BOARD MEETING AGENDA
SPECIAL MEETING OF THE BOARD OF DIRECTORS OF
CITRUS HEIGHTS WATER DISTRICT (CHWD)
August 19, 2026 beginning at 6:00 PM

DISTRICT ADMINISTRATIVE OFFICE
6230 SYLVAN ROAD, CITRUS HEIGHTS, CA

CITRUS HEIGHTS WATER DISTRICT

PHONE CALL IN: 669-444-9171
PHONE MEETING ID: 869 0808 1654
COMPUTER AUDIO/LIVE MEETING PRESENTATIONS: https://chwd-org.zoom.us/j/86908081654

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.

Members of the public may attend the meeting in person at the District headquarters.

Materials related to an agenda item for an open session of a regular meeting of the Citrus Heights Water District are posted on the Citrus Heights Water District website at www.chwd.org.

CALL TO ORDER:

Upon request, agenda items may be moved to accommodate those in attendance wishing to address that item. Please inform the Chief Board Clerk or Deputy Board Clerk.

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

CLOSED SESSION:

CL-1. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION
(Paragraph (1) of subdivision (d) of Section 54956.9)
CHWD v. San Juan Water District, Sacramento Superior Court, Case No. 26WM000117

CL-2. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION
(Paragraph (1) of subdivision (d) of Section 54956.9)
CHWD v. San Juan Water District, Sacramento Superior Court, Case No. 24WM000064

CL-3. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to Section 54956.8:
Property: Parcel Number 243-0180-002-0000
Agency Negotiators: Steve Anderson, Brian Hensley, Josh Nelson, Hilary Straus, Annie Liu, Brittney Moore, Missy Pieri, Carlos Urrutia, Kayleigh Shepard, Todd Jordan, Jace Nunes, Mary Elise Conzelmann, Greg Snarr
Negotiating Parties: Ashwani Kumar, Teresita Kumar
Under Negotiation: Price and Terms of Payment

FUTURE CHWD BOARD OF DIRECTORS MEETING DATES:

September 22, 2026	6:30 PM	Regular Meeting
October 27, 2026	6:30 PM	Regular Meeting
November 17, 2026	6:30 PM	Regular Meeting
December 15, 2026	6:30 PM	Regular Meeting

ADJOURNMENT:

CERTIFICATION:

I do hereby declare and certify that this agenda for this Special 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 24 hours prior to the special meeting in accordance with Government Code Section 54956.

Brittney Moore

Brittney Moore, Chief Board Clerk

Dated: August 16, 2026

BOARD MEETING AGENDA
REGULAR MEETING OF THE BOARD OF DIRECTORS OF
CITRUS HEIGHTS WATER DISTRICT (CHWD)
August 19, 2026 beginning at 6:30 PM

DISTRICT ADMINISTRATIVE OFFICE
6230 SYLVAN ROAD, CITRUS HEIGHTS, CA

PHONE CALL IN: 669-444-9171
PHONE MEETING ID: 869 0808 1654
COMPUTER AUDIO/LIVE MEETING PRESENTATIONS: https://chwd-org.zoom.us/j/86908081654

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.

Members of the public may attend the meeting in person at the District headquarters or remotely through the phone number and link above.

Materials related to an agenda item for an open session of a regular meeting of the Citrus Heights Water District are posted on the Citrus Heights Water District website at www.chwd.org.

CALL TO ORDER:

Upon request, agenda items may be moved to accommodate those in attendance wishing to address that item. Please inform the Chief Board Clerk or Deputy Board Clerk.

ROLL CALL OF DIRECTORS:

PLEDGE OF ALLEGIANCE:

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 – June 23, 2026 (A)
CC-1b. Minutes of the Regular Meeting – June 23, 2026 (A)
CC-1c. Minutes of the Special Meeting – July 28, 2026 (A)
Recommendation:
Approve the minutes of the June 23, 2026 Special and Regular meetings; and the July 28, 2026 Special meeting.
CC-2. Revenue Analysis Report for June and July 2026 (I)
CC-3. Assessor/Collector's Roll Adjustment for June and July 2026 (I)
CC-4. Treasurer's Report for June and July 2026 (I)
CC-5. Treasurer's Report of Fund Balances for June and July 2026 (I)
CC-6. Operating Budget Analysis for June and July 2026 (I)
CC-7. Capital Projects Summary for June and July 2026 (I)
CC-8. Warrants for June and July 2026 (I)
CC-9. Purchase Card Distributions for June and July 2026 (I)
CC-10. Employee Recognitions (I)
CC-11. Long-Range Agenda (I)
CC-12. Engineering Department Report (I)
CC-13a. Operations Department Report for June 2026 (I)
CC-13b. Operations Department Report for July 2026 (I)
CC-14. Water Supply (I)
CC-15a. Water Supply Reliability for June 2026 (I)
CC-15b. Water Supply Reliability for July 2026 (I)
CC-16. Water Efficiency (I)
CC-17. Discussion and Possible Action to Approve a Construction Agreement with LaFleur Engineering, Inc. (A)
Recommendation:
Approve the Construction Agreement with LaFleur Engineering, Inc.; and authorize the General Manager to execute the agreement.

PRESENTATIONS:

P-1. Operations Department Update (I/D)

PUBLIC HEARINGS:

PH-1. Assembly Bill (AB) 2561 Vacancy Report (A)
Recommendation:
Conduct a Public Hearing as Required by AB 2561 and Government Code Section 3502.3, which must be held before the final budget is adopted.

PH-2. 2027 Operating and Capital Improvement Budget (A)
Recommendations:
1. Conduct a Public Hearing on the Proposed Budget for 2027
2. Adopt Resolution No. 16-2026 Establishing the Fiscal Year 2027 Operating and Capital Improvement Budget.

STUDY SESSION:

None.

BUSINESS:

None.

MANAGEMENT SERVICES REPORTS (I):

None.

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

None.

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

D-1. Regional Water Authority (Wheaton/Straus).
D-2. Sacramento Groundwater Authority (Sheehan/Riehle).
D-3. San Juan Water District (All).
D-4. Association of California Water Agencies (Riehle/Wheaton).
D-5. ACWA Joint Powers Insurance Authority (Wheaton/Moore).
D-6. City of Citrus Heights (Pieri).
D-7. Chamber of Commerce Update (Conzelmann).
D-8. RWA Legislative and Regulatory Affairs Update (Conzelmann).
D-9. Customer Advisory Committee Member Feature (Conzelmann).
D-10. Other Reports

FUTURE CHWD BOARD OF DIRECTORS MEETING DATES:

September 22, 2026	6:30 PM	Regular Meeting
October 27, 2026	6:30 PM	Regular Meeting
November 17, 2026	6:30 PM	Regular Meeting
December 15, 2026	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 54956.

Brittney Moore

Brittney Moore, Chief Board Clerk

Dated: August 16, 2026

Agenda Item: CC-1a

CITRUS HEIGHTS WATER DISTRICT
BOARD OF DIRECTORS SPECIAL MEETING MINUTES
June 23, 2026

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

Caryl F. Sheehan, President
David C. Wheaton, Vice President
Raymond A. Riehle, Director

Also present were:

Steve Anderson, General Counsel
Al Johnson, Strategic Advisor
Todd Jordan, Director of Operations
Annie Liu, Director of Administrative Services
Joshua Nelson, Assistant General Counsel
Kayleigh Shepard, Senior Management Analyst/Deputy Board Clerk
Hilary Straus, General Manager

VISITORS:

None.

PUBLIC COMMENT:

None.

President Sheehan adjourned the meeting to Closed Session at 6:00 p.m.

CLOSED SESSION:

CL-1. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION
(Paragraph (1) of subdivision (d) of Section 54956.9)
CHWD v. San Juan Water District, Sacramento Superior Court,
Case No. 26WM000117

No reportable action.

CL-2. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION
(Paragraph (1) of subdivision (d) of Section 54956.9)
CHWD v. San Juan Water District, Sacramento Superior Court,
Case No. 24WM000064

No reportable action.

CL-3. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Section 54956.8:
Property: Parcel Number 243-0180-002-0000
Agency Negotiators: Steve Anderson, Brian Hensley, Josh Nelson, Hilary Straus, Annie Liu, Brittney Moore, Missy Pieri, Carlos Urrutia, Kayleigh Shepard, Todd Jordan, Jace Nunes, Mary Elise Conzelmann, Greg Snarr
Negotiating Parties: Ashwani Kumar, Teresita Kumar
Under Negotiation: Price and Terms of Payment

No reportable action.

President Sheehan adjourned the meeting back to open session at 7:02 p.m.

ADJOURNMENT:

There being no other business to come before the Board, the meeting was adjourned at 7:08 p.m.

APPROVED:

KAYLEIGH SHEPARD	CARYL F. SHEEHAN, President
Deputy Board Clerk	Board of Directors
Citrus Heights Water District	Citrus Heights Water District

CITRUS HEIGHTS WATER DISTRICT
BOARD OF DIRECTORS REGULAR MEETING MINUTES
June 23, 2026

The Regular Meeting of the Board of Directors was called to order at 7:02 p.m. by President Sheehan, and roll was called. Present were:

Caryl F. Sheehan, President
David C. Wheaton, Vice President
Raymond A. Riehle, Director

Also present were:

Khandriale Clark, Public Affairs Analyst
Todd Jordan, Director of Operations
Annie Liu, Director of Administrative Services
Viviana Munoz, Management Technician
Joshua Nelson, Assistant General Counsel
Melissa Pieri, Director of Engineering
Kayleigh Shepard, Senior Management Analyst/Deputy Board Clerk
Ben Strange, Accounting Manager
Hilary Straus, General Manager
Andrew Tran, Information Technology Manager

VISITORS:

Revekka Balancier, Axiom of Purpose
Heather Flores, LSL, LLP
Robert Heather, ZanjeroAMS
Mytra Huynh, Two Twenty Photos
Kelley List, Rincon Consultants, Inc.
Craig Locke, Sacramento Suburban Water District Board Member President
Hannah Mize, Rincon Consultants, Inc.
Steven "Berrett" Warnick, LSL, LLP

PLEDGE OF ALLEGIANCE:

President Sheehan led the Pledge of Allegiance.

PUBLIC COMMENT:

None.

CONSENT CALENDAR:

CC-1a. Minutes of the Special Meeting – May 18, 2026 (A)
CC-1b. Minutes of the Special Meeting – May 20, 2026 (A)
CC-1c. Minutes of the Special Meeting – May 26, 2026 (A)

CC-1d. Minutes of the Regular Meeting – May 26, 2026 (A)

Recommendation:

Approve the minutes of the May 18, 2026; May 20, 2026; and May 26, 2026 Special Meetings, and the May 26, 2026 Regular Meeting.

CC-2. Revenue Analysis Report for May 2026 (I)
CC-3. Assessor/Collector's Roll Adjustment for May 2026 (I)
CC-4. Treasurer's Report for May 2026 (I)
CC-5. Treasurer's Report of Fund Balances for May 2026 (I)
CC-6. Operating Budget Analysis for May 2026 (I)
CC-7. Capital Projects Summary for May 2026 (I)
CC-8. Warrants for May 2026 (I)
CC-9. Purchase Card Distributions for May 2026 (I)
CC-10. Employee Recognitions (I)
CC-11. Long-Range Agenda (I)
CC-12. Engineering Department Report (I)
CC-13. Operations Department Report (I)
CC-14. Water Supply (I)
CC-15. Water Supply Reliability (I)
CC-16. Water Efficiency (I)
CC.17. Discussion and Possible Action to Approve a Task Order Agreement with Two Twenty Photos (A)

Recommendation:

Approve the task order agreement with Two Twenty Photos and authorize the General Manager to execute the agreement.

CC-18. Discussion and Possible Action to Approve a Task Order Agreement with Axiom of Purpose (A)

Recommendation:

Approve the task order agreement with Axiom of Purpose and authorize the General Manage to execute the agreement.

CC-19. Discussion and Possible Action to Approve a Professional Services Agreement with Rincon Consultants, Inc. (A)

Recommendation:

Approve the professional services agreement with Rincon Consultants, Inc., and authorize the General Manager to execute the agreement.

CC-20. 2027 Strategic Plan Approval (A)

Recommendation:

Approve the 2027 Strategic Plan, and direct that Strategic Plan Objectives be included in the 2027 proposed budget, which will be considered by the Board of Directors for adoption later in 2026, for the 2027 budget year.

CC-21. Discussion and Possible Action to Amend Policy 5700A: Records Retention Schedule (A)

Recommendation:

Approve updates to District Policy 5700A: Records Retention Schedule and authorize staff to update the Retention Schedule Index with the 2026 revisions.

ACTION:
Vice President Wheaton moved, and Director Riehle seconded a motion to approve the Consent Calendar.

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

PRESENTATIONS:

None.

PUBLIC HEARINGS:

PH-1. Review and Consideration of the 2025 Urban Water Management Plan (A)

President Sheehan opened the public hearing at 7:51 p.m.
There were no public comments.

Robert Heather with ZanjeroAMS, presented information on the 2025 Urban Water Management Plan and Water Shortage Contingency Plan.

President Sheehan closed the public hearing at 7:52 p.m.

ACTION:
Vice President Wheaton moved, and Director Riehle seconded a motion to adopt Resolution No. 11-2026 Adopting the Water Shortage Contingency Plan and Resolution No. 12-2026 Adopting the 2025 Urban Water Management Plan

The motion carried 3-0 with Directors voting yes.

STUDY SESSION:

None.

BUSINESS:

B-1. Annual Comprehensive Financial Report (ACFR) for Year Ended December 31, 2025(A)

ACTION:
Director Riehle moved, and Vice President Wheaton seconded a motion to receive and file the District's Annual Report for the Year Ended December 31, 2025 and Internal Control and Required Communications for the Year Ended December 31, 2025

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

MANAGEMENT SERVICES REPORTS (I):

None.

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

None.

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

D-1. Regional Water Authority (Wheaton/Straus).
D-2. Sacramento Groundwater Authority (Sheehan/Riehle).
D-3. San Juan Water District (All).
D-4. Association of California Water Agencies (Riehle/Wheaton).
D-5. ACWA Joint Powers Insurance Authority (Wheaton/Moore).
D-6. City of Citrus Heights (Pieri).
D-7. Chamber of Commerce Update (Conzelmann).
D-8. RWA Legislative and Regulatory Affairs Update (Conzelmann).
D-9. Other Reports

ADJOURNMENT:

There being no other business to come before the Board, the meeting was adjourned at 8:14 p.m.

APPROVED:

KAYLEIGH SHEPARD	CARYL F. SHEEHAN, President
Deputy Board Clerk	Board of Directors
Citrus Heights Water District	Citrus Heights Water District

CITRUS HEIGHTS WATER DISTRICT
BOARD OF DIRECTORS SPECIAL MEETING MINUTES
July 28, 2026

The Special Meeting of the Board of Directors was called to order at 6:01 p.m. by President Sheehan. Roll was called and present were:

Caryl F. Sheehan, President
David C. Wheaton, Vice President
Raymond A. Riehle, Director

Also present were:

Steve Anderson, General Counsel
Mary Elise Conzelmann, Public Affairs Manager
Teresa Highsmith, Employment Practices Counsel
Habib Isaac, IB Consulting, Financial Advisor
Todd Jordan, Director of Operations
Annie Liu, Director of Administrative Services
Brittney Moore, Administrative Services Manager/Chief Board Clerk
Viviana Munoz, Management Technician
Joshua Nelson, Assistant General Counsel
Melissa Pieri, Director of Engineering/District Engineer
Megan Selling, Senior Accountant
Mrunal Shah, BBK Partner
Ben Strange, Accounting Manager
Hilary Straus, General Manager
Andrew Tran, Information Technology Manager

VISITORS:

Julie Beyers, Resident
Amanda Camacho, Resident
Andrew Johnson, Resident
Michael Nishimura, Resident

PLEDGE OF ALLEGIANCE:

President Sheehan led the Pledge of Allegiance.

PUBLIC COMMENT:

None.

President Sheehan adjourned the meeting to Closed Session at 6:01 p.m.

CLOSED SESSION:

CL-1. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

(Paragraph (1) of subdivision (d) of Section 54956.9)
CHWD v. San Juan Water District, Sacramento Superior Court,
Case No. 26WM000117

No reportable action.

CL-2. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION
(Paragraph (1) of subdivision (d) of Section 54956.9)
CHWD v. San Juan Water District, Sacramento Superior Court,
Case No. 24WM000064

No reportable action.

CL-3. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to Section 54956.8:
Property: Parcel Number 243-0180-002-0000
Agency Negotiators: Steve Anderson, Brian Hensley, Josh Nelson, Hilary Straus, Annie Liu, Brittney Moore, Missy Pieri, Carlos Urrutia, Kayleigh Shepard, Todd Jordan, Jace Nunes, Mary Elise Conzelmann, Greg Snarr
Negotiating Parties: Ashwani Kumar, Teresita Kumar
Under Negotiation: Price and Terms of Payment

No reportable action.

CL-4. CONFERENCE WITH LABOR NEGOTIATORS
Pursuant to Government Code, section 54957.6
Agency designated representatives: Hilary Straus, General Manager
Teresa Highsmith, Employment Practices Counsel
Annie Liu, Director of Administrative Services
Brittney Moore, Administrative Services Manager/Chief Board Clerk Employee
Organization: Unrepresented Employees

No reportable action.

President Sheehan adjourned the meeting back to open session at 6:50 p.m.

CONSENT CALENDAR:

C-1. Discussion and Possible Action to Adopt Resolution No. 13-2026 Authorizing and Designating the Citrus Heights Water District's August 19, 2026 Special Meeting as a Regular Meeting (A).

ACTION:
Vice President Wheaton moved, and Director Riehle seconded a motion to approve the Consent Calendar.

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

STUDY SESSION:

S-1. 2027 Budget and Financial Planning Workshop.

The Board provided consensus direction to staff to schedule a Public Hearing in August 2026 to adopt the 2027 Budget; to update the District Reserve Policy and bring it back to the Board in February 2027 for approval; to prepare documentation to pay off the existing bond; and to not increase the 2027 Miscellaneous Fees and Charges Schedule.

BUSINESS:

B-1. Transfer operational surplus for FY 2026 and 2027.

ACTION:
Director Riehle moved and Vice President Wheaton seconded a motion to approve a transfer of operational surplus or $500,000, whichever is less, from fiscal years 2026 and 2027 to the Meter Replacement Reserve.

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

B-2. Discussion and Possible Action to Adopt Resolution No. 14-2026 Authorizing the General Manager or his designee to Apply for Financing from the California Infrastructure and Economic Development Bank (Ibank) and Sign Related Documents.

ACTION:
Direction Riehle moved and Vice President Wheaton seconded a motion to adopt Resolution No. 14-2026 authorizing the General Manager (or other designated officers) to apply for financing from the California Infrastructure and Economic Development Bank (IBank), and to execute all required application and loan documents, and take all actions necessary to obtain financing for the District's Facilities Modernization & Expansion Project.

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

B-3. Discussion and Possible Action to Adopt Resolution No. 15-2026 Temporarily Suspending the Assessment of Late Payment Penalty Charges for Water Service Accounts.

ACTION:
Vice President Wheaton moved and Director Riehle seconded a motion to approve Resolution No. 15-2026 to waive late fees between 8/17/26 to 12/31/26 due to transition to the new utility billing system.

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

ADJOURNMENT:

There being no other business to come before the Board, the meeting was adjourned at 9:08 p.m.

APPROVED:

BRITTNEY C. MOORE	CARYL F. SHEEHAN, President
Chief Board Clerk	Board of Directors
Citrus Heights Water District	Citrus Heights Water District

CITRUS HEIGHTS WATER DISTRICT
June 2026
REVENUE ANALYSIS

Outstanding Receivables

Aged Trial Balance					
Total	Current	31-90	91-150	>150	Unapplied Current
1,829,546	1,352,880	180,515	86,216	362,984	153,048

General Ledger Balance		Total
Outstanding A/R		1,933,468.53
Outstanding Liens		-
Outstanding Grants		-
A/R Other		-
Less Unapplied Payments		(151,178)
Total	$	1,782,291
Diff	$	(47,255)

CITRUS HEIGHTS WATER DISTRICT
ASSESSOR/COLLECTOR'S ROLL ADJUSTMENTS FOR
June 30, 2026

LID	CID	Charge Type	Trans.Date	Reason For Cancellation	Amount
13703	0012171	DEFAULT	6/2/2026	ONE TIME COURTESY	8.16
16066	0034173	DEFAULT	5/19/2026	ONE TIME COURTESY	9.61
10335	0009132	DEFAULT	6/2/2026	ONE TIME COURTESY	9.33
11783	0010440	DEFAULT	6/2/2026	ONE TIME COURTESY	3.66
09673	0008595	DEFAULT	6/2/2026	ONE TIME COURTESY	7.54
16752	0014758	DEFAULT	6/16/2026	ONE TIME COURTESY	7.90
11267	0036917	DEFAULT	6/23/2026	ONE TIME COURTESY	4.82
00272	0031796	DEFAULT	6/2/2026	ONE TIME COURTESY	7.61
06300	0005600	DEFAULT	5/19/2026	ONE TIME COURTESY	9.00
02631	0002396	DEFAULT	4/28/2026	ONE TIME COURTESY	9.13
18626	0033534	DEFAULT	5/19/2026	ONE TIME COURTESY	7.81
10122	0008951	DEFAULT	6/2/2026	ONE TIME COURTESY	8.37
00368	0036090	DEFAULT	4/21/2026	ONE TIME COURTESY	7.61
08720	0033169	DEFAULT	5/19/2026	ONE TIME COURTESY	7.88
15940	0033196	DEFAULT	6/2/2026	ONE TIME COURTESY	9.54
16560	0014583	DEFAULT	4/21/2026	ONE TIME COURTESY	8.16
11888	0010532	DEFAULT	6/2/2026	ONE TIME COURTESY	7.81
12288	0010887	DEFAULT	6/2/2026	ONE TIME COURTESY	9.82
13114	0011634	DEFAULT	6/2/2026	ONE TIME COURTESY	12.23
16034	0020602	DEFAULT	5/19/2026	ONE TIME COURTESY	9.75
08799	0007870	DEFAULT	6/2/2026	ONE TIME COURTESY	7.61

June 30, 2026

To: Citrus Heights Water District Board of Directors

Re: Citrus Heights Water District Investment Portfolio Report for June 2026

The attached Investment Report for June 2026 is submitted in accordance with the Citrus Heights Water District (District)'s Investment Policy. All investments are in compliance with the policy.

The Investment Report lists all short- term, mid-term and long-term investments held at the conclusion of business on the final day of the month. The combined cash and investments in the District's treasury total $35,198,568 with $10,359,917 under the management of the Local Agency Investment Fund, California Asset Management Program, Money Market Funds and BMO Bank.

Investments with original cost of $24,472,258 are selected based on criteria contained in the District's Investment Policy, which emphasized safety, liquidity, yield, and diversification. The core investments are marked to market daily based on a current market price determined by U.S. Bancorp Investments. The aggregate investment portfolio and holdings are included in the Investment Report.

The Investment Report demonstrates that sufficient liquidity is available to meet anticipated expenditures during the next six months.

Respectfully submitted,

Annie Y. Liu

Director of Administrative Services/Treasurer

TREASURER'S REPORT TO THE BOARD OF DIRECTORS

For June 30, 2026

Summary of Funds

Fund Name	Par Amount	Book Value	Original Cost	Market Value
BMO Checking Plus Money Market Funds	3,674,542	3,674,542	3,674,542	3,674,542
Local Agency Investment Fund (LAIF)	359,637	359,637	359,637	359,637
California Asset Management Program (CAMP)	6,325,738	6,325,738	6,325,738	6,325,738
CHWD Investment CORE	25,285,767	24,838,651	24,472,258	24,747,407
Total	**35,645,685**	**35,198,568**	**34,832,175**	**35,107,324**

TREASURER'S REPORT TO THE BOARD OF DIRECTORS

For June, 2026

Funds Reconciliation

BMO Beginning Balance 6/1/26			**$4,015,879**
RECEIPTS/TRANSFERS:			
Receipts	1,814,952		
		1,814,952	
DISBURSEMENTS/TRANSFERS:			
Checks Issued / ACH Payments	1,460,027		
Returned Checks	10,807		
Bank fees	10,149		
Payroll	675,304		
		2,156,289	(341,337)
Balance Per Bank 06/30/2026			**3,674,542**
Outstanding Transactions			(584,744)
Balance Per Books 06/30/2026			**$3,089,798**

RECONCILEMENT:	
BMO Checking Plus Money Market Funds	$3,674,542
CAMP Pool Account	$6,325,738
Local Agency Investment Fund	$359,637
TOTAL LIQUIDY BALANCE	**$10,359,917**
CASH & INVESTMENT SUMMARY:	
CHWD-Liquidity	10,359,917
CHWD-Investment Core	24,838,651
Total	**35,198,568**

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.

ANNIE Y. LIU
Treasurer
6/30/2026

HILARY M. STRAUS
Secretary

Monthly Investment Report
Citrus Heights Water District

June 30, 2026

Total Aggregate Portfolio

Contents

June 30, 2026

Month End Commentary - June 2026

The first month of summer provided a shifting tone in capital markets with the focus turning from the conflict with Iran to a new Fed Chair who is looking to revamp the central bank. Equities were mixed as the rotation out of high-flying tech stocks into more defensive sectors resumed with the S&P 500 falling by a percentage point in June while the Dow Jones Industrial Average gained 2.5%. The yield curve bear-flattened with 2-year Treasury yields climbing by 17 basis points to 4.17% while 10-year yields were up only a few basis points rising to 4.46%.

New Chairman of the Federal Reserve, Kevin Warsh, delivered remarks in his debut FOMC meeting press conference where the committee unanimously voted to leave the Fed funds interest rate unchanged in a range of 3.50% to 3.75%. While it was widely expected for the Fed to remain on hold, markets were laser focused on commentary from Warsh hoping to gain insight into how his leadership will influence the course of monetary policy. Surprisingly, markets perceived Warsh as sounding hawkish which, alongside fresh Fed forecasts that revised inflation considerably higher, sent bond yields surging higher. During the press conference, Warsh made clear his intention to limit Fed communication and announced the formation of five task forces that will aid the central bank in achieving their mission of price stability and full employment. The task forces are examining communications, the Fed's balance sheet, data sources, jobs and productivity, and the Fed's inflation frameworks.

Warsh takes over an FOMC that has become increasingly hawkish as accelerating price growth and a firm labor market have led market participants to boost their rate hike expectations with traders pricing in at least one rate hike by year end. While the recent acceleration of inflation has largely been attributed to energy prices, core prices that exclude food and energy, have also been rising at a pace faster than the Fed is comfortable with. The Fed's favored inflation gauge, the personal consumption expenditure rose to 4.1% marking a three-year high while core PCE advanced to 3.4%, the fastest pace since late 2023. The Fed is fully aware that inflation is running considerably above their 2% target and effectively communicated that this is where they are focusing with the job market appearing stable so far this year. After three consecutive payroll reports that beat expectations and showed surprising strength in the labor market, June nonfarm payrolls came in softer than expected with the economy adding only 57 thousand jobs versus an estimated 113 thousand. However, leisure and hospitality dragged on the headline number by a sizeable 61 thousand, suggesting weaker than expected seasonal hiring in the sector while just over half of all categories showed improvement from the prior month pointing to underlying resilience.

Short and long dated maturities outperformed on the yield curve in June while the belly of the curve struggled to keep pace as 2-year yields continued to lead the charge higher as investors upped their expectations for a rate hike. Spreads tightened as we continue to manage credit allocations near strategic targets to add incremental earnings while diversifying portfolio holdings. With the FOMC on a firm hold amidst the ongoing curve flattening, we recommend managing portfolio durations neutral to respective benchmarks to anchor portfolio earnings while positioning for increased policy uncertainty.

Treasury Curve Total Returns Last 12 Months

Treasuries	Total Return
3 month bill	3.84%
1 year note	3.37%
2 year note	2.62%
3 year note	2.25%
5 year note	1.93%

Treasury Benchmark Total Returns In Month

Benchmark	Period Return	YTM	Duration (Years)
ICE BAML 90 Day Bill	0.29%	3.71%	0.23
ICE BAML 0-1 Year Treasury	0.24%	3.95%	0.5
ICE BAML 0-3 Year Treasury	0.12%	4.09%	1.41
ICE BAML 0-5 Year Treasury	0.10%	4.12%	2.08

Changes In The Treasury Market (Absolute Yield Levels)

Treasuries	06/30/2025	04/30/2026	05/31/2026	06/30/2026	1 Month Change	12 Month Change
3 month bill	4.29%	3.66%	3.67%	3.81%	0.14%	-0.48%
6 month bill	4.25%	3.69%	3.74%	3.97%	0.23%	-0.28%
1 year bill	3.97%	3.71%	3.77%	3.98%	0.21%	0.01%
2 year note	3.72%	3.87%	4.00%	4.17%	0.17%	0.45%
3 year note	3.69%	3.89%	4.05%	4.18%	0.13%	0.49%
5 year note	3.80%	4.00%	4.14%	4.23%	0.09%	0.43%
10 year note	4.23%	4.37%	4.44%	4.47%	0.03%	0.24%

Compliance Report

Citrus Heights Water District | Total Aggregate Portfolio

June 30, 2026

Category

Policy Diversification Constraint	Policy Limit	Actual Value*	Status
US Treasury Obligations Maximum % of Holdings	100.000	35.522	Compliant
US Agency Callable Securities Maximum % of Total Portfolio	25.000	0.000	Compliant
US Agency Obligations Issuer Concentration	35.000	9.199	Compliant
US Agency Obligations Maximum % of Holdings	100.000	17.746	Compliant
Supranationals - Issuer is IADB, IBRD, or IFC	0.000	0.000	Compliant
Supranationals Issuer Concentration	5.000	2.706	Compliant
Supranationals Maximum % of Holdings	15.000	6.111	Compliant
Municipal Bonds - Other States Outside of CA	25.000	1.097	Compliant
Municipal Bonds - Other States Outside of CA Issuer Concentration	10.000	1.097	Compliant
Municipal Bonds - State of California	25.000	0.464	Compliant
Municipal Bonds - State of California Issuer Concentration	10.000	0.464	Compliant
Municipal Bonds CA Entities Issuer Concentration	10.000	0.690	Compliant
Municipal Bonds CA Entities Max. % of Holdings	30.000	2.731	Compliant
Mortgages, CMOs and Asset Backed Securities Issuer Concentration	5.000	0.111	Compliant
Mortgages, CMOs and Asset Backed Securities Maximum % of Holdings	20.000	0.149	Compliant
Corporate Notes Issuer Concentration	5.000	0.000	Compliant
Corporate Notes Maximum % of Holdings	25.000	7.068	Compliant
Corporate Notes must be Issued by US Corporation	0.000	0.000	Compliant
Commercial Paper Issued and Operating in the US	0.000	0.000	Compliant
Commercial Paper Issuer Concentration	5.000	0.000	Compliant
Negotiable CDs Issuer Concentration	5.000	0.000	Compliant
Negotiable CDs Maximum % of Holdings	10.000	0.000	Compliant
Non-Negotiable CDs Issuer Concentration	5.000	0.000	Compliant
Non-Negotiable CDs Maximum % of Holdings	10.000	0.000	Compliant
Banker's Acceptance Issuer Concentration	5.000	0.000	Compliant
Banker's Acceptance Maximum % of Holdings	20.000	0.000	Compliant
Money Market Issuer Concentration	20.000	4.721	Compliant
Money Market Maximum % of Holdings	20.000	4.787	Compliant
LGIP Maximum % of Holdings	100.000	1.024	Compliant
Bank Time Deposits/Savings Accounts Issuer Concentration	50.000	5.746	Compliant
Bank Time Deposits/Savings Accounts Maximum % of Holdings	100.000	5.746	Compliant

1) Actual values are based on market value.
2) The compliance report allows for resolutions to be documented if an actual value exceeds a limit. The specific resolution can be found on the client portal site.

Compliance Report

Citrus Heights Water District | Total Aggregate Portfolio

June 30, 2026

Category			
JPA Pool Max % Holdings	50.000	18.018	Compliant

1) Actual values are based on market value.
2) The compliance report allows for resolutions to be documented if an actual value exceeds a limit. The specific resolution can be found on the client portal site.

Compliance Report

Citrus Heights Water District | Total Aggregate Portfolio

June 30, 2026

Category			
Policy Maturity Structure Constraint	**Policy Limit**	**Actual %**	**Status**
Maturity Constraints Under 5 years Minimum % of Total Portfolio	100.000	100.000	Compliant
Policy Maturity Constraint	**Policy Limit**	**Actual Term**	**Status**
US Treasury Maximum Maturity At Time of Purchase (years)	5.000	5.000	Compliant
US Agency Maximum Maturity At Time of Purchase (years)	5.000	4.997	Compliant
Supranationals Maximum Maturity At Time of Purchase (years)	5.000	4.943	Compliant
Municipals Maximum Maturity At Time of Purchase (years)	5.000	4.995	Compliant
Mortgages, CMOs and Asset Backed Securities Maximum Maturity At Time of Purchase (years)	5.000	4.565	Compliant
Corporate Maximum Maturity At Time of Purchase (years)	5.000	4.833	Compliant
Commercial Paper Days to Final Maturity (days)	397.000	0.000	Compliant
Negotiable CDs Maximum Maturity At Time of Purchase (years)	1.000	0.000	Compliant
Non-Negotiable CDs Maximum Maturity At Time of Purchase (years)	1.000	0.000	Compliant
Banker's Acceptance Maximum Maturity At Time of Purchase (days)	180.000	0.000	Compliant
Weighted Average Maturity (years)	3.000	1.591	Compliant
Policy Credit Constraint			**Status**
Supranationals Ratings AA-/Aa3/AA- or better (Rated by 1 NRSRO)			Compliant
Municipal Bonds Ratings Minimum A-/A3/A- (Rated by 1 NRSRO)			Compliant
Mortgages, CMOs and Asset Backed Securities Minimum Credit Rating AA-/Aa3/AA- (Rated by 1 NRSRO)			Compliant
Corporate Notes Ratings Minimum A-/A-/A3 (Rated by 1 NRSRO)			Compliant
Commercial Paper Ratings Minimum A1/P1/F1 (Rated by 1 NRSRO)			Compliant
Commercial Paper Minimum Long Term Rating A-/A3/A- (Rated by 1 NRSRO)			Compliant
Money Market Ratings Minimum AAA/Aaa/AAA (Rated by 1 NRSRO)			Compliant

1) Actual values are based on market value.
2) The compliance report allows for resolutions to be documented if an actual value exceeds a limit. The specific resolution can be found on the client portal site.

Summary Overview

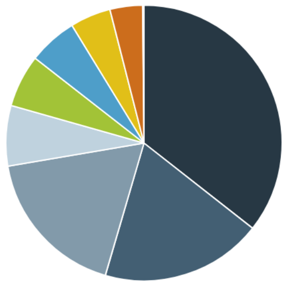
Citrus Heights Water District | Total Aggregate Portfolio

June 30, 2026

Portfolio Characteristics

Metric	Value
Cash and Cash Equivalents	10,383,300.44
Investments (Market Value + Accrued)	24,935,126.66
Book Yield	3.83%
Market Yield	3.83%
Effective Duration	1.47
Years to Maturity	1.60
Avg Credit Rating	AA+

Allocation by Asset Class



Strategic Structure

Account	Par Amount	Original Cost	Book Value	Market Value	Net Unrealized Gain (Loss)	Yield at Cost	Effective Duration	Benchmark Duration	Benchmark
CHWD-Investment Core	25,285,767.43	24,472,257.99	24,838,650.88	24,747,406.88	(91,244.00)	4.18%	2.07	2.08	ICE BofA 0-5 Year US Treasury Index
CHWD-Liquidity	10,359,917.29	10,359,917.29	10,359,917.29	10,359,917.29	0.00	3.00%	0.01	0.09	ICE BofA US 1-Month Treasury Bill Index
Total	**35,645,684.72**	**34,832,175.28**	**35,198,568.17**	**35,107,324.17**	**(91,244.00)**	**3.83%**	**1.47**		

Portfolio Activity

Citrus Heights Water District | Total Aggregate Portfolio

June 30, 2026

Accrual Activity Summary

	Month to Date	Fiscal Year to Date (01/01/2026)
Beginning Book Value	35,150,902.88	33,593,730.72
Maturities/Calls	(450,000.00)	(2,950,000.00)
Purchases	524,943.50	4,318,638.82
Sales	0.00	0.00
Change in Cash, Payables, Receivables	(23,253.40)	262,800.40
Amortization/Accretion	16,000.99	89,068.00
Realized Gain (Loss)	0.00	0.00
Ending Book Value	35,198,568.17	35,198,568.17

Fair Market Activity Summary

	Month to Date	Fiscal Year to Date (01/01/2026)
Beginning Market Value	35,121,883.14	33,826,811.21
Maturities/Calls	(450,000.00)	(2,950,000.00)
Purchases	524,943.50	4,318,638.82
Sales	0.00	0.00
Change in Cash, Payables, Receivables	(23,253.40)	262,800.40
Amortization/Accretion	16,000.99	89,068.00
Change in Net Unrealized Gain (Loss)	(62,224.26)	(324,324.48)
Net Realized Gain (Loss)	0.00	0.00
Ending Market Value	35,107,324.17	35,107,324.17

Maturities/Calls	Market Value
Month to Date	(450,000.00)
Fiscal Year to Date	(2,950,000.00)

Purchases	Market Value
Month to Date	524,943.50
Fiscal Year to Date	4,318,638.82

Sales	Market Value
Month to Date	0.00
Fiscal Year to Date	0.00

Return Management-Income Detail

Citrus Heights Water District | Total Aggregate Portfolio

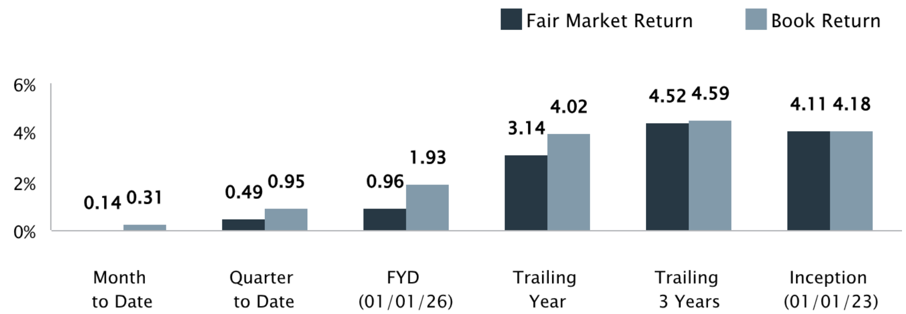
June 30, 2026

Accrued Book Return

	Month to Date	Fiscal Year to Date (01/01/2026)
Amortization/Accretion	16,000.99	89,068.00
Interest Earned	94,842.53	568,941.37
Realized Gain (Loss)	0.00	0.00
Book Income	110,843.52	658,009.36
Average Portfolio Balance	35,107,097.75	34,235,969.78
Book Return for Period	0.31%	1.93%

Return Comparisons

Periodic for performance less than one year. Annualized for performance greater than one year.



Fair Market Return

	Month to Date	Fiscal Year to Date (01/01/2026)
Fair Value Change	(78,225.25)	(413,392.48)
Amortization/Accretion	16,000.99	89,068.00
Interest Earned	94,842.53	568,941.37
Fair Market Earned Income	32,618.27	244,616.89
Average Portfolio Balance	35,107,097.75	34,235,969.78
Fair Market Return for Period	0.14%	0.96%

Interest Income

	Month to Date	Fiscal Year to Date (01/01/2026)
Beginning Accrued Interest	194,977.23	205,929.83
Coupon Income	81,398.83	593,018.11
Purchased Accrued Interest	2,682.00	29,249.84
Sold Accrued Interest	0.00	0.00
Ending Accrued Interest	211,102.93	211,102.93
Interest Earned	94,842.53	568,941.37

Security Type Distribution

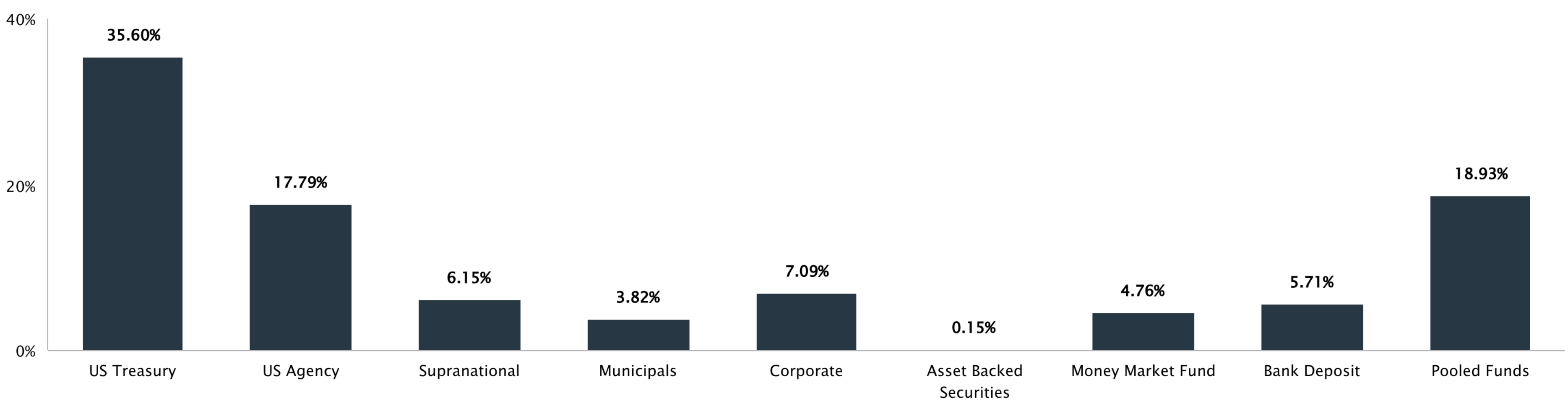
Citrus Heights Water District | Total Aggregate Portfolio

June 30, 2026

Security Type Distribution

Security Type	Par Amount	Book Yield	Market Value + Accrued	% of Market Value + Accrued
US Treasury	12,805,000.00	3.97%	12,572,710.29	35.60%
US Agency	6,375,000.00	4.20%	6,281,664.06	17.79%
Supranational	2,150,000.00	4.34%	2,172,388.22	6.15%
Municipals	1,380,000.00	4.68%	1,350,270.51	3.82%
Corporate	2,500,000.00	4.74%	2,505,522.69	7.09%
Asset Backed Securities	52,384.28	5.28%	52,570.88	0.15%
Money Market Fund	1,680,704.98	3.51%	1,680,704.98	4.76%
Bank Deposit	2,017,220.31	0.00%	2,017,220.31	5.71%
Pooled Funds	6,685,375.15	3.77%	6,685,375.15	18.93%
Total	**35,645,684.72**	**3.83%**	**35,318,427.10**	**100.00%**

Security Type Distribution



Risk Management-Credit/Issuer

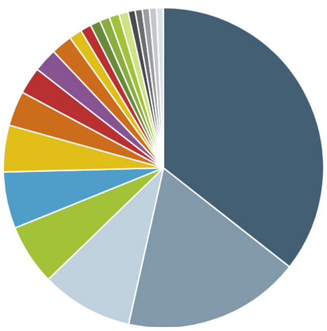
Citrus Heights Water District | Total Aggregate Portfolio

June 30, 2026

Credit Rating S&P/Moody's/Fitch

	Market Value + Accrued	%
S&P		
A	833,331.72	2.36
A+	1,117,092.07	3.16
AA	741,006.17	2.10
AA+	19,242,191.52	54.48
AA-	253,386.66	0.72
AAA	2,734,659.79	7.74
AAAm	1,680,704.98	4.76
NA	8,716,054.20	24.68
Moody's		
A1	1,340,316.76	3.79
Aa1	19,406,543.80	54.95
Aa2	1,243,086.92	3.52
Aa3	505,579.28	1.43
Aaa	4,081,374.12	11.56
NA	8,741,526.22	24.75
Fitch		
A+	685,980.97	1.94
AA	987,425.53	2.80
AA+	19,107,761.01	54.10
AA-	1,162,189.78	3.29
AAA	1,733,366.55	4.91
NA	11,641,703.25	32.96
Total	**35,318,427.10**	**100.00**

Issuer Concentration



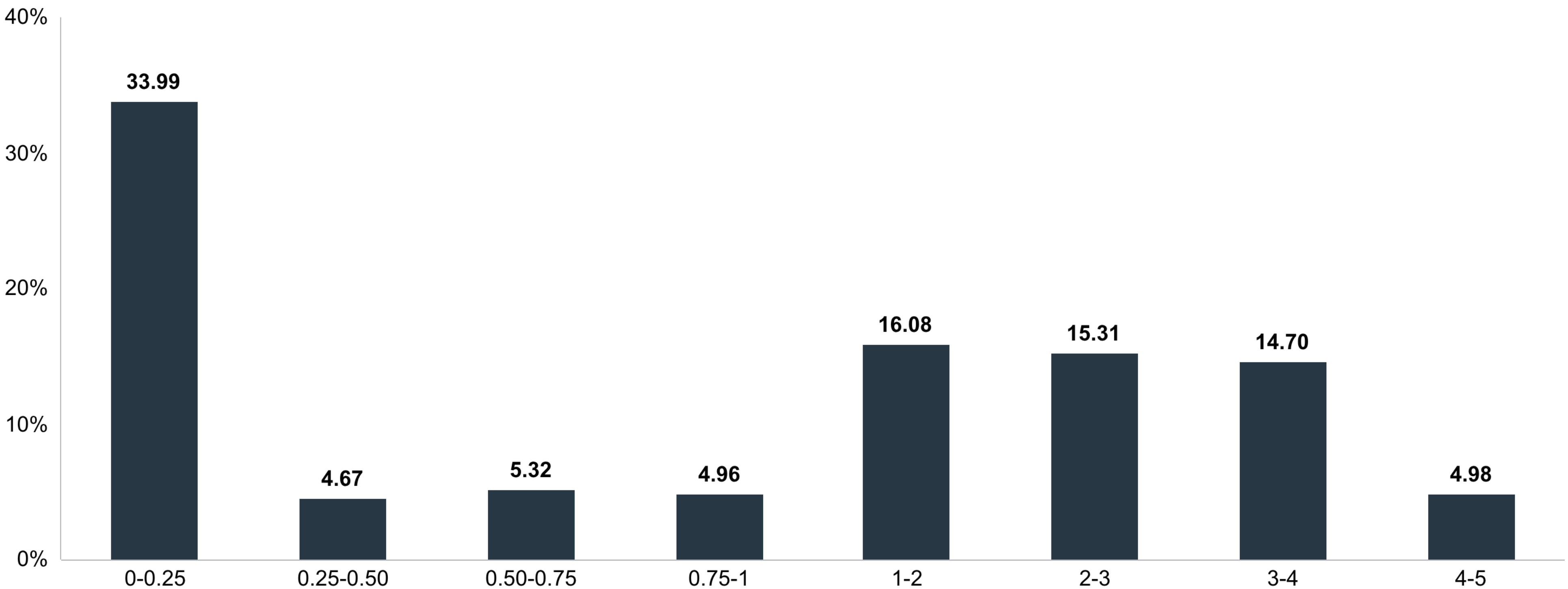
Risk Management-Maturity/Duration

Citrus Heights Water District | Total Aggregate Portfolio

June 30, 2026

1.47 Yrs	Effective Duration	1.60 Yrs	Years to Maturity	583	Days to Maturity

Distribution by Effective Duration



Holdings by Maturity & Ratings

Citrus Heights Water District | Total Aggregate Portfolio

June 30, 2026

Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Market Value	Accrued	Market Value + Accrued	Book Yield	Market Yield	% of Portfolio	Years to Maturity	Eff Duration	S&P, Moody, Fitch
CHWD_ BMO_D EP	2,017,129.62	BMO DEPOSIT	0.000%	06/30/2026		2,017,129.62	0.00	2,017,129.62	0.00%	0.00%	5.71	0.01	0.01	NA NA NA
CAL_CAMP	6,325,737.79	CALIFORNIA ASSET MANAGEMENT PROGRAM	3.770%	06/30/2026		6,325,737.79	0.00	6,325,737.79	3.77%	3.77%	17.91	0.01	0.01	NA NA NA
CAL_LGIP	359,637.36	CALIFORNIA LAIF	3.820%	06/30/2026		359,637.36	0.00	359,637.36	3.82%	3.82%	1.02	0.01	0.01	NA NA NA
60934N104	1,657,412.52	FEDERATED HRMS GV O INST	3.500%	06/30/2026		1,657,412.52	0.00	1,657,412.52	3.51%	3.51%	4.69	0.00	0.00	AAAm Aaa AAA
31846V203	23,292.46	FIRST AMER:GVT OBLG Y	3.250%	06/30/2026		23,292.46	0.00	23,292.46	3.27%	3.27%	0.07	0.00	0.00	AAAm Aaa AAA
CCYUSD	90.69	Receivable		06/30/2026		90.69	0.00	90.69			0.00			AAA Aaa AAA
3133EPQC2	250,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.625%	07/17/2026		250,080.00	5,267.36	255,347.36	4.68%	3.87%	0.72	0.05	0.05	AA+ Aa1 AA+
78016FZZ0	150,000.00	ROYAL BANK OF CANADA	5.200%	07/20/2026		150,085.50	3,488.33	153,573.83	5.30%	4.08%	0.43	0.05	0.06	A A1 AA-
797272RN3	145,000.00	SAN DIEGO CALIF CMNTY COLLEGE DIST	1.445%	08/01/2026		144,683.90	873.02	145,556.92	4.72%	3.96%	0.41	0.09	0.09	AAA Aa1 NA
94988J6D4	250,000.00	WELLS FARGO BANK NA	5.450%	08/07/2026	07/07/2026	250,260.00	5,450.00	255,710.00	5.46%	4.11%	0.72	0.10	0.09	A+ Aa2 AA-
3133EPSW6	350,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.500%	08/14/2026		350,217.00	5,993.75	356,210.75	4.53%	3.92%	1.01	0.12	0.12	AA+ Aa1 AA+
3130AWTQ3	350,000.00	FEDERAL HOME LOAN BANKS	4.625%	09/11/2026		350,430.50	4,946.18	355,376.68	4.81%	3.94%	1.01	0.20	0.20	AA+ Aa1 AA+
91282CLS8	525,000.00	UNITED STATES TREASURY	4.125%	10/31/2026		525,294.00	3,648.61	528,942.61	4.39%	3.93%	1.50	0.34	0.33	AA+ Aa1 AA+
78016EZZ3	200,000.00	ROYAL BANK OF CANADA	1.400%	11/02/2026		198,220.00	458.89	198,678.89	5.11%	4.05%	0.56	0.34	0.33	A A1 AA-

Holdings by Maturity & Ratings

Citrus Heights Water District | Total Aggregate Portfolio

June 30, 2026

Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Market Value	Accrued	Market Value + Accrued	Book Yield	Market Yield	% of Portfolio	Years to Maturity	Eff Duration	S&P, Moody, Fitch
13067WRD6	165,000.00	CALIFORNIA ST DEPT WTR RES CENT VY PROJ REV	0.920%	12/01/2026		162,835.20	126.50	162,961.70	5.03%	4.10%	0.46	0.42	0.41	AAA Aa1 NA
17325FBC1	250,000.00	CITIBANK NA	5.488%	12/04/2026	11/04/2026	251,115.00	1,029.00	252,144.00	4.87%	4.16%	0.71	0.43	0.34	A+ Aa3 AA-
3130ATVE4	500,000.00	FEDERAL HOME LOAN BANKS	4.500%	12/11/2026		500,785.00	1,250.00	502,035.00	3.86%	4.13%	1.42	0.45	0.44	AA+ Aa1 AA+
91282CJT9	500,000.00	UNITED STATES TREASURY	4.000%	01/15/2027		500,040.00	9,226.52	509,266.52	4.13%	3.98%	1.44	0.54	0.52	AA+ Aa1 AA+
912828Z78	375,000.00	UNITED STATES TREASURY	1.500%	01/31/2027		369,611.25	2,346.34	371,957.59	4.44%	4.01%	1.05	0.59	0.57	AA+ Aa1 AA+
3130A3DU5	500,000.00	FEDERAL HOME LOAN BANKS	3.000%	03/12/2027		496,200.00	4,541.67	500,741.67	3.83%	4.11%	1.42	0.70	0.68	AA+ Aa1 AA+
91282CKE0	500,000.00	UNITED STATES TREASURY	4.250%	03/15/2027		500,825.00	6,236.41	507,061.41	4.24%	4.00%	1.44	0.71	0.69	AA+ Aa1 AA+
3133ENVD9	350,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	2.875%	04/26/2027		346,790.50	1,816.84	348,607.34	4.52%	4.02%	0.99	0.82	0.80	AA+ Aa1 AA+
91412HFP3	200,000.00	UNIVERSITY CALIF REVS	1.366%	05/15/2027		195,294.00	349.09	195,643.09	4.47%	4.13%	0.55	0.87	0.85	AA Aa2 AA
3133ERFJ5	500,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.500%	05/20/2027		501,405.00	2,562.50	503,967.50	3.80%	4.17%	1.43	0.89	0.86	AA+ Aa1 AA+
91282CEW7	300,000.00	UNITED STATES TREASURY	3.250%	06/30/2027		297,483.00	26.49	297,509.49	4.19%	4.11%	0.84	1.00	0.97	AA+ Aa1 AA+
7994082A6	250,000.00	SAN RAMON VALLEY CALIF UNI SCH DIST	1.184%	08/01/2027		242,417.50	1,233.33	243,650.83	4.69%	4.07%	0.69	1.09	1.06	AA Aa1 NA
91282CNV9	480,000.00	UNITED STATES TREASURY	3.625%	08/31/2027		477,225.60	5,815.76	483,041.36	3.52%	4.13%	1.37	1.17	1.12	AA+ Aa1 AA+
799038NS9	220,000.00	SAN MATEO CNTY CALIF CMNTY COLLEGE DIST	1.467%	09/01/2027		213,565.00	1,075.80	214,640.80	4.77%	4.05%	0.61	1.17	1.14	AAA Aaa NA

Holdings by Maturity & Ratings

Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Market Value	Accrued	Market Value + Accrued	Book Yield	Market Yield	% of Portfolio	Years to Maturity	Eff Duration	S&P, Moody, Fitch
91282CFM8	300,000.00	UNITED STATES TREASURY	4.125%	09/30/2027		299,919.00	3,110.66	303,029.66	4.16%	4.14%	0.86	1.25	1.20	AA+ Aa1 AA+
419792DB9	200,000.00	HAWAII ST	3.350%	10/01/2027	07/24/2026	197,960.00	1,675.00	199,635.00	4.51%	4.19%	0.57	1.25	1.18	AA+ Aa2 AA
89236TKL8	150,000.00	TOYOTA MOTOR CREDIT CORP	5.450%	11/10/2027		152,238.00	1,158.13	153,396.13	4.85%	4.31%	0.43	1.36	1.29	A+ A1 A+
12663JAC5	13,526.58	CNH 2022-B A3	3.890%	11/15/2027		13,526.04	23.39	13,549.43	5.37%	3.99%	0.04	1.38	0.05	NA Aaa AAA
91282CLX7	350,000.00	UNITED STATES TREASURY	4.125%	11/15/2027		349,783.00	1,843.92	351,626.92	4.03%	4.17%	1.00	1.38	1.32	AA+ Aa1 AA+
023135CP9	150,000.00	AMAZON.COM INC	4.550%	12/01/2027	11/01/2027	150,613.50	568.75	151,182.25	4.62%	4.23%	0.43	1.42	1.31	AA A1 AA-
142921AD7	38,857.69	CARMX 2023-2 A3	5.050%	01/18/2028		38,934.24	87.21	39,021.45	5.25%	4.24%	0.11	1.55	0.23	AAA NA AAA
24422EWR6	150,000.00	JOHN DEERE CAPITAL CORP	4.750%	01/20/2028		151,060.50	3,186.46	154,246.96	4.73%	4.27%	0.44	1.56	1.46	A A1 A+
3133EPAV7	250,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	3.875%	02/14/2028		248,452.50	3,686.63	252,139.13	4.15%	4.27%	0.71	1.63	1.53	AA+ Aa1 AA+
912833RY8	700,000.00	UNITED STATES TREASURY	0.000%	02/15/2028		654,584.00	0.00	654,584.00	4.16%	4.17%	1.85	1.63	1.59	AA+ Aa1 AA+
91282CMW8	525,000.00	UNITED STATES TREASURY	3.750%	04/15/2028		521,267.25	4,141.91	525,409.16	3.77%	4.16%	1.49	1.79	1.70	AA+ Aa1 AA+
931142FB4	150,000.00	WALMART INC	3.900%	04/15/2028	03/15/2028	149,295.00	1,235.00	150,530.00	4.35%	4.17%	0.43	1.79	1.68	AA Aa2 AA
46647PDA1	150,000.00	JPMORGAN CHASE & CO	4.323%	04/26/2028	04/26/2027	149,730.00	1,170.81	150,900.81	5.23%	4.54%	0.43	1.82	0.79	A A1 AA-
61690U8B9	250,000.00	MORGAN STANLEY BANK NA	5.504%	05/26/2028	05/26/2027	252,097.50	1,337.78	253,435.28	4.18%	4.53%	0.72	1.91	0.87	A+ Aa3 AA

Holdings by Maturity & Ratings

Citrus Heights Water District | Total Aggregate Portfolio

June 30, 2026

Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Market Value	Accrued	Market Value + Accrued	Book Yield	Market Yield	% of Portfolio	Years to Maturity	Eff Duration	S&P, Moody, Fitch
91282CCE9	700,000.00	UNITED STATES TREASURY	1.250%	05/31/2028		662,816.00	741.12	663,557.12	4.00%	4.16%	1.88	1.92	1.86	AA+ Aa1 AA+
3130AWN63	300,000.00	FEDERAL HOME LOAN BANKS	4.000%	06/30/2028		299,040.00	33.33	299,073.33	4.08%	4.17%	0.85	2.00	1.90	AA+ Aa1 AA+
91282CCH2	125,000.00	UNITED STATES TREASURY	1.250%	06/30/2028		118,086.25	4.25	118,090.50	4.09%	4.16%	0.33	2.00	1.94	AA+ Aa1 AA+
419792YT7	200,000.00	HAWAII ST	1.145%	08/01/2028		187,228.00	954.17	188,182.17	4.62%	4.38%	0.53	2.09	2.01	AA+ Aa2 AA
459058KW2	500,000.00	INTERNATIONAL BANK FOR	4.625%	08/01/2028		504,475.00	9,635.42	514,110.42	4.15%	4.17%	1.46	2.09	1.94	AAA Aaa NA
3133EPUN3	350,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.500%	08/28/2028		351,718.50	5,381.25	357,099.75	4.33%	4.26%	1.01	2.16	2.01	AA+ Aa1 AA+
91282CDF5	650,000.00	UNITED STATES TREASURY	1.375%	10/31/2028		609,908.00	1,505.77	611,413.77	3.54%	4.18%	1.73	2.34	2.25	AA+ Aa1 AA+
45950VSM9	250,000.00	INTERNATIONAL FINANCE CORP	4.500%	11/27/2028		249,060.00	1,062.50	250,122.50	4.06%	4.67%	0.71	2.41	2.25	AAA Aaa NA
3130AXQK7	500,000.00	FEDERAL HOME LOAN BANKS	4.750%	12/08/2028		506,455.00	1,517.36	507,972.36	4.07%	4.19%	1.44	2.44	2.28	AA+ Aa1 AA+
91282CDW8	425,000.00	UNITED STATES TREASURY	1.750%	01/31/2029		399,980.25	3,102.38	403,082.63	4.00%	4.18%	1.14	2.59	2.47	AA+ Aa1 AA+
4581X0EN4	450,000.00	INTER-AMERICAN DEVELOPMENT BANK	4.125%	02/15/2029		449,361.00	7,012.50	456,373.50	4.23%	4.18%	1.29	2.63	2.43	AAA Aaa NA
45950VSZ0	500,000.00	INTERNATIONAL FINANCE CORP	4.375%	03/27/2029		496,925.00	5,711.81	502,636.81	4.80%	4.61%	1.42	2.74	2.53	AAA Aaa NA
06405LAH4	250,000.00	BANK OF NEW YORK MELLON	4.729%	04/20/2029	04/20/2028	251,055.00	2,331.66	253,386.66	4.37%	4.48%	0.72	2.80	1.70	AA- Aa2 AA+
3133ERDH1	625,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.750%	04/30/2029		634,531.25	5,030.38	639,561.63	4.43%	4.17%	1.81	2.83	2.61	AA+ Aa1 AA+

Holdings by Maturity & Ratings

Citrus Heights Water District | Total Aggregate Portfolio

June 30, 2026

Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Market Value	Accrued	Market Value + Accrued	Book Yield	Market Yield	% of Portfolio	Years to Maturity	Eff Duration	S&P, Moody, Fitch
91282CES6	650,000.00	UNITED STATES TREASURY	2.750%	05/31/2029		625,040.00	1,514.00	626,554.00	4.36%	4.16%	1.77	2.92	2.76	AA+ Aa1 AA+
91282CFC0	500,000.00	UNITED STATES TREASURY	2.625%	07/31/2029		477,890.00	5,474.79	483,364.79	4.10%	4.17%	1.37	3.08	2.89	AA+ Aa1 AA+
91282CFJ5	400,000.00	UNITED STATES TREASURY	3.125%	08/31/2029		387,656.00	4,177.99	391,833.99	3.59%	4.17%	1.11	3.17	2.95	AA+ Aa1 AA+
459058LN1	450,000.00	INTERNATIONAL BANK FOR	3.875%	10/16/2029		445,513.50	3,631.50	449,145.00	4.29%	4.20%	1.27	3.30	3.04	AAA Aaa NA
91282CFY2	500,000.00	UNITED STATES TREASURY	3.875%	11/30/2029		495,175.00	1,641.05	496,816.05	4.12%	4.18%	1.41	3.42	3.16	AA+ Aa1 AA+
3133ETME4	550,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.000%	01/23/2030		546,216.00	9,655.56	555,871.56	4.05%	4.21%	1.57	3.57	3.23	AA+ Aa1 AA+
91282CMU2	600,000.00	UNITED STATES TREASURY	4.000%	03/31/2030		596,178.00	6,032.79	602,210.79	3.68%	4.18%	1.71	3.75	3.41	AA+ Aa1 AA+
31358DDR2	1,000,000.00	FEDERAL NATIONAL MORTGAGE ASSOCIATION	0.000%	05/15/2030		847,660.00	0.00	847,660.00	4.21%	4.31%	2.40	3.87	3.79	AA+ Aa1 AA+
89236TNJ0	200,000.00	TOYOTA MOTOR CREDIT CORP	4.800%	05/15/2030		201,180.00	1,226.67	202,406.67	4.15%	4.63%	0.57	3.87	3.48	A+ A1 A+
91282CHR5	700,000.00	UNITED STATES TREASURY	4.000%	07/31/2030		694,911.00	11,679.56	706,590.56	3.75%	4.19%	2.00	4.08	3.67	AA+ Aa1 AA+
91282CHW4	750,000.00	UNITED STATES TREASURY	4.125%	08/31/2030		747,922.50	10,340.52	758,263.02	3.75%	4.20%	2.15	4.17	3.75	AA+ Aa1 AA+
91282CPD7	600,000.00	UNITED STATES TREASURY	3.625%	10/31/2030		586,452.00	3,664.40	590,116.40	3.73%	4.20%	1.67	4.34	3.94	AA+ Aa1 AA+
24422EVL0	200,000.00	JOHN DEERE CAPITAL CORP	1.450%	01/15/2031		174,594.00	1,337.22	175,931.22	4.55%	4.58%	0.50	4.54	4.27	A A1 A+
91282CJX0	600,000.00	UNITED STATES TREASURY	4.000%	01/31/2031		594,798.00	10,011.05	604,809.05	3.75%	4.21%	1.71	4.59	4.08	AA+ Aa1 AA+

Holdings by Maturity & Ratings

Citrus Heights Water District | Total Aggregate Portfolio

June 30, 2026

Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Market Value	Accrued	Market Value + Accrued	Book Yield	Market Yield	% of Portfolio	Years to Maturity	Eff Duration	S&P, Moody, Fitch
91282CKF7	425,000.00	UNITED STATES TREASURY	4.125%	03/31/2031		423,406.25	4,406.76	427,813.01	3.99%	4.21%	1.21	4.75	4.23	AA+ Aa1 AA+
91282CCB5	625,000.00	UNITED STATES TREASURY	1.625%	05/15/2031		554,468.75	1,297.13	555,765.88	4.26%	4.21%	1.57	4.87	4.59	AA+ Aa1 AA+
Total	**35,645,684.72**		**3.269%**			**35,107,324.17**	**211,102.93**	**35,318,427.10**	**3.83%**	**3.83%**	**100.00**	**1.60**	**1.47**	

Transactions

Citrus Heights Water District | Total Aggregate Portfolio

June 30, 2026

Cusip	Security	Trade Date	Settlement Date	Coupon Payment	Price	Par Amount	Principal Amount	Accrued Amount	Total Amount	Broker
Buy										
24422EVL0	JOHN DEERE CAP 1.450 01/15/31	06/04/2026	06/08/2026	0.00	87.25	200,000.00	174,506.00	1,151.94	175,657.94	GOLDMAN
31846V203	FIRST AMER:GVT OBLG;Y	06/11/2026	06/11/2026	0.00	1.00	81,399.95	81,399.95	0.00	81,399.95	Direct
91282CLX7	US TREASURY 4.125 11/15/27	06/17/2026	06/23/2026	0.00	100.13	350,000.00	350,437.50	1,530.06	351,967.56	RBC CAPITAL MARKETS
CAL_LGIP	CALIFORNIA LAIF	06/30/2026	06/30/2026	0.00	1.00	300,000.00	300,000.00	0.00	300,000.00	Direct
CAL_CAMP	CALIFORNIA ASSET MANAGEMENT PROGRAM	06/30/2026	06/30/2026	0.00	1.00	19,528.24	19,528.24	0.00	19,528.24	Direct
CHWD_BMO_DEP	BMO DEPOSIT	06/30/2026	06/30/2026	0.00	1.00	11,710.39	11,710.39	0.00	11,710.39	Direct
Total				**0.00**		**962,638.58**	**937,582.08**	**2,682.00**	**940,264.08**	
Sell										
31846V203	FIRST AMER:GVT OBLG;Y	06/20/2026	06/20/2026	0.00	1.00	59,342.24	59,342.24	0.00	59,342.24	Direct
60934N104	FEDERATED HRMS GV O;INST	06/30/2026	06/30/2026	0.00	1.00	353,047.00	353,047.00	0.00	353,047.00	Direct
Total				**0.00**		**412,389.24**	**412,389.24**	**0.00**	**412,389.24**	
Maturity										
24422EWX3	JOHN DEERE CAP 4.750 06/08/26 MTN MAT	06/08/2026	06/08/2026	0.00	100.00	150,000.00	150,000.00	0.00	150,000.00	
3133EPNG6	FED FARM CR BNKS 4.375 06/23/26 MATD	06/23/2026	06/23/2026	0.00	100.00	300,000.00	300,000.00	0.00	300,000.00	
Total				**0.00**		**450,000.00**	**450,000.00**	**0.00**	**450,000.00**	
Coupon										
13067WRD6	CALIFORNIA ST DEPT WTR RES 0.920 12/01/26	06/01/2026	06/01/2026	759.00		0.00	0.00	0.00	759.00	
023135CP9	AMAZON.COM 4.550 12/01/27 '27	06/01/2026	06/01/2026	3,412.50		0.00	0.00	0.00	3,412.50	
17325FBC1	CITIBANK NA US 5.488 12/04/26 '26	06/04/2026	06/04/2026	6,860.00		0.00	0.00	0.00	6,860.00	
24422EWX3	JOHN DEERE CAP 4.750 06/08/26 MTN MAT	06/08/2026	06/08/2026	3,562.50		0.00	0.00	0.00	3,562.50	
3130AXQK7	FHLBANKS 4.750 12/08/28	06/08/2026	06/08/2026	11,875.00		0.00	0.00	0.00	11,875.00	
3130ATVE4	FHLBANKS 4.500 12/11/26	06/11/2026	06/11/2026	11,250.00		0.00	0.00	0.00	11,250.00	
12663JAC5	CNHET-22B-A3	06/15/2026	06/15/2026	81.32		0.00	(0.00)	0.00	81.32	
142921AD7	CARMAX-232-A3	06/15/2026	06/15/2026	199.15		0.00	(0.00)	0.00	199.15	
3133EPNG6	FED FARM CR BNKS 4.375 06/23/26 MATD	06/23/2026	06/23/2026	6,562.50		0.00	0.00	0.00	6,562.50	
91282CCH2	US TREASURY 1.250 06/30/28	06/30/2026	06/30/2026	781.25		0.00	0.00	0.00	781.25	
91282CEW7	US TREASURY 3.250 06/30/27	06/30/2026	06/30/2026	4,875.00		0.00	0.00	0.00	4,875.00	

Transactions

Citrus Heights Water District | Total Aggregate Portfolio

June 30, 2026

Cusip	Security	Trade Date	Settlement Date	Coupon Payment	Price	Par Amount	Principal Amount	Accrued Amount	Total Amount	Broker
3130AWN63	FHLBANKS 4.000 06/30/28	06/30/2026	06/30/2026	6,000.00		0.00	0.00	0.00	6,000.00	
Total				**56,218.22**		**0.00**	**(0.01)**	**0.00**	**56,218.22**	
Custody Fee										
CCYUSD	US DOLLAR	06/25/2026	06/25/2026	0.00		154.24	(154.24)	0.00	(154.24)	
Total				**0.00**		**154.24**	**(154.24)**	**0.00**	**(154.24)**	
Principal Paydown										
12663JAC5	CNHET-22B-A3	06/15/2026	06/15/2026	0.00		11,559.59	11,559.59	0.00	11,559.59	
142921AD7	CARMAX-232-A3	06/15/2026	06/15/2026	0.00		8,466.21	8,466.21	0.00	8,466.21	
Total				**0.00**		**20,025.79**	**20,025.80**	**0.00**	**20,025.80**	
Interest Income										
CAL_CAMP	CALIFORNIA ASSET MANAGEMENT PROGRAM	06/30/2026	06/30/2026	19,528.24		0.00	19,528.24	0.00	19,528.24	
31846V203	FIRST AMER:GVT OBLG;Y	06/30/2026	06/30/2026	90.69		0.00	2.08	0.00	90.69	
60934N104	FEDERATED HRMS GV O;INST	06/30/2026	06/30/2026	5,561.68		0.00	(16.64)	0.00	5,561.68	
Total				**25,180.61**		**0.00**	**19,513.69**	**0.00**	**25,180.61**	

This report is for general informational purposes only and is not intended to provide specific advice or recommendations. Government Portfolio Advisors (GPA) is an investment advisor registered with the Securities and Exchange Commission and is required to maintain a written disclosure statement of our background and business experience.

Questions About an Account: GPA's monthly & quarterly reports are intended to detail the investment advisory activity managed by GPA. The custodial bank maintains the control of assets and settles all investment transactions. The custodial statement is the official record of security and cash holdings and transactions. GPA recognizes that clients may use these reports to facilitate record keeping and that the custodial bank statement and the GPA report should be reconciled, and differences documented.

Trade Date versus Settlement Date: Many custodial banks use settlement date basis and post coupons or maturities on the following business days when they occur on weekend. These items may result in the need to reconcile due to a timing difference. GPA reports are on a trade date basis in accordance with GIPS performance standards. GPA can provide all account settings to support the reason for any variance.

Bank Deposits and Pooled Investment Funds Held in Liquidity Accounts Away from the Custodial Bank are Referred to as Line Item Securities: GPA relies on the information provided by clients when reporting pool balances, bank balances and other assets that are not held at the client's custodial bank. GPA does not guarantee the accuracy of information received from third parties. Balances cannot be adjusted once submitted however corrective transactions can be entered as adjustments in the following months activity. Assets held outside the custodial bank that are reported to GPA are included in GPA's oversight compliance reporting and strategic plan.

Account Control: GPA does not have the authority to withdraw or deposit funds from or to any client's custodial account. Clients retain responsibility for the deposit and withdrawal of funds to the custodial account. Our clients retain responsibility for their internal accounting policies, implementing and enforcing internal controls and generating ledger entries or otherwise recording transactions.

Custodial Bank Interface: Our contract provides for the ability for GPA to interface into our client's custodial bank to reconcile transactions, maturities and coupon payments. The GPA client portal will be available to all clients to access this information directly at any time.

Market Price: Generally, GPA has set all securities market pricing to match custodial bank pricing. There may be certain securities that will require pricing override due to inaccurate custodial bank pricing that will otherwise distort portfolio performance returns. GPA may utilize Refinitiv pricing source for commercial paper, discount notes and supranational bonds when custodial bank pricing does not reflect current market levels. The pricing variances are obvious when market yields are distorted from the current market levels.

Performance Calculation: Historical returns are presented as time-weighted total return values and are presented gross and net of fees.

Amortized Cost: The original cost on the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discounts or premiums are amortized on a straight-line basis on all securities. This can be changed at the client's request.

Callable Securities: Securities subject to redemption in whole or in part prior to the stated final maturity at the discretion of the security's issuer are referred to as "callable". Certain call dates may not show up on the report if the call date has passed or if the security is continuously callable until maturity date. Bonds purchased at a premium will be amortized to the next call date while all other callable securities will be amortized to maturity. If the bond is amortized to the call date, amortization will be reflected to that date and once the call date passes, the bond will be fully amortized.

Duration: The duration is the effective duration. Duration on callable securities is based on the probability of the security being called given market rates and security characteristics.

Benchmark Duration: The benchmark duration is based on the duration of the stated benchmark that is assigned to each account.

Rating: Information provided for ratings is based upon a good faith inquiry of selected sources, but its accuracy and completeness cannot be guaranteed.

Coupon Payments and Maturities on Weekends: On occasion, coupon payments and maturities occur on a weekend or holiday. GPA's report settings are on the accrual basis so the coupon postings and maturities will be accounted for in the period earned. The bank may be set at a cash basis, which may result in a reconciliation variance.

Cash and Cash Equivalents: GPA has defined cash and cash equivalents to be cash, bank deposits, LGIP pools and repurchase agreements. This may vary from your custodial bank which typically defines cash and equivalents as all securities that mature under 90 days. Check with your custodial bank to understand their methodology.

Account Settings: GPA has the portfolio settings at the lot level, if a security is sold our setting will remove the lowest cost security first. First-in-first-out (FIFO) settings are available at the client's request.

Historical Numbers: Data was transferred from GPA's legacy system, however, variances may exist from the data received due to a change of settings on Clearwater. GPA is utilizing this information for historical return data with the understanding the accrual settings and pricing sources may differ slightly.

Financial Situation: In order to better serve you, GPA should be promptly notified of any material change in your investment objective or financial situation.

No Guarantee: The securities in the portfolio are not guaranteed or otherwise protected by GPA, the FDIC (except for non-negotiable certificates of deposit) or any government agency. Investment in securities involves risks, including the possible loss of the amount invested.

GPA GOVERNMENT PORTFOLIO ADVISORS

TREASURER'S REPORT OF ACCOUNT BALANCES
June 30, 2026

Fund Name	Beginning Balance 01/1/2026	Year to Date Transfers In / Collections	Year to Date Transfers Out	Current Month Transfers In / Collections	Current Month Transfers Out	Ending Balance 06/30/2026	2026 Target Balance per Policy
Operating Reserve	$ 4,543,050 [1]					$ 4,543,050	$ 4,543,050
Operating Fund	$ 14,238,899 [2]	$ 10,618,057	$ (9,599,852)	1,814,952	(2,156,289)	$ 14,915,770	N/A
Rate Stabilization Fund	$ 1,000,000					$ 1,000,000	$ 1,000,000
Capital Improvement Reserve	$ 3,260,769 [3]					$ 3,260,769	$ 3,146,633
Restricted for Debt Service	$ -					$ -	N/A
Water Supply Reserve	$ 3,023,173					$ 3,023,173	N/A
Water Efficiency Reserve	$ 200,000					$ 200,000	N/A
Water Meter Replacement Reserve	$ 2,125,000					$ 2,125,000	N/A
Water Main Reserve - Project 2030	$ 6,358,138 [4]	$ 1,052,605		$ 184,692		$ 7,595,439	N/A
Fleet Equipment Reserve	$ 575,671					$ 575,671	$ 471,395
Employment-Related Benefits Reserve	$ 1,015,536					$ 1,015,536	$ 1,015,536
	$ 36,340,236	**$ 11,670,663**	**$ (9,599,852)**	**$ 1,999,644**	**$ (2,156,289)**	**$ 38,254,408**	**$ 10,176,614**

Notes

1- Adjustment to beginning balance to match Policy 6200

2- Adjustment to beginning balance to match ACFR

3- Adjustment to beginning balance to match policy 6240

4- Adjustment to beginning balance to match policy 6260

ANNIE Y. LIU, Treasurer

TREASURER'S REPORT OF FUND BALANCES
June 30, 2026

Fund Transfers Summary:		
Operating Fund:		
Fund Collected/Transferred	$	1,814,952
Fund Disbursed/Transferred	$	(2,156,289)
Net Fund Transferred:	**$**	**(341,337)**
Water Main Reserve - Project 2030	**$**	**184,692**
NET CHANGES- ALL FUNDS	**$**	**(156,645)**

Citrus Heights Water District
Budget Performance Report
As of 06/30/2026

	Adopted Budget	June 2026 Actual	Year-to-Date Actual	Year-to-Date Encumered	Budget To-Date	Percent of Total Budget Used
Revenues						
Metered Service Charges	$14,905,058.35	$1,326,366.18	$7,913,858.80	0.00	$7,452,529.18	53.10%
Metered Water Deliveries	7,817,588.19	541,965.59	2,161,897.82	0.00	3,908,794.10	27.65%
Water Main Replacement Revenue	2,257,294.00	184,691.97	1,105,090.55	0.00	1,128,647.00	48.96%
Penalties	120,000.00	12,901.69	62,893.18	0.00	60,000.00	52.41%
Interest	1,000,000.00	371,083.63	490,419.59	0.00	500,000.00	49.04%
Backflow Fees	77,879.17	8,814.74	43,857.78	0.00	38,939.59	56.32%
Water Service Install & S&R	46,916.86	1,400.00	15,556.94	0.00	23,458.43	33.16%
Grant Funds *	1,500,000.00	0.00	1,071.75	0.00	750,000.00	0.07%
Miscellaneous **	17,770.22	-1,698.71	20,945.87	0.00	8,885.11	117.87%
Cost Reimbursements	34,286.41	480.08	7,227.65	0.00	17,143.21	21.08%
Income - Wheeling Water	50,000.00	0.00	0.00	0.00	25,000.00	0.00%
Income - Connection Fees	96,616.60	0.00	73,840.77	0.00	48,308.30	76.43%
Total Revenue	**27,923,409.80**	**2,446,005.17**	**11,896,660.70**	**0.00**	**13,961,704.90**	**42.60%**
*Revenue recognized, but not fully collected						
**includes Assessments, New Account, Back Charges & other Miscellaneous Revenue Sources						
Operating Expenses						
Cost of Water						
Purchased Water	3,283,400.00	218,685.72	1,416,453.99	0.00	1,641,700.00	43.14%
Ground Water	1,606,366.23	101,650.46	437,308.78	0.00	803,183.12	27.22%
	4,889,766.23	**320,336.18**	**1,853,762.77**	**0.00**	**2,444,883.12**	**37.91%**
Labor & Benefits						
Labor Regular	5,171,337.56	584,001.24	2,594,590.60	0.00	2,585,668.78	50.17%
Labor Taxes	417,541.00	47,030.00	222,817.02	0.00	208,770.50	53.36%
Labor External	44,781.00	0.00	0.00	0.00	22,390.50	0.00%
Benefits Med/Den/Vis	874,253.28	69,054.28	445,741.94	0.00	437,126.64	50.99%
Benefits LTD/STD/Life/EAP	85,197.00	7,147.61	49,144.50	0.00	42,598.50	57.68%
Benefits CalPers	539,698.20	55,317.44	225,676.84	0.00	269,849.10	41.82%
Benefits Other	30,993.63	190.00	8,590.63	0.00	15,496.82	27.72%
Benefits OPEB	517,227.02	47,491.31	177,365.22	0.00	258,613.51	34.29%
Benefits GASB 68/PERS UAL	656,678.76	52,009.96	313,793.50	0.00	328,339.38	47.78%
Benefits UAL OPEB	100,639.32	87,935.00	87,935.00	0.00	50,319.66	87.38%
Capitalized Labor & Benefit Contra		(46,481.68)	(352,016.21)	0.00	0.00	0.00%
	8,438,346.77	**903,695.16**	**3,773,639.04**	**0.00**	**4,219,173.39**	**44.72%**
General & Administrative						
Workers Comp	97,993.05	0.00	47,365.28	0.00	48,996.53	48.34%
Fees & Charges	222,200.00	34,049.99	113,767.79	0.00	111,100.00	51.20%
Regulatory Compliance/Permits	260,600.00	7,928.13	95,239.18	0.00	130,300.00	36.55%
District Events & Recognition	122,150.00	16,264.86	44,261.45	0.00	61,075.00	36.24%
Maintenance/Licensing	318,270.04	26,433.63	139,525.17	0.00	159,135.02	43.84%
Equipment Maintenance	307,470.00	4,411.24	26,646.90	0.00	153,735.00	8.67%
Professional Development	126,350.00	6,169.43	64,418.48	360.00	63,175.00	50.98%
Dues & Subscriptions	205,821.00	20,928.22	138,486.53	0.00	102,910.50	67.28%
Facility Maintenance	81,440.00	1,370.78	27,352.10	0.00	40,720.00	33.59%
Fuel & Oil	84,070.00	10,080.46	41,542.82	0.00	42,035.00	49.41%
General Supplies	20,400.00	6,792.86	35,020.24	0.00	10,200.00	171.67%
Insurance - Auto/Prop/Liab/Cyb	231,100.00	15,995.22	96,052.71	0.00	115,550.00	41.56%
Leasing/Equipment Rental	90,820.00	4,169.20	19,454.86	0.00	45,410.00	21.42%
Parts & Materials	260,000.00	68,394.09	338,243.52	12,684.24	130,000.00	130.09%
Postage/Shipping/Freight	91,655.00	15,364.94	48,692.42	0.00	45,827.50	53.13%
Rebates & Incentives	19,000.00	600.00	2,663.45	0.00	9,500.00	14.02%
Telecom/Network	72,600.00	7,496.48	29,764.49	0.00	36,300.00	41.00%
Tools & Equipment	219,045.53	5,897.55	57,316.91	0.00	109,522.77	26.17%
Utilities	82,184.00	5,058.46	26,776.21	0.00	41,092.00	32.58%
Uniforms	9,200.00	1,755.63	13,186.29	0.00	4,600.00	143.33%
Write-Off Bad Debt Exp	0.00	0.00	0.00	0.00	0.00	0.00%
Capitalized G&A Contra		(26,470.56)	(203,859.22)	0.00	0.00	0.00%
	2,922,368.62	**232,690.61**	**1,201,917.58**	**13,044.24**	**1,461,184.31**	**41.13%**
Professional & Contract Services						
Support Services	2,844,436.00	227,640.56	887,103.27	380.00	1,422,218.00	31.19%
Legal Services	654,200.00	108,797.18	395,762.23	0.00	327,100.00	60.50%
Printing Services	97,388.00	10,175.20	33,646.36	1,809.64	48,694.00	34.55%
	3,596,024.00	**346,612.94**	**1,316,511.86**	**2,189.64**	**1,798,012.00**	**36.61%**

Citrus Heights Water District
Budget Performance Report
As of 06/30/2026

	Adopted Budget	June 2026 Actual	Year-to-Date Actual	Year-to-Date Encumered	Budget To-Date	Percent of Total Budget Used
Reserves & Debt Services					.	
Interest Expense	170,788.00	0.00	143,620.68	0.00	85,394.00	84.09%
	170,788.00	**0.00**	**143,620.68**	**0.00**	**85,394.00**	**84.09%**
Total Operating Expenses	**20,017,293.62**	**1,803,334.89**	**8,289,451.93**	**15,233.88**	**10,008,646.81**	**41.41%**
Net Income / (Expense)	**$ 7,906,116.18**	**$ 642,670.28**	**$ 3,607,208.77**	**$ (15,233.88)**	**$ 3,953,058.09**	**45.63%**

Citrus Heights Water District
Budget Performance Report
As of 06/30/2026

Project Number	Project Name	FY 2026 Adopted Budget	FY 2026 Month to Date	FY 2026 Year to Date	FY 2026 Encumbered	FY 2026 Remaining Budget	Project to Date Project Forecast Budget	Project to Date Expenditures to Date	Project to Date Remaining Budget for Total Project
O25C05-001	Annual Facilities Improvements	$112,000	$0	$0	$0	$112,000	$112,000	$0	$112,000
O25C10-001	Annual Water Main Pipe Replace	$33,000	$0	$1,072	$0	$31,928	$33,000	$1,072	$31,928
O25C11-001	Annual Valve Replacements	$50,000	$0	$0	$0	$50,000	$50,000	$0	$50,000
O25C12-001	Annual Water Service Connections	$500,000	$0	$251,355	$0	$248,645	$500,000	$251,355	$248,645
O25C14-001	Annual Fire Hydrants Replace, Upg	$50,000	$0	$0	$0	$50,000	$50,000	$0	$50,000
O25C20-001	Annual Groundwater Well Improve	$50,000	$0	$38,850	$0	$11,150	$50,000	$38,850	$11,150
O26T04-001	Annual Tech Hardware & Software	$100,000	$0	$0	$0	$100,000	$100,000	$0	$100,000
O26C05-001	Annual Facilities Improvements	$50,000	$0	$0	$0	$50,000	$50,000	$0	$50,000
O26C10-001	Annual Water Main Pipe Replace	$53,000	$0	$0	$0	$53,000	$53,000	$0	$53,000
O26C11-001	Annual Valve Replacements	$135,000	$9,939	$31,975	$0	$103,025	$135,000	$31,975	$103,025
O26C12-001	Annual Water Service Connections	$1,510,000	$53,627	$321,198	$0	$1,188,802	$1,510,000	$321,198	$1,188,802
O26C13-001	Annual Water Meter Replacement	$130,000	$4,564	$44,497	$0	$85,503	$130,000	$44,497	$85,503
O26C14-001	Annual Fire Hydrants Replace, Upg	$175,000	$4,822	$45,334	$0	$129,666	$175,000	$45,334	$129,666
O26W20-001	Annual Groundwater Well Improve	$200,000	$0	$16,492	$0	$183,508	$200,000	$16,492	$183,508
E26A40-001	Annual Other City Partnerships	$100,000	$2,597	$6,161	$0	$93,839	$100,000	$6,161	$93,839
E26C41-001	Misc Infrastructure Projects	$100,000	$0	$0	$0	$100,000	$100,000	$0	$100,000
Construction in Progress		**$3,348,000**	**$75,549**	**$756,935**	**$0**	**$2,591,065**	**$3,348,000**	**$756,935**	**$2,591,065**
O26F03-001	Fleet/Field Operations Equip	$150,000	$0	$0	$0	$150,000	$150,000	$0	$150,000
Fleet and Equipment		**$150,000**	**$0**	**$0**	**$0**	**$150,000**	**$150,000**	**$0**	**$ 150,000**
E16C34-001	Auburn Blvd-Rusch Park Placer	$250,000	$0	$13,614	$0	$236,386	$671,214	$434,828	$236,386
E24C03-001	Menke Way	$103,000	$0	$120	$0	$102,880	$103,000	$120	$102,880
E25C01-001	Greenback Ln - Birdcage St to	$1,170,000	$586,268	$618,761	$0	$551,239	$1,295,383	$744,144	$551,239
E25C02-001	Greenback - Sunrise Blvd to Bi	$878,000	$4,579	$6,103	$0	$871,897	$917,734	$45,837	$871,897
E25C03-001	Donnawood Way	$505,000	$589	$8,363	$0	$496,637	$557,504	$60,867	$496,637
E25C08-001	Sayonara Dr - Lialana to Ming	$6,000	$0	$2,192	$0	$3,808	$380,640	$394,780	($14,139)
E26C45-001	Dove and Be Lazy Court	$350,000	$0	$0	$0	$350,000	$350,000	$0	$350,000
E26C46-001	Sagitarius Way & Pleides Ave	$0	$3,069	$15,195	$0	($15,195)	$0	$15,195	($15,195)
Water Mains		**$3,262,000**	**$594,505**	**$664,348**	**$0**	**$2,597,652**	**$4,275,475**	**$1,695,771**	**$2,579,704**
O25C04-001	Facilities Mod & Expan (Sylvan)	$3,000,000	$367,362	$646,504	$0	$2,353,496	$12,591,894	$761,733	$11,830,161
A25T05-001	ERP System	$350,000	$3,548	$57,959	$0	$292,041	$472,128	$180,087	$292,041
A25T06-001	SCADA Upgrade	$120,000	$0	$78,149	$0	$41,851	$125,400	$83,549	$41,851
A25C07-001	Facilities Mod & Expan (Madison)	$9,982,756	$83,597	$168,737	$0	$9,814,019	$12,408,106	$2,594,087	$9,814,019
Miscellaneous Projects		**$13,452,756**	**$454,507**	**$951,349**	**$0**	**$12,501,407**	**$25,597,528**	**$3,619,456**	**$21,978,072**
O20W07-001	Well #7 Ella	$1,150,000	$8,863	$880,079	$0	$269,921	$5,736,569	$5,337,242	$399,327
O23W03-001	Highland Well #8	$4,481,000	$22,947	$69,439	$0	$4,411,561	$6,400,518	$1,145,760	$5,254,758
Wells		**$5,631,000**	**$31,810**	**$949,518**	**$0**	**$4,681,482**	**$12,137,087**	**$6,483,002**	**$5,654,085**
	Grand Totals:	**$25,843,756**	**$1,156,370**	**$3,322,150**	**$0**	**$22,521,606**	**$45,508,090**	**$12,555,165**	**$32,952,926**

JUNE 2026 WARRANTS

CHECK	PAYEE	DESCRIPTION	AMOUNT
510001332	RICHARD OR DOROTHY J MEYER TRUST	Customer Refund	$51.64
510001333	BEDDINGFIELD FMLY TRUST	Customer Refund	$151.99
510001334	KAMERON M/KINDERLY M BUECHE	Customer Refund	$48.95
510001335	DIANA F DI NAPOLI	Customer Refund	$189.46
510001336	ALEXANDER OR JENNIE M DUBOSE	Customer Refund	$175.98
510001337	LAURA JEAN HAM VENABLE	Customer Refund	$6.03
510001338	QUEST TRUST COMPANY	Customer Refund	$36.62
510001339	AIA Services LLC	Tools/Equipment	405.37
510001340	Nancy Alaniz	Retiree Benefit	392.90
510001341	Alexander's Contract Services	Meter Reads	3,350.46
510001342	Amazon Capital Services	Tools/Equipment	754.22
510001343	Best Best and Krieger	Legal Services	30,591.44
510001344	BSK Associates	Water Analysis	1,197.78
510001345	Robert Churchill	Retiree Benefit	556.00
510001346	Robin Cope	Retiree Benefit	556.00
510001347	Steven Corothers	Retiree Benefit	496.00
510001348	Timothy Cutler	Retiree Benefit	443.00
510001349	Paul Dietrich	Retiree Benefit	556.00
510001350	Dana M Inman/ Douglas B Inman	Customer Refund	122.41
510001351	FasTrak Invoice Processing Department	Fees/Charges	8.50
510001352	Ferguson Enterprises Inc 1423	Material	32,841.98
510001353	Ernestine Freeman	Retiree Benefit	202.90
510001354	Go Live Technology Inc	Contract Services-Financial	3,547.50
510001355	Grainger	Tools/Equipment	1,384.98
510001356	J4 Systems	Contract Services-Other	400.00
510001357	Leaf	Equipment Rental	419.49
510001358	Gerald Lee	Retiree Benefit	556.00
510001359	Michael Mariedth	Retiree Benefit	489.00
510001360	Rex Meurer	Retiree Benefit	443.00
510001361	Moonlight BPO LLC	Bill Print/Mail	1,755.60
510001362	Lonnie Moore	Retiree Benefit	202.90
510001363	Pamela Peters	Retiree Benefit	443.00
510001364	David Rossi	Retiree Benefit	443.00
510001365	Sacramento County Utilities	Utilities	370.60
510001366	Scarsdale Security Systems Inc	Equipment Rental	1,021.45
510001367	Mary Lynn Scherrer	Retiree Benefit	443.00
510001368	SMUD	Utilities	530.86
510001369	Sonitrol	Equipment Rental	219.02
510001370	Nick Spiers	Retiree Benefit	556.00
510001371	T Mobile	Telecom /Network	1,375.43
510001372	Melinda M Tupper	Retiree Benefit	311.98
510001373	Two Twenty Photos	Contract Services-Other	2,700.00
510001374	Verizon Wireless	Telecom /Network	526.13
510001375	Water Systems Consulting, Inc	Contract Services-Wells	22,946.75
510001376	WyJo Services Corp	Equipment Maintenance	900.00
510001377	PAULINE POPJEVALO	Customer Refund	$9.15

JUNE 2026 WARRANTS

CHECK	PAYEE	DESCRIPTION	AMOUNT
510001378	TROY S OR ANN SOLOZANO	Customer Refund	$154.04
510001379	JOSEPH D OR JULIA E LAUX	Customer Refund	$18.17
510001380	ROBERTA A WOLFF	Customer Refund	$220.22
510001381	BRYCE C OR KAYLA A DE HAVEN	Customer Refund	$41.62
510001382	JEREMY R HAYES	Customer Refund	$53.03
510001383	Alexander's Contract Services	Meter Reads	3,222.78
510001384	Amazon Capital Services	Tools/Equipment	290.47
510001385	AREA Portable Services	Equipment Rental	138.43
510001386	B and M Builders	Contract Services-Engineering	24,448.10
510001387	Best Best and Krieger	Legal Services	27,268.73
510001388	Bryce Consulting Inc	Consulting Services	10,200.00
510001389	BSK Associates	Water Analysis	575.66
510001390	City of Foster City	Printing Services	582.00
510001391	Colantuono Highsmith Whatley PC	Legal Services	15,403.00
510001392	Corelogic Information Solutions Inc	Dues/Subscriptions	251.00
510001393	Ferguson Enterprises Inc 1423	Material	10,295.89
510001394	Fortiline Waterworks	Material	3,610.28
510001395	J4 Systems	Contract Services-Other	2,254.62
510001396	Jennifer Liebermann Consulting	Consulting Services	4,262.50
510001397	Moonlight BPO LLC	Bill Print/Mail	1,160.42
510001398	N & S Tractor	Equipment Maintenance	92.74
510001399	Napa Auto Parts	Tools/Equipment	13.21
510001400	New AnswerNet Inc	Phone/Answering Service	343.97
510001401	Pace Supply Corp	Material	30,784.90
510001402	Quick Quack Car Wash	Equipment Maintenance	200.00
510001403	RDO Equipment	Equipment Maintenance	32.66
510001404	Rental Guys	Equipment Rental/Field	286.25
510001405	Republic Services 922	Utilities	759.83
510001406	Rotary Club of Citrus Heights	Dues/Subscriptions	200.00
510001407	Sacramento County - PO Box 1587	Permits	143.00
510001408	SMUD	Utilities	12,817.71
510001409	United Rentals North America Inc	Equipment Rental/Field	205.64
510001410	Wex Bank	Fuel	6,066.59
510001411	WM Corporate Services Inc	Utilities	1,122.82
510001412	Wolf Consulting	Consulting Services	9,900.00
510001413	3 CMA City-County Communications & Marketing Assoc	Dues/Subscriptions	715.00
510001414	Alexander's Contract Services	Meter Reads	2,712.06
510001415	AM Conservation Group Inc	Conservation-General Supplies	2,821.31
510001416	Amazon Capital Services	Tools/Equipment	947.07
510001417	ANG Audio Visual Services	Equipment Rental-Office	3,075.00
510001418	Batteries Plus Bulbs 310	General Supplies	17.19
510001419	Bender Rosenthal Incorporated	Contract Services-Engineering	4,500.00
510001420	Best Best and Krieger	Legal Services	39,789.51
510001421	Brutons Glass Co	Equipment Maintenance	450.00
510001422	BSK Associates	Contract Services-Water Analysis	2,329.10
510001423	Capio	Dues/Subscriptions	425.00

JUNE 2026 WARRANTS

CHECK	PAYEE	DESCRIPTION	AMOUNT
510001424	Comcast	Equipment Rental-Office	106.12
510001425	Consolidated	Telecom /Network	3,514.74
510001426	Core and Main LP	Material	1,776.47
510001427	Covino Smith and Simon	Consulting Services	1,666.67
510001428	Cty of Sac Dept of Finance	Permits	100.60
510001429	Edelstein Gilbert Robson and Smith LLC	Consulting Services	5,833.33
510001430	IB Consulting LLC	Consulting Services	13,750.00
510001431	iPROMOTEu	Conservation-General Supplies	4,894.31
510001433	Jennifer Liebermann Consulting	Consulting Services	26,565.00
510001434	LaFleur Engineering Inc	Contract Services-Engineering	531,373.95
510001435	Lowe's	General Supplies-Field	674.86
510001436	Messenger Publishing Group	Printing Services	225.00
510001437	Moonlight BPO LLC	Bill Print/Mail	3,564.08
510001438	N & S Tractor	Equipment Maintenance	1,452.29
510001439	Napa Auto Parts	Equipment Maintenance	142.53
510001440	Pace Supply Corp	Material	6,055.22
510001441	Pacific Gas and Electric	Utilities	19.66
510001442	Richard Pease	Rebates/Incentives	150.00
510001443	Red Wing Shoe Store	Tools/Equipment	300.00
510001444	Regional Government Services	Consulting Services	1,980.30
510001445	Regional Water Authority	Dues/Subscriptions	51,618.00
510001446	Sacramento Groundwater Authority	Dues/Subscriptions	55,585.00
510001447	Sagent	Consulting Services	8,291.99
510001448	Rosalia Gomez Sullivan	Customer Refund	250.48
510001449	SWRCB (Water Control Board)	Professional Development	115.00
510001450	Teichert and Son Inc	Material	2,296.08
510001451	Margaret Torres	Rebates/Incentives	75.94
510001452	Two Twenty Photos	Contract Services-Other	4,200.00
510001453	UES Professional Solutions Inc	Contract Services-Other	10,475.00
510001454	WaterWise Consulting Inc	Contract Services-Conservation	3,380.00
510001455	ACWA- JPIA	Benefits-Other	32.24
510001456	Alexander's Contract Services	Meter Reads	2,113.56
510001457	Amazon Capital Services	Tools/Equipment	2,397.74
510001458	Jodi Ash	Compensation-Other	100.00
510001459	Best Best and Krieger	Legal Services	19,087.00
510001460	Julie Beyers	Compensation-Other	50.00
510001461	Amanda Camacho	Compensation-Other	50.00
510001462	Core and Main LP	Material	3,013.13
510001463	Paul Dietrich	Compensation-Other	100.00
510001464	Fast Action Pest Control	Contract Services-Miscellaneous	184.80
510001465	Ferguson Enterprises Inc 1423	Material	905.47
510001466	Government Portfolio Advisors	Consulting Services	1,471.54
510001467	Suzanne Guthrie	Compensation-Other	100.00
510001468	Hunt and Sons LLC	Fuel	4,013.87
510001469	iPROMOTEu	Conservation-General Supplies	5,318.44
510001470	J4 Systems	Contract Services-Other	734.62

JUNE 2026 WARRANTS

CHECK	PAYEE	DESCRIPTION	AMOUNT
510001471	Leaf	Equipment Rental-Office	419.49
510001472	Moonlight BPO LLC	Bill Print/Mail	4,022.64
510001473	Michael Nishimura	Compensation-Other	150.00
510001474	Pace Supply Corp	Material	13.27
510001475	RDO Equipment	Equipment Rental-Field	319.03
510001476	Regional Government Services	Consulting Services	13,971.80
510001477	Rotary Club of Citrus Heights	Dues/Subscriptions	760.00
510001478	SiteOne Landscape Supply LLC	Supplies-Field	626.99
510001479	SMUD	Utilities	816.51
510001480	TechnoFlo Systems	Contract Services-Other	332.33
510001481	Teichert and Son Inc	Material	2,287.26
510001482	Alan Utzig	Compensation-Other	100.00
510001483	Void	Void	$0.00
510001484	Alboum & Associates LLC	Dues/Subscriptions	26.43
510001485	Capio	Professional Development	1,297.00
510001486	Susan Powers	Compensation-Other	100.00
510001487	Marguerite Rose	Compensation-Other	100.00
510001488	SpeedPro Unlimited	General Supplies-Conservation	236.26
510001489	Myel Thelen	Compensation-Other	25.00
510001490	Verdant Commercial Capital	Equipment Rental-Office	376.97
510001491	Verizon Wireless	Telecom /Network	598.63
510001492	Water Systems Consulting, Inc	Contract Services-Other	8,863.20
510001493	BEVIS LEE	Customer Refund	$318.52
510001494	KATHY A YATES	Customer Refund	$32.01
510001495	MICHAEL W POOL	Customer Refund	$10.08
510001496	STEPHEN G WILLIAMS	Customer Refund	$125.50
510001497	KAREN J RUSSELL	Customer Refund	$109.03
510001498	MICHAEL W COLLINS REV TRUST	Customer Refund	$13.70
510001499	NATHAN/KATHRYN LAUPPE	Customer Refund	$152.29
510001500	DREW OR CASSIE M BAILEY	Customer Refund	$134.70
510001501	POUYA ANSARI OR PARVANEH MANOUCHEHRI	Customer Refund	$239.44
510001502	JOEL DENNY OLVERA	Customer Refund	$31.59
510001503	ALEKSEY OR KRISTINA NAVROTSKIY	Customer Refund	$109.36
510001504	ANGELIQUE R HEIMER	Customer Refund	$39.81
510001505	HAIDER RAFIQUE	Customer Refund	$13.09
510001506	ALLISON RENTH	Customer Refund	$166.15
510001507	AMIT OR DIVYA R GUD	Customer Refund	$268.88
510001508	KAY L CURTIS	Customer Refund	$141.74
510001509	JAYSON C BACCAY	Customer Refund	$49.59
510001510	SMITH VILLAGE PROPERTIES LLC	Customer Refund	$152.09
510001511	REZA KALANTARI	Customer Refund	$153.53
Total			$1,158,140.93

ACH	BMO Bank NA	Bank Fee	$2,352.91
ACH	California Choice Benefit Administrators	Health Insurance	$75,970.39
ACH	Chase On line Bill Payment	Bank Fee	$5,789.19
ACH	FP Mailing Solutions	Postage	$1,500.00
ACH	ICMA-RC	Deferred Compensation	$70,301.14
ACH	Department of the Treasury	Federal Payroll Taxes	$123,446.47
ACH	Invoice Cloud	Bank Fee	$7,726.45

JUNE 2026 WARRANTS

CHECK	PAYEE	DESCRIPTION	AMOUNT
ACH	PERS	Pers	$208,172.68
ACH	Principal Life Insurance Company	Health Insurance	$16,183.42
ACH	VALIC/AIG	Deferred Compensation	$9,905.43
ACH	State of CA Employment Development Department	State Income/Unemployment Tax	$19,854.82
ACH	Principal Life Insurance Company	Disability Tax Withholding	$1,165.40
Total			542,368.30
Grand Total			$1,700,509.23

JP Morgan Purchase Card Distributions
Jun-26

Name	Software Subscriptions	Permits/Fees	General Supplies	District Events & Recognition	Professional Development	District Membership Dues and Subscriptions	Advertisement	Fleet Maintenance	Travel	Tools & Equipment	Printing Services	Office Supplies	Professional Membership Dues and Subscriptions	Postage/Shipping/ Freight	Prepaid	Total Bill
Tran	$ 1,098.92															$ 1,098.92
Shockley	$ 12.60	$ 5,149.68	$ 394.48	$ 1,106.95	$ (337.56)	$ 504.00			$ 554.80	$ 4,793.22				$ 157.49	$ 131.88	$ 12,467.54
Fuerte			$ 216.00	$ 18.00		$ 45.00					$ 236.27					$ 515.27
Shepard	$ 2.95			$ 408.31	$ (396.80)		$ 698.00									$ 712.46
Conzelmann				$ 1,710.47												$ 1,710.47
Nichols			$ 30.32					$ 286.38								$ 316.70
Jordan				$ 24.19					$ 26.99							$ 51.18
Munoz				$ 222.20								$ 25.44				$ 247.64
Liu					$ 490.00								$ 570.00			$ 1,060.00
Pieri														$ 17.59		$ 17.59
Total Bill	**$ 1,114.47**	**$ 5,149.68**	**$ 640.80**	**$ 3,490.12**	**$ (244.36)**	**$ 549.00**	**$ 698.00**	**$ 286.38**	**$ 581.79**	**$ 4,793.22**	**$ 236.27**	**$ 25.44**	**$ 570.00**	**$ 175.08**	**$ 131.88**	**$ 18,197.77**

CITRUS HEIGHTS WATER DISTRICT
July 2026
REVENUE ANALYSIS

Outstanding Receivables

Aged Trial Balance					
Total	Current	31-90	91-150	>150	Unapplied Current
1,808,054	1,314,885	153,988	97,966	387,771	146,556

General Ledger Balance	Total
Outstanding A/R	1,905,881.87
Outstanding Liens	-
Outstanding Grants	-
A/R Other	-
Less Unapplied Payments	(146,433)
Total	$ 1,759,449
Diff	$ (48,605)

CITRUS HEIGHTS WATER DISTRICT
ASSESSOR/COLLECTOR'S ROLL ADJUSTMENTS FOR
July 31, 2026

LID	CID	Charge Type	Trans.Date	Reason For Cancellation	Amount
16092	0026533	DEFAULT	7/7/2026	ONE TIME COURTESY	9.40
18166	0037666	DEFAULT	7/7/2026	ONE TIME COURTESY	10.09
08166	0041932	DEFAULT	6/29/2026	ONE TIME COURTESY	67.00
05946	0012422	DEFAULT	7/7/2026	ONE TIME COURTESY	7.75
14004	0012422	DEFAULT	7/7/2026	ONE TIME COURTESY	7.26
08232	0007364	DEFAULT	7/21/2026	ONE TIME COURTESY	9.54
20223	0041880	DEFAULT	6/2/2026	ONE TIME COURTESY	8.09
10798	0009577	DEFAULT	6/2/2026	ONE TIME COURTESY	9.26
21258	0042116	DEFAULT	6/2/2026	ONE TIME COURTESY	8.23
11103	0009870	DEFAULT	6/23/2026	ONE TIME COURTESY	3.99

July 31, 2026

To: Citrus Heights Water District Board of Directors

Re: Citrus Heights Water District Investment Portfolio Report for July 2026

The attached Investment Report for July 2026 is submitted in accordance with the Citrus Heights Water District (District)'s Investment Policy. All investments are in compliance with the policy.

The Investment Report lists all short- term, mid-term and long-term investments held at the conclusion of business on the final day of the month. The combined cash and investments in the District's treasury total $35,660,082 with $10,728,055 under the management of the Local Agency Investment Fund, California Asset Management Program, Money Market Funds and BMO Bank.

Investments with original cost of $24,550,280 are selected based on criteria contained in the District's Investment Policy, which emphasized safety, liquidity, yield, and diversification. The core investments are marked to market daily based on a current market price determined by U.S. Bancorp Investments. The aggregate investment portfolio and holdings are included in the Investment Report.

The Investment Report demonstrates that sufficient liquidity is available to meet anticipated expenditures during the next six months.

Respectfully submitted,

Annie Y. Liu

Director of Administrative Services/Treasurer

TREASURER'S REPORT TO THE BOARD OF DIRECTORS
For July 31, 2026

Summary of Funds

Fund Name	Par Amount	Book Value	Original Cost	Market Value
BMO Checking Plus Money Market Funds	3,380,713	3,380,713	3,380,713	3,380,713
Local Agency Investment Fund (LAIF)	1,001,284	1,001,284	1,001,284	1,001,284
California Asset Management Program (CAMP)	6,346,058	6,346,058	6,346,058	6,346,058
CHWD Investment CORE	25,368,761	24,932,027	24,550,280	24,759,331
Total	**36,096,816**	**35,660,082**	**35,278,335**	**35,487,386**

TREASURER'S REPORT TO THE BOARD OF DIRECTORS
For July, 2026
Funds Reconciliation

BMO Beginning Balance 7/1/26			**$3,674,542**
RECEIPTS/TRANSFERS:			
Receipts	3,847,315		
		3,847,315	
DISBURSEMENTS/TRANSFERS:			
Checks Issued / ACH Payments	2,662,025		
Returned Checks	9,655		
Bank fees	10,737		
Payroll	1,458,727		
		4,141,144	(293,829)
Balance Per Bank 07/31/2026			**3,380,713**
Outstanding Transactions			(1,390,418)
Balance Per Books 07/31/2026			**$1,990,295**

RECONCILEMENT:	
BMO Checking Plus Money Market Funds	$3,380,713
CAMP Pool Account	$6,346,058
Local Agency Investment Fund	$1,001,284
TOTAL LIQUIDY BALANCE	**$10,728,055**
CASH & INVESTMENT SUMMARY:	
CHWD-Liquidity	10,728,055
CHWD-Investment Core	24,932,027
Total	**35,660,082**

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.

ANNIE Y. LIU
Treasurer
7/31/2026

HILARY M. STRAUS
Secretary

Monthly Investment Report
Citrus Heights Water District

July 31, 2026

Total Aggregate Portfolio

Month End Commentary - July 2026

Yields pushed higher in July with the yield curve bear-steepening as the rise in longer dated Treasury yields outpaced shorter tenors. 2-year Treasury yields rose by 12 basis points to 4.29% while 10-year yields increased by 27 basis points to 4.74%. Supporting the move higher was a reescalation of tensions in the war with Iran that temporarily sent oil prices over $100 a barrel along with an FOMC meeting that left investors questioning the Fed's effort to combat persistent above-target inflation. Equities staged a phenomenal risk-off rotation with the Dow Jones Industrial Average going unchanged for the month while the tech-heavy Nasdaq 100 fell by a whopping 6.6% as traders became increasingly skeptical of sharply rising AI-related capex.

Federal Reserve Chairman Kevin Warsh gave his second press conference after the FOMC voted 9-3 to keep the fed funds rate unchanged at a median 3.625%. Three dissenters voted to hike the benchmark rate as the committee has been growing more hawkish over the past several months with inflation continuing to run above the Fed's 2% target. During the presser, Warsh vowed that the Fed's inflation target has not changed, reassuring that 2% target will remain. However, he came across as dismissive of the Fed's preferred inflation gauge saying that he is looking at PCE, but also at a "broader set" of inflation metrics. Additionally, he went on to state that the market has already been tightening financial conditions, suggesting that they are doing the work for them. The market responded with 30-year yields increasing to two-decade highs with some interpreting the rise as a questioning of the Fed's inflation-fighting credibility.

Fortunately for the Fed, June's inflation readings were mostly benign. The headline PCE deflator contracted by a monthly 0.1% in June while the yearly figure slowed from 4.1% the prior month to 3.7%. Core price growth moderated slightly with the monthly value advancing by 0.2% while the yearly value slowed from 3.4% to 3.3%. A drop in gasoline prices largely influenced the slower readings. However, many other categories showed progress with price growth coming in tamer than expected. Despite the cooler June reading, the Fed understands that one reading does not make a trend and analysts expect inflation to remain elevated for the remainder of the year. Also fortunate for the Fed, the labor market has remained upright, and economic growth remains firm. The initial estimate for GDP growth in Q2 came in at 1.5% but looking under the hood showcases underlying strength. Notably, personal consumption staged a significant rebound from the prior quarter and corporate nonresidential fixed investment contributed meaningfully again while also broadening, out suggesting robust activity from sectors outside of technology.

Longer-dated maturities underperformed in July with Treasuries outperforming versus spread assets. Corporate credit spreads widened, particularly among technology issuers as year-to-date issuance has been robust while recent corporate earnings point to a continuation of rising capital expenditures. With markets anticipating a potential rate hike out of the Fed and worry among inflation hawks, we recommend managing portfolio durations neutral to strategic targets while opportunistically taking advantage of recent corporate spread widening for accounts with underweight allocations.

Treasury Curve Total Returns Last 12 Months

Treasuries	Total Return
3 month bill	3.823%
1 year note	3.543%
2 year note	2.890%
3 year note	2.358%
5 year note	1.710%

Treasury Benchmark Total Returns In Month

Benchmark	Period Return	YTM	Duration (Years)
ICE BAML 90 Day Bill	0.330%	3.720%	0.23
ICE BAML 0-1 Year Treasury	0.331%	3.990%	0.50
ICE BAML 0-3 Year Treasury	0.211%	4.180%	1.40
ICE BAML 0-5 Year Treasury	0.040%	4.250%	2.07

Changes In The Treasury Market (Absolute Yield Levels)

Treasuries	07/31/2025	05/31/2026	06/30/2026	07/31/2026	1 Month Change	12 Month Change
3 month bill	4.34%	3.67%	3.81%	3.75%	-0.06%	-0.58%
6 month bill	4.27%	3.74%	3.97%	3.94%	-0.03%	-0.33%
1 year bill	4.09%	3.77%	3.97%	4.03%	0.06%	-0.06%
2 year note	3.96%	4.00%	4.17%	4.29%	0.12%	0.33%
3 year note	3.90%	4.05%	4.18%	4.35%	0.17%	0.45%
5 year note	3.97%	4.14%	4.23%	4.45%	0.22%	0.48%
10 year note	4.37%	4.44%	4.47%	4.74%	0.27%	0.36%

Compliance Report

Citrus Heights Water District | Total Aggregate Portfolio

July 31, 2026

Category

Policy Diversification Constraint	Policy Limit	Actual Value*	Status
US Treasury Obligations Maximum % of Holdings	100.000	36.519	Compliant
US Agency Callable Securities Maximum % of Total Portfolio	25.000	0.000	Compliant
US Agency Obligations Issuer Concentration	35.000	8.381	Compliant
US Agency Obligations Maximum % of Holdings	100.000	16.826	Compliant
Supranationals - Issuer is IADB, IBRD, or IFC	0.000	0.000	Compliant
Supranationals Issuer Concentration	5.000	2.667	Compliant
Supranationals Maximum % of Holdings	15.000	6.026	Compliant
Municipal Bonds - Other States Outside of CA	25.000	1.086	Compliant
Municipal Bonds - Other States Outside of CA Issuer Concentration	10.000	1.086	Compliant
Municipal Bonds - State of California	25.000	0.460	Compliant
Municipal Bonds - State of California Issuer Concentration	10.000	0.460	Compliant
Municipal Bonds CA Entities Issuer Concentration	10.000	0.683	Compliant
Municipal Bonds CA Entities Max. % of Holdings	30.000	2.705	Compliant
Mortgages, CMOs and Asset Backed Securities Issuer Concentration	5.000	0.086	Compliant
Mortgages, CMOs and Asset Backed Securities Maximum % of Holdings	20.000	0.089	Compliant
Corporate Notes Issuer Concentration	5.000	0.000	Compliant
Corporate Notes Maximum % of Holdings	25.000	6.963	Compliant
Corporate Notes must be Issued by US Corporation	0.000	0.000	Compliant
Commercial Paper Issued and Operating in the US	0.000	0.000	Compliant
Commercial Paper Issuer Concentration	5.000	0.000	Compliant
Negotiable CDs Issuer Concentration	5.000	0.000	Compliant
Negotiable CDs Maximum % of Holdings	10.000	0.000	Compliant
Non-Negotiable CDs Issuer Concentration	5.000	0.000	Compliant
Non-Negotiable CDs Maximum % of Holdings	10.000	0.000	Compliant
Banker's Acceptance Issuer Concentration	5.000	0.000	Compliant
Banker's Acceptance Maximum % of Holdings	20.000	0.000	Compliant
Money Market Issuer Concentration	20.000	3.890	Compliant
Money Market Maximum % of Holdings	20.000	4.240	Compliant
LGIP Maximum % of Holdings	100.000	2.822	Compliant
Bank Time Deposits/Savings Accounts Issuer Concentration	50.000	5.636	Compliant
Bank Time Deposits/Savings Accounts Maximum % of Holdings	100.000	4.842	Compliant

1) Actual values are based on market value.
2) The compliance report allows for resolutions to be documented if an actual value exceeds a limit. The specific resolution can be found on the client portal site.

Compliance Report

Citrus Heights Water District | Total Aggregate Portfolio

July 31, 2026

Category			
JPA Pool Max % Holdings	50.000	17.883	Compliant

1) Actual values are based on market value.
2) The compliance report allows for resolutions to be documented if an actual value exceeds a limit. The specific resolution can be found on the client portal site.

Compliance Report

Citrus Heights Water District | Total Aggregate Portfolio

July 31, 2026

Category

Policy Maturity Structure Constraint	Policy Limit	Actual %	Status
Maturity Constraints Under 5 years Minimum % of Total Portfolio	100.000	100.000	Compliant
Policy Maturity Constraint	**Policy Limit**	**Actual Term**	**Status**
US Treasury Maximum Maturity At Time of Purchase (years)	5.000	5.000	Compliant
US Agency Maximum Maturity At Time of Purchase (years)	5.000	4.997	Compliant
Supranationals Maximum Maturity At Time of Purchase (years)	5.000	4.943	Compliant
Municipals Maximum Maturity At Time of Purchase (years)	5.000	4.995	Compliant
Mortgages, CMOs and Asset Backed Securities Maximum Maturity At Time of Purchase (years)	5.000	4.565	Compliant
Corporate Maximum Maturity At Time of Purchase (years)	5.000	4.940	Compliant
Commercial Paper Days to Final Maturity (days)	397.000	0.000	Compliant
Negotiable CDs Maximum Maturity At Time of Purchase (years)	1.000	0.000	Compliant
Non-Negotiable CDs Maximum Maturity At Time of Purchase (years)	1.000	0.000	Compliant
Banker's Acceptance Maximum Maturity At Time of Purchase (days)	180.000	0.000	Compliant
Weighted Average Maturity (years)	3.000	1.627	Compliant
Policy Credit Constraint			**Status**
Supranationals Ratings AA-/Aa3/AA- or better (Rated by 1 NRSRO)			Compliant
Municipal Bonds Ratings Minimum A-/A3/A- (Rated by 1 NRSRO)			Compliant
Mortgages, CMOs and Asset Backed Securities Minimum Credit Rating AA-/Aa3/AA- (Rated by 1 NRSRO)			Compliant
Corporate Notes Ratings Minimum A-/A-/A3 (Rated by 1 NRSRO)			Compliant
Commercial Paper Ratings Minimum A1/P1/F1 (Rated by 1 NRSRO)			Compliant
Commercial Paper Minimum Long Term Rating A-/A3/A- (Rated by 1 NRSRO)			Compliant
Money Market Ratings Minimum AAA/Aaa/AAA (Rated by 1 NRSRO)			Compliant

1) Actual values are based on market value.
2) The compliance report allows for resolutions to be documented if an actual value exceeds a limit. The specific resolution can be found on the client portal site.

Summary Overview

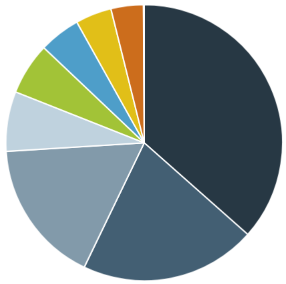
Citrus Heights Water District | Total Aggregate Portfolio

July 31, 2026

Portfolio Characteristics

Metric	Value
Cash and Cash Equivalents	10,570,332.45
Investments (Market Value + Accrued)	25,121,794.26
Book Yield	3.81%
Market Yield	3.90%
Effective Duration	1.48
Years to Maturity	1.62
Avg Credit Rating	AA+

Allocation by Asset Class



- US Treasury **36.6%**
- Pooled Funds **20.6%**
- US Agency **16.9%**
- Corporate **7.0%**
- Supranational **6.1%**
- Bank Deposit **4.8%**
- Money Market Fund **4.2%**
- Municipals **3.8%**
- Asset Backed Securities **0.1%**

Strategic Structure

Account	Par Amount	Original Cost	Book Value	Market Value	Net Unrealized Gain (Loss)	Yield at Cost	Effective Duration	Benchmark Duration	Benchmark
CHWD-Investment Core	25,368,760.64	24,550,279.69	24,932,026.63	24,759,330.99	(172,695.65)	4.14%	2.11	2.07	ICE BofA 0-5 Year US Treasury Index
CHWD-Liquidity	10,728,055.18	10,728,055.18	10,728,055.18	10,728,055.18	0.00	3.05%	0.01	0.08	ICE BofA US 1-Month Treasury Bill Index
Total	**36,096,815.82**	**35,278,334.87**	**35,660,081.81**	**35,487,386.17**	**(172,695.65)**	**3.81%**	**1.48**		

Portfolio Activity

Citrus Heights Water District | Total Aggregate Portfolio

July 31, 2026

Accrual Activity Summary

	Month to Date	Fiscal Year to Date (01/01/2026)
Beginning Book Value	35,198,568.17	33,593,730.72
Maturities/Calls	(650,000.00)	(3,600,000.00)
Purchases	928,751.90	5,247,390.72
Sales	0.00	0.00
Change in Cash, Payables, Receivables	187,032.01	449,832.41
Amortization/Accretion	16,627.95	105,695.95
Realized Gain (Loss)	2.69	2.69
Ending Book Value	35,660,081.81	35,660,081.81

Fair Market Activity Summary

	Month to Date	Fiscal Year to Date (01/01/2026)
Beginning Market Value	35,107,324.17	33,826,811.21
Maturities/Calls	(650,000.00)	(3,600,000.00)
Purchases	928,751.90	5,247,390.72
Sales	0.00	0.00
Change in Cash, Payables, Receivables	187,032.01	449,832.41
Amortization/Accretion	16,627.95	105,695.95
Change in Net Unrealized Gain (Loss)	(81,451.65)	(405,776.13)
Net Realized Gain (Loss)	2.69	2.69
Ending Market Value	35,487,386.17	35,487,386.17

Maturities/Calls	Market Value
Month to Date	(650,000.00)
Fiscal Year to Date	(3,600,000.00)

Purchases	Market Value
Month to Date	928,751.90
Fiscal Year to Date	5,247,390.72

Sales	Market Value
Month to Date	0.00
Fiscal Year to Date	0.00

Return Management-Income Detail

Citrus Heights Water District | Total Aggregate Portfolio

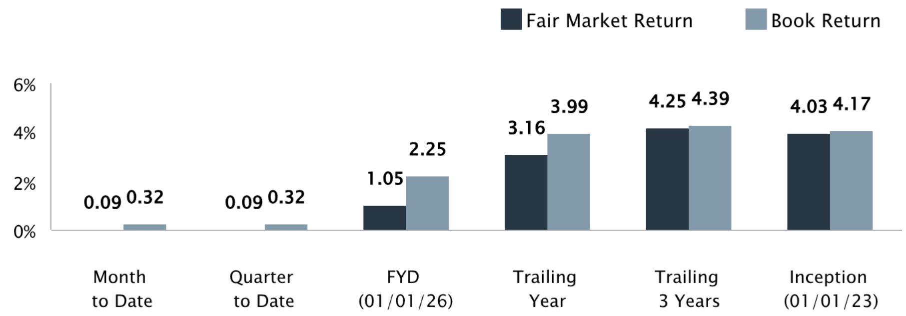
July 31, 2026

Accrued Book Return

	Month to Date	Fiscal Year to Date (01/01/2026)
Amortization/Accretion	16,627.95	105,695.95
Interest Earned	96,452.08	665,393.45
Realized Gain (Loss)	2.69	2.69
Book Income	113,082.72	771,092.09
Average Portfolio Balance	35,100,687.09	34,362,414.29
Book Return for Period	0.32%	2.25%

Return Comparisons

Periodic for performance less than one year. Annualized for performance greater than one year.



Fair Market Return

	Month to Date	Fiscal Year to Date (01/01/2026)
Fair Value Change	(98,079.60)	(511,472.07)
Amortization/Accretion	16,627.95	105,695.95
Interest Earned	96,452.08	665,393.45
Fair Market Earned Income	15,000.43	259,617.32
Average Portfolio Balance	35,100,687.09	34,362,414.29
Fair Market Return for Period	0.09%	1.05%

Interest Income

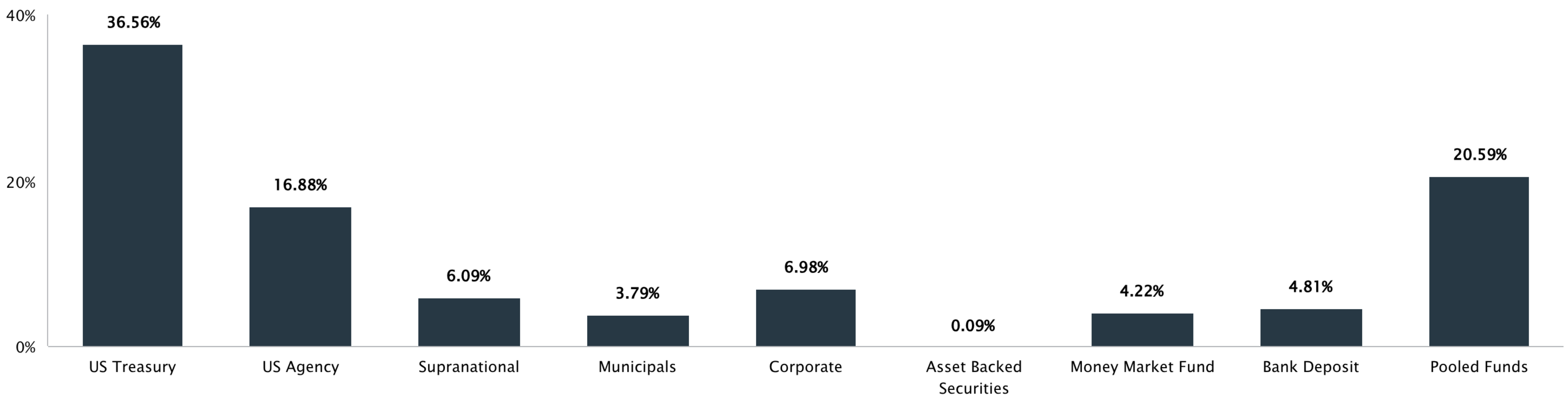
	Month to Date	Fiscal Year to Date (01/01/2026)
Beginning Accrued Interest	211,102.93	205,929.83
Coupon Income	106,740.92	699,759.03
Purchased Accrued Interest	3,926.45	33,176.29
Sold Accrued Interest	0.00	0.00
Ending Accrued Interest	204,740.54	204,740.54
Interest Earned	96,452.08	665,393.45

Notation: Book and Fair Market Returns are not annualized

Security Type Distribution

Security Type	Par Amount	Book Yield	Market Value + Accrued	% of Market Value + Accrued
US Treasury	13,340,000.00	3.98%	13,048,990.40	36.56%
US Agency	6,125,000.00	4.18%	6,024,380.70	16.88%
Supranational	2,150,000.00	4.34%	2,173,118.10	6.09%
Municipals	1,380,000.00	4.33%	1,353,361.76	3.79%
Corporate	2,500,000.00	4.61%	2,490,345.99	6.98%
Asset Backed Securities	31,483.37	5.26%	31,597.30	0.09%
Money Market Fund	1,504,614.34	3.51%	1,504,614.34	4.22%
Bank Deposit	1,718,376.33	0.00%	1,718,376.33	4.81%
Pooled Funds	7,347,341.78	3.79%	7,347,341.78	20.59%
Total	**36,096,815.82**	**3.81%**	**35,692,126.71**	**100.00%**

Security Type Distribution



Risk Management-Credit/Issuer

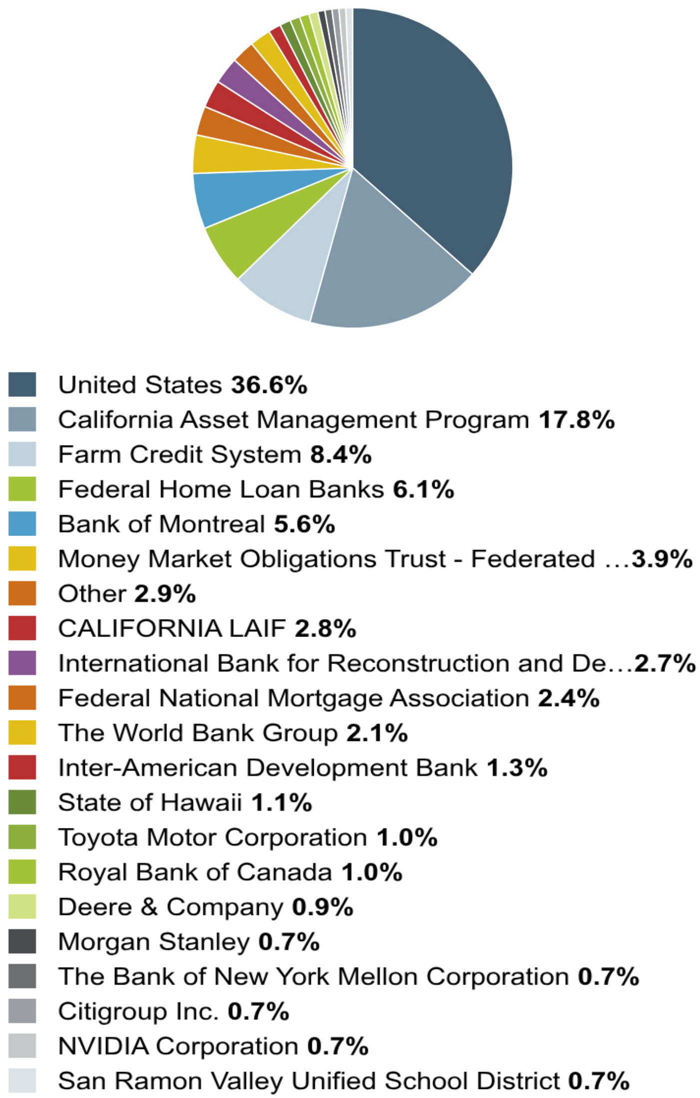
Citrus Heights Water District | Total Aggregate Portfolio

July 31, 2026

Credit Rating S&P/Moody's/Fitch

	Market Value + Accrued	%
S&P		
A	825,589.06	2.31
A+	862,807.32	2.42
AA	987,930.51	2.77
AA+	19,462,133.43	54.53
AA-	253,829.37	0.71
AAA	2,446,959.27	6.86
AAAm	1,504,614.34	4.22
NA	9,348,263.42	26.19
Moody's		
A1	1,332,599.10	3.73
Aa1	19,872,713.07	55.68
Aa2	989,326.46	2.77
Aa3	507,209.28	1.42
Aaa	3,612,082.33	10.12
NA	9,378,196.46	26.28
Fitch		
A+	679,970.14	1.91
AA	989,684.03	2.77
AA+	19,327,200.47	54.15
AA-	905,651.29	2.54
AAA	1,254,498.46	3.51
NA	12,535,122.31	35.12
Total	**35,692,126.71**	**100.00**

Issuer Concentration



Risk Management-Maturity/Duration

Citrus Heights Water District | Total Aggregate Portfolio

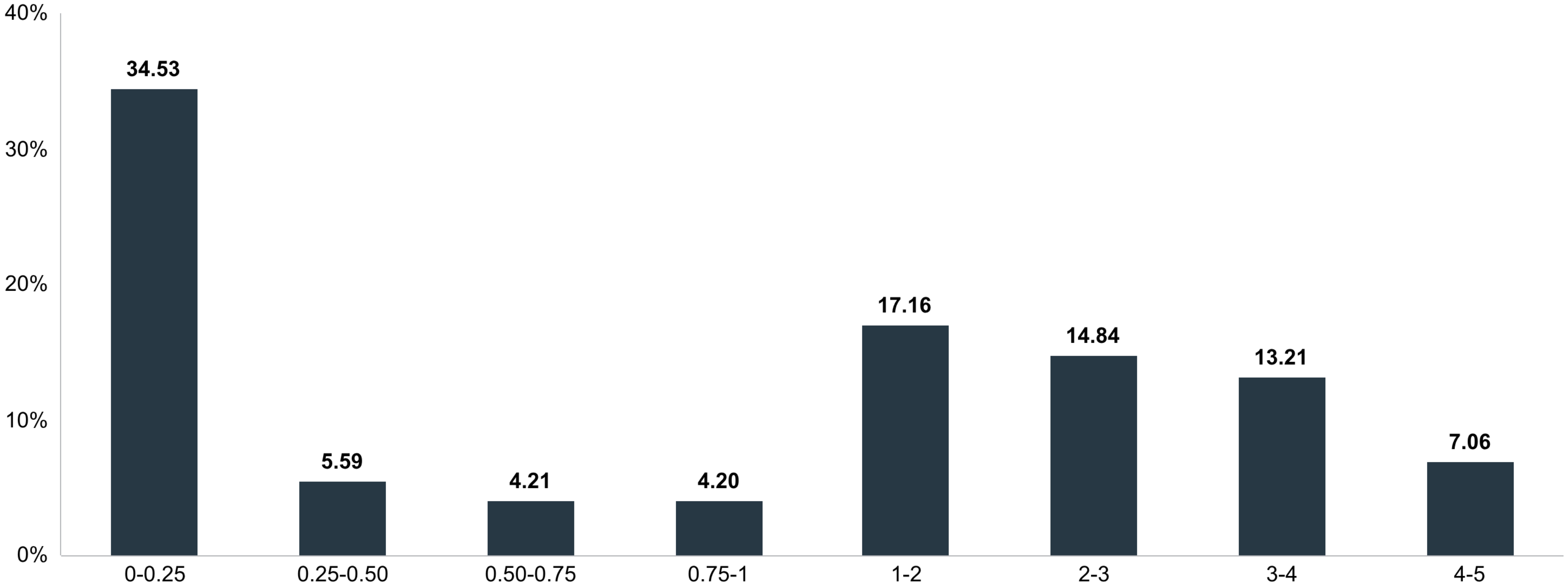
July 31, 2026

1.48 Yrs	Effective Duration

1.62 Yrs	Years to Maturity

595	Days to Maturity

Distribution by Effective Duration



Summary Overview

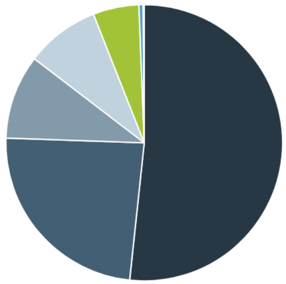
Citrus Heights Water District | Investment Core

July 31, 2026

Portfolio Characteristics

Metric	Value
Cash and Cash Equivalents	(157,722.73)
Investments (Market Value + Accrued)	25,121,794.26
Book Yield	4.14%
Market Yield	4.27%
Effective Duration	2.11
Years to Maturity	2.30
Avg Credit Rating	AA+

Allocation by Asset Class



- US Treasury **52.3%**
- US Agency **24.1%**
- Corporate **10.0%**
- Supranational **8.7%**
- Municipals **5.4%**
- Money Market Fund **0.5%**
- Asset Backed Securities **0.1%**
- Bank Deposit **-1.1%**

Strategic Structure

Account	Par Amount	Original Cost	Book Value	Market Value	Net Unrealized Gain (Loss)	Yield at Cost	Effective Duration	Benchmark Duration	Benchmark
CHWD-Investment Core	25,368,760.64	24,550,279.69	24,932,026.63	24,759,330.99	(172,695.65)	4.14%	2.11	2.07	ICE BofA 0-5 Year US Treasury Index
Total	**25,368,760.64**	**24,550,279.69**	**24,932,026.63**	**24,759,330.99**	**(172,695.65)**	**4.14%**	**2.11**	**2.07**	

Portfolio Activity

Citrus Heights Water District | Investment Core

July 31, 2026

Accrual Activity Summary

	Month to Date	Fiscal Year to Date (01/01/2026)
Beginning Book Value	24,838,650.88	24,329,677.93
Maturities/Calls	(650,000.00)	(3,600,000.00)
Purchases	928,751.90	5,247,390.72
Sales	0.00	0.00
Change in Cash, Payables, Receivables	(181,105.88)	(1,014,169.98)
Amortization/Accretion	16,627.95	105,695.95
Realized Gain (Loss)	2.69	2.69
Ending Book Value	24,932,026.63	24,932,026.63

Fair Market Activity Summary

	Month to Date	Fiscal Year to Date (01/01/2026)
Beginning Market Value	24,747,406.88	24,562,758.42
Maturities/Calls	(650,000.00)	(3,600,000.00)
Purchases	928,751.90	5,247,390.72
Sales	0.00	0.00
Change in Cash, Payables, Receivables	(181,105.88)	(1,014,169.98)
Amortization/Accretion	16,627.95	105,695.95
Change in Net Unrealized Gain (Loss)	(81,451.65)	(405,776.13)
Net Realized Gain (Loss)	2.69	2.69
Ending Market Value	24,759,330.99	24,759,330.99

Maturities/Calls	Market Value
Month to Date	(650,000.00)
Fiscal Year to Date	(3,600,000.00)

Purchases	Market Value
Month to Date	928,751.90
Fiscal Year to Date	5,247,390.72

Sales	Market Value
Month to Date	0.00
Fiscal Year to Date	0.00

Return Management-Income Detail

Citrus Heights Water District | Investment Core

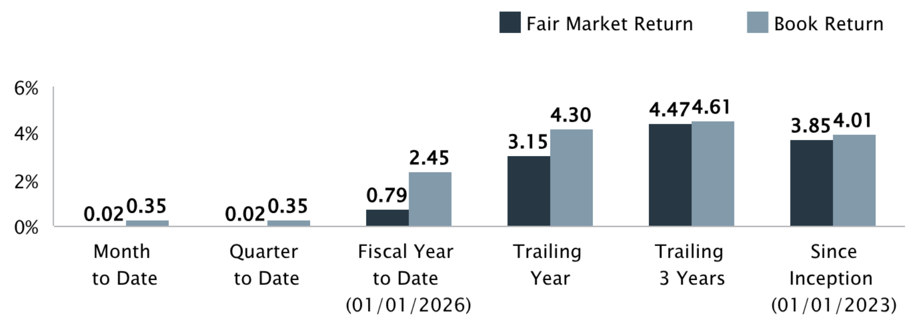
July 31, 2026

Accrued Book Return

	Month to Date	Fiscal Year to Date (01/01/2026)
Amortization/Accretion	16,627.95	105,695.95
Interest Earned	70,537.26	496,538.81
Realized Gain (Loss)	2.69	2.69
Book Income	87,167.90	602,237.45
Average Portfolio Balance	24,728,894.39	24,673,758.17
Book Return for Period	0.35%	2.45%

Return Comparisons

Periodic for performance less than one year. Annualized for performance greater than one year.



Fair Market Return

	Month to Date	Fiscal Year to Date (01/01/2026)
Fair Value Change	(98,079.60)	(511,472.07)
Amortization/Accretion	16,627.95	105,695.95
Interest Earned	70,537.26	496,538.81
Fair Market Earned Income	(10,914.39)	90,762.68
Average Portfolio Balance	24,728,894.39	24,673,758.17
Fair Market Return for Period	0.02%	0.79%

Interest Income

	Month to Date	Fiscal Year to Date (01/01/2026)
Beginning Accrued Interest	211,102.93	205,929.83
Coupons Income	80,762.65	532,932.56
Purchased Accrued Interest	3,926.45	33,176.29
Sold Accrued Interest	0.00	0.00
Ending Accrued Interest	204,740.54	204,740.54
Interest Earned	70,537.26	496,538.81

Notation: Book and Fair Market Returns are not annualized

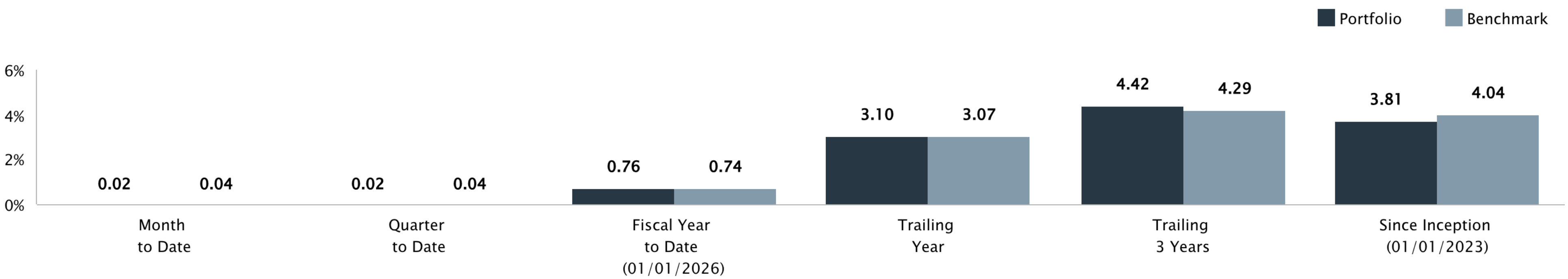
Return Management-Performance

Citrus Heights Water District | Investment Core

July 31, 2026

Performance Returns Net of Fees

Periodic for performance less than one year. Annualized for performance greater than one year.



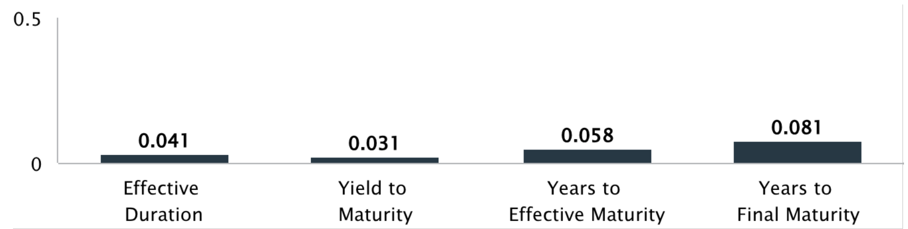
Historical Returns

Period	Month to Date	Quarter to Date	Fiscal Year to Date (01/01/2026)	Trailing Year	Trailing 3 Years	Trailing 5 Years	Since Inception (01/01/2023)
Return (Net of Fees)	0.015%	0.015%	0.759%	3.097%	4.417%		3.806%
Return (Gross of Fees)	0.019%	0.019%	0.788%	3.149%	4.469%		3.852%
ICE BofA 0-5 Year US Treasury Index	0.040%	0.040%	0.738%	3.066%	4.294%		4.036%

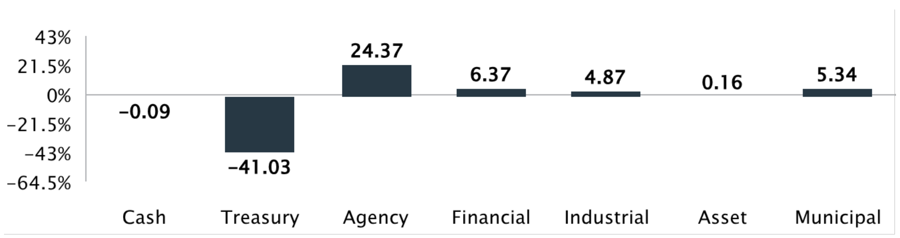
Benchmark Comparison Summary

Risk Metric	Portfolio	Benchmark	Difference
Effective Duration	2.11	2.07	0.04
Yield to Maturity	4.28	4.25	0.03
Years to Effective Maturity	2.28	2.22	0.06
Years to Final Maturity	2.30	2.22	0.08
Avg Credit Rating	AA+	AA+	---

Benchmark Comparison Summary



Benchmark vs. Portfolio Variance-Market Sector



Benchmark Comparison-Market Sector

Market Sector	Portfolio	Benchmark	Difference
Cash	0.00	0.09	(0.09)
Treasury	58.88	99.91	(41.03)
Agency	24.37	0.00	24.37
Financial	6.37	0.00	6.37
Industrial	4.87	0.00	4.87
Asset Backed	0.16	0.00	0.16
Municipal	5.34	0.00	5.34

Risk Management-Maturity/Duration

Citrus Heights Water District | Investment Core

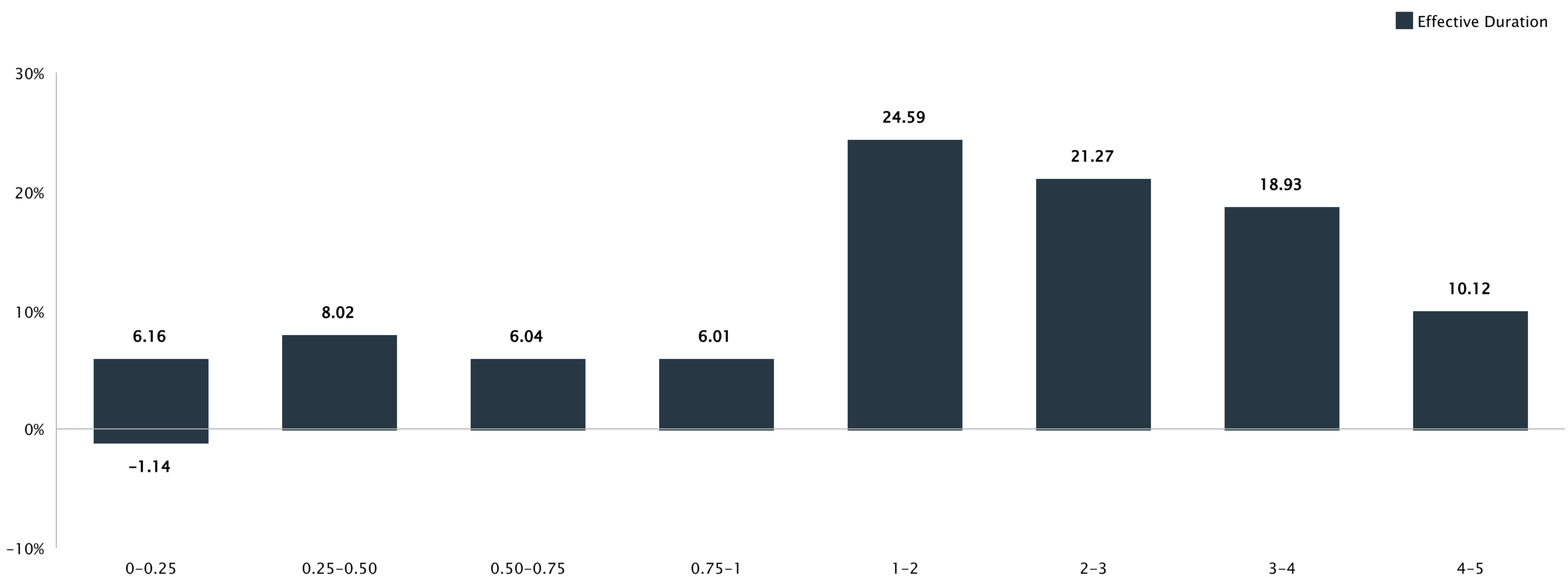
July 31, 2026

2.11 Yrs	Effective Duration

2.30 Yrs	Years to Maturity

851	Days to Maturity

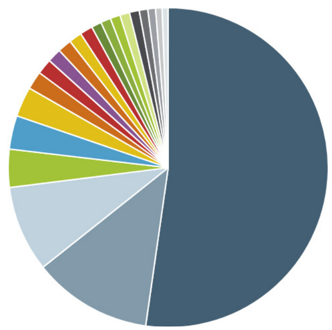
Distribution by Effective Duration



Credit Rating S&P/Moody's/Fitch

	Market Value + Accrued	%
S&P		
A	825,589.06	3.31
A+	862,807.32	3.46
AA	987,930.51	3.96
AA+	19,462,133.43	77.96
AA-	253,829.37	1.02
AAA	2,446,959.27	9.80
AAAm	123,990.45	0.50
NA	832.13	0.00
Moody's		
A1	1,332,599.10	5.34
Aa1	19,872,713.07	79.61
Aa2	989,326.46	3.96
Aa3	507,209.28	2.03
Aaa	2,231,458.44	8.94
NA	30,765.17	0.12
Fitch		
A+	679,970.14	2.72
AA	989,684.03	3.96
AA+	19,327,200.47	77.42
AA-	905,651.29	3.63
AAA	(126,125.43)	(0.51)
NA	3,187,691.02	12.77
Total	**24,964,071.53**	**100.00**

Issuer Concentration



- United States **52.3%**
- Farm Credit System **12.0%**
- Federal Home Loan Banks **8.7%**
- International Bank for Reconstruction and Dev…**3.9%**
- Federal National Mortgage Association **3.4%**
- The World Bank Group **3.0%**
- Inter-American Development Bank **1.8%**
- State of Hawaii **1.6%**
- Toyota Motor Corporation **1.4%**
- Royal Bank of Canada **1.4%**
- Deere & Company **1.3%**
- Other **1.3%**
- Morgan Stanley **1.0%**
- The Bank of New York Mellon Corporation **1.0%**
- Citigroup Inc. **1.0%**
- NVIDIA Corporation **1.0%**
- San Ramon Valley Unified School District **1.0%**
- San Mateo County Community College Distric…**0.9%**
- The Regents Of The University Of California **0.8%**
- State of California **0.7%**
- Amazon.com, Inc. **0.6%**

Holdings by Security Type

Citrus Heights Water District | Investment Core

July 31, 2026

Settlement Date	Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Book Yield	Market Yield	Market Value + Accrued	Net Unrealized Gain (Loss)	% Asset	Eff Dur
US Treasury												
01/15/2025	91282CLS8	525,000.00	United States	4.125%	10/31/2026		4.39%	3.93%	530,672.41	530.51	2.13	0.25
01/29/2024	91282CJT9	500,000.00	United States	4.000%	01/15/2027		4.13%	3.92%	501,078.91	423.29	2.01	0.45
08/01/2023	912828Z78	375,000.00	United States	1.500%	01/31/2027		4.44%	3.96%	370,500.29	540.33	1.48	0.49
07/31/2024	91282CKE0	500,000.00	United States	4.250%	03/15/2027		4.24%	4.00%	508,756.49	716.16	2.04	0.60
06/23/2023	91282CEW7	300,000.00	United States	3.250%	06/30/2027		4.19%	4.13%	298,483.83	(27.38)	1.20	0.89
02/17/2026	91282CNV9	480,000.00	United States	3.625%	08/31/2027		3.52%	4.18%	484,468.72	(3,341.82)	1.94	1.04
06/23/2023	91282CFM8	300,000.00	United States	4.125%	09/30/2027		4.16%	4.20%	303,900.81	(130.30)	1.22	1.11
06/23/2026	91282CLX7	350,000.00	United States	4.125%	11/15/2027		4.03%	4.22%	352,608.62	(855.54)	1.41	1.23
02/28/2025	912833RY8	700,000.00	United States	0.000%	02/15/2028		4.16%	4.23%	656,222.00	(1,913.07)	2.63	1.51
04/22/2025	91282CMW8	525,000.00	United States	3.750%	04/15/2028		3.77%	4.26%	526,378.43	(4,278.48)	2.11	1.62
	91282CCE9	700,000.00	United States	1.250%	05/31/2028		4.00%	4.26%	664,676.24	(4,523.12)	2.66	1.78
05/28/2026	91282CCH2	125,000.00	United States	1.250%	06/30/2028		4.09%	4.27%	118,270.87	(418.55)	0.47	1.86
10/02/2024	91282CDF5	650,000.00	United States	1.375%	10/31/2028		3.54%	4.30%	611,887.16	(11,095.94)	2.45	2.17
01/31/2024	91282CDW8	425,000.00	United States	1.750%	01/31/2029		4.00%	4.31%	399,452.21	(4,107.04)	1.60	2.40
07/01/2024	91282CES6	650,000.00	United States	2.750%	05/31/2029		4.36%	4.32%	625,988.01	(625.21)	2.51	2.67
10/29/2024	91282CFC0	500,000.00	United States	2.625%	07/31/2029		4.10%	4.33%	476,245.67	(3,856.99)	1.91	2.84
09/09/2024	91282CFJ5	400,000.00	United States	3.125%	08/31/2029		3.59%	4.34%	391,354.98	(8,637.58)	1.57	2.86
12/13/2024	91282CFY2	500,000.00	United States	3.875%	11/30/2029		4.12%	4.36%	495,802.10	(3,874.59)	1.99	3.07
02/10/2026	91282CMU2	600,000.00	United States	4.000%	03/31/2030		3.68%	4.38%	600,451.57	(14,052.02)	2.41	3.33
08/29/2025	91282CHR5	700,000.00	United States	4.000%	07/31/2030		3.75%	4.40%	690,017.09	(16,412.74)	2.76	3.65
	91282CHW4	750,000.00	United States	4.125%	08/31/2030		3.75%	4.41%	755,124.17	(18,237.71)	3.02	3.66
02/10/2026	91282CPD7	600,000.00	United States	3.625%	10/31/2030		3.73%	4.41%	587,496.60	(15,594.70)	2.35	3.85
02/10/2026	91282CJX0	600,000.00	United States	4.000%	01/31/2031		3.75%	4.42%	589,847.22	(16,307.46)	2.36	4.07
	91282CKF7	675,000.00	United States	4.125%	03/31/2031		4.11%	4.42%	675,946.83	(8,825.91)	2.71	4.14
05/28/2026	91282CCB5	625,000.00	United States	1.625%	05/15/2031		4.26%	4.43%	552,227.68	(4,661.78)	2.21	4.50
08/03/2026	91282CLD1	285,000.00	United States	4.125%	07/31/2031		4.38%	4.44%	281,131.49	(735.83)	1.13	4.47
Total		**13,340,000.00**					**3.98%**	**4.28%**	**13,048,990.40**	**(140,303.47)**	**52.27**	**2.46**
US Agency												
08/15/2023	3133EPSW6	350,000.00	Farm Credit System	4.500%	08/14/2026		4.53%	3.95%	357,365.75	62.67	1.43	0.04
08/24/2023	3130AWTQ3	350,000.00	Federal Home Loan Banks	4.625%	09/11/2026		4.81%	3.98%	356,515.64	290.06	1.43	0.11
09/04/2024	3130ATVE4	500,000.00	Federal Home Loan Banks	4.500%	12/11/2026		3.86%	3.87%	504,200.00	(13.04)	2.02	0.36

Settlement Date	Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Book Yield	Market Yield	Market Value + Accrued	Net Unrealized Gain (Loss)	% Asset	Eff Dur
09/04/2024	3130A3DU5	500,000.00	Federal Home Loan Banks	3.000%	03/12/2027		3.83%	4.08%	502,531.67	(868.03)	2.01	0.59
08/03/2023	3133ENVD9	350,000.00	Farm Credit System	2.875%	04/26/2027		4.52%	4.02%	349,760.88	962.18	1.40	0.71
09/04/2024	3133ERFJ5	500,000.00	Farm Credit System	4.500%	05/20/2027		3.80%	4.07%	506,097.50	(966.82)	2.03	0.78
06/29/2023	3133EPAV7	250,000.00	Farm Credit System	3.875%	02/14/2028		4.15%	4.24%	253,128.92	(395.38)	1.01	1.45
07/18/2023	3130AWN63	300,000.00	Federal Home Loan Banks	4.000%	06/30/2028		4.08%	4.24%	299,701.33	(921.64)	1.20	1.82
08/31/2023	3133EPUN3	350,000.00	Farm Credit System	4.500%	08/28/2028		4.33%	4.24%	358,485.75	778.22	1.44	1.93
01/29/2024	3130AXQK7	500,000.00	Federal Home Loan Banks	4.750%	12/08/2028		4.07%	4.35%	507,926.53	(2,726.17)	2.03	2.19
05/21/2024	3133ERDH1	625,000.00	Farm Credit System	4.750%	04/30/2029		4.43%	4.33%	639,241.84	1,864.89	2.56	2.53
06/23/2025	3133ETME4	550,000.00	Farm Credit System	4.000%	01/23/2030		4.05%	4.39%	543,624.89	(5,937.50)	2.18	3.21
05/16/2025	31358DDR2	1,000,000.00	Federal National Mortgage Association	0.000%	05/15/2030		4.21%	4.47%	845,800.00	(9,989.10)	3.39	3.71
Total		**6,125,000.00**					**4.18%**	**4.20%**	**6,024,380.70**	**(17,859.65)**	**24.13**	**1.72**
Supranational												
01/29/2024	459058KW2	500,000.00	International Bank for Reconstruction and Development	4.625%	08/01/2028		4.15%	4.29%	514,727.50	(1,129.51)	2.06	1.85
12/21/2023	45950VSM9	250,000.00	The World Bank Group	4.500%	11/27/2028		4.06%	4.72%	250,815.00	(3,498.21)	1.00	2.16
03/08/2024	4581X0EN4	450,000.00	Inter-American Development Bank	4.125%	02/15/2029		4.23%	4.35%	456,156.38	(1,283.65)	1.83	2.34
04/30/2024	45950VSZ0	500,000.00	The World Bank Group	4.375%	03/27/2029		4.80%	4.75%	502,899.72	345.72	2.01	2.44
12/02/2024	459058LN1	450,000.00	International Bank for Reconstruction and Development	3.875%	10/16/2029		4.29%	4.37%	448,519.50	(1,235.17)	1.80	2.95
Total		**2,150,000.00**					**4.34%**	**4.47%**	**2,173,118.10**	**(6,800.81)**	**8.70**	**2.35**
Municipals												
07/18/2023	797272RN3	145,000.00	San Diego Community College District	1.445%	08/01/2026		1.45%	0.00%	146,047.63	0.00	0.59	0.00
09/11/2023	13067WRD6	165,000.00	State of California	0.920%	12/01/2026		5.03%	4.09%	163,510.60	324.13	0.65	0.33
06/26/2023	91412HFP3	200,000.00	The Regents Of The University Of California	1.366%	05/15/2027		4.47%	4.30%	196,042.76	(100.57)	0.79	0.77
07/19/2023	7994082A6	250,000.00	San Ramon Valley Unified School District	1.184%	08/01/2027		4.69%	4.36%	243,767.50	176.23	0.98	0.97
06/29/2023	799038NS9	220,000.00	San Mateo County Community College District	1.467%	09/01/2027		4.77%	4.10%	215,230.95	946.63	0.86	1.05
06/26/2023	419792DB9	200,000.00	State of Hawaii	3.350%	10/01/2027		4.51%	4.25%	200,165.33	378.63	0.80	1.11
08/03/2023	419792YT7	200,000.00	State of Hawaii	1.145%	08/01/2028		4.62%	4.45%	188,597.00	(247.17)	0.76	1.93

Holdings by Security Type

Citrus Heights Water District | Investment Core

July 31, 2026

Settlement Date	Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Book Yield	Market Yield	Market Value + Accrued	Net Unrealized Gain (Loss)	% Asset	Eff Dur
Total		**1,380,000.00**					**4.33%**	**3.80%**	**1,353,361.76**	**1,477.88**	**5.42**	**0.93**
Corporate												
07/18/2023	78016EZZ3	200,000.00	Royal Bank of Canada	1.400%	11/02/2026		5.11%	3.92%	199,424.22	450.53	0.80	0.25
12/21/2023	17325FBC1	250,000.00	Citigroup Inc.	5.488%	12/04/2026	11/04/2026	4.87%	4.12%	253,022.33	480.51	1.01	0.26
06/26/2023	89236TKL8	150,000.00	Toyota Motor Corporation	5.450%	11/10/2027		4.85%	4.42%	153,729.38	869.93	0.62	1.21
06/26/2023	023135CP9	150,000.00	Amazon.com, Inc.	4.550%	12/01/2027	11/01/2027	4.62%	4.40%	151,412.00	401.29	0.61	1.24
06/26/2023	24422EWR6	150,000.00	Deere & Company	4.750%	01/20/2028		4.73%	4.41%	150,933.21	679.79	0.60	1.40
06/26/2023	931142FB4	150,000.00	Walmart Inc.	3.900%	04/15/2028	03/15/2028	4.35%	4.32%	150,692.00	5.17	0.60	1.61
06/26/2023	46647PDA1	150,000.00	JPMorgan Chase & Co.	4.323%	04/26/2028	04/26/2027	5.24%	4.60%	151,400.69	686.75	0.61	0.71
08/29/2025	61690U8B9	250,000.00	Morgan Stanley	5.504%	05/26/2028	05/26/2027	4.19%	4.59%	254,186.94	(906.76)	1.02	0.79
07/18/2025	06405LAH4	250,000.00	The Bank of New York Mellon Corporation	4.729%	04/20/2029	04/20/2028	4.37%	4.60%	253,829.37	(932.77)	1.02	1.61
07/20/2026	78017DAX6	150,000.00	Royal Bank of Canada	4.652%	07/10/2029	07/10/2028	4.57%	4.53%	150,392.05	(224.45)	0.60	1.83
09/11/2025	89236TNJ0	200,000.00	Toyota Motor Corporation	4.800%	05/15/2030		4.15%	4.82%	201,868.67	(4,599.48)	0.81	3.39
06/08/2026	24422EVL0	200,000.00	Deere & Company	1.450%	01/15/2031		4.55%	4.81%	173,438.89	(2,014.48)	0.69	4.21
07/07/2026	67066GAR5	250,000.00	NVIDIA Corporation	4.500%	06/15/2031	05/15/2031	4.60%	5.00%	246,016.25	(4,190.97)	0.99	4.29
Total		**2,500,000.00**					**4.61%**	**4.51%**	**2,490,345.99**	**(9,294.96)**	**9.98**	**1.77**
Asset Backed Securities												
07/13/2023	12663JAC5	250,000.00	CNH Equipment Trust 2022-B	3.890%	11/15/2027		5.37%	3.57%	832.13	6.56	0.00	0.05
06/26/2023	142921AD7	200,000.00	CarMax, Inc.	5.050%	01/18/2028		5.25%	4.26%	30,765.17	78.80	0.12	0.19
Total		**450,000.00**					**5.26%**	**4.24%**	**31,597.30**	**85.36**	**0.13**	**0.18**
Money Market Fund												
	31846V203	123,990.45	U.S. Bancorp	3.270%	07/31/2026		3.27%	3.27%	123,990.45	0.00	0.50	0.00
Total		**123,990.45**					**3.27%**	**3.27%**	**123,990.45**	**0.00**	**0.50**	**0.00**
Bank Deposit												
	CCYUSD	-281,867.32	US Dollar		07/31/2026				(281,867.32)	0.00	(1.13)	
	CCYUSD	154.14	US Dollar		07/31/2026				154.14	0.00	0.00	
Total		**-281,713.18**							**(281,713.18)**	**0.00**	**(1.13)**	
Portfolio Total		**25,787,277.27**					**4.14%**	**4.27%**	**24,964,071.53**	**(172,695.65)**	**100.00**	**2.11**

Transactions

Citrus Heights Water District | Investment Core

July 31, 2026

Cusip	Security	Trade Date	Settlement Date	Coupon Payment	Price	Par Amount	Principal Amount	Accrued Amount	Total Amount	Broker
Buy										
67066GAR5	NVIDIA 4.500 06/15/31 '31	07/01/2026	07/07/2026	0.00	99.54	250,000.00	248,847.50	593.75	249,441.25	JP MORGAN
91282CKF7	US TREASURY 4.125 03/31/31	07/14/2026	07/17/2026	0.00	99.17	250,000.00	247,919.92	3,043.03	250,962.95	MUFG Securities
78017DAX6	RBC 4.652 07/10/29 '28 MTN	07/15/2026	07/20/2026	0.00	100.14	150,000.00	150,213.00	193.83	150,406.83	NATWEST MARKETS PLC
31846V203	FIRST AMER:GVT OBLG;Y	07/22/2026	07/22/2026	0.00	1.00	100,852.53	100,852.53	0.00	100,852.53	Direct
91282CLD1	US TREASURY 4.125 07/31/31	07/30/2026	08/03/2026	0.00	98.87	285,000.00	281,771.48	95.84	281,867.32	WELLS FARGO
Total				**0.00**		**1,035,852.53**	**1,029,604.43**	**3,926.45**	**1,033,530.88**	
Sell										
31846V203	FIRST AMER:GVT OBLG;Y	07/24/2026	07/24/2026	0.00	1.00	154.54	154.54	0.00	154.54	Direct
Total				**0.00**		**154.54**	**154.54**	**0.00**	**154.54**	
Maturity										
3133EPQC2	FED FARM CR BNKS 4.625 07/17/26 MATD	07/17/2026	07/17/2026	0.00	100.00	250,000.00	250,000.00	0.00	250,000.00	
78016FZZ0	RBC 5.200 07/20/26 MTN MAT	07/20/2026	07/20/2026	0.00	100.00	150,000.00	150,000.00	0.00	150,000.00	
Total				**0.00**		**400,000.00**	**400,000.00**	**0.00**	**400,000.00**	
Call Redemption										
94988J6D4	WELLS FARGO BANK 5.450 08/07/26 MTN CAL	07/07/2026	07/07/2026	0.00	100.00	250,000.00	250,000.00	0.00	250,000.00	
Total				**0.00**		**250,000.00**	**250,000.00**	**0.00**	**250,000.00**	
Coupon										
94988J6D4	WELLS FARGO BANK 5.450 08/07/26 MTN CAL	07/07/2026	07/07/2026	5,677.08		0.00	(0.00)	0.00	5,677.08	
24422EVL0	JOHN DEERE CAP 1.450 01/15/31	07/15/2026	07/15/2026	1,450.00		0.00	0.00	0.00	1,450.00	
12663JAC5	CNHET-22B-A3	07/15/2026	07/15/2026	43.85		0.00	0.00	0.00	43.85	
142921AD7	CARMAX-232-A3	07/15/2026	07/15/2026	163.53		0.00	0.00	0.00	163.53	
91282CJT9	US TREASURY 4.000 01/15/27	07/15/2026	07/15/2026	10,000.00		0.00	0.00	0.00	10,000.00	
3133EPQC2	FED FARM CR BNKS 4.625 07/17/26 MATD	07/17/2026	07/17/2026	5,781.25		0.00	0.00	0.00	5,781.25	
24422EWR6	JOHN DEERE CAP 4.750 01/20/28 MTN	07/20/2026	07/20/2026	3,562.50		0.00	0.00	0.00	3,562.50	
78016FZZ0	RBC 5.200 07/20/26 MTN MAT	07/20/2026	07/20/2026	3,900.00		0.00	0.00	0.00	3,900.00	
3133ETME4	FED FARM CR BNKS 4.000 01/23/30	07/23/2026	07/23/2026	11,000.00		0.00	0.00	0.00	11,000.00	

Transactions

Citrus Heights Water District | Investment Core

July 31, 2026

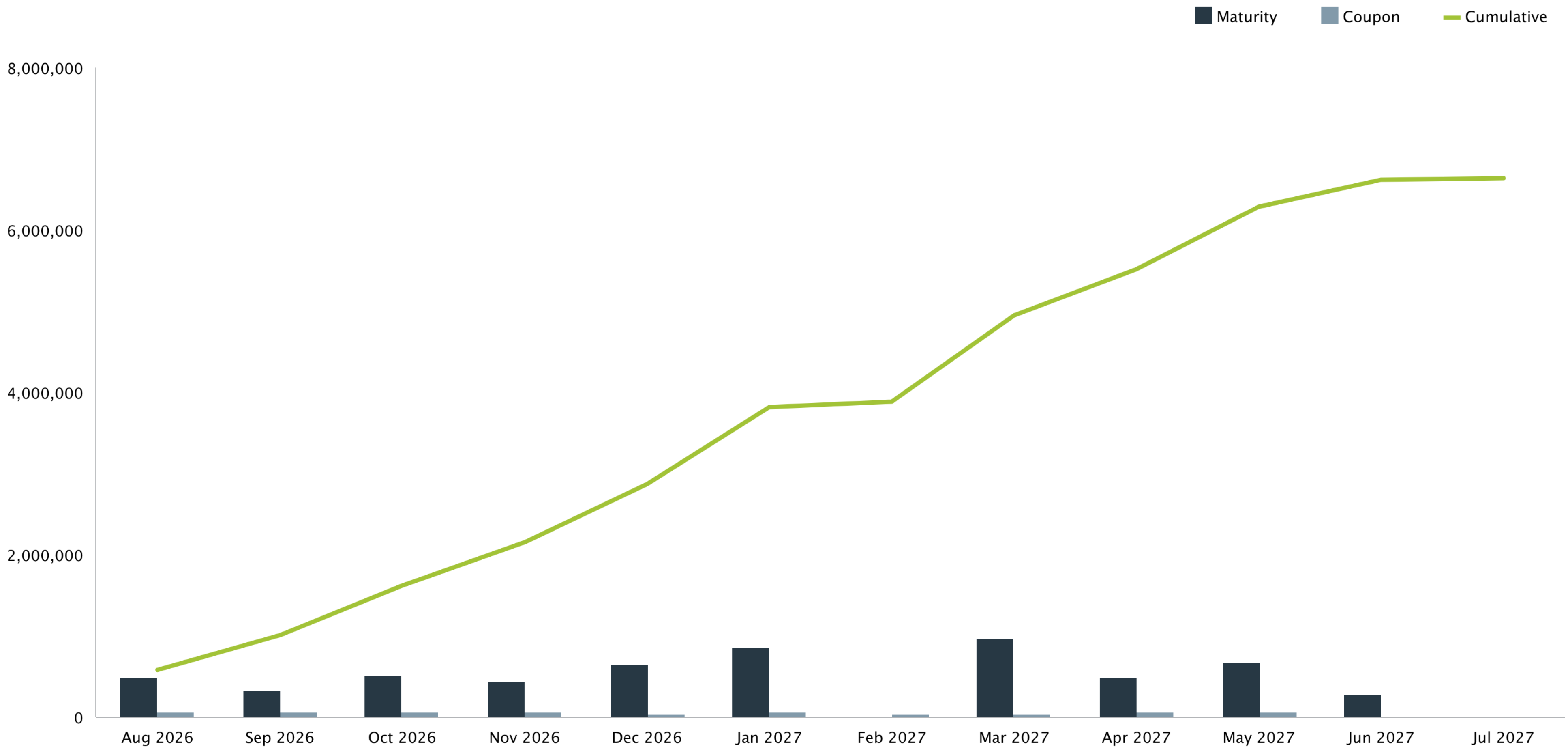
Cusip	Security	Trade Date	Settlement Date	Coupon Payment	Price	Par Amount	Principal Amount	Accrued Amount	Total Amount	Broker
912828Z78	US TREASURY 1.500 01/31/27	07/31/2026	07/31/2026	2,812.50		0.00	0.00	0.00	2,812.50	
91282CDW8	US TREASURY 1.750 01/31/29	07/31/2026	07/31/2026	3,718.75		0.00	0.00	0.00	3,718.75	
91282CFC0	US TREASURY 2.625 07/31/29	07/31/2026	07/31/2026	6,562.50		0.00	0.00	0.00	6,562.50	
91282CHR5	US TREASURY 4.000 07/31/30	07/31/2026	07/31/2026	14,000.00		0.00	0.00	0.00	14,000.00	
91282CJX0	US TREASURY 4.000 01/31/31	07/31/2026	07/31/2026	12,000.00		0.00	0.00	0.00	12,000.00	
Total				**80,671.96**		**0.00**	**0.00**	**0.00**	**80,671.96**	
Custody Fee										
CCYUSD	US DOLLAR	07/24/2026	07/24/2026	0.00		154.54	(154.54)	0.00	(154.54)	
Total				**0.00**		**154.54**	**(154.54)**	**0.00**	**(154.54)**	
Principal Paydown										
12663JAC5	CNHET-22B-A3	07/15/2026	07/15/2026	0.00		12,695.76	12,695.76	0.00	12,695.76	
142921AD7	CARMAX-232-A3	07/15/2026	07/15/2026	0.00		8,205.15	8,205.15	0.00	8,205.15	
Total				**0.00**		**20,900.91**	**20,900.91**	**0.00**	**20,900.91**	
Interest Income										
31846V203	FIRST AMER:GVT OBLG;Y	07/31/2026	07/31/2026	154.14		0.00	11.13	0.00	154.14	
Total				**154.14**		**0.00**	**11.13**	**0.00**	**154.14**	

Cash Flow Forecasting

Citrus Heights Water District | Investment Core

July 31, 2026

One Year Projection



Shock Analysis

Citrus Heights Water District | Investment Core

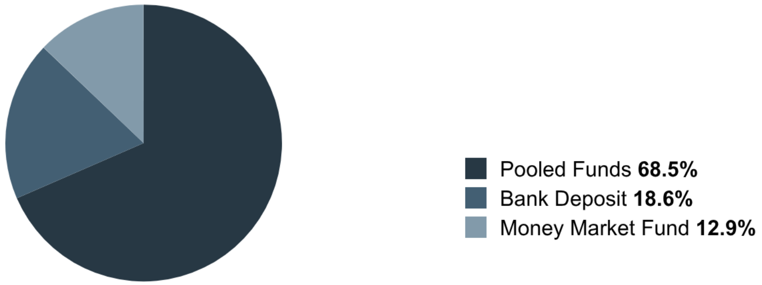
July 31, 2026

Account	Market Value	Duration	+10 BP FMV Change	+25 BP FMV Change	+50 BP FMV Change	+100 BP FMV Change
CHWD-Investment Core	24,759,330.99	2.109	(24,240.15)	(60,600.37)	(121,200.74)	(519,183.71)
Total	24,759,330.99	2.109	(24,240.15)	(60,600.37)	(121,200.74)	(519,183.71)

The changes in market values displayed represent approximations of principal changes given an instantaneous increase in interest rates. Changes in interest rates over longer periods would most likely mitigate the impact of an instantaneous change through the addition of the interest income received on the investments within the portfolio. Additional impacts to consider when estimating future principal changes also include, but are not limited to, changes in the shape of the yield curve, changes in credit spreads.

Portfolio Characteristics

Metric	Value
Cash and Cash Equivalents	10,728,055.18
Book Yield	3.05%
Market Yield	3.05%
Effective Duration	0.01
Years to Maturity	0.01
Avg Credit Rating	AAA



Strategic Structure

Account	Par Amount	Original Cost	Book Value	Market Value	Net Unrealized Gain (Loss)	Yield at Cost	Effective Duration	Benchmark Duration	Benchmark
CHWD-Liquidity	10,728,055.18	10,728,055.18	10,728,055.18	10,728,055.18	0.00	3.05%	0.01	0.08	ICE BofA US 1-Month Treasury Bill Index
Total	**10,728,055.18**	**10,728,055.18**	**10,728,055.18**	**10,728,055.18**	**0.00**	**3.05%**	**0.01**	**0.08**	

Return Management-Income Detail

Citrus Heights Water District | Liquidity

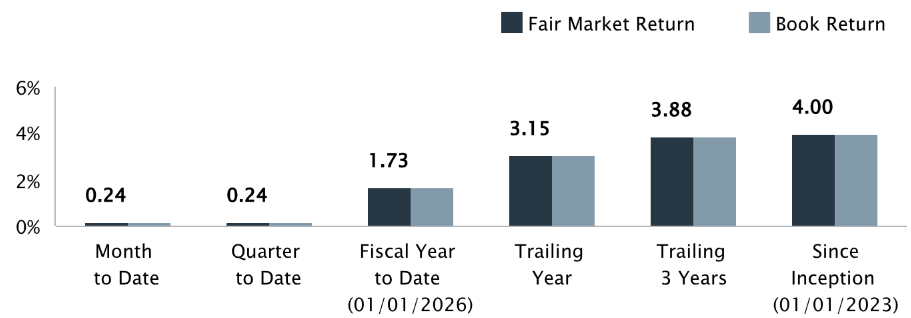
July 31, 2026

Accrued Book Return

	Month to Date	Fiscal Year to Date (01/01/2026)
Interest Earned	25,914.82	168,854.64
Book Income	25,914.82	168,854.64
Average Portfolio Balance	10,371,792.71	9,688,656.12
Book Return for Period	0.24%	1.73%

Return Comparisons

Periodic for performance less than one year. Annualized for performance greater than one year.



Interest Income

	Month to Date	Fiscal Year to Date (01/01/2026)
Beginning Accrued Interest	0.00	0.00
Coupons Income	25,914.82	168,854.64
Purchased Accrued Interest	0.00	0.00
Sold Accrued Interest	0.00	0.00
Ending Accrued Interest	0.00	0.00
Interest Earned	25,914.82	168,854.64

Notation: Book and Fair Market Returns are not annualized

Holdings by Security Type

Citrus Heights Water District | Liquidity

July 31, 2026

Settlement Date	Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Book Yield	Market Yield	Market Value + Accrued	Net Unrealized Gain (Loss)	% Asset	Eff Dur
Money Market Fund												
	60934N104	1,380,623.89	Money Market Obligations Trust - Federated Government Obligations Fund	3.530%	07/31/2026		3.53%	3.53%	1,380,623.89	0.00	12.87	0.00
Total		**1,380,623.89**					**3.53%**	**3.53%**	**1,380,623.89**	**0.00**	**12.87**	**0.00**
Bank Deposit												
	CHWD_BMO_DEP	2,000,089.51	Bank of Montreal	0.000%	07/31/2026		0.00%	0.00%	2,000,089.51	0.00	18.64	0.01
Total		**2,000,089.51**					**0.00%**	**0.00%**	**2,000,089.51**	**0.00**	**18.64**	**0.01**
Pooled Funds												
	CAL_CAMP	6,346,057.80	California Asset Management Program	3.780%	07/31/2026		3.78%	3.78%	6,346,057.80	0.00	59.15	0.01
	CAL_LGIP	1,001,283.98	CALIFORNIA LAIF	3.850%	07/31/2026		3.85%	3.85%	1,001,283.98	0.00	9.33	0.01
Total		**7,347,341.78**					**3.79%**	**3.79%**	**7,347,341.78**	**0.00**	**68.49**	**0.01**
Portfolio Total		**10,728,055.18**					**3.05%**	**3.05%**	**10,728,055.18**	**0.00**	**100.00**	**0.01**

Transactions

Citrus Heights Water District | Liquidity

July 31, 2026

Cusip	Security	Trade Date	Settlement Date	Coupon Payment	Price	Par Amount	Principal Amount	Accrued Amount	Total Amount	Broker
Buy										
CAL_LGIP	CALIFORNIA LAIF	07/31/2026	07/31/2026	0.00	1.00	641,646.62	641,646.62	0.00	641,646.62	Direct
CAL_CAMP	CALIFORNIA ASSET MANAGEMENT PROGRAM	07/31/2026	07/31/2026	0.00	1.00	20,320.01	20,320.01	0.00	20,320.01	Direct
Total				**0.00**		**661,966.63**	**661,966.63**	**0.00**	**661,966.63**	
Sell										
60934N104	FEDERATED HRMS GV O;INST	07/31/2026	07/31/2026	0.00	1.00	276,788.63	276,788.63	0.00	276,788.63	Direct
CHWD_BMO_DEP	BMO DEPOSIT	07/31/2026	07/31/2026	0.00	1.00	17,040.11	17,040.11	0.00	17,040.11	Direct
Total				**0.00**		**293,828.74**	**293,828.74**	**0.00**	**293,828.74**	
Interest Income										
CAL_CAMP	CALIFORNIA ASSET MANAGEMENT PROGRAM	07/31/2026	07/31/2026	20,320.01		0.00	20,320.01	0.00	20,320.01	
60934N104	FEDERATED HRMS GV O;INST	07/31/2026	07/31/2026	4,948.19		0.00	188.09	0.00	4,948.19	
CAL_LGIP	CALIFORNIA LAIF	07/31/2026	07/31/2026	646.62		0.00	646.62	0.00	646.62	
Total				**25,914.82**		**0.00**	**21,154.72**	**0.00**	**25,914.82**	

This report is for general informational purposes only and is not intended to provide specific advice or recommendations. Government Portfolio Advisors (GPA) is an investment advisor registered with the Securities and Exchange Commission and is required to maintain a written disclosure statement of our background and business experience.

Questions About an Account: GPA's monthly & quarterly reports are intended to detail the investment advisory activity managed by GPA. The custodial bank maintains the control of assets and settles all investment transactions. The custodial statement is the official record of security and cash holdings and transactions. GPA recognizes that clients may use these reports to facilitate record keeping and that the custodial bank statement and the GPA report should be reconciled, and differences documented.

Trade Date versus Settlement Date: Many custodial banks use settlement date basis and post coupons or maturities on the following business days when they occur on weekend. These items may result in the need to reconcile due to a timing difference. GPA reports are on a trade date basis in accordance with GIPS performance standards. GPA can provide all account settings to support the reason for any variance.

Bank Deposits and Pooled Investment Funds Held in Liquidity Accounts Away from the Custodial Bank are Referred to as Line Item Securities: GPA relies on the information provided by clients when reporting pool balances, bank balances and other assets that are not held at the client's custodial bank. GPA does not guarantee the accuracy of information received from third parties. Balances cannot be adjusted once submitted however corrective transactions can be entered as adjustments in the following months activity. Assets held outside the custodial bank that are reported to GPA are included in GPA's oversight compliance reporting and strategic plan.

Account Control: GPA does not have the authority to withdraw or deposit funds from or to any client's custodial account. Clients retain responsibility for the deposit and withdrawal of funds to the custodial account. Our clients retain responsibility for their internal accounting policies, implementing and enforcing internal controls and generating ledger entries or otherwise recording transactions.

Custodial Bank Interface: Our contract provides for the ability for GPA to interface into our client's custodial bank to reconcile transactions, maturities and coupon payments. The GPA client portal will be available to all clients to access this information directly at any time.

Market Price: Generally, GPA has set all securities market pricing to match custodial bank pricing. There may be certain securities that will require pricing override due to inaccurate custodial bank pricing that will otherwise distort portfolio performance returns. GPA may utilize Refinitiv pricing source for commercial paper, discount notes and supranational bonds when custodial bank pricing does not reflect current market levels. The pricing variances are obvious when market yields are distorted from the current market levels.

Performance Calculation: Historical returns are presented as time-weighted total return values and are presented gross and net of fees.

Amortized Cost: The original cost on the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discounts or premiums are amortized on a straight-line basis on all securities. This can be changed at the client's request.

Callable Securities: Securities subject to redemption in whole or in part prior to the stated final maturity at the discretion of the security's issuer are referred to as "callable". Certain call dates may not show up on the report if the call date has passed or if the security is continuously callable until maturity date. Bonds purchased at a premium will be amortized to the next call date while all other callable securities will be amortized to maturity. If the bond is amortized to the call date, amortization will be reflected to that date and once the call date passes, the bond will be fully amortized.

Duration: The duration is the effective duration. Duration on callable securities is based on the probability of the security being called given market rates and security characteristics.

Benchmark Duration: The benchmark duration is based on the duration of the stated benchmark that is assigned to each account.

Rating: Information provided for ratings is based upon a good faith inquiry of selected sources, but its accuracy and completeness cannot be guaranteed.

Coupon Payments and Maturities on Weekends: On occasion, coupon payments and maturities occur on a weekend or holiday. GPA's report settings are on the accrual basis so the coupon postings and maturities will be accounted for in the period earned. The bank may be set at a cash basis, which may result in a reconciliation variance.

Cash and Cash Equivalents: GPA has defined cash and cash equivalents to be cash, bank deposits, LGIP pools and repurchase agreements. This may vary from your custodial bank which typically defines cash and equivalents as all securities that mature under 90 days. Check with your custodial bank to understand their methodology.

Account Settings: GPA has the portfolio settings at the lot level, if a security is sold our setting will remove the lowest cost security first. First-in-first-out (FIFO) settings are available at the client's request.

Historical Numbers: Data was transferred from GPA's legacy system, however, variances may exist from the data received due to a change of settings on Clearwater. GPA is utilizing this information for historical return data with the understanding the accrual settings and pricing sources may differ slightly.

Financial Situation: In order to better serve you, GPA should be promptly notified of any material change in your investment objective or financial situation.

No Guarantee: The securities in the portfolio are not guaranteed or otherwise protected by GPA, the FDIC (except for non-negotiable certificates of deposit) or any government agency. Investment in securities involves risks, including the possible loss of the amount invested.

GPA GOVERNMENT PORTFOLIO ADVISORS

TREASURER'S REPORT OF ACCOUNT BALANCES

July 31, 2026

Fund Name	Beginning Balance 01/1/2026	Year to Date Transfers In / Collections	Year to Date Transfers Out	Current Month Transfers In / Collections	Current Month Transfers Out	Ending Balance 07/31/2026	2026 Target Balance per Policy
Operating Reserve	$ 4,543,050 [1]					$ 4,543,050	$ 4,543,050
Operating Fund	$ 14,238,899 [2]	$ 12,433,009	$ (11,756,141)	3,847,315	(4,141,144)	$ 14,621,941	N/A
Rate Stabilization Fund	$ 1,000,000					$ 1,000,000	$ 1,000,000
Capital Improvement Reserve	$ 3,260,769 [3]					$ 3,260,769	$ 3,146,633
Restricted for Debt Service	$ -					$ -	N/A
Water Supply Reserve	$ 3,023,173					$ 3,023,173	N/A
Water Efficiency Reserve	$ 200,000					$ 200,000	N/A
Water Meter Replacement Reserve	$ 2,125,000					$ 2,125,000	N/A
Water Main Reserve - Project 2030	$ 6,358,138 [4]	$ 1,237,297		$ 184,472		$ 7,779,911	N/A
Fleet Equipment Reserve	$ 575,671					$ 575,671	$ 471,395
Employment-Related Benefits Reserve	$ 1,015,536					$ 1,015,536	$ 1,015,536
	$ 36,340,236	**$ 13,670,307**	**$ (11,756,141)**	**$ 4,031,787**	**$ (4,141,144)**	**$ 38,145,051**	**$ 10,176,614**

Notes

1- Adjustment to beginning balance to match Policy 6200

2- Adjustment to beginning balance to match ACFR

3- Adjustment to beginning balance to match policy 6240

4- Adjustment to beginning balance to match policy 6260

ANNIE Y. LIU, Treasurer

TREASURER'S REPORT OF FUND BALANCES
July 31, 2026

Fund Transfers Summary:		
Operating Fund:		
Fund Collected/Transferred	$	3,847,315
Fund Disbursed/Transferred	$	(4,141,144)
Net Fund Transferred:	**$**	**(293,829)**
Water Main Reserve - Project 2030	**$**	**184,472**
NET CHANGES- ALL FUNDS	**$**	**(109,357)**

Citrus Heights Water District
Budget Performance Report
As of 07/31/2026

	Adopted Budget	July 2026 Actual	Year-to-Date Actual	Year-to-Date Encumered	Budget To-Date	Percent of Total Budget Used
Revenues						
Metered Service Charges	$14,905,058.35	$1,355,527.96	$9,269,386.76	0.00	$8,694,617.37	62.19%
Metered Water Deliveries	7,817,588.19	642,121.05	2,804,018.87	0.00	4,560,259.78	35.87%
Water Main Replacement Revenue	2,257,294.00	184,471.73	1,289,562.28	0.00	1,316,754.83	57.13%
Penalties	120,000.00	117,643.47	180,536.65	0.00	70,000.00	150.45%
Interest	1,000,000.00	26,654.55	517,074.14	0.00	583,333.33	51.71%
Backflow Fees	77,879.17	5,780.80	49,638.58	0.00	45,429.52	63.74%
Water Service Install & S&R	46,916.86	7,687.00	23,243.94	0.00	27,368.17	49.54%
Grant Funds *	1,500,000.00	487.50	1,559.25	0.00	875,000.00	0.10%
Miscellaneous **	17,770.22	1,753.05	22,698.92	0.00	10,365.96	127.74%
Cost Reimbursements	34,286.41	5,167.79	12,395.44	0.00	20,000.41	36.15%
Income - Wheeling Water	50,000.00	43,482.56	43,482.56	0.00	29,166.67	86.97%
Income - Connection Fees	96,616.60	0.00	73,840.77	0.00	56,359.68	76.43%
Total Revenue	**27,923,409.80**	**2,390,777.46**	**14,287,438.16**	**0.00**	**16,288,655.72**	**51.17%**

*Revenue recognized, but not fully collected

**includes Assessments, New Account, Back Charges & other Miscellaneous Revenue Sources

	Adopted Budget	July 2026 Actual	Year-to-Date Actual	Year-to-Date Encumered	Budget To-Date	Percent of Total Budget Used
Operating Expenses						
Cost of Water						
Purchased Water	3,283,400.00	387,734.44	1,804,188.43	0.00	1,915,316.67	54.95%
Ground Water	1,606,366.23	73,935.48	511,244.26	0.00	937,046.97	31.83%
	4,889,766.23	**461,669.92**	**2,315,432.69**	**0.00**	**2,852,363.63**	**47.35%**
Labor & Benefits						
Labor Regular	5,171,337.56	391,589.13	2,986,179.73	0.00	3,016,613.58	57.74%
Labor Taxes	417,541.00	30,716.31	253,533.33	0.00	243,565.58	60.72%
Labor External	44,781.00	0.00	0.00	0.00	26,122.25	0.00%
Benefits Med/Den/Vis	874,253.28	67,480.80	513,222.74	0.00	509,981.08	58.70%
Benefits LTD/STD/Life/EAP	85,197.00	7,243.28	56,387.78	0.00	49,698.25	66.19%
Benefits CalPers	539,698.20	37,390.50	263,067.34	0.00	314,823.95	48.74%
Benefits Other	30,993.63	0.00	8,590.63	0.00	18,079.62	27.72%
Benefits OPEB	517,227.02	32,165.28	209,530.50	0.00	301,715.76	40.51%
Benefits GASB 68/PERS UAL	656,678.76	59,406.11	373,199.61	0.00	383,062.61	56.83%
Benefits UAL OPEB	100,639.32	0.00	87,935.00	0.00	58,706.27	87.38%
Capitalized Labor & Benefit Contra		(44,143.71)	(396,159.92)	0.00	0.00	0.00%
	8,438,346.77	**581,847.70**	**4,355,486.74**	**0.00**	**4,922,368.95**	**51.62%**
General & Administrative						
Workers Comp	97,993.05	22,182.59	69,547.87	0.00	57,162.61	70.97%
Fees & Charges	222,200.00	25,802.60	139,570.39	0.00	129,616.67	62.81%
Regulatory Compliance/Permits	260,600.00	2,684.50	97,923.68	0.00	152,016.67	37.58%
District Events & Recognition	122,150.00	3,763.32	48,024.77	0.00	71,254.17	39.32%
Maintenance/Licensing	318,270.04	26,709.81	166,234.98	0.00	185,657.52	52.23%
Equipment Maintenance	307,470.00	1,587.75	28,234.65	2,447.88	179,357.50	9.18%
Professional Development	126,350.00	1,458.54	65,877.02	360.00	73,704.17	52.14%
Dues & Subscriptions	205,821.00	18,499.54	156,986.07	0.00	120,062.25	76.27%
Facility Maintenance	81,440.00	4,174.16	31,526.26	0.00	47,506.67	38.71%
Fuel & Oil	84,070.00	6,573.88	48,116.70	0.00	49,040.83	57.23%
General Supplies	20,400.00	6,790.27	41,810.51	0.00	11,900.00	204.95%
Insurance - Auto/Prop/Liab/Cyb	231,100.00	16,550.73	112,603.44	0.00	134,808.33	48.72%
Leasing/Equipment Rental	90,820.00	6,777.72	26,232.58	1,600.00	52,978.33	28.88%
Parts & Materials	260,000.00	18,870.36	357,113.88	72,355.84	151,666.67	137.35%
Postage/Shipping/Freight	91,655.00	8,433.40	57,125.82	0.00	53,465.42	62.33%
Rebates & Incentives	19,000.00	450.00	3,113.45	0.00	11,083.33	16.39%
Telecom/Network	72,600.00	5,643.86	35,408.35	0.00	42,350.00	48.77%
Tools & Equipment	219,045.53	4,294.92	61,611.83	616.40	127,776.56	28.13%
Utilities	82,184.00	6,550.55	33,326.76	0.00	47,940.67	40.55%
Uniforms	9,200.00	300.00	13,486.29	0.00	5,366.67	146.59%
Write-Off Bad Debt Exp	0.00	0.00	0.00	0.00	0.00	0.00%
Capitalized G&A Contra		(19,187.54)	(223,046.76)	0.00	0.00	0.00%
	2,922,368.62	**168,910.96**	**1,370,828.54**	**77,380.12**	**1,704,715.03**	**46.91%**
Professional & Contract Services						
Support Services	2,844,436.00	306,761.17	1,193,864.44	0.00	1,659,254.33	41.97%
Legal Services	654,200.00	75,040.57	470,802.80	0.00	381,616.67	71.97%
Printing Services	97,388.00	5,716.03	39,362.39	1,851.07	56,809.67	40.42%
	3,596,024.00	**387,517.77**	**1,704,029.63**	**1,851.07**	**2,097,680.67**	**47.39%**

Citrus Heights Water District
Budget Performance Report
As of 07/31/2026

	Adopted Budget	July 2026 Actual	Year-to-Date Actual	Year-to-Date Encumered	Budget To-Date	Percent of Total Budget Used
Reserves & Debt Services					.	
Interest Expense	170,788.00	25,676.86	169,297.54	0.00	99,626.33	99.13%
	170,788.00	**25,676.86**	**169,297.54**	**0.00**	**99,626.33**	**99.13%**
Total Operating Expenses	**20,017,293.62**	**1,625,623.21**	**9,915,075.14**	**79,231.19**	**11,676,754.61**	**49.53%**
Net Income / (Expense)	**$ 7,906,116.18**	**$ 765,154.25**	**$ 4,372,363.02**	**$ (79,231.19)**	**$ 4,611,901.11**	**55.30%**

Citrus Heights Water District
Budget Performance Report
As of 06/30/2026

Project Number	Project Name	FY 2026 Adopted Budget	FY 2026 Month to Date	FY 2026 Year to Date	FY 2026 Encumbered	FY 2026 Remaining Budget	Project to Date Project Forecast Budget	Project to Date Expenditures to Date	Project to Date Remaining Budget for Total Project
O25C05-001	Annual Facilities Improvements	$112,000	$0	$0	$0	$112,000	$112,000	$0	$112,000
O25C10-001	Annual Water Main Pipe Replace	$33,000	$0	$1,072	$0	$31,928	$33,000	$1,072	$31,928
O25C11-001	Annual Valve Replacements	$50,000	$0	$0	$0	$50,000	$50,000	$0	$50,000
O25C12-001	Annual Water Service Connections	$500,000	$0	$251,355	$0	$248,645	$500,000	$251,355	$248,645
O25C14-001	Annual Fire Hydrants Replace, Upg	$50,000	$0	$0	$0	$50,000	$50,000	$0	$50,000
O25C20-001	Annual Groundwater Well Improve	$50,000	$0	$38,850	$0	$11,150	$50,000	$38,850	$11,150
O26T04-001	Annual Tech Hardware & Software	$100,000	$0	$0	$0	$100,000	$100,000	$0	$100,000
O26C05-001	Annual Facilities Improvements	$50,000	$0	$0	$0	$50,000	$50,000	$0	$50,000
O26C10-001	Annual Water Main Pipe Replace	$53,000	$0	$0	$0	$53,000	$53,000	$0	$53,000
O26C11-001	Annual Valve Replacements	$135,000	$0	$31,975	$0	$103,025	$135,000	$31,975	$103,025
O26C12-001	Annual Water Service Connections	$1,510,000	$63,331	$384,530	$0	$1,125,470	$1,510,000	$384,530	$1,125,470
O26C13-001	Annual Water Meter Replacement	$130,000	$0	$44,497	$0	$85,503	$130,000	$44,497	$85,503
O26C14-001	Annual Fire Hydrants Replace, Upg	$175,000	$0	$45,334	$0	$129,666	$175,000	$45,334	$129,666
O26W20-001	Annual Groundwater Well Improve	$200,000	$0	$16,492	$0	$183,508	$200,000	$16,492	$183,508
E26A40-001	Annual Other City Partnerships	$100,000	$0	$6,161	$0	$93,839	$100,000	$6,161	$93,839
E26C41-001	Misc Infrastructure Projects	$100,000	$0	$0	$0	$100,000	$100,000	$0	$100,000
Construction in Progress		**$3,348,000**	**$63,331**	**$820,267**	**$0**	**$2,527,733**	**$3,348,000**	**$820,267**	**$2,527,733**
O26F03-001	Fleet/Field Operations Equip	$150,000	$0	$0	$0	$150,000	$150,000	$0	$150,000
Fleet and Equipment		**$150,000**	**$0**	**$0**	**$0**	**$150,000**	**$150,000**	**$0**	**$ 150,000**
E16C34-001	Auburn Blvd-Rusch Park Placer	$250,000	$1,731	$15,344	$0	$234,656	$671,214	$436,558	$234,656
E24C03-001	Menke Way	$103,000	$0	$120	$0	$102,880	$103,000	$120	$102,880
E25C01-001	Greenback Ln - Birdcage St to	$1,170,000	$439,215	$1,057,975	$0	$112,025	$1,295,383	$1,183,358	$112,025
E25C02-001	Greenback - Sunrise Blvd to Bi	$878,000	$1,782	$7,886	$0	$870,114	$917,734	$47,620	$870,114
E25C03-001	Donnawood Way	$505,000	$11,853	$20,217	$0	$484,783	$557,504	$72,721	$484,783
E25C08-001	Sayonara Dr - Lialana to Ming	$6,000	$0	$2,192	$0	$3,808	$380,640	$394,780	($14,139)
E26C45-001	Dove and Be Lazy Court	$350,000	$0	$0	$0	$350,000	$350,000	$0	$350,000
E26C46-001	Sagitarius Way & Pleides Ave	$0	$4,379	$19,574	$0	($19,574)	$0	$19,574	($19,574)
Water Mains		**$3,262,000**	**$458,960**	**$1,123,308**	**$0**	**$2,138,692**	**$4,275,475**	**$2,154,731**	**$2,120,745**
O25C04-001	Facilities Mod & Expan (Sylvan)	$3,000,000	$308,250	$954,754	$0	$2,045,246	$12,591,894	$1,069,983	$11,521,911
A25T05-001	ERP System	$350,000	$12,998	$70,957	$0	$279,043	$472,128	$193,085	$279,043
A25T06-001	SCADA Upgrade	$120,000	$0	$78,149	$0	$41,851	$125,400	$83,549	$41,851
A25C07-001	Facilities Mod & Expan (Madison)	$9,982,756	$23,060	$191,797	$0	$9,790,959	$12,408,106	$2,617,147	$9,790,959
Miscellaneous Projects		**$13,452,756**	**$344,308**	**$1,295,657**	**$0**	**$12,157,099**	**$25,597,528**	**$3,963,764**	**$21,633,764**
O20W07-001	Well #7 Ella	$1,150,000	$0	$880,079	$0	$269,921	$5,736,569	$5,337,242	$399,327
O23W03-001	Highland Well #8	$4,481,000	$0	$69,439	$0	$4,411,561	$6,400,518	$1,145,760	$5,254,758
Wells		**$5,631,000**	**$0**	**$949,518**	**$0**	**$4,681,482**	**$12,137,087**	**$6,483,002**	**$5,654,085**
	Grand Totals:	**$25,843,756**	**$866,599**	**$4,188,750**	**$0**	**$21,655,006**	**$45,508,090**	**$13,421,764**	**$32,086,326**

JULY 2026 WARRANTS

CHECK	PAYEE	DESCRIPTION	AMOUNT
510001512	MICHAEL E SPRINGFIELD	Customer Refund	$35.16
510001513	JO ANN G HAMMER TRUST	Customer Refund	$9.75
510001514	MOHAMMAD SAFFARI KERMANI	Customer Refund	$86.65
510001515	SINGLETON FAMILY TRUST	Customer Refund	$25.55
510001516	ERIC OR TRICIA INGLE	Customer Refund	$224.77
510001517	KAREN S WOOD	Customer Refund	$28.92
510001518	ANDREJA HARDE	Customer Refund	$15.98
510001519	JASON K OR JENNIFER E ANGLE	Customer Refund	$84.34
510001520	DEVIN S OR ERIC L TUA	Customer Refund	$126.55
510001521	KATHERINE L SKELTON	Customer Refund	$190.62
510001522	DAN BLAKELY OR CAMILLE HAUGHEY	Customer Refund	$2.38
510001523	VINCENT OR JENNIFER D SMITH	Customer Refund	$15.57
510001524	TOBY OR LAURA E HACKFORD	Customer Refund	$4.21
510001525	Simon G Cheon	Customer Refund	$69.84
510001526	PATRICIA OR ROBERT M ABRAM	Customer Refund	$32.44
510001527	TERRI C FORESTER	Customer Refund	$44.41
510001528		Customer Refund	$182.88
510001529	TRUDI M TUCKER OR WALTER PRICE	Customer Refund	$13.55
510001530	19six Architects	Contract Services-Engineering	$445,426.59
510001531	Action Asphalt And Concrete	Paving	$26,749.00
510001532	Nancy Alaniz	Retiree Benefit	$392.90
510001533	Alexander's Contract Services	Meter Reading	$1,933.44
510001534	Amazon Capital Services	Tools/Equipment	$794.93
510001535	AREA Portable Services	Equipment Rental-Field	$138.43
510001536	Area West Engineers Inc	Contract Services-Engineering	$2,990.00
510001537	Best Best and Krieger	Legal Services	$15,835.50
510001538	BSK Associates	Water Analysis	$1,171.32
510001539	California Landscape Associates Inc	Contract Services-Other	$1,037.00
510001540	Robert Churchill	Retiree Benefit	$556.00
510001541	Robin Cope	Retiree Benefit	$556.00
510001542	Steven Corothers	Retiree Benefit	$496.00
510001543	CrispImaging	Printing Services	$21.75
510001544	Timothy Cutler	Retiree Benefit	$443.00
510001545	Paul Dietrich	Retiree Benefit	$556.00
510001546	Dana M Inman/ Douglas B Inman	Customer Refund	$244.82
510001547	Tom Evans	Rebates-Incentives	$75.00
510001548	Foothill Fire & Wire, Inc.	Equipment Rental-Office	$479.50
510001549	Ernestine Freeman	Retiree Benefit	$202.90
510001550	Howell Consulting Inc	Contract Services-Other	$1,800.00
510001551	IB Consulting LLC	Consulting Services	$13,593.73
510001552	Indoor Environmental Services	Equipment Maintenance-Office	$1,919.50
510001553	Integrity Administrators Inc	Fees/Charges	$207.00
510001554	J4 Systems	Contract Services-Other	$400.00
510001555	Jennifer Liebermann Consulting	Consulting Services	$5,500.00

JULY 2026 WARRANTS

CHECK	PAYEE	DESCRIPTION	AMOUNT
510001556	Richard Jimenez	Retiree Benefit	$1,488.00
510001557	KASL Consulting Engineers	Contract Services-Engineering	$10,436.00
510001558	Kaitlin Kirkland	Rebates-Incentives	$150.00
510001559	Gerald Lee	Retiree Benefit	$556.00
510001560	Michael Mariedth	Retiree Benefit	$489.00
510001561	Rex Meurer	Retiree Benefit	$443.00
510001562	Moonlight BPO LLC	Bill Print/Mail	$1,675.20
510001563	Lonnie Moore	Retiree Benefit	$202.90
510001564	Napa Auto Parts	Equipment Maintenance	$12.02
510001565	Pace Supply Corp	Material	$264.36
510001566	Pamela Peters	Retiree Benefit	$443.00
510001567	RDO Equipment	Equipment Maintenance	$267.29
510001568	Red Wing Shoe Store	Tools/Equipment	$300.00
510001569	Republic Services 922	Utilities	$435.62
510001570	Robert or Diane Robinson	Rebates-Incentives	$75.00
510001571	David Rossi	Retiree Benefit	$443.00
510001572	Bobbi Rutherdale	Rebates-Incentives	$75.00
510001573	Mary Lynn Scherrer	Retiree Benefit	$443.00
510001574	SiteOne Landscape Supply LLC	Material	$315.26
510001575	SMUD	Utilities	$123.75
510001576	Sonitrol	Equipment Rental	$219.02
510001577	Nick Spiers	Retiree Benefit	$556.00
510001578	State of California Franchise Tax Board	Withholdings	$857.04
510001579	T Mobile	Telecom/Network	$1,375.43
510001580	TERRAVERDE ENERGY LLC	Contract Services-Other	$835.00
510001581	Melinda M Tupper	Retiree Benefit	$311.98
510001582	Wood Rodgers Inc	Contract Services-Other	$142.50
510001583	Emellia Zamani	Rebates-Incentives	$75.00
510001584	LORETTA OR MICHAEL BRUCE	Customer Refund	$14,100.57
510001585	SRPS LP	Customer Refund	$82.02
510001586	ACWA- JPIA	Workers Compensation	$24,992.34
510001587	AFLAC	Deferred Compensation	$187.46
510001588	All American Publishing	Printing Services	$900.00
510001589	Amazon Capital Services	Tools/Equipment	$1,138.26
510001590	Automate Mailing Service	Printing Services-Postage	$10,415.21
510001591	Best Best and Krieger	Legal Services	$25,704.00
510001592	BSK Associates	Water Analysis	$549.20
510001593	Citrus Heights Hart	Dues/Subscriptions	$1,500.00
510001594	Colantuono Highsmith Whatley PC	Legal Services	$20,110.75
510001595	Employee Relations Inc	Contract Services-Other	$160.65
510001596	FasTrak Invoice Processing Department	Fees/Charges	$8.50
510001597	J Comm Inc	Contract Services-Other	$2,615.00
510001598	J4 Systems	Contract Services-Other	$1,200.00
510001599	Kei 12 Window Cleaning	Janitorial	$130.00
510001600	Messenger Publishing Group	Public Notices	$873.00
510001601	Nor Cal Perlite Inc	Supplies-Field	$4,364.44

JULY 2026 WARRANTS

CHECK	PAYEE	DESCRIPTION	AMOUNT
510001602	NowSpeed Inc.	Maintenance/Licensing	$500.00
510001603	Quick Quack Car Wash	Equipment Maintenance	$229.90
510001604	Red Wing Shoe Store	Tools/Equipment	$600.00
510001605	Regional Government Services	Consulting Services	$20,230.59
510001606	Pamela Sanchez	Contract Services-Other	$1,250.00
510001607	SMUD	Utilities	$13,383.43
510001608	SWRCB (Water Control Board)	Professional Development	$90.00
510001609	Two Twenty Photos	Contract Services-Other	$1,825.00
510001610	Wolf Consulting	Contract Services-Other	$9,750.00
510001611	SHIRLEY P STEINWANDT	Customer Refund	$94.29
510001612	TAYLOR LIVING TRUST	Customer Refund	$169.24
510001613	NANCY DAVIS	Customer Refund	$272.15
510001614	DANA S FOX	Customer Refund	$23.37
510001615	KELLY A DODDS	Customer Refund	$250.98
510001616	ANITA R KANTAR	Customer Refund	$1,061.54
510001617	LUKE OR BRITTANY L MATTISON	Customer Refund	$21.03
510001618	WERKING INC	Customer Refund	$384.75
510001619	CRAIG OR JENNIFER COULTER	Customer Refund	$139.51
510001620	SCOTT H PUSKA	Customer Refund	$422.06
510001621	ADAM/SARAH LENHOFF	Customer Refund	$210.91
510001622	BUTA SINGH	Customer Refund	$158.92
510001623	NOLAN OR MEGAN D BLAKE	Customer Refund	$28.99
510001624	TARA OR JEFFREY D FISCUS	Customer Refund	$77.83
510001625	MARY HELEN K SCHICK OR RYAN A MARSH	Customer Refund	$9.60
510001626	SMITH VILLAGE PROPERTIES LLC	Customer Refund	$168.01
510001627	MARLA KURESA OR KURESA REALTY	Customer Refund	$261.19
510001628	19six Architects	Contract Services-Engineering	$302,729.01
510001629	Action Asphalt And Concrete	Paving	$5,926.00
510001630	Alexander's Contract Services	Meter Reading	$5,888.10
510001631	Amazon Capital Services	Tools/Equipment	$3,472.40
510001632	Area West Engineers Inc	Contract Services-Engineering	$2,448.00
510001633	Automate Mailing Service	Printing Services/Postage	$7,072.36
510001634	Bender Rosenthal Incorporated	Contract Services-Engineering	$1,565.70
510001635	Best Best and Krieger	Legal Services	$17,701.72
510001636	Blue Jay Trucking Inc	Contract Services-Other	$1,753.75
510001637	Bryce Consulting Inc	Consulting Services	$2,000.00
510001638	BSK Associates	Water Analysis	$3,896.14
510001639	California Landscape Associates Inc	Contract Services-Other	$707.00
510001640	Capio	Professional Development	$425.00
510001641	CERCO Analytical, Inc	Contract Services-Engineering	$380.00
510001642	Citrus Heights Chamber of Commerce	Advertisement	$360.00
510001643	City of Foster City	Advertisement	$582.00
510001644	Comcast	Equipment Rental-Office	$106.12
510001645	Consolidated	Equipment Rental-Office	$3,529.70
510001646	Corelogic Information Solutions Inc	Dues/Subscriptions	$263.55
510001647	County of Placer	Permits	$50.00

JULY 2026 WARRANTS

CHECK	PAYEE	DESCRIPTION	AMOUNT
510001648	County of Sacramento EMD	Permits	$1,126.00
510001649	Covino Smith and Simon	Consulting Services	$1,666.67
510001650	CrispImaging	Printing Services	$21.75
510001651	Ditch Witch	Equipment Maintenance	$184.91
510001652	Edelstein Gilbert Robson and Smith LLC	Consulting Services	$5,833.33
510001653	Go Live Technology Inc	Consulting Services	$5,940.00
510001654	Government Portfolio Advisors	Advisory Services-Financial	$1,471.60
510001655	Howell Consulting Inc	Contract Services-Engineering	$2,160.00
510001656	Hunt and Sons LLC	Fuel	$1,080.28
510001657	Yamasaki Landscape Architecture	Contract Services-Other	$915.00
510001658	Lowe's	Supplies-Field	$1,164.84
510001659	Moonlight BPO LLC	Bill Print/Mail	$3,456.90
510001660	N & S Tractor	Equipment Maintenance	$479.57
510001661	New AnswerNet Inc	Contract Services-Office	$363.07
510001662	Occu Med	Contract Services-Other	$606.00
510001663	Pace Supply Corp	Material	$1,384.91
510001664	Pacific Gas and Electric	Utilities	$27.66
510001665	Regional Water Authority	Dues/Subscriptions	$31,385.00
510001666	Rincon Consultants Inc	Contract Services-Engineering	$45,468.25
510001667	Sacramento County - PO Box 1587	Permits	$810.50
510001668	Sacramento County Recorder	Permits	$50.00
510001669	Sagent	Consulting Services	$13,400.40
510001670	SMUD	Utilities	$1,722.12
510001671	Soroptimist International CH	Dues/Subscriptions	$330.00
510001672	Springbrook Holding Company LLC	Contract Services-Other	$4,788.00
510001673	State of California Franchise Tax Board	Withholdings	$885.56
510001674	SWRCB (Water Control Board)	Professional Development	$90.00
510001675	Tee Janitorial & Maintenance	Janitorial	$2,989.00
510001676	Thomson Reuters	Dues/Subscriptions	$3,633.32
510001677	Margaret Torres	Customer Refund	$128.37
510001678	UES Professional Solutions Inc	Contract Services-Engineering	$10,328.75
510001679	US Bank Corporate Trust Services	Revenue Bonds	$1,590.00
510001680	Verdant Commercial Capital	Equipment Rental-Office	$376.97
510001681	WaterWise Consulting Inc	Contract Services-Other	$4,965.00
510001682	Wex Bank	Fuel	$5,493.60
510001683	WM Corporate Services Inc	Utilities	$700.28
510001684	SEANNA OAKLEY HANSON	Customer Refund	$51.98
510001685	MARY ANNE POLSON	Customer Refund	$46.39
510001686	BRUCE K MARX	Customer Refund	$18.00
510001687	MAURICE H HABRA	Customer Refund	$166.49
510001688	CRAIG OR JENNIFER COULTER	Customer Refund	$139.51
510001689	WILLIAM NISSEN	Customer Refund	$484.50
510001690	BETH OR MARK RAYMOND VANCE	Customer Refund	$107.53
510001691	BLAKE OR TRACI B ORMSBY	Customer Refund	$339.73
510001692	CYRE CALCAGNI	Customer Refund	$33.82
510001693	ROBERT K OLSON	Customer Refund	$39.04
510001694	MICHAEL OR DAMARIS R DEL NERO	Customer Refund	$46.75
510001695	Cap City Construction LLC	Customer Refund	$56.67
510001696	BWD GENERAL ENGINEERING	Customer Refund	$2,583.00
510001697	GREATER SACRAMENTO HOMEBUYER LLC	Customer Refund	$325.77
510001698	ACWA- JPIA	Liability Insurance	$7,113.71

JULY 2026 WARRANTS

CHECK	PAYEE	DESCRIPTION	AMOUNT
510001699	Amazon Capital Services	Office Supplies	$186.41
510001700	Best Best and Krieger	Legal Services	$17,627.48
510001701	C.E. Cox Engineering inc.	Contract Services-Engineering	$114,783.75
510001702	Center For Internet Security Inc	Dues/Subscriptions	$144.00
510001703	Citrus Heights Saw and Mower	Equipment Maintenance-Field	$8.73
510001704	City of Citrus Heights	Equipment Rental-Office	$1,833.44
510001705	Fast Action Pest Control	Contract Services-Other	$184.80
510001706	FP Mailing Solutions	Equipment Rental-Office	$197.86
510001707	Government Finance Officers Association	Professional Development	$380.00
510001708	Grainger	Tools/Equipment	$84.23
510001709	IB Consulting LLC	Consulting Services	$10,535.30
510001710	J4 Systems	Contract Services-Other	$740.32
510001711	LaFleur Engineering Inc	Contract Services-Engineering	$406,596.20
510001712	Les Schwab Tires	Equipment Maintenance	$442.65
510001713	Liebert Cassidy Whitmore	Legal Services	$3,445.00
510001714	Napa Auto Parts	Equipment Maintenance	$19.54
510001715	NHA Advisors LLC	Consulting Services	$11,437.50
510001716	Pace Supply Corp	Material	$14,147.67
510001717	Red Wing Shoe Store	Tools/Equipment	$300.00
510001718	TechnoFlo Systems	Contract Services-Other	$484.95
510001719	Underground Service Alert of Northern CA Nevada	Dues/Subscriptions	$7,026.01
510001720	Wizix Technology Group Inc	Equipment Rental-Office	$4,934.15
510001721	CARI A RIVERA	Customer Refund	$214.82
510001722	DOUGLAS J MCGEHEE	Customer Refund	$322.76
510001723	VIKTOR OR ANTONINA SKOVPEN	Customer Refund	$178.66
510001724	LIDIA PASCONI	Customer Refund	$216.34
510001725	CHRISTOPHER OR LAUREN KEACH	Customer Refund	$203.60
510001726	KIRK B BRATTON	Customer Refund	$77.98
510001727	LIONES CAPITAL PARTNERS LLC	Customer Refund	$584.44
510001728	JOHN OR MYLENE MANLIGUEZ	Customer Refund	$268.24
510001729	19six Architects	Contract Services-Other	$22,283.63
510001730	AAA Auto Repair Center	Equipment Maintenance	$399.01
510001731	Best Best and Krieger	Legal Services	$33,280.50
510001732	BSK Associates	Water Analysis	$966.54
510001733	Capitol Barricade	Tools/Equipment	$293.36
510001734	CERCO Analytical, Inc	Contract Services-Engineering	$380.00
510001735	Citrus Heights Historical Society	Dues/Subscriptions	$50.00
510001736	City of Citrus Heights	Permits	$4,618.00
510001737	Core and Main LP	Material	$1,392.67
510001738	Elizabeth Furtado	Rebates-Incentives	$75.00
510001739	George F. Roberts and/or Gloria Roberts	Rebates-Incentives	$225.00
510001740	Grainger	Tools/Equipment	$365.63
510001741	iPROMOTEu	Promotions	$1,947.44
510001742	Jennifer Liebermann Consulting	Consulting Services	$10,243.80
510001743	Leaf	Equipment Rental-Office	$419.49
510001744	Moonlight BPO LLC	Meter Reading	$1,991.74
510001745	Carvelli Natasha	Rebates-Incentives	$150.00
510001746	Pace Supply Corp	Material	$3,284.96
510001747	Regional Government Services	Consulting Services	$10,024.00
510001748	Republic Services 922	Utilities	$418.87
510001749	Sacramento County Utilities	Utilities	$393.76
510001750	San Juan Water District	Purchased Water	$827,562.14
510001751	Springbrook Holding Company LLC	Contract Services-Other	$2,269.75

JULY 2026 WARRANTS

CHECK	PAYEE	DESCRIPTION	AMOUNT
510001752	State of California Franchise Tax Board	Withholdings	$992.73
510001753	T Mobile	Telecom/Network	$1,420.54
510001754	Teichert and Son Inc	Material	$4,719.97
510001755	Thomson Reuters	Dues/Subscriptions	$908.33
510001756	Underground Service Alert of Northern CA Nevada	Dues/Subscriptions	$2,625.21
510001757	Verizon Wireless	Telecom/Network	$693.62
Total			$2,769,797.51

ACH	Department of the Treasury	Federal Payroll Taxes	$53,258.58
ACH	JP Morgan Chase Bank NA	Bank Fee	$18,197.77

JULY 2026 WARRANTS

CHECK	PAYEE	DESCRIPTION	AMOUNT
ACH	ADP Payroll Deposit Custodial Account	Contract Services-Other	$400.00
ACH	ADP Payroll Deposit Custodial Account	Contract Services-Other	$400.00
ACH	BMO Bank NA	Bank Fee	$2,384.47
ACH	California Choice Benefit Administrators	Health Insurance	$74,562.62
ACH	Chase On line Bill Payment	Bank Fee	$5,249.04
ACH	ICMA-RC	Deferred Compensation	$71,128.70
ACH	Department of the Treasury	Federal Payroll Taxes	$58,387.68
ACH	Invoice Cloud	Bank Fee	$6,661.06
ACH	PERS	Pers	$769,760.13
ACH	Principal Life Insurance Company	Health Insurance	$16,184.82
ACH	VALIC/AIG	Deferred Compensation	$9,905.43
ACH	State of CA Employment Development Department	State Income/Unemployment Tax	$20,367.31
ACH	US Bank National Association	Debt Service Interest Payment	$25,676.86
Total			$1,132,524.47
Grand Total			$3,902,321.98

JP Morgan Purchase Card Distributions
Jul-26

Name	District Events & Recognition	District Membership Dues and Subscriptions	Postage/Shipping/ Freight	General Supplies	Software Subscriptions	Tools & Equipment	Professional Support Services	Professional Development	Professional Membership Dues and Subscriptions	Fleet Maintenance	Travel	Total Bill
Conzelmann	$ 1,837.07	$ 76.00			$ 114.40							$ 2,027.47
Shepard	$ 408.17			$ 18.62				$ 487.80				$ 914.59
Shockley	$ 815.37	$ 804.60	$ 110.82	$ 2,457.40		$ 429.61	$ 505.00	$ 6,985.00	$ 347.00	$ 90.04	$ 547.23	$ 13,092.07
Tran				$ 64.64	$ 918.45	$ 2,429.73						$ 3,412.82
Fuerte				$ 243.90								$ 243.90
Munoz	$ 175.12			$ 37.24								$ 212.36
Liu									$ 449.00			$ 449.00
Pieri			$ 19.50									$ 19.50
Total Bill	**$ 3,235.73**	**$ 880.60**	**$ 130.32**	**$ 2,821.80**	**$ 1,032.85**	**$ 2,859.34**	**$ 505.00**	**$ 7,472.80**	**$ 796.00**	**$ 90.04**	**$ 547.23**	**$ 20,371.71**

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS
AUGUST 19, 2026 REGULAR BOARD MEETING

Subject:	**EMPLOYEE RECOGNITION**
Status:	Action Item
Report Date:	August 3, 2026
Prepared By:	Kayleigh Shepard, Senior Management Analyst/Deputy Board Clerk Viviana Munoz, Management Technician

The following District employees were recognized for perfect attendance, outstanding customer service, and quality of work during the months of June and July 2026.

Administrative Services Department

Name	Attendance	Customer Service	Work Quality
Dana Mellado	Yes (June)	Stepped in to provide front counter coverage during staff shortages. Received customer recognition for providing patient and compassionate assistance with a payment arrangement.	Provided key input for the Utility Billing transition. Provided sole front desk coverage and supported the Enterprise Resource Planning software implementation meetings.
Viviana Munoz	Yes (June)		Clerked the June 9th Customer Advisory Committee meeting. Stepped into the new Management Technician role, providing ongoing payroll support during the implementation of the new payroll system. Presented on the District's strategic planning objectives at the July 28, 2026 Budget Workshop/Board Meeting.

Name	Attendance	Customer Service	Work Quality
Megan Selling	Yes	Megan was instrumental in budget development, presented to the Board, and mentored our Accounting Intern.	Assisted with front desk coverage, budget development, and Enterprise Resource Planning software implementation meetings. The finance team received a “clean” audit for fiscal year 2025. Assisted with the payroll validation process. Assisted with front-counter coverage during staff shortages.
Kayleigh Shepard	Yes		Prepared the 2027 Division Budget and assumed responsibility for several one-time administrative projects due to staffing shortages. Provided ongoing training and support for the new administrative team member. Kayleigh provided a thorough and well-organized work program spreadsheet with detailed task updates for the Administrative Services Manager. Her comprehensive documentation ensured continuity of operations, facilitated a smooth transition, and demonstrated strong organization, and attention to detail.

Name	Attendance	Customer Service	Work Quality
Beth Shockley			Assisted Clerk staff with obtaining documents for a Public Records Act request. Beth keeps District operations running smoothly by ensuring our team has the supplies and resources needed. Additionally, her thoughtful preparation for our all-hands staff meetings is always appreciated.
Desiree Smith	Yes (July)	Received positive feedback from a customer for being responsive and easy to work with. Supported front counter operations during staff shortages.	Provided sole front desk coverage and supported the Enterprise Resource Planning software implementation meetings. Provided key input for the Utility Billing transition and took the initiative to train our new Customer Service Technician.
Ben Strange	Yes		The finance team received a “clean” audit for fiscal year 2025. Presented at the July 28th Special Board meeting budget workshop.
Andy Tran	Yes (June)		Provided IT support to the Customer Service team during the Utility Billing module implementation process. Provided IT support at the July 28th Special Board meeting budget workshop.

Name	Attendance	Customer Service	Work Quality
Torrance York	Yes	Provided excellent IT support for both District staff and external partners.	Provided IT support to the Customer Service team during the Utility Billing module implementation process. Torrance provided IT support in onboarding our new staff members and interns. He also provided off-site staff support in configuring proper WiFi set up.

Engineering Department

Name	Attendance	Customer Service	Work Quality
Tamar Dawson	Yes (July)		Worked on Friday, June 5th, to allow a contractor to perform material testing at the District's facility. On Friday, July 10th, Tamar provided construction inspection on the District's Donnawood Way Water Main Project.
Jarrett Flink	Yes (July)		On multiple evenings in June, provided inspection on the District's Greenback Lane Water Main Project. On Friday, July 17th, Jarrett provided construction inspection on the District's Donnawood Way Water Main Project.
Tim Katkanov			On multiple evenings in June, provided inspection on the District's Greenback Lane Water Main Project. Prepared an update of the District's water facility map book for all staff.

Name	Attendance	Customer Service	Work Quality
Ali Shafaq	Yes (June)	Attended the June 9th Customer Advisory Committee meeting.	Demonstrated exceptional customer coordination at three locations as part of the District's Pipeline Condition Assessment Project, effectively coordinating project activities, contractors, and customer communications to minimize impacts and ensure successful completion of the work.
Luis Zamudio	Yes (June)	Provided field support for the District's Facilities Modernization & Expansion Project, including coordinating contractor site activities and concrete moisture testing.	

Operations Department

Name	Attendance	Customer Service	Work Quality
Kathy Abarca	Yes (June)		Attended the Sacramento County's Local Hazard Mitigation Plan meeting on behalf of the District. Worked with the Operations divisions and finance to develop the Operations budget.
Chris Bell		A resident on Woodmore Oaks Drive complimented the crew for their professional work and the great job with the work and clean-up. A resident on Stone Canyon Circle praised the crew for being kind and helpful, and their willingness to answer questions about work being on her street.	
Andrew Callister	Yes		

Name	Attendance	Customer Service	Work Quality
Jose Calvillo		A resident on Woodmore Oaks Drive complimented the crew for their professional work and the great job with the work and clean-up. A resident on Stone Canyon Circle praised the crew for being kind and helpful, and their willingness to answer questions about work being on her street.	Worked after hours on June 2nd to replace an 8-inch main line valve on Greenback Lane. Responded to an emergency service repair on Canady Lane during the holiday.
Brady Chambers	Yes	Brady responded to a conservation concern at Cedar Grove Court, the customer said that Brady was very pleasant and provided great customer service.	Provided a safety presentation at the July all-hands meetings.
Kelly Drake	Yes (June)		Assisted with budget development for the Operations department. Attended the June 9th Customer Advisory Committee meeting.
Jake Enas	Yes	A resident on Stone Canyon Circle praised the crew for being kind and helpful, and their willingness to answer questions about work being on her street.	Responded to an emergency service repair on Canady Lane during the holiday.
James Ferro		Assisted the Senior Construction Inspector on June 16th with system loading and flushing after overnight work on Greenback Lane.	
Brandon Goad	Yes		

Name	Attendance	Customer Service	Work Quality
Brian Hensley	Yes		Assisted with budget development for the Operations department.
Jesse Jameson		Assisted the Senior Construction Inspector on June 16th with system loading and flushing after overnight work on Greenback Lane. A resident on Woodmore Oaks Drive complimented the crew for their professional work and the great job with the work and clean-up.	Worked after hours on June 2nd to replace an 8-inch main line valve on Greenback Lane.
Chris Nichols	Yes		Assisted with budget development for the Operations department.
Alex Pauli	Yes	A resident on Woodmore Oaks Drive complimented the crew for their professional work and the great job with the work and clean-up. A resident on Stone Canyon Circle praised the crew for being kind and helpful, and their willingness to answer questions about work being on her street.	Responded to an emergency service repair on Canady Lane during the holiday.

Name	Attendance	Customer Service	Work Quality
Ryon Ridner		A resident on Woodmore Oaks Drive complimented the crew for their professional work and the great job with the work and clean-up. A resident on Stone Canyon Circle praised the crew for being kind and helpful, and their willingness to answer questions about work being on her street. A customer from a homeowner association commended Ryon for going the extra mile in providing additional service shut down notification and phone calls when water was turned back on for the association pool.	Worked after hours on June 2nd to replace an 8-inch main line valve on Greenback Lane.
Joshua Romero	Yes (June)	A resident on Woodmore Oaks Drive complimented the crew for their professional work and the great job with the work and clean-up. A resident on Stone Canyon Circle praised the crew for being kind and helpful, and their willingness to answer questions about work being on her street.	Worked after hours on June 2nd to replace an 8-inch main line valve on Greenback Lane.
John Spinella	Yes		
Neil Tamagni	Yes		Assisted with budget development for the Operations department.

Name	Attendance	Customer Service	Work Quality
Joey Vazquez		A resident on Woodmore Oaks Drive complimented the crew for their professional work and the great job with the work and clean-up. A resident on Stone Canyon Circle praised the crew for being kind and helpful, and their willingness to answer questions about work being on her street.	Worked after hours on June 2nd to replace an 8-inch main line valve on Greenback Lane.

Public Affairs Division

Name	Attendance	Customer Service	Work Quality
Khandriale Clark	Yes	Supported the June 9th Customer Advisory Committee meeting. Provided customer support on rebates and incentive applications.	Submitted Emerging Contaminants grant. Supported onboarding for two student interns. Supported the development of the Public Affairs FY 2027 budget. Prepared a research presentation on a potential customer low-income assistance program.

Name	Attendance	Customer Service	Work Quality
Mary Elise Conzelmann	Yes (July)	Supported customer stakeholder meetings. Collaborated with Customer Service staff on response to a mailed customer query about the utility billing system upgrade.	Organized and presented at the June 9th Customer Advisory Committee meeting. Recruited and interviewed interns. Hosted a Project Ripples social media training. Developed the strategy for the 2026 fall community update series and hosted an internal staff kick-off and Project Ripples meeting.

Name	**Attendance**	**Customer Service**	**Work Quality**
Katie Fuerte	Yes	Supported the June 9th Customer Advisory Committee meeting. Provided personal phone calls to Customer Advisory Committee members ahead of the June 9th meeting. Launched the pilot portal for Customer Advisory Committee (CAC) members for meter access.	Staffed City Scoops events. Developed the District's first-ever kids' coloring pages for outreach events. Developed content for the Citrus Heights Chamber Best of Citrus Heights marketing campaign. Supported onboarding for two student interns. Supported the development of the Public Affairs FY 2027 budget. Supported the Project Ripples social media training. Supported the Project Ripples Community Update Series meeting logistics. Scheduled the 2026 fall community update series meetings at the neighborhood associations and service clubs. Facilitated a branding discussion at the Public Affairs team meeting.

AGENDA ITEM: CC-11

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS

AUGUST 19, 2026 REGULAR BOARD MEETING

SUBJECT : LONG RANGE AGENDA

STATUS : Consent/Information Item

REPORT DATE : August 16, 2026

PREPARED BY : Brittney Moore, Administrative Services Manager/Chief 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
September 22, 2026					
September 22, 2026		Emergency Response Plan	**Abarca**	**CC**	A
September 22, 2026		Local Hazard and Mitigation Plan	**Abarca**	**P**	A
September 22, 2026		Non Functional Turf Ordinance	**Conzelmann/Clark**	**S**	I/D
October 27, 2026					
October 27, 2026	Biennial	Conflict of Interest Code Updates	**Moore/Shepard**	**CC**	A
October 27, 2026		Non Functional Turf Ordinance	**Conzelmann/Clark**	**PH**	A
November 17, 2026					
November 17, 2026		2027 Board Meeting Dates	**Shepard/Moore**	**CC**	A
November 17, 2026		Easement Presentation	**Zamudio/ Shafaq/Pieri**	**P**	I/D
December 15, 2026					
December 15, 2026	Annual	Committee Assignment	**Shepard/Moore**	**B**	A
December 15, 2026	Annual	District Officers	**Shepard/ Moore**	**B**	A
December 15, 2026	Annual	Selection of President and Vice President	**Shepard/Moore**	**B**	A
January 26, 2027					
January 26, 2027		Strategic Plan Update/2026 Strategic Plan Preview	**Moore**	**S**	A
February 23, 2027					
February 23, 2027	Annual	Financial Policies (6000 Series) Updates	**Liu**	**B**	A
March 23, 2027					
March 23, 2027	Annual	Investment Portfolio Update	**Liu**	**P**	A
April 27, 2027					
April 27, 2027		Strategic Plan Update	**Moore**	**S**	I/D

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS
AUGUST 19, 2026 REGULAR MEETING

Subject:	**Engineering Department Report**
Status:	Information Item
Report Date:	August 10, 2026
Prepared By:	Missy Pieri, Director of Engineering/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.

Item of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
PROJECT 2030 Water Main Replacement Project - Pipeline Condition Assessment	Engineering	Director of Engineering, Principal Civil Engineer, Senior Management Analyst	Yes, updates as necessary	Yes	Pipeline Condition Assessment Program.	Segment 1 (42-inch): External Corrosion Direct Assessment on 42" Transmission Main began on 06/15/26. Staff reviewing Pipeline Condition Assessment Program Proposals.
PROJECT 2030 Project Workflow Program Management	Engineering	General Manager, All Departments	Yes, updates as necessary	Yes	Project Management & Coordination of Nine Project 2030 Workflows.	T1 Meeting occurred 7/7/26. T2 meeting to be scheduled for 11/05/26.
PROJECT 2030 DISTRICT WATER SYSTEM MASTER PLAN	Engineering	Director of Engineering, Director of Operations, Principal Civil Engineer	Yes, 10/22/24 (Award of Contract) 9/22/26 (Draft WSMP)	Yes	Update to the District's Existing Water System Master Plan.	Revised Draft Water System Master Plan received 08/03/26. Three water meter reading technology meetings with the Customer Advisory Committee to occur: 2 completed. Last meeting on 9/15/26.

Item of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
DISTRICT-WIDE EASEMENT PROJECT Phase 4	Engineering	Director of Engineering, Principal Civil Engineer, Assistant Engineer, GIS Specialist	Yes, updates as necessary	Yes	Obtaining easements for District-owned facilities.	Group 3 Easements in progress.
CAPITAL IMPROVEMENT PROJECT & PROJECT 2030 Facilities Modernization & Expansion Project – 7803B Madison Ave	Engineering	Director of Engineering, Director of Operations, Senior/Management Analyst, Technical Advisory Committee	Yes, May 2026 (Award of Contract for Construction Management), TBD (Construction Award)	Yes	Development of Contract Documents for tenant and site improvements for District facilities located at 7803 Madison Avenue.	Award of Contract for Construction Management & Inspection Services in May 2026. Contract Documents 95% complete.
CAPITAL IMPROVEMENT PROJECT & PROJECT 2030 Facilities Modernization & Expansion Project - 6230 Sylvan Rd	Engineering	Director of Engineering, Director of Operations, Senior/Management Analyst, Technical Advisory Committee	Yes, TBD	Yes	Development of Contract Documents for tenant and site improvements for District facilities located 6230 Sylvan Road.	Phase 1 Contract Documents 90% complete. Preparing application and supporting documents for lot merger/rezone/design review with the City of Citrus Heights.

Item of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
CAPITAL IMPROVEMENT PROJECT & PROJECT 2030 Greenback Ln (Sunrise Blvd to Birdcage St) Water Main Project	Engineering	Director of Engineering and Assistant Engineer	Yes, TBD	Yes	2026 design, 2026/27 construction	District preparing 60% plans. Easement acquisition is required for this project. District coordinating with BRI on easement support services.
CAPITAL IMPROVEMENT PROJECT & PROJECT 2030 Greenback Ln (Birdcage St to Burich Ave) Water Main Project	Engineering	Director of Engineering, Assistant Engineer, and Senior Inspector	Yes, 1/27/26 (Award of Contract)	Yes	2025 design, 2026 construction	Construction completed. Project Closeout in Progress.
CAPITAL IMPROVEMENT PROJECT & PROJECT 2030 Donnawood Way Water Main Project	Engineering	Director of Engineering and Assistant Engineer	Yes, 4/28/26 (Award of Contract)	Yes	2026 construction	Award of Contract occurred on 04/28/26. Construction 99% complete.

Item of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
PRIVATE DEVELOPMENT 6031 Sunrise Vista Dr Apartments	Engineering	Principal Civil Engineer, Senior Civil Engineer, and Senior Inspector	No	No	Proposed apartments.	Water facilities construction 100% complete. Project closeout in progress.
PRIVATE DEVELOPMENT 7975 Twin Oaks Ave Parcel Split 1 - 3	Engineering	Principal Civil Engineer and Senior Civil Engineer	No	No	Parcel Split - 1 to 3 lot split; 3 single family homes with frontage improvements.	Plans approved on 03/03/25. Plan Check Fees paid. Awaiting developer to begin construction.
PRIVATE DEVELOPMENT 7501 Greenglen Ave Parcel Split 1 - 2	Engineering	Senior Civil Engineer and Senior Inspector	No	No	Parcel Split - 1 to 2 lot split per SB9; 4 water services for 4 duplexes.	Plan Check Fees and Installation Deposit Paid. Capacity Fees due prior to water service activation. CHWD completed installation of 4 water services. 2 water services pending activation.

Item of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
PRIVATE DEVELOPMENT 7401 Mariposa Ave 5 Parcels	Engineering	Principal Civil Engineer and Senior Civil Engineer	No	No	Parcel split. 5 single family homes with frontage improvements.	Plans approved 2/17/26. Awaiting water facilities construction.
PRIVATE DEVELOPMENT 7803 Madison Ave. Bldg A	Engineering	Principal Civil Engineer and Senior Civil Engineer	No	No	Tenant improvements including updating backflow device to approved CHWD device.	Plans approved and all fees paid. Awaiting construction.
PRIVATE DEVELOPMENT 7803 Madison Ave. Bldg C	Engineering	Principal Civil Engineer and Senior Civil Engineer	No	No	Tenant improvements including updating backflow device to approved CHWD device.	District provided plan review comments. Awaiting resubmittal.
PRIVATE DEVELOPMENT 8043 Holly Dr. Parcel Split 1-3	Engineering	Senior Civil Engineer and Senior Inspector	No	No	Parcel split from one to three parcels with 3 Single Family Dwellings.	All fees paid. Preconstruction meeting on 6/16/26.

Item of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
COUNTY OF SACRAMENTO AC Overlay Project 2025 Phase A (Madison Ave. from San Juan Ave to Fair Oaks Blvd)	Engineering	Senior Civil Engineer and Senior Inspector	No	No	Road improvements on Madison Ave from San Juan Ave. to Fair Oaks Blvd. Water improvements include valve box adjustments.	County's contractor to perform valve box adjustments. Road improvements and valve adjustments completed.
CITY OF CITRUS HEIGHTS PROJECT Auburn Blvd - Complete Streets Phase 2	Engineering	Senior Civil Engineer and Senior Inspector	No	No	City of Citrus Heights frontage improvements and utility relocation on Auburn Blvd from Rusch Park to north. 3 new irrigation services.	Final plans signed on 02/24/23. Fees for irrigation services paid. 3 easements obtained. Construction on water related work began on 07/29/24. Water related construction 98% complete.

Item of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
ArcGIS Migration from ArcGIS Desktop to ArcGIS Pro	Engineering	Director of Engineering, Engineering/GIS Specialist, IT Staff	No	No	Migrate the District's ArcGIS software from Desktop to Pro	In Phase 3 of 4. Migration is 95% Complete. Staff training to be completed for Cityworks in late 2026.

AGENDA ITEM: CC-13a

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS
August 19, 2026 REGULAR BOARD MEETING

Subject:	**OPERATIONS DEPARTMENT REPORT**
Status:	Information Item
Report Date:	July 30, 2026
Prepared By:	Kathy Abarca, Management Analyst Todd Jordan, Director of Operations

The Citrus Heights Water District has 19 employees in its Operations Department. The following report summarizes their work in June.

OPERATIONS MONTHLY ACTIVITIES

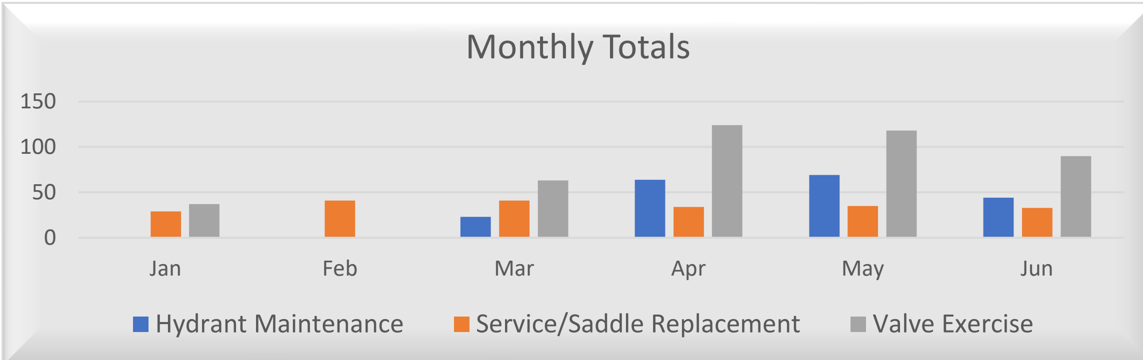
A. Distribution Division

The Operations Department includes 10 Distribution Operators who perform the necessary maintenance to properly operate and maintain over 250 miles of pipelines and more than 21,000 service connections. The tables below are a summary of noteworthy tasks commonly performed by the operators.

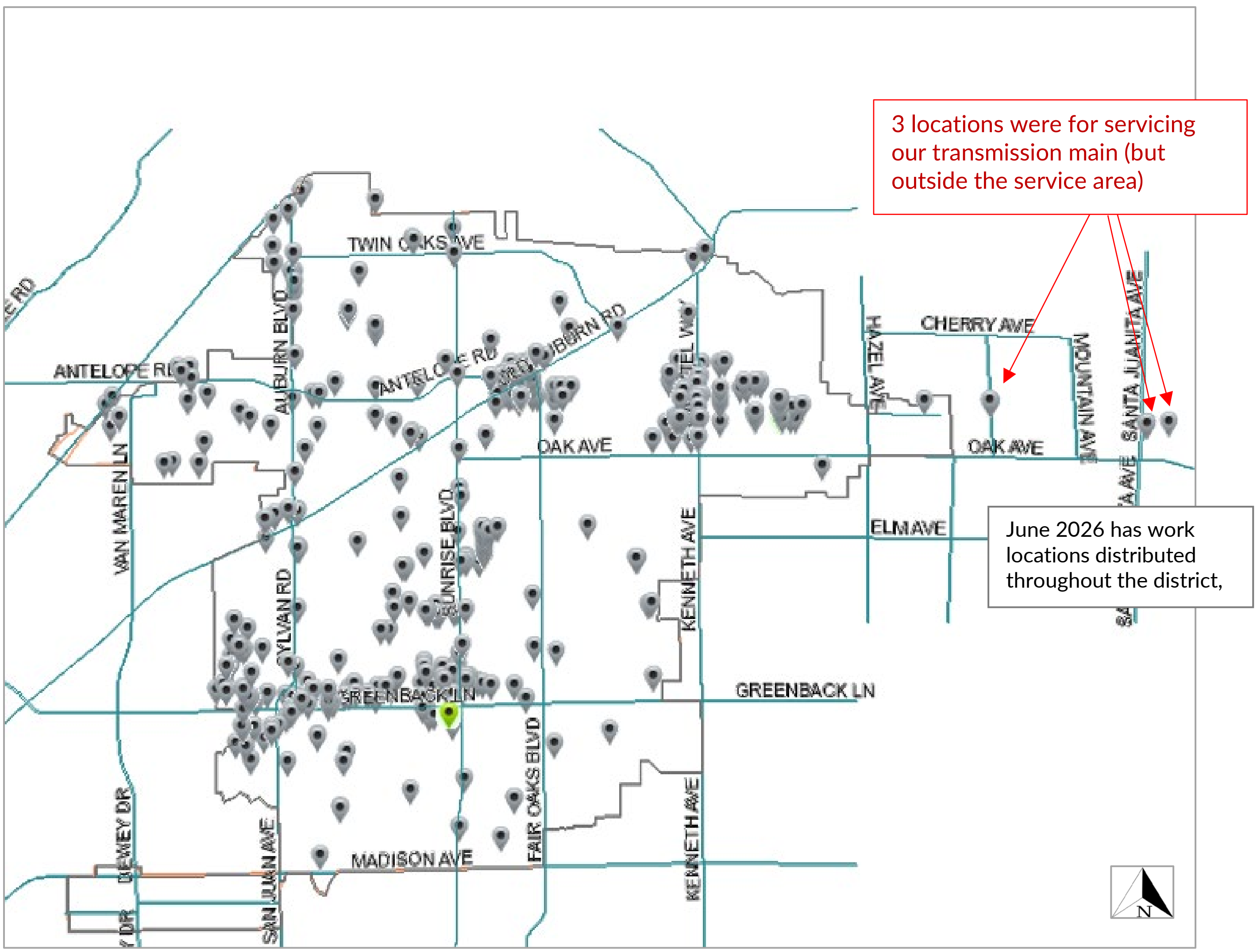
Distribution Maintenance	June 2026	Total YTD 2026	Total # Assets in System
Air Valve Inspection (ARV)	0	184	147
Blow Off Flush	0	3	593
Hydrant Maintenance	44	200	2,170
Mainline Repair/Maintenance	0	4	-
Meter Box Maintenance	2	20	21,007
Meter Register Replacement	6	38	21,007
Service/Saddle Replacement	33	213	21,007
Valve Exercise	90	432	4,631
Total	**175**	**1094**	

CIP Projects	June 2026	Total YTD 2026
C26-010 Water Mainline	0	0
C26-011 Water Valves	3	10
C26-012 Water Services	32	209
C26-013 Water Meters	10	50
C26-014 Fire Hydrants	1	8
C26-103 Pothole Main	0	0
Total	**46**	**277**

The graphic below shows a monthly comparison of hydrant maintenance, service/saddle replacements, and valve exercising activities.



The map below shows the locations where the Operations crews worked in June:



B. Standby Summary

The Operations Department assigns employees to weekly standby duty to ensure 24-hour response coverage for water emergencies within the District. The year-to-date standby activity is provided below:

2026 Standby Summary			
Standby Reporting Month	**Total Calls to After-Hours Answering Service**	**Site Visits**	**Resolutions Via Phone Call**
January	30	21	9
February	15	9	6
March	25	13	12
April	20	11	9
May	23	14	9
June	31	17	14

C. Operations Specialist

The District's Operations Specialist performs the USA markings to help protect the District's distribution system by identifying CHWD facilities for entities working in the District's service area. The Operations Specialist also responds to leak investigations, requests to locate meters, and water turn ons/offs (additional information in the chart below).

Operations Specialist Summary		
Work Description	**June 2026**	**Total CY 2026**
USA Markings	526	5,598
Check for Leak	29	145
Fire Hydrant Investigation	0	4
Locate a Meter	0	0
Turn Water On/Off	6	53
Total	**561**	**5,800**

D. Water Resources Summary

The Water Resources Division oversees routine monthly bacteriological testing as required by the California Division of Drinking Water. In June, 90 samples were collected with no positive results. Water Resources staff also conduct annual backflow inspections to ensure devices are functioning properly and prevent water that has left the system from flowing back into it.

Water Resources	June 2026	Total YTD 2026	Total # Assets in System
Backflow Inspection	184	896	919

E. Field Services

The following tables summarize the service requests and work orders of Field Services staff for June 2026:

Work Orders	June 2026	June 2025
INSTALL NEW METER	4	0
CONVERT TOUCH READ METER TO RADIO READ METER	0	1
CONVERT METER TO CELLULAR METER	0	0
REPLACE TOUCH READ METER (IN KIND)	2	3
REPLACE TOUCH READ REGISTERS (IN KIND)	6	10
REPLACE RADIO-READ REGISTER (IN KIND)	4	12
CONVERT REGISTER TO RADIO-READ REGISTER	4	10
CONVERT REGISTER TO CELLULAR REGISTER	44	0
TEST METER	0	0
REPAIR METER	0	0
REPAIR METER BOX	2	2
TOTAL	**66**	**38**

Service Requests	June 2026	June 2025
CONSERVATION REQUEST	15	9
CHECK FOR LEAK	0	3
READ METER	0	0
RE-READ METER	22	43
UNABLE TO OBTAIN METER READ	74	58
METER MAINTENANCE	35	14
METER BOX MAINTENANCE	2	1
METER BURIED	25	30
CAR OVER METER	25	14
LOCKED GATE	2	2
TRIM SHRUBS	0	1
MOVE-IN/MOVE-OUT	3	11
TOTAL	**203**	**186**

F. Safety Trainings

The District typically holds several safety meetings per month. The June 2026 safety meeting topics were:

- 6/4 – Be Safe
- 6/11 – Oxy-Act Cutting Safety
- 6/18 – Driving Safety
- 6/25 – Angle Grinder Safety

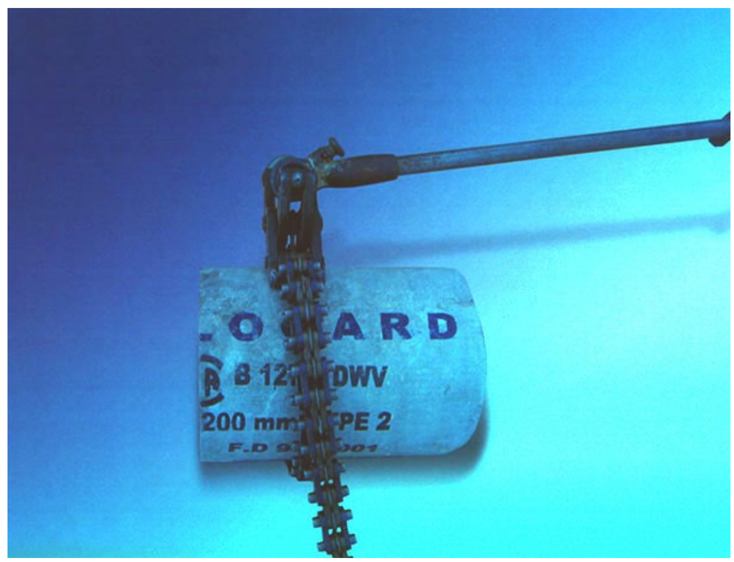
G. Refresher:

Asbestos Cement Pipe

More than two-thirds of the District's water mains are constructed of asbestos cement pipe (ACP), a material commonly used for water pipelines until the 1980's, when regulations began limiting the manufacturing and use of asbestos-containing products.

ACP generally does not pose a risk when left undisturbed. However, proper precautions are required when cutting, repairing, removing, or otherwise working with the material to prevent asbestos fibers from becoming airborne. The California Division of Occupational Safety and Health (Cal/OSHA) requires CHWD employees who may work with or around ACP to complete annual safety training. This training covers safe handling practices, proper tools and work methods, required protective measures, and appropriate disposal procedures.

Worker painting the end of asbestos pipe to prevent fibers from becoming airborne (stock photo)



Proper tools are essential when working with asbestos cement pipe. The stock photo above shows a pipe cutter used to prevent asbestos fibers from becoming airborne.

CITRUS HEIGHTS WATER DISTRICT

AGENDA ITEM: CC-13b

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS
August 19, 2026 REGULAR BOARD MEETING

Subject:	**OPERATIONS DEPARTMENT REPORT**
Status:	Information Item
Report Date:	August 8, 2026
Prepared By:	Kathy Abarca, Management Analyst Todd Jordan, Director of Operations

The Citrus Heights Water District has 20 employees in its Operations Department. The following report summarizes their work in July.

OPERATIONS MONTHLY ACTIVITIES

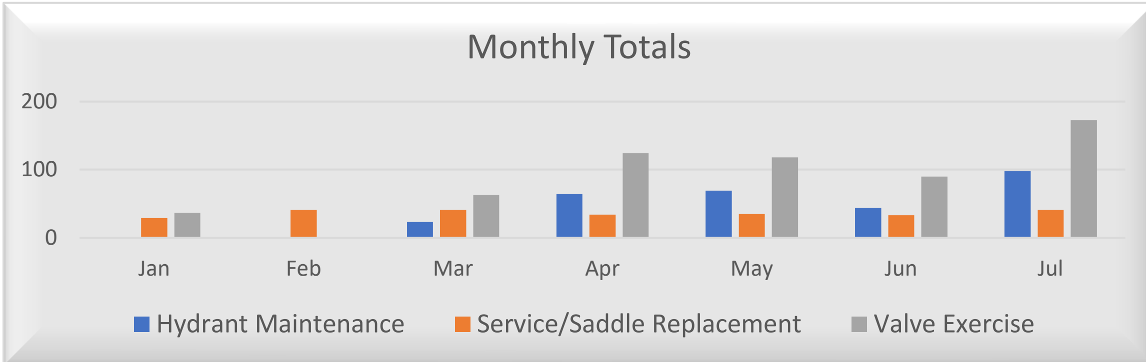
A. Distribution Division

The Operations Department includes 11 Distribution Operators who perform the necessary maintenance to properly operate and maintain over 250 miles of pipelines and more than 21,000 service connections. The tables below are a summary of noteworthy tasks commonly performed by the operators.

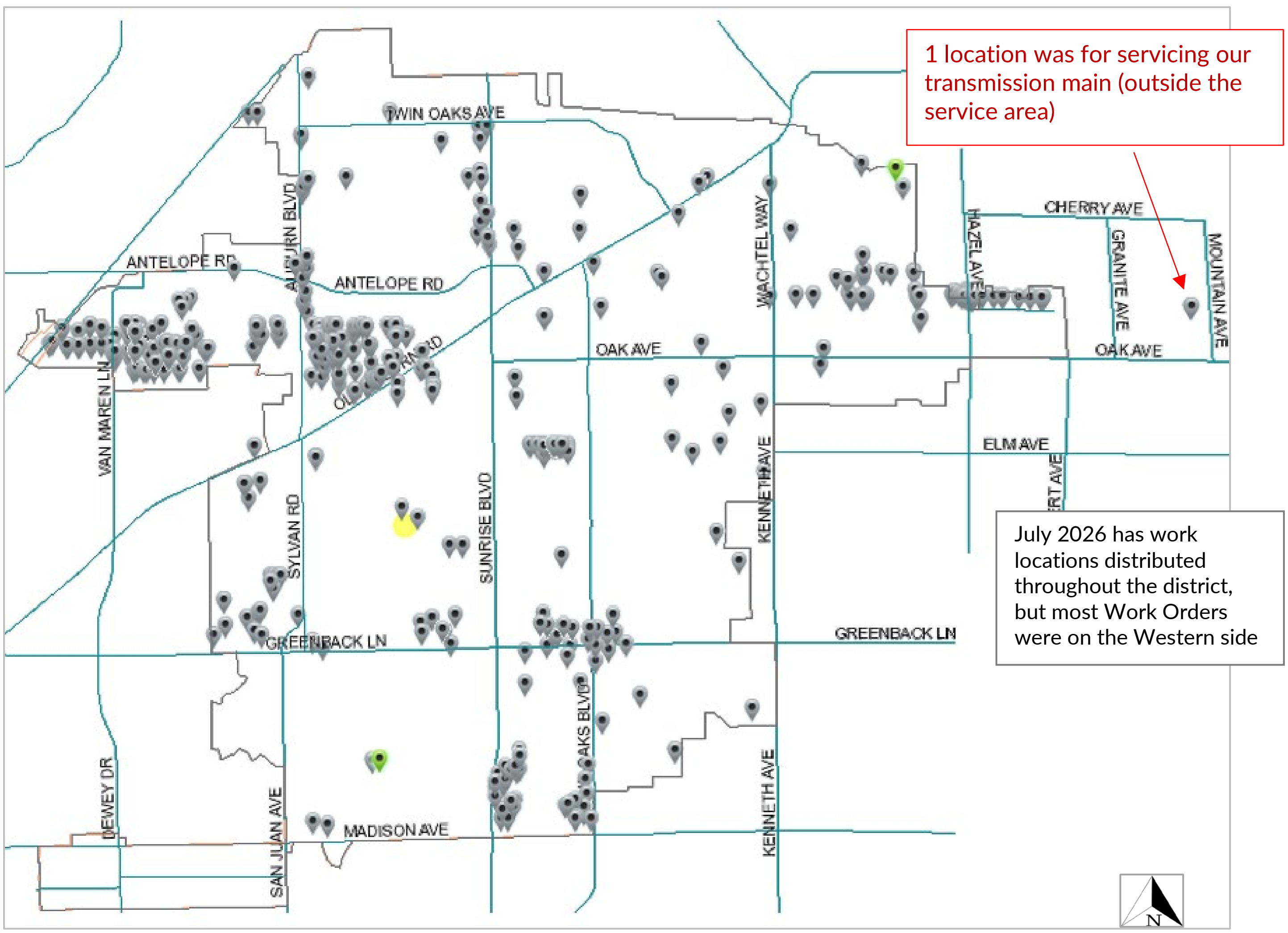
Distribution Maintenance	July 2026	Total YTD 2026	Total # Assets in System
Air Valve Inspection (ARV)	0	184	147
Blow Off Flush	2	5	593
Hydrant Maintenance	98	298	2,170
Mainline Repair/Maintenance	1	5	-
Meter Box Maintenance	4	24	21,007
Meter Register Replacement	4	42	21,007
Service/Saddle Replacement	41	254	21,007
Valve Exercise	173	605	4,631
Total	**323**	**1417**	

CIP Projects	July 2026	Total YTD 2026
C26-010 Water Mainline	2	2
C26-011 Water Valves	0	10
C26-012 Water Services	41	250
C26-013 Water Meters	0	50
C26-014 Fire Hydrants	0	8
C26-103 Pothole Main	0	0
Total	**43**	**320**

The graphic below shows a monthly comparison of hydrant maintenance, service/saddle replacements, and valve exercising activities.



The map below shows the locations where the Operations crews worked in June:



B. Standby Summary

The Operations Department assigns employees to weekly standby duty to ensure 24-hour response coverage for water emergencies within the District. The year-to-date standby activity is provided below:

2026 Standby Summary			
Standby Reporting Month	**Total Calls to After-Hours Answering Service**	**Site Visits**	**Resolutions Via Phone Call**
January	30	21	9
February	15	9	6
March	25	13	12
April	20	11	9
May	23	14	9
June	31	17	14
July	43	25	18

C. Operations Specialist

The District's Operations Specialist performs the USA markings to help protect the District's distribution system by identifying CHWD facilities for entities working in the District's service area. The Operations Specialist also responds to leak investigations, requests to locate meters, and water turn ons/offs (additional information in the chart below).

Operations Specialist Summary		
Work Description	**July 2026**	**Total CY 2026**
USA Markings	481	6,079
Check for Leak	36	181
Fire Hydrant Investigation	1	5
Locate a Meter	0	0
Turn Water On/Off	14	67
Total	**532**	**6,332**

D. Water Resources Summary

The Water Resources Division oversees routine monthly bacteriological testing as required by the California Division of Drinking Water. In July, 72 samples were collected with no positive results. Water Resources staff also conduct annual backflow inspections to ensure devices are functioning properly and prevent water that has left the system from flowing back into it.

Water Resources	July 2026	Total YTD 2026	Total # Assets in System
Backflow Inspection	27	923	919

E. Field Services

The following tables summarize the service requests and work orders of Field Services staff for July 2026:

Work Orders	July 2026	July 2025
INSTALL NEW METER	2	0
CONVERT TOUCH READ METER TO RADIO READ METER	0	2
CONVERT METER TO CELLULAR METER	0	0
REPLACE TOUCH READ METER (IN KIND)	0	1
REPLACE TOUCH READ REGISTERS (IN KIND)	0	1
REPLACE RADIO-READ REGISTER (IN KIND)	2	2
CONVERT REGISTER TO RADIO-READ REGISTER	0	22
CONVERT REGISTER TO CELLULAR REGISTER	24	0
TEST METER	0	0
REPAIR METER	0	1
REPAIR METER BOX	3	0
TOTAL	**31**	**29**

Service Requests	July 2026	July 2025
CONSERVATION REQUEST	7	2
CHECK FOR LEAK	0	0
READ METER	0	0
RE-READ METER	13	24
UNABLE TO OBTAIN METER READ	259	65
METER MAINTENANCE	24	4
PARTIAL READ	111	2
METER BOX MAINTENANCE	3	1
METER BURIED	29	23
CAR OVER METER	24	22
LOCKED GATE	2	3
TRIM SHRUBS	0	0
MOVE-IN/MOVE-OUT	5	4
TOTAL	**477**	**150**

F. Safety Trainings

The District typically holds several safety meetings per month. The July 2026 safety meeting topics were:

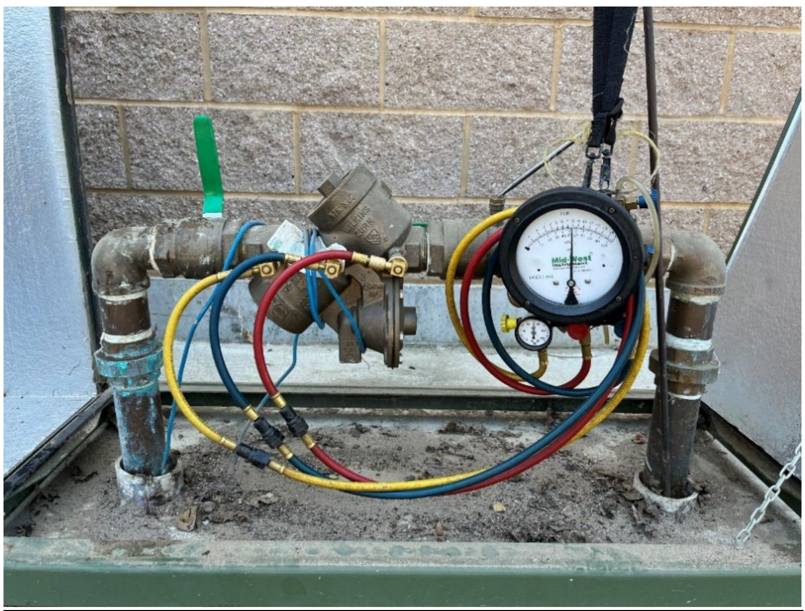
- 7/9 – Wildfire Smoke
- 7/15 – Mindfulness at Work
- 7/23 – Hard Hat Safety
- 7/30 – Dog Bite Prevention

G. Refresher:

Backflow Prevention Devices:

Backflow prevention devices protect the District’s water distribution system by preventing water from private water service lines from flowing back into the public water system. Changes in system pressure can cause water to flow in the reverse direction, potentially introducing contaminants into the District’s drinking water supply.

There are approximately 920 backflow prevention devices within the CHWD service area. CHWD tests each device annually to verify that it is operating properly and continues to protect the public water system. The image below shows a differential pressure gauge being used to test a backflow prevention device and confirm proper operation.



CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS

AUGUST 19, 2026 REGULAR MEETING

SUBJECT : 2026 Water Supply - Purchased & Produced
STATUS : Information Item
REPORT DATE : August 6, 2026
PREPARED BY : Brian Hensley, Water Resources Supervisor
: Todd Jordan, Director of Operations

OBJECTIVE:

Monthly water supply report, including a comparison to the corresponding month in the prior 5 years. The 2013 data is included for reference as it is the baseline consumption year for water conservation mandates.

Month	**2013**	2021	2022	2023	2024	2025	2026 Surface Water Purchased	2026 Ground Water Produced	2026 Total Water Monthly	2026 Total Water Annual	Year-to-Date Comparison to 2013 acre feet	Year-to-Date Comparison to 2013 %
	Total Water Monthly acre feet						acre feet					
Jan	**602.52**	575.54	528.73	501.92	515.29	556.22	446.91	83.27	530.18	530.18	**-72.34**	**-12.0%**
Feb	**606.36**	485.17	605.17	487.3	467.3	480.41	405.26	66.43	471.69	1,001.87	**-207.01**	**-17.1%**
Mar	**819.55**	601.02	774.74	472.65	539.72	556.98	685.09	72.84	757.93	1,759.80	**-268.63**	**-13.2%**
Apr	**1,029.73**	1,001.96	763.83	698.84	634.32	740.75	641.74	69.02	710.76	2,470.56	**-587.60**	**-19.2%**
May	**1,603.43**	1,277.33	1,133.06	1,016.07	1,044.91	1,190.22	928.85	36.43	965.28	3,435.84	**-1,225.75**	**-26.3%**
Jun	**1,816.73**	1,541.32	1,288.62	1,265.25	1,399.15	1,395.35	1,241.80	27.91	1,269.71	4,705.55	**-1,772.77**	**-27.4%**
Jul	**2,059.21**	1,643.73	1,536.69	1,513.02	1,645.98	1,495.41	1,442.12	24.78	1,466.90	6,172.45	**-2,365.08**	**-27.7%**
Aug	**1,924.28**	1,538.76	1,461.15	1,494.76	1,501.15	1,467.13						
Sep	**1,509.82**	1,333.29	1,228.49	1,220.46	1,321.12	1,242.61						
Oct	**1,297.42**	972.09	1,065.99	966.12	1,159.16	796.46						
Nov	**911.55**	576.37	637.25	648.08	668.79	580.49						
Dec	**700.94**	536.97	541.93	558.87	573.3	524.84						
Total	**14,881.54**	12,484.43	12,083.55	11,565.65	10,843.34	11,470.19	5,791.77	380.68	6,172.45	20,076.25		
% of Total							93.83%	6.17%				

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS
AUGUST 19, 2026 REGULAR MEETING

Subject:	**Water Supply Reliability**
Status:	Information Item
Report Date:	August 6, 2026
Prepared By:	Brian Hensley, Water Resources Supervisor Todd Jordan, Director of Operations

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

BACKGROUND AND ANALYSIS:
As of July 1, 2026, storage in Folsom Lake was at 856,444 acre-feet, eighty-eight percent (88%) of the total capacity of 977,000 acre-feet. This represents a decrease in storage of 91,426 acre-feet in the past month.

The District's total water use during June 2026 (1,269.71 acre-feet) was thirty percent (30%) below that of June 2013 (1,816.73 acre-feet).

The District's groundwater production wells: Bonita, Skycrest, Mitchell Farms, and Sylvan are operational and used on a rotational or as-needed basis. Other District groundwater production wells, Palm and Sunrise, are available for emergency use. Construction on the Ella Way Well Project is proceeding, and drilling is complete on our Highland site. Highland is now moving into the design phase, preparatory for above-ground construction.

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS
AUGUST 19, 2026 REGULAR MEETING

Subject:	**Water Supply Reliability**
Status:	Information Item
Report Date:	August 6, 2026
Prepared By:	Brian Hensley, Water Resources Supervisor Todd Jordan, Director of Operations

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

BACKGROUND AND ANALYSIS:
As of August 1, 2026, storage in Folsom Lake was at 640,937 acre-feet, sixty-six percent (66%) of the total capacity of 977,000 acre-feet. This represents a decrease in storage of 215,507 acre-feet in the past month.

The District's total water use during July 2026 (1,466.90 acre-feet) was twenty-nine percent (29%) below that of July 2013 (2,059.21 acre-feet).

The District's groundwater production wells: Bonita, Skycrest, Mitchell Farms, and Sylvan are operational and used on a rotational or as-needed basis. Other District groundwater production wells, Palm and Sunrise, are available for emergency use. Construction on the Ella Way Well Project is near completion, and drilling is complete on our Highland site. Highland is now moving into the design phase, preparatory for above-ground construction.

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO THE BOARD OF DIRECTORS
AUGUST 19, 2026 REGULAR MEETING

Subject:	**Water Efficiency**
Status:	Information Item
Report Date:	August 5, 2026
Prepared By:	Khandriale Clark, Public Affairs Analyst Mary Elise Conzelmann, Public Affairs Manager

Water Efficiency updates are summarized below.

ACTIVITIES AND PROGRESS REPORT

Residential Gallons Per Capita Per Day (R-GPCD) Values
The R-GPCD metric represents the average volume of water used per person in a residential household. Citrus Heights Water District (CHWD) determines this value by dividing total residential water consumption across the service area by the population and the number of days in each month. The table below presents monthly R-GPCD figures for the current year alongside those from previous years, as well as the resulting differences to show year-over-year changes.

Month	R-GPCD 2026	R-GPCD 2025	% CHANGE
January	68	71	-5%
February	68	70	-3%
March	95	70	34%
April	92	101	-10%
May	126	145	-13%
June	170	186	-9%
July	173	184	-6%

June and July 2026 Rebates and Incentives

- Twelve (12) High Efficiency Toilet rebate applications were processed.
- No High-Efficiency Clothes Washer rebate applications were processed.
- 25 Irrigation Efficiency Review/Smart Controller Install applications were processed.
- One (1) Pressure Reducing Valve rebate application was processed.

WaterSmart Workshops

The next workshop is scheduled for August 22, 2026 at the Sylvan Oaks Library and will focus on caring for house plants.

Date	Title	Format
Saturday, March 28, 2026 ***COMPLETE***	Here Comes the Sun: Spring Planting	In-person at the Sylvan Oaks Library
Saturday, April 25, 2026 ***COMPLETE***	Don't Stop Tree-lievin: Planting Smart for Long-Term Tree Care	In-person at the Sylvan Oaks Library
Saturday, August 22, 2026	Staying Alive: A House Plants Thriving	In-person at the Sylvan Oaks Library
Saturday, September 26, 2026	Earth, Worm, and Fire: The Art of Worm Castings	In-person at the Sylvan Oaks Library

Garden Corps

CHWD has a demonstration garden at the Sylvan Ranch Community Garden showcasing water-efficient landscaping. We work with a customer-based volunteer group, the "Garden Corps," who help maintain the plots by caring for the plants, removing weeds, and checking the irrigation system and controller settings. The Garden Corps met with Public Affairs staff on June 2 and tended to the thriving garden by weeding, watering, and discussing fall planting goals. The garden's webpage, www.chwd.org/garden, provides detailed information on each plant in the District's plots and allows viewers to create a customized plant list for their property.

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS
AUGUST 19, 2026 REGULAR MEETING

Subject:	**DISCUSSION AND POSSIBLE ACTION TO APPROVE A CONSTRUCTION AGREEMENT WITH LAFLEUR ENGINEERING, INC.**
Status:	Action Item
Report Date:	August 10, 2026
Prepared By:	Tamar Dawson, Assistant Engineer Ali Shafaq, Principal Civil Engineer Missy Pieri, Director of Engineering/District Engineer

OBJECTIVE:
Consider approval of a construction agreement with LaFleur Engineering, Inc. (LEI) for water service boring, potholing, and general construction services.

BACKGROUND AND ANALYSIS:
LEI recently completed two successful water main replacement projects for the District; the Greenback Lane – Phase 1 and Donnawood Way projects. LEI is an "A" licensed contractor and has 38 years of experience within the water industry. This experience, along with LEI's successful completion of the aforementioned projects for the District, demonstrates the contractor's capability to perform and coordinate future pipeline-related projects as needed.

As CHWD maintains a small staff, utilizing contract resources such as LEI is essential to keeping ongoing operating expenses down, while assuring that the resources are available as required and on an as-needed basis to complete projects in a timely and effective manner. This is especially true with Project 2030 ramping up and its associated increase in water main replacement output.

CHWD typically maintains on-call task order style construction agreements with three (3) contractors to promote a competitive bidding process. On recent projects only two contractors have returned bids, which potentially affects the overall cost competitiveness of each bid result. Adding LEI under an agreement would help ensure that at least three bids would be returned for each project sent out. It should be noted that CHWD's annual Capital Improvement Program (CIP) water main replacement projects are not a part of this agreement as those projects will be bid separately and have project-specific agreements.

It is recommended that CHWD formalize a separate on-call task order style construction agreement with LEI. The task order style agreement is structured to offer the options of a Time-and-Materials/Hourly Billable arrangement or Project Basis/Not-to-Exceed (NTE) amount with a defined scope of work, schedule, and a not-to-exceed budget. The term of the updated agreement is ongoing but includes a termination provision by either party without cause.

Funding for the various services covered in the agreement is budgeted for in the annual Operating and Capital Budgets. Work performed will be subject to the availability of budgeted funds.

RECOMMENDATION:
Approve the Construction Agreement with LaFleur Engineering, Inc.; and authorize the General Manager to execute the agreement.

ATTACHMENT:
Construction Agreement for On-Call Water Service Boring, Potholing, and General Construction Services with LaFleur Engineering, Inc.

ACTION:

Moved by Director ____________, Seconded by Director ____________, Carried _____________

CITRUS HEIGHTS WATER DISTRICT
CONSTRUCTION AGREEMENT
FOR ON-CALL WATER SERVICE BORING, POTHOLING, AND GENERAL CONSTRUCTION SERVICES

1. PARTIES AND DATE.

This Contract is made and entered into this **23rd day of June, 2026** by and between the Citrus Heights Water District, a public agency and public corporation of the State of California ("District") and **LaFleur Engineering, Inc**., a Corporation, with its principal place of business at **1588 Bedell Court, Unit B, Roseville, CA 95747** ("Contractor"). District and Contractor are sometimes individually referred to as "Party" and collectively as "Parties" in this Contract.

2. RECITALS.

2.1 District. District is a public agency organized under the laws of the State of California, with power to contract for services necessary to achieve its purpose.

2.2 Contractor. Contractor desires to perform and assume responsibility for the provision of certain construction services required by the District on the terms and conditions set forth in this Contract and in the task order(s) to be issued pursuant to this Contract and executed by the District and Contractor ("Task Order"). Contractor represents that it is duly licensed and experienced in providing directional boring, potholing, and/or general construction services including electronic detection methods, surface coring, and restoration to related construction services to public clients, that it and its employees or subcontractors have all necessary licenses and permits to perform the services in the State of California, and that it is familiar with the plans of District. The following license classifications are required for this Project: Class A.

2.3 Project. District desires to engage Contractor to render such services for miscellaneous Directional Boring, Potholing, and/or General Construction Services ("Project") as set forth in this Contract on an on-call, as-needed basis. Services shall be ordered by Task Order(s) to be issued pursuant to this Agreement for future projects as set forth herein (each such project shall be designated a "Project" under this Agreement).

2.4 Project Documents & Certifications. Contractor has obtained, and delivers concurrently herewith, a performance bond, if any, a payment bond, if any, and all insurance documentation, as required by the Contract.

3. TERMS

3.1 Incorporation of Documents. This Contract includes and hereby incorporates in full by reference the following documents, including all exhibits, drawings, specifications and documents therein, and attachments and addenda thereto:

- Scope of Work (Exhibit "A")
- Plans and Specifications (Exhibit "B") (To be included as an exhibit with each Task Order)
- Contractor's Proposal (Exhibit "C") (To be included as an exhibit with each Task Order)
- Sample Task Order Form (Exhibit "D")

- Special Conditions (Exhibit "E")
- Contractor's Certificate Regarding Workers' Compensation (Exhibit "F")
- Public Works Contractor Registration Certification (Exhibit "G")
- Payment and Performance Bonds, if required (Exhibit "H")
- Rate Schedule (Exhibit "I")
- Fleet Compliance Certification (Exhibit "J")
- Addenda, if any
- Change Orders executed by the District, if any
- 2018 Edition of the Standard Specifications for Public Works Construction (The Greenbook), Excluding Sections 1-9

3.2 Contractor's Basic Obligation; Scope of Work. Contractor promises and agrees, at its own cost and expense, to furnish to the District all labor, materials, tools, equipment, services, and incidental and customary work necessary for the Project (hereinafter sometimes referred to as the "Work"). The type of Work to be provided is described in Exhibit "A" attached hereto and incorporated herein by reference and in the individual Task Orders issued by the District. No Work shall be performed unless authorized by this Contract or by a fully executed Task Order in the form attached hereto as Exhibit "D". All Work shall be subject to, and performed in accordance, with this Contract, any relevant Task Order, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations. The plans and specifications for the Work are further described in Exhibit "B" attached hereto and incorporated herein by this reference. Special Conditions, if any, relating to the Work are described in Exhibit "E" attached hereto and incorporated herein by this reference.

3.2.1 Change in Scope of Work. Any change in the scope of the Work, method of performance, nature of materials or price thereof, or any other matter materially affecting the performance or nature of the Work shall not be paid for or accepted unless such change, addition or deletion is approved in writing by a valid change order executed by the District. Should Contractor request a change order due to unforeseen circumstances affecting the performance of the Work, such request shall be made within five (5) business days of the date such circumstances are discovered or shall waive its right to request a change order due to such circumstances. If the Parties cannot agree on any change in price required by such change in the Work, the District may direct the Contractor to proceed with the performance of the change on a time and materials basis.

3.2.2 Substitutions/"Or Equal". Pursuant to Public Contract Code Section 3400(b), the District may make a finding that designates certain products, things, or services by specific brand or trade name. Unless specifically designated in this Contract, whenever any material, process, or article is indicated or specified by grade, patent, or proprietary name or by name of manufacturer, such Specifications shall be deemed to be used for the purpose of facilitating the description of the material, process or article desired and shall be deemed to be followed by the words "or equal."

Contractor may, unless otherwise stated, offer for substitution any material, process or article which shall be substantially equal or better in every respect to that so indicated or specified in this Contract. However, the District may have adopted certain uniform standards for certain materials, processes and articles. Contractor shall submit requests, together with substantiating data, for substitution of any "or equal" material, process or article no later than thirty-five (35) days after award of the Contract. To facilitate the construction schedule and sequencing, some requests may need to be submitted before thirty-five (35) days after award of Contract. Provisions regarding submission of "or equal" requests shall not in any way authorize an extension of time for performance of this Contract. If a proposed "or equal" substitution request is rejected, Contractor shall be responsible for providing the specified material, process or article. The burden of proof as to the equality of any material, process or article shall rest with Contractor.

The District has the complete and sole discretion to determine if a material, process or article is an "or equal" material, process or article that may be substituted. Data required to substantiate requests for substitutions of an "or equal" material, process or article data shall include a signed affidavit from Contractor stating that, and describing how, the substituted "or equal" material, process or article is equivalent to that specified in every way except as listed on the affidavit. Substantiating data shall include any and all illustrations, specifications, and other relevant data including catalog information which describes the requested substituted "or equal" material, process or article, and substantiates that it is an "or equal" to the material, process or article. The substantiating data must also include information regarding the durability and lifecycle cost of the requested substituted "or equal" material, process or article. Failure to submit all the required substantiating data, including the signed affidavit, to the District in a timely fashion will result in the rejection of the proposed substitution.

Contractor shall bear all of the District's costs associated with the review of substitution requests. Contractor shall be responsible for all costs related to a substituted "or equal" material, process or article. Contractor is directed to the Special Conditions (if any) to review any findings made pursuant to Public Contract Code section 3400.

3.3 Period of Performance and Liquidated Damages. The term of this Agreement shall continue in force until terminated by either Party as set forth herein. Contractor shall meet any other established schedules and deadlines set forth in the applicable Task Order(s). All applicable indemnification provisions of this Contract shall remain in effect following the termination of this Contract. Pursuant to Government Code Section 53069.85, Contractor shall pay to the District as fixed and liquidated damages the sum of Five Hundred Dollars ($500) per day for each and every calendar day of delay beyond any completion schedule, construction schedule or Project milestones established pursuant to the Contract and any Task Order(s).

3.4 Standard of Performance; Performance of Employees. Contractor shall perform all Work under this Contract in a skillful and workmanlike manner, and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Contractor represents and maintains that it is skilled in the professional calling necessary to perform the Work. Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Work assigned to them. Finally, Contractor represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Work, including any required business license, and that such licenses and approvals shall be maintained throughout the term of this Contract. As provided for in the indemnification provisions of this Contract, Contractor shall perform, at its own cost and expense and without reimbursement from the District, any work necessary to correct errors or omissions which are caused by Contractor's failure to comply with the standard of care provided for herein. Any employee who is determined by the District to be uncooperative, incompetent, a threat to the safety of persons or the Work, or any employee who fails or refuses to perform the Work in a manner acceptable to the District, shall be promptly removed from the Project by Contractor and shall not be re-employed on the Work.

3.5 Control and Payment of Subordinates; Contractual Relationship. District retains Contractor on an independent contractor basis and Contractor is not an employee of District. Any additional personnel performing the work governed by this Contract on behalf of Contractor shall at all times be under Contractor's exclusive direction and control. Contractor shall pay all wages, salaries, and other amounts due such personnel in connection with their performance under this Contract and as required by law. Contractor shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, and workers' compensation insurance.

3.6 District's Basic Obligation. District agrees to engage and does hereby engage Contractor as an independent contractor to furnish all materials and to perform all Work according to the terms and conditions herein contained for the sum set forth above. Except as otherwise provided in the Contract, the District shall pay to Contractor, as full consideration for the satisfactory performance by Contractor of the services and obligations required by this Contract, the below-referenced compensation in accordance with compensation provisions set forth in the Contract.

3.7 Compensation and Payment.

3.7.1 Amount of Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "I," attached hereto and incorporated herein by reference. The total compensation per Task Order shall be set forth in the relevant Task Order, and Consultant shall be compensated in one of two billable methods: a) Time and Materials/Hourly Billable; or b) Project Basis/Not-to-Exceed (NTE) amount. Extra Work may be authorized, and if authorized, said Extra Work will be compensated at the rates and manner set forth in this Agreement.

3.7.2 Payment of Compensation. Contractor shall submit to District a monthly itemized statement which indicates Work completed by Contractor in a format acceptable to the District. The statement shall describe the amount of Work and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. These statements shall be supported by evidence which is required by this Contract and such other documentation as the District may require. The Contractor shall certify that the Work for which payment is requested has been done and that the materials listed are stored where indicated.

3.7.3 Prompt Payment. District shall review and pay all progress payment requests in accordance with the provisions set forth in Section 20104.50 of the California Public Contract Code. However, no progress payments will be made for Work not completed in accordance with this Contract. Contractor shall comply with all applicable laws, rules and regulations relating to the proper payment of its employees, subcontractors, suppliers or others.

3.7.4 Contract Retentions. From each approved progress estimate, five percent (5%) will be deducted and retained by the District, and the remainder will be paid to Contractor. All Contract retention shall be released and paid to Contractor and subcontractors pursuant to California Public Contract Code Section 7107.

3.7.5 Other Retentions. In addition to Contract retentions, the District may deduct from each progress payment an amount necessary to protect District from loss because of: (1) liquidated damages which have accrued as of the date of the application for payment; (2) any sums expended by the District in performing any of Contractor's obligations under the Contract which Contractor has failed to perform or has performed inadequately; (3) defective Work not remedied; (4) stop notices as allowed by state law; (5) reasonable doubt that the Work can be completed for the unpaid balance of the Total Contract Price or within the scheduled completion date; (6) unsatisfactory prosecution of the Work by Contractor; (7) unauthorized deviations from the Contract; (8) failure of Contractor to maintain or submit on a timely basis proper and sufficient documentation as required by the Contract or by District during the prosecution of the Work; (9) erroneous or false estimates by Contractor of the value of the Work performed; (10) any sums representing expenses, losses, or damages as determined by the District, incurred by the District for which Contractor is liable under the Contract; and (11) any other sums which the District is entitled to recover from Contractor under the terms of the Contract or pursuant to state law, including Section 1727 of the California Labor Code. The failure by the District to deduct any of these sums from a progress payment shall not constitute a waiver of the District's right to such sums.

3.7.6 Substitutions for Contract Retentions. In accordance with California Public Contract Code Section 22300, the District will permit the substitution of securities for any monies withheld by the District to ensure performance under the Contract. At the request and expense of Contractor, securities equivalent to the amount withheld shall be deposited with the District, or with a state or federally chartered bank in California as the escrow agent, and thereafter the District shall then pay such monies to Contractor as they come due. Upon satisfactory completion of the Contract, the securities shall be returned to Contractor. For purposes of this Section and Section 22300 of the Public Contract Code, the term "satisfactory completion of the contract" shall mean the time the District has issued written final acceptance of the Work and filed a Notice of Completion as required by law and provisions of this Contract. Contractor shall be the beneficial owner of any securities substituted for monies withheld and shall receive any interest thereon. The escrow agreement used for the purposes of this Section shall be in the form provided by the District.

3.7.7 Title to Work. As security for partial, progress, or other payments, title to Work for which such payments are made shall pass to the District at the time of payment. To the extent that title has not previously been vested in the District by reason of payments, full title shall pass to the District at delivery of the Work at the destination and time specified in this Contract. Such transferred title shall in each case be good, free and clear from any and all security interests, liens, or other encumbrances. Contractor promises and agrees that it will not pledge, hypothecate, or otherwise encumber the items in any manner that would result in any lien, security interest, charge, or claim upon or against said items. Such transfer of title shall not imply acceptance by the District, nor relieve Contractor from the responsibility to strictly comply with the Contract, and shall not relieve Contractor of responsibility for any loss of or damage to items.

3.7.8 Labor and Material Releases. Contractor shall furnish District with labor and material releases from all subcontractors performing work on, or furnishing materials for, the Work governed by this Contract prior to final payment by District.

3.7.9 Prevailing Wages. Contractor is aware of the requirements of California Labor Code Section 1720 et seq., and 1770 et seq., as well as California Code of Regulations, Title 8, Section 16000 et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. Since the Work is being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and since the total compensation is $1,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws. District shall provide Contractor with a copy of the prevailing rates of per diem wages in effect at the commencement of this Contract. Contractor shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Work available to interested parties upon request, and shall post copies at Contractor's principal place of business and at the project site. Contractor shall defend, indemnify and hold the District, its officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. Contractor and any subcontractor shall forfeit a penalty of up to $200 per calendar day or portion thereof for each worker paid less than the prevailing wage rates.

3.7.10 Apprenticeable Crafts. When Contractor employs workmen in an apprenticeable craft or trade, Contractor shall comply with the provisions of Section 1777.5 of the California Labor Code with respect to the employment of properly registered apprentices upon public works. The primary responsibility for compliance with said section for all apprenticeable occupations shall be with Contractor. The Contractor or any subcontractor that is determined by the Labor Commissioner to have knowingly violated Section 1777.5 shall forfeit as a civil penalty an amount not exceeding $100 for each full calendar day of noncompliance, or such greater amount as provided by law.

3.7.11 Hours of Work. Contractor is advised that eight (8) hours labor constitutes a legal day's work. Pursuant to Section 1813 of the California Labor Code, Contractor shall forfeit a penalty of $25.00 per worker for each day that each worker is permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week, except when payment for overtime is made at not less than one and one-half (1-1/2) times the basic rate for that worker.

3.7.12 Payroll Records. Contractor and each subcontractor shall keep an accurate payroll record, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by him or her in connection with the public work. The payroll records shall be certified and shall be available for inspection at all reasonable hours at the principal office of Contractor in the manner provided in Labor Code section 1776. In the event of noncompliance with the requirements of this section, Contractor shall have 10 days in which to comply subsequent to receipt of written notice specifying in what respects such Contractor must comply with this section. Should noncompliance still be evident after such 10-day period, Contractor shall, as a penalty to District, forfeit not more than $100.00 for each calendar day or portion thereof, for each worker, until strict compliance is effectuated. The amount of the forfeiture is to be determined by the Labor Commissioner. A contractor who is found to have violated the provisions of law regarding wages on Public Works with the intent to defraud shall be ineligible to bid on Public Works contracts for a period of one to three years as determined by the Labor Commissioner. Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, such penalties shall be withheld from progress payments then due. The responsibility for compliance with this section is on Contractor. The requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code section 1771.4 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Section 1771.4.

3.7.13 Contractor and Subcontractor Registration. Pursuant to Labor Code sections 1725.5 and 1771.1, all contractors and subcontractors that wish to bid on, be listed in a bid proposal, or enter into a contract to perform public work must be registered with the Department of Industrial Relations. No bid will be accepted nor any contract entered into without proof of the contractor's and subcontractors' current registration with the Department of Industrial Relations to perform public work. Contractor is directed to review, fill out and execute the Public Works Contractor Registration Certification attached hereto as Exhibit "E" prior to contract execution. Notwithstanding the foregoing, the contractor registration requirements mandated by

Labor Code Sections 1725.5 and 1771.1 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1725.5 and 1771.1.

3.7.14 Labor Compliance; Stop Orders. This Project is subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be the Contractor's sole responsibility to evaluate and pay the cost of complying with all labor compliance requirements under this Contract and applicable law. Any stop orders issued by the Department of Industrial Relations against Contractor or any subcontractor that affect Contractor's performance of Work, including any delay, shall be Contractor's sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Contractor caused delay subject to any applicable liquidated damages and shall not be compensable by the District. Contractor shall defend, indemnify and hold the District, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Contractor or any subcontractor.

3.8 Performance of Work; Jobsite Obligations.

3.8.1 Water Quality Management and Compliance.

3.8.1.1 Water Quality Management and Compliance. Contractor shall keep itself and all subcontractors, staff, and employees fully informed of and in compliance with all local, state and federal laws, rules and regulations that may impact, or be implicated by the performance of the Work including, without limitation, all applicable provisions of the Federal Water Pollution Control Act (33 U.S.C. §§ 1300); the California Porter-Cologne Water Quality Control Act (Cal Water Code §§ 13000-14950); local ordinances regulating discharges of storm water; and any and all regulations, policies, or permits issued pursuant to any such authority regulating the discharge of pollutants, as that term is used in the Porter-Cologne Water Quality Control Act, to any ground or surface water in the State.

3.8.1.2 Compliance with the Statewide Construction General Permit. Contractor shall comply with all conditions of the most recent iteration of the National Pollutant Discharge Elimination System General Permit for Storm Water Discharges Associated with Construction Activity, issued by the California State Water Resources Control Board ("Permit"). It shall be Contractor's sole responsibility to file a Notice of Intent and procure coverage under the Permit for all construction activity which results in the disturbance of more than one acre of total land area or which is part of a larger common area of development or sale. Prior to initiating work, Contractor shall be solely responsible for preparing and implementing a Storm Water Pollution Prevention Plan (SWPPP) as required by the Permit. Contractor shall be responsible for procuring, implementing and complying with the provisions of the Permit and the SWPPP, including the standard provisions, and monitoring and reporting requirements as required by the Permit. The Permit requires the SWPPP to be a "living document" that changes as necessary to meet the conditions and requirements of the job site as it progresses through difference phases of construction and is subject to different weather conditions. It shall be Contractor's sole responsibility to update the SWPPP as necessary to address conditions at the project site.

3.8.1.3 Other Water Quality Rules Regulations and Policies. Contractor shall comply with the lawful requirements of any applicable municipality, drainage District, or local agency regarding discharges of storm water to separate storm drain systems or other watercourses under their jurisdiction, including applicable requirements in municipal storm water management programs.

3.8.1.4 Cost of Compliance. Storm, surface, nuisance, or other waters may be encountered at various times during construction of The Work. Therefore, the Contractor, by submitting a Bid, hereby acknowledges that it has investigated the risk arising from such waters, has prepared its Bid accordingly, and assumes any and all risks and liabilities arising therefrom.

3.8.1.5 Liability for Non-Compliance. Failure to comply with the Permit is a violation of federal and state law. Pursuant to the indemnification provisions of this Contract, Contractor hereby agrees to defend, indemnify and hold harmless the District and its officials, officers, employees, volunteers and agents for any alleged violations. In addition, District may seek damages from Contractor for any delay in completing the Work in accordance with the Contract, if such delay is caused by or related to Contractor's failure to comply with the Permit.

3.8.1.6 Reservation of Right to Defend. District reserves the right to defend any enforcement action brought against the District for Contractor's failure to comply with the Permit or any other relevant water quality law, regulation, or policy. Pursuant to the indemnification provisions of this Contract, Contractor hereby agrees to be bound by, and to reimburse the District for the costs (including the District's attorney's fees) associated with, any settlement reached between the District and the relevant enforcement entity.

3.8.1.7 Training. In addition to the standard of performance requirements set forth in paragraph 3.4, Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Work assigned to them without impacting water quality in violation of the laws, regulations and policies described in paragraph 3.8.1. Contractor further warrants that it, its employees and subcontractors will receive adequate training, as determined by District, regarding the requirements of the laws, regulations and policies described in paragraph 3.8.1 as they may relate to the Work provided under this Contract. Upon request, District will provide the Contractor with a list of training programs that meet the requirements of this paragraph.

3.8.2 Safety. Contractor shall execute and maintain its work so as to avoid injury or damage to any person or property. Contractor shall comply with the requirements of the specifications relating to safety measures applicable in particular operations or kinds of work. In carrying out its Work, Contractor shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the Work and the conditions under which the Work is to be performed. Safety precautions as applicable shall include, but shall not be limited to, adequate life protection and lifesaving equipment; adequate illumination for underground and night operations; instructions in accident prevention for all employees, such as machinery guards, safe walkways, scaffolds, ladders, bridges, gang planks, confined space procedures, trenching and shoring, fall protection and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and adequate facilities for the proper inspection and maintenance of all safety measures. Furthermore, Contractor shall prominently display the names and telephone numbers of at least two medical doctors practicing in the vicinity of the Project, as well as the telephone number of the local ambulance service, adjacent to all telephones at the Project site.

3.8.3 Laws and Regulations. Contractor shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Contract or the Work, including all Cal/OSHA requirements, and shall give all notices required by law. Contractor shall be liable for all violations of such laws and regulations in connection with Work. If Contractor observes that the drawings or specifications are at variance with any law, rule or regulation, it shall promptly notify the District in writing. Any necessary changes shall be made by written change order. If Contractor performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the District, Contractor shall be solely responsible for all costs arising therefrom. District is a public entity of the State of California subject to certain provisions of the Health & Safety Code, Government Code, Public Contract Code, and Labor Code of the State. It is stipulated and agreed that all provisions of the law applicable to the public contracts of a municipality are a part of this Contract to the same extent as though set forth herein and will be complied with. Contractor shall defend, indemnify and hold District, its officials, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Contract, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.8.4 Permits and Licenses. Contractor shall be responsible for securing District permits and licenses necessary to perform the Work described herein, including, but not limited to, any required business license. While Contractor will not be charged a fee for any District permits, Contractor shall pay the District's business license fee, if any. Any ineligible contractor or subcontractor pursuant to Labor Code Sections 1777.1 and 1777.7 may not perform work on this Project.

3.8.5 Trenching Work. If the Total Contract Price exceeds $25,000 and if the Work governed by this Contract entails excavation of any trench or trenches five (5) feet or more in depth, Contractor shall comply with all applicable provisions of the California Labor Code, including Section 6705. To this end, Contractor shall submit for District's review and approval a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during the excavation of such trench or trenches. If such plan varies from the shoring system standards, the plan shall be prepared by a registered civil or structural engineer.

3.8.6 Hazardous Materials and Differing Conditions. As required by California Public Contract Code Section 7104, if this Contract involves digging trenches or other excavations that extend deeper than four (4) feet below the surface, Contractor shall promptly, and prior to disturbance of any conditions, notify District of: (1) any material discovered in excavation that Contractor believes to be a hazardous waste that is required to be removed to a Class I, Class II or Class III disposal site; (2) subsurface or latent physical conditions at the site differing from those indicated by District; and (3) unknown physical conditions of an unusual nature at the site, significantly different from those ordinarily encountered in such contract work. Upon notification, District shall promptly investigate the conditions to determine whether a change order is appropriate. In the event of a dispute, Contractor shall not be excused from any scheduled completion date and shall proceed with all Work to be performed under the Contract, but shall retain all rights provided by the Contract or by law for making protests and resolving the dispute.

3.8.7 Underground Utility Facilities. To the extent required by Section 4215 of the California Government Code, District shall compensate Contractor for the costs of: (1) locating and repairing damage to underground utility facilities not caused by the failure of Contractor to exercise reasonable care; (2) removing or relocating underground utility facilities not indicated in the construction drawings; and (3) equipment necessarily idled during such work.

Contractor shall not be assessed liquidated damages for delay caused by failure of District to provide for removal or relocation of such utility facilities.

3.8.8 Air Quality. Contractor must fully comply with all applicable laws, rules and regulations in furnishing or using equipment and/or providing services, including, but not limited to, emissions limits and permitting requirements imposed by the California Air Resources Board (CARB). Although CARB limits and requirements are more broad, Contractor shall specifically be aware of their application to "portable equipment", which definition is considered by CARB to include any item of equipment with a fuel-powered engine. Contractor shall indemnify District against any fines or penalties imposed by CARB, or any other governmental or regulatory agency for violations of applicable laws, rules and/or regulations by Contractor, its subcontractors, or others for whom Contractor is responsible under its indemnity obligations provided for in this Contract.

3.8.9 State Recycling Mandates. Contractor shall comply with State Recycling Mandates. Any recyclable materials/debris collected by the contractor that can be feasibly diverted via reuse or recycling must be hauled by the appropriate handler for reuse or recycling.

3.9 Completion of Work. When Contractor determines that it has completed the Work required herein, Contractor shall so notify District in writing and shall furnish all labor and material releases required by this Contract. District shall thereupon inspect the Work. If the Work is not acceptable to the District, the District shall indicate to Contractor in writing the specific portions or items of Work which are unsatisfactory or incomplete. Once Contractor determines that it has completed the incomplete or unsatisfactory Work, Contractor may request a reinspection by the District. Once the Work is acceptable to District, District shall pay to Contractor the Total Contract Price remaining to be paid, less any amount which District may be authorized or directed by law to retain. Payment of retention proceeds due to Contractor shall be made in accordance with Section 7107 of the California Public Contract Code.

3.10 Claims; Government Code Claim Compliance.

3.10.1 Intent. Effective January 1, 1991, Section 20104 et seq., of the California Public Contract Code prescribes a process utilizing informal conferences, non-binding judicial supervised mediation, and judicial arbitration to resolve disputes on construction claims of $375,000 or less. Effective January 1, 2017, Section 9204 of the Public Contract Code prescribes a process for negotiation and mediation to resolve disputes on construction claims. The intent of this Section is to implement Sections 20104 et seq. and Section 9204 of the California Public Contract Code. This Section shall be construed to be consistent with said statutes.

3.10.2 Claims. For purposes of this Section, “Claim” means a separate demand by the Contractor, after a change order duly requested in accordance with the terms of this Contract has been denied by the District, for (A) a time extension, (B) payment of money or damages arising from Work done by or on behalf of the Contractor pursuant to the Contract, or (C) an amount the payment of which is disputed by the District. Claims governed by this Section may not be filed unless and until the Contractor completes all procedures for giving notice of delay or change and for the requesting of a time extension or change order, including but not necessarily limited to the change order procedures contained herein, and Contractor’s request for a change has been denied in whole or in part. Claims governed by this Section must be filed no later than the date of final payment. The claim shall be submitted in writing to the District and shall include on its first page the following in 16 point capital font: “THIS IS A CLAIM.” Furthermore, the claim shall include the documents necessary to substantiate the claim. Nothing in this Section is intended to extend the time limit or supersede notice requirements otherwise provided by contract for the filing of claims, including all requirements pertaining to compensation or payment for extra Work, disputed Work, and/or changed conditions. Failure to follow such contractual requirements shall bar any claims or subsequent lawsuits for compensation or payment thereon.

3.10.3 Supporting Documentation. The Contractor shall submit all claims in the following format:

3.10.3.1 Summary of claim merit and price, reference Contract Document provisions pursuant to which the claim is made

3.10.3.2 List of documents relating to claim:

(A) Specifications

(B) Drawings

(C) Clarifications (Requests for Information)

(D) Schedules

(E) Other

3.10.3.3 Chronology of events and correspondence

3.10.3.4 Analysis of claim merit

3.10.3.5 Analysis of claim cost

3.10.3.6 Time impact analysis in CPM format

3.10.4 District's Response. Upon receipt of a claim pursuant to this Section, District shall conduct a reasonable review of the claim and, within a period not to exceed 45 days, shall provide the Contractor a written statement identifying what portion of the claim is disputed and what portion is undisputed. Any payment due on an undisputed portion of the claim will be processed and made within 60 days after the public entity issues its written statement.

3.10.4.1 If District needs approval from its governing body to provide the Contractor a written statement identifying the disputed portion and the undisputed portion of the claim, and the governing body does not meet within the 45 days or within the mutually agreed to extension of time following receipt of a claim sent by registered mail or certified mail, return receipt requested, District shall have up to three days following the next duly publicly noticed meeting of the governing body after the 45-day period, or extension, expires to provide the Contractor a written statement identifying the disputed portion and the undisputed portion.

3.10.4.2 Within 30 days of receipt of a claim, District may request in writing additional documentation supporting the claim or relating to defenses or claims District may have against the Contractor. If additional information is thereafter required, it shall be requested and provided pursuant to this subdivision, upon mutual agreement of District and the Contractor.

3.10.4.3 District's written response to the claim, as further documented, shall be submitted to the Contractor within 30 days (if the claim is less than $50,000, within 15 days) after receipt of the further documentation, or within a period of time no greater than that taken by the Contractor in producing the additional information or requested documentation, whichever is greater.

3.10.5 Meet and Confer. If the Contractor disputes District's written response, or District fails to respond within the time prescribed, the Contractor may so notify District, in writing, either within 15 days of receipt of District's response or within 15 days of District's failure to respond within the time prescribed, respectively, and demand an informal conference to meet and confer for settlement of the issues in dispute. Upon receipt of a demand, District shall schedule a meet and confer conference within 30 days for settlement of the dispute.

3.10.6 Mediation. Within 10 business days following the conclusion of the meet and confer conference, if the claim or any portion of the claim remains in dispute, District shall provide the Contractor a written statement identifying the portion of the claim that remains in dispute and the portion that is undisputed. Any payment due on an undisputed portion of the claim shall be processed and made within 60 days after District issues its written statement. Any disputed portion of the claim, as identified by the Contractor in writing, shall be submitted to nonbinding mediation, with District and the Contractor sharing the associated costs equally. District and Contractor shall mutually agree to a mediator within 10 business days after the disputed portion of the claim has been identified in writing, unless the parties agree to select a mediator at a later time.

3.10.6.1 If the Parties cannot agree upon a mediator, each Party shall select a mediator and those mediators shall select a qualified neutral third party to mediate with regard to the disputed portion of the claim. Each Party shall bear the fees and costs charged by its respective mediator in connection with the selection of the neutral mediator.

3.10.6.2 For purposes of this section, mediation includes any nonbinding process, including, but not limited to, neutral evaluation or a dispute review board, in which an independent third party or board assists the Parties in dispute resolution through negotiation or by issuance of an evaluation. Any mediation utilized shall conform to the timeframes in this section.

3.10.6.3 Unless otherwise agreed to by District and the Contractor in writing, the mediation conducted pursuant to this section shall excuse any further obligation under Section 20104.4 to mediate after litigation has been commenced.

3.10.6.4 The mediation shall be held no earlier than the date the Contractor completes the Work or the date that the Contractor last performs Work, whichever is earlier. All unresolved claims shall be considered jointly in a single mediation, unless a new unrelated claim arises after mediation is completed.

3.10.7 Procedures After Mediation. If following the mediation, the claim or any portion remains in dispute, the Contractor must file a claim pursuant to Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.6 of Title 1 of the Government Code. For purposes of those provisions, the running of the period of time within which a claim must be filed shall be tolled from the time the Contractor submits his or her written claim pursuant to subdivision (a) until the time the claim is denied, including any period of time utilized by the meet and confer conference or mediation.

3.10.8 Civil Actions. The following procedures are established for all civil actions filed to resolve claims subject to this Section:

3.10.8.1 Within 60 days, but no earlier than 30 days, following the filing or responsive pleadings, the court shall submit the matter to non-binding mediation unless waived by mutual stipulation of both parties or unless mediation was held prior to commencement of the action in accordance with Public Contract Code section 9204 and the terms of these procedures.. The mediation process shall provide for the selection within 15 days by both parties of a disinterested third person as mediator, shall be commenced within 30 days of the submittal, and shall be concluded within 15 days from the commencement of the mediation unless a time requirement is extended upon a good cause showing to the court.

3.10.8.2 If the matter remains in dispute, the case shall be submitted to judicial arbitration pursuant to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, notwithstanding Section 1114.11 of that code. The Civil Discovery Act of 1986 (Article 3 (commencing with Section 2016) of Chapter 3 of Title 3 of Part 4 of the Code of Civil Procedure) shall apply to any proceeding brought under this subdivision consistent with the rules pertaining to judicial arbitration.

3.10.8.3 In addition to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, (A) arbitrators shall, when possible, be experienced in construction law, and (B) any party appealing an arbitration award who does not obtain a more favorable judgment shall, in addition to payment of costs and fees under that chapter, also pay the attorney's fees on appeal of the other party.

3.10.9 Government Code Claims. In addition to any and all contract requirements pertaining to notices of and requests for compensation or payment for extra work, disputed work, claims and/or changed conditions, Contractor must comply with the claim procedures set forth in Government Code sections 900 et seq. prior to filing any lawsuit against the District. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, claims, and/or changed conditions have been followed by Contractor. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Contractor shall be barred from bringing and maintaining a valid lawsuit against the District. A Government Code claim must be filed no earlier than the date the work is completed or the date the Contractor last performs work on the Project, whichever occurs first. A Government Code claim shall be inclusive of all unresolved claims unless a new unrelated claim arises after the Government Code claim is submitted.

3.10.10 Non-Waiver. District's failure to respond to a claim from the Contractor within the time periods described in this Section or to otherwise meet the time requirements of this Section shall result in the claim being deemed rejected in its entirety. District's failure to respond shall not waive District's rights to any subsequent procedures for the resolution of disputed claims.

3.11 Loss and Damage. Except as may otherwise be limited by law, Contractor shall be responsible for all loss and damage which may arise out of the nature of the Work agreed to herein, or from the action of the elements, or from any unforeseen difficulties which may arise or be encountered in the prosecution of the Work until the same is fully completed and accepted by District. In the event of damage proximately caused by an Act of God, as defined by Section 7105 of the Public Contract Code, the District may terminate this Contract pursuant to Section 3.17.3;

provided, however, that the District needs to provide Contractor with only one (1) day advanced written notice.

3.12 Indemnification.

3.12.1 Scope of Indemnity**.** To the fullest extent permitted by law, Contractor shall defend, indemnify and hold the District, its officials, employees, agents and authorized 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 Contractor, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Contractor's services, the Project, this Contract or any Task Order, 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 required by Civil Code section 2782, Contractor's indemnity obligation shall not apply to liability for damages for death or bodily injury to persons, injury to property, or any other loss, damage or expense arising from the sole or active negligence or willful misconduct of the District or the District's agents, servants, or independent contractors who are directly responsible to the District, or for defects in design furnished by those persons.

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

3.13 Insurance.

3.13.1 Time for Compliance. Contractor shall not commence Work under this Contract until it has provided evidence satisfactory to the District that it has secured all insurance required under this section. In addition, Contractor shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to the District that the subcontractor has secured all insurance required under this section. Failure to provide and maintain all required insurance shall be grounds for the District to terminate this Contract for cause.

3.13.2 Minimum Requirements. Contractor shall, at its expense, procure and maintain for the duration of the Contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Work hereunder by Contractor, its agents, representatives, employees or subcontractors. Contractor shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Contract. Such insurance shall meet at least the following minimum levels of coverage:

3.13.2.1 Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability:* Insurance Services Office Commercial General Liability coverage (occurrence form CG 00 01) OR Insurance Services Office Owners and Contractors Protective Liability Coverage Form (CG 00 09 11 88) (coverage for operations of designated contractor); (2) *Automobile Liability:* Insurance Services Office Business Auto Coverage form number CA 00 01, code 1 (any auto); and (3) *Workers' Compensation and Employer's Liability:* Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance. Policies shall not contain exclusions contrary to this Contract.

3.13.2.2 Minimum Limits of Insurance. Contractor shall maintain limits no less than: (1) *General Liability:* $5,000,000 per occurrence and $5,000,000 aggregate for bodily injury, personal injury and property damage; (2) *Automobile Liability:* $5,000,000 per accident for bodily injury and property damage; and (3) *Workers' Compensation and Employer's Liability:* Workers' compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of $1,000,000 each accident, policy limit bodily injury or disease, and each employee bodily injury or disease. Defense costs shall be available in addition to the limits. Notwithstanding the minimum limits specified herein, any available coverage shall be provided to the parties required to be named as additional insureds pursuant to this Contract.

3.13.3 Insurance Endorsements. The insurance policies shall contain the following provisions, or Contractor shall provide endorsements (amendments) on forms supplied or approved by the District to add the following provisions to the insurance policies:

3.13.3.1 General Liability. (1) Such policy shall give the District, its officials, employees, agents and authorized volunteers additional insured status using ISO endorsements CG20 10 10 01 plus CG20 37 10 01, or endorsements providing the exact same coverage, with respect to the Work or operations performed by or on behalf of Contractor, including materials, parts or equipment furnished in connection with such work; (2) all policies shall waive or shall permit Contractor to waive all rights of subrogation which may be obtained by the Contractor or any insurer by virtue of payment of any loss or any coverage provided to any person named as an additional insured pursuant to this Contract, and Contractor agrees to waive all such rights of subrogation; and (3) the insurance coverage shall be primary insurance as respects the District, its officials, employees, agents and authorized volunteers, or if excess, shall stand in an unbroken chain of coverage excess of Contractor's scheduled underlying coverage. Any insurance or self-insurance maintained by the District, its officials, employees, agents and authorized volunteers shall be excess of Contractor's insurance and shall not be called upon to contribute with it.

3.13.3.2 Automobile Liability. (1) Such policy shall give the District, its officials, employees, agents and authorized volunteers additional insured status with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by Contractor or for which Contractor is responsible; (2) all policies shall waive or shall permit Contractor to waive all rights of subrogation which may be obtained by the Contractor or any insurer by virtue of payment of any loss or any coverage provided to any person named as an additional insured pursuant to this Contract, and Contractor agrees to waive all such rights of subrogation; and (3) the insurance coverage shall be primary insurance as respects the District, its officials, employees, agents and authorized volunteers, or if excess, shall stand in an unbroken chain of coverage excess of Contractor's scheduled underlying coverage. Any insurance or self-insurance maintained by the District, its officials, employees, agents and authorized volunteers shall be excess of Contractor's insurance and shall not be called upon to contribute with it in any way.

3.13.3.3 Workers' Compensation and Employer's Liability Coverage. The insurer shall agree to waive all rights of subrogation against the District, its officials, employees, agents and authorized volunteers for losses paid under the terms of the insurance policy which arise from work performed by Contractor.

3.13.3.4 All Coverages. Each insurance policy required by this Contract shall be endorsed to state that: (1) coverage shall not be suspended, voided, reduced or canceled except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the District; and (2) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the District, its officials, employees, agents and authorized volunteers.

3.13.4 Separation of Insureds; No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the District, its officials, employees, agents and authorized volunteers.

3.13.5 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the District. Contractor shall guarantee that, at the option of the District, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the District, its officials, employees, agents and authorized volunteers; or (2) the Contractor shall procure a bond or other financial guarantee acceptable to the District guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

3.13.6 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VII, licensed to do business in California, and satisfactory to the District. Exception may be made for the State Compensation Insurance Fund when not specifically rated.

3.13.7 Verification of Coverage. Contractor shall furnish District with original certificates of insurance and endorsements effecting coverage required by this Contract on forms satisfactory to the District. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms supplied or approved by the District. All certificates and endorsements must be received and approved by the District before work commences. The District reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.13.8 Subcontractors. All subcontractors shall meet the requirements of this Section before commencing Work. Contractor shall furnish separate certificates and endorsements for each subcontractor. Subcontractor policies of General Liability insurance shall name the District, its officials, employees, agents and authorized volunteers as additional insureds using form ISO 20 38 04 13 or endorsements providing the exact same coverage. All coverages for subcontractors shall be subject to all of the requirements stated herein except as otherwise agreed to by the District in writing.

3.13.9 Reporting of Claims. Contractor shall report to the District, in addition to Contractor's insurer, any and all insurance claims submitted by Contractor in connection with the Work under this Contract.

3.14 Bond Requirements.

3.14.1 Payment Bond. If required by law or otherwise specifically requested by District in Exhibit "H" attached hereto and incorporated herein by reference, Contractor shall execute and provide to District concurrently with this Contract a Payment Bond in an amount required by the District and in a form provided or approved by the District. If such bond is required, no payment will be made to Contractor until the bond has been received and approved by the District.

3.14.2 Performance Bond. If specifically requested by District in Exhibit "H" attached hereto and incorporated herein by reference, Contractor shall execute and provide to District concurrently with this Contract a Performance Bond in an amount required by the District and in a form provided or approved by the District. If such bond is required, no payment will be made to Contractor until the bond has been received and approved by the District.

3.14.3 Bond Provisions. Should, in District's sole opinion, any bond become insufficient or any surety be found to be unsatisfactory, Contractor shall renew or replace the effected bond within (ten) 10 days of receiving notice from District. In the event the surety or Contractor intends to reduce or cancel any required bond, at least thirty (30) days prior written notice shall be given to the District, and Contractor shall post acceptable replacement bonds at least ten (10) days prior to expiration of the original bonds. No further payments shall be deemed due or will be made under this Contract until any replacement bonds required by this Section are accepted by the District. To the extent, if any, that the Total Contract Price is increased in accordance with the Contract, Contractor shall, upon request of the District, cause the amount of the bond to be increased accordingly and shall promptly deliver satisfactory evidence of such increase to the District. If Contractor fails to furnish any required bond, the District may terminate the Contract for cause.

3.14.4 Surety Qualifications. Only bonds executed by an admitted surety insurer, as defined in California Code of Civil Procedure Section 995.120, shall be accepted. If a California-admitted surety insurer issuing bonds does not meet these requirements, the insurer will be considered qualified if it is in conformance with Section 995.660 of the California Code of Civil Procedure, and proof of such is provided to the District.

3.15 Warranty. Contractor warrants all Work under the Contract (which for purposes of this Section shall be deemed to include unauthorized work which has not been removed and any non-conforming materials incorporated into the Work) to be of good quality and free from any defective or faulty material and workmanship. Contractor agrees that for a period of one year (or the period of time specified elsewhere in the Contract or in any guarantee or warranty provided by any manufacturer or supplier of equipment or materials incorporated into the Work, whichever is later) after the date of final acceptance, Contractor shall within ten (10) days after being notified in writing by the District of any defect in the Work or non-conformance of the Work to the Contract, commence and prosecute with due diligence all Work necessary to fulfill the terms of the warranty at its sole cost and expense. Contractor shall act sooner as requested by the District in response to an emergency. In addition, Contractor shall, at its sole cost and expense, repair and replace any portions of the Work (or work of other contractors) damaged by its defective Work or which becomes damaged in the course of repairing or replacing defective Work. For any Work so corrected, Contractor's obligation hereunder to correct defective Work shall be reinstated for an additional one year period, commencing with the date of acceptance of such corrected Work. Contractor shall perform such tests as the District may require to verify that any corrective actions, including, without limitation, redesign, repairs, and replacements comply with the requirements of the Contract. All costs associated with such corrective actions and testing, including the removal, replacement, and reinstitution of equipment and materials necessary to gain access, shall be the sole responsibility of Contractor. All warranties and guarantees of subcontractors, suppliers and manufacturers with respect to any portion of the Work, whether express or implied, are deemed to be obtained by Contractor for the benefit of the District, regardless of whether or not such warranties and guarantees have been transferred or assigned to the District by separate agreement and Contractor agrees to enforce such warranties and guarantees, if necessary, on behalf of the District. In the event that Contractor fails to perform its obligations under this Section, or under any other warranty or guaranty under this Contract, to the reasonable satisfaction of the District, the District shall have the right to correct and replace any defective or non-conforming Work and any work damaged by such work or the replacement or correction thereof at Contractor's sole expense. Contractor shall be obligated to fully reimburse the District for any expenses incurred hereunder upon demand.

3.16 Employee/Labor Certifications.

3.16.1 Contractor's Labor Certification. By its signature hereunder, Contractor certifies that he is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Work. A certification form for this purpose, which is attached to this Contract as Exhibit "F" and incorporated herein by reference, shall be executed simultaneously with this Contract.

3.16.2 Equal Opportunity Employment. Contractor 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.

3.16.3 Verification of Employment Eligibility. By executing this Contract, Contractor 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 subcontractors and sub-subcontractors to comply with the same.

3.17 General Provisions.

3.17.1 District's Representative. The District hereby designates the General Manager, or his or her designee, to act as its representative for the performance of this Contract ("District's Representative"). District's Representative shall have the power to act on behalf of the District for all purposes under this Contract. Contractor shall not accept direction or orders from any person other than the District's Representative or his or her designee.

3.17.2 Contractor's Representative. Before starting the Work, Contractor shall submit in writing the name, qualifications and experience of its proposed representative who shall be subject to the review and approval of the District ("'Contractor's Representative"). Following approval by the District, Contractor's Representative shall have full authority to represent and act on behalf of Contractor for all purposes under this Contract. Contractor's Representative shall supervise and direct the Work, using his best skill and attention, and shall be responsible for all construction means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Work under this Contract and as described in the relevant Task Order. Contractor's Representative shall devote full time to the Project and either he or his designee, who shall be acceptable to the District, shall be present at the Work site at all times that any Work is in progress and at any time that any employee or subcontractor of Contractor is present at the Work site. Arrangements for responsible supervision, acceptable to the District, shall be made for emergency Work which may be required. Should Contractor desire to change its Contractor's Representative, Contractor shall provide the information specified above and obtain the District's written approval.

3.17.3 Termination. This Contract may be terminated by District at any time, either with our without cause, by giving Contractor three (3) days advance written notice. In the event of termination by District for any reason other than the fault of Contractor, District shall pay Contractor for all Work performed up to that time as provided herein. In the event of breach of the Contract by Contractor, District may terminate the Contract immediately without notice, may reduce payment to Contractor in the amount necessary to offset District's resulting damages, and may pursue any other available recourse against Contractor. Contractor may not terminate this Contract except for cause, and then only by giving written notice and opportunity to cure to the District at least fifteen (15) days before the effective date of such termination, or for convenience upon fifteen (15) days prior written notice so long as there is not pending Task Order that has not yet been fully performed. Upon termination, Consultant shall be compensated only for those Services which have been adequately rendered to District, and Consultant shall be entitled to no further compensation. In the event this Contract is terminated in whole or in part as provided, District may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated. Further, if this Contract is terminated as provided, District may require Contractor to provide all finished or unfinished documents, data, diagrams, drawings, materials or other matter prepared or built by Contractor in connection with its performance of this Contract. If this Agreement is terminated as provided herein, District may require Consultant to provide all finished or unfinished Documents and Data (defined below) and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such documents and other information within fifteen (15) days of the request.

3.17.4 Contract Interpretation. Should any question arise regarding the meaning or import of any of the provisions of this Contract or written or oral instructions from District, the matter shall be referred to District's Representative, whose decision shall be binding upon Contractor.

3.17.5 Anti-Trust Claims. This provision shall be operative if this Contract is applicable to California Public Contract Code Section 7103.5. In entering into this Contract to supply goods, services or materials, Contractor hereby offers and agrees to assign to the District all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act (Chapter 2, commencing with Section 16700, of Part 2 of Division 7 of the Business and Professions Code) arising from purchases of goods, services, or materials pursuant to the Contract. This assignment shall be made and become effective at the time the District tender final payment to Contractor, without further acknowledgment by the Parties.

3.17.6 Notices. All notices hereunder and communications regarding interpretation of the terms of the Contract or changes thereto shall be provided by the mailing thereof by registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

CONTRACTOR:

LaFleur Engineering, Inc.
1588 Bedell Court, Unit B
Roseville, CA 95747
Attn: Damon LaFleur, President

DISTRICT:

Citrus Heights Water District
6230 Sylvan Rd
Citrus Heights, CA 95610
Attn: Missy Pieri, Director of Engineering

Any notice so given shall be considered received by the other Party three (3) days after deposit in the U.S. Mail as stated above and addressed to the Party at the above address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.17.7 Time of Essence. Time is of the essence in the performance of this Contract.

3.17.8 Assignment Forbidden. Contractor shall not, either voluntarily or by action of law, assign or transfer this Contract or any obligation, right, title or interest assumed by Contractor herein without the prior written consent of District. If Contractor attempts an assignment or transfer of this Contract or any obligation, right, title or interest herein, District may, at its option, terminate and revoke the Contract and shall thereupon be relieved from any and all obligations to Contractor or its assignee or transferee.

3.17.9 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.17.10 Laws, Venue, and Attorneys' Fees. This Contract 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 Contract, the action shall be brought in a state or federal court situated in the County of Sacramento, State of California.

3.17.11 Counterparts. This Contract may be executed in counterparts, each of which shall constitute an original.

3.17.12 Successors. The Parties do for themselves, their heirs, executors, administrators, successors, and assigns agree to the full performance of all of the provisions contained in this Contract.

3.17.13 [Reserved]

3.17.14 Solicitation. Contractor maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this Contract. Further, Contractor 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 Contractor, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Contract. For breach or violation of this warranty, District shall have the right to terminate this Contract without liability.

3.17.15 Conflict of Interest. Contractor maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this Contract. Further, Contractor 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 Contractor, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Contract. For breach or violation of this warranty, District shall have the right to rescind this Contract without liability. For the term of this Contract, no official, officer or employee of District, during the term of his or her service with District, shall have any direct interest in this Contract, or obtain any present or anticipated material benefit arising therefrom. In addition, Contractor agrees to file, or to cause its employees or subcontractors to file, a Statement of Economic Interest with the District's Filing Officer as required under state law in the performance of the Work.

3.17.16 Certification of License.

3.17.16.1 Contractor certifies that as of the date of execution of this Contract, Contractor has a current contractor's license of the classification indicated below under Contractor's signature.

3.17.16.2 Contractors are required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four (4) years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within ten (10) years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826.

3.17.17 Authority to Enter Contract. Each Party warrants that the individuals who have signed this Contract have the legal power, right and authority to make this Contract and bind each respective Party.

3.17.18 Entire Contract; Modification. This Contract contains the entire agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Contract may only be modified by a writing signed by both Parties.

3.17.19 Non-Waiver. None of the provisions of this Contract shall be considered waived by either party, unless such waiver is specifically specified in writing.

3.17.20 District's Right to Employ Other Contractors. District reserves right to employ other contractors in connection with this Project or other projects.

3.17.21 Federal Provisions. [Reserved]

[SIGNATURES ON NEXT PAGE]

SIGNATURE PAGE FOR CONSTRUCTION CONTRACT BETWEEN THE CITRUS HEIGHTS WATER DISTRICT AND LAFLEUR ENGINEERING, INC.

IN WITNESS WHEREOF, the Parties have entered into this Contract as of the **23rd day of June, 2026**.

CITRUS HEIGHTS WATER DISTRICT

By: ____________________

Hilary M. Straus
General Manager

LAFLEUR ENGINEERING, INC.

By: ____________________

Its: President

Printed Name: Damon Lafleur

30894.00040\43137882.1

EXHIBIT "A"

SCOPE OF SERVICES

The Scope of Work for the On-Call Construction Services is separated into three different categories: Boring Services, Potholing Services, and General Construction Services and is described below.

DIRECTIONAL BORING SERVICES

Based on the District's needs and issuance of an approved Task Order (see Exhibit "C"), Contractor will accomplish one or more of the following tasks in the performance of providing requested On-call Boring Services including:

Overview: The District's Engineering Department typically requires the boring of water service lines (and other water piping) as part of the construction phase of various projects. To support its upcoming water main replacements, developer designs, and other projects, directional boring will be needed for installation of water services to be determined. All work shall consist of the following:

Task 1. Preparation
Contractor shall communicate with District (via phone, meetings, or other communication methods) to discuss and resolve Scope of Work and Plans and Specifications, and also gather project expectations set by District. Task 1 shall also include, but not be limited to, the following:

- Provide proposal to complete water service boring based on Plans and Specifications
- Perform site visitation with District staff, as needed
- Complete USA marking of project area
- Develop and submit traffic control plans
- Obtain appropriate permits for City or County where work will be performed
- Complete other activities necessary for subsequent water service boring work

Task 2. Potholing Prior to Boring
Task 2 shall adhere to the following:

- Contractor shall contact District Inspector minimum 48-hours prior to commencing work
- Electronic methods may be used to determine utility locations, but shall be verified by potholing
- Potholes shall use coring to penetrate paved surfaces
- Potholes shall not exceed 6-feet in depth without District Inspector approval
- Temporary surface restoration shall be based on requirements of governing agency
- Final surface restoration shall be completed within two days of initial potholing and shall be based on requirements of the governing agency

Task 3. Boring
Task 3 shall adhere to the following:

- Contractor shall contact District Inspector minimum 48-hours prior to commencing work
- Depth and location of bore shall comply with CHWD plans and specifications
- CHWD shall supply water service piping and #10 insulated copper locator wire
- Contractor shall use Horizontal Directional Drilling (HDD) to bore to install water service piping and #10 insulated copper locator wire using an approved HDD machine
- Remaining installation shall be completed by others
- Temporary surface restoration of non-potholes shall be completed by others immediately following bore.
- Final surface restoration of non-potholes shall be completed by others

POTHOLING SERVICES

Based on the District's needs and issuance of an approved Task Order (see Exhibit "C"), Contractor will accomplish one or more of the following tasks in the performance of providing requested On-call Potholing Services including:

Overview: The District's Engineering Department typically requires the location of existing underground utilities for identification of possible conflicts during the design phase of various projects. To support its upcoming water main replacements, developer designs, and other projects, potholing will be needed for project locations to be determined. All work shall consist of the following:

Task 1. Preparation
Contractor shall communicate with District (via phone, meetings, or other communication methods) to discuss and resolve Scope of Work and Plans and Specifications, and also gather project expectations set by District. Task 1 shall also include, but not be limited to, the following:

- Provide proposal to complete potholing based on Plans and Specifications
- Include in proposal a daily cost for Ground Penetrating Radar services
- Perform site visitation with District staff, as needed
- Complete USA marking of project area
- Develop and submit traffic control plans
- Obtain appropriate permits for City or County where work will be performed
- Complete other activities necessary for subsequent potholing work

Task 2. Potholing
Task 2 shall adhere to the following:

- Contractor shall contact District Inspector minimum 48-hours prior to commencing work
- Electronic methods may be used to determine utility locations, but shall be verified by potholing
- Potholes shall use coring to penetrate paved surfaces
- Potholes shall not exceed 6-feet in depth without District Inspector approval
- Temporary surface restoration shall be based on requirements of governing agency

- Final surface restoration shall be completed within two days of initial potholing and shall be based on the requirements of the governing agency

Task 3. Data Collection
Required information outlined below shall be submitted to the District using District-provided Excel spreadsheet upon completion of potholing work.

- Pothole location – this may be a house address, an intersection, etc.
- Utility type – sewer, storm drain, gas, etc.
- Utility size – diameter
- Pipe material – PVC, DIP, VCP, etc.
- Depth to top of utility – for duct banks or utilities encased in concrete, depth to top and bottom of the duct bank or encasement
- Surface material type and thickness – AC, concrete, etc.
- Provide any additional comments that might be important for design and construction, including the presence of ground water, if utility is encased in concrete or other material, etc.

GENERAL CONSTRUCTION SERVICES

Based on the District's needs and issuance of an approved Task Order (see Exhibit "C"), Contractor will accomplish one or more of the following tasks in the performance of providing requested On-call General Construction Services including:

Overview: The District's Engineering Department occasionally requires short-term/on-call general construction and repair services involving District water facilities for project locations to be determined. All work shall consist of the following Tasks:

Task 1. Preparation
Contractor shall communicate with District (via phone, meetings, or other communication methods) to discuss and review Scope of Work, Plans, Specifications, Standard Details, and also gather project expectations set by District. Task 1 shall also include, but not be limited to, the following:

- Provide proposal to complete construction work based on Plans or Task Order
- Perform site visitation with District staff, as needed
- Complete USA marking of project area
- Develop and submit traffic control plans
- Obtain appropriate permits for City or County where work will be performed
- Procuring and providing all necessary materials, including labor and equipment, to facilitate the work (Unless provided by the District)
- Complete other activities necessary for subsequent construction work

Task 2. Removal/Demolition
Task 2 shall consist of, but not be limited to, the following:

- Contractor shall contact and coordinate with the District Inspector a minimum of 48-hours prior to commencing work

- Trenching shall adhere to District Standard Details for the appropriate jurisdiction
- Removal/demolition of existing materials shall provide necessary clearance for the installation of new facilities and follow District guidelines, where noted
- Disposal of removed material and facilities shall be at the Contractor's expense, unless noted by District
- Facilities abandoned-in-place shall be properly plugged/sealed per District guidelines
- Other removal/demolition related needs as stipulated in the Plans or Task Order

Task 3. Installation/Repair

Task 3 shall consist of, but not be limited to, the following:

- Installation and repair work shall adhere to the District's Plans, Specifications, and Standard Details.
- Installation and repair work relating to water appurtenances such as water mains, water services, valves, blow-offs, fire hydrants, air/vacuum relief valves, etc.
- Restoration and repair of finished surfaces affected during construction such as grading, landscaping, concrete, asphalt, fencing, etc.
- Other installation/repair related needs as stipulated in the Plans or Task Order

EXHIBIT “B”

PLANS AND SPECIFICATIONS

(To be included as an exhibit with each Task Order)

EXHIBIT "C"

CONTRACTOR'S PROPOSAL

(To be included as an exhibit with each Task Order)

EXHIBIT "D"

SAMPLE TASK ORDER FORM

CITRUS HEIGHTS WATER DISTRICT

TASK ORDER

Task Order No. ______

Contract: [INSERT NAME OF CONTRACT]

Contractor: [INSERT NAME OF CONTRACTOR]

The Contractor is hereby authorized to perform the following work subject to the provisions of the Contract identified above:

List any attachments: [INSERT ATTACHMENTS, IF ANY]

Dollar Amount of Task Order: Not to exceed $_____,_____.00

Completion Date: ____________, 20___

The undersigned Contractor hereby agrees that it will provide all equipment, furnish all materials, except as may be otherwise noted above, and perform all work specified above in accordance with the Contract identified above and will accept as full payment therefore the amount shown above.

CITRUS HEIGHTS WATER DISTRICT	**[INSERT CONTRACTOR NAME]**
Dated: ____________________________	Dated: ___________________________
By: ______________________________	By: ______________________________

EXHIBIT “E”

SPECIAL CONDITIONS

ARTICLE 1. BONDS

Projects more than $25,000 will require a Payment Bond and a Performance Bond. Within ten (10) calendar days from the date the Contractor is notified of award of the Contract, the Contractor shall deliver to the District four identical counterparts of the Performance Bond and Payment Bond on the forms supplied by the District and included as Exhibit “F” to the Contract. Failure to do so may, in the sole discretion of District, result in the forfeiture of Contractor’s bid security. The surety supplying the bond must be an admitted surety insurer, as defined in Code of Civil Procedure Section 995.120, authorized to do business as such in the State of California and satisfactory to the District. The Performance Bond and the Payment Bond shall be for one hundred percent (100%) of the Total Contract Price.

EXHIBIT "F"

CONTRACTOR'S CERTIFICATE REGARDING WORKERS' COMPENSATION LABOR CODE - SECTION 1861

I, the undersigned Contractor, am aware of the provisions of Section 3700, et seq., of the California Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I, the undersigned Contractor, agree to and will comply with such provisions before commencing the performance of the Work on this Contract.

LAFLEUR ENGINEERING, INC.

By: ______________________
Signature

Damon LaFleur
Name (Print)

President
Title (Print)

30894.00040\43137882.1

EXHIBIT "G"

PUBLIC WORKS CONTRACTOR REGISTRATION CERTIFICATION

Pursuant to Labor Code sections 1725.5 and 1771.1, all contractors and subcontractors that wish to bid on, be listed in a bid proposal, or enter into a contract to perform public work must be registered with the Department of Industrial Relations. See http://www.dir.ca.gov/Public-Works/PublicWorks.html for additional information.

No bid will be accepted nor any contract entered into without proof of the contractor's and subcontractors' current registration with the Department of Industrial Relations to perform public work.

Contractor hereby certifies that it is aware of the registration requirements set forth in Labor Code sections 1725.5 and 1771.1 and is currently registered as a contractor with the Department of Industrial Relations.[1]

Name of Contractor: Lafleur Engineering Inc

DIR Registration Number: 1001169262

DIR Registration Expiration: 6/30/2027

Small Project Exemption: No

Unless Contractor is exempt pursuant to the small project exemption, Contractor further acknowledges:

- Contractor shall maintain a current DIR registration for the duration of the project.
- Contractor shall include the requirements of Labor Code sections 1725.5 and 1771.1 in its contract with subcontractors and ensure that all subcontractors are registered at the time of bid opening and maintain registration status for the duration of the project.
- Failure to submit this form or comply with any of the above requirements may result in a finding that the bid is non-responsive.

Name of Contractor Lafleur Engineering Inc

Signature

Name and Title Damon LaFleur

Dated 7/24/2026

[1] If the Project is exempt from the contractor registration requirements pursuant to the small project exemption under Labor Code Sections 1725.5 and 1771.1, please mark "Yes" in response to "Small Project Exemption."

EXHIBIT "H"

PAYMENT AND PERFORMANCE BONDS

(If Required)
(Forms on following pages)

PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS:

THAT WHEREAS, the Citrus Heights Water District (hereinafter referred to as "District") has awarded to ____________________, (hereinafter referred to as the "Contractor") ________________________ an agreement for _______________________________ (hereinafter referred to as the "Project").

WHEREAS, the work to be performed by the Contractor is more particularly set forth in the Contract Documents for the Project dated ________________, (hereinafter referred to as "Contract Documents"), the terms and conditions of which are expressly incorporated herein by reference; and

WHEREAS, the Contractor is required by said Contract Documents to perform the terms thereof and to furnish a bond for the faithful performance of said Contract Documents.

NOW, THEREFORE, we, _______________, the undersigned Contractor and ____ as Surety, a corporation organized and duly authorized to transact business under the laws of the State of California, are held and firmly bound unto the District in the sum of ____________________________ DOLLARS, ($____________), said sum being not less than one hundred percent (100%) of the total amount of the Contract, for which amount well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that, if the Contractor, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements in the Contract Documents and any alteration thereof made as therein provided, on its part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their intent and meaning; and shall faithfully fulfill all obligations including the one-year guarantee of all materials and workmanship; and shall indemnify and save harmless the District, its officers and agents, as stipulated in said Contract Documents, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As a condition precedent to the satisfactory completion of the Contract Documents, unless otherwise provided for in the Contract Documents, the above obligation shall hold good for a period of one (1) year after the acceptance of the work by District, during which time if Contractor shall fail to make full, complete, and satisfactory repair and replacements and totally protect the District from loss or damage resulting from or caused by defective materials or faulty workmanship, Surety shall undertake and faithfully fulfill all such obligations. The obligations of Surety hereunder shall continue so long as any obligation of Contractor remains. Nothing herein shall limit the District's rights or the Contractor or Surety's obligations under the Contract, law or equity, including, but not limited to, California Code of Civil Procedure section 337.15.

Whenever Contractor shall be, and is declared by the District to be, in default under the Contract Documents, the Surety shall remedy the default pursuant to the Contract Documents, or shall promptly, at the District's option:

(1) Take over and complete the Project in accordance with all terms and conditions in the Contract Documents; or

(2) Obtain a bid or bids for completing the Project in accordance with all terms and conditions in the Contract Documents and upon determination by Surety of the lowest responsive and responsible bidder, arrange for a Contract between such bidder, the Surety and the District, and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor by the District under the Contract and any modification thereto, less any amount previously paid by the District to the Contractor and any other set offs pursuant to the Contract Documents.

(3) Permit the District to complete the Project in any manner consistent with local, California and federal law and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor by the District under the Contract and any modification thereto, less any amount previously paid by the District to the Contractor and any other set offs pursuant to the Contract Documents.

Surety expressly agrees that the District may reject any contractor or subcontractor which may be proposed by Surety in fulfillment of its obligations in the event of default by the Contractor.

Surety shall not utilize Contractor in completing the Project nor shall Surety accept a bid from Contractor for completion of the Project if the District, when declaring the Contractor in default, notifies Surety of the District's objection to Contractor's further participation in the completion of the Project.

The Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project to be performed thereunder shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project, including but not limited to the provisions of sections 2819 and 2845 of the California Civil Code.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _______ day of ______________, 20__).

(Corporate Seal)

____
Contractor/ Principal

By ________________________________

Title ______________________________

____

(Corporate Seal) Surety

By ________________________________
Attorney-in-Fact

Signatures of those signing for the Contractor and Surety must be notarized and evidence of corporate authority attached.

(Attach Attorney-in-Fact Certificate) Title ________________________________

The rate of premium on this bond is ____________ per thousand. The total amount of premium charges, $________________________________.
(The above must be filled in by corporate attorney.)

<u>THIS IS A REQUIRED FORM</u>

Any claims under this bond may be addressed to:

(Name and Address of Surety) ____

____

____

(Name and Address of Agent or Representative for service of process in California, if different from above) ____

____

____

(Telephone number of Surety and Agent or Representative for service of process in California) ____

NOTE: A copy of the Power-of-Attorney authorizing the person signing on behalf of the Surety to do so must be attached hereto.

Notary Acknowledgment

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

STATE OF CALIFORNIA
COUNTY OF ______________

On ___________________, 20___, before me, ________________________________, Notary Public, personally appeared ____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature of Notary Public ____

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

☐ Individual
☐ Corporate Officer

____
Title(s)

☐ Partner(s) ☐ Limited ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:

Signer is representing:
Name Of Person(s) Or Entity(ies)

____
____

DESCRIPTION OF ATTACHED DOCUMENT

____
Title or Type of Document

____
Number of Pages

____
Date of Document

____
Signer(s) Other Than Named Above

PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS That

WHEREAS, the Citrus Heights Water District (hereinafter designated as the "District"), by action taken or a resolution passed_____________, 20____has awarded to _________________ hereinafter designated as the "Principal," a contract for the work described as follows:

____ (the "Project"); and

WHEREAS, the work to be performed by the Principal is more particularly set forth in the Contract Documents for the Project dated __________________ ("Contract Documents"), the terms and conditions of which are expressly incorporated by reference; and

WHEREAS, said Principal is required to furnish a bond in connection with said contract; providing that if said Principal or any of its Subcontractors shall fail to pay for any materials, provisions, provender, equipment, or other supplies used in, upon, for or about the performance of the work contracted to be done, or for any work or labor done thereon of any kind, or for amounts due under the Unemployment Insurance Code or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of said Principal and its Subcontractors with respect to such work or labor the Surety on this bond will pay for the same to the extent hereinafter set forth.

NOW THEREFORE, we, the Principal and ___________________________ as Surety, are held and firmly bound unto the District in the penal sum of ____________________________ __________________ Dollars ($___________) lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if said Principal, his or its subcontractors, heirs, executors, administrators, successors or assigns, shall fail to pay any of the persons named in Section 9100 of the Civil Code, fail to pay for any materials, provisions or other supplies, used in, upon, for or about the performance of the work contracted to be done, or for any work or labor thereon of any kind, or amounts due under the Unemployment Insurance Code with respect to work or labor performed under the contract, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department or Franchise Tax Board from the wages of employees of the contractor and his subcontractors pursuant to Section 18663 of the Revenue and Taxation Code, with respect to such work and labor the Surety or Sureties will pay for the same, in an amount not exceeding the sum herein above specified.

This bond shall inure to the benefit of any of the persons named in Section 9100 of the Civil Code so as to give a right of action to such persons or their assigns in any suit brought upon this bond.

It is further stipulated and agreed that the Surety on this bond shall not be exonerated or released from the obligation of this bond by any change, extension of time for performance, addition, alteration or modification in, to, or of any contract, plans, specifications, or agreement pertaining or relating to any scheme or work of improvement herein above described, or pertaining or relating to the furnishing of labor, materials, or equipment therefore, nor by any change or modification of any terms of payment or extension of the time for any payment pertaining or relating to any scheme or work of improvement herein above described, nor by any rescission or attempted rescission of the contract, agreement or bond, nor by any conditions precedent or subsequent in the bond attempting to limit the right of recovery of claimants otherwise entitled to recover under any such contract or agreement or under the bond, nor by any fraud practiced by any person other than the claimant seeking to recover on the bond and that this bond be construed most strongly against the Surety and in favor of all persons for whose benefit such bond is given, and under no circumstances shall Surety be released from liability to those for whose benefit such bond has been given, by reason of any breach of contract between the owner or District and original contractor or on the part of any obligee named in such bond, but the sole conditions of recovery shall be that claimant is a person described in Section 9100 of the Civil Code, and has not been paid the full amount of his claim and that Surety does hereby waive notice of any such change, extension of time, addition, alteration or modification herein mentioned and the provisions of sections 2819 and 2845 of the California Civil Code.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _______ day of ______________, 20__.

(Corporate Seal)

____
Contractor/ Principal

By ________________________________

Title ______________________________

____

(Corporate Seal)

Surety

By ________________________________
Attorney-in-Fact

Title ______________________________

Signatures of those signing for the Contractor and Surety must be notarized and evidence of corporate authority attached. A Power-of-Attorney authorizing the person signing on behalf of the Surety to do so much be attached hereto.

NOTE: A copy of the Power-of-Attorney authorizing the person signing on behalf of the Surety to do so must be attached hereto.

Notary Acknowledgment

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

STATE OF CALIFORNIA
COUNTY OF ______________

On ___________________, 20___, before me, _______________________________, Notary Public, personally appeared ____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature of Notary Public ______________________________________

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

☐ Individual
☐ Corporate Officer

____
Title(s)

☐ Partner(s) ☐ Limited
☐ General

☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:

Signer is representing:
Name Of Person(s) Or Entity(ies)

____

____

DESCRIPTION OF ATTACHED DOCUMENT

____
Title or Type of Document

____
Number of Pages

____
Date of Document

____
Signer(s) Other Than Named Above

EXHIBIT “I”

RATE SCHEDULE

***** The rates set forth above are subject to increase each July 1, in an amount set by Contractor through written notice to District, subject to the written approval of the District General Manager or designee. ******

EXHIBIT "J"

FLEET COMPLIANCE CERTIFICATION

The California Air Resources Board ("CARB") implemented amendments to the In-Use Off-Road Diesel-Fueled Fleets Regulations ("Regulation") which are effective on January 1, 2024, and apply broadly to all self-propelled off road diesel vehicles 25 horsepower or greater and other forms of equipment used in California. A copy of the Regulation is available at https://ww2.arb.ca.gov/sites/default/files/barcu/regact/2022/off-roaddiesel/appa-1.pdf. Bidders are required to comply with all CARB and Regulation requirements, including, without limitation, all applicable sections of the Regulation, as codified in Title 13 of the California Code of Regulations section 2449 *et seq*. throughout the term of the Project. Bidders must provide, with their Bid, copies of Bidder's and all listed subcontractors the most recent, valid Certificate of Reported Compliance ("CRC") issued by CARB.

The District is a Public Works Awarding Body, as defined under Title 13 California Code of Regulations section 2449(c)(46). Accordingly, Bidders must submit, with their Bids, a valid Certificate of Reported Compliance ("CRC") for the Bidder's and its listed subcontractors fleet (including any applicable leased equipment or vehicles). Bidder must complete and submit the Fleet Compliance Certification, on the form included in the bid package.

Contractor hereby acknowledges that they have reviewed the California Air Resources Board's policies, rules and regulations and are familiar with the requirements of Title 13, California Code of Regulations, Division 3, Chapter 9, effective on January 1, 2024 (the "Regulation"). Contractor hereby certifies, subject to penalty for perjury, that the option checked below relating to the Contractor's fleet, and/or that of their subcontractor(s) ("Fleet") is true and correct:

- ☐ The Fleet is subject to the requirements of the Regulation, and the appropriate Certificate(s) of Reported Compliance have been attached hereto.
- ☐ The Fleet is exempt from the Regulation under section 2449.1(f)(2), and a signed description of the subject vehicles, and reasoning for exemption has been attached hereto.
- ☐ Contractor and/or their subcontractor is unable to procure R99 or R100 renewable diesel fuel as defined in the Regulation pursuant to section 2449.1(f)(3). Contractor shall keep detailed records describing the normal refueling methods, their attempts to procure renewable diesel fuel and proof that shows they were not able to procure renewable diesel (i.e. third party correspondence or vendor bids).
- ☐ The Fleet is exempt from the requirements of the Regulation pursuant to section 2449(i)(4) because this Project has been deemed an Emergency, as defined under section 2449(c)(18). Contractor shall only operate the exempted vehicles in the emergency situation and records of the exempted vehicles must be maintained, pursuant to section 2449(i)(4).
- ☐ The Fleet does not fall under the Regulation or are otherwise exempted and a detailed reasoning is attached hereto.

Name of Contractor Lafleur Engineering Inc

Signature

Name and Title Damon Lafleur, President

Dated 7/24/2026

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS
AUGUST 19, 2026 REGULAR MEETING

Subject:	**Operational Field Work Updates**
Status:	Discussion Item
Report Date:	August 13, 2026
Prepared By:	Neil Tamagni, Water Distribution Supervisor

OBJECTIVE:
District Operations staff will provide a presentation on work program updates at the August 19, 2026 Board meeting.

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS
AUGUST 19, 2026 REGULAR BOARD MEETING

Subject:	**ASSEMBLY BILL 2561 VACANCY REPORT**
Status:	Action Item
Report Date:	August 6, 2026
Prepared By:	Brittney Moore, Administrative Services Manager/Chief Board Clerk

Objective:
Conduct a public hearing as required by AB 2561 and Government Code Section 3502.3, which must be held before the final budget is adopted.

Background and Analysis:
Assembly Bill (AB) 2561 took effect January 1, 2025, to address ongoing job vacancies within local government agencies, which can adversely impact the delivery of public services and increase workloads for existing employees. Additionally, AB 2561 was implemented to increase transparency and accountability in local government agency staffing. AB 2561 requires public agencies to hold at least one public hearing each fiscal year before budget adoption, to review staffing vacancies and discuss recruitment and retention efforts.

For the calendar year 2026, Citrus Heights Water District (CHWD or District) has 43 full-time equivalent positions, or full-time employees. There has been a total of seven (7) vacancies throughout the year, for a monthly vacancy rate for an average of 2.7%. Position vacancies can occur for various reasons, including internal promotions and transfers, newly budgeted positions, retirements, and separations. The vacancies by reason as of August 6, 2026, are listed in the chart below.

Reason For Vacancy	Number of Vacancies
Internal Promotions	3
Newly Budgeted Positions	2
Involuntary Separations	2

To date, the District has successfully filled all vacancies and currently has no open recruitments. To reach a broad pool of candidates, the District advertises employment opportunities through its career page, social media platforms, industry-specific job boards, established public sector recruitment sites such as CalOpps and GovernmentJobs.com, and participating in various community outreach and engagement events. Additionally, the District conducts targeted outreach to individuals on its job interest listserv when positions become available that align with their expressed interests and qualifications. These efforts are intended to increase the visibility of District employment opportunities, broaden applicant outreach, and support the District's goal of maintaining a highly qualified workforce. In addition to these recruitment efforts, the District has developed and implemented a formal internship program that provides high school students, college students, and recent college graduates with practical experience in a professional setting. The program supports the operational needs of the District while introducing individuals who are new to the workforce to careers in the public sector. It also serves as a talent development pipeline by fostering relationships with potential future employees who may be well-positioned to apply for District vacancies as opportunities arise.

The District places a strong emphasis on retaining skilled and dedicated employees through programs and practices that promote professional growth and job satisfaction. The District encourages participation in continuing education and training opportunities to support employee development and professional advancement. Additionally, the District regularly monitors compensation and benefits trends among comparable agencies and industry peers. This benchmarking process helps ensure the District’s comprehensive benefit structure remains competitive and continues to attract and retain high-quality talent in a competitive public-sector labor market.

Recommendation:
Conduct the mandatory public hearing as required by AB 2561 and Government Code Section 3502.3, which must be held before the final budget is adopted.

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS
AUGUST 19, 2026 REGULAR MEETING

Subject:	**Discussion and Possible Action to Approve the 2027 Budget**
Status:	Action Item
Report Date:	August 19, 2026
Prepared By:	Annie Liu, Director of Administrative Services

OBJECTIVE:
Conduct a Public Hearing on the proposed Fiscal Year 2027 Operating and Capital Improvement Budgets, including Transfers to Designated Reserves, and consider adoption of a resolution establishing the FY 2027 Budget.

BACKGROUND AND ANALYSIS:

2027 Budget Summary

This report presents the proposed Operating and Capital Improvement Budgets for 2027, including Transfers to Designated Reserves. Accompanying this report is Resolution No. 16-2026, which establishes the Fiscal Year 2027 Budget and provides a summary of the budget in the following amounts:

2027 Operating Budget		
Operations:	$	21,996,804
Transfers to Designated Reserves:		2,572,000
Total Operating Budget	$	24,568,804
2027 Capital Improvement Projects Budget		
Previously-Approved Projects Carry-Over from 2026:	$	12,055,678
2027 Additional Budget for ongoing and new Capital Project		12,896,100
Total 2027 Capital Improvements Budget:	$	24,951,778
Total Proposed 2027 Budget	$	49,520,582

Based on the goals and objectives established by the Board of Directors during the May 20, 2026 Strategic Planning Session, staff updated the Financial Model and developed the proposed 2027 Operating and Capital Improvement Budgets. The proposed budgets will be presented to the Board for consideration at the Public Hearing on August 19, 2026.

Over the coming months, the proposed 2027 CHWD Budget, rate program, and work plan will also be shared with CHWD's Customer Advisory Committee, neighborhood associations throughout Citrus Heights, the Citrus Heights Chamber of Commerce, three local service clubs—Rotary, Kiwanis, and Soroptimist—and community members at a meeting in Orangevale.

Included with this staff report is CHWD's comprehensive budget document, which details the District's planned programs, projects, revenues, and expenditures for the upcoming year.

The proposed 2027 Budget was developed to advance the District's mission of providing a dependable supply of safe, high-quality water in an efficient, responsive, and affordable manner. It incorporates the Board's Strategic Planning goals and objectives, along with input from District leadership. Staff recommends adoption of the proposed 2027 Budget, which balances the District's commitment to exceptional service with responsible cost management and long-term financial sustainability.

The 2027 Budget also continues the District's practice of allocating staff time and associated salary and benefit costs to capital improvement projects. This approach more accurately reflects the full cost of both ongoing operations and long-term capital investments and provides greater transparency regarding the resources required to deliver the District's capital program.

Beginning in 2026, the District implemented a comprehensive funding strategy designed to promote intergenerational equity by using financing tools to distribute the costs of long-term capital investments among both current and future customers who will benefit from those investments. Up to $21 million in financing proceeds has been budgeted as Other Resources to support the 2026 and 2027 budgets, including $14.35 million in the proposed 2027 Budget.

Operating and Maintenance Budget

The 2027 Operating and Maintenance (O&M) Budget totals $21.9 million, excluding transfers to reserves, representing an increase of approximately $3.7 million over the 2026 Adopted Budget. This increase is primarily driven by strategic investments and funding commitments that support the District's priorities, including:

- Implementation of Strategic Plan initiatives and special projects identified by the Board as priorities for 2027.
- Funding to advance the Board's fourth guiding pillar, "Protect Our Water."
- Full-year funding for two positions onboarded during 2026.
- An annual $1.3 million intergenerational funding contribution/financing payment for capital projects.

The 2027 Proposed Budget includes $3.4 million for purchased water, an increase of $114,410 over the 2026 Adopted Budget. Purchased water remains the District's largest single operating expenditure.

Salary and benefit costs are also projected to increase, primarily due to higher employer costs for pension contributions and health insurance premiums. In addition, $1.0 million in Salaries and Benefits and Services and Supplies costs has been allocated to the Capital Improvement Budget. This allocation recognizes staff time and materials directly associated with the planning, design, construction, and inspection of capital projects.

Designated Reserves Transfers

The proposed 2027 budget complies with all District fund balance policies and maintains the required levels in designated reserves.

It also includes the following recommended transfers:

- $172,000 to the Debt Service Reserve
- $2,400,000 to the Water Main Replacement Reserve – Project 2030
    - $2,257,294 from the Project 2030 Dedicated Charge
    - $142,706 from interest earnings within the Water Main Replacement Reserve

Capital Improvements Budget

The District's proposed 2027 Capital Improvement Program (CIP) budget totals approximately $24.9 million, including $12.1 million in funding carried forward from 2026. Key investments include:

- **Groundwater Wells**: Approximately $4.7 million is budgeted to complete construction of the District's eighth groundwater well (Well #8). The District has secured $6.6 million in State and Federal funding toward the construction of Wells #7 and #8. Given the limited availability of external funding, the District continues to actively pursue grant and other non-ratepayer funding opportunities whenever possible.
- **Water Main and Operational Projects**: The 2027 CIP includes approximately $2.8 million for ongoing water main projects and $2.4 million for annual operational capital improvements, supporting the continued reliability and performance of the District's water system.
- **Infrastructure and Facilities**: Investment in Project 2030, the District's Facilities Modernization and Expansion (FME) initiative, will continue to be a major focus in 2027. Approximately $13.6 million is budgeted for improvements at the Madison Avenue and Sylvan Corporation Yard sites, including $6.3 million carried forward from 2026.

Public Information and Public Engagement Program for the 2027 Budget

Staff continues with CHWD's public education/outreach strategy to help inform customers concerning key issues facing the District (e.g., increasing costs from San Juan Water District, aging infrastructure in need of replacement, and the importance for the District to continue its groundwater well development program).

Key channels for educating and engaging customers include: Hand-outs/Mailers; budget and funding information on CHWD's website; meetings with stakeholder audiences; "road show" presentations provided by key staff (General Manager, Department Heads and other leadership staff) to the City's neighborhood associations, service organizations (e.g., Rotary, Kiwanis and Soroptimist); and use of the District's social media platforms.

RECOMMENDATIONS:

1. Conduct a Public Hearing on the proposed Budget for 2027; and
2. Adopt Resolution No. 16-2026, establishing the Fiscal Year 2027 Operating and Capital Improvement Budget

ATTACHMENT:

Resolution No. 16-2026 Establishing Fiscal Year 2027 Operating and Capital Improvement Budget

ACTION:

Moved by Director ____________, Seconded by Director ____________, Carried _____________

CITRUS HEIGHTS WATER DISTRICT
RESOLUTION NO. 16-2026

RESOLUTION ESTABLISHING
FISCAL YEAR 2027 OPERATING AND CAPITAL IMPROVEMENT BUDGET
FOR CITRUS HEIGHTS WATER DISTRICT

WHEREAS, CITRUS HEIGHTS WATER DISTRICT has identified the costs of operating the District, providing capital improvements to the infrastructure of the District, and transfers to designated reserves for the Fiscal Year beginning January 1, 2027; and

WHEREAS, the District has prepared budgets setting forth the dollar amounts proposed for District operations, capital improvements, and designated reserve transfers as follows:

Operating Budget: $24,568,804 and Capital Improvement Budget: $24,951,778; and

WHEREAS, a noticed Public Hearing was held on August 19, 2026, for the purpose of receiving public comment on the proposed Fiscal Year 2027 Budget.

THEREFORE, BE IT RESOLVED, the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT hereby adopts the Fiscal Year 2027 Budget (Exhibit A) accompanying this Resolution and which is incorporated herein by this reference. The Board of Directors further temporarily suspends any automatic pass-through in wholesale water costs as authorized by prior resolution from the date of this resolution through December 31, 2027.

PASSED AND ADOPTED by the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT, this 19th day of August 2026, by the following vote, to-wit:

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

S E A L

____
CARYL F. SHEEHAN, President
Board of Directors
Citrus Heights Water District

ATTEST:

____
HILARY M. STRAUS, Secretary
Citrus Heights Water District

Exhibit A

2027 Annual Budget

CITRUS HEIGHTS WATER DISTRICT

ANNUAL BUDGET

2027

6230 SYLVAN ROAD
CITRUS HEIGHTS, CA 95610

(This page intentionally left blank)

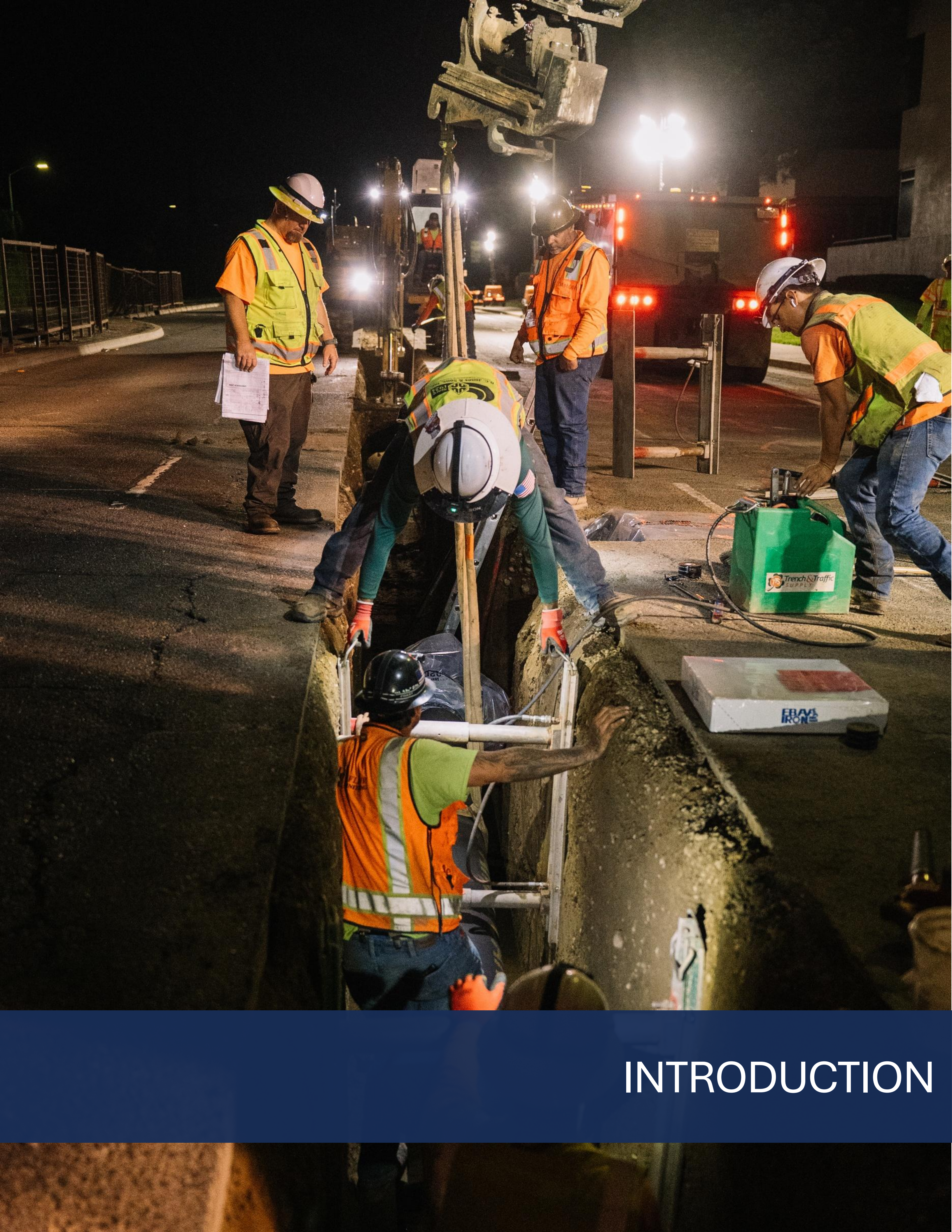
CITRUS HEIGHTS WATER DISTRICT

Poster Contest 1st Place Winner, 2026

6230 Sylvan Road, Citrus Heights, CA 95610 | (916) 725-6873 | www.chwd.org

(This page intentionally left blank)

Table of Contents



INTRODUCTION

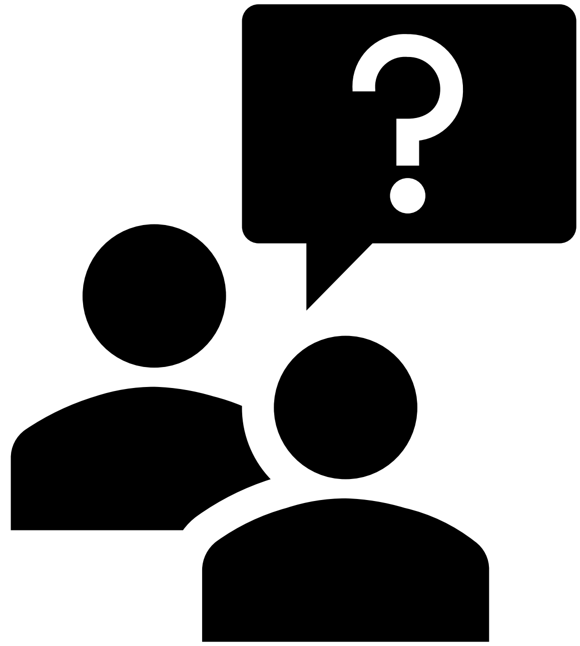
(This page intentionally left blank)

Distinguished Budget Presentation Award

The Government Finance Officers Association (GFOA) presented the Distinguished Budget Presentation Award to Citrus Heights Water District for its Annual Budget for the fiscal year beginning January 1, 2025. The District's application for the fiscal year beginning January 1, 2026, is currently under review. Beginning in 2026, GFOA evaluates budget communications for completeness, clarity, transparency, accessibility, and the quality of the budget message presented to public stakeholders.

The award is valid for one year. CHWD intends to submit its 2027 budget communications for consideration under the revised criteria.

Frequently Asked Questions about the budget



- How many people does the District serve?
  - Page 18
- How does the District account for, safeguard, invest, and oversee its financial resources?
  - Page 48-51, 94-128
- What is the District’s annual revenue?
  - Page 35
- How many employees work for the District?
  - Page 57
- What reserves does the District maintain, and what purposes do they serve?
  - Page 48, 95-101

Letter of Transmittal

CITRUS HEIGHTS WATER DISTRICT

Board of Directors
Caryl F. Sheehan, President
David C. Wheaton, Vice President
Raymond A. Riehle, Director

Hilary M. Straus, General Manager/Secretary
Annie Y. Liu, Director of Administrative Services/Treasurer

August 19, 2026

Honorable President and Members of the Board of Directors,

I am pleased to present the Citrus Heights Water District (CHWD or District) budget for fiscal year 2027 (January 1 through December 31, 2027). This budget reflects the District's continued commitment to prudent fiscal stewardship, operational excellence, and the delivery of high-quality, cost-effective, and responsive services to our customers. It also reinforces CHWD's long-term commitment to strategically reinvesting in critical infrastructure and capital assets to ensure the continued reliability and sustainability of the District's water system.

Agency History and Infrastructure/Asset Management

The Citrus Heights Water District (CHWD) was established in October 1920 under the California Irrigation Code and was originally governed by a three-member Board of Directors. In its early years, the District relied on surface water supplied through the North Fork Ditch Company, which held water rights to the American River, including the area now encompassed by Folsom Lake. Water was conveyed to the Citrus Heights service area via a system of small canals and pipelines.

CHWD's historical development and infrastructure evolution provide important context for the District's current operational and capital cost structure.

<u>Water Mains and System Development</u>

The construction of Folsom Lake in the mid-1950s helped shape the development of CHWD's water supply system and led to the formation of the San Juan Water District (SJWD), CHWD's wholesale water provider. Shortly thereafter, funding from a bond measure known as Project 1956 supported construction of a 42-inch transmission main extending west from Folsom Lake to the CHWD service area.

Today, the original transmission main is more than 65 years old. Together with the large-diameter Cooperative Transmission Pipeline, constructed in 1996 in partnership with SJWD, Sacramento Suburban Water District, Fair Oaks Water District, and Orange Vale Water Company, these facilities serve as the District's primary conveyance system for delivering treated surface water to more than 20,300 customers. Surface water supplies the majority of CHWD's water needs, with groundwater from District wells providing a supplemental source.

From 1960 through 1985, CHWD's 13-square-mile service area experienced significant urban development. During this period, most of the District's approximately 250 miles of water mains were constructed by private developers in accordance with District standards, inspected by CHWD, and subsequently dedicated to the District.

CHWD is now responsible for the ongoing operation, maintenance, rehabilitation, and eventual replacement of this extensive water distribution infrastructure. These long-term responsibilities are funded by the District's customers and are an important consideration in CHWD's financial and capital planning.

Project 2030 Water Main Replacement Program

According to the American Water Works Association (AWWA), water mains have an average service life of approximately 70 years. A significant portion of CHWD's water distribution system was installed beginning in the 1960s and will begin approaching this benchmark by 2030. Proactive planning and investment are therefore essential to maintain system reliability, reduce the risk of water main failures, and ensure continued delivery of safe and dependable water service.

In 2021, the CHWD Board of Directors adopted the Project 2030 Water Main Replacement Study, establishing a long-term framework for replacing approximately 70 percent of the District's water mains over a 50-year period beginning in 2030. The study identifies recommended replacement phasing, projected costs, funding strategies, and an implementation roadmap to guide this significant long-term infrastructure investment.

A Customer Advisory Committee (CAC) was established to provide community input on the program's phasing and funding approach. The CAC process helps ensure that community priorities are considered and that the financial responsibility for these long-lived infrastructure investments is equitably distributed among current and future customers who will benefit from and rely upon CHWD's water distribution system.

CHWD has now entered the initial implementation phase of Project 2030. Current efforts are focused on:

- Conducting detailed condition assessments of existing water mains;
- Refining replacement priorities, phasing, and cost projections; and
- Continuing proactive customer engagement and education.

These efforts will provide the technical, financial, and community foundation necessary to support the successful implementation of Project 2030 and the long-term reliability of CHWD's water distribution system.

Cooperative Purchasing and Asset Management

CHWD, with support from the Sacramento Regional Water Authority (RWA), is leading a regional effort to identify cooperative purchasing opportunities that leverage shared purchasing power and reduce asset costs. Initially focused on water meters, the effort has expanded to more than 70 asset types and will also explore opportunities for coordinated asset management.

Discussions have continued through 2026, with the goal of launching a regional cooperative purchasing and piggybacking program in early 2027. CHWD also continues to implement recommendations from the original regional water meter study.

Groundwater Wells

Groundwater wells are a key component of CHWD's infrastructure and long-term water supply strategy. The District's high-capacity wells, producing approximately 1,000 to 2,000 gallons per minute (GPM), supplement surface water supplies and support reliable, cost-effective service. With an expected service life of approximately 50 years, these facilities represent significant long-term capital assets requiring continued reinvestment and strategic planning.

Two new wells currently under construction will incorporate Aquifer Storage and Recovery (ASR) technology, allowing CHWD to store available surface water in the aquifer for later use. ASR enhances drought resilience, supports sustainable groundwater management, and provides greater flexibility in managing water supplies and costs.

CHWD further strengthens water supply reliability through regional partnerships and infrastructure. The District maintains 22 interconnections with neighboring water providers, purchases surface water from San Juan Water District, operates large-diameter transmission mains, and participates in the Sacramento Regional Water Bank. Together, these investments provide a diversified and resilient water supply portfolio that positions CHWD to meet current and future customer needs.

Other Issues Impacting CHWD's Budget

As identified in CHWD's Project 2030 Water Main Replacement Program Planning Study, water demand within the District has remained flat or declined as customers continue to use water more efficiently. This trend reflects long-term changes in customer behavior following the 2015 drought, expanded use of water meters and metered billing, and increasingly stringent state water efficiency requirements.

While reduced water use supports conservation goals, it presents an ongoing financial challenge for water utilities. A significant portion of the District's capital and operating expenses are fixed and do not decrease proportionately with water consumption. As water sales remain flat or decline, these costs must be recovered over fewer units of water sold, placing additional pressure on rates and the District's ability to maintain stable and equitable revenues.

Wholesale water costs are also expected to continue increasing. In January 2024, CHWD's wholesale water supplier, San Juan Water District (SJWD), released a new Wholesale Financial Plan and Rate Study that significantly increased the fixed component of its wholesale rate structure. Because these fixed charges apply regardless of CHWD's surface water purchases, the revised structure reduces the financial benefit of utilizing the District's groundwater supplies—assets developed and maintained through substantial ratepayer investment.

Under the current wholesale rate structure, CHWD incurs approximately eighty-three cents or more in SJWD costs for every dollar spent pumping groundwater, even when surface water is not being used. This creates a financial disincentive to maximize local groundwater resources, increases reliance on purchased surface water, and limits the District's flexibility in managing its water supply portfolio. Together, declining water sales and increasing fixed wholesale costs continue to place upward pressure on the revenues needed to operate, maintain, and reinvest in the District's water system.

Focus on Long-Range Planning

CHWD has a long-standing commitment to proactively planning for and managing its long-term capital, operational, and financial needs. This commitment is reflected in the District's use of comprehensive master planning, asset management, long-range financial forecasting, and strategic planning to guide annual budget decisions.

Key examples include the 1999 Water Distribution System Master Plan, which established a framework for water main replacements; Project 2030—Water Main Replacement Program; the Water Meter Replacement Study and consortium-based Meter Replacement Asset Management Program; and the District's 10-year financial forecast, which serves as an important foundation for the annual budget process. CHWD also integrates its Strategic Plan—including three-year goals and annual objectives—into budget development to align financial resources with organizational priorities.

In 2026, the District initiated an update to its Water Distribution System Master Plan to further strengthen its long-term infrastructure planning framework. The updated plan will support strategic capital investment decisions, help prioritize system improvements, and inform long-term financial planning to ensure the continued reliability and sustainability of the District's water distribution system.

Implementation of an Annual Budget Based on a 10-Year Budget Forecast

Given the District's significant capital investment needs and ongoing asset management costs, CHWD maintains a 10-Year Financial Model to support long-term financial planning and decision-making. The model is regularly updated to incorporate actual revenues and expenditures and serves as an important tool for evaluating policy, operational, capital, and budgetary decisions. A summary of the 10-Year Financial Model is provided in the Financial Model section of this budget.

Reserve Policies and Special Funding

Each year, CHWD strives to allocate a portion of its net revenue to designated reserves. Maintaining adequate reserves helps protect ratepayer investments by providing financial stability and provides flexibility to address fluctuations in expenditures. CHWD maintains several designated reserves to support its long-term financial and operational needs. These reserves, described in greater detail in the Appendix of this budget, include Operating, Rate Stabilization, Debt Service, Capital Improvement, Water Supply, Water Meter Replacement, Water Main Replacement, Fleet Equipment, Employment-Related Benefits, and Water Efficiency Reserves.

In 2027, the Project 2030 Dedicated Charge—established as part of the Project 2030 strategy developed by the CAC and adopted by the Board—is estimated to generate approximately $2.2 million in revenue. In addition, a pro rata share of CHWD's interest income will be transferred to the Water Main Replacement Reserve to help fund future water main capital improvements.

Strategic Planning

Since 2016, CHWD has integrated Strategic Planning into its annual budget development process. Strategic Planning identifies priority initiatives that extend beyond the District's routine operations, maintenance, and capital activities. These initiatives address complex issues that may have significant internal or external impacts, while also identifying opportunities to strengthen the District and advance its long-term priorities.

Strategic Planning is one of the first steps in the annual budget process. It includes a review of the prior year's work program and an evaluation of the District's three-year goals and supporting one-year objectives. Each objective is assigned to a CHWD staff member who serves as the lead for implementation, with additional support provided by other District staff and/or consultants, as appropriate.

CHWD Board members, leadership staff—including the General Manager, department heads, division managers, and key staff—and members of CHWD's Customer Advisory Committee (CAC) participate in a Strategic Planning session conducted as a public meeting, typically between May and June each year. The resulting goals and objectives help guide development of the District's annual budget. Finance staff incorporate applicable expenditures and funding sources into the proposed budget to ensure resources are aligned with the Board's strategic direction and priorities.

For 2027, the District's one-year objectives are organized under five three-year goals:

1. Manage a Dependable Water Supply and Transmission System
2. Manage, Improve, and/or Reinvest in District Infrastructure, Facilities, and Other Assets
3. Continue Preparation to Implement the Project 2030 Water Main Replacement Program to Maintain a Reliable Water Distribution System
4. Promote Organizational Effectiveness and Best Practices to Local Government
5. Execute Public Affairs Initiatives That Increase Customer Awareness, Participation, and Support for Our Priorities and Programs

A summary of CHWD's 2027–29 Strategic Plan, including the one-year objectives supporting these goals, is provided in the Strategic Planning section of this budget.

Public Education/Outreach

Given the significant service and financial impacts associated with many operational and capital initiatives, CHWD continues to prioritize public education, outreach, and community engagement. CHWD communicates with customers through a variety of platforms, including its website, social media channels (YouTube, Facebook, Nextdoor, Instagram, and X), the direct-mail Waterline newsletter, and annual presentations to neighborhood associations. CHWD also engages its Customer Advisory Committee (CAC) to provide participants with information about key policies, programs, and issues while gathering valuable community input on elements of CHWD's work program.

CHWD further supports community engagement through its Garden Corps, a group of customers who help maintain the Water Efficient Demonstration Garden at the Sylvan Ranch Community Garden. In addition, CHWD staff remain actively involved in the community through participation and membership in local organizations, including Rotary, Kiwanis, Soroptimist, the Citrus Heights Chamber of Commerce, and the Orangevale Chamber of Commerce.

Diversifying Revenue and Maximizing Financial Resources

As an Irrigation District, CHWD does not receive property tax revenue and relies primarily on ratepayer funding to support operations and capital investments. Recognizing the importance of minimizing impacts on ratepayers, the District continues to pursue opportunities to generate and secure alternative sources of revenue. Key efforts include optimizing investment earnings and aggressively pursuing state and federal grant funding.

Strategic Investment Management

CHWD continues to strengthen its cash and investment management practices to maximize earnings while maintaining the District's priorities of safety and liquidity. Beginning in 2023, the District implemented an enhanced investment strategy that integrates long-term cash flow forecasting with portfolio planning. This approach allows funds not needed for near-term operations or capital expenditures to be invested over a longer horizon while maintaining sufficient liquidity to meet anticipated obligations.

The strategy has generated significant financial benefits. Interest revenue increased fourfold in 2023, with strong investment earnings continuing through 2026 and expected to remain favorable in 2027. Given the District's limited sources of non-ratepayer revenue, these earnings provide an important supplemental funding source and help reduce reliance on rates.

The District continually evaluates its investment approach in response to changing cash flow needs and market conditions, including recent and anticipated reductions in interest rates, while remaining consistent with established investment objectives and policies.

Leveraging Grant Funding

CHWD continues to expand its efforts to secure external funding for critical capital and infrastructure investments, reducing the financial burden of these projects on District ratepayers. By 2025, the District had secured approximately $6.6 million in state and federal funding, including $1.0 million through the State Integrated Regional Water Management Program, $3.5 million from the California Department of Water Resources, and $2.1 million in federal earmark funding administered through the U.S. Environmental Protection Agency. These funds support the District's two new Aquifer Storage and Recovery (ASR) projects and offset costs that would otherwise be funded through water rates.

The District continued to build on this success in 2026. CHWD is securing nearly $750,000 in Congressional funding for two identified water main replacement projects and submitted a $4.6 million funding application to the State Water Resources Control Board's Emerging Contaminants program to support well-equipping costs for the Highland Well.

Looking ahead, CHWD is further strengthening its internal grant development and management capacity to proactively identify funding opportunities, prepare competitive applications, and effectively administer awarded funds. These expanded efforts position the District to pursue a broader range of state and federal resources, maximize outside investment in priority infrastructure, and reduce reliance on ratepayer-funded revenues where possible.

Balancing Affordability and Reliability

Since late 2025, the District has been in the process of receiving approximately $4.5 million of the $6.6 million in awarded grant funding. This grant funding has significantly changed the

District’s revenue composition. For the first time in the District’s history, water sales accounted for approximately 75% of total revenues in 2025, while grant revenues represented approximately 15%. In comparison, water sales historically accounted for approximately 95%–97% of the District’s total revenues, with little to no grant revenue.

Responsible financial management enables the District to balance the delivery of reliable, high-quality services with maintaining affordable rates for customers. Through multi-year financial planning, careful management of operating costs, and the active pursuit of grant funding, the District continues to reduce the financial burden on ratepayers. These efforts are reflected in the Board’s decision to keep rates unchanged in 2027.

Operating and Capital Budget Highlights

Looking ahead to Fiscal Year 2027, CHWD will continue advancing strategic initiatives that support water supply reliability, infrastructure stewardship, organizational effectiveness, and customer engagement. Key work program priorities include:

- Water Supply — Complete construction of Well Site #8, incorporating Aquifer Storage and Recovery (ASR) technology to enhance water supply reliability and operational flexibility.
- CHWD Infrastructure and Facilities — Advance planning for Project 2030 Water Main Replacement Program, including additional non-invasive condition assessments. Complete the Water System Master Plan and begin implementing it’s recommended projects, while continuing implementation of Facilities Modernization and Expansion (FME) projects at the Madison Avenue and Sylvan Corporation Yard sites.
- Organizational Effectiveness — Continue developing and implementing Organizational Development (OD) initiatives that empower staff, strengthen organizational capacity, and support CHWD’s long-term success.
- Customer Engagement — Continue educating and engaging customers on intergovernmental activities that may affect CHWD’s policies, operations, capital investments, finances, water efficiency, and water supply, while increasing awareness of other value-added programs and services available to customers.

District's Capital Improvement Program (CIP)

CHWD is proud that its CIP continues to be its single largest budgeted expense. The CIP focuses on water main and meter replacements, groundwater facilities, system-wide appurtenances, and other facility improvements and replacements. The CIP also includes buildings, grounds, and fleet, which support CHWD’s ongoing operations and capital improvement work programs. A summary of CHWD’s Capital Improvement Program is included in the "Capital Budget" section of the budget.

Conclusion

CHWD's 2027 budget prioritizes completing vital long-range infrastructure and asset management initiatives, expanding the groundwater program, enhancing public services and customer engagement, and sustaining strong financial reserves. It reflects the District's dedication to efficiency and fiscal responsibility.

Respectfully submitted,

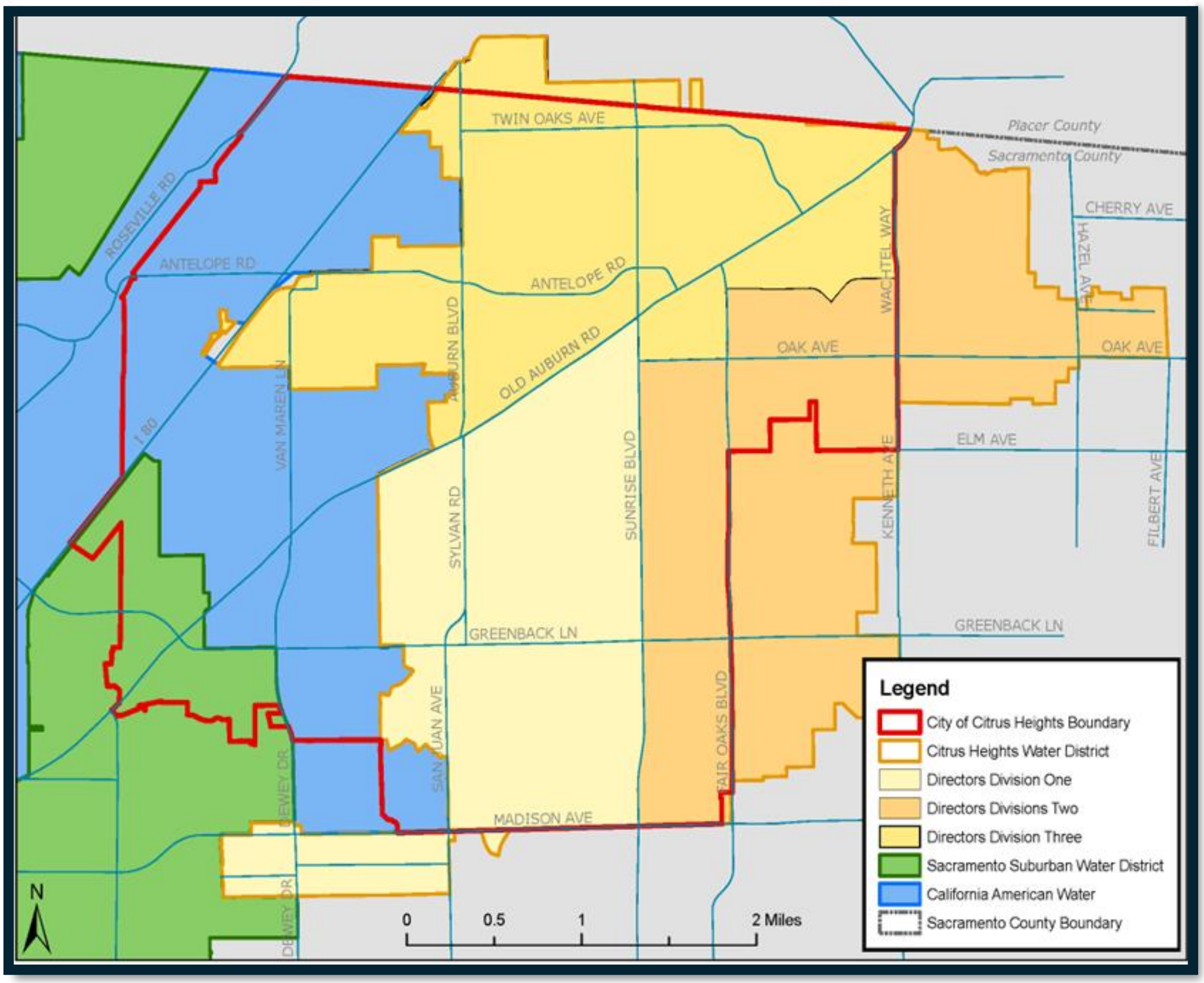
Hilary M. Straus

General Manager

About the District

The Citrus Heights Water District (CHWD or "the District") has served the community for more than a century. Established in 1920 as the Citrus Heights Irrigation District, CHWD has grown and evolved alongside the communities it serves. Today, the District provides reliable water service to approximately 70,000 residents throughout its 13-square-mile service area.

At the heart of CHWD's service is a dedicated team of skilled and motivated professionals committed to meeting the needs of customers and the community. Empowered to provide responsive, customer-focused service, CHWD staff work each day to carry out 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 Service Area

Governance and Organizational Structure

CHWD is a special district organized as an Irrigation District under the California Water Code. The District is governed by a three-member Board of Directors, with each Director elected to serve a four-year term. Elections are conducted by division, meaning each Director is elected exclusively by voters residing within the division they represent.

Beginning in 2027, CHWD will have 43 full-time equivalent employees organized across four departments: Administrative Services, Engineering, Operations, and the General Manager's Office, which includes Public Affairs. The General Manager and General Counsel are appointed by the Board of Directors and report directly to the Board.

Water Supply

In 2025, the District purchased approximately 96% of its water supply from SJWD, providing service to about 20,300 residential and commercial connections. The District's water system also includes six groundwater wells and approximately 250 miles of pipeline. CHWD has a long history of groundwater use, having treated and delivered groundwater to its customers since 1943.

Well #7

Demographic and Economic Statistics

Because demographic and economic data specific to the District's service area are not available, statistics for the City of Citrus Heights (City) and Sacramento County (County) are used as representative indicators. The District's service area encompasses portions of both the City and unincorporated Sacramento County, making data from these jurisdictions relevant to the overall conditions within the District. Additional demographic and economic statistics are presented in the "Statistical Data" section of the Budget.

Water Efficiency Programs

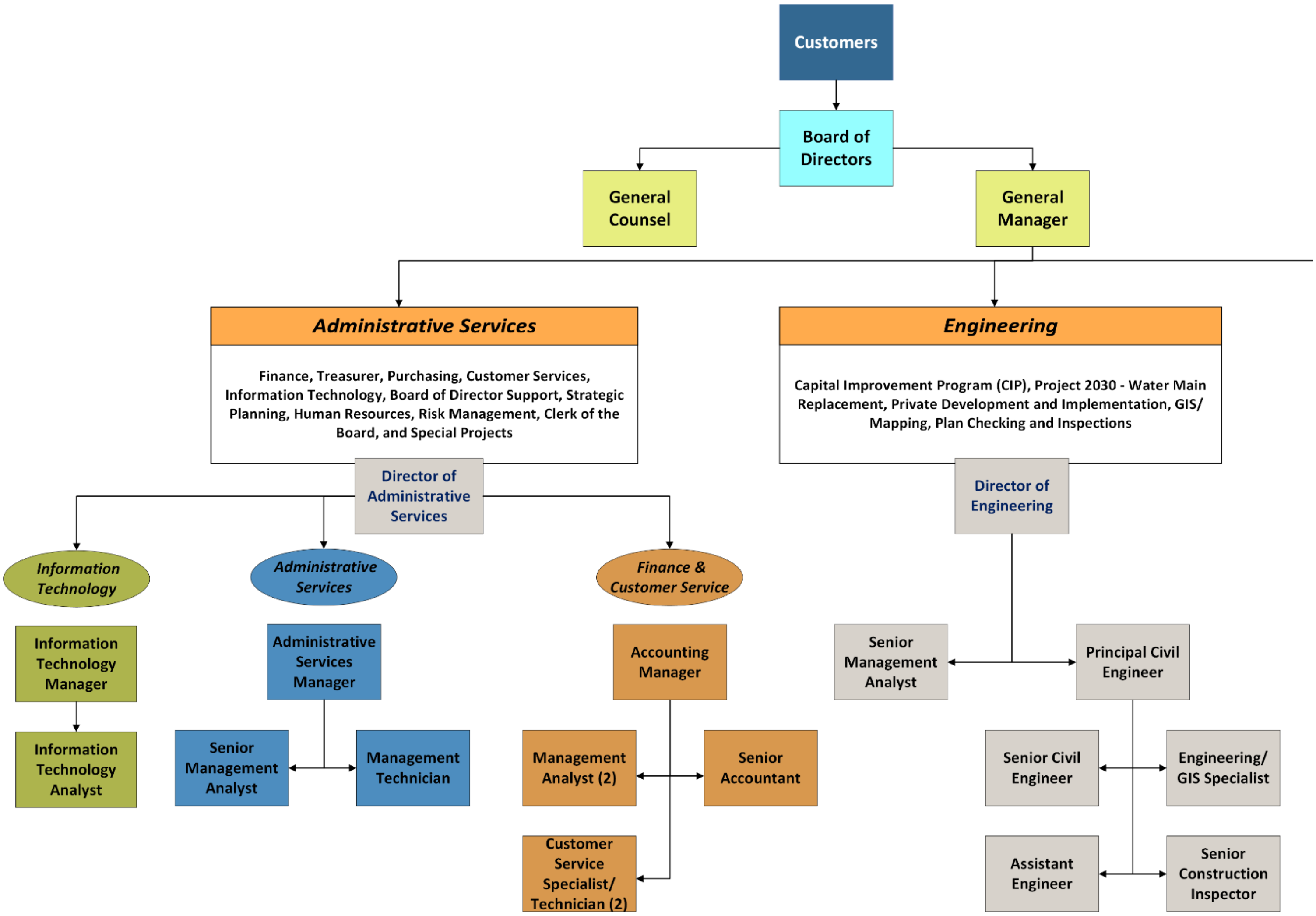
The District offers several programs to help customers use water more efficiently:

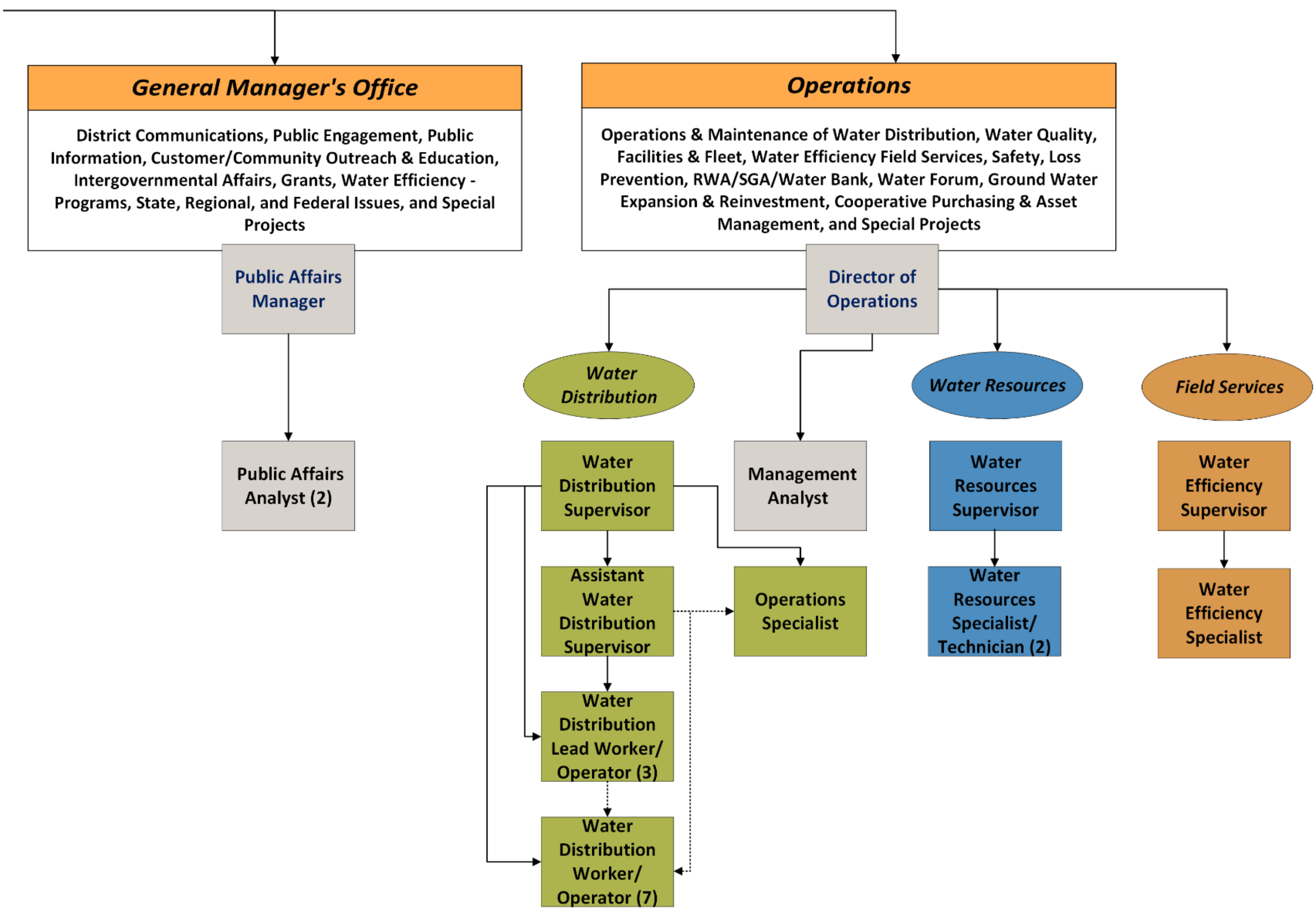
- **Water Smart Workshops** – Each year, CHWD hosts a series of free Water Smart Landscape workshops designed to help customers maintain and upgrade their landscapes using water-wise techniques. Participants learn practical tips and tools to make their homes more water-efficient. There were four workshops held in 2026.
- **Free Irrigation Efficiency Reviews** – CHWD provides no-cost Landscape Irrigation Reviews to help customers better manage and maintain their irrigation systems. After the review, participants receive a detailed report with recommendations to improve system performance and meet their landscape needs.
- **Rebate Programs** – To support water conservation, CHWD offers rebates for the purchase and installation of smart irrigation controllers, ultra-low-flush (ULF) toilets, high-efficiency washing machines, and pressure reduction valves.
- **Garden Corps:** Throughout the year, volunteers maintain the District's demonstration garden that showcases water-wise landscaping, efficient irrigation practices, and climate-appropriate plants. The garden provides customers with practical ideas and inspiration for creating beautiful, water-efficient landscapes.
- **School Programs** – CHWD partners with local schools to teach students about the importance of water efficiency and ways they can help conserve water.
    - **Poster Contest** – In collaboration with three neighboring agencies, CHWD sponsors an annual poster contest for students in grades 4–6. Participants create artwork illustrating how they use water efficiently, and a panel of judges selects the winning entries.

Poster Contest 1st Place Winner, 2026

(This page intentionally left blank)

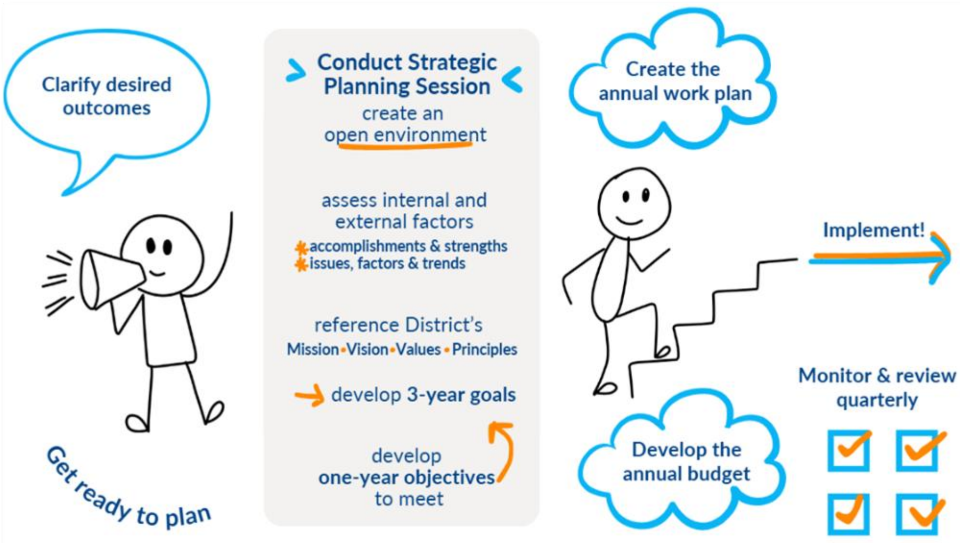
Organizational Chart




General Manager's Office
District Communications, Public Engagement, Public Information, Customer/Community Outreach & Education, Intergovernmental Affairs, Grants, Water Efficiency - Programs, State, Regional, and Federal Issues, and Special Projects
Public Affairs Manager
Public Affairs Analyst (2)
Operations
Operations & Maintenance of Water Distribution, Water Quality, Facilities & Fleet, Water Efficiency Field Services, Safety, Loss Prevention, RWA/SGA/Water Bank, Water Forum, Ground Water Expansion & Reinvestment, Cooperative Purchasing & Asset Management, and Special Projects
Director of Operations
Water Distribution
Water Resources
Field Services
Water Distribution Supervisor
Management Analyst
Water Resources Supervisor
Water Efficiency Supervisor
Assistant Water Distribution Supervisor
Operations Specialist
Water Resources Specialist/ Technician (2)
Water Efficiency Specialist
Water Distribution Lead Worker/ Operator (3)
Water Distribution Worker/ Operator (7)

Strategic Planning

Strategic planning involves establishing a vision for the future, setting a mission statement, providing direction, and defining what the organization stands for and what it has pledged to accomplish. Since 2016, CHWD has held a strategic planning workshop for the Board of Directors, management, and members of the community at-large. The purpose of the workshop is to review the District's mission statement and values, and to formulate the District's three-year goals and one-year organizational objectives which emphasize CHWD's commitment to efficiency, water supply, capital improvement and organizational wide support. The Strategic Plan forms the basis for the District's priority-based budgeting efforts.



Strategic Planning Process Overview

KEY ISSUES FOR 2027	
• Future wholesale costs and impacts on retail agencies • Economic uncertainty and inflation; increased construction costs • State and Federal Operation of Folsom Lake • Challenges and opportunities to being an employer of choice • State and Federal regulations and unfunded mandates; for example, agency water budgets, electric vehicle (EV) mandates, and conservation requirements • Cybersecurity and unknown impacts of Artificial Intelligence (AI)	• Accelerated pay-down of CHWD's California Public Employees' Retirement System (CalPERS) and Other Post-Employment Benefits (OPEB) liabilities, system changes, and city/county/district impacts • Space needs to address work programs • Impacts of Federal Policy of funding availability • Emerging water contaminant issues and increased water regulations • Changes in how information is consumed • Alternative water technologies and need for Aquifer Storage • Partnerships to reduce costs

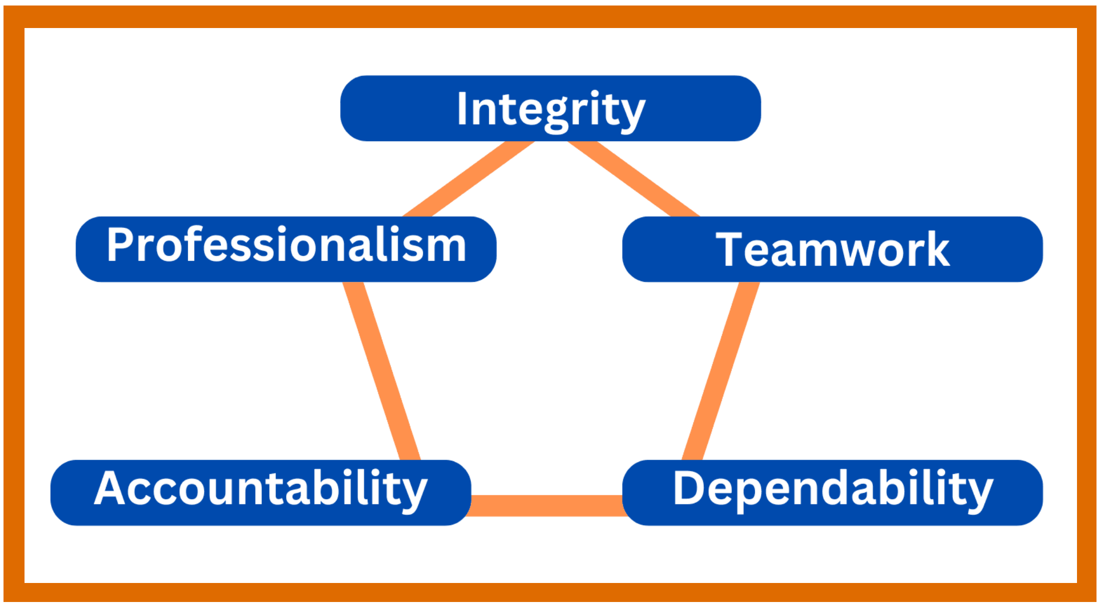
Our Mission

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

Our Vision

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

Our Values



Our Decision-Making Principles

The Mission, Vision, and Values are incorporated in the following decision-making principles upon which Board of Directors policy decisions for the District shall be made. CHWD will:

1. Educate and engage customers.
2. Protect customers from unfair cost burdens and opposing unfunded mandates.
3. Safeguard multi-generational investments in District assets and water supply sources.
4. Fulfill its purpose to advance local, community decision-making.

Strategic Plan Goals and Objectives

During the Strategic Planning session, CHWD's leadership team develops a set of goals representing the priorities that will drive the District's activities. Goals are for three years but are reviewed each year to determine whether they are still relevant for the coming budget year.

Under each goal, individual objectives are identified to address the issues that pertain to that goal.

Some key highlights for goals and objectives for the coming budget year (2027) include:

- Facilities and Infrastructures: For 2027, objectives are focused on continued condition assessment for the District's transmission and distribution mains for Project 2030, easement acquisition, completion of the District's Water System Master Plan, and construction of the District's Facilities Modernization and Expansion Project.

- Water Supply: In 2026, the objectives were focused on completing construction for Well Site #7 and completing the design and bid phase for Well Site #8, and possible acquisition of 1-2 additional properties for future well sites and storage.
  Previous objectives related to wells and property acquisition will carry into 2027, with a focus on completing 50% of the permitting process for the Aquifer Storage and Recovery (ASR) technology for Well Site #7 and 50% of construction for Well Site #8.

- Organizational Effectiveness: The Organizational Effectiveness objectives for 2027 are focused on formalizing desk manuals and standard operating procedures to ensure proper knowledge transfer, implement a file storage plan with uniform indexing and file naming guidelines, and enhancing staff cohesion through team building events, and reviewing employees' comprehensive benefit package to ensure long-term fiscal sustainability and to remain an employer of choice.

- Public Affairs: For 2027, objectives are focused on implementing a website modernization initiative, stakeholder engagement opportunities, refreshing the District key pillars to align with long-term District values and projects identified in the Water System Master Plan, and actively pursuing non-rate payer funding.

The following are the goals and objectives identified for 2027:

Strategic Plan Goal:	Manage a Dependable Water Supply and Transmission System
#	OBJECTIVES
1	Complete 50% of the Aquifer Storage and Recovery (ASR) permitting process for Well 7.
2	Complete 50% of construction for Well 8 equipping.
3	Develop a transmission main operations plan and standard operating procedures to ensure reliable system performance.
4	Prepare an engineering report that identifies and evaluates a suitable location for future water facilities.

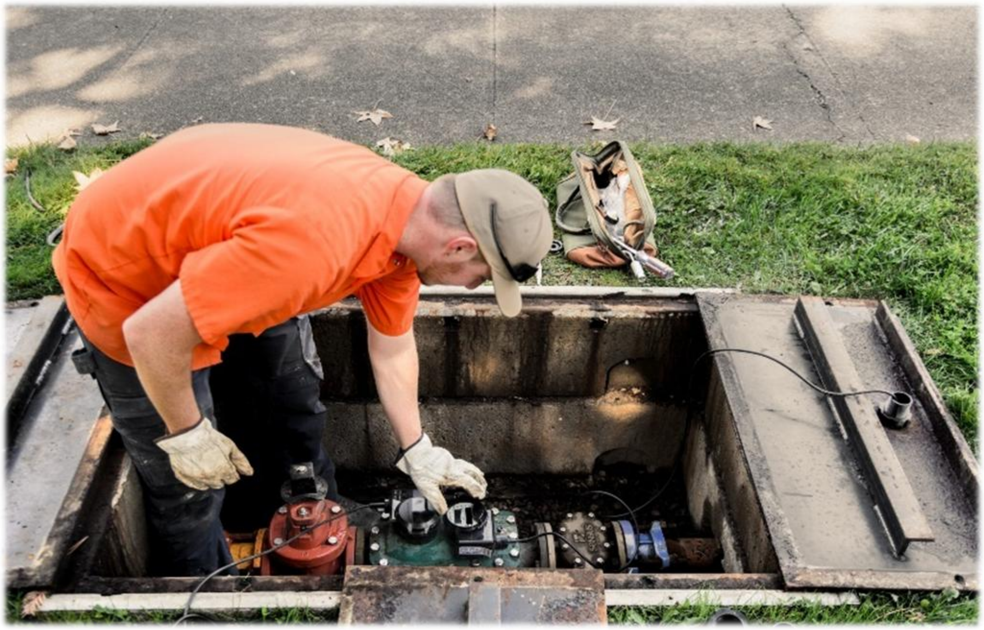
Strategic Plan Goal:	Manage, Improve, and/or Reinvest in District Infrastructure, Facilities, and Other Assets
#	OBJECTIVES
1	Project 2030 Workflow 6: Complete 100% construction of the Facilities Modernization & Expansion Project at Madison Avenue & 50% construction of the selected improvements at Sylvan Road.
2	Develop an implementation plan for the next generation of meter-reading technology based on analysis in the Water System Master Plan.
3	Project 2030 Workflow 2: Complete the Water System Master Plan and incorporate projects into the District's rate model.
4	Initiate easement acquisition on ten locations as identified by the prioritized list.

Strategic Plan Goal:	Continue Preparation to Implement the Project 2030 Water Main Replacement Program to Maintain a Reliable Water Distribution System
#	OBJECTIVES
1	Complete $2 million of water main replacement based on the Water System Master Plan recommendation and operational factors.
2	Continue non-invasive condition assessment on the 42" transmission main and initiate non-invasive condition assessment on the 24" transmission main.
3	Complete 50% of a pre-design alternative analysis on one key transmission main identified in the Water System Master Plan.

Strategic Plan Goal:	Promote Organizational Effectiveness and Best Practices to Local Government
#	OBJECTIVES
1	Implement a file storage plan; complete a migration of 50% of the local shared drive to a cloud-based platform to strengthen data security, and update related administrative procedures to provide uniform indexing and naming guidelines for the file structure.
2	Identify critical processes and develop desk manuals for at least 16 processes, prioritizing high-risk or high-frequency tasks, to minimize the impact of staff turnover and ensure uninterrupted service delivery.
3	Continue the organizational development program, focusing on: • Enhancing staff cohesion through quarterly team-building events • Reviewing the employees’ comprehensive benefit package to ensure long-term fiscal sustainability and to remain an employer of choice.
4	Execute a digital adoption campaign across four community engagement events to encourage customer transition to paperless billing and improve payment processing efficiency.
5	Promote industry visibility and leadership by submitting at least one speaker proposal to a professional association

	(ACWA, CSDA, CAPIO, RWA, ACWA JPIA, etc.) to feature a presentation on organizational best practices, for example: sharing our ERP implementation experience and lessons learned by the implementation team.

Strategic Plan Goal:	**Execute Public Affairs Initiatives That Increase Customer Awareness, Participation, and Support our Priorities and Programs**
#	**OBJECTIVES**
1	Website Modernization: transition the CHWD website to a .gov domain; aim to achieve Web Content Accessibility Guidelines 2.1 Level AA compliance; and improve security, accessibility, navigation, and overall user experience.
2	Stakeholder Engagement: implement stakeholder engagement through programs and conduct at least two engagement activities annually, to obtain stakeholder input for potential integration into organizational decision-making.
3	Alternative Funding: implement our alternative funding strategy by actively pursuing grants, low-interest loans, and/or other external funding sources, submitting at least two applications annually to increase external funding sources.
4	Market Research & Evaluation: conduct one statistically valid customer market research study and at least one targeted evaluation survey annually to measure awareness, favorability, and effectiveness of key initiatives, and use findings to inform the following year's Public Affairs strategy.
5	Key Pillar Refresh: refresh the key pillars to align with long-term District values and core projects identified in the Water System Master Plan.



CHWD serves a predominantly residential community, with approximately 84% of residential customers served by 1-inch meters. The District also serves several commercial centers located within its boundaries. As the service area is largely developed, substantial revenue growth associated with new development is not expected.

Over time, the District expects modest revenue growth from limited infill residential and commercial development. These increases, however, are likely to be tempered by relatively flat—or potentially declining—overall water demand.

As an enterprise-funded Irrigation District, CHWD relies entirely on customer rates and fees to fund its operations, rather than tax revenues. The District's operating revenues are generated primarily through water sales and bimonthly service charges. Since 2013, customers have significantly reduced water consumption in response to statewide drought requirements and ongoing conservation efforts. The resulting decline in water use has affected projected revenues, reinforcing the need for annual rate evaluations and regular updates to the District's financial model.

CHWD and its wholesale water supplier, SJWD, continue to respond to operational and financial pressures associated with evolving regulatory requirements. As discussed in the Transmittal Letter, wholesale water rates charged to CHWD are anticipated to increase further. The costs associated with existing and future regulatory mandates, together with rising wholesale water costs, continue to present financial challenges for the District's water supply operations.

Under the adopted 2026 rates, a typical CHWD customer with a 1-inch meter using 20 units of water per month—approximately 14,960 gallons—would have an average monthly bill of

$100.23. At this level of use, CHWD's water bill remains competitive and below the Sacramento region's average.

The District remains committed to maintaining and modernizing its aging infrastructure through significant capital investment. Between January and June 2026, CHWD completed 50 water meter replacements, 345 water meter register replacements, 10 valve replacements, and eight fire hydrant replacements, while also installing or replacing approximately 2,379 feet of water main.

Several major water main projects are scheduled to reach important milestones during 2026. Construction is planned for completion on the Auburn Boulevard–Rush Park, Greenback Lane to Birdcage Street, Donnawood, and Sayonara Drive Water Main Projects. Work on the Sagitarius Way & Pleides Avenue Water Main Project is expected to near completion, while construction began on the Greenback–Sunrise Boulevard Water Main Project.

Looking ahead to 2027, the District plans to initiate design and/or construction activities for at least two additional water main projects. Construction of Well #8 is also expected to be completed, along with Phase 1 of the Facilities Modernization and Expansion Project. In total, the District's planned capital investment for 2027 is $24.9 million, including $12.1 million in project budgets carried forward from 2026.

Long-Term Financial Planning

CHWD uses several integrated planning tools to support long-term financial sustainability, infrastructure investment, and reliable water service. Together, these plans help the District anticipate future needs, establish funding priorities, and align financial resources with strategic goals.

- **Project 2030 Water Main Replacement Plan** – Developed through the strategic planning process, Project 2030 provides a long-term framework for addressing aging water main infrastructure. The plan also supports customer engagement by communicating existing infrastructure challenges, planned replacement efforts, and the investments needed to maintain a reliable water supply.
- **Capital Improvement Plan** – Guided by the Strategic Plan, the Capital Improvement Plan (CIP) identifies the timing and estimated costs of major infrastructure investments, including production and water supply facilities identified in the 1999 Facilities Master Plan. The CIP provides a 30-year outlook to guide long-term capital investment and funding decisions. With most projects identified in the 1999 Facilities Master Plan nearing completion, the District is updating its Water System Master Plan in 2026 to identify and prioritize future system needs.
- **10-Year Financial Plan** – The 10-Year Financial Plan forecasts the District's revenues, operating and maintenance expenses, capital investments, and reserve levels. Updated annually, the plan incorporates changes in customer water use, capital improvement needs, and water supply plans. It serves as an important tool for evaluating the District's long-term financial outlook and informing current and future CHWD budgets. Additional information about the underlying financial model is provided in the Financial Model section of the budget.
- **Annual Budget** – The annual budget translates the District's strategic and long-term financial priorities into a one-year operating and capital plan. Each year, staff from across the District collaborate to develop a proposed budget for review and adoption by the Board of Directors before the beginning of the fiscal year. The budget includes projected revenues, operating and capital expenditures, and reserve transfers. Using a priority-based budgeting approach, the annual budget aligns financial resources with CHWD's strategic priorities.

Budget Overview

Table 1

	2026 Adopted Budget	2027 Proposed Budget	Increase/ (Decrease)
Operations & Maintenance	$6,749,687	$9,182,827	$2,433,140
Purchased Water	3,283,400	3,397,810	114,410
Salaries and Benefits	8,220,715	9,416,167	1,195,452
Contribution to Reserves	2,900,000	2,572,000	(328,000)
Capital Improvement Program	25,843,756	24,951,778	(891,978)
	$46,997,558	$49,520,582	$2,523,024

Table 1 summarizes the proposed changes in spending for the District's 2027 base budget.

Operations and maintenance expenses are projected to increase, primarily reflecting continued planning and implementation of Project 2030 – Water Main Replacement Program and the District's second-generation water meter replacement project. Key activities include expanded non-invasive condition assessments, completion of a condition assessment and alternatives analysis for a key water main, and the initial phase of second-generation water meter replacements.

The 2027 Proposed Budget includes $3.40 million for purchased water, an increase of $114,410 over the 2026 Adopted Budget. Purchased water continues to represent the District's largest single expenditure. According to SJWD's 2023 Wholesale Water Rate Study Report, released in January 2024, wholesale water rates are projected to increase over the next several years. Under the new Wholesale Water Rate Model, approximately 83% of the total wholesale water charge is fixed, limiting the District's ability to reduce these costs through changes in water demand.

Salary and benefit costs are projected to increase, primarily due to rising employer expenses, including pension contributions and health insurance premiums. The budget also includes funding for one new Full-Time Equivalent (FTE) position added during the 2026 budget year, as well as full-year funding for a position that was only partially funded in 2026. These staffing investments are intended to strengthen operational capacity and support ongoing service needs.

Budgeted contributions to reserves include the transfer of Project 2030 Dedicated Charge revenues to the Water Main Replacement Reserve in preparation for implementation of the Project 2030 Water Main Replacement Plan. Interest earnings generated by the Reserve will be retained within the Reserve to support future project costs. Funded through the Project 2030

Dedicated Charge, this initiative will significantly increase the District's annual investment in water main replacement and infrastructure renewal.

Beginning in 2026, the District implemented a comprehensive funding strategy to promote intergenerational equity by aligning the cost of long-term capital investments with the customers who benefit from those investments over time. The strategy uses financing tools to distribute these costs across both current and future customers. Up to $21 million in financing proceeds has been incorporated into the 2026 and 2027 budgets, including $14.35 million reflected in the 2027 Budget as Other Resources.

As part of the District's funding strategy, $172,000 from the 2027 Budget will be transferred to the Debt Service Reserve. The District plans to build this reserve gradually to an amount equivalent to one year of annual debt service payments. Establishing and maintaining this reserve will enhance the District's capacity to meet future debt obligations and strengthen its long-term financial stability.

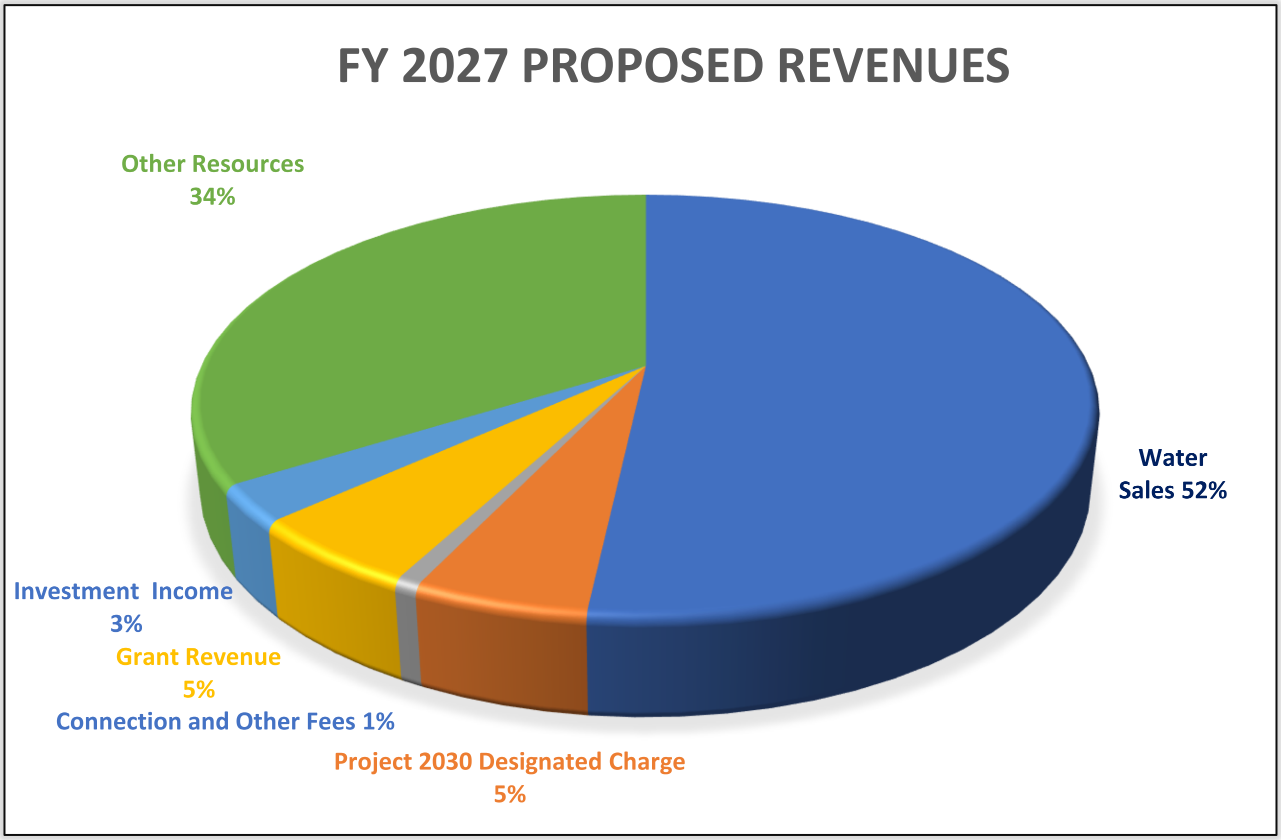
Financial Highlights

Projected Revenue:

As an Irrigation District, in a typical year, water service revenues account for more than 95 percent of the District's total revenues, excluding grants and financing proceeds. Water sales are projected to provide 52% of the total 2027 budgeted sources, and the Project 2030 Dedicated Charge is projected to provide an additional 5%. Together, these ratepayer-supported sources represent approximately 57% of total budgeted sources. At the same time, strategic efforts to diversify revenue sources have strengthened other funding streams, particularly Grant Revenues and Investment Earnings, which together represent approximately 8% of the FY2027 budget. The budget includes a new congressional grant in the amount of $746,868 that will provide funding for two identified water main replacement projects.

In addition, financing proceeds associated with the District's comprehensive funding strategy are included in the FY2027 Revenue Budget. These proceeds provide an important source of funding for capital investments and support the District's objective of promoting intergenerational equity. Although presented as part of budgeted revenues, financing proceeds are classified as financing sources rather than operating revenues and represent approximately 34% of total FY2027 budgeted revenues.

Table 1b



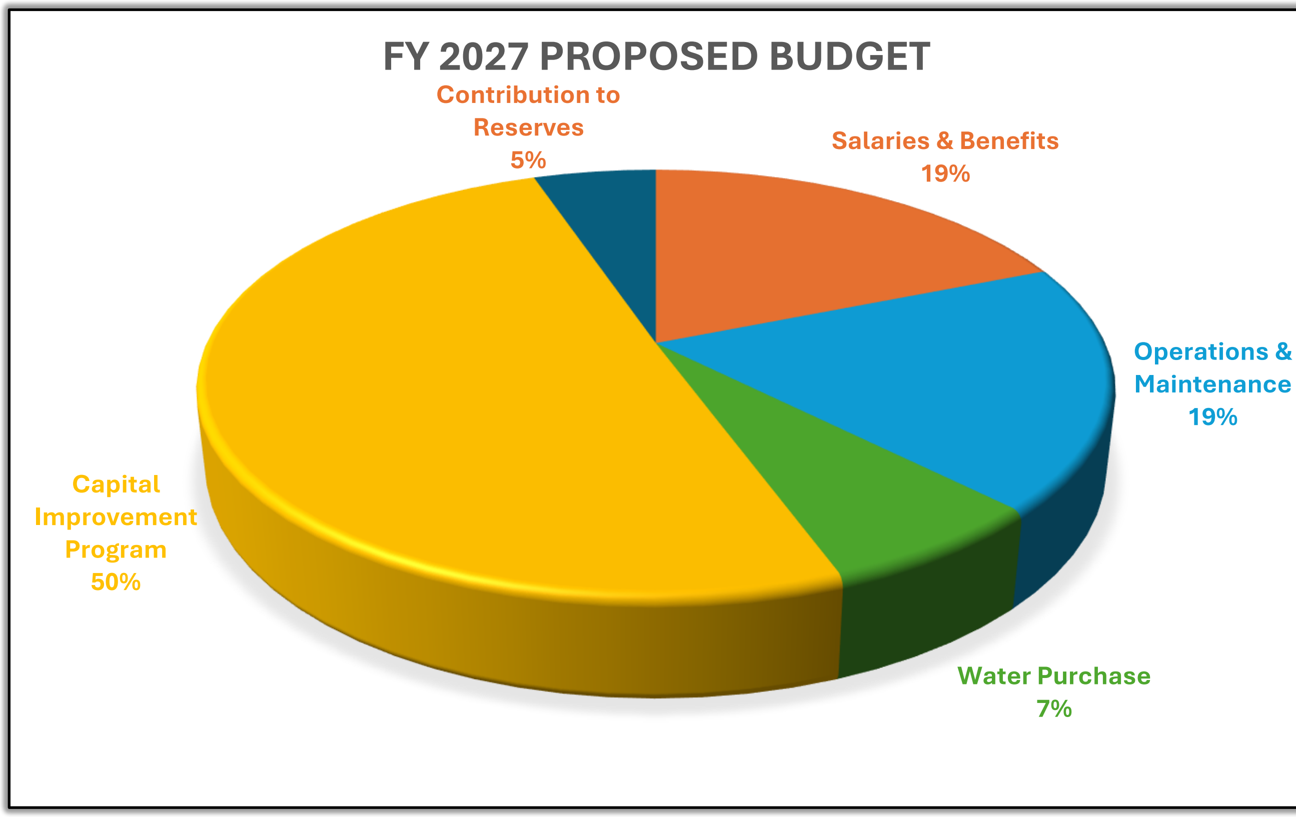
Operating Budget:

The proposed 2027 Operating Budget totals $22 million, encompassing Salaries & Benefits, Operations & Maintenance, and Water Purchase. This represents an increase of approximately $3.7 million over the 2026 Adopted Budget. An additional $2.57 million is budgeted as contributions to Reserves.

The year-over-year increase primarily reflects the following investments and funding commitments:

- Implementation of Strategic Plan initiatives and special projects identified by the Board as priorities for 2027.
- Funding to advance the Board's fourth guiding pillar, "Protect Our Water."
- Full-year funding for two positions onboarded during 2026.
- A $1.3 million annual intergenerational funding contribution/financing payment for capital projects.
- A $172,000 transfer to the Debt Service Reserve to strengthen long-term funding capacity and support future debt service obligations.

Table 1c



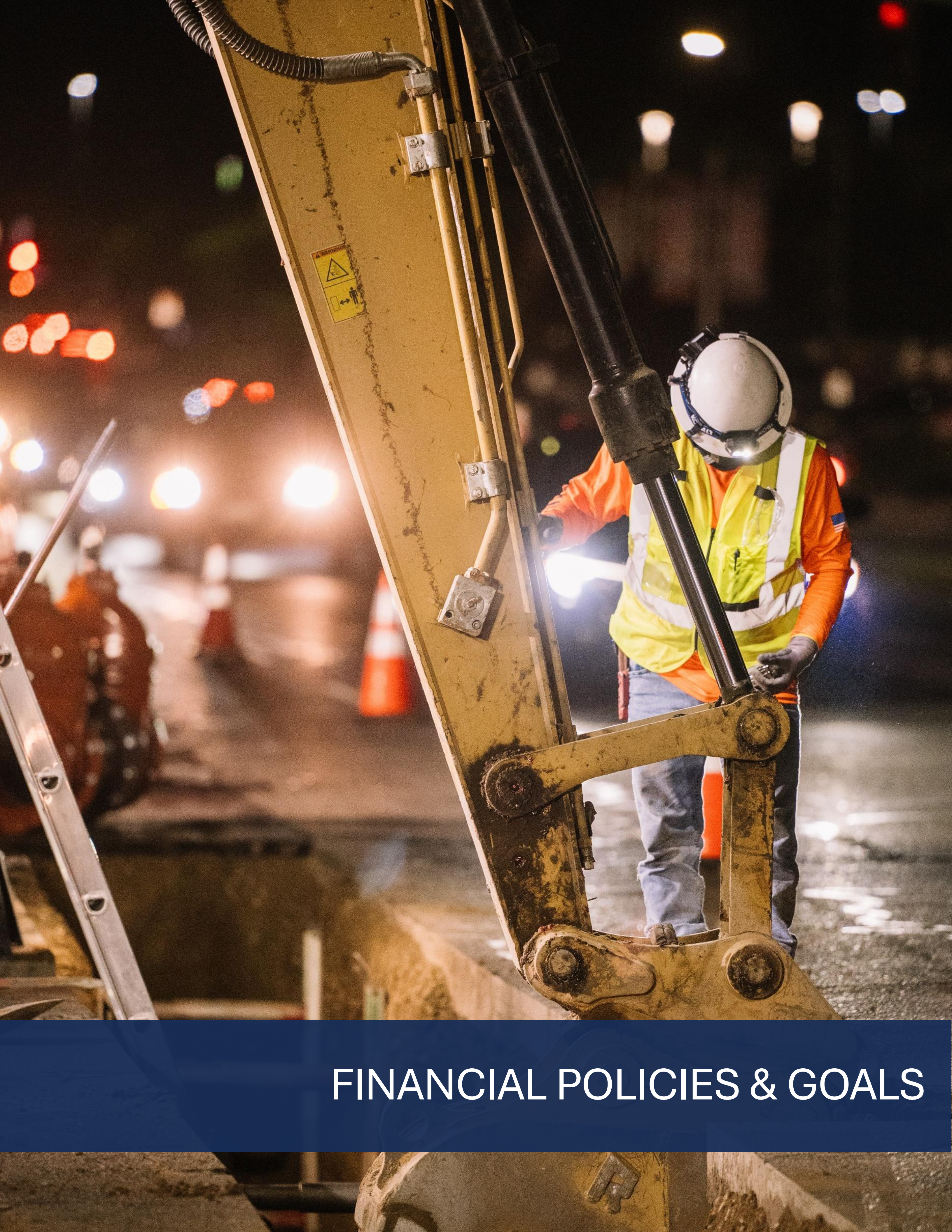
Capital Improvement Budget:

The District's proposed 2027 Capital Improvement Program (CIP) budget totals approximately $24.9 million, including $12.1 million in funding carried forward from 2026. Key investments include:

- Groundwater Wells: Approximately $4.7 million is budgeted to complete construction of the District's eighth groundwater well (Well #8). The District has secured $6.6 million in State and Federal funding toward the construction of Wells #7 and #8. Given the limited availability of external funding, the District continues to actively pursue grant and other non-ratepayer funding opportunities whenever possible.
- Water Main and Operational Projects: The 2027 CIP includes approximately $2.8 million for ongoing water main projects and $2.4 million for annual operational capital improvements, supporting the continued reliability and performance of the District's water system.
- Infrastructure and Facilities: Investment in Project 2030, the District's Facilities Modernization and Expansion (FME) initiative, will continue to be a major focus in 2027.

Approximately $13.6 million is budgeted for improvements at the Madison Avenue and Sylvan Corporation Yard sites, including $6.3 million carried forward from 2026.

(This page intentionally left blank)

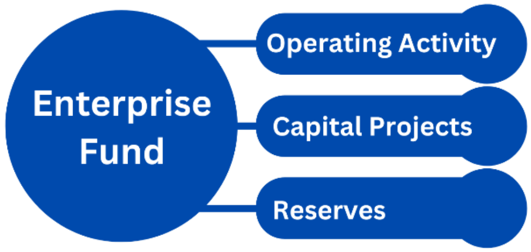


FINANCIAL POLICIES & GOALS

(This page intentionally left blank)

Accounting and Budget Structure

Fund Structure



CHWD operates as an enterprise fund with a fiscal year that begins January 1 and ends on December 31. The District operates with one major fund on the accrual basis of accounting. Generally accepted accounting principles (GAAP) require local governments to use a proprietary-type fund, such as an enterprise fund, to account for business-type activities similar to those found in the private sector. An enterprise fund is one in which the expenditures are supported by fees collected primarily through charging users in exchange for services. CHWD operations are supported almost entirely by fees collected from customers in exchange for providing water service, including providing customer service, continuously working to maintain and repair the District's infrastructure, and providing a dependable supply of clean, safe water.

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.

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 Annual Comprehensive Financial Report. As part of the budget process the financial model is updated annually to analyze revenue and expenses along with capital improvements; more information regarding the District's financial model is provided in the "Financial Model" section.

CHWD defines a balanced budget as one in which current revenues meet or exceed current expenditures, though the District may also consider the use of reserves and other financing resources as appropriate to maintain balance.

Financial Model

The Government Finance Officers Association of the United States and Canada (GFOA) recommends that government agencies prepare multi-year forecasts of revenues and expenditures as part of the budget process. This practice is considered a key component of sound financial management and long-term planning.

In 2013, the District partnered with NBS Government Finance Group to develop a ten-year financial model, which was first utilized in preparing the 2014 Annual Budget. The model incorporates historical and projected revenues and expenditures, economic and demographic trends, and cash flow assumptions to estimate the District's financial position over time.

This modeling approach supports the development of appropriate service rates to achieve targeted financial outcomes. Often referred to as priority-based budgeting, this method helps define organizational goals, establish spending priorities, and ensure the best possible value for ratepayers.

In 2019, the District engaged Raftelis Financial Consultants to update the financial model, which was subsequently refined with assistance from IB Consulting. Regularly updating the model's assumptions and inputs is considered best practice, as conditions and financial factors evolve over time. During this update, the District also reexamined its rate structure to confirm that cost allocations remained equitable across different meter sizes.

The analysis concluded that adjustments to the fixed portion of the rate structure were necessary to better reflect the actual demand each meter size places on the water system. The updated financial model, including the rate calibration component, was presented to the Board of Directors in August 2019.

Five-Year Forecast

Table 2 illustrates the District's projected revenues and expenditures over the 2026–2030 period. The forecast assumes steady revenues in the absence of rate increases. Expected increases in operating costs follow the 10-year average Consumer Price Index (CPI) for San Francisco, while construction cost growth reflects the 5-year average Engineering News Record Construction Cost Index (ENRCCI) for San Francisco.

Table 2

	2025 Actual	2026 Estimated	2027 Proposed	2028 Projected	2029 Projected	2030 Projected
Revenues						
Water Sales	$ 21,487,146	$ 22,487,000	$ 21,890,000	$ 21,890,000	$ 21,890,000	$ 21,890,000
Connection and Other Fees	$ 428,148	$ 306,000	$ 306,000	$ 306,000	306,000	306,000
Project 2030 Dedicated Charge	$ 2,105,017	$ 2,261,000	$ 2,261,000	$ 2,261,000	2,261,000	2,261,000
Grant Revenue	$ 4,545,958	$ 500,000	$ 2,300,910	-	-	-
Other Resources	$ -	$ 6,650,000	$ 14,350,000	$ -	4,000,000	-
Investment and Other Income	$ 1,694,419	$ 1,200,000	$ 1,200,000	$ 1,200,000	$ 1,200,000	$ 1,200,000
Total Revenues	**30,260,687**	**33,404,000**	**42,307,910**	**25,657,000**	**29,657,000**	**25,657,000**
Expenses						
Salaries and Benefits	7,361,340	7,780,996	9,416,167	10,561,982	11,239,119	12,369,523
Water Purchases	3,102,837	3,283,400	3,397,810	3,283,400	3,283,400	3,283,400
Other Operating & Maintence Costs	8,204,020	6,383,098	7,855,247	7,204,814	7,888,501	8,648,679
Debt Service	43,713	170,788	1,327,580	1,327,580	1,527,580	1,527,580
Transfers to Reserves	2,200,000	2,900,000	2,572,000	2,546,000	2,546,000	2,546,000
Total Expenses	**20,911,909**	**20,518,282**	**24,568,804**	**24,923,776**	**26,484,600**	**28,375,182**
Operating Income before Capital Outlay	9,348,778	12,885,718	17,739,106	733,224	3,172,400	(2,718,182)
Capital Outlay	10,148,075	12,242,690	24,951,778	5,456,689	10,378,745	10,121,394
Beginning Net Position	**23,243,226**	**24,643,927**	**28,186,953**	**23,546,281**	**21,368,816**	**16,708,471**
Operating Revenues	30,260,687	33,404,000	42,307,910	25,657,000	29,657,000	25,657,000
Operating Expenses	(18,711,909)	(17,618,282)	(21,996,804)	(22,377,776)	(23,938,600)	(25,829,182)
Capital Outlay	(10,148,075)	(12,242,690)	(24,951,778)	(5,456,689)	(10,378,745)	(10,121,394)
Ending Net Position	**$ 24,643,927**	**$ 28,186,953**	**$ 23,546,281**	**$ 21,368,816**	**$ 16,708,471**	**$ 6,414,895**

This forecast reflects the easing impact of lower inflation on operating costs, though inflation remains higher than in previous years. At the same time, construction expenses are expected to rise, mainly due to increasing material costs. Together, these factors shape the District's overall financial outlook.

The forecast continues to focus on key goals: building up the Water Main Replacement Reserve to prepare for future main replacement projects outlined in the Project 2030 Water Main Replacement Study, maintaining healthy reserve balances, and supporting the construction of the District's groundwater wells.

CHWD’s Budget Process

The District’s budget process begins with a Strategic Planning meeting, typically held in May through July of the preceding year. The Board adopted the current Strategic Plan for 2027 in June 2026. Guided by the 10-year financial model, the Administrative Services Department prepares the District’s revenue budget with input from department managers and supervisors across CHWD. Meanwhile, the Engineering and Operations Departments review the 30-year Capital Improvement Plan and short-term priorities to develop the annual capital budget.

Using the goals and objectives established by the Board of Directors, CHWD leadership, and community stakeholders, each department drafts an operating budget, which is then reviewed by the General Manager. The draft budgets are presented to the Board in August or September during a study session, along with any recommended rate adjustments.

Following the presentation, the Board provides direction to District staff—either requesting revisions or authorizing continuation of the budget process. Once authorized, staff finalize the proposed budget and, if required, issue a customer notice in accordance with California Proposition 218 (Prop 218), outlining the maximum rate adjustment under consideration for a public hearing. The final budget is then presented for Board approval at a public hearing.

Budget Amendments/Adjustments

Throughout the fiscal year, adjustments to line items in the operating or capital budgets may be necessary. These adjustments can include transferring funds between operating accounts, among capital projects, or between operating and capital budgets. The General Manager has authority over budgetary control within the limits established by CHWD’s Financial Policies. Any transfers or amendments that exceed the General Manager’s authority require approval from the Board of Directors.

Budget Controls

The Administrative Services Department oversees regular budget monitoring through detailed budget-to-actual analyses for both operating and capital budgets, supplemented by purchase order tracking for major expenditures. Budget to actual comparison reports are also reviewed by the General Manager and executive team and are submitted to the Board of Directors each month.

2027 Budget Development Schedule

Table 3

Item	Start	Due Date
Strategic Planning	5/20/26	5/20/26
Departments work on Operating & Maintenance (O&M) and Capital Budgets for 2027	6/4/26	6/25/26
Finance team and Department Heads review and assemble requested information	6/25/26	7/10/26
Prepare workshop staff report and presentation Finalize slides for Workshop	7/10/26	7/28/26
Calculate and Develop 2027 Misc. Charges and Fees	7/10/26	7/28/26
Budget Workshop	7/28/26	7/28/26
Public Outreach	Mid August	Mid October
Present Proposed Budget, Rate and Fees to Board of Directors at Public Hearing	8/19/26	8/19/26

Financial Policies

CHWD's financial policies encompass the District's key financial management practices that guide both operational and strategic decision-making. They also provide a framework for the Board of Directors and community stakeholders to evaluate the District's financial performance and ensure fiscal accountability. These policies are reviewed annually to address minor updates or major shifts in financial priorities, as determined by the Board. A comprehensive review and update of the financial policies was completed in 2020, with subsequent annual revisions reflecting the most recent changes.

Basis of Presentation – Fund Accounting: The District's basic financial statements are prepared in accordance with generally accepted accounting principles (GAAP) applicable to governmental entities. The Governmental Accounting Standards Board (GASB) establishes these principles as the authoritative standards-setting body for governmental accounting and financial reporting. The District is accounted for as an enterprise fund and adheres to all relevant GASB pronouncements in its accounting and financial reporting. The District's significant accounting policies are summarized below.

Investment Policy: The Board has adopted an Investment Policy that complies with state law, CHWD ordinances and resolutions, principles of prudent money management, and the "prudent person" standard. The policy's primary objectives are safety, liquidity, and yield. Currently, District funds are invested in a range of securities authorized under this policy. CHWD remains committed to maximizing returns and adapting to changing market conditions within the limits of local government investment regulations.

Reserves Policies: The District maintains ten reserve accounts, each governed by policies that support both daily operations and long-term capital improvement programs. These funds are dedicated to maintaining, repairing, replacing, and improving water system infrastructure. Strong reserve levels, paired with prudent financial policies, ensure flexibility to manage unexpected costs or revenue changes.

Debt Management Policy: Adopted in March 2026, the Debt Management Policy establishes several key objectives to guide the District's debt management practices, including maintaining affordable and stable water rates over time, promoting intergenerational equity by aligning the cost of long-lived assets with the customers who benefit from them, preserving strong financial management and liquidity, and maintaining compliance with bond covenants, disclosure requirements, and financing agreements. The policy also supports maintaining or improving the District's credit quality and ensuring that debt issuance remains consistent with the District's Capital Improvement Plan and long-term financial forecasts.

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 funds are received but not earned, they are recorded as unearned revenue until earned. Earned but unbilled water services are accrued as revenue.

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 are capitalized as donated pipelines at acquisition cost.

Operating revenues and expenses consist of revenues and expenses that result from the ongoing principal operations of the District. Primary operating revenues are from charges for services. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from non-exchange 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 authorized by CHWD's Investment Policy.

Restricted Assets: Certain proceeds of the District's long-term debt are classified as restricted investments on the balance sheet when applicable 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.

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.

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

Capital Assets: Capital assets are tangible, personal property with a value of at least $10,000 and a useful life of more than one year; any addition to the District's infrastructure for conveyance, treatment, pumping, or production of water with a value greater than $25,000 and a useful life of more than one year or any construction project, building, land, or improvement upon land with a value greater than $15,000 and a useful life greater than one year.

Capital assets are recorded at historical cost. Donated capital assets, works for art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. Self- constructed assets are recorded based on the amount of direct labor, material, and certain overhead charged to the asset construction calculated using the straight-line method, using the estimated useful lives in Table 4.

Table 4

Asset Category	Estimated Useful Life
Buildings	30–50 years
Pipelines	40–75 years
Wells	25–40 years
Tanks	40–60 years
Pump Stations	25–40 years
Treatment Equipment	15–30 years
Vehicles	5–10 years
Equipment	3–15 years
IT Systems	3–10 years

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.

Debt Management

While the District has historically relied on a pay-as-you-go approach to funding capital improvements, the scale and long-term benefits of planned infrastructure investments support the strategic use of debt financing. The District is currently evaluating a potential debt issuance within the next 6 to 12 months to provide sufficient funding for priority capital projects, including the Facilities Modernization and Expansion Project - Workflow #6 of the 2030 Water Main Replacement Program.

Incorporating debt financing as part of a balanced capital funding strategy will help preserve the District's financial flexibility, moderate near-term impacts on current customers, and more equitably allocate the cost of long-lived infrastructure across the generations of customers who will benefit from these investments.

All District debt obligations are secured by net revenues of the water system. Under existing debt covenants, the District may not issue additional obligations that are senior in priority to its outstanding parity obligations.2012 Revenue Refunding Bonds: In April 2012, the District issued $2,275,000 in Revenue Refunding Bonds to retire the 2003 Certificates of Participation, which had been issued to finance certain capital improvements to the District's water system.

As of June 30, 2026, the outstanding principal balance of the 2012 Revenue Refunding Bonds was $980,000. Annual debt service payments, including principal and interest, range from approximately $169,000 to $176,000 and are payable semiannually on February 1 and August 1 through February 1, 2033.

In July 2026, the Board directed staff to proceed with the early retirement of the outstanding debt. Staff are currently preparing the required documentation and coordinating the payoff process. Full repayment of the outstanding bonds is anticipated before the end of 2026.

OPERATING BUDGET

(This page intentionally left blank)

Operating Revenue, Expense, and Net Position

Operating Budget

Table 6

	2025 Actual	2026 Adopted	2026 Estimated	2027 Proposed
Revenues				
Water Sales	21,487,146	$ 23,138,948	$ 22,487,000	$ 21,890,000
Connection and Other Fees	428,148	443,469	$ 306,000	306,000
Project 2030 Dedicated Charge	2,105,017	2,260,833	$ 2,261,000	2,261,000
Grant Revenue	4,545,958	1,500,000	$ 500,000	2,300,910
Other Resources	-	13,000,000	$ 6,650,000	14,350,000
Investment and Other Income	1,694,419	1,000,000	$ 1,200,000	1,200,000
Total Revenues	**30,260,687**	**41,343,250**	**33,404,000**	**42,307,910**
Expenses				
Salaries and Benefits	7,361,340	8,220,715	$ 7,780,996	9,416,167
Other Operating & Maintence Costs	8,204,020	6,749,687	$ 6,383,098	7,855,247
Water Purchase	3,102,837	3,283,400	$ 3,283,400	3,397,810
Debt Service	43,713	170,788	$ 170,788	1,327,580
Total Operating Expenses	18,711,909	18,424,590	17,618,282	21,996,804
Transfers to Reserves	2,200,000	2,900,000	2,900,000	2,572,000
Total Expenses	**20,911,909**	**21,324,590**	**20,518,282**	**24,568,804**
Operating Income before Capital Outlay	9,348,778	20,018,660	12,885,718	17,739,106
Capital Outlay	10,148,075	25,843,756	12,242,690	24,951,778
Net Change in Fund Balance				
Operating Revenues	30,260,687	41,343,250	33,404,000	42,307,910
Operating Expenses	(18,711,909)	(18,424,590)	(17,618,282)	(21,996,804)
Capital Outlay	(10,148,075)	(25,843,756)	(12,242,690)	(24,951,778)
Ending Net Position	**$ 24,643,929**	**$ 23,642,375**	**$ 28,186,956**	**$ 23,546,284**

As a special district organized under the California Irrigation District Law, CHWD does not collect property or sales taxes and relies primarily on revenues generated from providing water service. In a typical year, water service revenues account for more than 95 percent of the District's total revenues, excluding grants and financing proceeds.

In 2015, the State of California instituted mandatory conservation requirements in response to a historic drought. This resulted in a reduction in water usage by the District's customers of 18% in 2015 and 33% compared to 2013. Since then, CHWD customers have continued to conserve water as a long-term lifestyle change.

A historical comparison of water consumption is provided in Table 7.

Table 7

Year	Surface Water Use (Acre Feet)	Groundwater Use (Acre Feet)	Total Water Use (Acre Feet)	Increase/Decrease
2025	10,354	346	10,700	-7%
2024	10,783	687	11,470	6%
2023	9,719	1,124	10,843	-6%
2022	7,968	3,597	11,565	-4%
2021	7,749	4,334	12,084	-3%
2020	11,012	1,473	12,484	9%
2019	11,068	359	11,427	-3%
2018	9,941	1,842	11,783	1%
2017	10,910	713	11,623	8%
2016	9,597	1,173	10,769	8%

Consumption is monitored monthly and compared to prior years to identify trends. Future consumption is estimated using trend analysis, combined with projections from consulting firm Harris & Associates, developed during their work on the Project 2030 Water Main Replacement Study. These projections guide CHWD's long-term planning for water demand and infrastructure needs.

Water Rates

The District's rates are composed of three parts: a fixed bimonthly charge, a fixed bimonthly dedicated charge, and a variable, volumetric portion applied to actual consumption in Table 8.

Table 8

	2024	2025	2026	2027
Consumption (per unit ccf)				
Per Unit CCF (No Tiers)	$1.60	$1.35	$1.38	$1.38
Service Charge (bimonthly)				
Commercial/Domestic/Irrigation 3/4"	$55.71	$72.77	$71.57	$71.57
Commercial/Domestic/Irrigation 1"	101.28	120.05	128.00	128.00
Commercial/Domestic/Irrigation 1-1/2"	177.23	198.85	222.05	222.05
Commercial/Domestic/Irrigation 2"	268.37	293.41	334.91	334.91
Commercial/Domestic/Irrigation 3"	556.98	592.85	692.30	692.30
Commercial/Domestic/Irrigation 4"	982.30	1,034.13	1,218.98	1,218.98
Project 2030 Designated Charge (bimonthly)				
Commercial/Domestic/Irrigation 3/4"	$4.20	$6.90	$6.90	$6.90
Commercial/Domestic/Irrigation 1"	10.50	17.25	17.25	17.25
Commercial/Domestic/Irrigation 1-1/2"	21.00	34.50	34.50	34.50
Commercial/Domestic/Irrigation 2"	33.59	55.20	55.20	55.20
Commercial/Domestic/Irrigation 3"	73.48	120.75	120.75	120.75
Commercial/Domestic/Irrigation 4"	132.30	217.35	217.35	217.35

Employees by Department

Changes to Authorized Positions

The 2027 budget provides full-year funding for one Management Technician/Analyst position that the Board authorized during 2026. The position supports the Administrative Services Division.

The District conducts an annual review of its Projected Staffing Requirements Report to evaluate staffing needs and ensure each department has the appropriate resources to meet operational requirements and support the District's strategic goals.

Department	Position	FY25	FY26	FY27
General Manager's Office				
	General Manager	1.00	1.00	1.00
	Director of Public Affairs	1.00	-	-
	Public Affairs Manager	-	1.00	1.00
	Senior Public Affairs Analyst/Public Affairs Analyst	1.00	2.00	2.00
Total General Manager's Office		3.00	4.00	4.00
Administrative Services				
	Director of Finance & Admin. Services	1.00	1.00	1.00
	IT Manager	1.00	1.00	1.00
	Accounting Manager	1.00	1.00	1.00
	Administrative Services Manager	1.00	1.00	1.00
	Senior Accountant	1.00	1.00	1.00
	Management Analyst	3.00	3.00	3.00
	Management Technician	-	1.00	1.00
	Customer Service Specialist	1.00	1.00	1.00
	Customer Service Technician	1.00	1.00	1.00
	IT Analyst	1.00	1.00	1.00
Total Administrative Services		11.00	12.00	12.00
Engineering				
	Director of Engineering	1.00	1.00	1.00
	Principal Civil Engineer	1.00	1.00	1.00
	Assistant Engineer	1.00	1.00	1.00
	Engineering/GIS Specialist	1.00	1.00	1.00
	Senior Construction Inspector	1.00	1.00	1.00
	Senior/Associate Civil Engineer	1.00	1.00	1.00
	Senior Management Analyst	-	1.00	1.00
Total Engineering		6.00	7.00	7.00
Operations				
	Director of Operations	1.00	1.00	1.00
	Management Analyst	1.00	1.00	1.00
	Senior Management Analyst	-	-	-
	Water Distribution Supervisor	1.00	1.00	1.00
	Water Efficiency Supervior	-	-	-
	Water Resources Supervisor	1.00	1.00	1.00
	Assistant Water Distribution Supervisor	1.00	1.00	1.00
	Senior Water Efficiency Specialist	1.00	1.00	1.00
	Water Resources Specialist	2.00	2.00	2.00
	Water Distribution Lead Worker/Operator	3.00	3.00	3.00
	Water Distribution Worker/Operator I & II	7.00	7.00	7.00
	Operations Specialist	1.00	1.00	1.00
	Water Efficiency Technician	1.00	1.00	1.00
Total Operations		20.00	20.00	20.00
Total FTE		40.00	43.00	43.00

Administrative Services Department

Administrative Services Staff

Positions, Administrative Services	FY25	FY26	FY27
	11.00	12.00	12.00

The Administrative Services Department provides organizational support and oversees CHWD's key internal business functions, including Finance, Customer Service, Information Technology, Board of Directors Support, Human Resources, Risk Management, and special projects.

Finance and Customer Service

The Finance and Customer Service Division is responsible for the District's financial management, accounting, billing, and customer service functions.

Finance provides financial and administrative support throughout the District, including budgeting, financial analysis and forecasting, capital improvement program tracking, debt and treasury management, rate setting, and purchasing. Accounting responsibilities include accounts payable, payroll, grant reporting support, cash and fixed asset management, and investment reporting. The division maintains the District's financial records and ledgers and supports compliance with Generally Accepted Accounting Principles (GAAP), Governmental Accounting Standards Board (GASB) requirements, and applicable state and federal reporting standards through effective internal controls.

Customer Service manages water billing, payment processing, delinquent account notifications, and collection activities. Staff also assist customers with establishing and closing accounts, final bills, water consumption concerns, leaks, payment questions, and other account-related inquiries.

Information Technology

The Information Technology Division manages, maintains, and protects CHWD's technology infrastructure, data, networks, and information systems. Responsibilities include supporting and enhancing the District's website, communications infrastructure, and computer systems; providing technical assistance to staff; strengthening cybersecurity and system reliability; and planning for future technology needs to support secure and efficient District operations.

Administrative Services

The Administrative Services Division provides support to the Board of Directors and serves as a key link between the Board and District staff. Responsibilities include preparing Board agendas, coordinating Board authorization processes, administering legal notices and regulatory filings, and supporting election-related activities. The division also facilitates strategic planning and other organizational initiatives designed to promote accountability, transparency, and effective District operations.

Administrative Services also provides Human Resources and Risk Management services for employees, retirees, directors, and eligible dependents. These responsibilities include recruitment, training and workforce development, benefits administration, employee safety, and risk management programs.

Benefits administration includes health, dental, vision, and life insurance; disability programs; employee assistance programs; flexible spending accounts (FSA); and retirement-related programs, including deferred compensation and CalPERS.

Performance Indicators	Strategic Plan Item?	2025 Actual	2026 Projected	2027 Target
Increase efficiency through regular policy review and update; policy categories updated	Yes	6	2	3
Successful recruitment and onboarding of vacant District positions	Yes	19	6	1
Obtain Certificate of Achievement for District Annual Comprehensive Financial Report	No	2024 ACFR award received	2025 ACFR submitted and under review	Submit the 2026 ACFR

2026 YTD Accomplishments

The Administrative Services Department is nearing completion of the District's Springbrook ERP implementation, a significant multi-year initiative to modernize and streamline the District's core administrative and financial systems. All major modules—including Finance, Purchasing, Project Management, Fixed Assets, Payroll, Employee Self-Service, and Utility Billing—have been successfully implemented or are on track for completion in the near term. As part of this effort, the Department also successfully transitioned payroll processing in-house, including responsibility for all state and federal payroll tax reporting and filings.

The Department is also developing the District's five-year Information Technology Roadmap, which will establish strategic priorities and guide technology investments, system improvements, cybersecurity, and infrastructure planning over the next five years. The Roadmap is expected to be completed by the end of 2026.

In addition to these major initiatives, the Department achieved several other significant accomplishments:

- Successfully recruited and onboarded employees for several key positions, including Water Distribution Operators, Management Analyst, Senior Civil Engineer, Management Technician, Customer Service Technician, and interns.
- Reviewed more than 800 delinquent customer accounts as part of the annual tax levy process and recovered more than half of the outstanding balances.
- Completed the District's 2025 Annual Comprehensive Financial Report (ACFR) and received a clean audit opinion.
- Submitted the 2025 ACFR to the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting program.
- Submitted the District's 2026 Budget to the GFOA Distinguished Budget Presentation Awards Program.
- Upgraded the District's SCADA system to the latest software version and migrated the system to a new virtual server environment.
- Upgraded Cityworks to version 23.15.
- Migrated the District's Esri ArcGIS environment from the Geometric Network to the Utility Network, providing a more modern platform for managing and analyzing the District's utility infrastructure.

2027 Key Initiatives

- Clerk of the Board
  - Conduct a Records Management Program Audit.
  - Strengthen Brown Act compliance.
  - Ensure timely and accurate FPPC compliance and filings.
  - Enhance public meeting management and administration.
  - Effectively manage and respond to Public Records Act requests.
  - Support intergovernmental relations and legislative and regulatory affairs.

- Finance and Customer Service
  - Enhance purchasing processes and strengthen internal controls by updating purchase order policies and procedures.
  - Revise capital asset policies and procedures to ensure alignment with grant requirements.
  - Share the District's ERP implementation experience with a professional organization.
  - Submit the 2026 Annual Comprehensive Financial Report (ACFR) to the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program.
  - Submit the 2027 Budget to the GFOA Distinguished Budget Presentation Awards Program.

- Information Technology
  - Implement an email retention policy.
  - Migrate network file storage to Microsoft 365 cloud services.
  - Enhance network security by reconfiguring the firewall to block Cisco AnyConnect VPN connections by default.

- Human Resources
  - Continue investing in the professional growth and development of District staff.
  - Review the District's comprehensive employee benefits package to ensure it remains competitive and responsive to workforce needs.

- Risk Management
  - Maintain compliance with OSHA reporting requirements.
  - Conduct safety and compliance audits.
  - Strengthen insurance and liability management practices.

Engineering Department

Positions, Engineering	FY25	FY26	FY27
	6.00	7.00	7.00

The Engineering Department (Engineering) is responsible for the District's water main replacement program, which includes project design, construction administration and inspection services; oversight of outside engineering firms/contract administration; review and inspection of private development projects; and special District projects. Private development includes subdivisions, commercial, single-family dwellings and mixed-use projects. Engineering also manages the District's Geographic Information System (GIS), easements and annexations; and maintains water facility records and archives. The Division is also heavily involved in the District's infrastructure analysis and development program, including pipeline condition assessment.

Performance Indicators	Strategic Plan Item?	2025 Actual	2026 Projected	2027 Target
Perform non-invasive condition assessment on selected water mains	Yes	10,560 linear ft.	50 miles (leak detection) 3 locations (spot assessment)	2.75 miles (24” & 30” Transmission Main)
Approved private development projects	No	5	6	5
Work orders completed with mapping updates	No	800	800	800

2026 YTD Accomplishments and Year-End Forecast

- Design began or completed for the following projects:
  - Water Main at Donnawood Way
  - Water Main at Greenback Lane (Sunrise to Birdcage)
  - Water Main at Sagitarius and Pleides
- Construction started or completed for the following projects:
  - Water Main at Greenback Lane (Birdcage to Burich)
  - Water Main at Donnawood Way
  - Water Improvements as part of the Auburn Boulevard Complete Streets Project
- Continued Project 2030 Implementation Plan (Public Engagement, Funding Program and Technical Components – continued Non-invasive Condition Assessment on the District’s Water Mains)
- Began or completed Phase 4 Group 5 (2 easements) of the District-wide Easement Project
- Complete design and begin construction of the Facilities Modernization and Expansion Project at Madison Ave and Sylvan Road
- Complete the 2025 Urban Water Management Plan
- Complete the District’s Water System Master Plan
- Private Developments:
  - 6 Accepted Projects
  - 5 Approved Projects Currently Under Construction
  - 4 Approved Projects Awaiting Construction
  - 7 Projects Under Plan Review
- Updated Geographic Information System District Facility Map and anticipate completion of 800 Work Orders with Mapping Updates

2027 Key Initiatives

- Complete approximately $2 Million of Water Main Replacement and Installation (including fire hydrants and water services), including the design and/or construction for the following projects:
  - Water Main at Greenback Lane (Sunrise to Birdcage)
  - Water Main at Hoffman Lane - West
  - Water Main at Gordian Way
  - Water Main at Menke Way
  - Water Main at Dove and Be Lazy Court
- Perform an Intertie Evaluation with the District's Neighboring Water Districts
- Continue Pipeline Condition Assessment on the District's Distribution and Transmission Mains. Areas of work include performing non-invasive testing on the District's 24-inch and 30-inch transmission main, opportunity testing on asbestos cement pipe distribution mains, and acoustic velocity testing, as deemed necessary.
- Perform a pre-design alternatives analysis on one key water main.
- Continue implementing Project 2030's public-engagement, funding, and technical components, including non-invasive condition assessment of approximately 15,000 linear feet of water main.
- Complete construction of the Facilities Modernization and Expansion Project at Madison Ave and Sylvan Road
- Continue easement acquisition for Phase 4 of the District-wide Easement Project (2 easements for 2027)

Operations Department

Operations Department Staff

Positions, Operations	FY25	FY26	FY27
	20.00	20.00	20.00

The Operations Department's primary responsibilities are to operate and maintain approximately 250 miles of water distribution pipelines ranging in size from four to 42 inches in

diameter and provide programs and customer support to promote efficient water use and help maintain state and local water management goals. The Department is made up of the following three divisions: Water Distribution, Water Resources and Field Services.

The Water Distribution and Water Resources Divisions maintain groundwater facilities; convey water to the District's customers with appropriate quality, quantity and pressure; and operate/maintain customer water services, backflow prevention devices, line valves, pressure reducing valves and fire hydrants.

The Field Services Division is responsible for water management programs and functions, water meter program management and meeting mandated legislation and regulations for water efficiency, including monthly and annual reporting regarding consumption and water loss. In addition, the Division monitors and responds to leak alerts; performs irrigation audits for customers and administers the District-wide Safety Program.

Performance Indicators	Strategic Plan Item	Actual 2024	Actual 2025	Target 2026
Complete Well #7 Construction & Permitting	Yes	Completed 90% of construction	Complete construction	Complete 50% of ASR permitting
Complete Well #8 Construction & Permitting	Yes	Completed well drilling	Complete design and bid phase for well equipping construction	Complete 50% of construction for Well 8 equipping
Pursue acquisition of 1-2 potential sites for well/water storage	Yes	One site identified	Two sites identified	Complete engineering report for future suitable location

2026 YTD Accomplishments *(as of June 2026)*

- Completed construction of Well #7
- Completed well equipping design for Well #8
- Replaced 213 water service connections (as of 6/30/26)
- Expect to replace 200 water meters by end of year
- Replaced 286 meter registers YTD (as of 6/30/26)
- 5,598 USA Markings completed YTD (as of 6/30/26)
- 2,400+ maintenance work orders completed YTD
- Performed dynamic flow and chemistry profile of Sylvan Well
- Provided group safety training, including trench safety, forklift training and First Aid/CPR training

2027 Key Initiatives

- Complete 50% of ASR permitting process for Well #7
- Complete 50% construction for Well #8 equipping.
- Pursue acquisition of 1-2 potential sites for wells/water/asset storage
- Continued progress on a cooperative purchasing program
- Develop a transmission main operations plan and standard operating procedures to ensure reliable system performance

General Manager’s Office - Public Affairs

General Manager’s Office Staff Photo

Positions, General Manager’s Office	FY25	FY26	FY27
	3.00	4.00	4.00

Public Affairs, a division of the General Manager’s Office, leads the District’s communications, community engagement, legislative and regulatory affairs, water efficiency programs, and alternative funding efforts. Public Affairs initiatives are reviewed and updated annually in alignment with the District’s mission and the latest Strategic Plan.

2026 YTD Accomplishments (as of 7/31/26)

- Planned, developed materials for, and held five Customer Advisory Committee meetings
- Led a CAC recruitment campaign and onboarded four new members and alternates
- Created and distributed six double-sided customer bill inserts
- Created and distributed two printed and digital WaterLine newsletters
- Worked closely with the State Water Board to develop and submit an application for Emerging Contaminants funding to support well equipping expenses for the Highland Well
- Submitted Community Project Funding (CPF) and Congressionally Directed Spending (CDS) requests for the consideration of the elected

officials representing CHWD’s service area, and secured nearly $750k in funding for two of the District's identified water main replacements
- Published 6 press releases to boost media presence
- Awarded the California Association of Public Information Officers (CAPIO) Excellence in Public Information & Communications (EPIC) Award for the District’s how-2-h2o video series
- Attended and represented the District at 8 community events and anticipate attending 6 more by the end of 2026
- Produced over 15 videos

2027 Key Initiatives

- Conduct a refresh of the CHWD key pillars to align messaging, branding, and objectives with current District priorities
- Submit two applications in pursuit of alternative funding
- Transition of CHWD website to a .gov domain and improve website and document accessibility in alignment with Web Content Accessibility Guidelines 2.1 Level AA
- Conduct one statistically valid customer market research study and at least one targeted evaluation survey

(This page intentionally left blank)

CAPITAL BUDGET

(This page intentionally left blank)

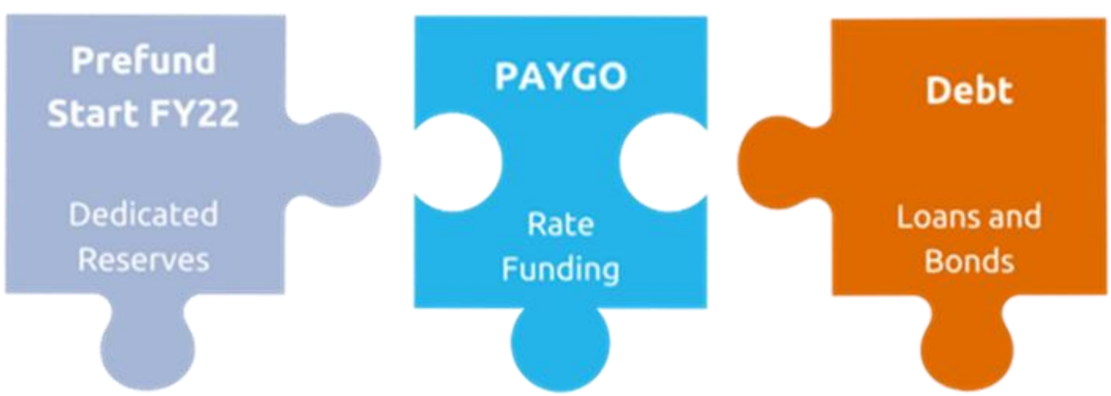
Capital Expenditures

Impact of Capital Investments on Operating Budget and Funding for Capital Projects
Capital Expenditures represent funds used for Capital Improvement Projects (CIPs), which involve the purchase, construction, expansion, or replacement of District facilities, infrastructure, and equipment. These expenditures are capitalized upon project completion and depreciated over the asset's useful life, based on its classification.

The District was established in the 1920s as an irrigation district. During the period of rapid urban development between 1960 and 1985, most of the District's infrastructure was constructed by private developers and inspected by District staff. Looking ahead, a substantial increase in water main replacements is anticipated beginning around 2030, as the mains installed in the 1960s reach their typical 70-year service life.

To proactively address this need, the District adopted the Project 2030 Water Main Replacement Study (Study) on June 29, 2021. The Study estimates that 72% of the water mains will need to be replaced by 2080 at a replacement cost of up to $540 million (in 2018 dollars).

To meet these long-term capital demands, the District is considering a range of funding strategies, including pay-as-you-go (PAYGO), debt financing, grant funding (when available), and advance funding (Prefunding) through the appropriation of current resources for future needs.



Until 2025, CHWD's capital projects have primarily been financed on a pay-as-you-go basis using rate revenue. However, as the District advances into the implementation phase of the Project 2030 Water Main Replacement Program, continuing to rely solely on a pay-as-you-go approach—where current customers bear the full cost of long-term infrastructure that will also benefit future generations—would place an inequitable and unsustainable burden on today's ratepayers.

Starting in 2026, the District implemented a comprehensive funding strategy that promotes intergenerational equity. Through the use of financing tools, this approach distributes the costs of major capital investments—such as the Facilities Modernization and Expansion (FME) Project and the 2030 Water Main Replacement Program—more equitably among current and future customers who will benefit from these improvements. This structure reduces immediate rate pressure while ensuring future customers contribute to the long-term investments that serve them. The 2027 budget includes $14.35 million in financing proceeds classified as other resources.

The 2027 Budget includes $24.9 million in total capital expenditures, accounting for 50% of the District's overall annual budget.

To help fund these significant investments, the CHWD team continues to actively pursue grant opportunities that support the District's capital and infrastructure initiatives. As of June 2026, the District is in the process of receiving approximately $4.5 million of the $6.637 million in secured federal and state funding to help finance two new Aquifer Storage and Recovery (ASR) projects. In addition, the 2027 Budget includes nearly $750,000 in Congressional funding for two of the District's identified water main replacement projects.

These grants play a vital role in reducing the financial burden on ratepayers for essential capital improvements. Although non-ratepayer funding opportunities remain limited, the District is committed to seeking external funding whenever possible.

Annual Capital Projects include ongoing infrastructure replacements such as water mains, water services, and fire hydrants, as well as fleet vehicle replacements due to maintenance needs or obsolescence.

Table 10 provides a summary of the District's 2027 Capital Expenditures.

Table 10

Project Title	2026 Revised Budget	2026 Carried Budget to 2027	Additional in 2027 Requested Budget	2027 Requested Budget
Auburn Blvd-Rusch Park Placer	250,000			
Donnawood	505,000			
Dove and Be Lazy Court	350,000	350,000		350,000
Greenback - Sunrise Blvd to Bi	100,000	100,000	810,087	910,087
Greenback Lane from Birdcage to Burich	1,170,000			
Menke Way	103,000	103,000		103,000
Sagitarius Way & Pleides Ave	778,000	678,000	243,000	921,000
Sayonara Drive	6,000			
ERP System	350,000			
Facilities Modernization & Expansion Project (6230 Sylvan Road)	3,000,000	803,905	2,500,000	3,303,905
Facilities Modernization & Expansion Project (7803 Madison Ave)	9,982,756	5,533,872	4,766,128	10,300,000
SCADA Upgrade	120,000		120,000	120,000
Well #7 Design & Construction (Ella)	1,208,885			
Well #8 Highland Well	4,422,115	4,014,490	708,885	4,723,375
Total Ongoing Projects	**$ 22,345,756**	**$ 11,583,267**	**$ 9,148,100**	**$ 20,731,367**
2025 Annual Facilities Improvements	112,000			
2025 Annual Fire Hydrants Repl, Upg	50,000			
2025 Annual Groundwater Wel Improve	50,000			
2025 Annual Valve Replacements	50,000			
2025 Annual Water Main Pipeline Rep	33,000			
2025 Annual Water Service Connections	500,000			
2026 Annual Fleet & Field Operations Equipment	150,000			
2026 Annual Technology Hardware & Software	100,000			
2026 Annual Facilities Improvements	50,000			
2026 Annual Water Main Pipeline Replacement (Small)	53,000	100,000		100,000
2026 Annual Valve Replacements	135,000	100,000		100,000
2026 Annual Water Service connections	1,510,000	100,000		100,000
2026 Annual Water Meter Replacement	130,000	80,000		80,000
2026 Annual Fire Hydrants - Repl, Upgrades, Lnfill, New	175,000	92,411		92,411
2026 Annual Groundwater well Improvements	200,000			
2026 Other City Partnerships	100,000			
2026 Misc Infrastructure Projects	100,000			
2027 Annual Technology Hardware & Software			100,000	100,000
2027 Annual Facilities Improvements			50,000	50,000
2027 Annual Water Main Pipeline Replacement (Small)			85,000	85,000
2027 Annual Valve Replacements			90,000	90,000
2027 Annual Water Service connections			800,000	800,000
2027 Annual Water Meter Replacement			335,000	335,000
2027 Annual Fire Hydrants - Repl, Upgrades, Lnfill, New			90,000	90,000
2027 Annual Groundwater well Improvements			200,000	200,000
2027 Other City Partnerships			100,000	100,000
2027 Misc Infrastructure Projects			100,000	100,000
Total Annual Projects	**$ 3,498,000**	**$ 472,411**	**$ 1,950,000**	**$ 2,422,411**
Hoffman Lane - West			1,055,000	1,055,000
Gordian Way			743,000	743,000
Total New Projects	**$ -**	**$ -**	**$ 1,798,000**	**$ 1,798,000**
FY Totals	$ 25,843,756	$ 12,055,678	$ 12,896,100	$ 24,951,778

Capital Project Listing

Water Main Projects	Total Budgeted Spending CY 2027:	$4,082,087

A potential spending plan for the water main projects for CY 2027 is shown below:

Menke Way			
Category:	Infrastructure	**Estimated Spending (CY 2026):**	$0
		Budgeted Spending CY 2027:	$103,000
This project will relocate or replace 10 water services from a 4-inch water main to an existing 8-inch water main across the street. The aging and undersized 4-inch water main will be abandoned.			
Greenback - Sunrise Blvd to Birdcage			
Category:	Infrastructure	**Estimated Spending (CY 2026):**	$0
		Budgeted Spending CY 2027:	$910,087
This project will replace an aging 12-inch water main that has experienced several leaks in recent years, replace or reconnect 2 fire hydrants, reconnect 2 fire services, and replace or reconnect water services. This project is prioritized to be completed before a planned repaving project by the City of Citrus Heights.			
Dove Dr and Be Lazy Court			
Category:	Infrastructure	**Estimated Spending (CY 2026):**	$0
		Budgeted Spending CY 2027:	$350,000
This project will replace an aging and undersized 4-inch water main with a 6-inch water main, connect two dead-end water mains to provide system looping by installing an 8-inch water main, add a fire hydrant, and replace or reconnect water services.			
Sagitarius Way & Pleides Ave			
Category:	Infrastructure	**Estimated Spending (CY 2026):**	$100,000
		Budgeted Spending CY 2027:	$921,000
This project will replace an aging and undersized 4-inch water main with an 8-nch water main, replace one fire hydrant, add two additional fire hydrants, and replace or reconnect water services. This project is prioritized to be completed before a planned repaving project by the City of Citrus Heights.			
Hoffman Lane - West			
Category:	Infrastructure	**Estimated Spending (CY 2026):**	$0
		Budgeted Spending CY 2027:	$1,055,000
This project will replace an aging and undersized 6-inch water main with an 8-inch water main, replace or reconnect 8 fire hydrants, and replace or reconnect water services.			
Gordian Way			
Category:	Infrastructure	**Estimated Spending (CY 2026):**	$0
		Budgeted Spending CY 2027:	$743,000
This project will replace an ageing and undersized 6-inch water main with an 8-inch water main, replace 2 fire hydrants, and replace or reconnect water services.			

Well #8 Highland Well			
Category:	Infrastructure	**Estimated Spending (CY 2026):**	$407,625
		Budgeted Spending CY 2027:	$4,723,375
Develop Well #8 at Highland to expand the district's groundwater resources and strengthen supply reliability for the community.			

Annual Projects	Total Budgeted Spending CY 2027:	$2,222,411

Annual Facilities Improvements

Category:	Infrastructure	**Estimated Spending (CY 2026):**	$0
		Budgeted Spending CY 2027:	$50,000

Ongoing facilities needs, including tenant improvements and major HVAC repairs as needed.

Annual Technology Hardware & Software

Category:	Infrastructure	**Estimated Spending (CY 2026):**	$0
		Budgeted Spending CY 2027:	$100,000

Information Technology Annual Update/Server.

Annual Water Main Pipeline Replacement (Small)

Category:	Infrastructure	**Estimated Spending (CY 2026):**	$0
		Budgeted Spending CY 2027:	$85,000

Used for major main breaks (emergency fund).

Annual Valve Replacements

Category:	Infrastructure	**Estimated Spending (CY 2026):**	$0
		Budgeted Spending CY 2027:	$90,000

Ongoing valve replacements for the District's water distribution infrastructure.

Annual Water Service Connections

Category:	Infrastructure	**Estimated Spending (CY 2026):**	$0
		Budgeted Spending CY 2027:	$800,000

Ongoing water service replacements.

Annual Water Meter Replacement

Category:	Infrastructure	**Estimated Spending (CY 2026):**	$0
		Budgeted Spending CY 2027:	$335,000

Ongoing water meter replacements.

Annual Fire Hydrants - Repl, Upgrades, Lnfill, New

Category:	Infrastructure	**Estimated Spending (CY 2026):**	$0
		Budgeted Spending CY 2027:	$90,000

Ongoing fire hydrant replacements.

Annual Groundwater Well Improvements

Category:	Infrastructure	**Estimated Spending (CY 2026):**	$0
		Budgeted Spending CY 2027:	$200,000

Used for major groundwater well rehab/repair needs.

Annual Water Main Pipeline Rep – 2026 Carryover

Category:	Infrastructure	**Estimated Spending (CY 2026):**	$85,000
		Budgeted Spending CY 2027:	$100,000

Used for major main breaks (emergency fund).

Annual Valve Replacements – 2026 Carryover

Category:	Infrastructure	**Estimated Spending (CY 2026):**	$135,000
		Budgeted Spending CY 2027:	$100,000

Ongoing valve replacements for the District's water distribution infrastructure.

Annual Water Service Connections – 2026 Carryover

Category:	Infrastructure	**Estimated Spending (CY 2026):**	$527,612
		Budgeted Spending CY 2027:	$100,000

Ongoing water service replacements.

Annual Water Meter Replacement – 2026 Carryover

Category:	Infrastructure	**Estimated Spending (CY 2026):**	$50,000
		Budgeted Spending CY 2027:	$80,000

Ongoing water meter replacements.

Annual Fire Hydrants - Repl, Upgrades, Lnfill, New			
Category:	Infrastructure	**Estimated Spending (CY 2026):**	$82,589
		Budgeted Spending CY 2027:	$92,411

Ongoing fire hydrant replacements.

Other City Partnerships			
Category:	Infrastructure	**Estimated Spending (CY 2026):**	$100,000
		Budgeted Spending CY 2027:	$100,000

This (parent) project number is for any small project that is initiated by the City of Citrus Heights or the County during 2027 that impacts District facilities. All projects will have a suffix project number (child). For example, 040A, 040B, etc.

Misc. Infrastructure Projects			
Category:	Infrastructure	**Estimated Spending (CY 2026):**	$0
		Budgeted Spending CY 2027:	$100,000

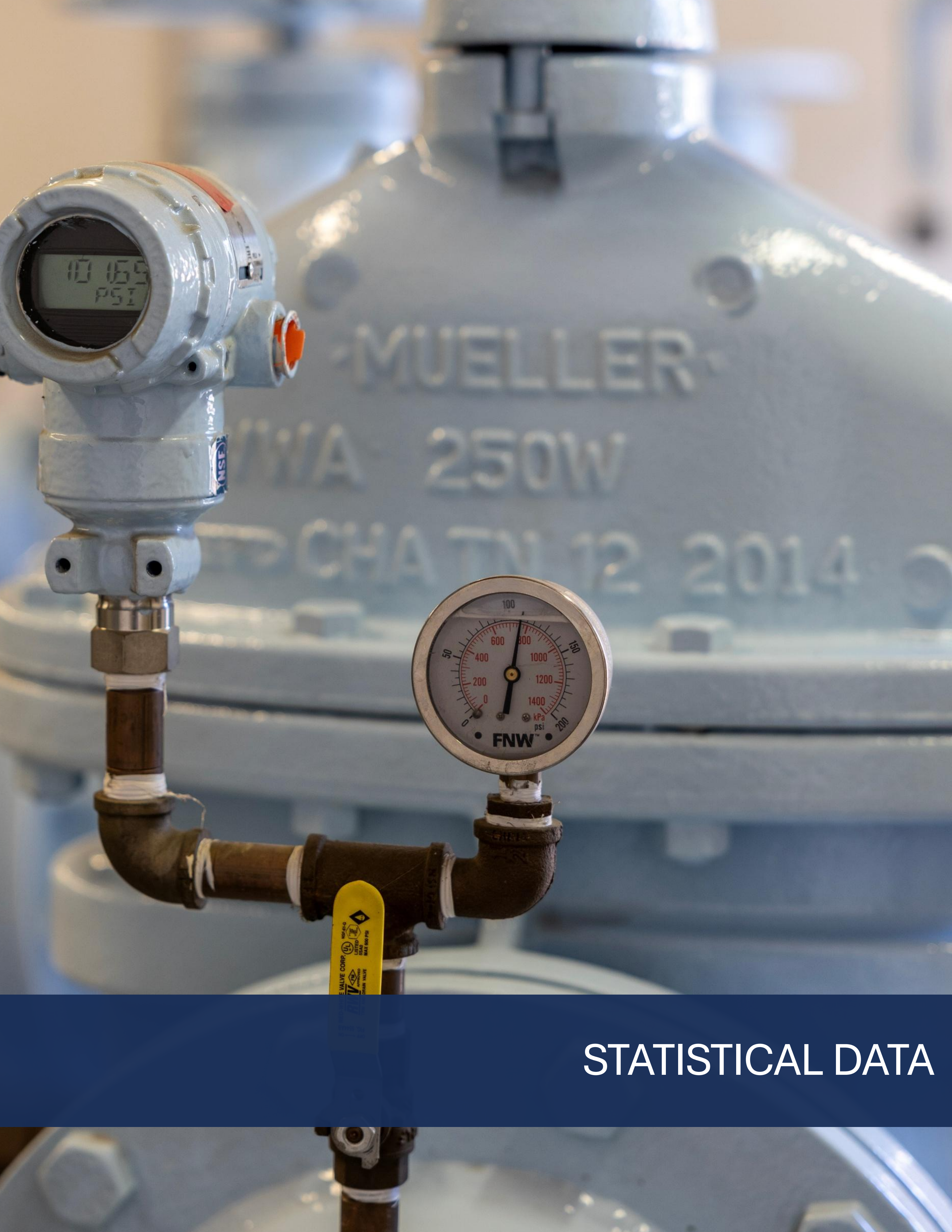
This (parent) project number is for any small project that is initiated by either the District or an outside agency during 2027 that impacts District facilities. All projects will have a suffix project number (child). For example, 041A, 041B, etc.

Facilities Modernization and Expansion Project (6230 Sylvan Road and 7803 Madison Ave.)			
Category:	Infrastructure	**Estimated Spending (CY 2026):**	$4,644,979
		Budgeted Spending CY 2027:	$13,603,905

The Facilities Modernization and Expansion Project includes improvements to the Corporation Yard site, two existing buildings, replacement of the shop building, possible relocation of the Sylvan well, and tenant improvements of the building located on Madison Avenue. Work includes construction of facilities, inspection, construction management, and architectural services during construction.

SCADA Upgrade			
Category:	Infrastructure	**Estimated Spending (CY 2026):**	$120,000
		Budgeted Spending CY 2027:	$120,000

Upgrade the Supervisory Control and Data Acquisition (SCADA) system to improve real-time monitoring and control of water distribution and facilities.



STATISTICAL DATA

(This page intentionally left blank)

Principal Employers, Sacramento Region

CITRUS HEIGHTS WATER DISTRICT

Principal Employers (1)

Current Fiscal Year and Ten Years Ago

Schedule 12

Table 11

Employer	Employees	Rank	Percentage of Employment
2025			
State of California	118,130	1	16.82%
UC Davis Health	16,617	2	2.37%
County of Sacramento	13,653	3	1.94%
Kaiser Permanente	12,624	4	1.80%
United States Government	10,699	5	1.52%
Sutter Health	10,129	6	1.44%
Dignity Health	7,353	7	1.05%
San Juan Unified School District	5,499	8	0.78%
City of Sacramento	5,029	9	0.72%
Apple	5,000	10	0.71%
Total	204,733		29.15%
Total County Employment	702,500		100.00%

Employer	Employees	Rank	Percentage of Employment
2016			
State of California	73676	1	11.39%
Sacramento County			
UC Davis Health	9,706	1	1.50%
Sutter Health	8,817	2	1.36%
Kaiser Permanente	6,464	3	1.00%
Dignity Health	6,286	4	0.97%
Intel Corporation	6,200	5	0.96%
Raley's Inc./Bel Air	3,289	6	0.51%
Apple Inc.	2,500	7	0.39%
VSP Global	2,415	8	0.37%
Health Net of California	2,299	9	0.36%
Total	121,652		18.79%
Total County Employment	647,067		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.

Source:
Sacramento Business Journal
Sacramento County Annual Comprehensive Financial Report

Principal Customers

CITRUS HEIGHTS WATER DISTRICT

Principal Customers

Current Fiscal Year and Ten Years Ago

Schedule 7

Table 12

Customer	2025 Billed Units (ccf's)	2025 Percentage of Total
San Juan Unified School Distri	116,196	2.49%
Sunrise Recreation Park Dist	86,421	1.85%
JMK Investments	71,657	1.54%
JRK Investors	51,834	1.11%
Mt Vernon Memorial Park	41,075	0.88%
Conference Claimants Endowment	28,659	0.61%
Wedgewood Commons Apts LLC	26,991	0.58%
Salishan Apartments	25,204	0.54%
City of Citrus Heights	22,928	0.49%
Vertus Properties Inc.	22,571	0.48%
Total Billed Units: Principal customers	493,536	10.59%
Total Billed Units	4,661,397	100.00%

Customer	2015 Billed Units (ccf's)	2015 Percentage of Total
JMK Investments	72,708	1.80%
JRK Investors	50,276	1.25%
Sunrise Recreation Park Dist	45,112	1.12%
San Juan Unified School Distri	44,560	1.11%
Conference Claimants Endowment	31,515	0.78%
Salishan Apartments	28,782	0.71%
Mt Vernon Memorial Park	24,458	0.61%
City of Citrus Heights	24,340	0.60%
Wedgewood Commons Apts LLC	23,511	0.58%
Vertus Properties Inc	22,274	0.55%
Total Billed Units: Principal customers	367,536	9.12%
Total Billed Units	4,031,366	100.00%

Source:
District Administrative Services Department

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

Table 13

		City of Citrus Heights [1]				County of Sacramento [1]			
Fiscal Year	Total Number of Connections	Population [2]	Unemployment Rate [2]	Personal Income (thousands of dollars) [2]	Personal Income (Per Capita) [2]	Population [2]	Unemployment Rate [2]	Personal Income (000's) [2]	Personal Income (Per Capita) [2]
2016	19,851	87,380	5.0%	6,043,288	69,161	1,527,967	5.0%	71,627,441	46,878
2017	19,902	87,931	3.8%	5,952,753	67,698	1,547,198	3.9%	74,690,008	48,274
2018	19,911	87,910	3.7%	6,388,859	72,675	1,561,413	3.8%	78,526,608	50,292
2019	19,937	87,796	3.2%	6,710,775	76,436	1,576,171	3.2%	82,829,648	52,551
2020	19,958	87,583	7.6%	7,102,719	81,097	1,586,566	8.3%	91,419,845	57,621
2021	20,201	87,404	4.4%	7,640,071	87,411	1,588,810	4.7%	98,112,318	61,752
2022	20,251	87,708	3.8%	7,581,480	86,440	1,584,380	4.0%	98,175,817	61,965
2023	20,289	86,239	4.4%	7,614,214	88,292	1,584,288	4.4%	103,143,749	65,104
2024	20,301	86,909	4.6%	9,042,534	104,046	1,611,231	4.9%	112,291,560	69,693
2025	20,317	n/a	n/a	n/a	n/a	n/a	n/a	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) Data is not yet available for Fiscal Year 2025.

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

Operating and Capacity Indicators

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

Table 14

Fiscal Year	Total Connections	Total Annual Demand (Acre Feet)	Pipeline (mi)	Wells	Meters	Hydrants
2015	19,785	9,973	245.56	4	19,594	2,087
2016	19,851	10,769	248.19	5	19,789	2,133
2017	19,902	11,623	249.31	6	19,912	2,160
2018	19,911	11,783	249.97	6	20,007	2,181
2019	19,937	11,427	250.26	6	20,043	2,368
2020	19,958	12,484	251.97	6	20,060	2,373
2021	20,201	12,084	252.57	6	20,282	2,367
2022	20,251	11,566	253.74	6	20,300	2,170
2023	20,289	10,843	254.91	6	20,329	2,190
2024	20,301	11,470	253.65	6	20,361	2,176
2025	20,317	10,700	253.15	6	20,379	2,168

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

APPENDIX

(This page intentionally left blank)

Glossary of Terms

Accrual Basis of Accounting – Method of accounting that recognizes the financial effect of transactions, and activities when they occur, regardless of the timing of related cash flows. Revenues are recorded when earned and expenses are recognized when incurred.

Acre Foot – an acre foot is enough water to cover an acre of land, about the size of a football field, one foot deep. It is the equivalent of about 326,000 gallons.

Annual Required Contribution (ARC) – Actuarially Determined Contribution (ADC) — A contribution amount calculated in accordance with actuarial standards to fund other post-employment benefits over time. The District reports OPEB obligations in accordance with current Governmental Accounting Standards Board requirements, including GASB Statements No. 74 and No. 75, as applicable.

Aquifer – An underground layer of water bearing permeable rock or unconsolidated materials (gravel, sand, silt) from which groundwater can be extracted.

Aquifer Storage and Recovery (ASR) – Technology that allows groundwater wells to also inject water into the aquifer for storage, as well as to draw water for consumption.

Asset – Anything of value such as an area of land, or a building, or an item of plant or equipment or infrastructure that provides service potential or future economic benefits over a period greater than one year and has a cost that is material (at least $5,000).

Audit – An objective examination and evaluation of CHWD's financial statements by an independent Certified Public Accountant firm, performed to provide assurance that the financial statements are fair and accurately presented.

Automated Meter Reader (AMR) – A method of conveying water meter reads without interfacing directly with the meter or a contact point, normally through radio transmitters.

Balanced Budget – A budget in which available funding sources, including current revenues and any planned use of reserves or other financing sources, are sufficient to cover budgeted operating expenses, transfers, and capital outlay for the fiscal year.

Beginning Balance – The beginning balance is comprised of residual funds brought forward from the previous fiscal year.

Board of Directors – The three public officials elected to represent the population within the District's service area. Also referred to as "the Board".

Bond – A certificate of debt issued by an entity, guaranteeing payment of the original investment, plus interest, by a specified future date.

Bond Covenant – A legally binding term of agreement that specifies the obligations, restrictions, and terms of the bond between the bond issuer and bond holder. Bond covenants are designed to protect the interests of both parties.

Budget – A financial plan showing authorized planned expenditures and their funding sources.

Budget Process – The schedule of key dates or milestones, which the District follows in the development, preparation, adoption, and administration of the budget.

California Environmental Quality Act (CEQA) – A California statute passed in 1970, shortly after the United States federal government passed the National Environmental Policy Act (NEPA), to institute a statewide policy of environmental protection. CEQA does not directly regulate land uses, but instead requires state and local agencies within California to follow a protocol of analysis and public disclosure of environmental impacts of proposed projects and adopt all feasible measures to mitigate those impacts.

California Family Rights Act (CFRA) – California Family Rights Act (CFRA) — A California law that generally provides eligible employees of covered employers with job-protected leave for qualifying family and medical reasons. CFRA generally applies to employers with five or more employees; eligibility and leave requirements are governed by current law.

Capital Improvement Program (CIP) – Authorized expenditures for tangible and long- term physical improvements or additions of a fixed or permanent nature.

Capital Project – A project that acquires, constructs, replaces, or substantially improves a long-lived asset. Capital-project budgeting and financial-statement capitalization are related but distinct; capitalization thresholds are governed by the District's Capital Assets Policy.

Centum Cubic-Feet (CCF) – The standard rate of billing for water service. The District calculates one CCF as one unit of water. One CCF is equal to 100 cubic feet of water which is 748 gallons.

Certificates of Participation (COP) – A security in the form of a bond, which evidences a proportionate participation in a flow of payments between two parties. The District's COPs are secured by pledge of net revenues.

Citrus Heights Water District (CHWD) – A water agency that provides water to residents in the areas of Citrus Heights, CA, as well as unincorporated areas of Sacramento and Placer Counties.

Classic Member – An existing CalPERS member as of December 31, 2012; or a member that has a break in service of more than six months but returns to service with the same employer.

Consolidated Omnibus Budget Reconciliation Act (COBRA) – COBRA gives employees the right to pay premiums and keep the group health insurance that they would otherwise lose after they quit their jobs, lose their jobs, or reduce their work hours. COBRA benefits are typically available for 18 months.

Consumer Price Index (CPI) – The CPI is a measure that analyzes the average change over time of the total cost of a market basket of consumer goods and services for specific regions.

Customer Advisory Committee (CAC) – A group of CHWD customers appointed by the Board of Directors to work with a technical team to consider water main replacement options, while analyzing key financial and technical issues that promote equity of funding between today's and future CHWD customers. At present, the CAC explores a range of different CHWD topics, including groundwater, Water System Master Plan update, wholesale-related operations, governance/local leadership, and Project 2030 implementation tracking.

Debt Service – The current year portion of interest costs and current year principal payments incurred on long-term debt.

Delivery System – The piping, valves and related infrastructure assets that convey water from one point in the water distribution system to another. For example, a delivery system can take water from the intake to the plant or from plant to the customer.

Department – A major organizational unit with overall managerial responsibility for functional programs of the District.

Depreciation – The reduction in value of a long lived asset from use or obsolescence. The decline in value is recognized by a periodic allocation of the original cost of the asset to current operations on an income statement.

Engineering News Record Construction Cost Index (ENR CCI) – The CCI is an index that measures construction costs using 200 hours of common labor at common rates, as well as a specific quantity of structural steel, portland cement, and lumber at an average cost from 20 cities in a region. This index is widely used in the construction industry to forecast construction costs.

Enterprise Fund – A fund established 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 of providing goods or services to the general public on a continuing basis be financed or recovered primarily through "user charges." An enterprise fund is a type of proprietary fund.

Enterprise Resource Planning Software – A software system that integrates the major processes of an organization such as purchasing, inventory, billing, payroll, finance, and human resources.

Environmental Impact Report (EIR) – Written record submitted to a deciding authority that identifies and examines the likely environmental effects of the continuing operations of an existing facility or those of a proposed project, and proposes measures to avoid, mitigate, or offset the identified effects.

Expense – A cost incurred in the operations of the District, most often settled with the payment of cash.

Federal Deposit Insurance Corporation (FDIC) – A US government corporation that provides deposit insurance, which guarantees the safety of deposits in member banks up to $250,000 per depositor per bank.

Fire Service Charge – A monthly charge assessed to cover the cost of the District providing additional fire flow capacity.

Fiscal Year (FY) – A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations. (CHWD's fiscal year is January 1 through December 31).

Flexible Spending Accounts (FSA) – A tax- favored program offered by employers that allows their employees to pay for eligible out-of- pocket health care and dependent care expenses with pre-tax dollars.

Full-Time Equivalent (FTE) – A standardized measure of staffing equal to one full-time position for one year. For example, one full-time employee or two half-time employees each represent 1.0 FTE.

Fund – A fund is a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Generally Accepted Accounting Principles (GAAP) – A collection of commonly- followed accounting rules and standards for financial reporting.

Geographical Information Systems (GIS) – An information system integrating maps with electronic data.

Governmental Accounting Standards Board (GASB) – A private, non-governmental organization that is the source of generally accepted accounting principles (GAAP) used by state and local governments in the United States.

Governmental Finance Officers Association (GFOA) – A professional organization for governmental finance officers. The GFOA issues the Distinguished Budget Award annually.

Groundwater – Water produced by pumping from an underground aquifer. CHWD typically receives around 10% of its current water supply from groundwater.

Hydrologic – Of or dealing with the science of occurrence, circulation, distribution, and properties of the waters of the earth and its atmosphere.

Infrastructure – The tangible physical components that ensure delivery of reliable, high quality water. Typical components are water mains, wells, water services, and fire hydrants.

Integrated Resource Plan (IRP) – A study developed as a long-term supply plan that will help the District meet water demands in the future.

Local Agency Investment Fund (LAIF) – An investment pool administered by the State of California's State Treasurer's Office. LAIF is a voluntary program created as an investment alternative for California's local governments and special districts.

Major Fund – A fund reported separately in the basic financial statements because it meets applicable quantitative criteria or is considered particularly important to financial-statement users.

Meter – A device that measures and records the quantity of a substance, such as water or energy that has passed through it during a specified period.

Mission Statement – The District's core purpose.

NBS Government Finance Group – NBS is a financial consulting firm, previously hired by CHWD to create and update its long-term financial model.

Net Position – The residual of the District's assets and deferred outflows of resources after subtracting liabilities and deferred inflows of resources. For an enterprise fund, net position is generally reported as net investment in capital assets, restricted net position, and unrestricted net position.

Operating Budget – The normal, ongoing operating costs incurred to operate the District, including wages, materials, utilities, professional and outside services, and the revenues generated through operations, such as water sales and service charges, and developer paid fees to connect to the water system.

Other Post-Employment Benefits (OPEB) – Benefits, other than pensions, which a state or local government employee receives as part of his or her package of retirement benefits. The District's OPEB is limited to retiree health benefits.

Pay-As-You-Go – A capital financing strategy to pay-as-you-go by cash funding capital projects with current and accumulated revenues rather than borrowing funds that will be repaid with future revenues.

PEPRA Member – A public employee subject to the California Public Employees' Pension Reform Act of 2013 based on the employee's membership and employment history. CalPERS determines member status under applicable law and reciprocity rules.

Potable Water – Water that is suitable for drinking.

Pressure – The amount of force per unit area. In water, this is expressed in pounds per square-inch (psi) or an equivalent of the weight of a water column at a specific height (feet) exerted in a confined space.

Proprietary Fund – A type of fund used to account for a government's ongoing activities that are similar to those often found in the private (business) sector.

Regulatory – Something that is required due to a permit requirement, mandated regulation, or legislation.

Reliability – The probability that a system performs a specified function or mission under given conditions for a prescribed time.

Replenish – A hydrologic process where water is moved through layers of sand, dirt, and rock to groundwater.

Reserves – The portion of cash and investments that are held for a specific future use.

Revenue – Income the District receives from a variety of sources such as rates and charges, fees, and interest earnings.

Sacramento Groundwater Authority (SGA) – A joint-powers authority created to collectively manage the Sacramento region's North Area Groundwater Basin.

Sacramento Municipal Utility District (SMUD) – A community-owned electric utility that provides electricity to Sacramento County and parts of Placer County.

San Juan Water District (SJWD) – A wholesale and retail water District that takes water from Folsom Lake, treats it, then distributes it to (a) one of several wholesale customers (including CHWD), or (b) its retail customer base in the Granite Bay, CA area.

Service Line – Pipe from the common distribution main to provide water to individual customers for domestic, irrigation, or fire service.

Strategic Plan – The long-term goals, objectives, and performance measurement standards for the District.

Transmission Main – A large water main that transports water from the main supply or source, to a distant area where the water is then further distributed. Finished water transmission mains usually have no or few connections.

Valve – A device to regulate or isolate the flow of water.

Vision – A concise statement describing the organization's desired future state. CHWD's vision is: "The Citrus Heights Water District will continue to evolve as a dynamic provider of municipal water service to assure that our customers receive the best value without giving it a second thought."

Water Distribution System – A network of pipe, pumps, and storage facilities to transport potable water from the source/treatment facility to the consumer.

Water Meter – A device designed to accurately measure flow passing through it. Meters are of various types, materials and function with accuracy within certain flow ranges.

Water Quality – Various measures by which materials (contaminants) and appearance (aesthetics) are compared against what are considered appropriate levels for suitably potable water.

Water Quality Monitoring – Instrumentation and activities for measuring the quality of water.

Water Treatment – Any process that intentionally alters and improves the chemical, biological, or physical characteristics of water.

Well – (1) A subsurface source of water that is generally accessed through a drilled casing and pipe into the aquifer. (2) The entire system of the underground water source, pipe casing, pump, etc. Also called a borehole.

Budget Policy

6000.00 BUDGET PREPARATION AND ADOPTION

A budget on a calendar year basis shall be prepared and adopted by Resolution of the Board of Directors.

6000.01 Budget Preparation

The General Manager or designee, in consultation with other staff members, shall prepare a draft budget for initial review and discussion by the Board of Directors.

6000.02 Budget Contents

The budget shall contain recommended appropriations of funds necessary to support the mission, operations and capital improvements of the District for the budget year.

Recommended dollar amount appropriations will be specifically identified for individual Expense Account Numbers as shown in the Citrus Heights Water District Chart of Accounts.

6000.03 Public Review and Comment

The final draft budget, as modified and amended to reflect additional information and comments, shall be presented to the public for comment at a noticed Public Hearing to be conducted prior to the start of the new budget year, typically at the Board's regular meeting in November.

6000.04 Budget Adoption

The final budget, including any modifications and amendments directed by the Board of Directors to reflect additional information and public comments, shall be considered for adoption by the Board of Directors prior to the start of the new budget year.

6000.05 Budget Amendment

The Board may amend the budget during the budget year as deemed necessary or advisable.

Reserve Policies

6200.00 OPERATING RESERVE

The District shall establish and maintain an Operating Reserve to meet the ongoing cash outlay obligations of District operations and capital improvement expenditures. The Operating Reserve shall be the source of monies for payment of the District's financial obligations including but not limited to District employee payroll and benefits costs, invoices for goods and services used by the District, debt obligations of the District and all other payments that are made by the District and reviewed by the Board of Directors on a monthly basis.

The Operating Reserve shall be the repository for all monies received by the District that are not otherwise specifically restricted, assigned or committed to any of the other Funds and Reserves of the District. Monies may be transferred to or from the Operating Reserve at the direction of the General Manager and designee in accordance with this Policy and the Policies setting forth the purpose, guidelines and restrictions for other District Funds and Reserves. Monies may also be transferred to or from the Operating Reserve at the specific direction of the Board of Directors.

The target amount of funds to be maintained in the Operating Reserve shall be monies sufficient to meet the estimated financial obligations of the District for 90 calendar days. Monies in excess of this amount that are not otherwise specifically restricted, assigned or committed to any of the other Funds and Reserves of the District shall be transferred to the District's Operating Fund. Funds maintained in the Operating Reserve shall be funds readily available to meet the financial obligations of the District.

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

6210.00 OPERATING FUND

The District shall establish and maintain an Operating Fund as a repository for monies received by the District that are not otherwise specifically restricted, assigned or committed to any of the other Funds and Reserves of the District, and are not required to be retained in the Operating Reserve to meet the estimated financial obligations of the District for the next 90 calendar days.

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

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

6220.00 RATE STABILIZATION RESERVE

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

- Unanticipated operating and/or capital expenditures;
- Unanticipated revenue shortfall due to water shortages, drought or other conditions; Changes to the District's billing methods, policies and procedures;
- Natural or man-made disasters;
- Major transmission or distribution main failures; and,
- Purchase of water from other than normal or budgeted sources, including electrical expense associated with long-term use of the District's groundwater wells.

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

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

6225.00 DEBT SERVICES RESERVE

The District shall establish and maintain a restricted Debt Services Reserve to provide funds for use, including but not limited to, maintaining debt coverage ratios in accordance with bond covenants or other agreements or requirements associated with the issuance of debt by the District.

The amount of funds to be maintained in the Debt Services Reserve shall be in compliance with the requirements set forth in the agreement with the financing institution. The District Treasurer shall report in writing each month to the Board of Directors on the dollar balance of the Debt Services Reserve at the end of the preceding calendar month.

6240.00 CAPITAL IMPROVEMENT RESERVE

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

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

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

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

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

6250.00 WATER METER REPLACEMENT RESERVE

The District shall establish and maintain a Water Meter Replacement Reserve to provide funds for use in evaluating, designing, constructing, acquiring, replacing or rehabilitating capital facilities pertaining to meters to benefit District customers.

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

The target amount of funds to be maintained in the Water Meter Replacement Reserve shall be monies as a build up to meet the District's future estimated capital outlays for planning, evaluating, designing, constructing, installing and/or implementing new water meter technology and equipment as determined by the capital improvement plan adopted by the Board of Directors.

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

6255.00 WATER MAIN REPLACEMENT RESERVE

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

- Water Transmission and Distribution Facilities and related appurtenances, including water services, water valves, fire hydrants, etc.

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

The target amount of funds to be maintained in the Water Main Replacement Reserve shall be monies to meet the District's future estimated capital outlays for evaluating, planning, designing and constructing water transmission or distribution facilities as determined by the water main capital improvement plan adopted by the Board of Directors.

Investment earnings resulting from funds in the Water Main Replacement Reserve shall be reinvested in the Water Main Replacement Reserve as retained earnings. The District shall utilize the Local Agency Investment Fund (LAIF) or California Asset Management Program (CAMP), whichever is higher, to calculate interest on the Water Main Replacement Reserve funds. The interest calculations shall be conducted in accordance with LAIF or CAMP's prevailing rates and terms.

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

6260.00 FLEET EQUIPMENT RESERVE

The District shall establish and maintain a Fleet Equipment Reserve to set aside funds over an extended period of time to replace fleet equipment at the end of its useful life, including, but not limited to, the following:

- Pickup trucks and automobiles:
- Backhoes and loaders;   Dump trucks;
- Crew trucks;
- Vacuum Trailer Excavation Systems;
- Vehicle-mounted equipment, such as tool boxes, cranes, safety lights and two- way radios; and,   Trailer-mounted mobile equipment, such as air compressors.

Monies may be transferred to or from the Fleet Equipment Reserve at the direction of the General Manager or designee in accordance with this Policy and the Policies setting forth the purpose, guidelines and restrictions for other District Funds and Reserves. Monies may also be transferred to or from the Fleet Equipment Reserve at the specific direction of the Board of Directors.

The target amount of funds to be maintained in the Fleet Equipment Reserve shall be ten percent (10.00%) of the equipment and machinery capital assets cost (i.e., non- depreciated value), as determined by the District's most recent financial statements.

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

6270.00 EMPLOYMENT-RELATED BENEFITS RESERVE

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

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

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

The target amount of funds to be maintained in the Employment-Related Benefits Reserve shall be the sum of monies sufficient to meet the total of the following amounts: 1) the cost for payouts of accrued leave balances due to retirement or separation of employment from the District for the current and following fiscal year as estimated by the General Manager or designee; and 2) the cost for payments to employees under the District's Recognition, Rewards and Accountability Program for the current and following fiscal year as estimated by the General Manager or designee.

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

6280.00 WATER EFFICIENCY RESERVE

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

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

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

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

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

6290.00 RESERVE FUND MANAGEMENT

6290.01 Purpose

Funds in each of the Designated Reserves and for the Operating Fund may be comingled and invested in compliance with the District's Investment Policy 6300 and any applicable Government Code Section.

Investment Policy

6300.00 INVESTMENT OF DISTRICT FUNDS

6300.01 Purpose

This fiscal management policy is intended to provide a policy and guidelines for the District's Treasurer or designee for the prudent and suitable investment of funds and monies of the District without regard to source. The ultimate goal is to enhance the economic status of the District while protecting its funds.

The District's cash management system is designed to accurately monitor and forecast expenditures and revenues, thus enabling the District to invest operating and reserve funds to the fullest extent possible. The District shall attempt to obtain the highest yield, provided that all investments first meet the criteria established for safety and liquidity.

Funds not included in this Policy include deferred compensation funds.

6300.10 Definition and Provision of the Government Code

The Board of Directors and Officers authorized to make investment decisions on behalf of the District investing public funds pursuant to California Government Code sections 53600 et seq. and 53630 et seq. are trustees and therefore fiduciaries subject to the prudent investor standard. As an investment standard, any investment shall be made as if it is one which a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

6300.20 Authority

The investment policies and practices of the District are based upon compliance with federal, state and local law and prudent money management. Investments will be in compliance with governing provisions of law (California Government Code sections 53600 et seq. and 53630 et seq. as amended) and this Policy. This Policy shall take precedence when more restrictive than the California Government Code.

6300.21

The Board of Directors delegates for a one-year period the day-to- day management of the District's investments to the Treasurer, subject to the conditions of this Policy. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of documentation and reporting pursuant to Section 6300.70 of this Policy.

The District may also enter into an agreement with a registered investment advisor for investment management/advisory services, and the investment advisor will operate under the direction of the Treasurer. If the District hires an investment advisor to provide investment management services, the advisor is authorized to transact with its direct dealer relationships on behalf of the District. Such advisers shall provide recommendations and advice regarding the District's investment program including but not limited to the purchase and sale of investments in accordance with this Investment Policy. Such advisers must be registered under the Investment Advisers Act of 1940.

6300.30 Ethics and Conflicts of Interest

Directors and Officers involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

Investment officials shall disclose to the Treasurer any material financial interests in financial institutions that conduct business with the District, and they will further disclose any personal financial or investment positions that could be related to the performance of the District's portfolio, particularly with regard to the timing of purchases and sales.

6300.35 Prudence

Investments shall be made in the context of the "Prudent Investor" rule, which states that: Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The General Manager, District Treasurer and their designees involved in the investment process, acting in accordance with this Investment of District Funds Policy and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported immediately and that appropriate action is taken to control adverse developments.

6300.40 Objectives

6300.41 Safety of Principal - Safety of principal is the primary objective of the District. Each investment transaction shall seek to preserve the principal of the portfolio, whether from institutional default, broker-dealer default or erosion of market value of securities. The District shall seek to preserve principal by mitigating the following two types of risk:

A. Credit Risk - Credit risk, defined as the risk of loss due to failure of an issuer of a security, shall be mitigated by investing in only very safe institutions and by diversifying the investment of District funds so that the failure of any one issuer would not unduly harm the District's cash flow.

B. Market Risk - The risk of market value fluctuations due to overall changes in the general level of interest rates shall be mitigated by limiting the weighted average maturity of the District's invested funds to three (3) years. It is explicitly recognized herein, however, that in a diversified portfolio, occasional measured losses are inevitable, and must be considered within the context of the overall investment return.

6300.42 Liquidity - Liquidity is the second most important objective. Investments shall be made whose maturity dates are compatible with cash flow requirements and which can be easily and rapidly converted into cash without substantial loss of value.

6300.43 Return on Investment - Investments shall be undertaken to produce an acceptable rate of return after first considering safety of principal, liquidity, and without undue risk.

6300.50 Authorized Investments

District investments are governed by the California Government Code sections 53600 et seq. and 53630 et seq. A permissible investment's term or remaining maturity is to be measured from the investment's settlement date to final maturity. Any forward settlement that exceeds 45 days from the time of investment is prohibited. Within the context of these sections the following investments are authorized:

A. Local Agency Investment Fund - The District may invest in the Local Agency Investment Fund (LAIF) established by the California State Treasurer and created by Government Code sections 16429.1 through 16429.4 for the benefit of local agencies up to the maximum permitted by the LAIF's Local Investment Advisory Board.

B. Securities of the U.S. Government - United States Treasury Bills, Notes, Bonds, or Certificates of Indebtedness, or those for which the faith and credit of the United States are pledged for payment of principal and interest. There is no limitation as to the percentage of the District funds which can be invested in this category as they are all safe and liquid. Purchases may not have a term remaining to maturity in excess of five (5) years. (Gov. Code, §§ 53601(b) and 53635(a).)

C. State Obligations - Registered State Warrants or Treasury Notes or Bonds issued by the State of California, any of the other 49 states, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state, as defined in Government Code sections 53601(c), 53601(d) and 53651 and pursuant to Government Code section 53635.2. Obligations eligible for investment shall be rated "A" or its equivalent or better by a nationally recognized statistical rating organization. No more than 25 percent of the District's total portfolio may be invested in state obligations, and no more than 10 percent of any single issuer. Purchases may not have a term remaining to maturity in excess of five (5) years.

D. Local Agency Obligations - Obligations issued by any local agency, as defined by the Government Code, within the State. Obligations may be bonds, notes, warrants, or other evidences of indebtedness, as defined in Government Code sections 53601(e) and 53651 and pursuant to Government Code section 53635.2. Obligations eligible for investment shall be rated “A” or its equivalent or better by a nationally recognized statistical rating organization. No more than 25 percent of the District’s total portfolio may be invested in local agency obligations, and no more than 10 percent of any single issuer. Purchases may not have a term remaining to maturity in excess of five (5) years.

E. Securities of the U.S. Government Agencies and Instrumentalities - Federal agency or United States government-sponsored enterprise obligations (GSEs) such as: Federal Farm Credit Bank Funding Corporation (FFCB), Federal Home Loan Bank (FHLB), Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Government National Mortgage Association (GNMA), Federal Agricultural Mortgage Corporation (FAMC) and Tennessee Valley Authority (TVA). Such securities are obligations of the federal agencies or United States government- sponsored enterprises and shall not have a term to remaining to maturity in excess of five (5) years. There is no limitation as to the percentage of the District funds which can be invested in this category. No more than 35 percent of any single issuer may be purchased. (Gov. Code, §§ 53601(f), 53651).

F. Bankers’ Acceptances – Bankers’ acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers’ acceptances shall not exceed 180 days' maturity or 20 percent of the District’s money that may be invested pursuant to Government Code section 53601(g). However, no more than 5 percent of the District’s money may be invested in the bankers’ acceptances of any one commercial bank pursuant to Government Code section 53601(g). (Gov. Code, §§ 53601(g), 53651)

G. Prime Commercial Paper - Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical rating organization. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or (2):

(1) The entity meets the following criteria:

(a) Is organized and operating in the United States as a general corporation.

(b) Has total assets in excess of five hundred million dollars ($500,000,000).

(c) Has debt other than commercial paper, if any, that is rated "A" or higher by a nationally recognized statistical rating organization.

(2) The entity meets the following criteria:

(a) Is organized within the United States as a special purpose corporation, trust, or limited liability company.

(b) Has program-wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or surety bonds.

(c) Has commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical-rating organization.

Eligible commercial paper shall have a maximum maturity of 397 days or less. In addition:

(a) No more than 25 percent of the District's total portfolio may be invested in eligible commercial paper; and,

(b) No more than 5 percent may be invested in any single issuer. (Gov. Code, § 53601(h), 53635.)

H. Non-negotiable Certificates of Deposits - The District may invest in nonnegotiable time deposits collateralized in accordance with the Uniform Commercial Code, in those banks and State and federal associations which meet the requirements for investment in negotiable certificates of deposit (NCD). When conditions so warrant, the first $250,000 of collateral security for such deposits can be waived if the financial institution is insured pursuant to federal and State law. The term of non-negotiable certificates of deposit is restricted to a maximum of one year. No more than 10 percent of the District's total portfolio may be invested in non-negotiable CD's, and no more than 5 percent of any single issuer.

I. Negotiable Certificates of Deposits - Negotiable certificates of deposit issued by a nationally or state-chartered bank or a federal association, a state or Federal credit union, or by a federally licensed or state licensed branch of a foreign bank. The term of negotiable certificates of deposit is restricted for a minimum of 7 days and a maximum of one year. No more than 10 percent of the District's total portfolio may be invested in negotiable CD's, and no more than 5 percent of any single issuer. (Gov. Code, §§ 53601(i)).

J. Medium-Term Corporate Notes - Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five (5) years or less issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment shall be rated "A" or better by a nationally recognized statistical rating organization. No more than 25 percent of the District's total portfolio may be invested in medium-term notes, and no more than 5 percent of any single issuer. (Gov. Code, §§ 53601(k) and 53635.2)

K. Mutual Funds/Money Market Mutual Funds - To be eligible for investment pursuant to this subsection (K), these funds shall meet the following conditions in either paragraph (1) or (2) below:

(1) Shares of beneficial interest issued by diversified management companies (otherwise known as mutual funds) that invest in the securities and obligations as authorized by subdivisions (a) to (k), inclusive, or (m) to (q) inclusive, of Government Code section 53601 and that comply with the investment restrictions of Government Code sections 53600 et seq. and 53630 et seq. However, notwithstanding these restrictions, a counterparty to a reverse repurchase agreement or securities lending agreement is not required to be a primary dealer of the Federal Reserve Bank of New York if the company's board of directors finds that the counterparty presents a minimal risk of default, and the value of the securities underlying a repurchase agreement or securities lending agreement may be 100 percent of the sales price if the securities are marked to market daily. To be eligible for investment pursuant to this paragraph (1), the companies must have either:

(a) Retained an investment adviser registered with the Securities and Exchange Commission with not less than five (5) years' experience investing in securities and obligations and authorized by subdivisions (a) to (k), inclusive, (m) or (q) inclusive of Government Code Section 53601 and with assets under management in excess of five hundred million dollars ($500,000,000); or,

(b) Attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) nationally recognized statistical rating organizations. (Gov. Code, § 53601(*l*)(1) & (3).)

(2) Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.). To be eligible for investment pursuant to this paragraph (2), the companies must either have:

(a) Retained an investment adviser registered with the Securities Exchange Commission with not less than five (5) years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars ($500,000,000); or

(b) Attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) nationally recognized statistical rating organizations. (Gov. Code, § 53601(l)(2) &(4).)

(3) The purchase price of shares of mutual funds and money market mutual funds purchased pursuant to this Section K of this Policy shall not include any commission that the companies may charge and shall not exceed 20 percent of the total portfolio. Further, no more than 20 percent of the District's total funds may be invested in shares of beneficial interest of any one mutual fund pursuant to paragraph (1) above. (Gov. Code, § 53601(*l*)(5).)

L. Asset-Backed Securities – Securities include mortgage pass-through securities, collateralized mortgage obligations, mortgage-backed or other pay-through bonds, equipment lease-backed certificates, consumer receivable pass-through certificates, or consumer receivable-backed bonds of a maximum remaining maturity of five (5) years or less. Securities eligible for investment under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by a nationally recognized statistical rating organization. Purchases of asset-backed securities may not exceed 20 percent of the total portfolio. No more than 5 percent of the portfolio may be invested in any single issuer. (Gov. Code, §§ 53601(o), 53635.2.)

M. Joint Powers Authority - Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (r), inclusive, of Government Code section 53601. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. Purchase of joint powers authority may not exceed 50 percent of the total portfolio. To be eligible under this Section M of this Policy, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

(1) The adviser is registered or exempt from registration with the Securities and Exchange Commission;

(2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive, of Government Code section 53601; and,

(3) The adviser has assets under management in excess of five hundred million dollars ($500,000,000) (Gov. Code, § 53601(p).)

N. Collateralized Bank Deposits – Section 6300.56 of this policy addresses collateralization requirements for deposits. These are authorized by California Government Code Section 53637. No more than 50 percent of the portfolio may be invested in any single bank.

O. Supranationals - United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank. The maximum remaining maturity for these obligations must be five (5) years or less, and they must be eligible for purchase and sale within the United States. In addition, these investments must be rated "AA" or better by a nationally recognized statistical ratings organization. Investments in Supranationals shall not exceed 15 percent of the total portfolio. No more than 5 percent of the portfolio may be invested in any single issuer. (Gov. Code, § 53601(q).)

6300.51 Investment Parameters

A. Diversification Constraints on Total Funds:

Permissible investments and limits are based on total funds at time of purchase (settlement date). This subset listing of authorized and permitted securities with specific limitations is determined to more closely fit the District's risk tolerance and requirements for liquidity. The following table lists the District's authorized and permitted investments and certain limitations thereon provided by this Investment Policy:

Investment Type	Maximum Maturity	Maximum % Holdings	Maximum % per Issuer*	Minimum Rating**
Securities of the U.S. Government	5 Years	100%	100%	N/A
Registered State Warrants, Treasury Notes, or Bonds of the State of California or other states in the United States	5 Years	25%	10%	A-
Bonds, Notes, Warrants, or Other Evidences of Indebtedness of any Local Agency writing the State of California	5 Years	25%	10%	A-
Securities of U.S. Government Agencies and Instrumentalities	5 Years	100%	35%	N/A
Commercial Paper	270 days	25%	5%	A-1 Plus A Long Term
Corporate or Medium-Term Notes	5 Years	25%	5%	A-
Bonds of Supranationals (IBRD, IFC, IADB)	5 Years	15%	5%	AA-
Mortgage Pass-Through and Asset-Backed Securities	5 Years	20%	5%	AA-
Non-Negotiable Certificates of Deposit	1 Year	10%	5%	N/A
Negotiable Certificates of Deposit	1 Year	10%	5%	N/A
Money Market Mutual Funds	2(A) 7 Eligible	20%	20%	AAA / AAA by two NRSRO's
Local Agency Investment Fund	N/A	Max permitted by State Treasurer***	N/A	N/A
Collateralized Bank Deposits	N/A	100%	50%	N/A
Bankers' Acceptances	180 days	20%	5%	N/A
Joint Powers Authority Pool	N/A	50%	N/A	N/A

*Percentages will be in compliance if within limits at time of purchase
**Rating categories are inclusive of rating modifiers such as +/- or numbers from one NRSRO unless two ratings are noted
***Maximum allowed is $75 million effective January 1, 2020

B. Maturity Constraints on Total Funds:

Every effort will be made to match investment maturities to cash flow needs. Matching maturities with expected cash flow needs will reduce the need to sell securities prior to maturity, thus reducing market risk. At all times, the District will maintain a minimum amount of funds to meet liquidity needs.

The portfolio's maximum weighted average maturity (WAM) shall not exceed 3 years.

The maximum percent of callable agency securities in the portfolio shall be 25 percent.

Maximum maturities by authorized and permitted investments are included above. Unless matched to a specific requirement and approved by the Board of Directors, no investment may be made with a maturity greater than five (5) years. If greater than five-year maturity investments are approved and allowable by the Board of Directors, purchases of the investment instruments exceeding the five-year maturity shall not be made until after said approval.

Maturity Constraints	Minimum % of Total Portfolio
Under 5 years	100%
Maturity Constraints	**Maximum of Total Portfolio in Years**
Weighted Average Maturity	2.5
Maturity Constraints	**Maximum % of Total Portfolio**
Callable Agency Securities	25%

6300.53 Non-Compliance with Authorized Investments

Investments which were obtained prior to adoption of this Policy which are currently not in compliance with said policy may be held until maturity pursuant to Government Code section 53601.6(b). Reporting of said non-compliant investments shall be made per Section 6300.70 of this Policy.

6300.55 Designation of Depositories

The Board of Directors shall, by Resolution, and in accordance with Government Code sections 53600 et seq. and 53630 et seq., designate depositories for District funds. A State or federal credit union may not be designated as a depository for District funds if a member of the Board of Directors or any person with investment decision-making authority for the District serves on the Board of Directors, any committee appointed by the Board of Directors, or the credit committee or supervisory committee of the State or federal credit union.

As far as possible, all money belonging to, or in the custody of the District, including money paid to the Treasurer or other official to pay the principal, interest, or penalties of bonds, shall be deposited for safekeeping in State or national banks, savings associations, federal associations, credit unions, or federally insured industrial loan companies in this State, selected by the Treasurer or other official having legal custody of the money; or may be invested in the investments set forth in Government Code section 53601. To be eligible to receive District money, a bank, savings association, federal association, or federally insured industrial loan company shall have received an overall rating of not less than "satisfactory" in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California's communities, including low- and moderate-income neighborhoods, pursuant to Section 2906 of Title 12 of the United States Code.

Government Code sections 53601.5 and 53601.6 shall apply to all investments that are acquired pursuant to Government Code section 53635.2. (Gov. Code, § 53635.2).

6300.56 Collateralization

A financial institution must provide coverage for at least 110 percent of all District deposits that are placed in the institution. Acceptable pooled collateral requirements are governed by California Government Code Section 53651. Although permitted by California Government Code (Section 53651(m)), real estate mortgages are not considered acceptable collateral for District deposits. All banks are required to provide the District with a regular statement of pooled collateral. This report will state that they are meeting the 110 percent collateral rule (Government Code Section 53652(a)), a listing of all collateral with location and market value, plus an accountability of the total amount of deposits secured by the pool.

The market value of the collateral must not fall below 110 percent of the value of the deposit(s) at any time. The District will maintain a first perfected security interest in the securities pledged against the deposit and shall have a contractual right to liquidation of pledged securities upon the bankruptcy, insolvency or other default of the counter party.

As per section 53638 of the California Government Code, any deposit shall not exceed the total paid-up capital and surplus of any depository bank, nor shall the deposit exceed the total net worth of the depository institution.

Deposits that are within the Federal Deposit Insurance Corporation (FDIC) insured limit amounts are exempt from the District's collateralization and minimum bank financial strength rating requirements.

6300.60 Safekeeping of Securities

To protect against potential losses caused by collapse of individual securities dealers, all securities shall be delivered versus payment (DVP) and shall be kept in safekeeping pursuant to Government Code section 53608. All investment transactions require the bank to provide safekeeping receipt or acknowledgement generated from the transaction. All security transactions, including collateral for repurchase agreements, entered into by the District, shall be conducted on a delivery versus payment basis. The safekeeping institution is required to provide a listing of all securities held in safekeeping with current market data and other information on a monthly basis. In no case shall funds be wired or transmitted in any manner to brokers.

6300.70 Reporting Requirements

Under provisions of Government Code sections 53646 and 53607, the Treasurer shall render a monthly report to the District's Board of Directors and General Manager. The report shall include the type of investment, issuer, date of maturity, par value and the dollar amount invested in all securities, investments and monies held by the District, and shall additionally include a description of any of the District's funds, investments or programs, that are under the management of contracted parties, including lending programs. With respect to all securities held by the District, and under management of any outside party that is not also a local agency of the State of California Local Agency Investment Fund, the report shall also include a current market value as of the date of the report, and shall include the source of this same valuation.

In the report, a subsidiary ledger of investments may be used in accordance with generally accepted accounting practices.

The Treasurer shall report whatever additional information or data may be required by the District's Board of Directors.

For District investments that have been placed in the Local Agency Investment Fund, created by Government Code section 16429.1, in National Credit Union Share Insurance Fund-insured accounts in a credit union, in accounts insured or guaranteed pursuant to Financial Code section 14858, or in Federal Deposit Insurance Corporation-insured accounts in a bank or savings and loan association, in a county investment pool, or any combination of these, the Treasurer may supply to the District's Board of Directors and General Manager the most recent statement(s) received by the District from these institutions in lieu of the aforementioned information regarding the type of investment, issuer, date of maturity, par value and the dollar amount invested in all securities, investments and monies held by the District.

The monthly Treasurer's report shall state compliance of the portfolio with this Investment of District Funds Policy, or manner in which the portfolio is non-compliant. The report shall include a statement denoting the ability of the District to meet its expenditure requirement for the next six months or an explanation as to why sufficient monies will not or may not be available.

The Investment Policy sets forth concentration constraints and minimum credit ratings for each type of security. These limits apply to the initial purchase of a security and do not automatically trigger the sale of a security as the portfolio value fluctuates or in the event of credit rating downgrade. Due to fluctuations in the aggregate surplus funds balance, maximum percentages for a particular issuer or investment type may be exceeded at a point in time. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made to ensure that appropriate diversification is maintained.

6300.90 Investment Policy Review

This policy governing Investment of District Funds shall be reviewed, modified as necessary and re-adopted or amended at a public meeting of the Board of Directors annually or more frequently if necessary.

Purchasing Policy

6500.00 PURCHASING AND PROCUREMENT

6500.01 Introduction

The District has a responsibility to acquire the best value in supplies, materials, equipment, operating and maintenance services, consultant services, and public works projects from various suppliers, contractors, and consultants.

This policy provides guidance and instructions to employees involved in the purchasing and procurement process.

6500.01 Objectives of Purchasing and Procurement Policy

This Purchasing and Procurement Policy has been developed to achieve the following objectives:

- Standardize the procedures by which the District conducts business with its suppliers, contractors, and consultants.
- Ensure impartiality and competition in purchasing and procurement transactions whenever possible.
- Establish purchasing and procurement authorization procedures, delegation of authority, and accountability.
- Implement effective documentation, processing, accounting, reporting, and audit trail systems to support purchasing and procurement activities.

6500.02 Personnel Standards of Conduct

All personnel engaging in purchasing and procurement activities on behalf of the District shall employ the following standard practices:

- Consider, first, the interests and needs of the District in all transactions.
- Carry out the established policies of the District.
- Buy without prejudice and seek to obtain the maximum value for each expenditure of public funds.
- Subscribe to and work for honesty and truth in purchasing and procurement and denounce all forms of commercial bribery.

No District employee involved in purchasing shall maintain a financial interest or have any personal beneficial interest, directly or indirectly, in any contract or purchase of supplies, materials, equipment, services, or public works projects used by or furnished to the District.

6500.10 Purchasing Categories

District purchases typically are within the following seven categories:

(1) General Purchases

(2) Consultant Services

(3) Public Works Projects

(4) Petty Cash Purchases

(5) Emergency Purchases

(6) Single Source Purchases

(7) Real Property

When considering purchases or procurements in any category except emergency purchases, the District's current Operating Budget should be reviewed to ensure compliance with anticipated expenditures and revenues.

6500.11 General Purchases

- This category consists of the following general purchase classifications:
- Supplies including office and field supplies, fuels, etc.
- Material including waterworks materials, trench backfill material, etc.
- Equipment including office equipment, vehicles, tools, etc.
- Software and other intangible goods.
- Settling minor claims or potential claims against the District, including the payment of severance.

6500.12 Services

This category includes Operating and Maintenance Services including service contracts and agreements, equipment repairs, etc. and specialized professional services including, but not limited to, surveyors, engineers, architects, attorneys/legal counsel, auditors, management consultants, financial consultants, technical consultants, and short-term personal services less than 30 days.

Individual members of the Board of Directors are authorized to directly consult with the District's attorneys/legal counsel.

6500.13 Public Works Projects

This category comprises expenditures for public works projects that are typically related to capital improvements performed by independent contractors for the District's water distribution system, groundwater production facilities, and administrative/corporation yard facilities. Said contractors are to be considered for selection when a specific improvement project exceeds the available personnel, equipment, and technical expertise of the District.

Payment of the prevailing wage for construction labor classifications as determined by the State of California is required of contractors providing public works project construction for the District. A 10 percent bid security is required for sealed competitive bids.

6500.13 Petty Cash Purchases

This category comprises small, day-to-day, over-the-counter purchases made on behalf of the District using Petty Cash. A Petty Cash fund not to exceed. $500 shall be maintained and controlled by the District Treasurer. See also Petty Cash Policy 6480.

6500.15 Emergency Purchases

This category constitutes purchases required during times of duress when the requirements for competitive purchasing and procurement can be waived. In such cases where purchases are made outside of normal procedures, records must be maintained to indicate the vendor, types, quantities, and disposition of items purchased or services procured. If possible, informal, or facsimile quotations should be obtained and documented. The General Manager or designee shall have the authority to issue purchase orders and make purchases/procurements during emergency conditions.

A report and full accounting of expenditures shall be provided to the Board of Directors whenever emergency purchases and procurements are made.

6500.16 Single-Source Purchases

This category makes allowances for the infrequent, but sometimes necessary, purchase from a supplier that is the only acceptable vendor able to furnish a certain product or service. Inasmuch as single-source purchases are an exception to competition, care must be exercised, and consideration given to the following:

- Is there a lack of responsible competition for the product or service?
- Does the vendor possess exclusive and/or predominant capabilities?
- Is the product or service unique and easily established as one-of-a- kind?
- Would utilize a single-source result in future operational or maintenance savings?
- Are there patented or proprietary rights that fully demonstrate a superior patented feature not obtainable from similar products, or a product or service available from only one source rather than dealers and retailers from which competition could be encouraged?
- Can the District’s requirements be modified so that competitive products or services may be used without sacrificing product quality and vendor responsiveness?

Further, in accordance with Public Contract Code section 3400(c), the District may make a finding that is described in the invitation for bids or request for proposals that a particular material, product, thing, or service is designated by specific brand or trade name for any of the following purposes:

- In order that a field test or experiment may be made to determine the product's suitability for future use.
- In order to match other products in use on a particular public improvement either completed or in the course of completion.
- In order to obtain a necessary item that is only available from one source.
- In order to respond to an emergency declared by the District, but only if the declaration is approved by a unanimous vote of the Board.
- In order to respond to an emergency declared by the state, a state agency, or political subdivision of the state, but only if the facts setting forth the reasons for the finding of the emergency are contained in the public records of the District.

6500.17 Real Property

This category includes easements, fee title and other interests in real property. Due to the individualized nature of real property, all purchases may be by negotiated purchase.

6500.20 Purchasing Levels and Authority

Below are tables listing the various purchasing categories and the authority for individual purchases:

Category		
	General Manager	Board of Directors
General: Supplies, materials, equipment, O&M services	$75,000 or less	Greater than $75,000

Category		
	General Manager	Board of Directors
Consultant Services	$75,000 or less	Greater than $75,000
Public Works Projects	$175,000 or less	Greater than $175,000
Petty Cash	Less than $500	None
Emergency	All amounts but General Manager shall notify Board of Directors at its next regular meeting	
Single Source	$75,000 or less	Greater than $75,000

Procurement limits shall apply on a single project basis for services or purchase basis for materials. Multiple procurements from a single provider or purchaser shall be judged individually. However, splitting or separating of materials, supplies, services, and projects for the expressed purpose of evading the requirements of this Policy, is strictly prohibited.

6500.21 INFORMAL SOLICITATIONS

All purchases or contracts for materials, supplies, equipment and services will be based, whenever possible and practicable, on some form of competition. There may be exceptions to the competitive process for emergency conditions, supply or source limitations, or other circumstances with justifications for such a waiver being documented prior to the acquisition. Moreover, quotations are not required for consultant services or single source procurements. The following guidelines shall be used for obtaining quotes or proposals:

Estimated Value	Number and Type of Quotations
$0 – $5,000	At least one verbal or written quote
$5,000.01 – $40,000	At least two written quotes
$40,000.01 – $74,999.99	At least three written quotes
$75,000 +	Formal Quotations

Written quotes may be either hard-copy quotes received in the mail, via facsimile or via electronic transmission. Written quotes or the justification for not obtaining quotes shall be maintained in the project file.

Quotes may not be available for common items normally found in retail establishments (i.e., Home Depot, Lowe's, etc.), unless in bulk or special order. The purchase of common consumer items is acceptable without a quote, but a contractor's discount should be sought if a business account is established.

6500.22 Formal Quotations

Formal solicitation procedures shall be required for procurements estimated to be greater than $75,000. The use of an online solicitation system is acceptable for formal solicitations, as well the receipt of formal solicitations (unless specifically stated otherwise within the solicitation documents). In addition, the notice to bidders or request for proposal shall:

(1) At a minimum, be advertised in one general circulation newspaper within the District's geographic boundaries or advertised electronically on an appropriate regional purchasing website.

(2) Whenever possible and practical, provide a minimum of fourteen (14) calendar days for response, unless otherwise required by the Public Contract Code.

(3) Require the receipt of a minimum of two (2) competitive responses or more, when available

Proposals and quotations may be publicly unsealed, and respective dollar amount(s) announced. Award details shall be made available following the award of a contract. The formal competitive solicitation process may be waived at the discretion of the General Manager or designee, when there is a compelling reason to do so (e.g., public safety, prevent loss of life, imminent danger, or other valid reason). The General Manager shall document the reason and present it to the Board of Directors at the next regularly scheduled meeting. In addition, the formal competitive solicitation process shall not be required for services unless otherwise required by law. Written responses to the notice to bidders or request for proposal shall be maintained in the project file.

6500.23 Public Works Bidding

The Irrigation District Law does not maintain competitive bidding for public works except in limited cases. In such cases or when required by law, the District shall utilize all competitive processes mandated by the Public Contract Code.

For other public works solicitations, the District shall utilize the process identified in Section 6500.22 of this Policy for public works. In addition to such procedures, public work bids shall be publicly unsealed, and respective dollar amount(s) announced. The Board of Directors may waive public bidding for any public work at its discretion and subject to the limits of applicable law.

6500.25 Cooperative Purchasing

In lieu of conducting an informal or formal solicitation, the District may utilize cooperative and piggyback procurements that are based on competitive processes that are substantially consistent with the requirements of this Policy. Documentation of this finding and its basis shall be maintained in the project file.

6500.26 Task Order Agreements

The District may execute task order agreements with vendors. The procurement process set forth in this policy shall apply to the initial award of the agreement. During the term of the agreement, the General Manager may issue individual task orders within budgeted amounts. The General Manager may approve amendments to update billing rates and fee schedules as necessary.

6500.30 Change Orders

A change order is required when work or services performed pursuant to a contract will exceed the approved original contract amount or changes in the scope of work are required. A written request for change order must be completed and approved before a change order can be authorized. Board approval is required for any change order or amendment that exceeds ten percent of the initial contract amount. Subsequent change orders or amendments shall be aggregated so that Board approval is required once the total amount approved by change order or amendment exceeds ten percent of the initial contract amount. The Board may delegate additional authority for change orders or amendments when approving any contract.

6500.50 Purchasing Cycle

Regardless of the type of item or service being acquired, each transaction proceeds through the following nine distinct stages in varying degrees:

(1) Assessment and determination of need

(2) Research and/or development of specifications

(3) Estimation of anticipated cost

(4) Solicitation and evaluation of quotations, bids, or proposals

(5) Selection and approval of purchase

(6) Award of contract or order

(7) Delivery and Inspection

(8) Receipt of invoice, reconciliation with delivery ticket, verification of pricing by purchasing coordinator/agent

(9) Payment

6500.80 Purchase Orders

Purchase orders may be necessary from time to time to facilitate purchase of required products or services. The District's officers (Directors, Secretary, Assessor/Collector, and Treasurer), and the General Manager are authorized to execute purchase orders on behalf of the District.

6500.90 Purchasing/Procurement Authority

Purchasing and procurement authority not heretofore specifically designated is hereby retained by the Board of Directors. The General Manager, at his or her discretion, may delegate purchasing authority to staff. Such delegation shall be in writing.

6500.100 Project File

The General Manager or designee shall have a project file for each purchase. The project file may be maintained electronically or in hard copy, consistent with applicable law and the District's retention policy.

Capital Assets Policy

6700.00 CAPITAL ASSETS POLICY

6700.01 Purpose

The purpose of this policy is to establish accounting, capitalization, depreciation, inventory control, and disposal standards for capital assets of the District in compliance with Generally Accepted Accounting Principles (GAAP), Governmental Accounting Standards Board (GASB) requirements and applicable provisions of the California Government Code and Water Code governing Special Districts.

6700.02 Authority

This policy is adopted under the authority of the Board of Directors. Financial reporting shall conform to GASB standards and guidance issued by the California State Controller's Office.

The policy provides consistent capitalization thresholds, valuation methodologies, inventory management, and disposal procedures for the District's capital assets, and ensures the information necessary for preparation of financial statements is accurate and complete.

6700.03 Scope

This policy applies to all capital assets acquired, constructed, donated, or otherwise obtained by the District, including infrastructure, land, buildings, improvements, equipment, vehicles, easements, and intangible assets.

6700.04 Capitalization Policy

Assets shall be capitalized if they have a useful life greater than one (1) year and meet or exceed the capitalization thresholds below.

Asset Category	**Capitalization Threshold**
Land	All acquisitions
Easements	$15,000
Buildings	$25,000
Building Improvements	$25,000
Infrastructure (pipelines, wells, tanks, pump stations)	$25,000
Machinery & Equipment	$10,000
Vehicles	All acquisitions
IT Systems & Subscription-Based IT Arrangements (GASB 96)	$25,000

6700.10 Assets Valuation

6700.11 Purchased capital assets shall be recorded at historical cost, which includes all expenditures necessary to acquire the asset and place it into service. Such costs include, but are not limited to, engineering, environmental reviews, permits, freight, taxes, and installation, and any other costs directly attributable to the acquisition or construction of the capital asset.

6700.12 Constructed asset costs shall include all direct construction costs, design costs, project management costs, and any other costs directly attributable to the construction of capital assets, including internal costs. Interest cost incurred during construction shall be recognized as an expense in the period incurred in accordance with GASB Statement No. 89.

6700.13 Donated assets shall be recognized at acquisition value—measured as fair market value at the date of donation—in compliance with GASB standards.

6700.20 Construction in Progress (CIP)

Project costs shall be recorded as Construction in Progress (CIP) until the project is substantially complete. CIP assets shall not be depreciated. Upon completion, costs shall be transferred to the appropriate capital asset category.

6700.30 Depreciation

The District shall utilize the straight-line method for purposes of calculating depreciation. Depreciation shall commence in the month an asset is placed into service, in accordance with the full-month convention. Land shall not be depreciated.

Asset Category	**Estimated Useful Life**
Buildings	30–50 years
Pipelines	40–75 years
Wells	25–40 years
Tanks	40–60 years
Pump Stations	25–40 years
Treatment Equipment	15–30 years
Vehicles	5–10 years
Equipment	3–15 years
IT Systems	3–10 years

6700.40 Repairs vs. Capital Improvement

Routine maintenance and minor repairs that do not extend useful life or increase capacity shall be expensed. Expenditures that materially extend useful life, increase capacity, improve efficiency, or enhance safety beyond original design shall be capitalized.

6700.50 Developer-donated Infrastructure

Infrastructure constructed by private developers and subsequently dedicated to the District shall be recorded as capital assets upon acceptance by the District.

Developer-donated assets shall be recorded at acquisition value as of the date of acceptance, consistent with GASB requirements. Acquisition value may be determined based on certified construction costs, engineer's estimates, or other documentation deemed reliable by the General Manager and Finance Director/Administrative Services Director.

The District shall not record donated infrastructure until: (1) construction is complete; (2) required inspections and testing have been performed; (3) all required documentation has been received; and (4) the District has accepted the improvements.

Upon acceptance, the assets shall be transferred from any applicable inspection or development tracking records into the District's capital asset ledger and depreciated in accordance with this policy.

6700.60 Inventory & Safeguarding

The Administrative Services Department (Finance Division) shall maintain a capital asset ledger. The District shall conduct annual physical inventories of non-infrastructure capital assets and periodically reconcile infrastructure capital assets.

Results must be reconciled with the capital asset system. Discrepancies shall be reported to the General Manager and Finance Director/Administrative Services Director. Department Directors are responsible for safeguarding assets assigned to their departments.

6700.70 Disposals & Retirements

Upon sale, abandonment, replacement, or other disposal, the asset's cost and accumulated depreciation shall be removed from the accounting records. Any resulting gain or loss shall be recognized in accordance with GASB standards.

Disposal must comply with District Policy 5750 (Disposal of Surplus Property) and California Government Code §54220 et seq. (Surplus Land Act). Documentation of disposal must be retained for audit and reporting purposes.

6700.80 Impairment of Assets

The District shall evaluate capital assets for impairment in accordance with GASB guidance when events indicate a significant and unexpected decline in service utility.

6700.90 Policy Review

This policy shall be reviewed at least every three (3) years or sooner if required by changes in accounting standards, state law, or operational needs.

Debt Management Policy

6900.01 Purpose

The purpose of this Debt Management Policy ("Policy") is to establish guidelines for the issuance and management of debt by Citrus Heights Water District ("District") in a manner that is fiscally prudent, transparent, and consistent with the long-term interests of the District and its ratepayers. This Policy is intended to ensure that debt is issued and managed in compliance with applicable federal and State of California law and in alignment with the District's financial planning and capital improvement objectives. This Policy is intended to comply with Government Code Section 8855(i).

6900.02 Types of Debt That May Be Issued

This Policy applies to all forms of debt and debt-related obligations issued or incurred by the District, including but not limited to:

- Revenue Bonds
- State Revolving Fund (SRF) Loans (including DWSRF)
- Federal loans or guarantees
- Installment Sale Agreements
- Certificates of Participation (COPs)
- Lease Financings
- Bank Loans / Direct Placements
- Lines of Credit (if used)
- Interim Financing
- Refunding Bonds or Refinancing Transactions
- Any other financing obligation supported by District revenues

6900.03 Policy Goals and Objectives

The District's objectives in issuing and managing debt are to:

- Maintain affordable and stable water rates over time and across customer classes.
- Ensure intergenerational equity by matching the cost of long-lived assets to the customers who benefit from them.
- Maintain sound financial management and preserve strong liquidity.
- Maintain compliance with all bond covenants, financing agreements, and continuing disclosure requirements.
- Maintain or improve the District's credit quality and market access.
- Ensure that debt issuance is consistent with the District's Capital Improvement Plan (CIP) and long-term financial forecasts.
- Manage risk through prudent structuring, diversification of debt types, and limitation of variable-rate exposure.

6900.04 Purposes for Which Debt May Be Issued

I. Debt may be issued for the following purposes:
   i. Financing or refinancing acquisition, construction, rehabilitation, replacement, or improvement of capital assets
   ii. Major repair or replacement projects that materially extend asset life
   iii. Financing equipment and system improvements with multi-year useful life
   iv. Refunding/refinancing existing debt to reduce cost and/or mitigate risk

6900.05 Relationship of Debt to Capital Improvement Program and Budget

New debt issues, and refinancing of existing debt, must be analyzed for compatibility within the District's Ten-Year Capital Improvement Plan.

The District shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its Enterprise l Fund. The District may enter into credit enhancement agreements such as municipal bond insurance, surety bonds, and letters of credit when their use is judged to lower borrowing costs, eliminate restrictive covenants, or have a net economic benefit to the financing.

6900.06 Policy Goals Related to Planning Goals and Objectives

The District is committed to long-term financial planning, maintaining appropriate reserves levels and employing prudent practices in governance, management and budget administration. The District intends to issue debt for the purposes stated in this Policy and to implement policy decisions incorporated in the District's Five-Year Financial Plan and its annual operating budget.

It is a policy goal of the District to protect ratepayers by utilizing conservative financing methods and techniques to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

The District will comply with applicable state and federal law, including as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges

6900.07 Internal Control Procedures

When issuing debt, in addition to complying with the terms of this Policy, the District shall comply with any other applicable policies or administrative procedures regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment and expenditure of bond proceeds.

The District will periodically review the requirements of and will remain in compliance with the following any federal disclosure regulations and requirements, including initial and continuing disclosure compliance, and federal tax compliance requirements, including without limitation arbitrage and rebate compliance

It is the policy of the District to ensure that proceeds of debt are spent only on lawful and intended uses. Whenever reasonably possible, proceeds of tax-exempt debt will be held by a third-party trustee and the District will submit written requisitions for such proceeds. Proceeds of taxable debt may be held by any means which the District determines are convenient or necessary.

The following are roles and responsibilities of the Board of Directors, staff and financing team:

I. The Board of Directors ("Board") shall:
   - Approve all debt issuance transactions
   - Adopt and amend this Policy

II. The General Manager shall:
   - Oversee debt planning, issuance, and compliance activities
   - Ensure that debt decisions align with CIP, rate studies, and financial forecast
   - Recommend debt transactions to the Board

III. The Finance Director (Administrative Services Director) / Treasurer shall:
   - Maintain all debt records and schedules
   - Monitor and report compliance with covenants and policy metrics
   - Maintain post-issuance tax compliance documentation (as applicable)
   - Coordinate required disclosure review and other reporting, audits, and continuing disclosure filings.

IV. The District may retain external professionals as appropriate, including:
   - Municipal Advisor (MA)
   - Bond Counsel
   - Disclosure Counsel (as needed)
   - Dissemination Agent
   - Underwriter(s) (for public offerings)
   - Trustee / Paying Agent
   - Financial feasibility or rate consultants

6900.08 Debt Affordability Guidelines

The District shall evaluate debt affordability prior to issuing any debt and shall not issue debt that is projected to impair long-term fiscal sustainability or require unplanned rate volatility.

6900.09 Policy Review and Updates

This Policy shall be reviewed at least every three (3) to five (5) years, or sooner if District staff determines such review is needed