refunded in 2010) and Certificates of Participation originally issued in 2003 (refunded as Revenue Refunding Bonds in 2012). The annual debt service for these two issuances is budgeted at \$735,936 for FY2018.

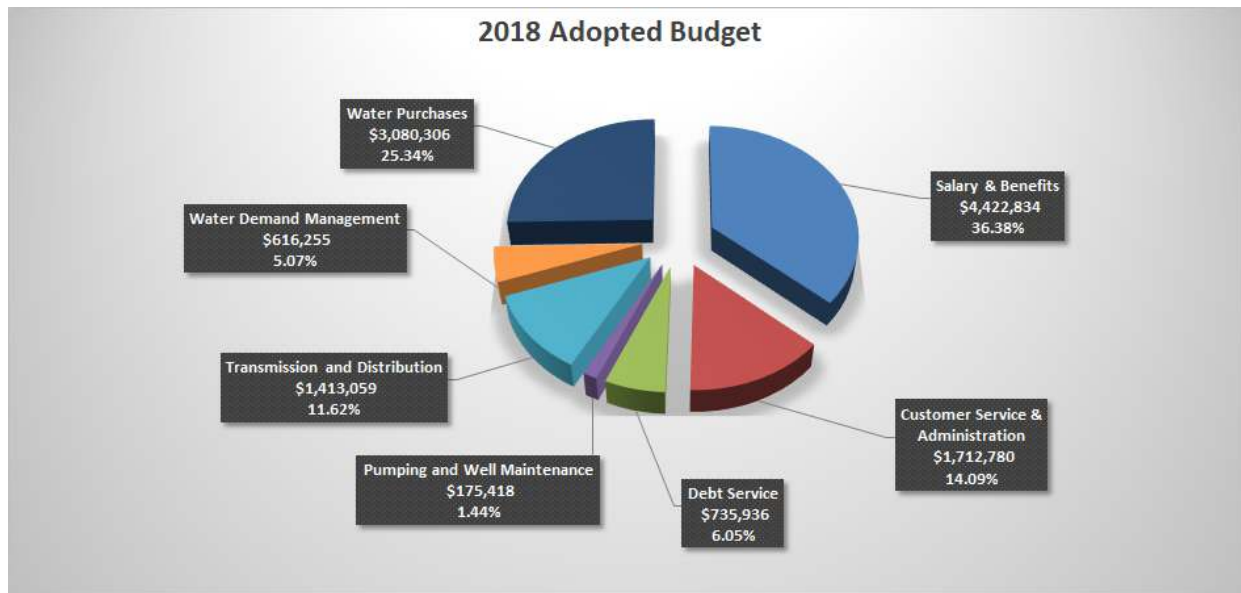
The District's Board of Directors levied a water rate increase designed to achieve an overall increase in water rate revenues of 3 percent for 2018. The District utilized a detailed cost-of-service and financial plan study set in place in FY2013 to determine the increase, taking into consideration the statewide water mandates, capital improvement program, and water meter reserves. The increase in revenues resulting from the FY2018 water rates will provide additional revenue to offset rising operating costs and the increasing costs of reinvestment in the District's aging water transmission and distribution infrastructure.

The District anticipates the need to consider future annual water rate increases to fund replacement of portions of the District's 265 miles of underground water mains, and to pay the continually-rising operating costs of the District, while maintaining financial reserves to comply with debt covenants and to provide funds for emergencies or catastrophic losses. The financial plan adopted by the Board of Directors in FY2013 contemplates water rate increases in the 3 percent range every year through FY2019. However, water rates for years beyond FY2018 have not been adopted by the Board of Directors.

**CITRUS HEIGHTS WATER DISTRICT
2018 OPERATING BUDGET SUMMARY**

Adopted: November 08, 2017

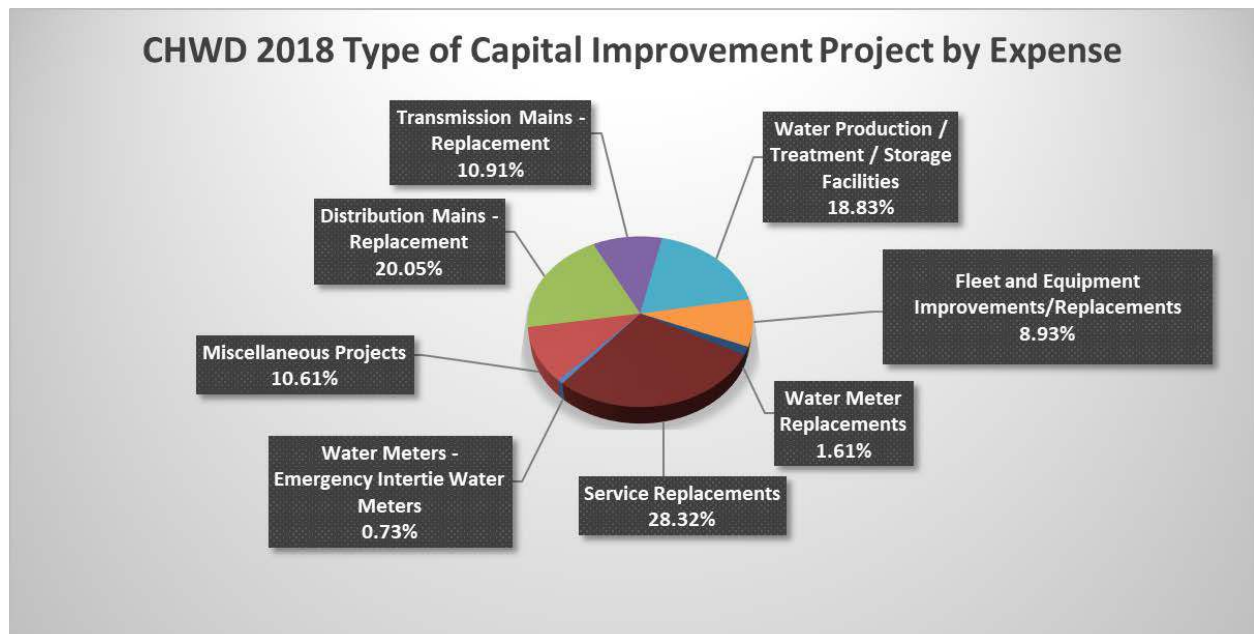
<u>Expense Category</u>	<u>2016 Budget</u>	<u>2016 Actual</u>	<u>2017 Budget</u>	<u>2017 Projected</u>	<u>2018 Proposed Budget</u>	<u>% Change 2016 vs. 2017</u>
Salary & Benefits	\$ 3,597,333	\$ 3,429,887	\$ 3,872,783	\$ 3,785,539	\$ 4,422,834	14.20%
Customer Service & Administration	\$ 1,113,405	\$ 1,181,847	\$ 1,119,894	\$ 1,097,820	\$ 1,712,780	52.94%
Debt Service	\$ 740,263	\$ 189,433	\$ 738,738	\$ 738,738	\$ 735,936	-0.38%
Pumping and Well Maintenance	\$ 266,904	\$ 158,893	\$ 228,384	\$ 169,990	\$ 175,418	-23.19%
Transmission and Distribution	\$ 547,960	\$ 885,006	\$ 841,992	\$ 600,461	\$ 1,413,059	67.82%
Water Demand Management	\$ 428,500	\$ 210,349	\$ 433,905	\$ 204,452	\$ 616,255	42.03%
Water Purchases	\$ 2,387,701	\$ 2,190,061	\$ 2,851,387	\$ 2,737,020	\$ 3,080,306	8.03%
	\$ 9,082,066	\$ 8,245,477	\$ 10,087,082	\$ 9,334,020	\$ 12,156,588	20.52%



Citrus Heights Water District
2018 CAPITAL PROJECTS BUDGET SUMMARY

Adopted: November 08, 2017

Category	2017 Adopted Budget	2018 Proposed Budget	Total Project Budget
Distribution Mains - Replacement	87,836	1,249,433	1,328,793
Fleet and Equipment Improvements/Replacements	861,500	567,000	592,000
Miscellaneous Projects	250,000	653,000	703,000
Transmission Mains - Replacement	146,936	575,959	722,895
Water Meters - Emergency Intertie Water Meters	41,995	48,327	48,327
Water Production / Treatment / Storage Facilities	1,005,000	1,127,500	1,247,500
Water Meter Replacements	100,000	107,000	107,000
Service Replacements	923,000	1,876,243	1,876,243
Grand Total	\$ 3,416,266	\$ 6,204,462	\$ 6,625,758





Basic Financial Statements

CITRUS HEIGHTS WATER DISTRICT
BALANCE SHEETS
DECEMBER 31, 2017 AND 2016

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash and investments (Note 2)	\$12,058,984	\$9,738,990
Restricted - cash and investments (Note 2)	535,733	533,796
Accounts receivable, net	2,432,542	2,002,102
Due from other governments	662,991	1,246
Accrued interest receivable	23,519	15,272
Inventory	235,467	259,637
Prepaid expenses and other deposits	299,587	292,642
Total current assets	16,248,823	12,843,685
NON-CURRENT ASSETS		
Non-depreciable capital assets (Note 3)	2,836,183	1,126,441
Depreciable capital assets, net (Note 3)	54,202,717	54,951,565
Total non-current assets	57,038,900	56,078,006
TOTAL ASSETS	73,287,723	68,921,691
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount from refunding debt	35,889	48,940
Pension related (Note 7)	1,946,008	715,792
Total deferred outflows of resources	1,981,897	764,732
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$75,269,620	\$69,686,423
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$670,330	\$368,716
Retentions payable	76,613	21,028
Accrued payroll	65,476	59,301
Accrued interest payable	52,987	57,909
Deposits payable	374,300	341,011
Current portion of long-term liabilities:		
Compensated absences (Note 4)	206,976	205,931
Long-term debt (Note 4)	585,000	565,000
Total current liabilities	2,031,682	1,618,896
NON-CURRENT LIABILITIES		
Long-term liabilities - due in more than one year:		
Compensated absences (Note 4)	171,363	127,149
Long-term debt (Note 4)	3,112,847	3,732,666
Net pension liability (Note 7)	4,155,588	3,351,422
Net OPEB obligation (Note 8)	840,527	744,755
Total non-current liabilities	8,280,325	7,955,992
TOTAL LIABILITIES	10,312,007	9,574,888
DEFERRED INFLOWS OF RESOURCES		
Deferred amount from refunding debt	26,522	27,847
Pension related (Note 7)	162,006	431,947
Total deferred inflows of resources	188,528	459,794
NET POSITION (Note 6)		
Net investment in capital assets	53,350,420	51,801,433
Restricted for debt service	535,733	533,796
Unrestricted	10,882,932	7,316,512
Total net position	64,769,085	59,651,741
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$75,269,620	\$69,686,423

See accompanying notes to financial statements

CITRUS HEIGHTS WATER DISTRICT
 STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
OPERATING REVENUES		
Water sales	\$13,448,691	\$11,602,622
Connection and other fees	594,358	722,435
Total operating revenues	14,043,049	12,325,057
OPERATING EXPENSES		
Customer service, administration and general	2,543,736	2,342,957
Water purchases	2,692,482	2,190,061
Transmission and distribution	1,963,750	2,114,019
Pumping and well maintenance	145,077	184,776
Conservation	189,336	212,150
Depreciation and amortization	2,345,281	2,203,170
Total operating expenses	9,879,662	9,247,133
Total operating income	4,163,387	3,077,924
NONOPERATING REVENUES (EXPENSES)		
Investment income	63,531	38,313
Miscellaneous income	77,074	68,203
Groundwater transfers and sales	1,058,793	-
Interest expense	(145,911)	(155,214)
(Loss) gain on disposal of capital assets	(155,343)	(137,567)
Total nonoperating revenues (expenses)	898,144	(186,265)
Net income (loss) before capital contributions	5,061,531	2,891,659
CAPITAL CONTRIBUTIONS		
Grant revenue	-	715
Capital contributions	55,813	896,688
Total capital contributions	55,813	897,403
CHANGES IN NET POSITION	5,117,344	3,789,062
NET POSITION, BEGINNING OF YEAR	59,651,741	55,862,679
NET POSITION, END OF YEAR	\$64,769,085	\$59,651,741

See accompanying notes to financial statements

CITRUS HEIGHTS WATER DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	\$13,668,194	\$12,193,259
Cash paid to suppliers for goods and services	(5,731,692)	(4,071,755)
Cash paid to employees for services	(2,657,612)	(2,875,090)
Cash Flows from Operating Activities	5,278,890	5,246,414
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Receipts from other net operating income	1,135,867	68,203
Cash Flows from Noncapital Financing Activities	1,135,867	68,203
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital grant revenues		715
Acquisition and construction of capital assets	(3,250,362)	(2,410,946)
Proceeds from sale of capital assets	(155,343)	95,213
Principal payments on long-term debt	(599,819)	(579,820)
Interest payments on long-term debt	(150,833)	(161,564)
Cash Flows (used for) Capital and Related Financing Activities	(4,156,357)	(3,056,402)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest earnings	63,531	38,313
Cash Flows from Investing Activities	63,531	38,313
NET CASH FLOWS	2,321,931	2,296,528
Cash, beginning of year	10,272,786	7,976,258
Cash, end of year	\$12,594,717	\$10,272,786
Reconciliation of cash and cash equivalents to statement of net position:		
Cash and cash equivalents	\$12,058,984	\$9,738,990
Restricted - cash and cash equivalents	535,733	533,796
Total cash and cash equivalents	\$12,594,717	\$10,272,786

(Continued)

CITRUS HEIGHTS WATER DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

RECONCILIATION OF NET INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	2017	2016
Net income from operations	\$4,163,387	\$3,077,924
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	2,345,281	2,203,170
Change in assets and liabilities:		
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable	(430,440)	(33,213)
Inventory	24,170	17,276
Prepaid expenses and other assets	(676,937)	689,971
Deferred amount from refunding of debt	13,051	13,051
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	301,614	(48,962)
Accrued payroll	6,175	13,271
Deposits payable	33,289	3,402
Retentions payable	55,585	(98,585)
Accrued other postemployment benefits	95,772	51,942
Compensated absences	45,259	(18,235)
Deferred amount from refunding of debt	(1,325)	(1,325)
Net pension liability and related deferred inflows and outflows	(695,991)	(623,273)
Net cash provided by operating activities	\$5,278,890	\$5,246,414
 SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES		
Receipt of contributed assets	\$55,813	\$896,688

See accompanying notes to financial statements





Notes to the Basic Financial Statements

CITRUS HEIGHTS WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Years Ended December 31, 2017 and 2016

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: The District was established on October 25, 1920 as an irrigation district under Division 11 of the Act of Legislature of the State of California. The District constructs and maintains waterworks and supplies domestic water in an area of approximately 12 square miles to about 19,600 connections in Sacramento and Placer counties with an estimated population of 66,000. The District is governed by a Board of Directors consisting of three directors elected by residents of the District. The accompanying basic financial statements present the District and its component unit. The component unit discussed below is included in the District's reporting entity because of the significance of its operational and financial relationship with the District.

The District has created the Citrus Heights Water District Financing Corporation (the Corporation) to provide assistance to the District in the issuance of debt. Although legally separate from the District, the Corporation is reported as if it were part of the primary government because it shares a common Board of Directors with the District and its sole purpose is to provide financing to the District under the debt issuance documents of the District. Debt issued by the Corporation is reflected as debt of the District in these financial statements. The Corporation has no other transactions and does not issue separate financial statements.

Basis of Presentation – Fund Accounting: The basic financial statements of the Citrus Heights Water District (District) have been prepared in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The District is accounted for as an enterprise fund and applies all applicable GASB pronouncements in its accounting and reporting. The more significant of the District's accounting policies are described below.

The District's resources are allocated to and accounted for in these basic financial statements as an enterprise fund type of the proprietary fund group. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other policies. Net position for the enterprise fund represents the amount available for future operations.

Basis of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The enterprise fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows, liabilities, and deferred inflows associated with the operation of this fund are included on the balance sheet. Net position is segregated into amounts invested in capital assets, net of related debt, amounts restricted and amounts unrestricted. Enterprise fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

The District uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. When such funds are received they are recorded as unearned revenue until earned. Earned but unbilled water services are accrued as revenue.

CITRUS HEIGHTS WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Years Ended December 31, 2017 and 2016

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Water lines are constructed by private developers and then dedicated to the District, which is then responsible for their future maintenance. These lines are recorded as capital contributions when they pass inspection by the District, and the estimated costs are capitalized as donated pipelines.

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the District. Operating revenues consist primarily of charges for services. Nonoperating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from nonexchange transactions or ancillary activities.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements: Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Cash and Cash Equivalents: For purposes of the statement of cash flows, the District considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Cash and cash equivalents held include bank deposits and restricted and unrestricted investments in money market mutual funds and LAIF.

Restricted Assets: Certain proceeds of the District's long-term debt are classified as restricted investments on the balance sheet because their use is limited by applicable debt covenants.

Investments: Investments are stated at their fair value, which represents the quoted or stated market value. Investments that are not traded on a market, such as investments in external pools, are valued based on the stated fair value as represented by the external pool.

CITRUS HEIGHTS WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Years Ended December 31, 2017 and 2016

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory: Inventory consists primarily of materials used in the construction and maintenance of the water distribution facilities and is valued on a first-in, first-out basis.

Prepays: Prepays consist primarily of insurance, maintenance agreements and other prepaid assets.

Capital Assets: Capital assets are recorded at historical cost. Donated assets are valued at estimated fair value on the date received. Self-constructed assets are recorded based on the amount of direct labor, material, and certain overhead charged to the asset construction. Depreciation is calculated using the straight-line method over the following estimated useful lives:

Description	Useful Life
Pipeline and infrastructure	20 - 40 years
Equipment and machinery	5 - 10 years
Buildings	15 - 40 years
Well improvements	40 years
Donated pipelines	40 years
Improvements	40 years

Depreciation expense aggregated \$2,334,743 and \$2,187,515 for the years ended December 31, 2017 and 2016, respectively, and is included with depreciation and amortization expense.

Maintenance and repairs are charged to operations when incurred. It is the District’s policy to capitalize all capital assets with a cost of more than \$1,000 for tangible personal property and \$3,000 for infrastructure, building or improvements. Costs of assets sold or retired (and the related amounts of accumulated depreciation) are eliminated from the balance sheet in the year of sale or retirement, and the resulting gain or loss is recognized in operations.

Bond Premiums and Bond Issuance Costs: Bond premiums are deferred and amortized over the lives of the bonds. Long-term liabilities are reported net of the applicable bond premiums. Bond issuance costs are recognized as an expense in the period incurred.

Deferred Amount from Refunding Debt: The difference between the reacquisition price of refunded debt and the net carrying amount of the previously outstanding debt is deferred and reported as either a deferred outflow or deferred inflow on the balance sheet. These amounts are amortized over the shorter of the term of the old debt or the new debt.

Deferred Outflows: In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

Deferred Inflows: In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

**CITRUS HEIGHTS WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Years Ended December 31, 2017 and 2016**

**NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

Compensated Absences: The District’s policy allows employees to accumulate earned but unused annual leave, management leave and compensatory time-off which will be paid to employees upon separation from service to the District. The cost of annual leave, management leave and compensatory time-off is recognized in the period earned.

Upon death while employed by the District or retirement from the District, employees are paid one-third of their accumulated sick leave time. This amount is also recognized in the period earned.

New Pronouncements: Management adopted the provisions of the following Governmental Accounting Standards Board (GASB) Statements, which became effective during the year ended December 31, 2017:

GASB Statement No. 80 – Blending requirements for Certain Component Units – an amendment of GASB Statement No. 14 – The objective of this statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units of all states and local governments. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, The Financial Reporting Entity, as amended. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. This statement had no effect on the financial statements.

GASB Statement No. 82 – Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73 – The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This Statement had no effect on the financial statements.

NOTE 2 – CASH AND INVESTMENTS

Cash and investments as of December 31 are classified in the accompanying financial statements as follows:

	2017	2016
Cash and investments	\$12,058,984	\$9,738,990
Restricted cash and investments	535,733	533,796
Total cash and investments	\$12,594,717	\$10,272,786

CITRUS HEIGHTS WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Years Ended December 31, 2017 and 2016

NOTE 2 – CASH AND INVESTMENTS (Continued)

Cash and investments as of December 31 consisted of the following:

	2017	2016
Cash on hand	\$550	\$550
Deposits with financial institutions	5,948,171	3,669,028
Total cash	5,948,721	3,669,578
Investments in Local Agency Investment Fund (LAIF)	6,110,263	6,069,412
Held by fiscal agent:		
Money market mutual fund	535,733	533,796
Total investments	6,645,996	6,603,208
Total cash and investments	\$12,594,717	\$10,272,786

Investment Policy: California statutes authorize districts to invest idle, surplus, or reserve funds in a variety of credit instruments as provided for in the California Government Code, Section 53600. The table below identifies the investment types that are authorized for the District by the California Government Code (or the District’s investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by the bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District’s investment policy. During the year ended December 31, 2017, the District’s permissible investments included the following instruments:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment In One Issuer
Local Agency Investment Program	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
State of California Obligations	5 years	None	None
Bankers Acceptances	180 days	40%	30%
Commercial Paper	270 days	40%	10%
Negotiable Certificates of Deposits	5 years	30%	None
Medium Term Corporate Notes	5 years	30%	None
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-through Securities	5 years	20%	No Limit
LAIF	N/A	None	No Limit
Passbook Deposits	45 days	None	None
Supranationals	5 years	30%	None

* Excluding amounts held by the bond trustee that are not subject to California Government Code restrictions

The District complied with the provisions of the California Government Code (or the District’s investment policy, where more restrictive) pertaining to the types of investments held, the institutions in which deposits were made, and the security requirements. The District will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

CITRUS HEIGHTS WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Years Ended December 31, 2017 and 2016

NOTE 2 – CASH AND INVESTMENTS (Continued)

Investments Authorized by Debt Agreements: Investment of debt proceeds held by the bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District’s investment policy. The Certificates of Participation debt agreements contain certain provisions that address interest rate risk and credit risk, but not concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Investment Program	None	None	None
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Bankers Acceptances	1 year	None	None
Commercial Paper	None	None	None
Negotiable Certificates of Deposits	None	None	None
Investment Agreements	None	None	None
Repurchase Agreements	None	None	None
Money Market Mutual Funds	N/A	None	None
LAIF	N/A	None	None

Fair Value Hierarchy: The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The following is a summary of the fair value hierarchy of the fair value of investments of the District as of December 31, 2017:

	Level 1	Total
<i>Investments by Fair Value Level:</i>		
Money Market Mutual Fund	\$535,733	\$535,733
Total Investments	\$535,733	535,733
<i>Investments Measured at Amortized Cost:</i>		
Money Market Mutual Fund		530,717
<i>Cash in banks and on hand</i>		5,418,004
<i>Total Cash and Investments subject to Fair Value Hierarchy</i>		6,484,454
<i>Investments not subject to Fair Value Hierarchy</i>		
California Local Agency Investment Fund (LAIF)		6,110,263
Total Cash and Investments		\$12,594,717

**CITRUS HEIGHTS WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Years Ended December 31, 2017 and 2016**

NOTE 2 – CASH AND INVESTMENTS (Continued)

The following is a summary of the fair value hierarchy of the fair value of investments of the District as of December 31, 2016:

	Level 1	Total
<i>Investments by Fair Value Level:</i>		
Money Market Mutual Fund	\$533,796	\$533,796
Total Investments	\$533,796	533,796
<i>Investments Measured at Amortized Cost:</i>		
Money Market Mutual Fund		530,488
<i>Cash in banks and on hand</i>		3,139,090
<i>Total Cash and Investments subject to Fair Value Hierarchy</i>		4,203,374
<i>Investments not subject to Fair Value Hierarchy</i>		
California Local Agency Investment Fund (LAIF)		6,069,412
Total Cash and Investments		\$10,272,786

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments, and by timing cash flows from maturities so that a portion of the portfolio is maturing, or coming close to maturity, evenly over time, as necessary to provide the cash flow and liquidity needed for operations. All of the District’s investments mature in 12 months or less.

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District’s investment policy, or debt agreements, and the actual rating as of year-end for each investment type for the year ended December 31, 2017.

	Minimum Legal Rating	Ratings as of Year End AAAm	Not Rated	Total
LAIF	N/A		\$6,110,263	\$6,110,263
Held by bond trustee:				
Money market mutual funds	AAAm	\$535,733		535,733
		\$535,733	\$6,110,263	\$6,645,996

**CITRUS HEIGHTS WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Years Ended December 31, 2017 and 2016**

NOTE 2 – CASH AND INVESTMENTS (Continued)

The following is a summary of the minimum rating required by (where applicable) the California Government Code, the District’s investment policy, or debt agreements, and the actual rating as of year-end for each investment type for the year ended December 31, 2016.

	Minimum Legal Rating	Ratings as of Year End AAAm	Not Rated	Total
LAIF	N/A		\$6,069,412	\$6,069,412
Held by bond trustee:				
Money market mutual funds	AAAm	\$533,796		533,796
		<u>\$533,796</u>	<u>\$6,069,412</u>	<u>\$6,603,208</u>

Concentration of Credit Risk: The investment policy of the District limits the amount that can be invested in any one issuer to the lesser of the amount stipulated by the California Government Code or 5% of total investments, with the exception of U.S. Treasury obligations, U.S. Agency Securities, and LAIF. There are no investments in any one issuer (other than mutual funds and external investment pools) that represent 5% or more of total District investments.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Under California Government Code Section 53651, depending on specific types of eligible securities, a bank must deposit eligible securities posted as collateral with its Agent having a fair value of 105% to 150% of the District’s cash on deposit. All of the District’s deposits are either insured by the Federal Depository Insurance Corporation (FDIC) or collateralized with pledged securities held in the trust department of the financial institutions in the District’s name.

Investment in LAIF: The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The District reports its investment in LAIF at the fair value amount provided by LAIF. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF’s investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. At December 31, 2017 and 2016, respectively, these investments matured in an average of 186 and 171 days.

CITRUS HEIGHTS WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Years Ended December 31, 2017 and 2016

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2017 and 2016 are as follows:

	Balance December 31, 2016	Additions	Retirements	Transfers	Balance December 31, 2017
Capital assets not being depreciated:					
Land	\$955,683				\$955,683
Right of ways	26,080				26,080
Construction in progress	144,678	\$3,419,838	(\$13,947)	(\$1,696,149)	1,854,420
Total capital assets not being depreciated	1,126,441	3,419,838	(13,947)	(1,696,149)	2,836,183
Capital assets being depreciated:					
Improvements	55,847				55,847
Pipelines and infrastructure	58,852,269		(1,355,041)	1,381,268	58,878,496
Equipment and machinery	3,185,591	9,213	(94,019)	313,157	3,413,942
Buildings and improvements	2,776,214			1,724	2,777,938
Well improvements	7,604,268				7,604,268
Donated pipelines	17,380,532	55,813	(219)		17,436,126
Total capital assets being depreciated	89,854,721	65,026	(1,449,279)	1,696,149	90,166,617
Less accumulated depreciation for:					
Improvements	(37,874)	(783)			(38,657)
Pipelines and infrastructure	(20,479,755)	(1,452,783)	1,223,936		(20,708,602)
Equipment and machinery	(2,488,814)	(171,500)	49,844		(2,610,470)
Buildings and improvements	(810,660)	(71,455)			(882,115)
Well improvements	(1,420,742)	(189,869)			(1,610,611)
Donated pipelines	(9,665,311)	(448,353)	219		(10,113,445)
Total accumulated depreciation	(34,903,156)	(2,334,743)	1,273,999		(35,963,900)
Total capital assets being depreciated, net	54,951,565	(2,269,717)	(175,280)	1,696,149	54,202,717
Capital Assets, net	\$56,078,006	\$1,150,121	(\$189,227)		\$57,038,900

CITRUS HEIGHTS WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Years Ended December 31, 2017 and 2016

NOTE 3 – CAPITAL ASSETS (Continued)

	Balance December 31, 2015	Additions	Retirements	Transfers	Balance December 31, 2016
Capital assets not being depreciated:					
Land	\$955,683				\$955,683
Right of ways	26,080				26,080
Construction in progress	6,382,577	\$2,410,946	(\$79,222)	(\$8,569,623)	144,678
Total capital assets not being depreciated	7,364,340	2,410,946	(79,222)	(8,569,623)	1,126,441
Capital assets being depreciated:					
Improvements	55,847				55,847
Pipelines and infrastructure	55,492,371		(\$1,015,826)	4,375,724	58,852,269
Equipment and machinery	3,049,855		(2,744)	138,480	3,185,591
Buildings and improvements	1,466,585			1,309,629	2,776,214
Well improvements	4,858,478			2,745,790	7,604,268
Donated pipelines	16,502,854	896,688	(19,010)		17,380,532
Total capital assets being depreciated	81,425,990	896,688	(1,037,580)	8,569,623	89,854,721
Less accumulated depreciation for:					
Improvements	(37,092)	(782)			(37,874)
Pipelines and infrastructure	(19,955,970)	(1,379,953)	856,168		(20,479,755)
Equipment and machinery	(2,313,889)	(177,669)	2,744		(2,488,814)
Buildings and improvements	(738,205)	(72,455)			(810,660)
Well improvements	(1,292,086)	(128,656)			(1,420,742)
Donated pipelines	(9,246,766)	(428,000)	9,455		(9,665,311)
Total accumulated depreciation	(33,584,008)	(2,187,515)	868,367		(34,903,156)
Total capital assets being depreciated, net	47,841,982	(1,290,827)	(\$169,213)	8,569,623	54,951,565
Capital Assets, net	\$55,206,322	\$1,120,119	(\$248,435)		\$56,078,006

Capacity Entitlements: From 1993 through 1998, the District participated with four other water agencies in a cooperative transmission pipeline project for the construction of additional transmission pipeline facilities. The District's share of these pipeline costs totaled \$5,636,711. The Capacity Entitlements asset represents the capacity rights the District has purchased in the cooperative transmission pipeline project owned by San Juan Water District. The asset is being amortized over the pipeline's estimated useful life of forty years.

NOTE 4 – LONG-TERM LIABILITIES

Long-term liabilities consist of the following:

2010 Certificates of Participation: In 2010, the District issued \$5,155,000 of Revenue Certificates of Participation (Certificates) with an interest rate of 4.00%. These 2010 Certificates were issued to retire the 2000 Certificates of Participation, which were issued to finance certain capital improvements to the District's water system. The District is required to collect rates and charges from its water system that will be sufficient to yield net revenues equal to 110% of debt service payments on any future debt issued, and to deposit the net revenues in a revenue fund pledged for such future debt service payments. Annual principal payments, ranging from \$450,000 to \$545,000 are due on September 28 through September 28, 2020 and semi-annual interest payments, ranging from \$10,900 to \$59,600 are due on March 28 and September 28 through September 28, 2020.

CITRUS HEIGHTS WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Years Ended December 31, 2017 and 2016

NOTE 4 – LONG-TERM LIABILITIES (Continued)

2012 Revenue Refunding Bonds: In April 2012, the District issued \$2,275,000 of Revenue Refunding Bonds with interest rates ranging from 3.00% to 5.25%. These 2012 Revenue Refunding Bonds were issued to retire the 2003 Certificates of Participation, which were issued to finance the cost of certain capital improvements to the District’s water system. The District is required to collect rates and charges from its water system that will be sufficient to yield net revenues equal to 110% of debt service payments on any future debt issued, and to deposit the net revenues in a revenue fund pledged for such future debt service payments. Annual principal payments, ranging from \$70,000 to \$160,000 are due on February 1 through February 1, 2033, and semi-annual interest payments, ranging from \$4,200 to \$48,600 are due on February 1 and August 1, through February 1, 2033.

The activity of the District’s long-term liabilities during the years ended December 31, 2017 and 2016 was as follows:

	Balance December 31, 2016	Additions	Retirements	Balance December 31, 2017	Current Portion
2010 Certificates of Participation 4%, due 9/28/20	\$2,060,000		(\$485,000)	\$1,575,000	\$505,000
2012 Revenue Refunding Bonds 3-5.25%, due 2/1/33	1,950,000		(80,000)	1,870,000	80,000
Less: Unamortized premiums	<u>287,666</u>		<u>(34,819)</u>	<u>252,847</u>	
	4,297,666		(599,819)	3,697,847	585,000
Net pension liability	3,351,422	\$804,166		4,155,588	
Net OPEB obligation	744,755	138,000	(42,228)	840,527	
Compensated absences	<u>333,080</u>	<u>233,536</u>	<u>(188,277)</u>	<u>378,339</u>	<u>206,976</u>
Total Long-Term Liabilities	<u>\$8,726,923</u>	<u>\$1,175,702</u>	<u>(\$830,324)</u>	<u>\$9,072,301</u>	<u>\$791,976</u>

	Balance December 31, 2015	Additions	Retirements	Balance December 31, 2016	Current Portion
2010 Certificates of Participation 4%, due 9/28/20	\$2,530,000		(\$470,000)	\$2,060,000	\$485,000
2012 Revenue Refunding Bonds 3-5.25%, due 2/1/33	2,025,000		(75,000)	1,950,000	80,000
Less: Unamortized premiums	<u>322,486</u>		<u>(34,820)</u>	<u>287,666</u>	
	4,877,486		(579,820)	4,297,666	565,000
Net pension liability	3,358,940		(7,518)	3,351,422	
Net OPEB obligation	692,813	\$101,648	(49,706)	744,755	
Compensated absences	<u>351,315</u>	<u>71,172</u>	<u>(89,407)</u>	<u>333,080</u>	<u>205,931</u>
Total Long-Term Liabilities	<u>\$9,280,554</u>	<u>\$172,820</u>	<u>(\$726,451)</u>	<u>\$8,726,923</u>	<u>\$770,931</u>

**CITRUS HEIGHTS WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Years Ended December 31, 2017 and 2016**

NOTE 4 – LONG-TERM LIABILITIES (Continued)

The annual requirements to amortize the outstanding debt as of December 31, 2017 are as follows:

Fiscal Year Ending December 31,	2010 Certificates of Participation			2012 Revenue Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$505,000	\$63,000	\$568,000	\$80,000	\$89,738	\$169,738
2019	525,000	42,800	567,800	85,000	86,138	171,138
2020	545,000	21,800	566,800	90,000	83,588	173,588
2021				95,000	79,088	174,088
2022				100,000	74,338	174,338
2023-2027				560,000	303,150	863,150
2028-2032				700,000	155,663	855,663
2033				160,000	8,400	168,400
Total	<u>\$1,575,000</u>	<u>\$127,600</u>	<u>\$1,702,600</u>	<u>\$1,870,000</u>	<u>\$880,100</u>	<u>\$2,750,100</u>

Pledged Revenue: The District pledged future water system revenues, net of specified expenses, to repay the 2012 Revenue Refunding Bonds in an original amount of \$2,275,000. Proceeds of the Revenue Refunding Bonds were used to refund the 2003 Certificates of Participation to finance capital improvements to the District’s water system. The Revenue Refunding Bonds are payable solely from water customer net revenues, and are payable through February, 2033. Annual principal and interest payments on the Bonds are expected to require less than 80% of net revenues. Total principal and interest remaining to be paid on the Revenue Refunding Bonds was \$2,750,100 and \$2,923,038 at December 31, 2017 and 2016, respectively.

The District pledged future water system revenues, net of specified expenses, to repay the 2010 Certificates of Participation in the original amount of \$5,155,000. Proceeds of the Certificates of Participation funded the acquisition and construction of certain facilities, as indicated above. The Certificates of Participation are payable solely from water customer net revenues and are payable through September 2020. Annual principal and interest payments on the Certificates of Participation are expected to require less than 80% of net revenues. Total principal and interest remaining to be paid on the Certificates of Participation was \$1,702,600 and \$2,270,000 at December 31, 2017 and 2016, respectively.

Total principal and interest paid on all debt payable from net revenues was \$740,388 and \$734,433 and the total water system net revenues were \$5,905,941 and \$5,261,062 for the years ended December 31, 2017 and 2016, respectively. At December 31, 2017 and 2016, the District’s net revenues were 798% and 709% of debt service payments, respectively.

NOTE 5 – ARBITRAGE REBATE LIABILITY

Section 148(f) of the Internal Revenue Code requires issuers of tax-exempt state and local bonds to remit to the federal government amounts equal to (a) the excess of the actual amounts earned on all “Nonpurpose Investments” allocable to “Gross Proceeds” of an issue of municipal obligations less the amount that would have been earned if the investments bore a rate equal to the amount that would have been earned if the investments bore a rate equal to the yield on the issue, plus (b) all income attributable to the excess. Issuers must make rebate payments at least once every five years and upon final retirement or redemption of the bonds. There was no arbitrage liability at December 31, 2017 and 2016.

CITRUS HEIGHTS WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Years Ended December 31, 2017 and 2016

NOTE 6 - NET POSITION

Restrictions: Restricted net position consist of constraints placed on net asset use through external requirements imposed by creditors (such as through debt covenants), grantors, contributors, or laws and regulations of other governments or constraints by law through constitutional provisions or enabling legislation. Restricted net position at December 31, 2017 and 2016 consisted of the debt service reserve on the 2010 Certificates of Participation. The restrictions represent debt service and other reserves required by the related debt covenants.

Designations: Designations of unrestricted net position may be imposed by the Board of Directors to reflect future spending plans or concerns about the availability of future resources. Designations may be modified, amended or removed by Board action.

The designations are for the following:

Designated for rate stabilization represents the amount to be used to ensure financial and customer rate stability in responding to certain conditions.

Designated for operating reserve is maintained for operating funds collected in advance for the following year, accrued leave reserve, self-insurance reserve, unanticipated operating expenses, unanticipated economic shortfall, and unallocated funds.

Designated for depreciation reserve represents amounts set aside to replace or rehabilitate capital facilities at the end of their useful life.

Designated for capital improvement reserve represents amounts set aside for use in evaluating and constructing new capital facilities to benefit existing District customers. This reserve had a negative balance in past years due to large capital expenditures, including the meter retrofit program and well construction.

Designated for fleet equipment reserve represents amounts set aside to replace fleet equipment at the end of its useful life.

Designated for employment-related benefits reserve represents amounts set aside to pay the costs of employment-related benefits for existing and retired District employees.

NOTE 7 – DEFINED BENEFIT PENSION PLAN

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

**CITRUS HEIGHTS WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Years Ended December 31, 2017 and 2016**

NOTE 7 – DEFINED BENEFIT PENSION PLAN (Continued)

A. General Information about the Pension Plans

Plan Description and Summary of Balances by Plan – All qualified permanent and probationary employees are eligible to participate in the District’s Miscellaneous (all other) Employee Pension Rate Plan. The District’s Miscellaneous Rate Plan is part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by the California Public Employees’ Retirement System (CalPERS). PERF C consists of a miscellaneous pool and a safety pool (also referred to as “risk pools”), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. The District sponsors one rate plan (miscellaneous). Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Below is a summary of the deferred outflows of resources, net pension liabilities, and deferred inflows of resources by Plan for the year ended December 31, 2017:

	Deferred Outflows of Resources	Net Pension Liability/ Proportionate Share of Net Pension Liability	Deferred Inflows of Resources
Miscellaneous	\$1,946,008	\$4,155,588	\$162,006

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law. The Pension Reform Act of 2013 (PEPRA), Assembly Bill 340, is applicable to employees new to CalPERS and hired after December 31, 2012.

The Plans’ provisions and benefits in effect at December 31, 2017, are summarized as follows:

	Miscellaneous Tier 1	Miscellaneous Tier 2	Miscellaneous PEPRA
	Prior to January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013
Hire date	2.0% @ 55	2.0% @ 55	2.0% @ 62
Benefit formula	5 years service	5 years service	5 years service
Benefit vesting schedule	monthly for life	monthly for life	monthly for life
Benefit payments	50 - 63	50 - 63	52 - 67
Retirement age	1.43% to 2.42%	1.43% to 2.42%	1.0% to 2.5%
Monthly benefits, as a % of eligible compensation	6.9%	6.9%	6.3%
Required employee contribution rates	8.9%	8.4%	6.5%
Required employer contribution rates			

**CITRUS HEIGHTS WATER DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 For the Years Ended December 31, 2017 and 2016**

NOTE 7 – DEFINED BENEFIT PENSION PLAN (Continued)

Beginning in fiscal year 2017, CalPERS collects employer contributions for the cost-sharing plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund. The dollar amounts are billed on a monthly basis. The District’s required contribution for the unfunded liability was \$294,195 in fiscal year 2017.

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended December 31, 2017, the District’s contributions to the Plan were as follows:

	Miscellaneous		
	Tier I	Tier II	PEPRA
Contributions - employer	\$431,307	\$68,092	\$18,299

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of December 31, 2017 the District reported \$4,155,588 in net pension liabilities for its proportionate shares of the net pension liability of the Plan.

The District’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2017, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District’s proportionate share of the net pension liability for the Plan as of June 30, 2016 and 2017 was as follows:

	Miscellaneous
Proportion - June 30, 2016	0.12216%
Proportion - June 30, 2017	0.11962%
Change - Increase (Decrease)	-0.00254%

CITRUS HEIGHTS WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Years Ended December 31, 2017 and 2016

NOTE 7 – DEFINED BENEFIT PENSION PLAN (Continued)

For the year ended December 31, 2017, the District recognized negative pension expense of \$695,991. At December 31, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$517,698	
Differences between actual and expected experience	16,687	(\$3,824)
Changes in assumptions		(157,879)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	589,914	(303)
Net differences between projected and actual earnings on plan investments	821,709	
Total	\$1,946,008	(\$162,006)

The \$517,698 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2018	\$266,403
2019	277,150
2020	509,919
2021	212,832

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate –
The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous
1% Decrease	6.65%
Net Pension Liability	\$6,379,825
Current Discount Rate	7.65%
Net Pension Liability/(Asset)	\$4,155,588
1% Increase	8.65%
Net Pension Liability/(Asset)	\$2,317,367

**CITRUS HEIGHTS WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Years Ended December 31, 2017 and 2016**

NOTE 7 – DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions – For the measurement period ended June 30, 2017, the total pension liabilities were determined by rolling forward the June 30, 2016 total pension liability. The June 30, 2016 and June 30, 2017 total pension liabilities were based on the following actuarial methods and assumptions:

	Miscellaneous
Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.5% (1)
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter
Mortality	Derived using CalPers Membership Data for all Funds (2)

(1) Net of pension plan investment and administrative expenses, including inflation.

(2) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the CalPERS 2014 experience study report available on CalPERS' website.

All other actuarial assumptions used in the June 30, 2015 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website under Forms and Publications.

Change of Assumptions – GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense, but without reduction for pension plan administrative expense. The discount rate of 7.65% used for the June 30, 2016 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense. All other assumptions for the June 30, 2015 measurement date were the same as those used for the June 30, 2016 measurement date.

Discount Rate – The discount rate used to measure the total pension liability was 7.65% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

**CITRUS HEIGHTS WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Years Ended December 31, 2017 and 2016**

NOTE 7 – DEFINED BENEFIT PENSION PLAN (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	Current Target Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	20.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	4.50%	5.09%
Liquidity	1.0%	-0.55%	-1.05%
Total	<u>100%</u>		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 8 – OTHER POST-RETIREMENT BENEFITS

Plan Description: The District has a single-employer defined benefit other postemployment healthcare (OPEB) plan providing health plan coverage to eligible retired employees and their eligible dependents. The District offers retirees the option to obtain coverage under the same medical plans as its active employees if such coverage is offered by the health insurer. Employees become eligible to retire and receive healthcare benefits with at least 20 years of service to the District. The OPEB Plan does not issue a publicly available financial report.

CITRUS HEIGHTS WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Years Ended December 31, 2017 and 2016

NOTE 8 – OTHER POST-RETIREMENT BENEFITS (Continued)

Funding Policy: The contribution requirements of plan members and the District are established and may be amended by the Board of Directors. The required contribution is based on projected pay-as-you-go financing requirements. For 2017 and 2016, the District contributed \$41,228 and \$37,365 respectively, to the plan.

Annual OPEB Cost and Net OPEB Obligation: The District’s annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District’s annual OPEB cost for 2017 and 2016, the amount actually contributed to the plan, and changes in the District’s net OPEB obligation to the OPEB plan:

	<u>2017</u>	<u>2016</u>
Normal Cost	\$59,000	\$40,342
Amortization of unfunded AAL	79,000	61,306
Annual required contribution	138,000	101,648
Interest and amortization of net OPEB obligation	(1,000)	(12,341)
Contributions made (premium payments made)	<u>(41,228)</u>	<u>(37,365)</u>
Change in net OPEB obligation	95,772	51,942
Net OPEB obligation, beginning of year	<u>744,755</u>	<u>692,813</u>
Net OPEB obligation, end of year	<u><u>\$840,527</u></u>	<u><u>\$744,755</u></u>

The District’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017, 2016, and 2015 were as follows:

<u>Year Ended</u>	<u>Annual OPEB</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
December 31, 2015	\$101,648	29.86%	\$692,813
December 31, 2016	101,648	36.76%	744,755
December 31, 2017	138,000	29.88%	840,527

The schedule of funding progress presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the unfunded actuarial accrued liability (UAAL) for benefits. Information as of December 31, 2017 is presented below:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (A)</u>	<u>Actuarial Accrued Liability (AAL)- Simplified Entry Age (B)</u>	<u>Unfunded AAL (Uaal) (B - A)</u>	<u>Funded Ratio (A/B)</u>	<u>Covered Payroll (C)</u>	<u>UAAL as a Percentage of/Covered Payroll ((B-A)/C)</u>
December 31, 2016	\$0	\$2,152,000	\$2,152,000	\$0	\$2,576,000	83.54%

CITRUS HEIGHTS WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Years Ended December 31, 2017 and 2016

NOTE 8 – OTHER POST-RETIREMENT BENEFITS (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information below, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets consistent with the long-term perspective of the calculations.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Various claims have been filed against the District. In the opinion of the District's management and legal counsel, the claims will not have a material impact on the basic financial statements.

The District has capital project commitments as of December 31, 2017 and 2016 totaling \$3,848,217 and \$2,197,621, respectively, related to construction work.

NOTE 10 – ECONOMIC DEPENDENCY

During 2017 and 2016, the District purchased 99.05% and 95.61%, respectively, of its water supply from the San Juan Water District (SJWD). Total purchases for the year ended December 31, 2017 and 2016 was \$2,692,482 and \$2,190,061, respectively. In addition, the District owns water transmission capacity entitlements through the cooperative transmission pipeline project owned and operated by SJWD.

NOTE 11 – INSURANCE

The District participates in the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA) a public entity risk pool of California water agencies, for general and auto liability, public officials liability, property damage, fidelity insurance and workers compensation liability. ACWA/JPIA provides insurance through the pool up to a certain level, beyond which group purchased commercial excess insurance is obtained.

The District pays an annual premium to ACWA/JPIA that includes its pro-rata share of excess insurance premiums, charges for the pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the ACWA/JPIA. The District's deductibles and maximum coverage are as follows:

**CITRUS HEIGHTS WATER DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 For the Years Ended December 31, 2017 and 2016**

NOTE 11 – INSURANCE (Continued)

<u>Type of Coverage (Deductible)</u>	<u>ACWA/ JPIA</u>	<u>Commercial Insurance</u>	<u>Deductible</u>
General and Auto Liability (Includes Public Officials Liability)	\$5,000,000	Statutory	None
Property Damage	100,000	150,000,000	2,500 - 5,000
Crime	100,000	None	1,000
Workers Compensation Liability	2,000,000	Statutory	None
Employers Liability	2,000,000	Statutory	None

The District continues to carry commercial insurance for all other risks of loss to cover all claims for risk of loss to which the District is exposed. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 12 – SUBSEQUENT EVENTS DISCLOSURE

In December 2016, CalPERS’ Board of Directors voted to lower the discount rate from 7.5% to 7.0% over the next three fiscal years, beginning in fiscal year 2018. The change in the discount rate will affect the contribution rates beginning in fiscal year 2019 and result in increases to the normal costs and unfunded actuarial liabilities.





Required Supplementary Information

CITRUS HEIGHTS WATER DISTRICT REQUIRED SUPPLEMENTAL INFORMATION For the Years Ended December 31, 2017 and 2016

Citrus Heights Water District, a Cost-Sharing Defined Pension Plan
As of fiscal year ending December 31, 2017
**Schedule of the Plan's Proportionate Share of the Net Pension Liability and
Related Ratios as of the Measurement Date**
Last 10 Years***

	6/30/2014	6/30/2015	6/30/2016
Plan's Proportion of the Net Pension Liability/Asset	0.05398%	0.12216%	0.11962%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$3,358,940	\$3,351,422	\$4,155,588
Plan's Covered-Employee Payroll	\$2,259,371	\$2,129,887	\$2,362,614
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	148.67%	157.35%	175.89%
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of the Plan's Total Pension Liability	77.44%	78.40%	87.28%

* Fiscal year 2015 was the 1st year of implementation.

** Calpers provides the information based on a June 30 fiscal year end.

CITRUS HEIGHTS WATER DISTRICT REQUIRED SUPPLEMENTAL INFORMATION For the Years Ended December 31, 2017 and 2016

Citrus Heights Water District, a Cost-Sharing Defined Pension Plan
As of fiscal year ending December 31, 2017
SCHEDULE OF CONTRIBUTIONS
Last 10 Years*

	2015	2016	2017
Actuarially determined contribution	\$ 437,239	\$ 612,009	\$ 517,698
Contributions in relation to the actuarially determined contributions	(437,239)	(612,009)	(517,698)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
 Covered-employee payroll	 \$ 2,129,887	 \$ 2,362,614	 \$ 2,667,190
 Contributions as a percentage of covered-employee payroll	 20.53%	 25.90%	 19.41%

* Fiscal year 2015 was the 1st year of implementation.

CITRUS HEIGHTS WATER DISTRICT REQUIRED SUPPLEMENTAL INFORMATION For the Years Ended December 31, 2017 and 2016

Schedule of Funding Status – Other Post-Employment Benefits Obligation

Funded Status and Funding Progress of the Plan

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL)- Simplified Entry Age (B)	Unfunded AAL (Uaal) (B - A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of/Covered Payroll ((B-A)/C)
December 31, 2012	\$0	\$1,414,800	\$1,414,800	\$0	\$2,266,500	62.42%
January 1, 2015	0	1,060,112	1,060,112	0	2,659,682	39.86%
December 31, 2016	0	2,152,000	2,152,000	0	2,576,000	83.54%

In the December 31, 2016 actuarial valuation, the projected unit credit actuarial method was used. The actuarial assumptions included a 3.75% investment rate of return (net of administrative expenses), which is based on the District’s own investments. The annual healthcare-cost trend rates are 7.0%-5.0% for 2018 through 2022+ respectively. The UAAL is being amortized as a level dollar amount on an open basis. The remaining amortization period at December 31, 2017, was 28 years.

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and the pattern of sharing of costs between the employer and plan members to that point. Consistent with the long-term perspective of actuarial calculations, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities for benefits.

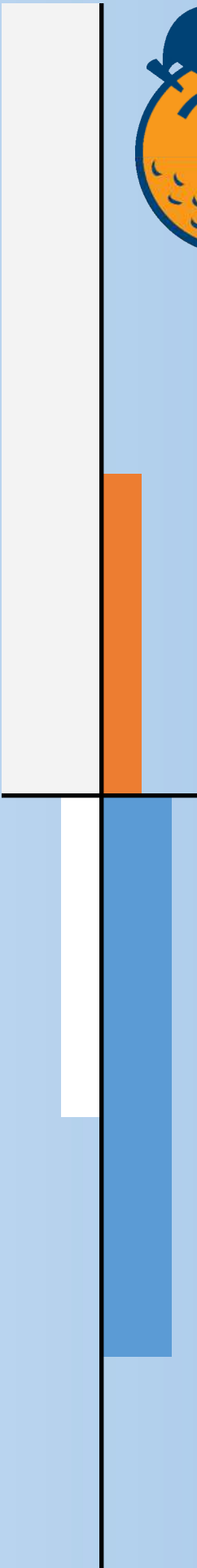
The following is a summary of the actuarial assumptions and methods:

Valuation date	December 31, 2016
Actuarial cost method	Projected unit credit method
Amortization method	Level percent of payroll amortization
Remaining amortization period	30 years as of the valuation date
Actuarial assumptions:	
Investment rate of return	3.75%
Projected salary increase	3.00%
Inflation rate	2.75%
Health care cost trend rates	7.00% - 5.00%





Statistical Section



CITRUS HEIGHTS WATER DISTRICT
Statistical Section

Table of Contents

This section of the Citrus Heights Water District's (District) comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

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Demographic and Economic Information **Page**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

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These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

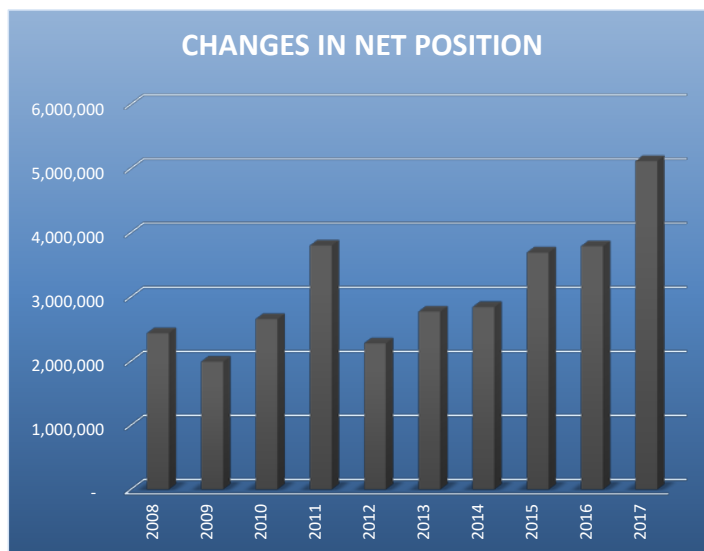
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Financial Trends

CITRUS HEIGHTS WATER DISTRICT
Changes in Net Position and Net Position by Component
Last Ten Fiscal Years
Schedule 1

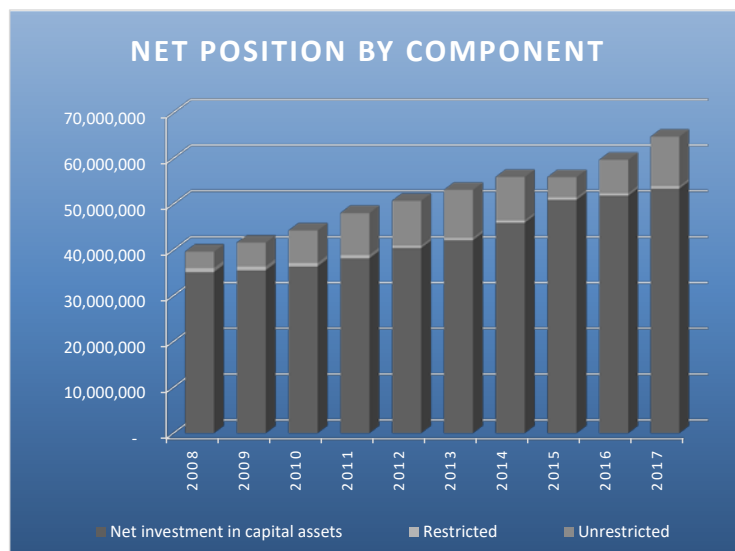
	2008	2009	2010	2011	2012
Changes in net position:					
Operating revenues (see Schedule 2)	\$ 8,686,514	10,048,811	10,132,776	10,227,212	10,693,408
Operating expenses (see Schedule 3)	(5,771,225)	(6,342,002)	(5,963,714)	(5,776,273)	(6,504,014)
Depreciation and amortization	(1,648,002)	(1,633,107)	(1,708,730)	(1,801,434)	(1,778,195)
Operating income(loss)	<u>1,267,287</u>	<u>2,073,702</u>	<u>2,460,332</u>	<u>2,649,505</u>	<u>2,411,199</u>
Non-operating revenues(expenses)					
Investment income	113,579	38,386	29,612	28,618	24,067
Miscellaneous income	151,238	40,680	41,470	1,155,861	16,127
Groundwater transfers and sales	-	-	-	-	-
Interest expense	(414,297)	(436,830)	(370,035)	(257,183)	(243,737)
(Loss) gain on disposal of capital assets	(30,579)	(29,399)	(22,187)	(30,516)	(31,125)
Total non-operating revenues(expenses), net	<u>(180,059)</u>	<u>(387,163)</u>	<u>(321,140)</u>	<u>896,780</u>	<u>(234,668)</u>
Net income before capital contributions	<u>1,087,228</u>	<u>1,686,539</u>	<u>2,139,192</u>	<u>3,546,285</u>	<u>2,176,531</u>
Capital Contributions					
Grant Revenues	376,476	30,672	32,884	22,699	3,126
Capital contributions	968,439	272,616	478,747	228,952	96,445
Changes in net position	<u>\$ 2,432,143</u>	<u>1,989,827</u>	<u>2,650,823</u>	<u>3,797,936</u>	<u>2,276,102</u>
Net position by component:					
Prior Year adjustment	\$ -	-	-	-	-
Net investment in capital assets	35,153,932	35,547,224	36,381,139	38,151,330	40,384,388
Restricted	865,692	830,673	741,188	731,706	536,967
Unrestricted	3,556,762	5,188,316	7,094,709	9,131,936	9,765,994
Total net position	<u>\$ 39,576,386</u>	<u>41,566,213</u>	<u>44,217,036</u>	<u>48,014,972</u>	<u>50,687,349</u>



Source: District Administrative Services Department

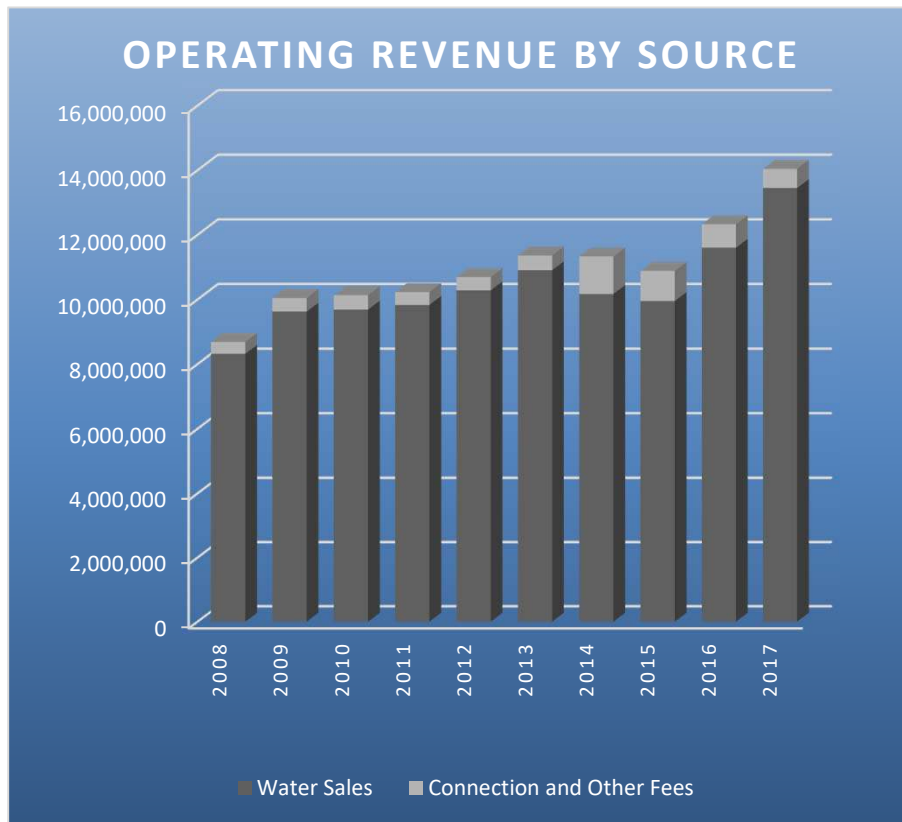
CITRUS HEIGHTS WATER DISTRICT
Changes in Net Position and Net Position by Component
Last Ten Fiscal Years
Schedule 1 (continued)

	2013	2014	2015	2016	2017	
						Changes in net position:
\$	11,358,086	11,331,301	10,884,550	12,325,057	14,043,049	Operating revenues (see Schedule 2)
	(6,598,323)	(6,358,613)	(6,023,057)	(7,043,963)	(7,534,381)	Operating expenses (see Schedule 3)
	(1,898,303)	(2,003,488)	(2,098,944)	(2,203,170)	(2,345,281)	Depreciation and amortization
	<u>2,861,460</u>	<u>2,969,200</u>	<u>2,762,549</u>	<u>3,077,924</u>	<u>4,163,387</u>	Operating income(loss)
	24,586	15,547	19,093	38,313	63,531	Non-operating revenues(expenses)
	13,616	12,716	28,606	68,203	77,074	Investment income
	-	-	-	-	1,058,793	Miscellaneous income
	(206,480)	(195,210)	(173,462)	(155,214)	(145,911)	Groundwater transfers and sales
	1,595	(30,669)	4,834	(137,567)	(155,343)	Interest expense
	(166,683)	(197,616)	(120,929)	(186,265)	898,144	(Loss) gain on disposal of capital assets
	<u>2,694,777</u>	<u>2,771,584</u>	<u>2,641,620</u>	<u>2,891,659</u>	<u>5,061,531</u>	Total non-operating revenues(expenses), net
						Net income before capital contributions
	3,178	10,310	610,431	715	-	Capital Contributions
	70,657	59,248	438,567	896,688	55,813	Grant Revenues
						Capital contributions
\$	<u>2,768,612</u>	<u>2,841,142</u>	<u>3,690,618</u>	<u>3,789,062</u>	<u>5,117,344</u>	Changes in net position
						Net position by component:
\$	-	-	(3,728,767)	-	-	Prior Year adjustment
	42,108,244	45,931,665	50,895,005	51,801,433	53,350,420	Net investment in capital assets
	536,973	536,963	533,350	533,796	535,733	Restricted
	10,414,469	9,432,200	4,434,324	7,316,512	10,822,932	Unrestricted
\$	<u>53,059,686</u>	<u>55,900,828</u>	<u>55,862,679</u>	<u>59,651,741</u>	<u>64,709,085</u>	Total net position



CITRUS HEIGHTS WATER DISTRICT
Operating Revenue by Source
Last Ten Fiscal Years
Schedule 2

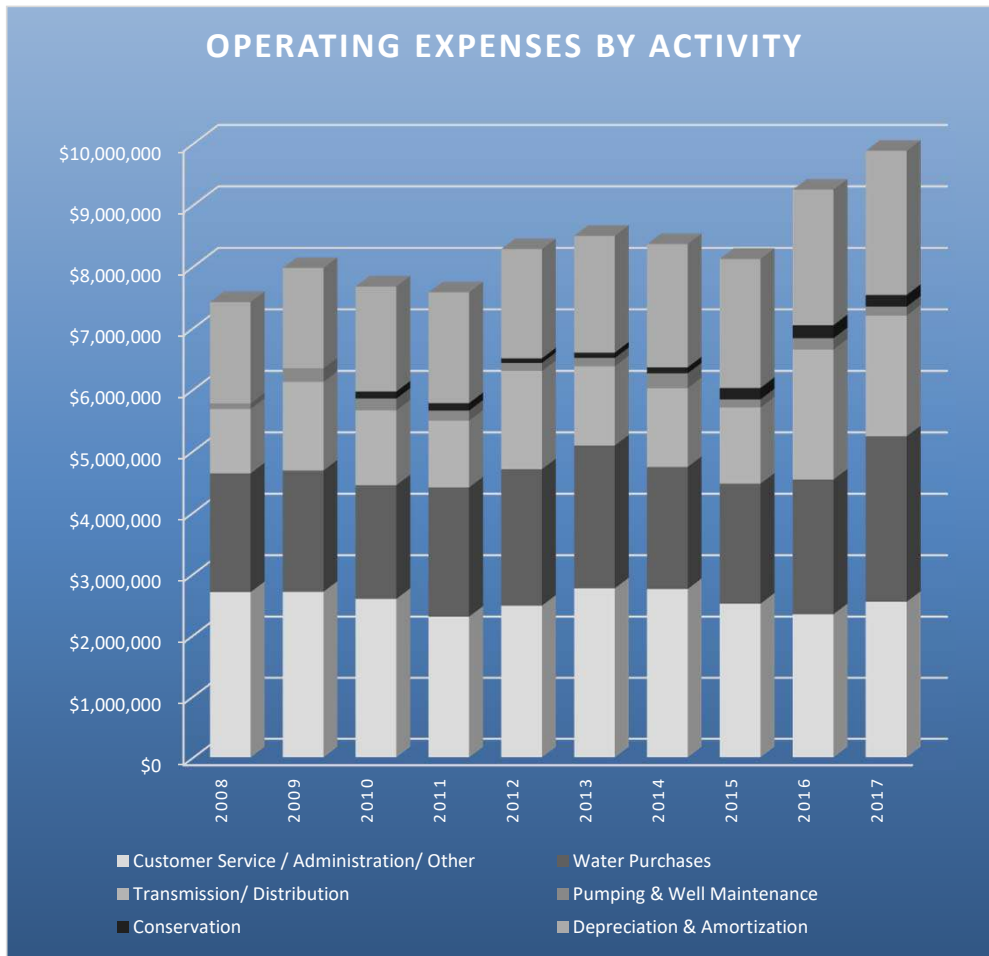
Fiscal Year	Water Sales	Connection and Other Fees	Total Operating Revenue
2008	\$ 8,317,796	\$ 368,718	\$ 8,686,514
2009	9,623,864	424,947	10,048,811
2010	9,687,869	444,907	10,132,776
2011	9,833,125	394,087	10,227,212
2012	10,285,029	408,379	10,693,408
2013	10,905,197	452,889	11,358,086
2014	10,171,473	1,159,828	11,331,301
2015	9,953,864	930,686	10,884,550
2016	11,602,622	722,435	12,325,057
2017	13,448,691	594,358	14,043,049



Source: District Administrative Services Department

CITRUS HEIGHTS WATER DISTRICT
Operating Expenses by Activity
Last Ten Fiscal Years
Schedule 3

Fiscal Year	Customer Service / Administration / Other	Water Purchases	Transmission/ Distribution	Pumping & Well Maintenance	Conservation	Depreciation & Amortization	Total Operating Expenses
2008	\$2,702,249	\$1,931,082	\$1,047,545	\$90,349	\$ -	\$1,648,002	\$7,419,227
2009	2,707,623	1,972,942	1,440,173	221,264	-	1,633,107	7,975,109
2010	2,591,029	1,849,440	1,215,954	192,540	114,751	1,708,730	7,672,444
2011	2,302,582	2,102,734	1,086,422	162,835	121,700	1,801,434	7,577,707
2012	2,481,956	2,219,550	1,597,456	130,129	74,923	1,778,195	8,282,209
2013	2,763,786	2,322,002	1,289,768	133,950	88,817	1,898,303	8,496,626
2014	2,752,172	1,984,921	1,282,941	239,344	99,235	2,003,488	8,362,101
2015	2,514,087	1,950,627	1,239,387	132,842	186,114	2,098,944	8,122,001
2016	2,342,957	2,190,061	2,114,019	184,776	212,150	2,203,170	9,247,133
2017	2,543,736	2,692,482	1,963,750	145,077	189,336	2,345,281	9,879,662



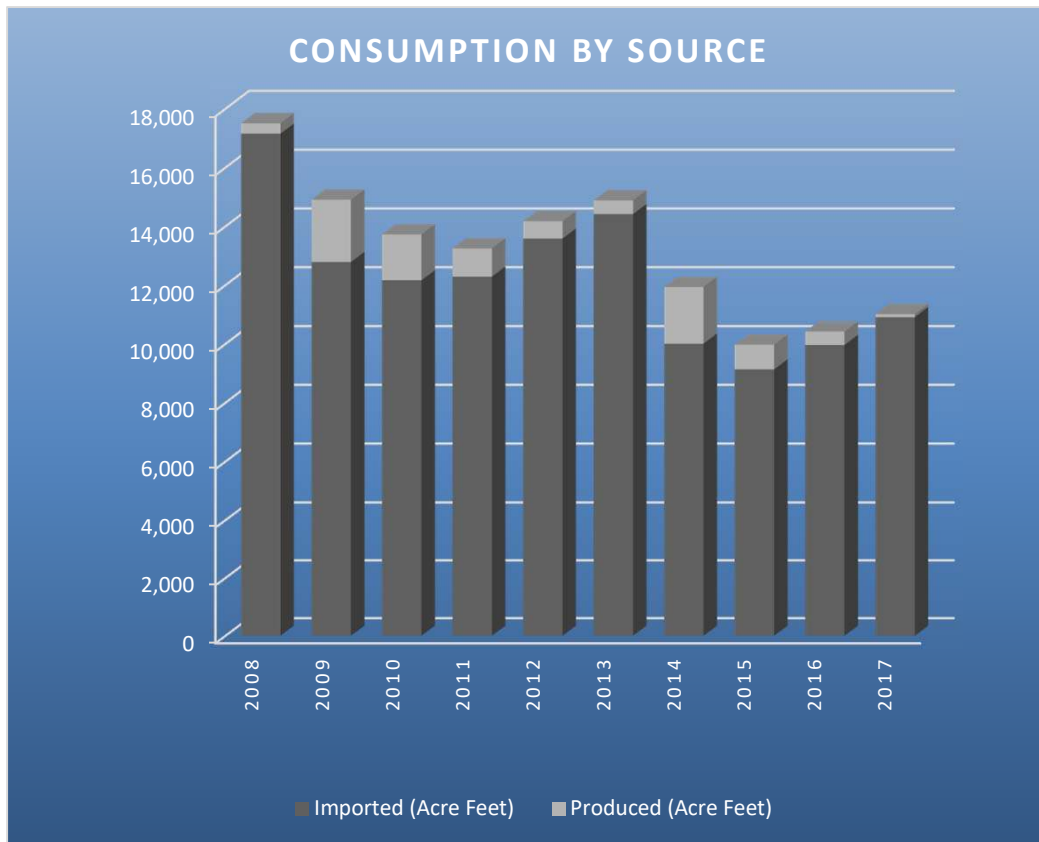
Source: District Administrative Services Department



Revenue Capacity

CITRUS HEIGHTS WATER DISTRICT
Revenue Base
Last Ten Fiscal Years
Schedule 4

Fiscal Year	Consumption (Acre Feet)	Water Supply		% Water Imported
		Imported (Acre Feet)	Produced (Acre Feet)	
2008	17,504.62	17,152.71	351.91	97.99%
2009	14,905.20	12,785.62	2,119.58	85.78%
2010	13,725.35	12,165.46	1,559.89	88.63%
2011	13,252.18	12,289.80	962.38	92.74%
2012	14,169.76	13,583.02	586.74	95.86%
2013	14,881.54	14,416.21	465.33	96.87%
2014	11,937.24	10,007.61	1,929.63	83.84%
2015	9,973.47	9,132.60	840.87	91.57%
2016	10,422.44	9,964.89	457.55	95.61%
2017	11,014.52	10,909.88	104.64	99.05%



Source: District Operations Department

CITRUS HEIGHTS WATER DISTRICT
Water Rates
Last Ten Fiscal Years
Schedule 5

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Flat Rate Accounts (Bimonthly) ⁽¹⁾										
Single Dwelling	\$ 70.80	\$ 70.80	\$ 87.75	\$ 89.51	\$ 89.51	n/a	n/a	n/a	n/a	n/a
Duplex Dwelling (per duplex side)	59.97	59.97	74.29	75.78	75.78	n/a	n/a	n/a	n/a	n/a
Condominium Dwelling	59.97	59.97	74.29	75.78	75.78	n/a	n/a	n/a	n/a	n/a
Apartments/Mobile Homes	59.97	59.97	74.29	75.78	75.78	n/a	n/a	n/a	n/a	n/a
Irrigation Rate	87.70	87.70	112.27	117.88	117.88	n/a	n/a	n/a	n/a	n/a
Metered Accounts ⁽²⁾										
<u>Consumption (per unit ccf)</u>										
Tier 1	\$ 0.4248	\$ 0.5055	\$ 0.6369	\$ 0.6751	\$ 0.6751	\$ 0.6954	n/a	n/a	n/a	n/a
Tier 2	0.4998	0.5948	0.7494	0.7944	0.7944	0.8182	n/a	n/a	n/a	n/a
Tier 3	0.5474	0.6514	0.8208	0.8700	0.8700	0.8961	n/a	n/a	n/a	n/a
Per Unit CCF (No tiers)	n/a	n/a	n/a	n/a	n/a	n/a	\$ 0.7440	\$ 0.7663	\$ 0.8735	\$ 0.9871
<u>Service Charge (bimonthly)</u>										
Commercial/Domestic 3/4"	\$ 30.98	\$ 34.88	\$ 34.88	\$ 34.88	\$ 34.88	\$ 35.93	\$ 35.82	\$ 36.89	\$ 42.05	\$ 47.52
Commercial/Domestic 1"	44.44	50.04	50.04	50.04	50.04	51.54	54.50	56.13	63.98	72.30
Commercial/Domestic 1-1/2"	77.52	87.29	87.29	87.29	87.29	89.91	66.95	68.95	78.60	88.82
Commercial/Domestic 2"	117.68	132.51	132.51	132.51	132.51	136.49	129.20	133.07	151.69	171.41
Commercial/Domestic 3"	210.30	236.80	236.80	236.80	236.80	243.90	203.91	210.02	239.42	270.54
Commercial/Domestic 4"	342.70	385.88	385.88	385.88	385.88	397.46	403.13	415.22	473.35	534.89
Irrigation 3/4"	15.49	17.44	17.44	17.44	17.44	17.96	35.82	36.89	42.05	47.52
Irrigation 1"	22.22	25.02	25.02	25.02	25.02	25.77	54.50	56.13	63.98	72.30
Irrigation 1-1/2"	38.76	43.64	43.64	43.64	43.64	44.95	66.95	68.95	78.60	88.82
Irrigation 2"	58.84	66.25	66.25	66.25	66.25	68.24	129.20	133.07	151.69	171.41
Irrigation 3"	105.15	118.40	118.40	118.40	118.40	121.95	203.91	210.02	239.42	270.54
Irrigation 4"	171.35	192.94	192.94	192.94	192.94	198.73	403.13	415.22	473.35	534.89

Notes:

(1) The District completed the migration of Flat-Rate customers to meters in Fiscal Year 2012, and the Flat-Rate was eliminated for Fiscal Year 2013.

(2) The District abolished its tiered consumption charge beginning in 2014.

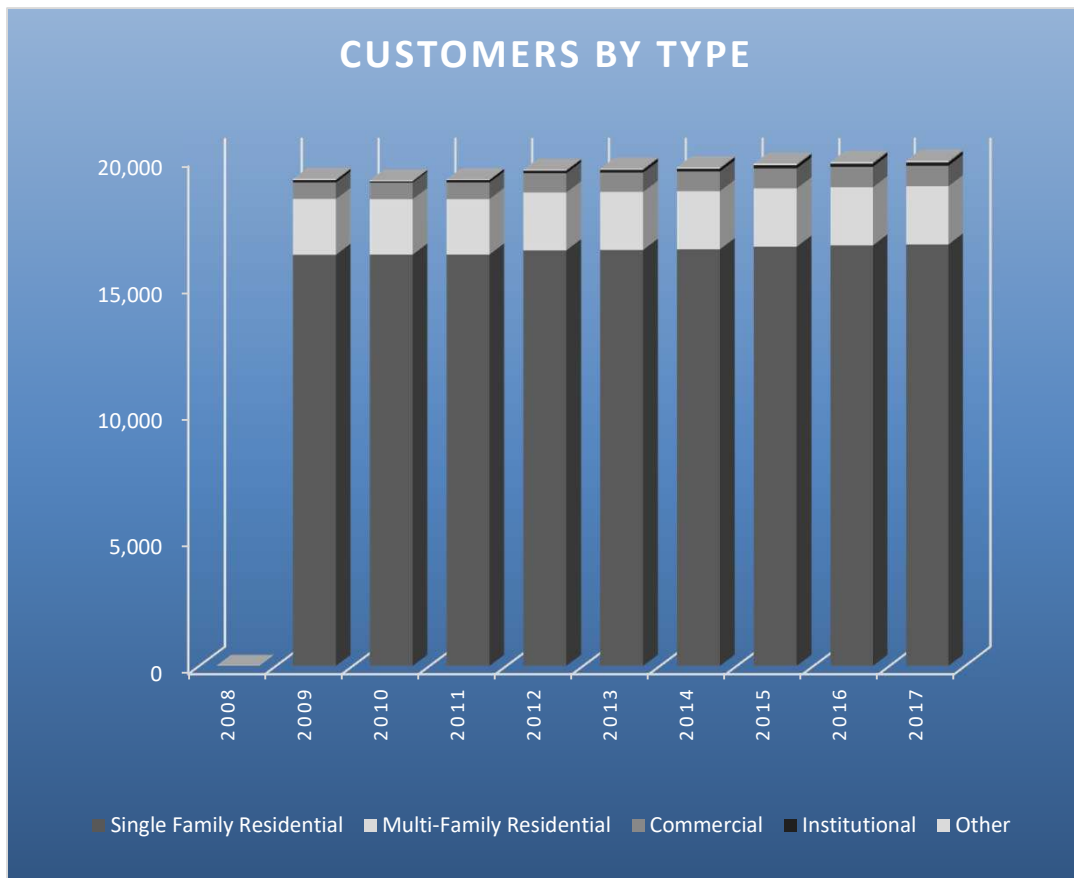
Source:

District Administrative Services Department

CITRUS HEIGHTS WATER DISTRICT
Customers by Type
Last Ten Fiscal Years ⁽¹⁾
Schedule 6

Fiscal Year	Single Family Residential	Multi-Family Residential	Commercial	Institutional	Other	Total
2008	n/a	n/a	n/a	n/a	n/a	n/a
2009	16,211	2,189	646	93	48	19,187
2010	16,219	2,176	648	51	37	19,131
2011	16,223	2,176	647	95	32	19,173
2012	16,385	2,272	751	101	43	19,552
2013	16,402	2,275	758	111	45	19,591
2014	16,425	2,280	771	118	51	19,645
2015	16,527	2,285	785	130	58	19,785
2016	16,576	2,283	802	131	59	19,851
2017	16,615	2,284	807	132	64	19,902

Note: (1) Data for 2008 is not available.



Source: District Administrative Services Department
 District Water Efficiency Department

CITRUS HEIGHTS WATER DISTRICT
Principal Customers
Current Fiscal Year and Ten Years Ago
Schedule 7

Customer	2017	
	Billed Units (ccf's)	Percentage of Total
San Juan Unified School District	100,031	2.08%
JMK Investments	78,387	1.63%
Sunrise Recreation Park District	71,214	1.48%
JRK Investors	50,945	1.06%
City of Citrus Heights	30,016	0.63%
Conference Claimants Endowment	29,236	0.61%
Mount Vernon Memorial Park	28,459	0.59%
Wedgewood Commons Apts LLC	28,440	0.59%
Knaggs Meadows LLC	26,078	0.54%
Salishan Apartments	24,676	0.51%
Total Billed Units: Principal customers	467,482	9.75%
Total Billed Units	4,798,812	100.00%

Customer	2008	
	Billed Units (ccf's)	Percentage of Total
Sunrise Recreation Park District	112,094	1.62%
San Juan Unified School District	105,128	1.52%
JMK Investments	87,188	1.26%
JRK Investors	54,535	0.79%
Conference Claimants Endowment	45,705	0.66%
Mount Vernon Memorial Park	42,963	0.62%
City of Citrus Heights	35,468	0.51%
Pacific Capital Investments	34,144	0.49%
Salishan Apartments	32,984	0.48%
Big Oaks Investments	31,934	0.46%
Total Billed Units: Principal customers	582,143	8.39%
Total Billed Units	6,928,360	100.00%

Source:
District Administrative Services Department



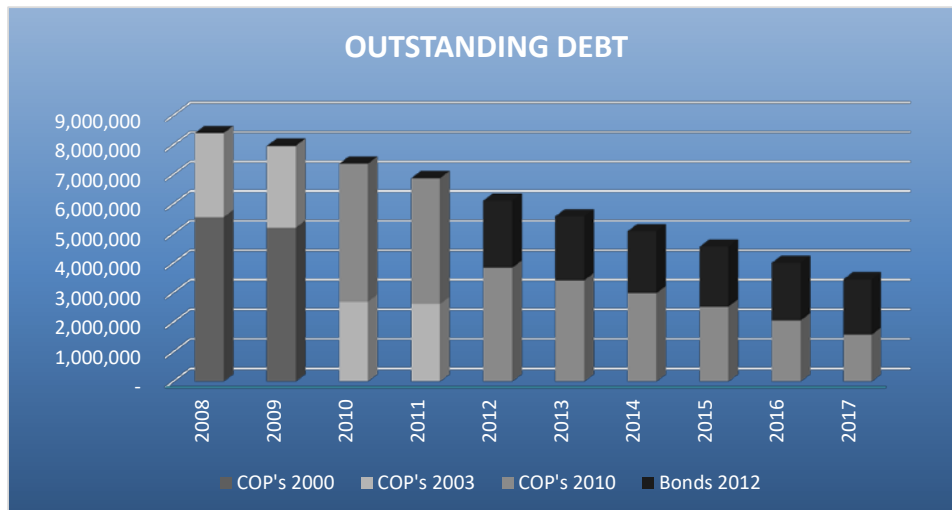
Debt Capacity

CITRUS HEIGHTS WATER DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Schedule 8

Fiscal Year	Certificates of Participation	Certificates of Participation	Certificates of Participation	Refunding Revenue Bonds	Total		
	2000 ⁽¹⁾	2003 ⁽²⁾	2010 ⁽³⁾	2012 ⁽⁴⁾	Total Debt	No. of Connections ⁽⁵⁾	Debt Per Capita (Rounded) ⁽⁵⁾
2008	\$ 5,555,000	\$ 2,845,000	\$ -	\$ -	\$8,400,000	n/a	n/a
2009	5,200,000	2,770,000	-	-	7,970,000	19,187	\$415
2010	-	2,695,000	4,670,000	-	7,365,000	19,131	\$385
2011	-	2,615,000	4,260,000	-	6,875,000	19,173	\$359
2012	-	-	3,840,000	2,275,000	6,115,000	19,552	\$313
2013	-	-	3,415,000	2,170,000	5,585,000	19,591	\$285
2014	-	-	2,980,000	2,095,000	5,075,000	19,645	\$258
2015	-	-	2,530,000	2,025,000	4,555,000	19,785	\$230
2016	-	-	2,060,000	1,950,000	4,010,000	19,851	\$202
2017	-	-	1,575,000	1,870,000	3,445,000	19,902	\$173

Notes:

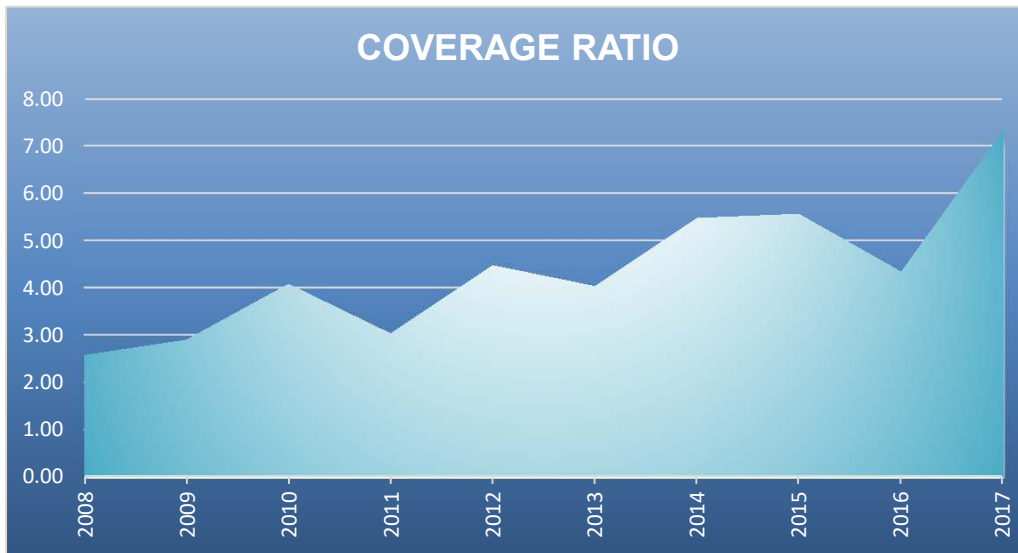
- (1) In October 2000, the District issued \$7,900,000 of Certificates of Participation, Series 2000 to finance the cost of capital improvement projects.
- (2) In December 2003, the District issued \$2,915,000 of Certificates of Participation, Series 2003 to finance the cost of capital improvement projects.
- (3) In September 2010, the District issued \$5,155,000 of Revenue Certificates of Participation, Series 2010 to retire the outstanding 2000 Certificates of Participation.
- (4) In April 2012, the District issued \$2,275,000 of Revenue Refunding Bonds, Series 2012 to retire the outstanding 2003 Certificates of Participation.
- (5) The number of connections is unavailable for 2008.



Source: District Administrative Services Department

CITRUS HEIGHTS WATER DISTRICT
Debt Coverage
Last Ten Fiscal Years
Schedule 9

Fiscal Year	Net Revenues	Operating Expenses	Net Available Revenues	Debt Service			Coverage Ratio
				Principal	Interest	Total	
2008	\$ 10,098,478	\$ (7,975,109)	\$ 2,123,369	\$ 410,000	\$ 414,297	\$ 824,297	2.58
2009	10,181,671	(7,672,444)	2,509,227	425,000	436,830	861,830	2.91
2010	11,381,175	(7,577,707)	3,803,468	560,000	370,035	930,035	4.09
2011	10,798,922	(8,282,209)	2,516,713	570,000	257,183	827,183	3.04
2012	11,468,540	(8,496,626)	2,971,914	420,000	243,737	663,737	4.48
2013	11,339,205	(8,362,101)	2,977,104	530,000	206,480	736,480	4.04
2014	11,986,081	(8,122,001)	3,864,080	510,000	195,210	705,210	5.48
2015	11,986,081	(8,122,001)	3,864,080	520,000	173,462	693,462	5.57
2016	12,294,721	(9,247,133)	3,047,588	545,000	155,214	700,214	4.35
2017	15,087,104	(9,879,662)	5,207,442	565,000	145,911	710,911	7.33



Source: District Administrative Services Department



Demographic and Economic Information

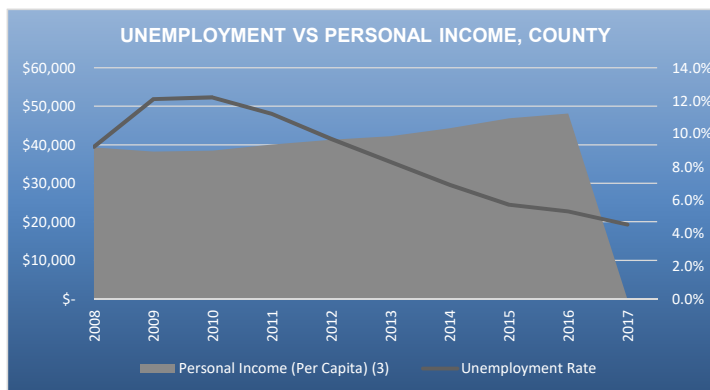
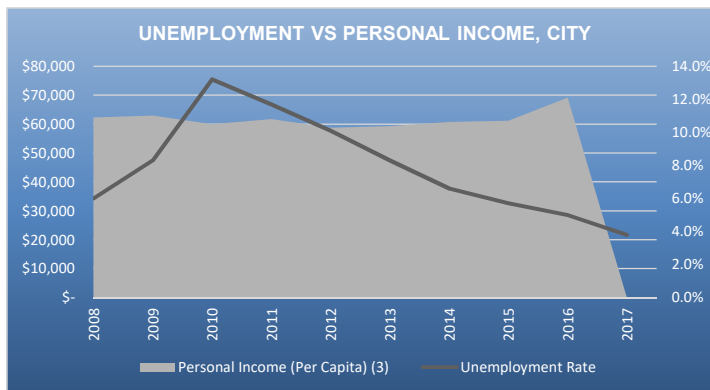
CITRUS HEIGHTS WATER DISTRICT
Demographic and Economic Statistics
Last Ten Calendar Years
Schedule 10

Fiscal Year	Total Number of Connections ⁽²⁾	City of Citrus Heights ⁽¹⁾				County of Sacramento ⁽¹⁾			
		Population	Unemployment Rate	Personal Income (thousands of dollars) ⁽³⁾	Personal Income (Per Capita) ⁽³⁾	Population	Unemployment Rate	Personal Income (thousands of dollars) ⁽³⁾	Personal Income (Per Capita) ⁽³⁾
2008	n/a	86,765	6.0%	\$5,402,596	\$62,267	1,394,438	9.2%	\$54,773,648	\$39,280
2009	19,187	84,613	8.3%	5,322,581	62,905	1,408,601	12.1%	53,826,177	38,213
2010	19,131	83,365	13.2%	4,994,897	59,916	1,422,018	12.2%	54,666,004	38,443
2011	19,173	83,903	11.7%	5,178,325	61,718	1,435,002	11.2%	57,498,308	40,068
2012	19,552	84,489	10.1%	4,961,701	58,726	1,447,236	9.7%	59,775,785	41,303
2013	19,591	85,123	8.3%	5,044,729	59,264	1,460,023	8.3%	61,654,690	42,229
2014	19,645	85,891	6.6%	5,212,811	60,691	1,478,137	6.9%	65,486,553	44,303
2015	19,785	86,759	5.7%	5,308,263	61,184	1,496,644	5.7%	70,110,138	46,845
2016	19,851	87,380	5.0%	6,043,288	69,161	1,514,460	5.3%	72,878,458	48,122
2017	19,902	87,931	3.8%	n/a	n/a	1,530,615	4.5%	n/a	n/a

Notes: (1) Demographic and economic statistics are provided for the City of Citrus Heights (City) and the County of Sacramento (County) because these statistics are not separately available for the District's service area. As the District is primarily comprised of some areas of the City, and unincorporated areas of the County, the District believes that data from the City and the County is representative of the conditions and experience of the District.

(2) The total number of connections is not available for Fiscal Year 2008.

(3) Personal income and per capita personal income is not yet available for Fiscal Year 2017.



Sources: U.S. Bureau of Economic Analysis
U.S. Bureau of Labor Statistics
U.S. Census Bureau

CITRUS HEIGHTS WATER DISTRICT
Principal Employers ⁽¹⁾
Current Fiscal Year and Ten Years Ago
Schedule 11

2017			
Employer	Employees	Rank	Percentage of Employment
State of California	74,462	1	10.59%
County of Sacramento	12,514	2	1.78%
Kaiser Permanente	10,517	3	1.50%
UC Davis Health	10,467	4	1.49%
United States Government	10,322	5	1.47%
Sutter Health	9,911	6	1.41%
Dignity Health	8,039	7	1.14%
Intel Corporation	6,000	8	0.85%
Apple Incorporated	5,000	9	0.71%
Elk Grove Unified School District	4,620	10	0.66%
<u>Total</u>	<u>151,852</u>		<u>21.61%</u>
Total County Employment	702,889		100.00%

2013 ⁽²⁾			
Employer	Employees	Rank	Percentage of Employment
State of California	69,469	1	10.31%
County of Sacramento	10,634	2	1.58%
Kaiser Permanente	5,696	8	0.85%
UC Davis Health	9,985	3	1.48%
United States Government	5,750	7	0.85%
Sutter Health	6,507	4	0.97%
Dignity Health	5,756	6	0.85%
Intel Corporation	6,000	5	0.89%
Elk Grove Unified School District	5,535	9	0.82%
San Juan Unified School District	4,700	10	0.70%
<u>Total</u>	<u>130,032</u>		<u>19.29%</u>
Total County Employment	673,727		100.00%

Notes:

(1) Data is not separately available for the District's service area. As the District serves an area comprising, in large part, the City of Citrus Heights, and unincorporated areas of the County of Sacramento, information for the County of Sacramento has been presented.

(2) Data is not available for the years prior to 2013.

Source:

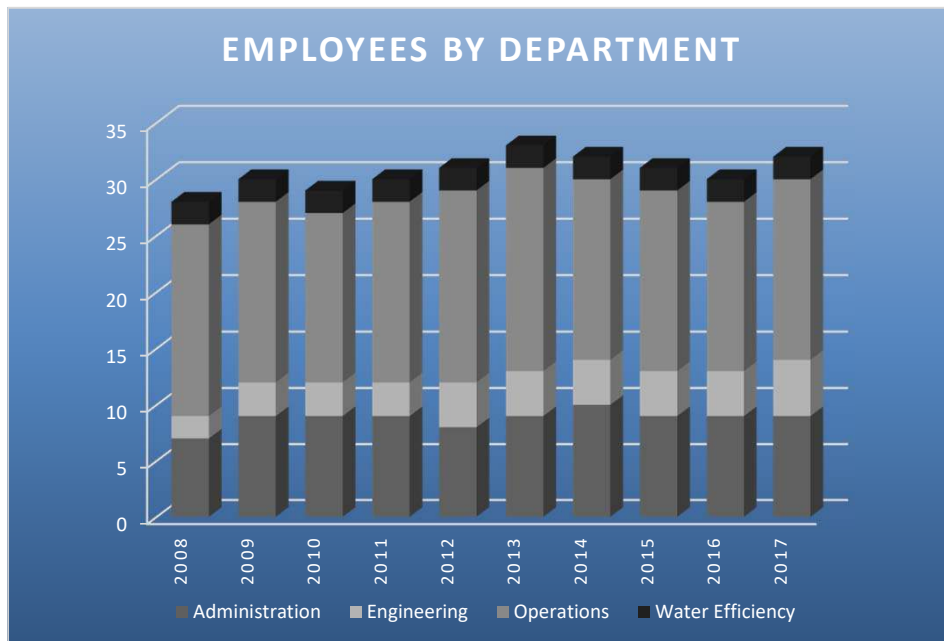
Sacramento Business Journal
U.S. Bureau of Labor Statistics



Operating Information

CITRUS HEIGHTS WATER DISTRICT
Full-Time Employees by Department
Last Ten Fiscal Years
Schedule 12

Department	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Administration	7	9	9	9	8	9	10	9	9	9
Engineering	2	3	3	3	4	4	4	4	4	5
Operations	17	16	15	16	17	18	16	16	15	16
Water Efficiency	2	2	2	2	2	2	2	2	2	2
Total	28	30	29	30	31	33	32	31	30	32



Source: District Administrative Services Department

CITRUS HEIGHTS WATER DISTRICT
Other Operating and Capacity Indicators
Last Ten Fiscal Years
Schedule 13

Fiscal Year	Total Connections	Total Annual Demand (Acre Feet)	Pipeline (mi)	Wells	Meters	Hydrants
2008	n/a	17,504.62	238.72	4	19,287	1,950
2009	19,187	14,905.20	239.09	4	19,358	1,959
2010	19,131	13,725.35	239.72	4	19,419	1,980
2011	19,173	13,252.18	240.87	4	19,457	1,996
2012	19,552	14,169.76	242.51	4	19,488	2,037
2013	19,591	14,881.54	243.80	4	19,538	2,062
2014	19,645	11,937.24	245.56	4	19,594	2,087
2015	19,785	9,973.47	248.19	5	19,789	2,133
2016	19,851	10,422.44	249.31	6	19,912	2,160
2017	19,902	11,014.52	249.97	6	20,007	2,181

Source: District Administrative Services Department
District Engineering Department
District Water Efficiency Department



**CITRUS
HEIGHTS**

**WATER
DISTRICT**



**CITRUS
HEIGHTS**

**WATER
DISTRICT**

6230 Sylvan Road
Citrus Heights, CA 95610
916.725.6873
www.chwd.org

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS JUNE 20, 2018 MEETING

SUBJECT : DISCUSSION AND POSSIBLE ACTION TO CONSIDER
ACCEPTANCE OF THE CORPORATION YARD SAFETY
IMPROVEMENTS PROJECT

STATUS : Action Item

REPORT DATE : May 31, 2018

PREPARED BY : Missy Pieri, Engineering Manager/District Engineer

OBJECTIVE:

Consider Acceptance of the Corporation Yard Safety Improvements Project (C15-102), and authorize execution and recording of a Notice of Completion for the Project.

BACKGROUND AND ANALYSIS:

On July 24, 2017, the Board of Directors authorized the award of a contract with PnP Construction, Inc for construction of site improvements, including extensive underground work, and for the installation of one (1) Material Storage Facility, two (2) Vacuum Excavation Spoils Disposal Basins, and one (1) Vehicle Wash Station at the Citrus Heights Water District's Corporation Yard.

The Corporation Yard Safety Improvements Project was intended to address three primary goals: 1) improve employee safety and reduce liability; 2) ensure environmental compliance of operations at the Corporation Yard; and 3) improve operational efficiency.

An initial assessment of the impact the improvements have had on operations is positive. For example, the turn-around time for field operations staff from spoils dump-to-vehicle wash-to-back-in-the-field time has reduced from an average of 45 minutes down to 15 minutes.

The total project budget was \$2,632,327 which includes design and construction, equipment, material and labor. All of the invoices and other project expenses have been accounted for with this project. The total amount spent on this project is \$2,317,142. The amount remaining is \$315,185. A summary of the project budget is summarized in Table 1.

**TABLE 1
PROJECT BUDGET SUMMARY**

Description	Budget Amount	Amount Spent	Cost Savings
Design & Construction	\$2,362,478	\$2,107,424	\$255,054
Equipment, Materials & Labor	\$269,849	\$209,718	\$60,131
TOTAL	\$2,632,327	\$2,317,142	\$315,185

Within the overall project budget as highlighted above, the construction contract amount was \$1,764,474 with a contingency fund in the amount of \$176,447 (10.0%). Traditionally, contingency is considered part of the project budget, not supplemental. The final construction cost from the original bid amount includes various modifications/additional improvements to the project, including additions and reductions. These items along with the associated cost are summarized below in Table 2.

TABLE 2
MODIFICATIONS/ADDITIONAL IMPROVEMENTS
SUMMARY

Change Order	Description	Amount
1	Temporary Power (Credit)	(\$1,000)
2	Yard Hydrant Material Change and Additional Reinforcement for the Material Storage Building	\$3,728
3	Aluminum Handrail Credit, 12" Storm Drain Modification, and Additional Asphalt Pavement	\$11,486
4	Add Two Bollards, Column Protection, and Anti-graffiti application on Material Storage Building	\$13,576
5	Revise Site Striping (Credit)	(\$2,023)
6	Remove Winterization/Stabilization (Credit)	(\$19,832)
NET TOTAL		\$5,935

The amount paid to the construction contractor is \$1,770,409 for material, labor and equipment. The variations totaled an additional cost of \$5,935, or 0.34% of the total construction budget; an exceptional outcome given the scope and complexity and non-standard nature of this project. This level of precision is a testament to the team work of our Board and staff both through the project cost estimating phase and throughout the construction phase.

With regard to this Board agenda item, the requested action is to approve the accompanying Notice of Completion (Attachment 1) and Resolution accepting the Corporation Yard Safety Improvements Project (Attachment 2) to complete this Capital Project.

RECOMMENDATION:

Adopt Resolution 13-2018 Corporation Yard Safety Improvements Project (C15-102), and authorize the District Secretary to execute and record a Notice of Completion for the Project.

ATTACHMENT:

1. Notice of Completion for Corporation Yard Safety Improvements Project
2. Resolution of the Board of Directors Accepting Corporation Yard Safety Improvements Project (Resolution 13-2018)

ACTION:

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

ATTACHMENT 1

Notice of Completion for Corporation Yard Safety Improvements Project

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
CORPORATION YARD
SAFETY IMPROVEMENTS PROJECT

1. *Project Name:* Corporation Yard Safety Improvements Project C15-102
2. *Prime Contractor:* PnP Construction, Inc. of Applegate, California
3. *Date of Contract:* August 8, 2017
4. *Date of Final Inspection and Completion:* April 20, 2018
5. *Site Location:* 6230 Sylvan Road, Citrus Heights, CA 95610
6. *Description of Work or Materials Furnished:* The work performed consisted, in general, of installing one (1) Material Storage Facility, two (2) Vacuum Excavation Spoils Disposal Basins, one (1) Vehicle Wash Station, and related improvements. All other work described pursuant to the contract plans and specifications are on file with Citrus Heights Water District.
7. *Owner's Property Interest in Site is:* vendee under contract
8. *Owner:* Citrus Heights Water District
9. *Signature for Owner:* _____
Hilary M. Straus, 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: June 21, 2018

Madeline Henry, Management Services
Specialist/Deputy Board Clerk
Citrus Heights Water District

ATTACHMENT 2

Resolution of the Board of Directors
Accepting
Corporation Yard Safety Improvements Project
Resolution 13-2018

CITRUS HEIGHTS WATER DISTRICT
RESOLUTION NO. 13-2018

RESOLUTION OF THE BOARD OF DIRECTORS
ACCEPTING
CORPORATION YARD SAFETY IMPROVEMENTS PROJECT

WHEREAS, on July 24, 2017 the Board of Directors of the Citrus Heights Water District authorized the award of a contract to PnP Construction, Inc. for the Corporation Yard Safety Improvements Project; and

WHEREAS, on August 8, 2017 the contract was fully executed between the District and PnP Construction, Inc.; and

WHEREAS, PnP Construction, Inc. has completed the work for the Corporation Yard Safety Improvements Project in accordance with the plans, specifications and contract documents prepared by the District pursuant to a final inspection on April 20, 2018.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Citrus Heights Water District that the Corporation Yard Safety Improvements Project is accepted as complete.

BE IT FURTHER RESOLVED that the District Secretary is authorized to execute a Notice of Completion for the Corporation Yard Safety Improvements Project 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 20th day of June 2018 by the following vote, to wit:

AYES: Directors:
NOES: Directors:
ABSTAIN: Directors:
ABSENT: Directors:

SEAL

RAYMOND RIEHLE, President
Board of Directors
Citrus Heights Water District

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of Resolution 13-2018 adopted by the Board of Directors of Citrus Heights Water District at its regular meeting held June 20, 2018.

Madeline Henry, Deputy Board Clerk
Citrus Heights Water District

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS June 20, 2018 MEETING

SUBJECT : METER REPLACEMENT STUDY UPDATE
STATUS : Information Item
REPORT DATE : June 05, 2018
PREPARED BY : Hilary Straus, General Manager
Rex Meurer, Water Efficiency Supervisor

Staff will update the Board on CHWD's progress in working with several surrounding water districts to develop a multi-agency Water Meter Replacement and Operations Program. The updates will include status reports on the Memorandum of Understanding (MOU) approvals by the various governing boards of the newly-forming Meter Replacement Consortium and the development and schedule for release of the Request for Proposal (RFP) of the Advanced Planning Study.