

PROJECT 2030

WATER MAIN REPLACEMENT



CITRUS
HEIGHTS
WATER
DISTRICT

PROJECT 2030
WATER MAIN REPLACEMENT



Customer Advisory Committee Meeting 5

FEBRUARY 26, 2019



PLEDGE OF ALLEGIANCE



MEETING AGENDA

Public Comment

Approve Meeting #4 Summary

Spending/Funding Alternatives Background

Spending and Funding Alternative Activity

Report and Review Top Recommendations

Public Comment

Preview of CAC Meeting #6 on March 19th, 2019

Meeting Take Away's



PUBLIC COMMENT



PUBLIC COMMENT





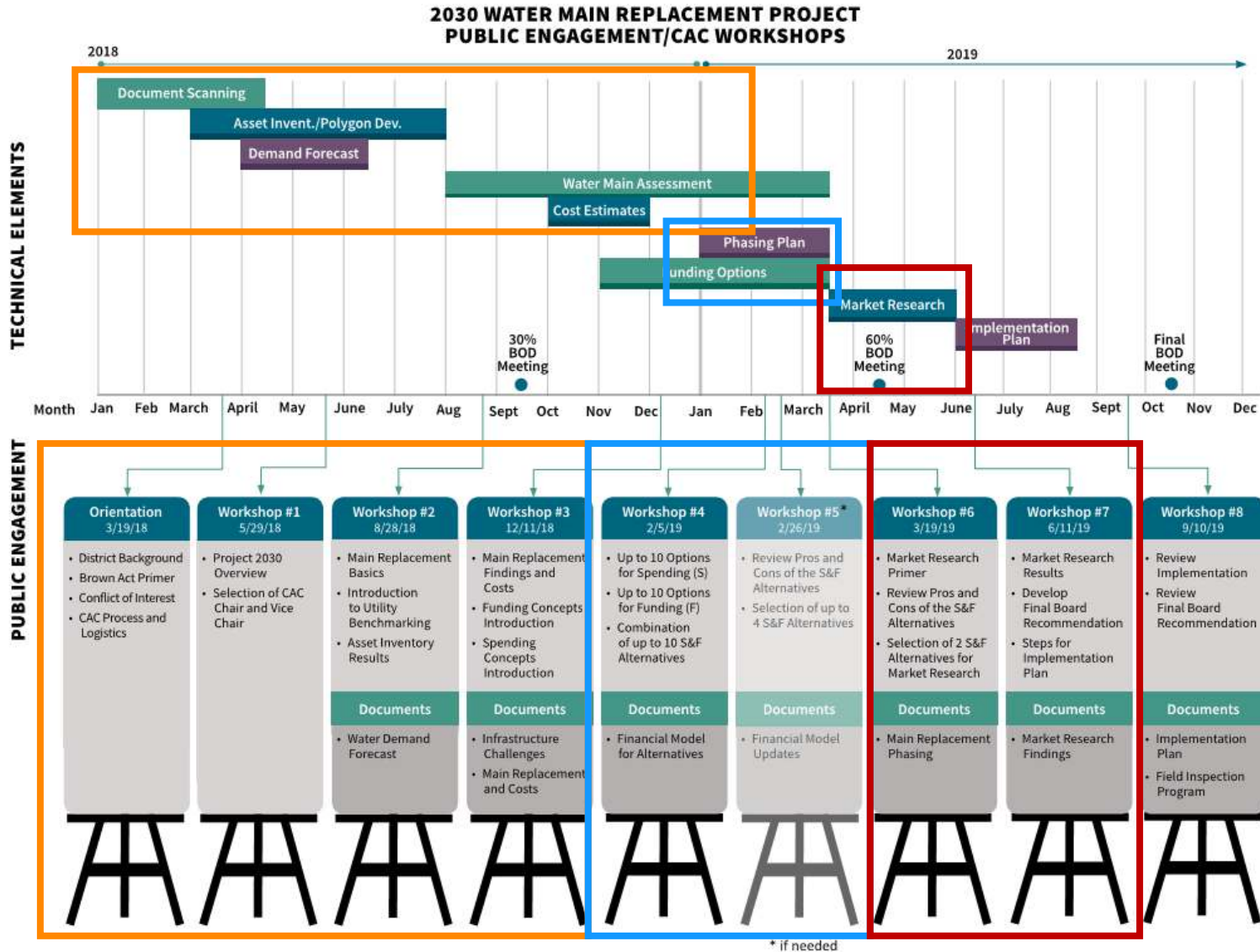
APPROVE MEETING #4 SUMMARY – FEBRUARY 5, 2019



WHERE WE ARE & WHERE WE ARE GOING



PROJECT OVERVIEW



PROJECT 2030 SCOPE



FUNDING



Three Primary Funding Options



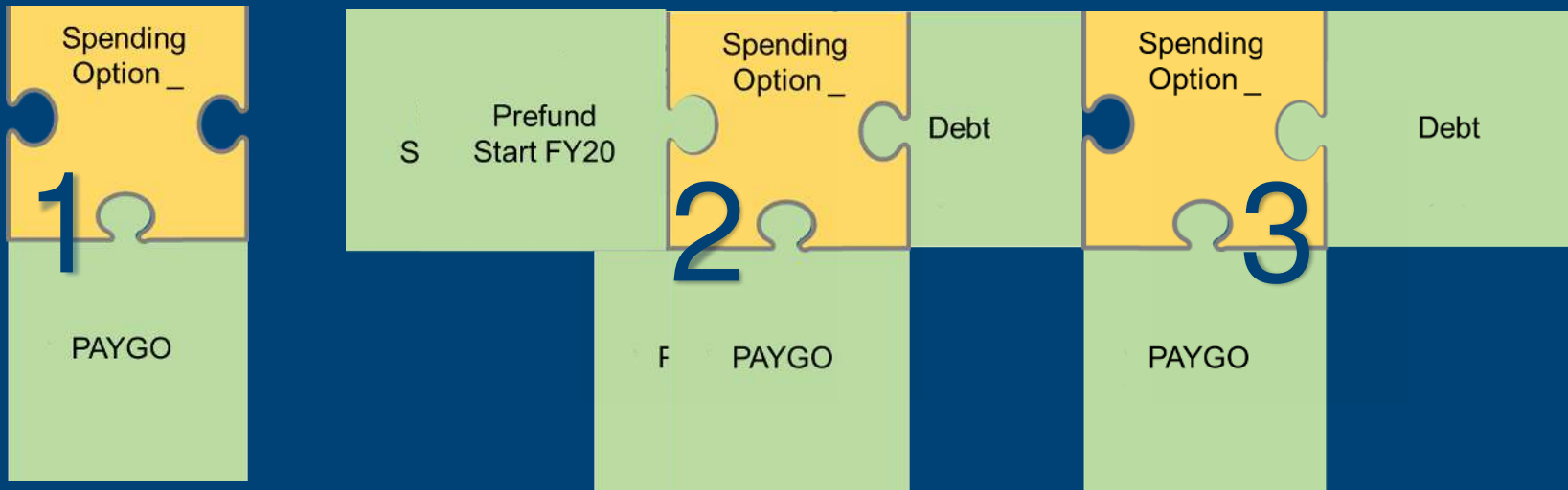
FUNDING OPTIONS SCENARIOS

- All Funding Options includes a PAYGO Component
 - Can't prefund entire project before 2030
 - 100% debt funding is not possible



FUNDING OPTIONS SCENARIOS

- Funding Variations
 1. No Prefunding; No Debt
 2. Prefunding; No Debt
 3. No Prefunding with Debt
 4. Prefunding with Debt



SPENDING AND FUNDING

Spending	PAYGO	Prefunding	Debt
\$100M; \$2M / Yr	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
\$150M; \$3M / Yr	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
\$200M; \$4M / Yr	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
\$320M; \$6.4M / Yr	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
\$390M; \$7.8M / Yr	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
\$480M; \$9.6M / Yr	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
\$510M; \$10.2M / Yr	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- Generates 21 different spending / funding options



Key Considerations

Key Considerations

1. Annual Average Revenue Increase

- Are adjustments smooth and consistent?
- How much do adjustments fluctuate for certain alternatives?
- Are there any spikes in revenue needs?

2. Pre-Funding

- Dedicated revenue put aside in preparation for project
- Besides actual dollars set aside, slowly increases revenue from 2020 through 2029, reduces significant increases in the early years of the project.
- Built up funding may also be leveraged as a reserve or matching funds to obtain low interest rate loans
- Adjustments today, pay dividends throughout the project

3. Debt

- Spreads cost over the useful life of facilities; lower annual cost
- Generates inter-generational equity
- Causes total project cost to increase due to incurring interest



SPENDING/FUNDING ALTERNATIVE ACTIVITY



Scenario Manager

Saved Scenarios:

1 Baseline
2.1 \$150M (No Prefunding; No Debt)
2.2 \$150M (Prefunding; No Debt)
3.1 \$200M (No Prefunding; No Debt)
3.2 \$200M (Prefunding; No Debt)
4.1 \$320M (No Prefunding; No Debt)
4.2 \$320M (Prefunding; No Debt)

Load

Save Current Scenario

Save

Ability to load and toggle between alternative

Save 4 Preferred Alternatives

1. Type in Group and Alt #
2. Click save
3. Scenario will populate at bottom of list



Scenario
Manager

Tap to Bring
up List

4.1 \$320M

(Prefunding; No Debt)

Data from
Worksheet
Populates

SPENDING METRICS

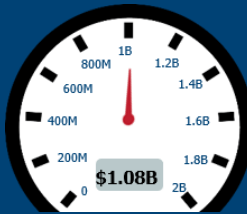
Project Cost (2018)



Average Annual
Spending (2018)



Project Cost
(Inflated)



FUNDING METRICS

% Debt



Financing (Interest) Annual Rate Increase



RELATIVE SYSTEM RISK

High

Low



Capital Spending

Current Revenue

Pre-Funded

Debt

PAYGO

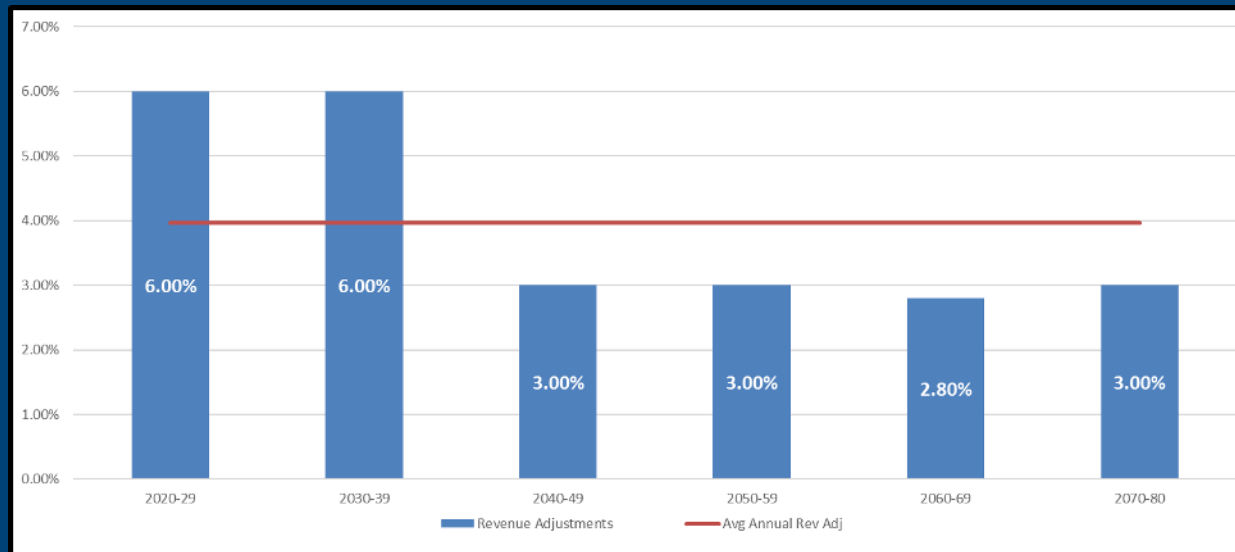


\$15.5M

Dollar Breaks
into Funding
Components



Spending	Total Cost	Water Main % Replaced	2080 Survival Probability	Annual Rev Increase	Debt	Prefund
Baseline	\$510M	94%	16.50%	4.07%	15%	Yes



Charts and Data from last time will also show as tables

2020-2030
Annual Monthly (Δ) \$4.55



TABLE GROUP ACTIVITY



BREAK



REPORT & REVIEW TOP RECOMMENDATIONS



PUBLIC COMMENT



PUBLIC COMMENT

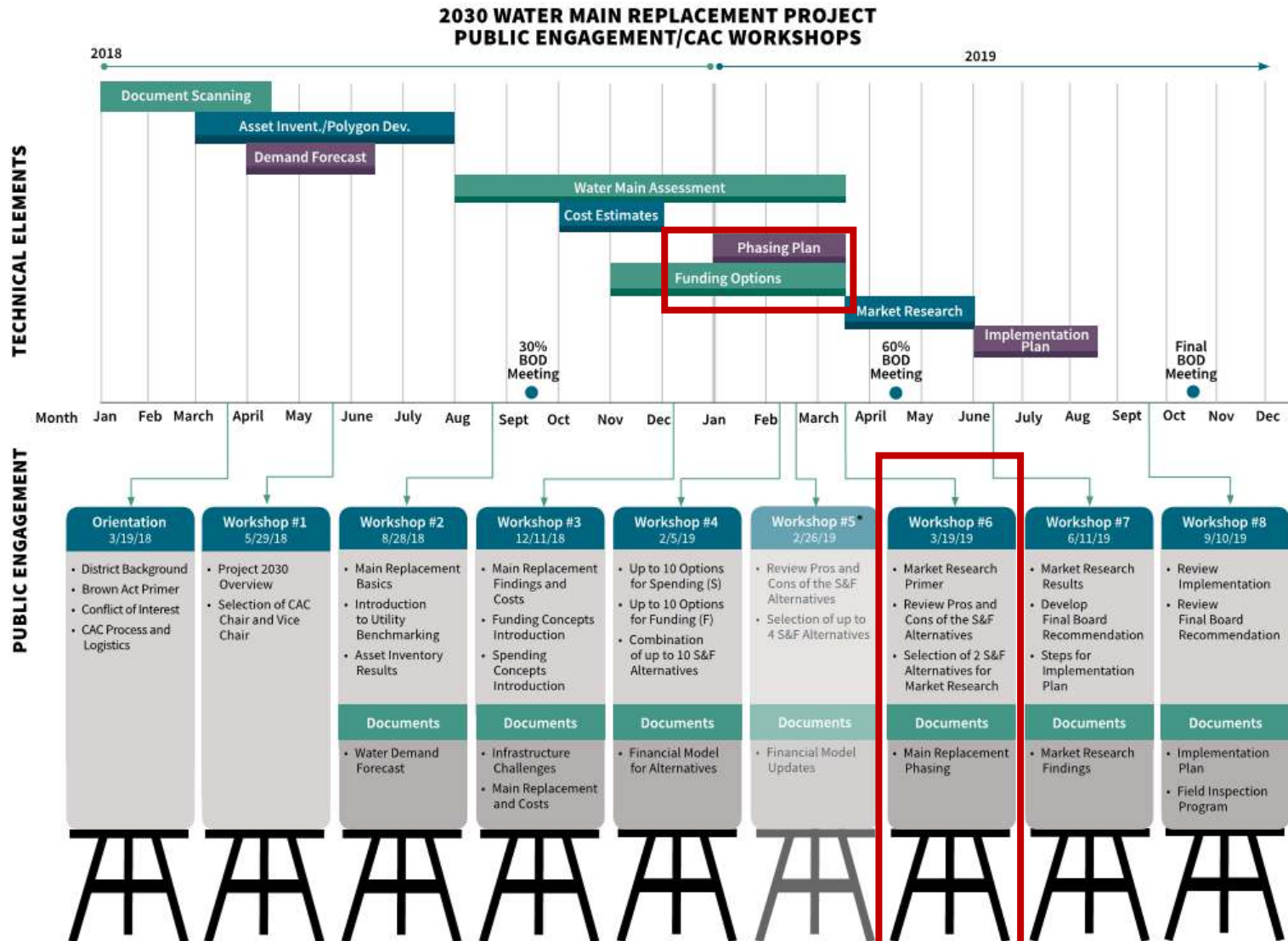


TOPICS FOR MEETING 6

- Review the Key Considerations for selected Spending/Funding Alternatives
- Narrow down Spending/Funding Alternatives to 2-3 Alternatives
- Market Research Overview



PREVIEW OF CAC MEETING 6



Next Meeting: Tuesday, March 19th, 2019

Time: 6:30 pm – 9:15 pm

Location: Citrus Heights Community Center, Hall A



VISIT THE CAC WEBPAGE
[chwd.org/customer-](http://chwd.org/customer-advisory-committee/)
[advisory-committee/](http://chwd.org/customer-advisory-committee/)



PARTICIPANT TAKE- AWAY'S



CLOSING