

# Customer Advisory Committee Budget Roadshow

October 22, 2025

# Introduction

Andrew Johnson, CAC Chair

# Introduction

- Call to Order
- Roll Call
- Pledge of Allegiance
- Visitors
- Public Comment

# Agenda

- Recognizing CAC Members
- Budget Overview
- Q&A Breakout Groups
- Preview December CAC Meeting
- Public Comment



CAC members **gain an understanding** of what it means to **implement Project 2030** through an understanding of rates and budget.

# Introduce yourself!

- Your Name
- Residential, Business, or Institutional Member
- What's one thing you value most about your water service?

# Recognizing CAC Members

Mary Elise Conzelmann, Principal Public Affairs Analyst

# Welcome New Members

- Susan Powers
- Lana Crum
- Stephen Pay
- Pennie Rose
- Korene Woodard

# Thank You Jenna Moser

Founding CAC Chair

Serving the CAC from its  
inception in 2018 until 2025



# Budget Overview

Finance Team

# Meet the Finance Team

**Annie Liu**

Director of  
Administrative  
Services



**Habib Isaac**

Finance  
Advisor



**Ben Strange**

Accounting  
Manager



**Megan Selling**


Senior  
Accountant



# Share Your Thoughts

- We will respond to questions at the end of the presentation.
- If we do not get to your question, our team will contact you with a response.
- Please include your email or phone number so we can get in touch with you.

CITRUS  
HEIGHTS  
WATER  
DISTRICT



OPERATIONAL & BUDGET UPDATE

Share Your Thoughts

NAME

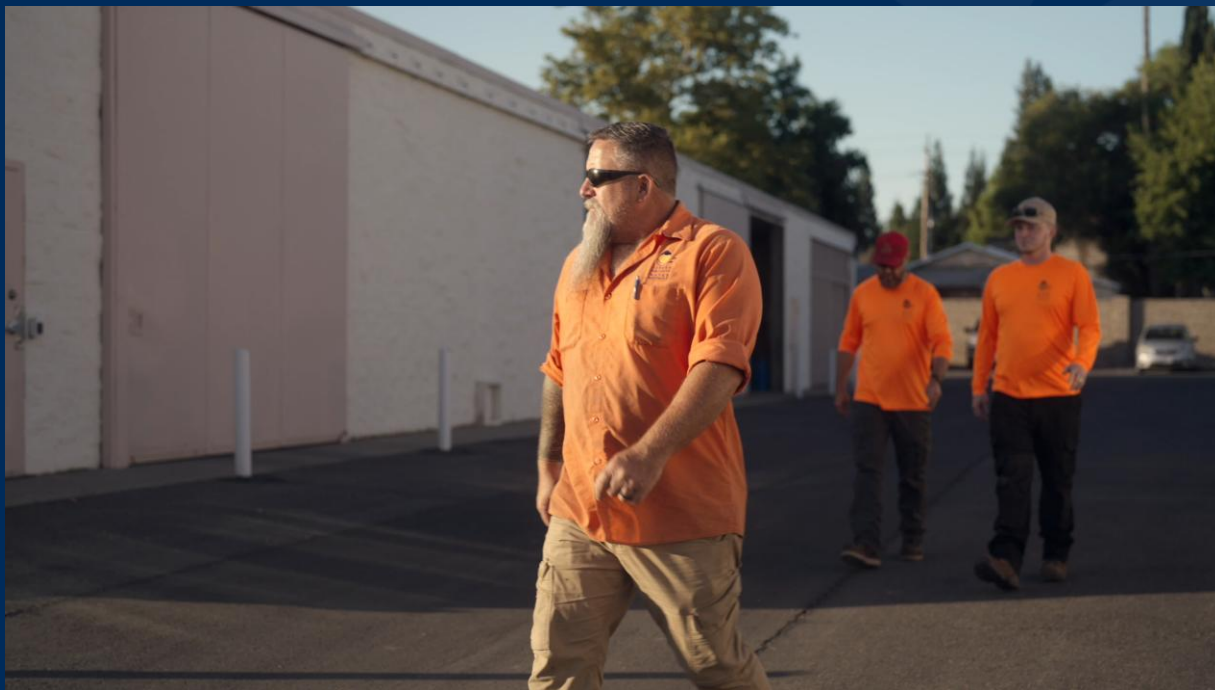
PHONE

EMAIL

SIGN ME UP THE E-NEWSLETTER (CIRCLE ONE)      YES      NO

COMMENTS OR QUESTIONS

# We're Working For You



# Strategic Planning Guides Our Budget Development



- CHWD operates on a calendar budget from January through December
- Budget serves as an action plan for implementing CHWD's strategic planning projects and other district operational priorities

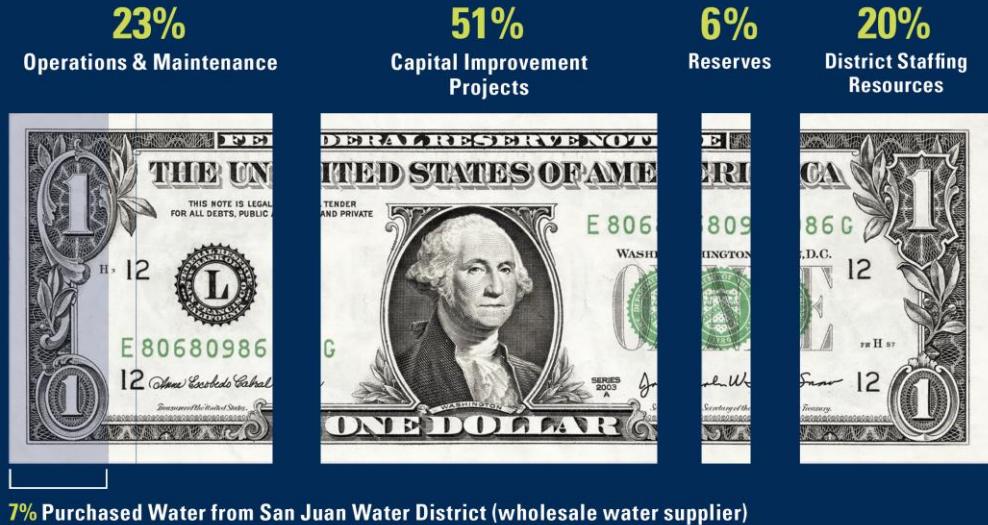
# Connecting Strategic Planning to Annual Budgeting



# Using Customer Dollars Wisely

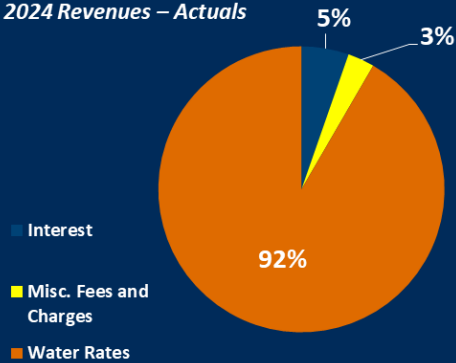
## Citrus Heights Water's 2026 budget focuses on:

- Replacing pipes
- Project 2030 planning
- Building new wells
- Saving for the future
- Improving services
- Finding efficiencies
- Engaging customers

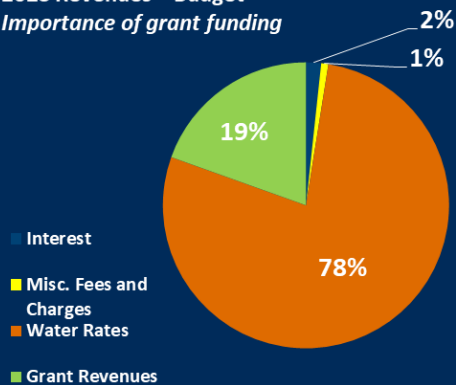


# We're Primarily Funded By Customer Rates

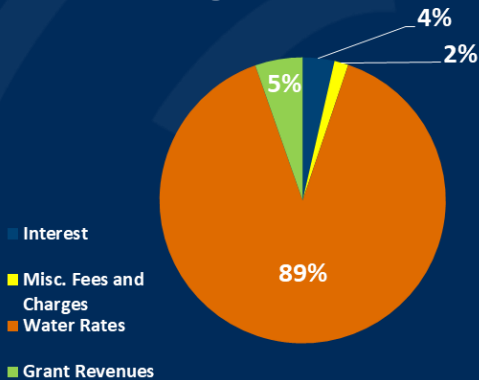
Typical Year Revenue Profile  
2024 Revenues – Actuals



2025 Revenues – Budget  
*Importance of grant funding*



2026 Revenues – Budget



# We Bring in Outside Dollars

- Pursuing Grants
  - We actively pursue grants and funding to reduce the burden on customers.
  - Over \$6.6 million awarded for Wells #7 and #8 alone.
  - Approximately 19% of our 2025 budget and 5% of our 2026 budget are covered by non-ratepayer funding.
- Maximizing Investments



# Proposed Rate Adjustment for 2026

84% of Citrus Heights Water  
service meters are  
1" meter

| # of<br>1" Meters* | # of<br>All Meters* |
|--------------------|---------------------|
| 17,166             | 20,401              |

\*as of August 2025

## Rate Adjustments Impact

Typical monthly increase for 1"  
meter:

**about \$4.57 per month**

(assuming usage of 20 units per month)

# Proposed Rate Adjustment for 2026

1 unit on your bill =

5,665  
16.9 oz Water  
Bottles



or

748  
1 Gallon  
Containers



5-hour shower



OR

10 full baths



1 unit of water on your bill  
= 748 gallons

The proposed cost for that  
is **\$1.38**.

# Why are Rates Changing?

## PROJECT 2030 WATER MAIN REPLACEMENT



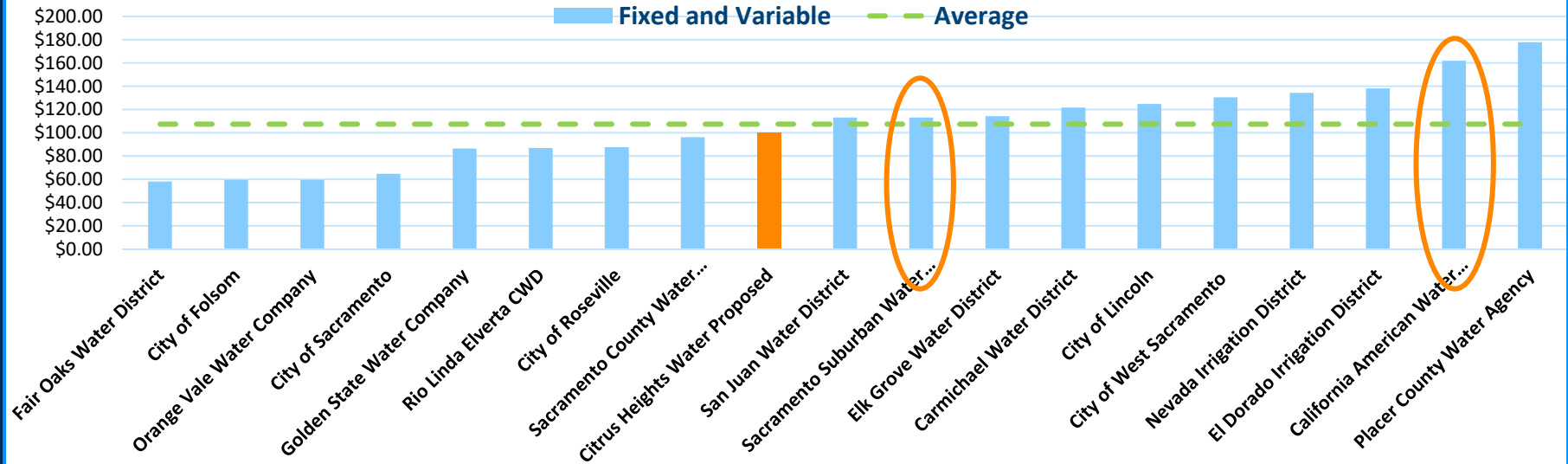
The proposed adjustment is necessary to cover CHWD's costs.

Here are the drivers:

- Project 2030 implementation ←
- Maintaining our aging system
- Increased capital and operational expenses
- Keeping adequate savings (reserves) in the event of urgent needs and for long-term replacements
- State mandates to reduce water consumption

# Cost Below Regional Average

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



# Why are Rates Changing?



**PROJECT 2030**  
WATER MAIN REPLACEMENT



**Groundwater**  
Expansion & Reinvestment



**COOPERATIVE PURCHASING  
AND ASSET MANAGEMENT**

## Investing in the Future

# Rate Model Refresher

Finance Team

# Citrus Heights Water District

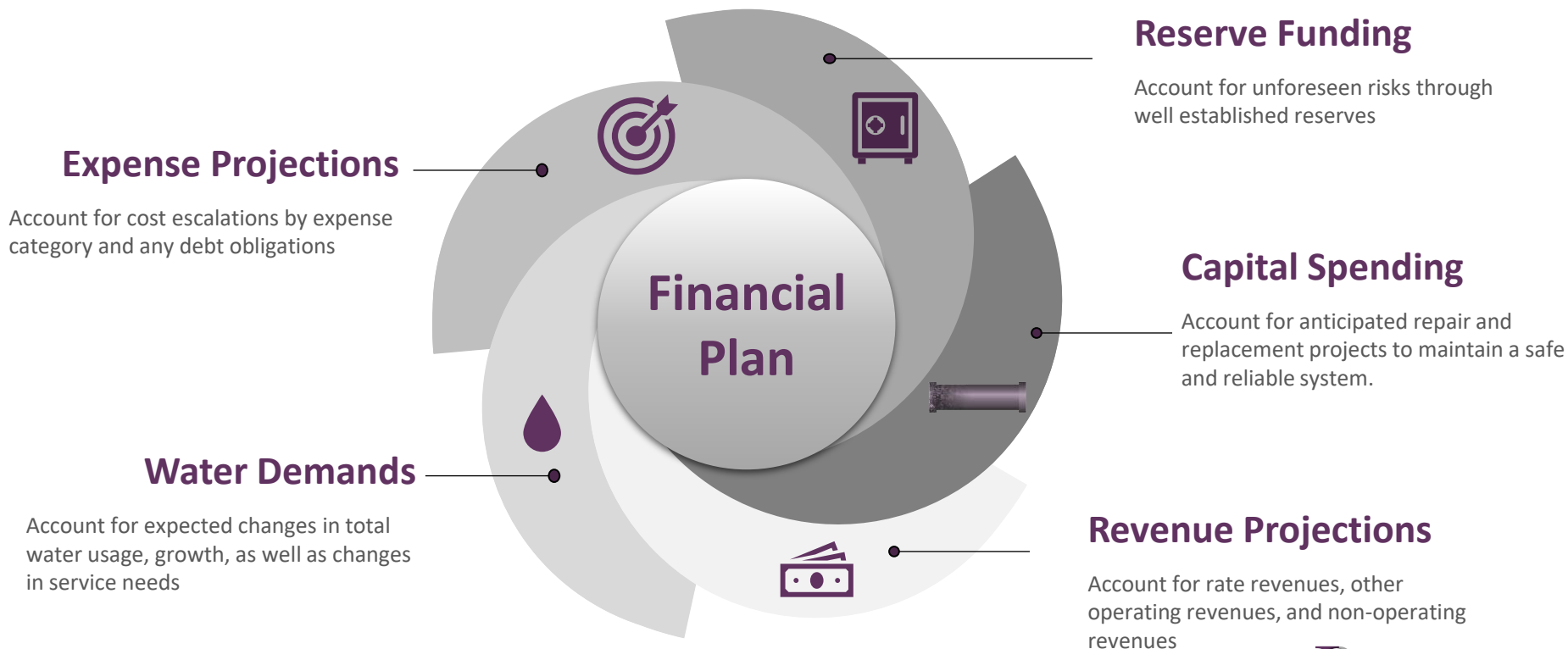
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*Community Advisory Committee  
Financial Plan Workshop*

**October 22, 2025**



# Factors Impacting the Financial Plan



# Reserves

Long-Term Financial Plan



# Undesignated Reserves



## OPERATING



Provides ongoing cash for daily operations and expenses of utility. Covers fluctuations in monthly expenses.

## CAPITAL IMPROVEMENT & REPLACEMENT



Provides funding for system upgrades and R&R. Ensures system reinvestment occurs without delays or deferments.

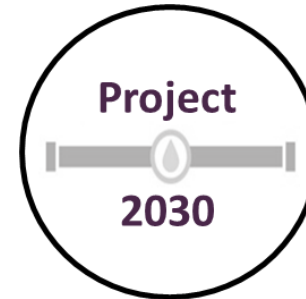
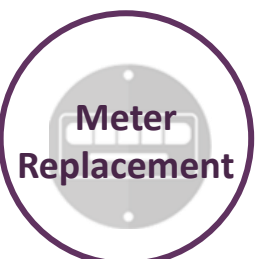
## RATE STABILIZATION



Funding to offset unforeseen increases in O&M or new regulatory requirements. Also provides funding for rate smoothing over multiple years.

# Designated Reserves

- Provides funding for specific projects/programs



Upcoming project to  
modernize meters

Used for  
Wells #7 and #8

Revenue from dedicated fixed  
charge set aside in  
Project 2030 Reserve

# Project 2030 Reserve

## PROJECT 2030 WATER MAIN REPLACEMENT



- District performed a water main line study (2018-2021)
  - Customer Advisory Committee (CAC) formed as part of the project and was involved throughout the project, including results and funding options
  - A dedicated fixed charge was established in 2022 to set aside funds for main line replacement
  - \$5.25 per month for 1" Meter
- In 2025, Project 2030 Charge adjusted to the recommended amount
  - \$8.63 per month for 1" Meter

# District's Rate Structure

Long-Term Financial Plan



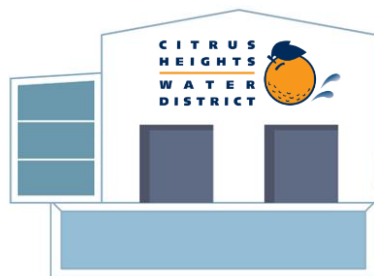
# Rate Structure – 2026 Monthly Bill

## Fixed Charges

Base Charge +  
Capacity Charge +  
Project 2030

## Usage Rate

SJWD Surface Water +  
Groundwater +  
Delivery



Before being delivered to you, water is treated to make it safe for drinking.

Remain fixed every month.



## WATER CHARGES

Cost of water used in the billing period.

Covers SJWD purchase water costs and District costs to deliver water to end taps.

*Average Monthly Bill*

**\$100.23**

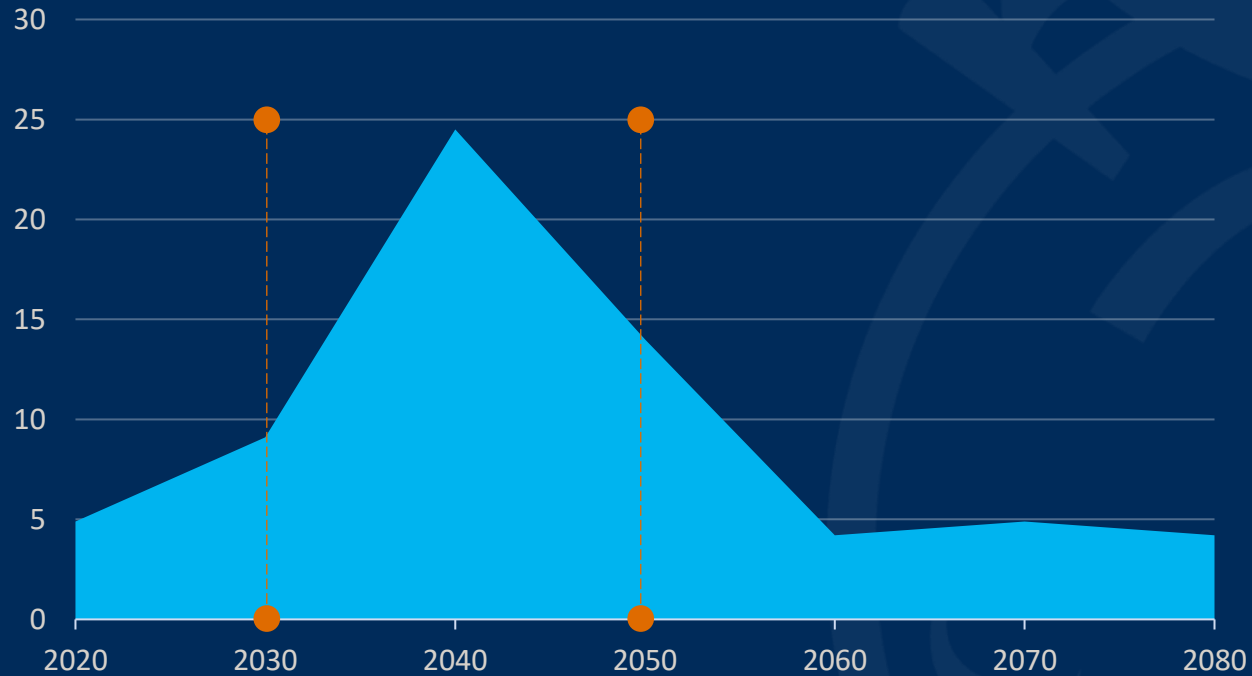
1" Meter = \$72.63 Monthly

\$27.60 Monthly @ 20 Units of Water

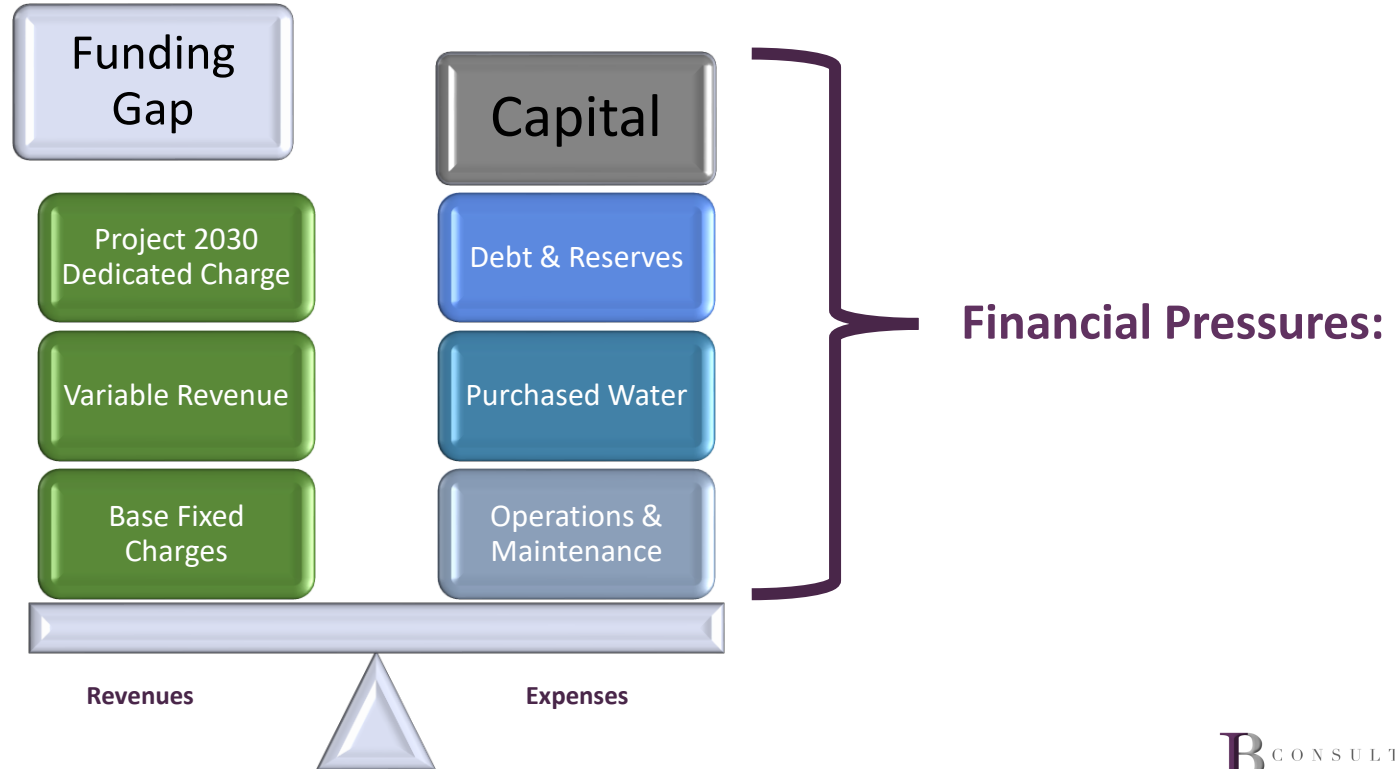
# Long-Term Financial Planning



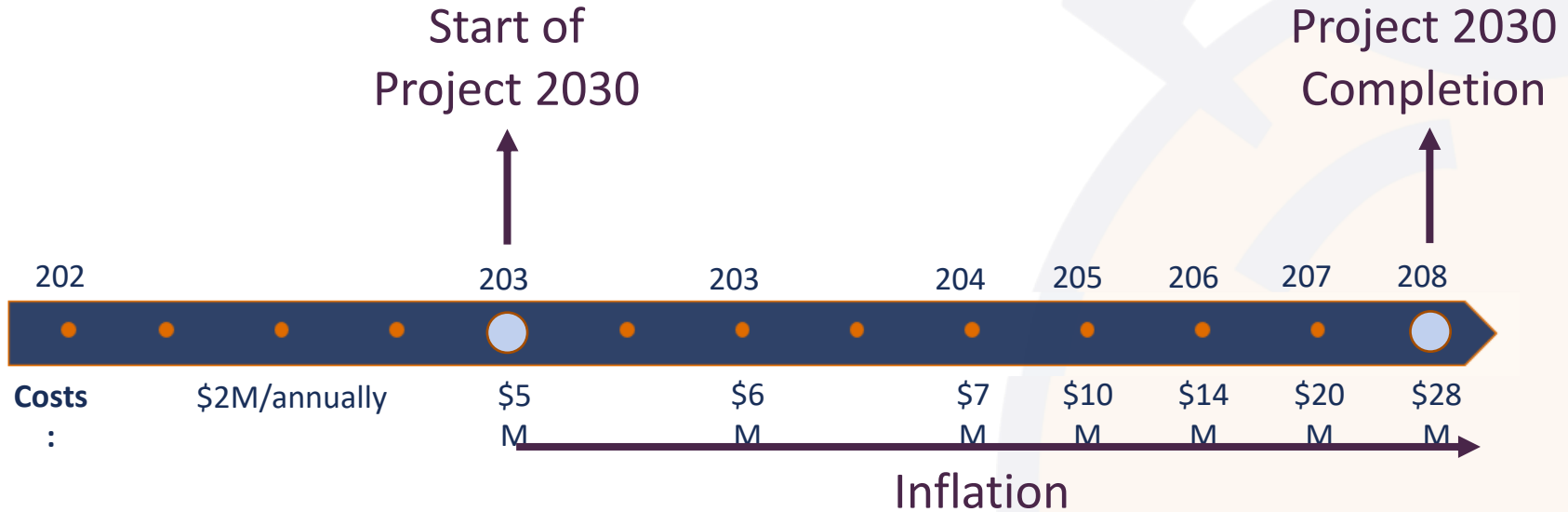
## 50% of Total Pipelines Will Reach Typical End of Life Between 2030 and 2050



# Long-Term Financial Plan and Funding Gap



# Project 2030 Main Line Replacement Costs



# Project 2030 – Funding Optimization



## Dedicated Charge

- Fixed amount of funding
- \$2.3M/Yr; Cost = \$5M+/Yr
- Funds build up, then may be used to minimize rate increases



## Rates

- Provides base level of funding
- \$2M/ Yr + annual increases as rates increase



## Debt

- May be used to cover funding gaps
- Reduce peaks in capital spending
- Mitigates the use of Project 2030 funds and/or the need to increase rates

Annual review ensures the funding strategy is implemented and optimized to minimize bill impacts


# Budget Q&A Breakout Groups

Jennifer Liebermann, Facilitator

# Let's Answer Those Questions!

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CITRUS  
HEIGHTS  
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OPERATIONAL & BUDGET UPDATE  
**Share Your Thoughts**

NAME \_\_\_\_\_

PHONE \_\_\_\_\_

EMAIL \_\_\_\_\_

SIGN ME UP THE E-NEWSLETTER (CIRCLE ONE)      YES      NO

COMMENTS OR QUESTIONS

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

# Small Group Breakout Hosts

**Annie Liu**

Director of  
Administrative  
Services



**Habib Isaac**

Finance  
Advisor



**Ben Strange**

Accounting  
Manager



**Megan Selling**

Senior  
Accountant



# Budget Hearing

Wednesday, November 12, 2025  
@ 6:00 p.m.

Citrus Heights Events Center  
South Flex Room  
*6300 Fountain Square Drive*  
*Citrus Heights*



# December CAC Meeting Preview

Mary Elise Conzelmann, Principal Public  
Affairs Analyst

# Public Comment

Andrew Johnson, CAC Chair