



## Customer Advisory Committee Meeting #7 Summary

Tuesday, June 11, 2019, 6:30-9:30 pm

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### **INTRODUCTION**

Jenna Moser, Chair of the Customer Advisory Committee (CAC), called the meeting to order at 6:33 p.m. After welcoming the members of the CAC, she turned the meeting over to Laura Mason-Smith, the CAC meeting facilitator, who reviewed with the CAC the **Meeting Agenda**:

1. Public Comment
2. Introductions
3. Approve minutes of March 19, 2019 CAC Meeting #6
4. Review the Remaining Top Two Spending/Funding Alternatives
5. Review the Market Research Results
6. Determine the Top Alternative Recommendation
7. Preview CAC Meeting #8 on September 10, 2019
8. Public Comment
9. Close

Laura reiterated that meeting materials are provided electronically to the CAC members in advance of and following their meetings and are posted on the CHWD website, [Customer Advisory Committee Section](#). In addition, meeting summaries that provide an overview of each of the CAC meetings as well as a video of the meetings are posted to the website to be available to the CAC members and the general public.



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### ATTENDEES

#### CAC Members:

Kimberly Berg	Commercial Representative
Julie Beyers	Residential Representative
Ray Bohlke	Residential Representative
Deborah Cartwright	Residential Representative
Patti Catalano	Residential Representative
Michael Goble	Residential Representative
Suzanne Guthrie	Residential Representative
Bren Martinez	Residential Representative
Dave Mitchell	Institutional Representative
James Monteton	Residential Representative
Jenna Moser	Residential Representative and CAC Chair
Richard Moses	Residential Representative and CAC Vice Chair
Mike Nishimura	Commercial Representative
Peg Pinard	Residential Representative
Chris Ralston	Institutional Representative
Ray Riehle	CHWD Director
Javed Siddiqui	Residential Representative

#### Unable to attend were:

Katherine Cooley	Institutional Representative
Wes Ervin	Commercial Representative
Andrew Johnson	Alternate
Doug MacTaggart	Residential Representative
Richard Moore	Residential Representative
David Paige	Residential Representative
Aimee Pfaff	Residential Representative
Cyndi Price	Institutional Representative
Noe Villa	Institutional Representative

#### CHWD Staff and Board:

Chris Castruita	Management Services Supervisor/Chief Board Clerk
Tamar Dawson	Assistant Engineer
Paul Dietrich	Project Manager
David Gordon	Operations Manager
Madeline Henry	Management Services Specialist/Deputy Board Clerk
Rex Meurer	Water Efficiency Supervisor
Missy Pieri	Engineering Manager/District Engineer
Caryl Sheehan	CHWD Board Chair
Hilary Straus	General Manager
Susan Talwar	Administrative Services Manager

#### Consultants:

Andrew MacDonald	Harris & Associates
Roger Kohne	Technical Support
Habib Isaac	Raftelis Financial Consultants, Inc.
Bryan Godbe	Godbe Research
Laura Mason-Smith	Mason-Smith Success Strategies



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### ***PUBLIC COMMENT***

Community member Sherland Clark, a resident and homeowner for over 42 years, thanked the District and the CAC for such a progressive public process and for providing the opportunity for community input. She recommended that the District minimize or rectify damage to any personal property when implementing the water main replacement project. It was confirmed by District Engineer Missy Pieri that there is a contingency built into all construction projects for these types of situations.

### ***APPROVAL OF MARCH 19, 2019, CAC MEETING #6 MINUTES***

The minutes of the March 19, 2019, CAC Meeting #6 were unanimously approved without comments or changes.

### ***CAC PROCESS OVERVIEW***

Missy Pieri, District Engineer and Project 2030 Manager, provided an overview of where the CAC is in the Project 2030 process and outlined what is still to come. Missy also thanked the CAC members for their ongoing thoughtful and active participation in the process.

### ***REVIEW OF THE REMAINING TWO SPENDING/FUNDING ALTERNATIVES***

Habib Isaac reviewed the top two Spending/Funding Alternatives that the CAC had identified at their March 19, 2019 meeting and that had moved forward for Market Research:

Alt #	Funding Description	System Replaced by 2080	Project Cost-- 2018 \$	Annual Spending 2018 \$	Additional Interest
5.4	Prefunding (\$22.5M), with Debt (4% of funding)	72%	\$390M	\$7.8M	\$48M
6.4	Prefunding (\$29.4M), with Debt (9% of funding)	89%	\$480M	\$9.6M	\$132M

Alternative	Prefunding	Annualized (10 years)	Projected Monthly Meter Surcharge (1 inch)
5.4	\$22.5 M	\$2.25 M	\$8.63
6.4	\$29.4 M	\$2.94M	\$11.27





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### ***RESEARCH RESULTS***

Bryan Godbe, with Godbe Research, provided a detailed overview of the market research results covering the following topics related to the Top Two Spending/Funding Alternatives:

1. Research objectives
2. Methodology overview
3. Key findings
4. Summary and recommendations

The key findings and summary of recommendations are available in [Technical Memo No. 5](#). A question-and-answer period also occurred after the review to answer any CAC questions.

### ***THE TOP ALTERNATIVE RECOMMENDATION***

The CAC members indicated their initial informal assessment of the two Alternatives. They then officially voted for Alternative 5.4 as their Top Recommendation. The final voting results were 11 members for Alternative 5.4 and 3 members for Alternative 6.4; however, the members voting for Alternative 6.4 also indicated that they could support Alternative 5.4. Given that the market research results showed that both Alternatives 5.4 and 6.4 have a majority of research respondents' support that is not significantly different, the CAC members explained some of their reasons for choosing Alternative 5.4, as paraphrased below:

1. We had a couple of really great Alternatives, and I'm really pleased with either of those Alternatives. The next big challenge will be finding out and deciding on how the public education and engagement process will be done.
2. This increase in funding (via rate increase or surcharge), when it is implemented, will likely be only one of several increases of utility bills that customers may receive, so the gentler the increase the more likely the District will get more support.
3. The main deciding factor was the fact that at the end of the market research, there was no statistical difference between the two Alternatives. Therefore, I went with my opinion of what would be the best option for the community at large that I believe the majority would support.



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### ***THE TOP ALTERNATIVE RECOMMENDATION (continued)***

4. If the survey respondents had been given the specific projected monthly rate increase amounts, I believe they would have given a more realistic response. That is why I chose Alternative 5.4.
5. I agree that, with no statistical difference, when the survey tested for rate sensitivity that flipped my support to the less expensive Alternative.
6. I agree with all those comments; each of the individual survey respondents provided input on one option and didn't have the opportunity to choose between the two options. So, I think the CAC should appear as the tie breaker since we know all the Alternatives, have been in this process for over a year, have been exposed to much more information about the issues surrounding Project 2030, and know much more than the survey respondents.
7. There was a very large percentage of respondents that indicated they didn't know or have an opinion, which is surprising; maybe they are overwhelmed by data. We've been in this process for over a year. If the respondents had all the facts we have been exposed to, I think they would sway toward the 5.4 Alternative.
8. I appreciate the rate sensitivity and the monthly surcharge information. We need to be sensitive to our population, some of whom are on fixed incomes, and the impacts to our rate payers.
9. I'm extremely confident in the integrity of the Citrus Heights Water District and the fact that the District will do the right thing for the community. I think the District will get way beyond the water main replacement goals and will want to do even more for the customers.
10. My concern on this is that I think it would have been more worthwhile to have chosen Alternative 6.4 to have 89% of the water mains replaced rather than 72%. I would have preferred the Alternative 6.4 to replace more pipes, but Alternative 5.4 is still fine.
11. I preferred the higher completion number of Alternative 6.4 and thought the difference in cost would be worth it, since water is an essential service. But I can also support Alternative 5.4.





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### **CAC PROCESS AND LOGISTICS OVERVIEW**

The CAC reviewed the updated schedule of 2019 CAC meetings ([see the CAC Document Library on the website for the schedule graphic](#)). These after-dinner meetings and the high-level topics anticipated for each of the meetings are.

#### **Workshop #8: September 10, 2019, 6:30-9:15 pm, Citrus Heights Community Center**

- Review Implementation Plan
- Review Final Board Recommendation

### **CAC MEMBER CLOSING COMMENTS**

The CAC members indicated what they were taking away from the Meeting as:

1. The thoughtfulness of this group makes me confident that there are great quality people in this group who would be excellent candidates to serve on the CHWD Board of Directors.
2. I'm very satisfied with the outcome. I can talk with my neighbors and customers and feel really strong with the outcome of Alternative 5.4.
3. I found out tonight that community engagement and education will be extremely important and that the District needs to improve this. Flyers that come in the mail typically go into the trash; so there will need to be a lot more work done and a better approach for younger generations. One idea is to present to elementary schools to talk about water conservation efforts and teach them about infrastructure.
4. It's been a pleasure to be part of the discussion process.
5. I think there is a lot of momentum and energy in the right direction. I think that Alternative 5.4 has a good chance to get legs.
6. I am satisfied with the process. I've never participated in anything like this, so I have enjoyed learning and, when there is an increase, I will understand what's gone into it. Thank you.
7. I enjoyed being part of the process and am happy with the results. I may not be happy with a rate increase, but I think it will be justified.



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### **CAC MEMBER CLOSING COMMENTS** *(continued)*

8. It's been a good process, and there's been lots of education. I wish everybody could have this level of education, so we need to share what we've learned.
9. I enjoyed also learning the backside of the survey process; it is interesting to look at the questions and takeaways and how those inform the materials presented this evening. The pieces that help the decision making, such as rate sensitivity as part of the big picture, were very interesting.
10. A challenge is for the District to distinguish itself. It's probably useful to be "out of the gate" first to promote the District's assets—the great CHWD water, the reliability of our water (especially when electricity may not be reliable), and that we all have a share in maintaining our water.
11. Often it helps to listen and be the speaker at almost anything to talk about our Water District and how wonderful our water is. That's the kind of thing that will help get the word out.
12. This CAC process has really been great, and I feel surprised and good because the District made the process so informative and easy.
13. I'm really happy about the process overall and happy to be a participant, so thank you for that. I'm curious about the public outreach and would like to be able to hear feedback as the public gets more educated about the project. It would be nice to be able to hear that more and more people are on board with it in a positive way.
14. It's been an honor and privilege to be on the CAC and I've learned a lot as a result of this process. I agree that it will be easier to talk with other people who ask questions.
15. Thanks to everyone. I've taken a lot of education away from this experience, and it's been a great opportunity to serve our community. I hope everyone feels those same warm feelings of being able to give back in a really concrete way that we can tell other people about.

### **PUBLIC COMMENTS**

None



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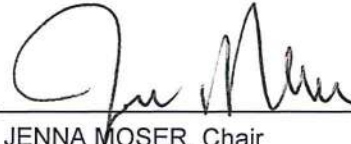
### **CLOSE**

CAC Chair Jenna Moser thanked the CAC members, District staff, and consultants for their participation and adjourned the meeting at 8:28 pm.

APPROVED:



MADELINE HENRY  
Deputy Secretary  
Citrus Heights Water District



JENNA MOSER, Chair  
Customer Advisory Committee  
Citrus Heights Water District