

**BOARD MEETING AGENDA  
SPECIAL MEETING OF THE BOARD OF DIRECTORS OF  
CITRUS HEIGHTS WATER DISTRICT (CHWD)  
MAY 18, 2022 beginning at 6:00 PM**



**PHONE CALL IN: (253) 215-8782  
PHONE MEETING ID: 878 4546 3257**

**COMPUTER AUDIO/LIVE MEETING PRESENTATIONS:** <https://us06web.zoom.us/j/87845463257>

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. The meeting will be held at the listed physical location and electronically through the above phone number.

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

**CALL TO ORDER:**

Upon request, agenda items may be moved to accommodate those in attendance wishing to address that item. Please inform the General Manager.

**ROLL CALL OF DIRECTORS:**

**PLEDGE OF ALLEGIANCE:**

**PUBLIC COMMENT:**

**CLOSED SESSION:**

**CL-1. CONFERENCE WITH REAL PROPERTY NEGOTIATORS**

- a. Pursuant to Section 54956.8:  
Property: Parcel Number 243-0276-002-0000  
Agency Negotiators: Brian Hensley, Rebecca Scott, Josh Nelson, Melissa Pieri, Hilary Straus, Susan Talwar, Steve Anderson, Brittney Moore, Lea Park-Kim  
Negotiating Parties: City of Citrus Heights  
Under Negotiation: Price and Terms of Payment
  
- b. Pursuant to Section 54956.8:  
Property: Parcel Number 243-0276-003-0000  
Agency Negotiators: Brian Hensley, Rebecca Scott, Josh Nelson, Melissa Pieri, Hilary Straus, Susan Talwar, Steve Anderson, Brittney Moore, Lea Park-Kim  
Negotiating Parties: City of Citrus Heights  
Under Negotiation: Price and Terms of Payment

- c. Pursuant to Section 54956.8:  
 Property: Parcel Number 243-0276-004-0000  
 Agency Negotiators: Brian Hensley, Rebecca Scott, Josh Nelson, Melissa Pieri, Hilary Straus, Susan Talwar, Steve Anderson, Brittney Moore, Lea Park-Kim  
 Negotiating Parties: City of Citrus Heights  
 Under Negotiation: Price and Terms of Payment
  
- d. Pursuant to Section 54956.8:  
 Property: Parcel Number 243-0275-013-0000  
 Agency Negotiators: Brian Hensley, Rebecca Scott, Josh Nelson, Melissa Pieri, Hilary Straus, Susan Talwar, Steve Anderson, Brittney Moore, Lea Park-Kim  
 Negotiating Parties: City of Citrus Heights  
 Under Negotiation: Price and Terms of Payment

CL-2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION  
 Initiation of Litigation pursuant to Government Code, section 54956.9(d)(4):  
 (one case)

**FUTURE CHWD BOARD OF DIRECTORS MEETING DATES:**

May 18, 2022	6:30 PM	Regular Meeting
May 25, 2022	6:00 PM	Special Meeting
June 15, 2022	6:30 PM	Regular Meeting
August 17, 2022	6:30 PM	Regular Meeting
September 21, 2022	6:30 PM	Regular Meeting
October 19, 2022	6:30 PM	Regular Meeting
November 16, 2022	6:30 PM	Regular Meeting
December 21, 2022	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.




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Brittney Moore, Deputy Board Clerk

Dated: May 12, 2022

**BOARD MEETING AGENDA  
REGULAR MEETING OF THE BOARD OF DIRECTORS OF  
CITRUS HEIGHTS WATER DISTRICT (CHWD)  
MAY 18, 2022 beginning at 6:30 PM**



**PHONE CALL IN: (253) 215-8782  
PHONE MEETING ID: 878 4546 3257**

**COMPUTER AUDIO/LIVE MEETING PRESENTATIONS:** <https://us06web.zoom.us/j/87845463257>

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

**CALL TO ORDER:**

Upon request, agenda items may be moved to accommodate those in attendance wishing to address that item. Please inform the General Manager.

**ROLL CALL OF DIRECTORS:**

**PLEDGE OF 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 – April 20, 2022 (A)

CC-1b. Minutes of the Regular Meeting – April 20, 2022 (A)

Recommendation:

Approve the minutes of the April 20, 2022 Special and Regular Meetings.

CC-2. Revenue Analysis Report for April 2022 (I)

CC-3. Assessor/Collector's Roll Adjustment for April 2022 (I)

CC-4. Treasurer's Report for April 2022 (I)

CC-5. Treasurer's Report of Fund Balances for April 2022 (I)

CC-6. Operating Budget Analysis for April 2022 (I)

CC-7. Capital Projects Summary for April 2022 (I)

CC-8. Warrants for April 2022 (I)

- CC-9. Purchase Card Distributions for April 2022 (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. 2022 Water Supply (I)
- CC-15. Water Supply Reliability (I)
- CC-16. Water Efficiency and Safety Program Update (I)
- CC-17. Discussion and Possible Action to Extend Resolution 07-2021 Authorizing Remote Public Meetings (A)

Recommendation:

Extend Resolution 07-2021 to permit future hybrid remote public meetings by the Board of Directors.

- CC-18. Ella Way Well Drilling, Development, and Testing Project (A)

Recommendation:

Accept the bid of Zim Industries, Inc. for the drilling, development, and testing of the Ella Way Well and establish a change order contingency fund in the amount of ten percent of the bid. Authorize the General Manager to execute the contract.

- CC-19. Discussion and Possible Action to Approve Budget Amendment for Property Purchase at 7515 Greenback Lane (A)

Recommendation:

Amend the budget to reflect the purchase of property at 7515 Greenback Avenue and other associated costs in the amount of \$415,000 as set forth in this Board report.

- CC-20. Resolution 04-2022 Commending Richard Jimenez for Service to the Citrus Heights Water District (A)

Recommendation:

Adopt Resolution 04-2022 Commending Richard Jimenez for Service to the Citrus Heights Water District

- CC-21. Discussion and Possible Action to Approve the Annexation of 8207 Oak Avenue and Portion of Contiguous Roadway

Recommendation:

Adopt Resolution 05-2022 approving the annexation of the undeveloped property and roadway section at 8207 Oak Avenue in Citrus Heights to the Citrus Heights Water District.

**PRESENTATIONS:**

P-1. Water Awareness Poster Contest (I)

P-2. Water Main Condition Assessment Program (I)

**PUBLIC HEARINGS:**

None.



**STUDY SESSION:**

None.

**BUSINESS:**

B-1. Annual Comprehensive Financial Report for Years Ended December 31, 2021 and 2020 (A)

Recommendation:

Receive and File the District’s Annual Comprehensive Financial Statements for the Years Ended December 31, 2021 and 2020.

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

**CLOSED SESSION:**

None.

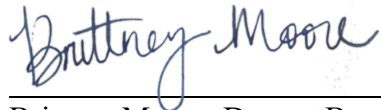
**FUTURE CHWD BOARD OF DIRECTORS MEETING DATES:**

May 25, 2022	6:00 PM	Special Meeting
June 15, 2022	6:30 PM	Regular Meeting
August 17, 2022	6:30 PM	Regular Meeting
September 21, 2022	6:30 PM	Regular Meeting
October 19, 2022	6:30 PM	Regular Meeting
November 16, 2022	6:30 PM	Regular Meeting
December 21, 2022	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 special meeting in accordance with Government Code Section 54954.2.



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Brittney Moore, Deputy Board Clerk

Dated: May 12, 2022

CITRUS HEIGHTS WATER DISTRICT  
BOARD OF DIRECTORS SPECIAL MEETING MINUTES  
April 20, 2022

The Special Meeting of the Board of Directors was called to order at 6:03 p.m. by President Sheehan and roll was called. Present were:

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

Staff:

Steve Anderson, General Counsel  
Brian Hensley, Water Resources Supervisor  
Brittney Moore, Senior Management Analyst/ Deputy Board Clerk  
Joshua Nelson, Assistant General Counsel  
Lea Park-Kim, Communications & Public Engagement Manager  
Melissa Pieri, Director of Engineering/ District Engineer  
Rebecca Scott, Director of Operations  
Hilary Straus, General Manager  
Susan Talwar, Director of Finance and Administrative Services

Renee Baur, Bender Rosenthal  
Glenn Lazof, Regional Government Services  
Sharon Rahban Navizadeth, Consultant

**PLEDGE OF ALLEGIANCE:**

President Sheehan led the Pledge of Allegiance.

**PUBLIC COMMENT:**

None.

President Sheehan adjourned the meeting to closed session at 6:05 p.m.

**CLOSED SESSION:**

CL-1. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

- a. Pursuant to Section 54956.8:  
Property: Parcel Number 243-0180-001-0000  
Agency Negotiators: Brian Hensley, Rebecca Scott, Josh Nelson, Melissa Pieri, Hilary Straus, Susan Talwar, Steve Anderson, Brittney Moore, Lea Park-Kim

Negotiating Parties: Muhammad Arif  
Under Negotiation: Price and Terms of Payment

- b. Pursuant to Section 54956.8:  
Property: Parcel Number 243-0180-002-0000  
Agency Negotiators: Brian Hensley, Rebecca Scott, Josh Nelson, Melissa Pieri, Hilary Straus, Susan Talwar, Steve Anderson, Brittney Moore, Lea Park-Kim  
Negotiating Parties: Teresita Kumar, Ashwani Kumar  
Under Negotiation: Price and Terms of Payment
- c. Pursuant to Section 54956.8:  
Property: Parcel Number 243-0180-004-0000  
Agency Negotiators: Brian Hensley, Rebecca Scott, Josh Nelson, Melissa Pieri, Hilary Straus, Susan Talwar, Steve Anderson, Brittney Moore, Lea Park-Kim  
Negotiating Parties: Dean Eichelmann  
Under Negotiation: Price and Terms of Payment

There was no reportable action.

CL-2. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

- a. Pursuant to Section 54956.8:  
Property: Parcel Number 243-0276-002-0000  
Agency Negotiators: Brian Hensley, Rebecca Scott, Josh Nelson, Melissa Pieri, Hilary Straus, Susan Talwar, Steve Anderson, Brittney Moore, Lea Park-Kim  
Negotiating Parties: City of Citrus Heights  
Under Negotiation: Price and Terms of Payment
- b. Pursuant to Section 54956.8:  
Property: Parcel Number 243-0276-003-0000  
Agency Negotiators: Brian Hensley, Rebecca Scott, Josh Nelson, Melissa Pieri, Hilary Straus, Susan Talwar, Steve Anderson, Brittney Moore, Lea Park-Kim  
Negotiating Parties: City of Citrus Heights  
Under Negotiation: Price and Terms of Payment
- c. Pursuant to Section 54956.8:  
Property: Parcel Number 243-0276-004-0000  
Agency Negotiators: Brian Hensley, Rebecca Scott, Josh Nelson, Melissa Pieri, Hilary Straus, Susan Talwar, Steve Anderson, Brittney Moore, Lea Park-Kim

Negotiating Parties: City of Citrus Heights  
Under Negotiation: Price and Terms of Payment

- d. Pursuant to Section 54956.8:  
Property: Parcel Number 243-0275-013-0000  
Agency Negotiators: Brian Hensley, Rebecca Scott, Josh Nelson, Melissa Pieri, Hilary Straus, Susan Talwar, Steve Anderson, Brittney Moore, Lea Park-Kim  
Negotiating Parties: City of Citrus Heights  
Under Negotiation: Price and Terms of Payment

There was no reportable action.

- CL-3. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION  
Initiation of Litigation pursuant to Government Code, section  
54956.9(d)(4): (one case)

There was no reportable action.

President Sheehan adjourned the meeting back to the open session at 8:20 p.m.

**ADJOURNMENT:**

There being no other business to come before the Board, the meeting was adjourned at 8:20 p.m.

**APPROVED:**

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Brittney C. Moore  
Deputy Board Clerk  
Citrus Heights Water District

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

CITRUS HEIGHTS WATER DISTRICT  
BOARD OF DIRECTORS REGULAR MEETING MINUTES  
April 20, 2022

The Regular Meeting of the Board of Directors was called to order at 8:23 p.m. by President Sheehan

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

Staff:

Steve Anderson, General Counsel  
Timothy Katkanov, Engineering/ GIS Technician  
Brittney Moore, Senior Management Analyst/ Deputy Board Clerk  
Lea Park-Kim, Communications & Public Engagement Manager  
Melissa Pieri, Director of Engineering/ District Engineer  
Rebecca Scott, Director of Operations  
Sheila Shah, Management Technician  
Hilary Straus, General Manager  
Susan Talwar, Director of Finance and Administrative Services

**PUBLIC COMMENT:**

None

**CONSENT CALENDAR:**

President Wheaton requested CC-19 be pulled from Consent Calendar for discussion.  
President Wheaton moved to add CC-19 back to Consent Calendar after discussion.

President Sheehan asked for consideration and/ or approval of the Consent Calendar.

CC-1a. Minutes of the Special Meeting – March 16, 2022 (A)

CC-1b. Minutes of the Regular Meeting – March 16, 2022 (A)

**Recommendation:**

Approve the minutes of the March 16, 2022 Special and Regular Meetings.

- CC-2. Revenue Analysis Report for March 2022 (I)
- CC-3. Assessor/Collector's Roll Adjustment for March 2022 (I)
- CC-4. Treasurer's Report for March (I)
- CC-5. Treasurer's Report of Fund Balances for March 2022 (I)
- CC-6. Operating Budget Analysis for March 2022 (I)
- CC-7. Capital Projects Summary for March 2022 (I)
- CC-8. Warrants for March 2022 (I)
- CC-9. Purchase Card Distributions for March 2022 (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. 2022 Water Supply (I)  
CC-15. Water Supply Reliability (I)  
CC-16. Water Efficiency and Safety Program Update (I)  
CC-17. Discussion and Possible Action to Extend Resolution 07-2021 Authorizing Remote Public Meetings (A)  
Recommendation:  
Extend Resolution 07-2021 to permit future hybrid remote public meetings by the Board of Directors.
- CC-18. Discussion and Possible Action to Amend Policy 5700: Records Retention and Destruction and 5700A: Records Retention Schedule (A)  
Recommendation:  
Amend District Policy 5700: Records Retention and Destruction and District Policy 5700.A: Records Retention Schedule
- CC-19. Discussion and Possible Action to Approve Agreement with All Phase Construction & Engineering, Inc. for the Mesa Verde High School and Carriage Drive Water Main Project (A)  
Recommendation:  
Accept the bid of All Phase Construction and Engineering, Inc. in the amount of \$728,866.80 and establish a contingency fund in the amount of \$72,888.00 (10%), for a total amount of \$801,774.80. Authorize the General Manager to execute an agreement with All Phase Construction and Engineering, Inc.
- CC-20. 2022 Strategic Plan Update (A)  
Recommendation:  
Receive and file an update of the 2022 Strategic Plan.
- CC-21. Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA) Executive Committee Special Election (A)  
Recommendation:  
Authorize ACWA JPIA Director Representative, David Wheaton to cast a vote for the Special Executive Committee election to be held on May 2, 2022. If Director Wheaton is not available to cast a vote, and CHWD's Alternate Director Riehle is present, the recommended action includes authorizing Director Riehle to cast a vote for CHWD.

**ACTION:**

Director Wheaton moved and Vice President Riehle seconded a motion to approve the consent calendar.

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

**PRESENTATIONS:**

None.

**PUBLIC HEARINGS:**

None.

**STUDY SESSION:**

None.

**BUSINESS:**

B-1. Discussion and Possible Action to Call for A November 8, 2022 Election (A)

Recommendation:

Adopt Resolutions 02-2022 (Sacramento County) and 03-2022 (Placer County) calling for a November 8, 2022 election of a Director for a regular 4-year term in Division Two and election of a Director for a regular 4-year term in Division Three.

**ACTION:**

Vice President Riehle moved and Director Wheaton seconded a motion to approve the action to call for a November 8, 2022 Election and adopt Resolutions 02-2022 (Sacramento County) and 03-2022 (Placer County) calling for a November 8, 2022 election of a Director for a regular 4-year term in Division Two and election of a Director for a regular 4-year term in Division Three.

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

**CLOSED SESSION:**

None.

**ADJOURNMENT:**

There being no other business to come before the Board, the meeting was adjourned at 8:49 p.m.

APPROVED:

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BRITTNEY C. MOORE  
Deputy Board Clerk  
Citrus Heights Water District

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

APRIL 2022

REVENUE ANALYSIS

Outstanding Receivables

Aged Trial Balance					
Total	Current	31-90	91-150	>150	Unapplied Current
775,281	639,542	154,803	47,193	74,038	140,295

General Ledger Balance	Total
Outstanding A/R	878,900.33
Outstanding Liens	-
Outstanding Grants	946
A/R Other	(25,348)
Less Unapplied Payments	(141,865)
<b>Total</b>	<b>\$ 712,634</b>

**CITRUS HEIGHTS WATER DISTRICT  
ASSESSOR/COLLECTOR'S ROLL ADJUSTMENTS FOR  
April 30, 2022**

CC-03

*There were no adjustments made for April 2022.*

<b>Reason For Cancellation</b>	<b>Charge Type</b>	<b>Amount</b>
		<u>\$ -</u>

**TREASURER'S REPORT TO THE BOARD OF DIRECTORS  
APRIL 2022**


<b>Bank of the West</b>			
<b>Beginning Balance</b>			\$7,561,966
<b>RECEIPTS:</b>		1,484,040	
<b>DISBURSEMENTS:</b>			
Checks Issued / ACH Payments	1,213,206		
Payroll	391,869		
Returned Checks	<u>1,026</u>		
		<u>1,606,102</u>	<u>(122,062)</u>
<b>Bank of the West</b>			
<b>Balance per Bank 04/30/2022</b>			7,439,904
Outstanding Checks			(190,608)
Deposit in Transit			<u>220,337</u>
<b>Balance Per Books 04/30/2022</b>			<b>\$7,469,633</b>


<b>RECONCILEMENT:</b>		
Bank of the West		\$7,469,633
Local Agency Investment Fund		14,542,375
Money Mkt Activity Account		<u>544,040</u>
<b>TOTAL BALANCE</b>		<b><u><u>\$22,556,049</u></u></b>

<b>CASH &amp; INVESTMENT SUMMARY:</b>		
Bank of the West (General Account)		7,469,633
Local Agency Investment Fund		14,542,375
Money Mkt Activity Account		<u>544,040</u>
<b>Total</b>		<b><u><u>\$22,556,049</u></u></b>

INSTITUTION	MATURITY DATE	INT RATE	DEPOSIT AMOUNT	DATE OF LAST TRANSACTION
Local Agency Investment Fund	Daily	0.32%	11,450.75	4/15/2022

I certify that this report accurately reflects all pooled investments and is in compliance with applicable State of California Government Codes and is in conformity with Investment of District Funds Policy 6300. As Treasurer of the Citrus Heights Water District, I hereby certify that sufficient investment liquidity and anticipated revenue are available to meet the next six months' estimated expenditures.

  
 \_\_\_\_\_  
**SUSAN TALWAR**  
 Treasurer

  
 \_\_\_\_\_  
**HILARY M. STRAUS**  
 Secretary

Signed: 5/12/2022

**TREASURER'S REPORT OF FUND BALANCES**  
**April 30, 2022**

Fund Name	Beginning Balance 01/01/2022	Year to Date Transfers In / Collections	Year to Date Transfers Out	Current Month Transfers In / Collections	Current Month Transfers Out	Ending Balance 04/30/2022	2022 Target Balance per Policy
<b>Operating Fund</b>	\$ 6,844,823	\$ 4,084,031	\$ (3,132,823)	\$ 1,497,810	\$ (1,608,421)	\$ 7,685,419	\$ 2,334,017
<b>Operating Reserve</b>	\$ 3,592,065	\$ -	\$ -	\$ -	\$ -	\$ 3,592,065	N/A
<b>Rate Stabilization Fund</b>	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000
<b>Capital Improvement Reserve</b>	\$ 2,796,860	\$ -	\$ -	\$ -	\$ -	\$ 2,796,860	\$ 2,681,248
<b>Restricted for Debt Service</b>	\$ 536,963	\$ -	\$ -	\$ -	\$ -	\$ 536,963	N/A
<b>Water Supply Reserve</b>	\$ 2,623,173	\$ -	\$ -	\$ -	\$ -	\$ 2,623,173	N/A
<b>Water Efficiency Reserve</b>	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 200,000
<b>Water Meter Replacement Reserve</b>	\$ 1,725,000	\$ -	\$ -	\$ -	\$ -	\$ 1,725,000	N/A
<b>Fleet Equipment Reserve</b>	\$ 334,253	\$ -	\$ -	\$ -	\$ -	\$ 334,253	\$ 318,559
<b>Employment-Related Benefits Reserve</b>	\$ 986,962	\$ -	\$ -	\$ -	\$ -	\$ 986,962	\$ 986,962
	<b><u>\$ 20,640,099</u></b>	<b><u>4,084,031</u></b>	<b><u>\$ (3,132,823)</u></b>	<b><u>\$ 1,497,810</u></b>	<b><u>\$ (1,608,421)</u></b>	<b><u>\$ 21,480,695</u></b>	<b><u>\$ 7,520,786</u></b>



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**SUSAN TALWAR, Treasurer**

**TREASURER'S REPORT OF FUND BALANCES**  
**April 30, 2022**

**Fund Transfers Summary:**

The Operating Fund Transferred:	\$ 1,497,810	from funds collected in April 2022 per Treasurer's Report
	<u>\$ (1,608,421)</u>	disbursements made in April 2022 per Treasurer's Report
	\$ (110,611)	

Citrus Heights Water District  
Budget Performance Report  
As of 4/30/2022

	April Actual	Year-to-Date Actual	Year-to-Date Budget	YTD Variance		Annual Budget
				Amount	Percent	
Revenues						
Metered Service Charges	\$704,243.15	\$3,719,158.12	\$4,149,564.00	(\$430,405.88)	-10.37%	\$12,448,690.00
Metered Water Deliveries	241,494.31	1,080,818.44	1,102,119.00	(21,300.56)	-1.93%	5,799,716.00
Water Main Replacement Revenue	83,703.21	282,782.49		282,782.49	0.00%	
Non-Metered Service Charges		8,850.94	46,668.00	(37,817.06)	-81.03%	140,000.00
Penalties	264.00	1,320.00	28,504.00	(27,184.00)	-95.37%	150,000.00
Interest	13,493.43	27,189.77	15,332.00	11,857.77	77.34%	45,991.00
Backflow Fees	4,291.50	22,053.27	38,668.00	(16,614.73)	-42.97%	116,000.00
Water Service Install & S&R	3,624.60	54,167.72	191,300.00	(137,132.28)	-71.68%	573,900.00
Grant Funds		132,811.55		132,811.55	0.00%	
Miscellaneous *	4,788.90	19,501.47	49,000.00	(29,498.53)	-60.20%	147,000.00
Cost Reimbursements	58,917.55	69,098.40		69,098.40	0.00%	
Income - Wheeling Water			900.00	(900.00)	-100.00%	2,700.00
Income - Connection Fees	4,926.94	42,224.48		42,224.48	0.00%	
Total Revenue	<u>1,119,747.59</u>	<u>5,459,976.65</u>	<u>5,622,055.00</u>	<u>(162,078.35)</u>	<u>-2.88%</u>	<u>19,423,997.00</u>
*includes Assessments, New Account, Back Charges & other Miscellaneous Revenue Sources						
Operating Expenses						
Cost of Water						
Purchased Water		533,913.17	1,045,251.32	(511,338.15)	-48.92%	3,135,753.96
Ground Water	71,828.90	284,683.64	397,679.52	(112,995.88)	-28.41%	1,193,038.56
	<u>71,828.90</u>	<u>818,596.81</u>	<u>1,442,930.84</u>	<u>(624,334.03)</u>	<u>-43.27%</u>	<u>4,328,792.52</u>
Labor & Benefits						
Labor Regular	262,663.48	1,128,519.00	1,245,141.56	(116,622.56)	-9.37%	3,735,424.68
Labor Non-Regular						
Labor Taxes	20,249.08	88,605.66	94,806.00	(6,200.34)	-6.54%	284,418.00
Labor Workers Comp	18840.8	18,840.80	33,366.68	(14,525.88)	-43.53%	100,100.04
Labor External	4,359.71	17,662.15	36,360.04	(18,697.89)	-51.42%	109,080.12
Benefits Med/Den/Vis	46,317.00	211,062.31	171,467.24	39,595.07	23.09%	514,401.72
Benefits LTD/Life/EAP	8,416.94	28,258.40	48,914.16	(20,655.76)	-42.23%	146,742.48
Benefits CalPers	12,420.67	66,284.75	115,793.72	(49,508.97)	-42.76%	347,381.16
Benefits Other	7,776.87	39,955.00	45,885.56	(5,930.56)	-12.92%	137,656.68
Benefit Retiree Expenses	4,239.66	16,958.64	19,705.36	(2,746.72)	-13.94%	59,116.08
Benefit Unemployment			3,077.52	(3,077.52)	-100.00%	9,232.56
Benefit GASB 68		210,532.00	149,724.84	60,807.16	40.61%	449,174.52
Capitalized Labor & Benefit Contra	(57,099.27)	(230,141.62)	(166,666.64)	(63,474.98)	38.08%	(499,999.92)
	<u>328,184.94</u>	<u>1,596,537.09</u>	<u>1,797,576.04</u>	<u>(201,038.95)</u>	<u>-11.18%</u>	<u>5,392,728.12</u>
General & Administrative						
Fees & Charges	13,418.31	39,867.31	80,461.64	(40,594.33)	-50.45%	241,384.92
Regulatory Compliance/Permits	394.50	38,313.86	43,830.00	(5,516.14)	-12.59%	131,490.00
District Events & Recognition	1,987.36	7,612.91	20,183.32	(12,570.41)	-62.28%	60,549.96
Maintenance/Licensing	1,475.00	122,518.33	56,909.00	65,609.33	115.29%	170,727.00

Citrus Heights Water District  
Budget Performance Report  
As of 4/30/2022

	April	Year-to-Date	Year-to-Date	YTD Variance		Annual
	Actual	Actual	Budget	Amount	Percent	Budget
Equipment Maintenance	3,628.03	23,582.10	42,533.32	(18,951.22)	-44.56%	127,599.96
Professional Development	13,577.57	36,317.22	56,609.68	(20,292.46)	-35.85%	169,829.04
Department Admin			6,566.72	(6,566.72)	-100.00%	19,700.16
Dues & Subscriptions	5,185.32	121,084.88	64,556.04	56,528.84	87.57%	193,668.12
Fuel & Oil	8,424.80	22,621.87	22,080.00	541.87	2.45%	66,240.00
General Supplies	7,882.35	21,590.74	33,533.36	(11,942.62)	-35.61%	100,600.08
Insurance - Auto/Prop/Liab		67,491.60	37,400.00	30,091.60	80.46%	112,200.00
Leasing/Equipment Rental	1,384.43	9,295.37	11,633.36	(2,337.99)	-20.10%	34,900.08
Other Agency Cost Reimbursement	793.08	651.86		651.86	0.00%	
Parts & Materials	30,153.65	108,418.86	18,333.32	90,085.54	491.38%	54,999.96
Postage/Shipping/Freight	5,234.49	25,744.25	46,166.68	(20,422.43)	-44.24%	138,500.04
Rebates & Incentives	905.63	19,103.06	12,333.32	6,769.74	54.89%	36,999.96
Telecom/Network	2,566.92	10,823.68	17,260.00	(6,436.32)	-37.29%	51,780.00
Tools & Equipment	13,441.34	22,399.74	26,733.36	(4,333.62)	-16.21%	80,200.08
Utilities	2,583.47	11,156.10		11,156.10	0.00%	
Write-Off Bad Debt Exp		65.64	1,666.68	(1,601.04)	-96.06%	5,000.04
Capitalized G&A Contra	(30,104.09)	(89,585.98)		(89,585.98)	0.00%	
Capitalized Equipment Contra	(38,990.16)	(181,354.30)		(181,354.30)	0.00%	
	<u>43,942.00</u>	<u>437,719.10</u>	<u>598,789.80</u>	<u>(161,070.70)</u>	<u>-26.90%</u>	<u>1,796,369.40</u>
Professional & Contract Services						
Support Services	65,470.71	250,782.97	496,509.96	(245,726.99)	-49.49%	1,489,529.88
Legal Services	22,171.70	45,043.69	95,000.00	(49,956.31)	-52.59%	285,000.00
Printing Services	225	6,931.67	16,333.36	(9,401.69)	-57.56%	49,000.08
	<u>87,867.41</u>	<u>302,758.33</u>	<u>607,843.32</u>	<u>(305,084.99)</u>	<u>-50.19%</u>	<u>1,823,529.96</u>
Reserves & Debt Services						
Interest Expense		6,194.79	23,251.41	(17,056.62)	-73.36%	69,754.21
Net Increase(Decrease) in Value of Investments		(37,190.54)		(37,190.54)	0.00%	
		<u>(30,995.75)</u>	<u>23,251.41</u>	<u>(54,247.16)</u>	<u>-233.31%</u>	<u>69,754.21</u>
Total Operating Expenses	<u>531,823.25</u>	<u>3,124,615.58</u>	<u>4,470,391.41</u>	<u>(1,345,775.83)</u>	<u>-30.10%</u>	<u>13,411,174.21</u>
Net Income / (Expense)	<u>587,924.34</u>	<u>2,335,361.07</u>	<u>1,151,663.59</u>	<u>1,183,697.48</u>	<u>102.78%</u>	<u>6,012,822.79</u>



Citrus Heights Water District  
 Capital Projects Summary  
 Fiscal Period End as of 04/2022

CC-7

Project Number	Project Name	BUDGET		AMOUNTS PAID			Remaining Budget
		Project Forecast Budget	Expenditures to 12/2021	Month to Date	Year to Date	Project to Date	
C16-134	Auburn Blvd-Rusch Park Placer	\$167,000	\$3,906	\$1,445	\$2,620	\$6,526	\$162,942
C19-108	6230 Sylvan East Wall	\$245,000	\$16,748	\$0	\$0	\$16,748	\$237,347
C20-108	Corp Yard PreArchitecture Stdy	\$100,000	\$1,676	\$0	\$0	\$1,676	\$98,324
C20-109	Corp Yard Plans Specs Estimate	\$400,000	\$0	\$0	\$0	\$0	\$400,000
<b>Construction in Progress</b>		<b>\$912,000</b>	<b>\$22,330</b>	<b>\$1,445</b>	<b>\$2,620</b>	<b>\$24,950</b>	<b>\$898,614</b>
C22-010	Water Main Replacements	\$50,000	\$0	\$0	\$0	\$0	\$50,000
C22-011	Water Valve Replacements	\$75,000	\$0	\$3,416	\$25,624	\$25,624	\$49,376
C22-012	Water Service Connections	\$825,000	\$0	\$110,795	\$400,635	\$400,635	\$424,365
C22-013	Water Meter Replacements	\$100,000	\$0	\$7,645	\$13,672	\$13,672	\$86,328
C22-014	Fire Hydrants	\$0	\$0	\$23,348	\$29,904	\$29,904	(\$29,904)
<b>Annual Infrastructure</b>		<b>\$1,050,000</b>	<b>\$0</b>	<b>\$145,204</b>	<b>\$469,836</b>	<b>\$469,836</b>	<b>\$580,164</b>
C15-104B	Document Management System	\$244,639	\$95,361	\$0	\$0	\$95,361	\$239,278
C22-003	Fleet/Field Operations Equip	\$260,000	\$0	\$0	\$89,957	\$89,957	\$170,043
C22-004	Technology Hardware/Software	\$56,650	\$0	\$0	\$0	\$0	\$56,650
<b>Fleet and Equipment</b>		<b>\$561,289</b>	<b>\$95,361</b>	<b>\$0</b>	<b>\$89,957</b>	<b>\$185,318</b>	<b>\$465,971</b>
C15-109	Blossom Hill Way 6" & 10" Inte	\$27,777	\$0	\$0	\$0	\$0	\$27,777
C15-110	Crestmont Ave 6" Intertie	\$24,979	\$91	\$0	\$0	\$91	\$24,888
C20-105	Walnut Drive	\$105,247	\$15,283	\$0	\$0	\$15,283	\$101,515
C20-106	Wisconsin Drive	\$301,990	\$42,391	\$0	\$0	\$42,391	\$259,599
C21-101	Antelope & Rusch Park	\$187,741	\$123,724	\$205	\$15,309	\$139,033	\$48,708
C21-102	Old Auburn Road	\$91,459	\$1,003	\$0	\$665	\$1,668	\$90,794
C21-103	Pratt Ave	\$39,043	\$46,820	\$12,646	\$14,491	\$61,311	\$24,552
C21-104	Mesa Verde HS	\$118,779	\$49,767	\$3,516	\$190,706	\$240,474	(\$71,927)
C21-105	Madison Ave & Dewey Dr	\$28,138	\$3,147	\$2,976	\$3,966	\$7,113	\$24,172
C22-101	Carriage Drive	\$427,104	\$0	\$480	\$118,073	\$118,073	\$309,031
<b>Water Mains</b>		<b>\$1,352,257</b>	<b>\$282,227</b>	<b>\$19,822</b>	<b>\$343,210</b>	<b>\$625,437</b>	<b>\$839,109</b>
C21-040	Other City Partnerships	\$112,551	\$0	\$0	\$0	\$0	\$112,551
C21-040A	Greenback Ln Complete Strts	\$0	\$30	\$0	\$14,171	\$14,201	(\$14,171)
C21-040B	Elec. Greenway Bike Trail	\$0	\$1,647	\$0	\$0	\$1,647	\$0
C21-040C	MSR2S Phase4	\$0	\$11,007	\$214	\$214	\$11,221	(\$214)
C21-040E	Bonita Storm Drain	\$0	\$29,254	\$0	\$958	\$30,212	(\$958)

Citrus Heights Water District  
 Capital Projects Summary  
 Fiscal Period End as of 04/2022

CC-7

Project Number	Project Name	BUDGET		AMOUNTS PAID			Remaining Budget
		Project Forecast Budget	Expenditures to 12/2021	Month to Date	Year to Date	Project to Date	
C21-041	Other Misc Infrastructure	\$112,551	\$0	\$0	\$0	\$0	\$112,551
C21-041A	Valve Box Raising	\$0	\$32,407	\$0	\$8,000	\$40,407	(\$8,000)
C21-041B	Greenback Acquisition	\$0	\$2,159	\$3,975	\$9,495	\$11,654	(\$9,495)
C22-005	Facilities Improvements	\$100,000	\$0	\$0	\$1,972	\$1,972	\$98,028
C22-040	Other City Partnerships	\$100,000	\$0	\$0	\$0	\$0	\$100,000
C22-041	Other Misc Infrastructure	\$100,000	\$0	\$0	\$0	\$0	\$100,000
<b>Miscellaneous Projects</b>		<b>\$525,102</b>	<b>\$76,504</b>	<b>\$4,189</b>	<b>\$34,811</b>	<b>\$111,315</b>	<b>\$490,292</b>
C17-104	Groundwater Well Property Acq	\$640,000	\$370,943	\$0	\$0	\$370,943	\$264,090
C17-104A	Well #7 Patton	\$250,000	\$181,377	\$0	\$24,667	\$206,044	\$43,956
C17-104B	Well #8 Highland	\$0	\$251,862	\$0	\$0	\$251,862	(\$251,862)
C20-107	Well Design & Construction	\$1,105,500	\$0	\$37,867	\$62,943	\$62,943	\$1,042,557
C22-020	Groundwater Well Improvements	\$150,000	\$0	\$0	\$0	\$0	\$150,000
<b>Wells</b>		<b>\$2,145,500</b>	<b>\$804,182</b>	<b>\$37,867</b>	<b>\$87,611</b>	<b>\$891,793</b>	<b>\$1,248,740</b>
<b>Grand Totals:</b>		<b>\$6,546,148</b>	<b>\$1,280,604</b>	<b>\$208,528</b>	<b>\$1,028,044</b>	<b>\$2,308,648</b>	<b>\$4,522,889</b>

## April 2022 WARRANTS

<u>CHECK</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
73334	David R Friedman	Customer Refund	\$140.70
73335	Judith Verlee Leonard	Customer Refund	\$58.16
73336	Jose/ Jacqueline DeJesus Trust	Customer Refund	\$122.57
73337	Curt A/Suzanne M Serrano	Customer Refund	\$27.47
73338	Arthur R/Corena L Hernandez	Customer Refund	\$32.16
73339	Francis Russell Spear Estate	Customer Refund	\$242.10
73340	Samuel M/Christina See	Customer Refund	\$432.12
73341	Dawn Denise Miller	Customer Refund	\$367.31
73342	Robert A/Marsi A Grumet	Customer Refund	\$319.51
73343	Erik Erikson Rev Trust	Customer Refund	\$490.07
73344	Sin M Kam	Customer Refund	\$467.66
73345	Oleg Shatov	Customer Refund	\$11.28
73346	Joshua E/Melody R Glass	Customer Refund	\$404.81
73347	Richard M/Katrina D Deatherage	Customer Refund	\$143.16
73348	John C/Karen M Landon	Customer Refund	\$17.91
73349	Catherine M Dean	Customer Refund	\$110.16
73350	Timothy I Tuggle	Customer Refund	\$65.30
73351	Zillow Homes Property Trust	Customer Refund	\$83.72
73352	AFLAC	Employee Paid Insurance	\$207.87
73353	AnswerNet	Telephone-Answering Service	\$347.35
73354	Axiom Technologies LLC	Contract Services- Other	\$3,346.50
73355	Best Best & Krieger	Legal & Audit	\$15,535.00
73356	R&B Company	Material	\$2,120.77
73357	Government Finance Officers Association	Dues & Subscriptions	\$285.00
73358	Ferguson Enterprises Inc #1423	Material	\$110,474.03
73359	Iconix Waterworks	Material	\$508.58
73360	Industrial Service and Supply Inc	Supplies-Field	\$9,176.92
73361	Integrity Administrators Inc	Health Insurance	\$273.84
73362	Messenger Publishing Group	Publication Notices	\$225.00
73363	Moonlight BPO LLC	Contract Services-Bill Print	\$1,188.64
73364	Moonlight BPO LLC	Contract Services-Bill Print	\$4,830.17
73365	Proud AV Inc	Contract Services-Other	\$320.00
73366	River City Staffing Group	Temporary Labor	\$1,039.60
73367	S.I.C.H.	Office Miscellaneous	\$167.19
73368	Velocity EHS	Dues & Subscriptions	\$2,560.89
73369	Void	Void	\$0.00
73370	Void	Void	\$0.00
73371	Sagent	Contract Services- Other	\$7,000.00
73372	Craig W Marrazzo	Customer Refund	\$100.40
73373	Melvin C/Myrtle J Lange Trust	Customer Refund	\$444.70

## April 2022 WARRANTS

<u>CHECK</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
73374	Monica L Necula	Customer Refund	\$240.48
73375	Lloyd Hodge Rev Trust	Customer Refund	\$263.71
73376	Glen M/Denise G Thomson	Customer Refund	\$204.91
73377	Aleksandr Baka	Customer Refund	\$65.74
73378	Jean Priest	Customer Refund	\$93.59
73379	Leila Soriano	Customer Refund	\$286.79
73380	Laurie L Marquis	Customer Refund	\$68.49
73381	Robert Bretton Gasber	Customer Refund	\$123.65
73382	Brenna Fox	Customer Refund	\$50.47
73383	Peter/Tiffany Gutkowski	Customer Refund	\$137.86
73384	Sarah M/James A Ewing	Customer Refund	\$76.10
73385	Dominique Leard	Customer Refund	\$14.35
73386	Kent D Cressman	Customer Refund	\$63.45
73387	Casey J Graham	Customer Refund	\$18.24
73388	Nancy S Lee	Customer Refund	\$45.21
73389	Domnica/Stelian Dan	Customer Refund	\$63.62
73390	Floyd A/Melissa R Wooten	Customer Refund	\$153.10
73391	Christopher J/Vicki Gallagher	Customer Refund	\$25.96
73392	Steven R Wylie	Customer Refund	\$86.59
73393	Zillow Homes Property Trust	Customer Refund	\$103.11
73394	Igor/Olga Zagorenko	Customer Refund	\$30.54
73395	Home Light Inc	Customer Refund	\$144.89
73396	Innovative Construction Solutions	Customer Refund	\$1,421.64
73397	ABA DABA Rentals & Sales	Supplies-Field	\$164.08
73398	ACWA	Dues & Subscriptions	\$1,500.00
73399	Alexander's Contract Services	Contract Services-Meter Reads	\$8,423.05
73400	Bart/Riebes Auto Parts	Repair-Trucks	\$376.02
73401	Batteries Plus Bulbs	Supplies-Field	\$29.61
73402	Best Best & Krieger	Legal & Audit	\$6,171.20
73403	Blue Jay Trucking Inc	Contract Services-Other	\$2,255.00
73404	BSK Associates	Water Analysis	\$1,571.00
73405	City of Citrus Heights c/o Processing Center	Equipment Rental-Office	\$16.00
73406	City of Citrus Heights	Permit Fees	\$1,068.50
73407	Consolidated	Telephone-Local/Long Distance	\$1,172.23
73408	Robin Cope	Health Insurance	\$365.96
73409	Corelogic Information Solutions Inc	Dues & Subscriptions	\$218.55
73410	Ashleigh Fanchar	Toilet Rebate Program	\$75.00
73411	Ferguson Enterprises Inc #1423	Material	\$12,476.17
73412	Harris & Associates	Contract Services-Engineering	\$11,400.00
73413	Hunt & Sons Inc	Gas & Oil	\$1,649.87

## April 2022 WARRANTS

<u>CHECK</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
73414	Industrial Service and Supply Inc	Supplies-Field	\$9,660.22
73415	Kei Window Cleaning #12	Janitorial	\$120.00
73416	Lowe's	Supplies-Field	\$523.93
73417	MaryAnn Morales	Toilet Rebate Program	\$75.00
73418	NowSpeed Inc.	Contract Services-Other	\$250.00
73419	Pace Supply Corp	Material	\$5,592.31
73420	Planning Partners Inc	Contract Services-Wells	\$3,975.00
73421	USPS	Postage	\$364.00
73422	Prime Auto Repair	Repair-Trucks	\$64.68
73423	Quick Quack Car Wash	Maintenance Agreement-Equipment	\$298.30
73424	Priscilla V Raines	Toilet Rebate Program	\$75.00
73425	Christy S Rapp	Toilet Rebate Program	\$150.00
73426	RDO Equipment	Repair-Trucks	\$524.31
73427	Republic Services #922	Utilities	\$327.07
73428	River City Staffing Group	Temporary Labor	\$900.81
73429	San Juan Water District	Purchased Water	\$598,258.85
73430	Sierra Safety	Small Tools	\$506.76
73431	SMUD	Utilities	\$34,176.05
73432	Sonsray Machinery, LLC	Repair-Equipment	\$106.17
73433	TechnoFlo Systems	Repair-Equipment	\$726.34
73434	United Rentals (North America) Inc	Equipmeent Rental-Field	\$2,620.28
73435	Marie A. Veerkamp	Contract Services-Conservation	\$1,250.00
73436	WaterWise Consulting, Inc	Contract Services-Conservation	\$4,625.00
73437	Warren Consulting Engineers Inc	Contract Services-Engineering	\$4,070.00
73438	Wex Bank	Gas & Oil	\$5,108.47
73439	MaryAnn Morales	Toilet Rebate Program	\$150.00
73440	Phelps Family Trust	Customer Refund	\$817.90
73441	David R Vaughan	Customer Refund	\$1,068.84
73442	Vetro Cubanske 2019 Trust	Customer Refund	\$166.89
73443	Francisco Palacios Jr Estate	Customer Refund	\$25.90
73444	Gary/Cherisse Zelesky	Customer Refund	\$66.35
73445	Susan C Smith	Customer Refund	\$12.85
73446	Jacqueline L Wahleithner	Customer Refund	\$178.86
73447	Robert C Massey Family Trust	Customer Refund	\$27.14
73448	Anatolij/Lyubov Grymaylo	Customer Refund	\$11.25
73449	Hailey Jane Smithhart Trust	Customer Refund	\$167.46
73450	Molly L Webster	Customer Refund	\$103.81
73451	James A Clark III	Customer Refund	\$18.50
73452	Eric P Beatty/Jeffrey S Patterson	Customer Refund	\$214.63
73453	Julio C/Maria E Navarrete	Customer Refund	\$224.19

## April 2022 WARRANTS

<u>CHECK</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
73454	Jennifer L Smith	Customer Refund	\$105.61
73455	Jeffrey R/Marni L Amos	Customer Refund	\$33.84
73456	Vanessa Echazarreta	Customer Refund	\$138.39
73457	Cruz Family Trust	Customer Refund	\$1,570.43
73458	Cathi M Campbell	Customer Refund	\$319.35
73459	Holly L Barajas	Customer Refund	\$208.35
73460	ACWA	Dues & Subscriptions	\$5,320.00
73461	ACWA/JPIA	Workers Comp Insurance	\$95.20
73462	AIA Services, LLC/NDS	Tools/Equipment	\$498.30
73463	AREA Restroom Solutions	Equipment Rental-Field	\$159.76
73464	Bart/Riebes Auto Parts	Repair-Trucks	\$11.48
73465	Best Best & Krieger	Legal & Audit	\$4,112.50
73466	BSK Associates	Water Analysis	\$706.00
73467	Caltronics Business System	Small Office Equipment	\$254.32
73468	CDW Government Inc	Tools/Equipment	\$3,610.19
73469	Central Valley Engineering & Asphalt, Inc.	Contract Services-PAVING	\$39,883.00
73470	City of Citrus Heights	Permit Fees	\$394.50
73471	Colantuono, Highsmith & Whatley, PC	Legal & Audit	\$11,888.00
73472	Comcast	Equipment Rental-Office	\$293.40
73473	Sacramento County Utilities	Utilities	\$190.10
73474	Cybex	Equipment Rental-Office	\$188.60
73475	Employee Relations Inc	Contract Services-Other	\$97.15
73476	Fast Action Pest Control	Contract Services-Miscellaneous	\$168.00
73477	Ferguson Enterprises Inc #1423	Material	\$2,383.67
73478	Hunt & Sons Inc	Gas & Oil	\$1,666.46
73479	IB Consulting LLC	Contract Services- Miscellaneous	\$2,100.00
73480	ICMA Membership Renewals	Dues & Subscriptions	\$500.00
73481	Integrity Administrators Inc	Health Insurance	\$5,000.00
73482	J4 Systems	Contract Services-Other	\$1,200.00
73483	Robert Kern	Toilet Rebate Program	\$75.00
73484	MMANC	Dues & Subscriptions	\$550.00
73485	Moonlight BPO LLC	Contract Services-Bill Print	\$5,146.79
73486	Pace Supply Corp	Material	\$797.24
73487	Lea Park-Kim	Professional Development	\$155.00
73488	Elaine Perricone	Toilet Rebate Program	\$80.63
73489	Missy Pieri	Professional Development	\$155.00
73490	Prime Auto Repair	Repair-Trucks	\$502.22
73491	Priscilla V Raines	Toilet Rebate Program	\$75.00
73492	Regional Government Services	Contract Services-Other	\$6,073.54
73493	River City Staffing Group	Temporary Labor	\$1,819.30

## April 2022 WARRANTS

<u>CHECK</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
73494	Regional Water Authority	Dues & Subscriptions	\$300.00
73495	Sagent	Contract Services-Other	\$6,142.67
73496	Rebecca Scott	Professional Development	\$155.00
73497	Jamie Sherman	Toilet Rebate Program	\$75.00
73498	Sonitrol	Equipment Rental-Office	\$204.08
73499	Hilary Straus	Professional Development	\$155.00
73500	Sunrise Marketplace	Contract Services-Other	\$750.00
73501	Superior Equipment Repair	Repair-Trucks	\$287.54
73502	State Water Resources Control Board	Dues & Subscriptions	\$20.00
73503	Susan Talwar	Continued Education	\$155.00
73504	TechnoFlo Systems	Repair-Equipment/Hardware	\$494.17
73505	Verizon Wireless	Telephone-Wireless	\$1,394.69
73506	Walker's Office Supplies	Office Expense	\$199.28
73507	Water Systems Consulting, Inc	Contract Services-Other	\$37,867.22
73508	David Wheaton	Professional Development	\$155.00
73509	Carol Williams	Toilet Rebate Program	\$75.00
73510	Wolf Consulting	Contract Services-Other	\$6,750.00
73511	Zane Dezign	Tools/Equipment	\$113.69
<b>Total</b>			<u>\$1,047,826.13</u>
ACH	ADP603047125	Contract Services-Financial	\$324.35
ACH	ADP603958540	Contract Services-Financial	\$399.60
ACH	CA CHOICE MAY 2022	Health Insurance	\$47,519.52
ACH	IC 1168-2022-3	Bank Fee	\$6,596.70
ACH	ICMA 4/27/22PAYDAY	Deferred Compensation	\$9,487.62
ACH	ICMA4/14/22 PAYDAY	Deferred Compensation	\$9,487.62
ACH	JP MORGAN MARCH 2022	See April Agenda Item CC-9	\$10,993.68
ACH	PERS 3/17/22 PAYDAY	PERS	\$23,886.62
ACH	PRINCIPAL APRIL 2022	Health Insurance	\$9,459.75
ACH	BOW MARCH 2022	Bank Fee	\$1,431.27
ACH	MIDAMERICA 4/12-4/18/22	Employee Paid Insurance	\$17.94
ACH	MIDAMERICA 3/29-4/4/22	Employee Paid Insurance	\$220.00
ACH	MIDAMERICA 4/5-4/11/22	Employee Paid Insurance	\$659.00
ACH	MIDAMERICA 4/19-4/25/22	Employee Paid Insurance	\$398.05
ACH	VALIC 4/14/22 PAYDAY	Deferred Compensation	\$2,912.71
<b>Total</b>			<u>\$123,794.43</u>
<b>Grand Total</b>			<u><u>\$1,171,620.56</u></u>

**JP Morgan Purchase Card Distributions  
Apr-22**

Name	General Supplies	Tools & Equipment	Dues & Subscription	Parts and Materials	Professional Development	District Events & Recognition	Maintenance/ Licensing	Department Admin	Support Services	Printing Services	Total Bill
Shockley	\$ 373.24	\$ 1,922.48	\$ 85.00		\$ 1,450.90	\$ 2,716.81			\$ 83.92		\$ 6,632.35
Abaya		\$ 413.53		\$ 106.54							\$ 520.07
Park-Kim			\$ 364.88		\$ 54.08						\$ 418.96
Talwar			\$ 3.99		\$ 35.00	\$ 51.63	\$ 275.00	\$ 153.97			\$ 519.59
Pieri						\$ 130.05					\$ 130.05
Scott	\$ 200.13									\$ 0.54	\$ 200.67
Cutler				\$ 29.63							\$ 29.63
Moore						\$ 1,391.82					\$ 1,391.82
<b>Total Bill</b>	<b>\$ 573.37</b>	<b>\$ 2,336.01</b>	<b>\$ 453.87</b>	<b>\$ 136.17</b>	<b>\$ 1,539.98</b>	<b>\$ 4,290.31</b>	<b>\$ 275.00</b>	<b>\$ 153.97</b>	<b>\$ 83.92</b>	<b>\$ 0.54</b>	<b>\$ 9,843.14</b>



# CITRUS HEIGHTS WATER DISTRICT

## DISTRICT STAFF REPORT TO BOARD OF DIRECTORS MAY 18, 2022 REGULAR MEETING

SUBJECT : EMPLOYEE RECOGNITION  
 STATUS : Information Item  
 REPORT DATE : May 2, 2022  
 PREPARED BY : Sheila Shah, Management Technician

The following District employees were recognized for perfect attendance during March 2022, and outstanding customer service and quality of work during the month of April 2022.

### Administrative Services

<u>Name</u>	<u>Attendance</u>	<u>Customer Service</u>	<u>Work Quality</u>
Bryan Abaya			Provided training to all staff on new phone system and assisted vendor with new phone installation District wide.
Dana Mellado		Worked with Engineering department to identify service install accounts that needed to be billed for District costs in excess of deposits received. Two of three accounts paid in full, and the third set up a payment plan.	
Brittney Moore		Presented at the ACWA JPIA HR Group Meeting Training on 04/20/22.	
Lea Park-Kim	Yes	Worked with Customer Service staff to send targeted notification to customers with Safe Credit Union accounts advising them to update their account numbers on our system to avoid problems and potential fees from rejected payments.	Presented at April Special Board Meeting.
Alberto Preciado	Yes	Researched and worked with legal to evaluate state Low Income payment assistance program, and enrolled the District in the program.	Completed and submitted US Census Survey of Payroll, and State Controller's Office Annual Compensation Report.
Sheila Shah	Yes		Worked to streamline an outdated agreements tracking form.

<u>Name</u>	<u>Attendance</u>	<u>Customer Service</u>	<u>Work Quality</u>
Kayleigh Shepard		Assisted customers in updating their Safe Credit Union accounts in order to avoid potential problems after Safe Credit Union changed their account numbers.	
Beth Shockley	Yes	Assisted staff with a complex conference booking.	
Desiree Smith	Yes	Worked with Communications and Public Engagement Manager to send targeted notification to customers with Safe Credit Union accounts advising them to update their account numbers on our system to avoid problems and potential fees from rejected payments. Desiree received multiple calls from customers thanking us for the proactive communication.	Assisted Board Clerk with proofing April Staff Reports.

**Engineering Department**

<u>Name</u>	<u>Attendance</u>	<u>Customer Service</u>	<u>Work Quality</u>
Paul Dietrich		Prepared staff report for April Board meeting for a District water main project. Attended the District Board Meeting on 04/20/22.	
Timothy Katkanov		Provided IT support at April Special and Regular Board Meetings.	
Neil Tamagni	Yes	Worked on Friday 04/08/22 on a District water main project.	

**Operations Department**

<u>Name</u>	<u>Attendance</u>	<u>Customer Service</u>	<u>Work Quality</u>
Christopher Bell	Yes		
James Buford	Yes		
Kelly Drake	Yes		
James Ferro	Yes		
Brian Hensley	Yes		Presented at April Special Board Meeting.

<b><u>Name</u></b>	<b><u>Attendance</u></b>	<b><u>Customer Service</u></b>	<b><u>Work Quality</u></b>
Ricky Kelly	Yes		Worked a modified work schedule to complete early morning water meter repairs for large businesses.
Mike Mariedth			Worked a modified work schedule to complete early morning water meter repairs for large businesses.
Jace Nunes	Yes		Organized a Garden re-planting day with the District's volunteer Garden Corps members at the District's plots at the Sylvan Ranch Community Garden.

**CITRUS HEIGHTS WATER DISTRICT  
DISTRICT STAFF REPORT TO BOARD OF DIRECTORS  
MAY 18, 2022 REGULAR MEETING**

SUBJECT : LONG RANGE AGENDA  
 STATUS : Consent/Information Item  
 REPORT DATE : May 10, 2022  
 PREPARED BY : Brittney Moore, Senior Management Analyst

**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
<b>June 15, 2022</b>					
June 15, 2022	Annual	Finance Corporation, Confirm & Appoint Officers of the Finance Corp., Status of Finance Corp.	Talwar	B	A
June 15, 2022		HR Policy Updates (4000 Series)	Moore	B	A
June 15, 2022		IT Policies (10,000 Series)	Abaya	B	A
June 15, 2022		Resolution 06-2022 Submittal of Grant Application	Scott	CC	A
June 15, 2022	Annual	FPPC Conflict of Interest	Moore/Talwar	CC	A
<b>JULY -SUMMER RECESS</b>					
<b>August 17, 2022</b>					
August 17, 2022	Annual	CIP Update	Pieri/Park-Kim	P	I/D
August 17, 2022		District-wide Easement Project	Pieri/Dawson	P	I/D
August 17, 2022	Annual	Approval of 2023 Strategic Plan	Straus	B	A
August 17, 2022	Annual	Budget Rate Model Options Workshop	Talwar	P	I/D
<b>September 21, 2022</b>					
September 21, 2022		Agreement with Response Structural Engineers	Pieri	CC	A
September 21, 2022	Annual	Refined Budget Options/Prop 218 Direction	Talwar/Straus	B	I/D
<b>October 19, 2022</b>					
October 19, 2022		ACWA Election -Fall Conference	Moore	CC	A
October 19, 2022	Annual	Misc. Charges and Fees - Proposed	Talwar	B	A
<b>November 16, 2022</b>					
November 16, 2022	Annual	Cost-of-Living Adjustment to Salary Schedule, Retiree Insurance Benefits, and Directors' Compensation	Moore	B	A
<b>December 21, 2022</b>					
December 21, 2022	Annual	Committee Assignments	Moore	B	A
December 21, 2022	Annual	District Officers	Moore	B	A
December 21, 2022	Annual	Selection of President and Vice President	Straus	B	A
December 21, 2022	Annual	Operating and Capital Budgets	Straus/Dietrich/Scott	B	P/A
December 21, 2022		Election Declaration	Moore	PH	A
December 21, 2022		Oath of Office	Moore	B	A

# CITRUS HEIGHTS WATER DISTRICT

## DISTRICT STAFF REPORT TO BOARD OF DIRECTORS MAY 18, 2022 REGULAR MEETING

**SUBJECT** : ENGINEERING DEPARTMENT REPORT  
**STATUS** : Information Item  
**REPORT DATE** : May 03, 2022  
**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.

Items of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
<b>PROJECT 2030 Water Main Replacement Project - Pipeline Condition Assessment</b>	Engineering	Director of Engineering and Project Manager	Yes, 06/29/21 (Final Completion Update)	Yes	Pipeline Condition Assessment	Staff preparing a pipeline condition assessment plan for 2022.
<b>CAPITAL IMPROVEMENT PROJECT Corporation Yard / Facilities Master Plan Buildout</b>	Engineering	Director of Engineering and Project Manager	Yes, 07/17/19 (Award of Contract)	Yes	Masterplan for office space requirements through 2045.	Staffing Report approved by Board on 06/16/21.  Pre-Architectural Study pending.

Items of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
<b>CAPITAL IMPROVEMENT PROJECT</b> <b>6230 Sylvan Rd</b> <b>Perimeter Wall</b>	Engineering	Director of Engineering and Assistant Engineer	Yes, TBD	No	Wall along the east side of District property.  2021 design.	Rezone of properties on hold.  Preliminary plans pending.
<b>CAPITAL IMPROVEMENT PROJECT - Skycrest School</b> <b>Water Service Replacement</b>	Engineering	Project Manager and Assistant Engineer	No	Yes	2020 design, 2021 construction.	Easement recorded on 09/23/21.  Operations performing construction. 100% Complete.  Project closeout in progress.
<b>CAPITAL IMPROVEMENT PROJECT - Walnut Drive</b> <b>Water Service Project</b>	Engineering	Project Manager and Assistant Engineer	No	Yes	2021 design, 2022 construction.	4 of 5 easements acquired.  Plans are 100% complete.  Anticipate construction to be completed by Operations in Spring 2022.

Items of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
<b>CAPITAL IMPROVEMENT PROJECT - Mesa Verde High School Water Main Project</b>	Engineering	Project Manager and Assistant Engineer	Yes, 04/20/22 (Award of Contract)	Yes	2021 design, 2022 construction.	District received easement from SJUSD. CHWD to record once construction is complete.  Award of Contract at the 04/20/22 Board meeting.  Begin work in June 2022.
<b>CAPITAL IMPROVEMENT PROJECT - Carriage Dr, Mesa Verde High School to Pratt</b>	Engineering	Project Manager and Assistant Engineer	Yes, 04/20/22 (Award of Contract)	Yes	2021 design, 2022 construction.	Award of Contract at the 04/20/22 Board meeting.  Begin work in June 2022.
<b>CAPITAL IMPROVEMENT PROJECT - Antelope - Rusch Park Water Main</b>	Engineering	Project Manager and Assistant Engineer	Yes	Yes	2021 design, 2021 construction.	Easement recorded on 02/25/22.  Construction 100% complete.  As-builts being prepared.

Items of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
<b>CAPITAL IMPROVEMENT PROJECT - Old Auburn Road Water Main</b>	Engineering	Project Manager and Assistant Engineer	Yes	Yes	2022 design, 2023 construction.	District to begin design.
<b>CAPITAL IMPROVEMENT PROJECT - Pratt Avenue Water Main</b>	Engineering	Project Manager and Assistant Engineer	Yes, 12/15/21 (Award of Contract)	Yes	2021 design, 2022 construction.	Award of contract occurred at the 12/15/21 Board Meeting.  Construction started on 04/05/22.  100% Complete. Punchlist being completed.
<b>CAPITAL IMPROVEMENT PROJECT - Madison Ave &amp; Dewey Dr Water Main</b>	Engineering	Project Manager and Assistant Engineer	Yes	Yes	2022 design, 2022 construction.	Easement received. District to record once project is constructed.  Plans 90% complete.



Items of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
<p><b>PRIVATE DEVELOPMENT                      Mitchell Village -                      7925 Arcadia Dr</b></p>	<p>Engineering</p>	<p>Director of Engineering and Senior Construction Inspector</p>	<p>Yes, 03/30/20, 04/15/20 (Deferment of Fees)</p>	<p>No</p>	<p>200-300 unit development by Watt Communities.</p>	<p>Project re-started on 07/14/20. Water portion 99% Complete.                       CHWD sent conditional project acceptance on 01/12/22.</p>
<p><b>PRIVATE DEVELOPMENT                      Lawrence Ave                      Wyatt Ranch</b></p>	<p>Engineering</p>	<p>Senior Construction Inspector, Director of Engineering and Assistant Engineer</p>	<p>Yes, 01/20/21 (Deferment of Fees)</p>	<p>No</p>	<p>23 lot subdivision.</p>	<p>District signed plans on 12/04/19.                       Deferment Agreement signed on 02/11/21.                       All fees paid.                       Construction 75% Complete.                      Construction restarted 08/09/21.</p>

Items of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
<p><b>PRIVATE DEVELOPMENT</b>  <b>12057 Fair Oaks Blvd</b>  <b>Fair Oaks Senior Apartments</b></p>	<p>Engineering</p>	<p>Director of Engineering and Assistant Engineer</p>	<p>No</p>	<p>No</p>	<p>Seniors apartment complex with 42 one bedroom and 68 two bedroom units.</p>	<p>All fees paid on 10/18/21.</p> <p>District signed plans on 10/19/21.</p> <p>Pre-construction meeting occurred on 01/19/22. Awaiting construction.</p>
<p><b>PRIVATE DEVELOPMENT</b>  <b>8043 Holly Dr</b>  <b>Parcel Split 1 - 3</b></p>	<p>Engineering</p>	<p>Director of Engineering and Assistant Engineer</p>	<p>No</p>	<p>No</p>	<p>Parcel being split into 3 for 3 home subdivision.</p>	<p>District received third submittal on 03/10/21 and provided comments on 03/29/21.</p> <p>Awaiting final plans for signature. Plan check fees paid 04/13/21.</p>
<p><b>PRIVATE DEVELOPMENT</b>  <b>208 Langley Ave</b>  <b>Parcel Split 1 - 2</b></p>	<p>Engineering</p>	<p>Director of Engineering and Assistant Engineer</p>	<p>No</p>	<p>No</p>	<p>Parcel being split into 2 lots. New single family home construction on one lot.</p>	<p>District sent correspondence to property owner on 04/20/20.</p>

Items of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
<b>PRIVATE DEVELOPMENT</b> <b>5425 Sunrise Blvd</b> <b>Sunrise Village</b> <b>Phase 2</b>	Engineering	Director of Engineering and Assistant Engineer	No	No	Partial redevelopment of Sunrise Village.	Received submittal on 01/19/22.  Submitted comments on 02/23/22.
<b>PRIVATE DEVELOPMENT</b> <b>7969 Madison Ave</b> <b>Orchard Apts</b> <b>Storage Units</b>	Engineering	Director of Engineering and Assistant Engineer	No	No	Demolition of tennis courts to make storage unit with sprinkler system.	Payment received for Fees on 04/01/20.  District signed plans on 11/23/20.  Construction 5% complete.
<b>PRIVATE DEVELOPMENT</b> <b>7424 Sunrise Blvd</b> <b>Sunrise Pointe</b>	Engineering	Senior Construction Inspector and Assistant Engineer	No	No	Proposed multi-unit housing complex for low-income and homeless.	All fees paid.  Punchlist provided to contractor.  Construction 99% complete.
<b>PRIVATE DEVELOPMENT</b> <b>8220 Sunrise Blvd</b> <b>Carefield Citrus Heights</b>	Engineering	Director of Engineering and Assistant Engineer	No	No	Proposed memory care facility.	Received schematic plans on 05/08/19.  Will-Serve letter sent on 05/20/19.

Items of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
<p><b>PRIVATE DEVELOPMENT</b>                      Livoti Development</p>	<p>Engineering</p>	<p>Director of Engineering and Assistant Engineer</p>	<p>No</p>	<p>No</p>	<p>Six Parcel Subdivision.</p>	<p>Plan check fees paid.                       Plans signed on 11/09/21.                       Awaiting construction.</p>
<p><b>PRIVATE DEVELOPMENT</b>                      7951 Antelope Rd                      American River Collegiate Academy</p>	<p>Engineering</p>	<p>Director of Engineering and Assistant Engineer</p>	<p>No</p>	<p>No</p>	<p>Commercial Development.</p>	<p>District provided comments on third 02/28/22.                       Received fourth submittal on 05/02/22.</p>
<p><b>PRIVATE DEVELOPMENT</b>                      8556 Pheasant Ridge Ln                      Fire Improvements</p>	<p>Engineering</p>	<p>Director of Engineering and Assistant Engineer</p>	<p>No</p>	<p>No</p>	<p>Extension of water main, addition of fire hydrant, and fire sprinklers.</p>	<p>All fees paid on 03/11/21.                       District approved plans on 01/24/22.                       Awaiting construction.</p>

Items of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
<p><b>PRIVATE DEVELOPMENT</b>  <b>6031 Sunrise Vista Dr</b>  <b>Apartments &amp; Annexation</b></p>	<p>Engineering</p>	<p>Director of Engineering and Assistant Engineer</p>	<p>Yes                      (Resolution adopted for Annexation - 12/16/20)</p>	<p>No</p>	<p>Annexation and proposed apartments.</p>	<p>Annexation fees paid.</p> <p>Adoption of Resolution approving annexation occurred at the 12/16/20 Board Meeting.</p> <p>Received planning level documents on 04/06/21 and District provided comments on 04/13/21.</p>
<p><b>PRIVATE DEVELOPMENT</b>  <b>7311 Huntington Square Ln</b></p>	<p>Engineering</p>	<p>Director of Engineering and Assistant Engineer</p>	<p>No</p>	<p>No</p>	<p>New fire service and domestic water service for additional apartments.</p>	<p>Fees paid 04/29/21.</p> <p>Recorded easement received 08/19/21.</p> <p>Construction 99% complete.</p> <p>Punchlist provided to contractor.</p>

Items of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
<p><b>PRIVATE DEVELOPMENT</b>  <b>7078 Auburn Blvd</b>  <b>Auburn Heights</b>  <b>Townhomes</b></p>	<p>Engineering</p>	<p>Senior Construction Engineer and Assistant Engineer</p>	<p>No</p>	<p>No</p>	<p>8 Townhomes on undeveloped property.</p>	<p>Plans signed on 09/20/21.</p> <p>All fees paid as of 11/22/21.</p> <p>Pre-construction Meeting occurred on 12/7/21.</p> <p>Awaiting construction.</p>
<p><b>PRIVATE DEVELOPMENT</b>  <b>8136 Auburn Blvd</b>  <b>Self Service Coin Laundry</b></p>	<p>Engineering</p>	<p>Director of Engineering and Assistant Engineer</p>	<p>No</p>	<p>No</p>	<p>Redevelopment of existing building to a self-service coin laundry.</p>	<p>Plan check fees paid.</p> <p>Plans signed on 07/19/21.</p> <p>Awaiting construction.</p>
<p><b>PRIVATE DEVELOPMENT</b>  <b>Talbot Way</b>  <b>Citrus Place</b>  <b>Subdivision</b></p>	<p>Engineering</p>	<p>Director of Engineering and Assistant Engineer</p>	<p>No</p>	<p>No</p>	<p>8 lot subdivision</p>	<p>Received second resubmittal on 01/04/22.</p> <p>District provided comments on 03/03/22.</p>

Items of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
<b>PRIVATE DEVELOPMENT</b> 7311 Hickory Ave Single Family Home	Engineering	Director of Engineering and Assistant Engineer	No	No	Customer requesting water service for a recently split lot.	Verify lot is split prior to initiating new water service.
<b>PRIVATE DEVELOPMENT</b> 7830 Macy Plaza Dr CSL Plasma	Engineering	Director of Engineering and Assistant Engineer	No	No	Tenant Improvements for a medical office.	Plan check fees paid.  Plans signed on 04/13/22.  Awaiting construction.
<b>PRIVATE DEVELOPMENT</b> 7527 Linden Ave Multi-duplex	Engineering	Senior Construction Inspector and Assistant Engineer	No	No	3 duplex complex.	Plans approved on 10/21/21.  All fees paid on 10/27/21.  Pre-construction meeting occurred on 02/15/22.

Items of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
<p><b>PRIVATE DEVELOPMENT</b>  <b>8207 Oak Ave</b>  <b>Parcel Split, Annexation &amp; Single Family Home</b></p>	<p>Engineering</p>	<p>Director of Engineering and Assistant Engineer</p>	<p>No</p>	<p>No</p>	<p>Parcel Split, Annexation &amp; 2 single family homes.</p>	<p>District provided inclusion requirements on 04/26/22 and comments on 04/28/22.</p> <p>Resubmittal received on 04/28/22.</p>
<p><b>CITY OF CITRUS HEIGHTS PROJECT</b>  <b>Mariposa Ave - Safe Routes to School Phase IV</b></p>	<p>Engineering</p>	<p>Senior Construction Inspector and Assistant Engineer</p>	<p>No</p>	<p>Yes</p>	<p>Frontage improvements along east side of Mariposa Ave from Madison Ave to Skycrest School.</p>	<p>Construction began June 2021.</p> <p>All work 100% complete.</p> <p>Letter of Acceptance sent to contractor on 05/02/22.</p> <p>Project closeout in progress.</p>



Items of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
<b>CITY OF CITRUS HEIGHTS PROJECT                      Auburn Blvd - Complete Streets Phase 2</b>	Engineering	Director of Engineering and Assistant Engineer	No	No	City of Citrus Heights Frontage Improvements and Utility relocation on Auburn Blvd from Rusch Park to north.	District provided Cost Liability letter on 03/25/21 and the City approved on 01/27/22.  District received 95% full submittal on 03/03/22. District provided comments on 04/06/22.
<b>CITY OF CITRUS HEIGHTS PROJECT                      Arcade-Cripple Creek Trail Project</b>	Engineering	Director of Engineering and Assistant Engineer	No	No	City of Citrus Heights Bike Trail.	District received Cost Liability letter from the City on 10/09/20.  District provided comments on the submittal on 06/10/21. Awaiting construction.
<b>CITY OF CITRUS HEIGHTS PROJECT                      Greenback Lane Complete Streets</b>	Engineering	Director of Engineering and Assistant Engineer	No	No	City of Citrus Heights Road Improvements along Greenback Lane from Sunrise Blvd to Fair Oaks Blvd. Valve Box Adjustments.	City awarded project in early 2022.  Construction in progress.

Items of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
<b>COUNTY OF SACRAMENTO                      AC Overlay Project                      SACOG 2022 Phase 1 to 3</b>	Engineering	Director of Engineering and Assistant Engineer	No	No	County of Sacramento Road Improvements along Greenback Lane from Fair Oaks Blvd. to Hazel Ave.	Received first submittal on 04/20/22.  CHWD preparing a Cost Liability letter.
<b>District-wide Easement Project</b>	Engineering	Director of Engineering, Project Manager and Assistant Engineer	(06/16/21) Award of Contract	Yes	Research and review District facility locations and easements for potential additions/revisions.	Phase 1 - 99% complete. Phase 2 - Pending. Phase 3 - 25% complete.  Project completion expected 08/01/22.

# CITRUS HEIGHTS WATER DISTRICT

## DISTRICT STAFF REPORT TO BOARD OF DIRECTORS MAY 18, 2022 REGULAR MEETING

SUBJECT : OPERATIONS DEPARTMENT REPORT  
 STATUS : Information Item  
 REPORT DATE : May 2, 2022  
 PREPARED BY : Tim Cutler, Water Distribution Supervisor  
 Rebecca Scott, Director of Operations

Facilities Maintenance			CIP Projects		
	Completed WO's			Completed WO's	
	Apr.	2022 YTD		Apr.	2022 YTD
Backflow Maintenance	0	0	C21-010 Water Mainline	0	0
Blow Off Maintenance	0	0	C21-011 Water Valves	1	5
Hydrant Maintenance	25	153	C21-012 Water Services	35	146
Leak Investigation	0	0	C21-013 Water Meters	9	68
Mainline Repair/Maintenance	0	1	C21-014 Fire Hydrants	2	3
Meter Box Maintenance	2	12	C21-103 Pot Hole Main	0	0
Meter Register Replacement	26	127	<b>TOTAL</b>	<b>47</b>	<b>222</b>
Meter Repair/Test/Maintenance	41	118	<b>Water Quality</b>		
Pot Hole Work	1	2	<i>Water Analysis Report: Bacteriological testing has met all California Department of Public Health requirements. 72 samples were collected with no positive results.</i>		
Water Service Repair/Locate	0	2			
Valve, Mainline Maintenance	57	271			
Valve Box Maintenance	0	1			
<b>TOTAL</b>	<b>152</b>	<b>687</b>			

**CITRUS HEIGHTS WATER DISTRICT  
DISTRICT STAFF REPORT TO BOARD OF DIRECTORS  
MAY 18, 2022 REGULAR MEETING**

SUBJECT : 2022 WATER SUPPLY - PURCHASED & PRODUCED  
 STATUS : Information Item  
 REPORT DATE : May 4, 2022  
 PREPARED BY : Brian M. Hensley, Water Resources Supervisor  
 : Rebecca Scott, 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	2017	2018	2019	2020	2021	2022				Year-to-Date Comparison to 2013	
	Total Water Monthly acre feet						Surface Water Purchased	Ground Water Produced	Total Water Monthly	Total Water Annual	acre feet	%
Jan	602.52	506.81	531.38	520.86	519.03	575.54	332.65	196.08	528.73	528.73	-73.79	-12.2%
Feb	606.36	443.99	525.73	447.48	589.8	485.17	323.56	281.61	605.17	1,133.90	-74.98	-6.2%
Mar	819.55	546.60	540.78	516.87	654.31	601.02	479.25	295.49	774.74	1,908.64	-119.79	-5.9%
Apr	1,029.73	575.52	646.09	682.90	767.24	1,001.96	610.48	153.35	763.83	2,672.47	-385.69	-12.6%
May	1,603.43	1,138.72	1,072.27	977.41	1,168.99	1,277.33						
Jun	1,816.73	1,412.94	1,387.03	1,328.07	1,475.82	1,541.32						
Jul	2,059.21	1,650.76	1,737.13	1,582.40	1,682.83	1,643.73						
Aug	1,924.28	1,570.80	1,583.78	1,603.36	1,660.59	1,538.76						
Sep	1,509.82	1,441.76	1,330.19	1,297.12	1,381.14	1,333.29						
Oct	1,297.42	1,128.97	1,061.88	1,083.17	1,185.00	972.09						
Nov	911.55	631.55	807.7	839.06	779.34	576.37						
Dec	700.94	574.43	558.97	548.17	620.34	536.97						
<b>Total</b>	<b>14,881.54</b>	<b>11,622.85</b>	<b>11,782.93</b>	<b>11,426.87</b>	<b>12,484.43</b>	<b>12,083.55</b>	<b>1,745.94</b>	<b>926.53</b>	<b>2,672.47</b>	<b>2,672.47</b>		
% of Total							65.33%	34.67%				

# CITRUS HEIGHTS WATER DISTRICT

## DISTRICT STAFF REPORT TO BOARD OF DIRECTORS MAY 18, 2022 REGULAR MEETING

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SUBJECT : WATER SUPPLY RELIABILITY  
STATUS : Information Item  
REPORT DATE : May 4, 2022  
PREPARED BY : Brian Hensley, Water Resources Supervisor  
Rebecca Scott, Director of Operations

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### **OBJECTIVE:**

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

### **BACKGROUND AND ANALYSIS:**

As of May 1, 2022, storage in Folsom Lake (Lake) was at 774,909 acre-feet, 79 percent of the total capacity of 977,000 acre-feet. This represents a increase in storage of 187,467 acre-feet in the past month.

The District's total water use during April 2022 (763.87 acre-feet) was 26 percent below that of April 2013 (1029.73 acre-feet).

The District continues to assist with preserving surface water supplies in the Lake by operating its groundwater wells. The District's groundwater production wells: Bonita, 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.

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# CITRUS HEIGHTS WATER DISTRICT

## DISTRICT STAFF REPORT TO BOARD OF DIRECTORS May 18, 2022 REGULAR MEETING

SUBJECT : WATER EFFICIENCY & SAFETY PROGRAM UPDATE  
 STATUS : Information Item  
 REPORT DATE : May 4, 2022  
 PREPARED BY : Jace Nunes, Management Analyst

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

### **ACTIVITIES AND PROGRESS REPORT**

- Water Efficiency activities during the month of April 2022 included:
  - Four High Efficiency Toilet (HET) rebates were processed, compared to two in April 2021.
  - The District is processing High-Efficiency Clothes Washer (HECW) rebates in-house. Four rebates were processed in April 2022. The District continues to reach out to customers on social media and our website to promote the HECW rebate program.
  - There were thirteen smart irrigation controllers installed for customers in April.
- Three Pressure Reducing Valve (PRV) rebates were issued in April.
- Seventeen reports of water waste were received in April. Staff continues reaching out to customers concerning water waste violations and leak notifications.
- The District holds bi-monthly safety meetings. The April safety meetings covered Silica Safety and First Aid, CPR AED, and Bloodborne Pathogens.
- The 2022 lineup of WaterSmart classes is below:

Date	Title
Sat., Sept. 10 10-11 a.m.	So You Planted a Garden, Now What? (In-Person at the Sylvan Ranch Community Garden) By Jessy Parker
Sat., Sept. 17 10-11 a.m.	Fall for Native Plants: How to Plant and Cook with the Region's Flora (In-Person at the Sylvan Ranch Community Garden) By Chris Lewis

WaterSmart classes from 2021 to present are archived on CHWD’s website and on YouTube, where they can be viewed any time.

- CHWD has three garden plots at the Sylvan Ranch Community Garden featuring water efficient landscaping. CHWD is working with a customer based volunteer “Garden Corps,” who maintains the plots by removing weeds and checking the irrigation system and controller timers. On April 24,

the Garden Corps met with staff at the Garden to complete a re-planting day. Several new plants were installed in the District’s garden plots to fill in bare spots.

- The following table summarizes the Residential Gallons Per Capita Per Day (R-GPCD) values for CHWD for 2022:

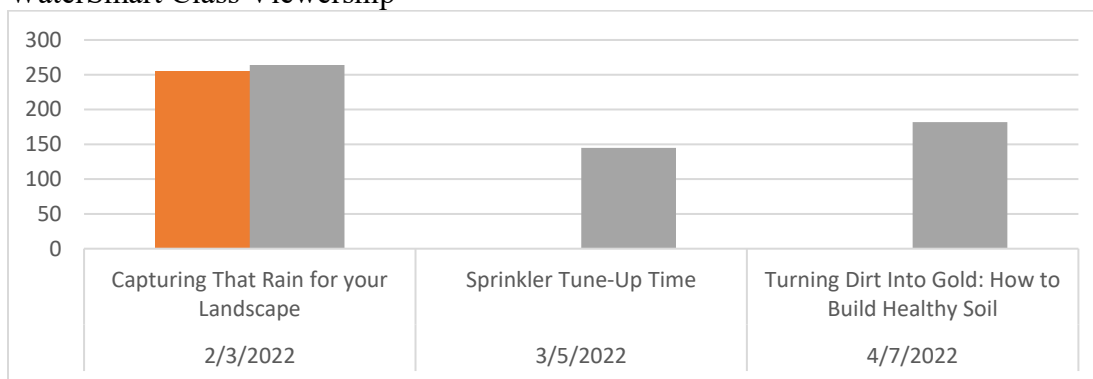
Month	R-GPCD 2021	R-GPCD 2022	% CHANGE
January	84	75	-10%
February	78	85	+8%
March	88	111	+26%
April	135	113	-17%

The following table summarizes the service requests and work orders of Water Efficiency staff for April 2022:

Work Orders	April 2022	April 2021
CHANGE TOUCH-READ TO RADIO READ	8	3
CONVERT TO RADIO-READ METER	0	3
METER BOX MAINTENANCE	2	2
METER REPAIR	0	0
METER REPLACEMENT	1	0
METER TESTING	0	0
REGISTER REPLACEMENT	18	11
RADIO-READ REGISTER REPLACEMENT	7	3
INSTALL METER	2	22
<b>TOTAL</b>	<b>38</b>	<b>44</b>

Service Requests	April 2022	April 2021
CONSERVATION REQUEST	17	24
CHECK FOR LEAK	3	0
UNABLE TO OBTAIN METER READ	30	49
TRIM SHRUBS	2	12
METER BURIED	18	34
METER MAINT.	49	40
LOCKED GATE	3	2
RE-READ METER	6	15
READ METER	1	0
METER BOX MAINT.	0	1
MOVE-IN/MOVE-OUT	15	33
CAR OVER METER	1	11
<b>TOTAL</b>	<b>145</b>	<b>221</b>

### WaterSmart Class Viewership



■ = Viewership, April 5, 2022  
■ = Viewership, May 2, 2022

# CITRUS HEIGHTS WATER DISTRICT

## DISTRICT STAFF REPORT TO BOARD OF DIRECTORS MAY 18, 2022 REGULAR MEETING

SUBJECT : DISCUSSION AND POSSIBLE ACTION TO EXTEND RESOLUTION 07-2021  
AUTHORIZING REMOTE PUBLIC MEETINGS

STATUS : Action Item

REPORT DATE : May 2, 2022

PREPARED BY : Sheila Shah, Management Technician  
Susan Talwar, Director of Finance and Administrative Services  
Joshua Nelson, Assistant General Counsel

### **OBJECTIVE:**

Consider extending Resolution 07-2021 to permit future hybrid remote public meetings by the Board of Directors.

### **BACKGROUND AND ANALYSIS:**

On September 16, 2021, the Governor signed AB 361, which allows legislative bodies to meet virtually provided there is a state of emergency, and either (1) state or local officials have imposed or recommended measures to promote social distancing; or (2) the legislative body determines by majority vote that meeting in person would present imminent risks to the health and safety of attendees.

On October 20, 2021 CHWD Board of Directors adopted Resolution 07-2021 to permit future hybrid remote public meetings by the Board of Directors consistent with the requirements of AB 361. CHWD Board of Directors voted 3-0 to extend Resolution 07-2021 at its November 17, 2021, December 15, 2021, January 19, 2022, and March 16, 2022 Regular Meetings, and at the February 22, 2022 Special Meeting. The Board most recently voted on another extension of Resolution 07-2021 at the April 20, 2022 Regular Meeting.

In order to continue to qualify for AB 361's waiver of in-person meeting requirements, the Board must, within thirty (30) days of its first meeting under AB 361, and every thirty (30) days thereafter, make findings that (a) state or local officials continue to recommend measures to promote social distancing, or that (b) an in-person meeting would constitute an imminent risk to the safety of attendees. The findings need not be in the form of a resolution, but a resolution is helpful in formalizing these findings.

Because the Board meets regularly on the third Wednesday of each month, it is possible that more than thirty days may elapse between consecutive meetings. AB 361 is silent as to whether special meetings are required on a more frequent basis to keep up with the thirty-day renewal of findings requirement, although scheduling such meetings would ensure strict compliance. Alternatively, if the Board does not meet within thirty days after its prior meeting, the Board should make its renewed findings at the beginning of its next meeting prior to any other action or discussion. If the Board wishes to continue meetings remotely, staff recommends the Board extend Resolution 07-2021 by motion, and continuously consider this Resolution as a monthly consent calendar item while there is a declared state of emergency, or until state and local orders aimed at containing the COVID-19 virus are rescinded.

### **RECOMMENDATION:**

Extend Resolution 07-2021 to permit future hybrid remote public meetings by the Board of Directors.



**ATTACHMENT:**

Resolution No. 07-2021 Resolution of the Board of Directors of the Citrus Heights Water District  
Authorizing Remote Public Meetings

**ACTION:**

Moved by Director \_\_\_\_\_, Seconded by Director \_\_\_\_\_, Carried \_\_\_\_\_

CITRUS HEIGHTS WATER DISTRICT  
RESOLUTION NO. 07-2021

RESOLUTION OF THE BOARD OF DIRECTORS  
OF CITRUS HEIGHTS WATER DISTRICT  
AUTHORIZING REMOTE PUBLIC MEETINGS

WHEREAS, CITRUS HEIGHTS WATER DISTRICT (“CHWD”) is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of CHWD’s legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend and participate in CHWD’s meetings; and

WHEREAS, starting in March 2020, in response to the spread of COVID-19 in the State of California, the Governor issued a number of executive orders aimed at containing the COVID-19 virus; and

WHEREAS, among other things, these orders waived certain requirements of the Brown Act to allow legislative bodies to meet virtually; and

WHEREAS, pursuant to the Governor’s executive orders, CHWD has been permitting virtual participation in meetings during the pandemic in the interest of protecting the health and safety of the public, staff, and Directors; and

WHEREAS, the Governor’s executive order related to the suspension of certain provisions of the Brown Act expired on September 30, 2021; and

WHEREAS, on September 16, 2021 the Governor signed AB 361 (in effect as of October 1, 2021 – Government Code Section 54953(e)), which allows legislative bodies to meet virtually provided there is a state of emergency, and either (1) state or local officials have imposed or recommended measures to promote social distancing; or (2) the legislative body determines by majority vote that meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, such conditions now exist in CHWD, specifically, a state of emergency has been proclaimed related to COVID-19, State and Sacramento County officials are recommending measures to promote social distancing, and because of the ongoing threat of COVID-19, meeting in person would present imminent risks to the health and safety of attendees;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE CITRUS HEIGHTS WATER DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

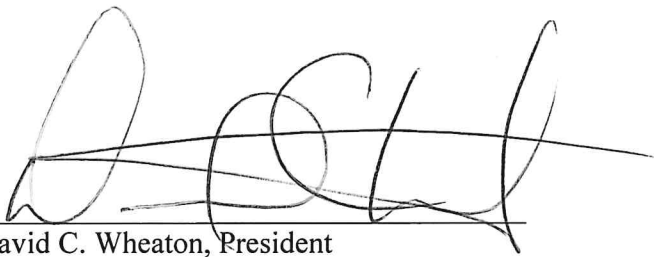
Section 2. Remote Teleconference Meetings: Consistent with the provisions of Government Code Section 54953(e), the Board of Directors finds and determines that (1) a state of emergency related to COVID-19 is currently in effect; (2) state and local officials in Sacramento County have recommended measures to promote social distancing in connection with COVID-19, including indoor mask recommendations and minimum recommend distance between attendees; and (3) due to the COVID-19 emergency, the transfer of novel coronavirus from person-to-person, and the associated risk of serious illness or death from COVID-19, meeting in person would present imminent risks to the health and safety of attendees. Based on such facts, findings and determinations, the Board authorizes staff to conduct remote teleconference meetings of the Board of Directors and other CHWD legislatives bodies under the provisions of Government Code Section 54953(e).

Section 3. Effective Date of Resolution. This Resolution shall take effect October 20, 2021, and shall be effective for 30 days or until this Resolution is extended by a majority vote of the Board of Directors in accordance with Section 4 of this Resolution.

Section 4. Extension by Motion. The Board of Directors may extend the application of this Resolution by motion and majority vote by up to thirty days at a time, provided that it makes all necessary findings consistent with and pursuant to the requirements of Section 54953(e)(3).

PASSED, APPROVED, AND ADOPTED this 20th day of October, 2021.

AYES:  
NOES:  
ABSENT:  
ABSTAINED:



David C. Wheaton, President

ATTEST:



Brittney Moore, Deputy Board Clerk

# CITRUS HEIGHTS WATER DISTRICT

## DISTRICT STAFF REPORT TO BOARD OF DIRECTORS May 18, 2022 REGULAR MEETING

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SUBJECT : ELLA WAY WELL DRILLING, DEVELOPMENT, AND TESTING PROJECT  
STATUS : Action Item  
REPORT DATE : May 10, 2022  
PREPARED BY : Brian Hensley, Water Resources Supervisor

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District staff report will ask the Board to consider acceptance of bid for the drilling, development, and testing of the Ella Way Well. The materials for this report are still under development, and will be provided prior to the meeting.

# CITRUS HEIGHTS WATER DISTRICT

## DISTRICT STAFF REPORT TO BOARD OF DIRECTORS MAY 18, 2022 REGULAR MEETING

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SUBJECT : DISCUSSION AND POSSIBLE ACTION TO APPROVE BUDGET  
AMENDMENT FOR PROPERTY PURCHASE AT 7515 GREENBACK LANE

STATUS : Action Item

REPORT DATE : May 3, 2022

PREPARED BY : Missy Pieri, Director of Engineering/District Engineer  
Susan K. Talwar, Director of Finance and Administrative Services

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### **OBJECTIVE:**

Consider approving a budget amendment to reflect the purchase of property at 7515 Greenback Lane (Property) by creating a new project fund and allocating funds to the project fund for the purchase.

### **BACKGROUND AND ANALYSIS:**

On August, 2021, the Board of Directors authorized the General Manager to enter into negotiations for the purchase of the Property. While a final plan for the Property has not yet been developed, this parcel is adjacent to the existing Corporation Yard and presents a number of potential options for the Citrus Heights Water District (CHWD). Any future development plan for the Property will be reviewed and approved by the Board.

Pursuant to the Board's prior authorization, staff negotiated and entered into an agreement to acquire the Property for \$275,000. In addition to the purchase price, other costs for due diligence, closing, and legal fees amounted to approximately \$40,000, which brings the total cost to \$315,000.

Once the District acquires the property, the site will be fenced for security measures. It is anticipated the building located on the property will be demolished in the near future. Fencing and demolition is estimated to be \$100,000.

This transaction is expected to close in mid to late May, 2022. As an administrative measure, staff requests that the Board amend the 2022 budget to allocate funds for this land purchase and demolition into the project fund.

To meet the expenditure requirements outlined above, staff requests a budget amendment of \$415,000 within the 2022 Capital Improvement Plan Budget. Below is a summary of the budget amendment request. Again, this budget amendment request will result in a zero sum (\$0) financial impact to CHWD's 2022 Budget.

**Budget Amendment Request**

<b>From</b>		<b>To</b>	
<b>Description</b>	<b>Amount</b>	<b>Description</b>	<b>Amount</b>
C19-108 6230 Sylvan East Wall	\$237,347	C21-041B Greenback Acquisition	\$237,347
C21-040 Other City Partnerships	\$60,000	C21-041B Greenback Acquisition	\$60,000
C21-041 Other Miscellaneous Infrastructure	\$100,000	C21-041B Greenback Acquisition	\$100,000
C22-041 Other Miscellaneous Infrastructure	\$17,653	C21-041B Greenback Acquisition	\$17,653
<b>TOTAL</b>	<b>\$415,000</b>	<b>TOTAL</b>	<b>\$415,000</b>

**NEXT STEPS:**

Once the property is acquired, the property will be fenced for security. It is anticipated the existing building will be demolished so the property can be incorporated into the future Corporation Yard Project.

**RECOMMENDATION:**

Amend the budget to reflect the purchase of property at 7515 Greenback Avenue and other associated costs in the amount of \$415,000 as set forth in this Board report.

**ACTION:**

Moved by Director \_\_\_\_\_, Seconded by Director \_\_\_\_\_, Carried \_\_\_\_\_



# CITRUS HEIGHTS WATER DISTRICT

## DISTRICT STAFF REPORT TO BOARD OF DIRECTORS MAY 18, 2022 REGULAR MEETING

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SUBJECT : RESOLUTION COMMENDING RICHARD JIMENEZ FOR SERVICE TO THE  
CITRUS HEIGHTS WATER DISTRICT  
STATUS : Presentation/Action Item  
REPORT DATE : May 9, 2022  
PREPARED BY : Rebecca Scott, Director of Operations  
Hilary Straus, General Manager

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**OBJECTIVE:**

Consider adoption of Resolution No. 04-2022 Commending Richard Jimenez for his service to the District.

**BACKGROUND AND ANALYSIS:**

Water Distribution Operator I Richard Jimenez retired from the District on May 12, 2022 after providing over 27 years of service to the District.

A Resolution acknowledging and commending Richard's service is presented for the Board consideration.

**RECOMMENDATION:**

Adopt Resolution No. 04-2022 Commending Richard Jimenez for his service to the District.

**ACTION:**

Moved by Director \_\_\_\_\_, Seconded by Director \_\_\_\_\_, Carried \_\_\_\_\_

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CITRUS HEIGHTS WATER DISTRICT  
RESOLUTION NO. 04-2022  
RESOLUTION OF THE BOARD OF DIRECTORS  
OF CITRUS HEIGHTS WATER DISTRICT  
COMMENDING RICHARD JIMENEZ FOR OUTSTANDING SERVICE

WHEREAS, Richard Jimenez began his career with the Citrus Heights Water District as a Temporary Maintenance & Construction Laborer I on November 7, 1994. He was promoted to full time Maintenance & Construction Worker I in 1995, then Maintenance & Construction Worker II in 2006, and received a title change to Water Distribution Operator I in 2011; and

WHEREAS, Richard Jimenez has provided service and value to customers through many noteworthy accomplishments such as contributing to the success of the water meter retrofit program, maintaining the District's fire hydrants and assisting with the daily operations and maintenance of District facilities; and

WHEREAS, Richard Jimenez's dedication to fulfilling the mission of the District has earned him the respect of Directors, the General Manager, co-workers, and customers; and

WHEREAS, Richard Jimenez retired from Citrus Heights Water District on May 12, 2022 after more than 27 years of dedicated service.

THEREFORE BE IT RESOLVED that the Board of Directors of the Citrus Heights Water District does hereby commend Richard Jimenez for his dedication and service to the Citrus Heights Water District, and extends best wishes for many years filled with happiness and good health during his retirement.

PASSED AND ADOPTED by the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT this 18<sup>th</sup> day of May, 2022 by the following vote, to-wit:

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

---

CARYL SHEEHAN, President  
Board of Directors  
Citrus Heights Water District

ATTEST:

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BRITTNEY MOORE, Deputy Board Clerk  
Citrus Heights Water District



# CITRUS HEIGHTS WATER DISTRICT

## DISTRICT STAFF REPORT TO BOARD OF DIRECTORS MAY 18, 2022 REGULAR MEETING

SUBJECT : DISCUSSION AND POSSIBLE ACTION TO APPROVE THE ANNEXATION OF 8207 OAK AVENUE AND PORTION OF CONTIGUOUS ROADWAY

STATUS : Action Item

REPORT DATE : May 10, 2022

PREPARED BY : Missy Pieri, Director of Engineering/District Engineer  
Tamar A. Dawson, Assistant Engineer

**OBJECTIVE:**

Consider adoption of Resolution 05-2022 approving the annexation of the vacant property at 8207 Oak Avenue and a portion of the roadway fronting the property in Citrus Heights to the Citrus Heights Water District (District).

**BACKGROUND AND ANALYSIS:**

Development of the currently undeveloped 2.10 acre site is planned. The property is within the sphere of influence of the District but the site has never been formally annexed to the District. This site has been identified in the District’s District-wide Annexation Project as File ID #10, Group A, where formal annexation would be granted by the District upon request by the owner and payment of annexation fees to the District. Annexation Fees in the amount of \$3,624.60 have been paid to the District by the property owner of record. The annexation documents have been properly executed and approved by Sacramento Local Agency Formation Commission.

Attached is a Parcel Description & Map, including Exhibit “A”, Legal Description and Exhibit “B”, Plat Map. The 2.10 acre portion to be annexed is combined with the 0.346 acre section of roadway described and included in the attachment, which was not annexed separately as part of Agenda Item B-4 of the December 16, 2020 Board meeting.

**RECOMMENDATION:**

Adopt Resolution 05-2022 approving the annexation of the undeveloped property and roadway section at 8207 Oak Avenue in Citrus Heights to the Citrus Heights Water District.

**ATTACHMENT:**

Resolution 05-2022 approving the annexation of the undeveloped property and roadway section at 8207 Oak Avenue in Citrus Heights to the Citrus Heights Water District.

**ACTION:**

Moved by Director \_\_\_\_\_, Seconded by Director \_\_\_\_\_, Carried \_\_\_\_\_

RESOLUTION 05-2022

RESOLUTION OF THE BOARD OF DIRECTORS OF  
CITRUS HEIGHTS WATER DISTRICT  
FOR ANNEXATION OF  
8207 OAK AVENUE

WHEREAS, MIKHAIL TRUBCHIK, owner of record of 8207 Oak Avenue, has filed with the CITRUS HEIGHTS WATER DISTRICT for annexation of certain territory described below into the CITRUS HEIGHTS WATER DISTRICT; and

WHEREAS, MIKHAIL TRUBCHIK has paid an annexation fee of \$3,624.60; and

WHEREAS, the SACRAMENTO LOCAL AGENCY FORMATION COMMISSION, pursuant to Government Code No. 57200, has duly approved such annexation and has authorized the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT to annex such territory without notice of hearing by the Board of Directors, without election; and

WHEREAS, the proposed annexation will be for the interest of land owners present and future inhabitants within the District and within the territory to be annexed to the CITRUS HEIGHTS WATER DISTRICT.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT that the territory described below be, and it is, annexed to the CITRUS HEIGHTS WATER DISTRICT, and the CITRUS HEIGHTS WATER DISTRICT's sphere of influence is amended to include same.

Said territory is described in the included attachment:

Parcel Description and Map

PASSED AND ADOPTED by the Board of Directors of CITRUS HEIGHTS WATER DISTRICT, this 18<sup>th</sup> day of May, 2022, by the following vote, to wit:

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

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CARYL SHEEHAN, President  
Board of Directors  
Citrus Heights Water District

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of Resolution 05-2022 adopted by the Board of Directors of Citrus Heights Water District at its regular meeting held May 18, 2022.

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BRITTNEY MOORE, Deputy Board Clerk  
Citrus Heights Water District

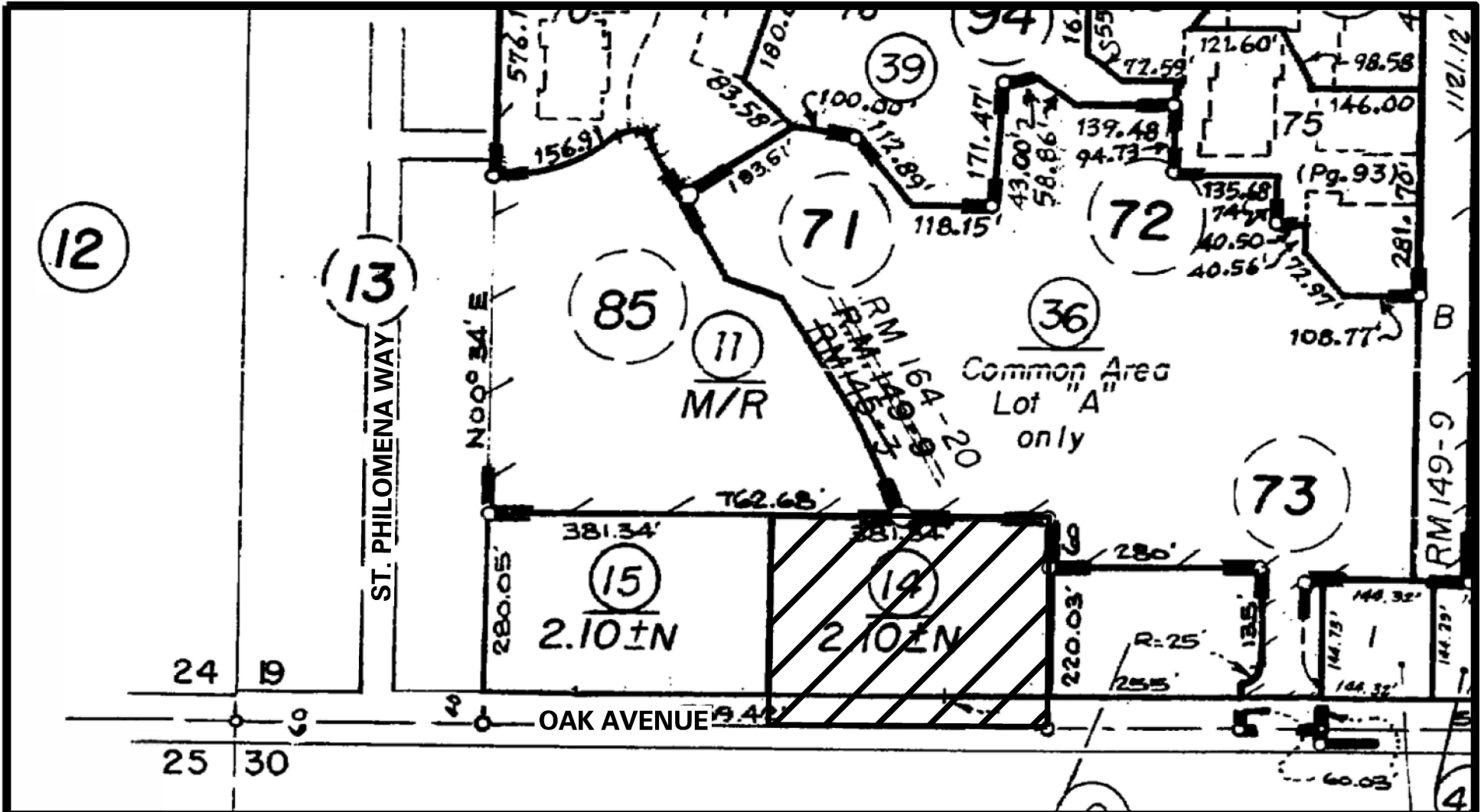
**CITRUS HEIGHTS WATER DISTRICT  
DISTRICT-WIDE ANNEXATION**

**EXHIBIT A  
8207 OAK AVENUE  
CITY OF CITRUS HEIGHTS  
APN: 224-0190-014  
19 DECEMBER 2020**

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE CITY OF CITRUS HEIGHTS, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL THAT PORTION OF EXHIBIT "A" AS DESCRIBED IN THAT DEED RECORDED IN BOOK 20140624 OF OFFICIAL RECORD, PAGE 0529, RECORDS OF SACRAMENTO COUNTY, CALIFORNIA.

ANNEXATION AREA CONTAINING 106,558.41 SQUARE FEET (2.446 ACRES), MORE OR LESS.



LEGEND

 ANNEXATION AREA

**EXHIBIT B**  
**8207 OAK AVENUE**  
**APN: 224-0190-014**  
**DECEMBER 2020**



FILE ID #10

CONSULTING  
**KASL**  
 ENGINEERS  
 7777 Greenback Lane  
 Suite 104  
 Citrus Heights, CA 95610  
 Tel. (916) 722-1800  
 Fax (916) 722-4595  
 CIVIL - WATER RESOURCES - SURVEYING

# CITRUS HEIGHTS WATER DISTRICT

## DISTRICT STAFF REPORT TO BOARD OF DIRECTORS MAY 18, 2022 REGULAR MEETING

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SUBJECT : WATER AWARENESS POSTER CONTEST  
STATUS : Presentation Item  
REPORT DATE : May 9, 2022  
PREPARED BY : Jace Nunes, Management Analyst  
Rebecca Scott, Director of Operations

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### **OBJECTIVE:**

Present awards to the winners of this year's Water Efficiency Poster Contest conducted by Citrus Heights Water District (the District) and the San Juan Family of Agencies.

### **BACKGROUND AND ANALYSIS:**

The District's water efficiency staff, in conjunction with Orange Vale Water Company, Fair Oaks Water District and San Juan Water District, recently sponsored the 26th annual Water Awareness Poster Contest. A total of 153 4<sup>th</sup> through 6<sup>th</sup> grade students at four elementary schools within the District's service area submitted posters based on this year's theme, "Water Efficiency is a Way of Life."

Each agency awards a first-place prize of \$100 and two runner-up prizes of \$50. In addition, each winning student's class receives an award of \$100. The winning entries will be featured in the 2023 Water Efficiency Calendar. The Grand Prize Winner is featured on the cover of the calendar and featured in the month of May, which represents Water Awareness Month. The Grand Prize Winner receives an additional \$100.

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

First Place Winner: Antoinette Vela, 6<sup>th</sup> Grade, Woodside Elementary School  
Teacher: Susanne Slayton

Runner-Up: Chloe Vick, 6<sup>th</sup> Grade, Woodside Elementary School  
Teacher: Susanne Slayton

Runner-Up: Mia Kolosov, 5<sup>th</sup> Grade, Trajan Elementary School  
Teacher: Sallee Weston

The winners and their families, teachers, and friends have been invited to the CHWD Board of Directors meeting on May 18, 2022, to receive their awards and recognition for their efforts.

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# CITRUS HEIGHTS WATER DISTRICT

## DISTRICT STAFF REPORT TO BOARD OF DIRECTORS MAY 18, 2022 REGULAR MEETING

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SUBJECT : WATER MAIN CONDITION ASSESSMENT PROGRAM  
STATUS : Discussion and Action Item  
REPORT DATE : May 3, 2022  
PREPARED BY : Missy Pieri, Director of Engineering  
Paul Dietrich, Project Manager  
Tim Katkanov, Engineering/GIS Technician

---

As part of the Project 2030 Study, a water main condition assessment program (Program) was recommended for the District's transmission mains. Staff will provide a presentation on the proposed Program, upcoming tasks, and next steps.

# CITRUS HEIGHTS WATER DISTRICT

## DISTRICT STAFF REPORT TO BOARD OF DIRECTORS MAY 18, 2022 REGULAR MEETING

SUBJECT : ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR YEARS ENDED  
DECEMBER 31, 2021 AND 2020

STATUS : Action Item

REPORT DATE : May 5, 2022

PREPARED BY : Alberto Preciado, Accounting Manager  
Susan Talwar, Director of Finance and Administrative Services

### **OBJECTIVE:**

Consider a motion to receive and file the following:

- Citrus Heights Water District's (District) Annual Comprehensive Financial Report for the Years Ended December 31, 2021 and 2020 (Attachment 1); and
- Report on Internal Controls and Required Communications (Attachment 2).

### **BACKGROUND AND ANALYSIS:-**

Attached for the Board's review is the District's Annual Comprehensive Financial Report (ACFR) for the years ended December 31, 2021 and 2020.

In prior years, the District had issued Basic Financial Statements (BFS), which include the Independent Auditors' Report, the Management's Discussion and Analysis, and the District's financial statements. For the fifth year, District staff, with the assistance of the District's auditors, Lance, Soll & Lunghard, LLP (LSL), prepared the District's ACFR in accordance with guidelines established by the Government Finance Officers Association (GFOA). An ACFR is dated for two fiscal periods; the main focus is the most recent fiscal year, hence its position as the first year referenced. The immediately preceding year is also included for comparative purposes. Brandon Young, CPA, of LSL, will be available at the May Board meeting to answer questions related to the District's financial records and reporting.

The GFOA established the Certificate of Achievement for Excellence in Financial Reporting Program (COA Program) in 1945 to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare annual comprehensive financial reports in the interest of providing greater transparency and disclosure. Staff submitted its 2020 ACFR for consideration for the Certificate of Achievement and received the award in April 2022. Staff intends to submit the District's 2021 ACFR to the GFOA COA Program for consideration for the Certificate of Achievement. The additional effort required to prepare an ACFR helps to raise the District's financial statements to the next level in terms of financial reporting, transparency, and accountability.

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

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



on financial trends, revenue capacity, debt capacity, socioeconomic factors, and water system resources.

Some key highlights from the 2021 ACFR include:

- Unqualified audit opinion – the District’s auditors, LSL issued an unqualified, or clean, opinion on the District’s financial statements.
- Ending net position of \$81,545,536 – the District’s net position increased by \$6.4 million over 2020.

**RECOMMENDATION:**

Receive and File the District’s Annual Comprehensive Financial Statements for the Years Ended December 31, 2021 and 2020.

**ATTACHMENTS:**

- 1) Annual Comprehensive Financial Statements for the Years Ended December 31, 2021 and 2020.
- 2) Report on Internal Controls and Required Communications for the Year Ended December 31, 2021.

**ACTION:**

Moved by Director \_\_\_\_\_, Seconded by Director \_\_\_\_\_, Carried \_\_\_\_\_

---

Attachment 1  
Annual Comprehensive Financial Report  
For the Years Ended December 31, 2021 and 2020

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Years  
Ended December 31, 2021  
and 2020



CITRUS  
HEIGHTS  
WATER  
DISTRICT

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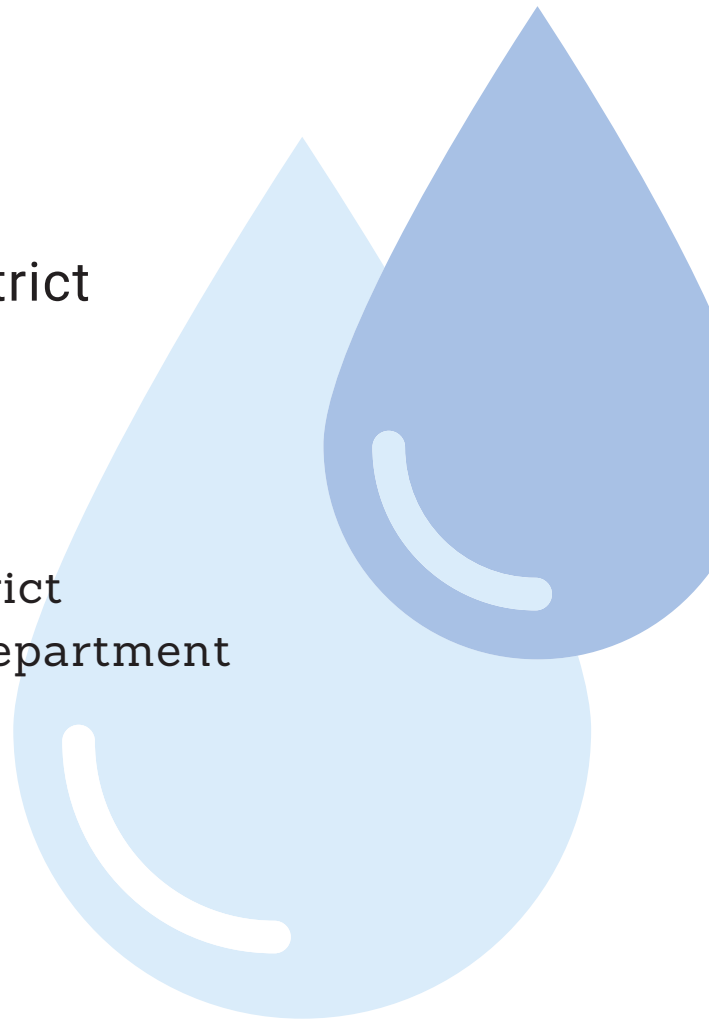
# ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Years Ended December 31, 2021 and 2020

Citrus Heights Water District  
Citrus Heights, CA

Prepared by :  
Citrus Heights Water District  
Administrative Services Department

6230 Sylvan Road  
Citrus Heights, CA 95610  
[www.chwd.org](http://www.chwd.org)



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# CITRUS HEIGHTS WATER DISTRICT

## Comprehensive Annual Financial Report Years Ended December 31, 2021 and 2020

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# CITRUS HEIGHTS WATER DISTRICT

## Comprehensive Annual Financial Report Years Ended December 31, 2021 and 2020

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# **INTRODUCTORY SECTION**

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May 09, 2022

Honorable Members of the Board of Directors:

We are pleased to present the Citrus Heights Water District's ("District") fifth Annual Comprehensive Financial Report ("ACFR") for the fiscal year ending December 31, 2021. This report was prepared by District staff in conformity with generally accepted accounting principles ("GAAP") and audited in accordance with generally accepted auditing standards by a firm of certified public accountants.

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

The District's financial statements have been audited by Lance, Soll & Lunghard, LLP (LSL), a firm of independent certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ending December 31, 2021 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ending December 31, 2021, were fairly presented in conformity with GAAP. The Independent Auditors' Report is presented as the first component of the financial section of this report.

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

## **Profile of Citrus Heights Water District**

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

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

## **Governance and Organizational Structure**

CHWD is a special district established by the State of California. The District is governed by a three-member Board of Directors that is elected to a four-year term by voters who reside in the District's service area. Beginning with the 2020 election, CHWD Board elections were changed to "By-District," whereby only those customers who reside in the same CHWD District that a Board Member lives in will vote for that Board position. The District was staffed in 2021 by 36 full-time equivalent employees assigned to three departments: Administrative Services, Engineering, and Operations. The General Manager and District General Counsel are appointed by, and report directly to, the Board of Directors. All other staff members report to the General Manager or General Manager's designee.

## **Water Supply**

In 2021, the District purchased 67.35% of its water from San Juan Water District (SJWD), and delivered it to over 20,000 residential and commercial service connections. Additionally, the District maintains six groundwater wells and approximately 252 miles of pipeline. CHWD has been treating and delivering groundwater to customers since 1943.

## **Accounting and Budget Structure**

CHWD operates as an enterprise fund with a fiscal year that begins January 1 and ends on December 31. 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 entirely by fees collected from customers in exchange for providing water service and managing the groundwater basin.

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, a Financial Model is updated annually to analyze revenue and expenses along with capital improvements. Also, CHWD's Board adopted an accelerated payoff schedule to reduce the District's unfunded actuarial liability to the following: 20 years (other post-employment benefits) and 15 years (pension) amortizations beginning in FY2018. This accelerated payoff will result in savings to the District's customers versus the previous, longer amortization.

## **Financial Policies**

The CHWD financial policies include many of the District's financial management practices that are used for operational and strategic decision making. These policies also allow the Board of Directors and community stakeholders to monitor how effectively the District is managing its financial responsibilities, as well as providing a means for holding the District fiscally accountable. These policies are reviewed annually to incorporate minor changes to existing policy, or major shifts in financial priorities at the discretion of the Board of Directors.

- Investment Policy – The Board has adopted an investment policy that conforms to state law, CHWD's ordinances and resolutions, prudent money management, and the "prudent person" standards. The objectives of the Investment Policy are safety, liquidity, and then yield. Currently, funds are invested in various securities as authorized by CHWD's Investment Policy, with most of the District's funds invested in California's Local Agency Investment Fund (LAIF).
- Reserve Policies – The District has ten Reserve accounts with supported policies to balance ongoing operations to capital improvement programs. These funds are allocated to the maintenance, repair, replacement, or improvement of water system infrastructure. Adequate reserves, along with sound financial policies, provide financial flexibility to counter unanticipated expenditures or revenue fluctuations.

## **Audit and Financial Reporting**

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

## **Risk Management**

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

## Economic Condition, Outlook and Major Initiatives

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

CHWD operates as an enterprise fund, meaning the costs of providing water service and protecting groundwater resources are financed by rates and fees charged to District customers. Since the District receives no revenue from taxes, operating revenues consist primarily of water sales and bi-monthly service charges. Water use decreased during 2021, which the District attributes to customers being in their homes less as lockdown restrictions caused by the COVID-19 pandemic were lifted; however, since 2013, District customers have decreased their water use significantly in response to state-wide drought mandates. The District expects consumption to continue decreasing in the next few years. This drop in demand created a gap between the amount of water customers were projected to use, and the amount they actually used, and contributed to the need for a new rate study and Financial Model rebuild.

The District also continues to monitor the region's water supply. Limited rains and snowfall during 2021 and the early part of 2022 bring the potential to return the State of California (State) to drought conditions as the State has declared a Stage 2 conservation program early 2022. The imposition of new drought restrictions would accelerate the decrease in consumption by the District's customers.

CHWD and its wholesale water supplier, San Juan Water District (SJWD), continue to encounter changes in operations due to new regulations. The impact of current and future regulations, and the resulting cost impact on water supply operations, are an ongoing challenge for the District. The District anticipates a cost increase from its wholesale water supplier in 2023 as a result of SJWD issuing debt for the upgrade of the Hinkle Reservoir, which serves CHWD and neighboring agencies.

As of January 1, 2022, CHWD charges a uniform commodity rate of \$1.19 per unit and a bi-monthly fixed charge of \$91.33 for a 1-inch meter. One unit of water equals 748 gallons which means that the cost per gallon is 0.16 cents. At \$833.58 per year, the cost of water service for a typical single family home using 179,520 gallons of water annually remains a good value for CHWD's customers.

The District continues to repair and replace aging infrastructure throughout its system. During 2021, the District completed 433 service replacements, and replaced 2,940 linear feet of water mains. The District also completed main replacements on Fair Oaks Boulevard, Langley Avenue, Marsala Court, and Wisconsin Drive. Capital projects scheduled for 2022 total \$7.2 million, and include design and construction of the District's seventh well. Working with federal and regional partners, the District has secured up to \$1.6 million in grant funding for a new high-capacity groundwater well capable of pumping 1,000 gallons of drinking water per minute. On March 15, 2022, President Biden signed the federal Fiscal Year 2022 omnibus funding package which contained a \$585,000 Community Project Funding for CHWD's Ella Well Project.

Through this crisis, the District has remained steadfast in its commitment to the safety and well-being of its customers. Therefore, the District temporarily suspended its assessment of penalties for delinquent accounts, and temporarily suspended shut-offs for nonpayment, which were subsequently suspended permanently. Additionally, the District remains operational to continue serving its customers, and has increased its customer outreach program to provide vital information and assure our customers that their water supply is safe, clean, and dependable.

## Long-Term Financial Planning

Citrus Heights Water District utilizes a number of planning strategies when considering long-term financial forecasts.

- **Strategic Plan** – Strategic planning involves establishing a vision for the future and a clear mission statement to provide direction and define 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 at-large customers. The purpose of the workshop has been to review the District’s mission statement and values, and to implement the District’s mission and values through an Annual Work Program. The Work Program includes three-year goals and one-year objectives, which emphasize the District’s commitment to promoting the efficient use of water, managing CHWD’s water supply, implementing capital improvements, and optimizing organizational efficiency. The Strategic Plan and its accompanying Annual Work Program form the basis for the District’s priority-based budgeting efforts.
- **Project 2030 Water Main Replacement Plan** – This plan was identified during the strategic planning process as a key strategy for engaging customers in long-range water main replacement planning and funding efforts. The purpose of this plan is to inform customers about challenges and opportunities, and the current actions being undertaken to ensure water supply reliability, and prepare for the replacement of aging infrastructure.
- **Capital Improvement Plan** – The Strategic Plan lays the groundwork for the Capital Improvement Plan, which includes project schedules and projected costs for production and water supply facilities identified in a 1999 Facilities Master Plan. The Capital Improvement Plan is a ten year forecast and a capital reinvestment plan.
- **10-Year Financial Planning Model** – The previous Financial Planning Model was prepared by NBS in consultation with District staff in June 2013, and includes short and long-range projections of the District’s revenues, operating and maintenance expenses, capital expenditures, and reserves over the next ten years. Raftelis Financial Consultants were retained to work with District staff to prepare a new Financial Planning Model, which was completed and presented to the Board in 2019,

updated and used in the development of the 2021 budget. The model is updated as changes in customer water use impact long-range financial projections and capital improvement and water supply plans evolve.

- **Annual Budget** – A key component of financial planning is the District’s budget, which is prepared, reviewed and adopted annually. Every summer, District Finance staff prepares a draft budget, based upon an analysis of the Financial Planning Model and on revenue/expenditure submissions from CHWD’s departments. The budget is presented to the Board of Directors for approval prior to the beginning of the next fiscal year. The annual budget includes forecasts for revenues, operating expenditures and capital expenditures, and is formulated using a priority-based budgeting approach.
- **Water Meter Replacement Program**– As CHWD’s first generation of meters age-out, the District has taken the lead to form an 11-agency consortium to partner in the replacement and testing of meters on an on-going basis. The goal of the newly-created Meter Replacement Program consortium is to take advantage of an economies of scale of over 300,000 meters to be able to reduce meter asset management costs for CHWD and its consortium partners. The consortium’s initial project is the completion of a Meter Replacement Program Study to identify opportunities for partnership and strategies for each agency in the short and long-term to optimally manage meter replacements.

### **Awards and Acknowledgements**

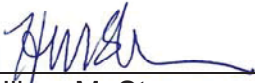
Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Citrus Heights Water District for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended December 31, 2020. This was the third consecutive year that the District achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental agency must publish an easily readable and efficiently organized ACFR. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. CHWD believes that this ACFR continues to meet the Certificate of Achievement Program’s requirements, and is submitting it to the GFOA to determine its eligibility for another certificate.



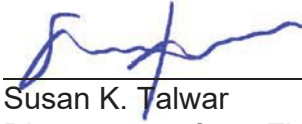
Preparation of this report was accomplished through the combined efforts of CHWD's staff, most notably Accounting Manager Alberto Preciado, along with support from the various departmental directors, managers, and supervisors. CHWD staff's dedicated efforts, professionalism, and contributions to CHWD's ACFR is greatly appreciated. We would also like to thank the members of the Board of Directors for their continued support in planning and implementing the District's fiscal policies.

Respectfully submitted,



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Hilary M. Straus  
General Manager/Secretary



---

Susan K. Talwar  
Director of Finance and  
Administrative Services/ Treasurer

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Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

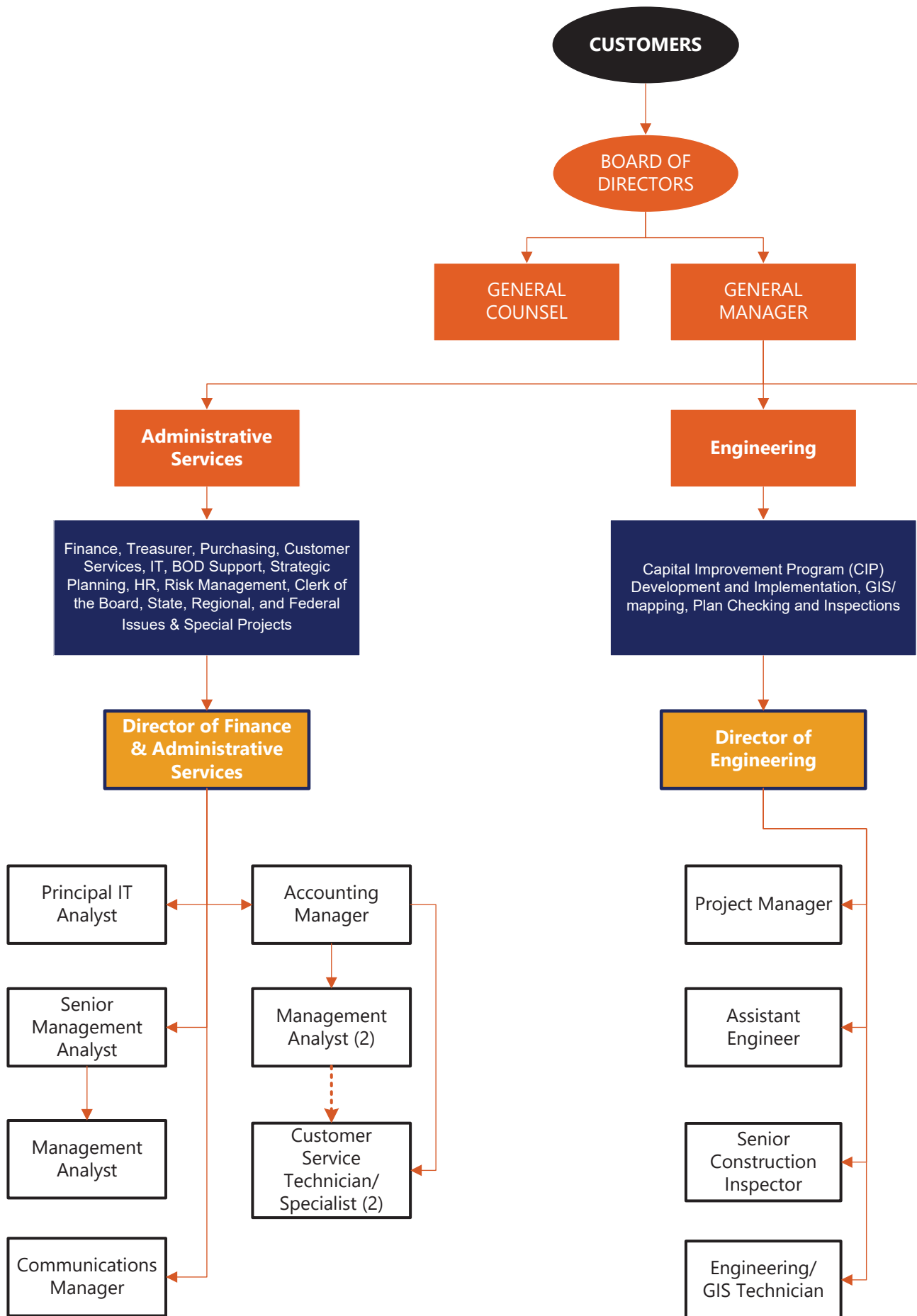
**Citrus Heights Water District  
California**

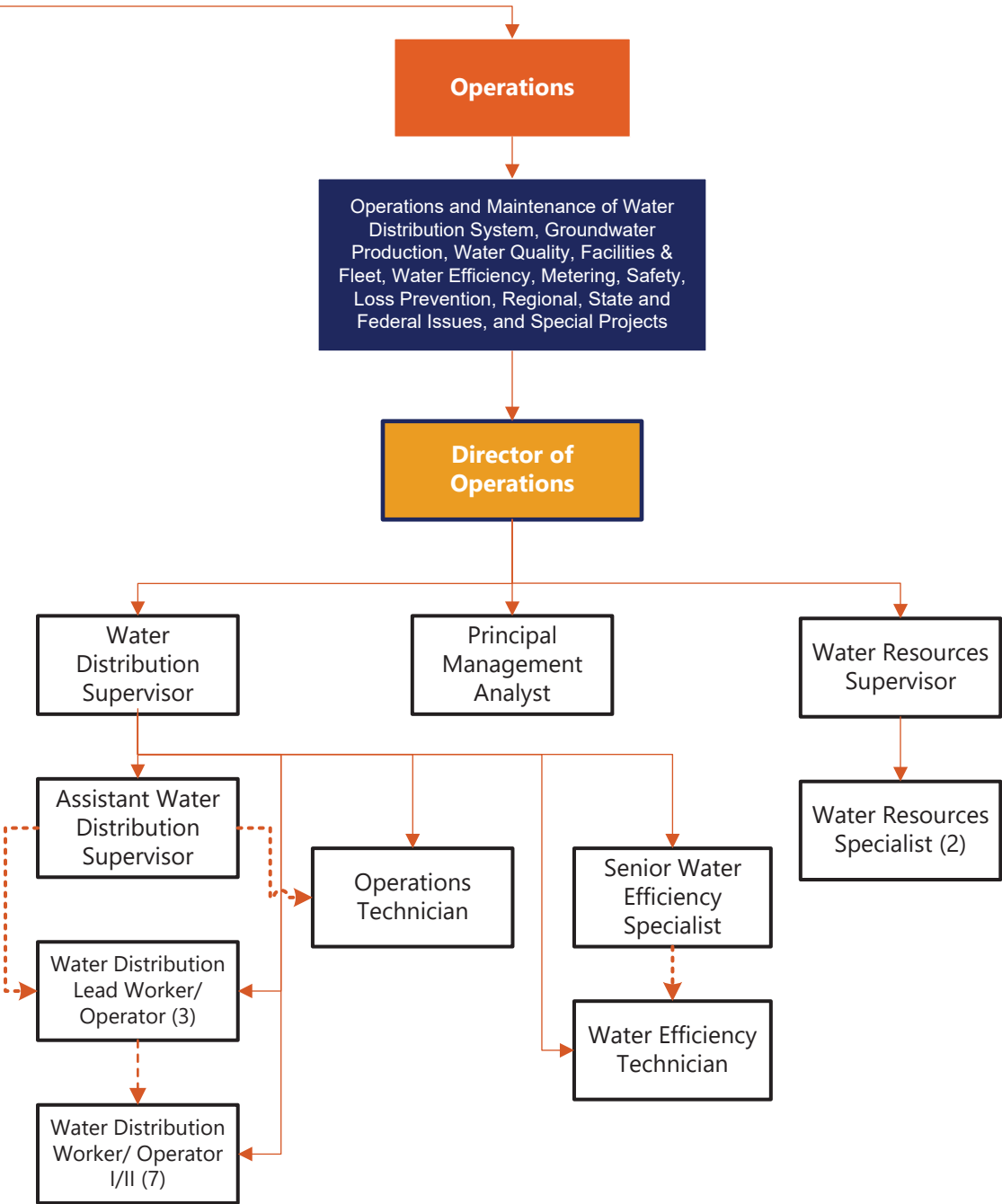
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2020

*Christopher P. Morrill*

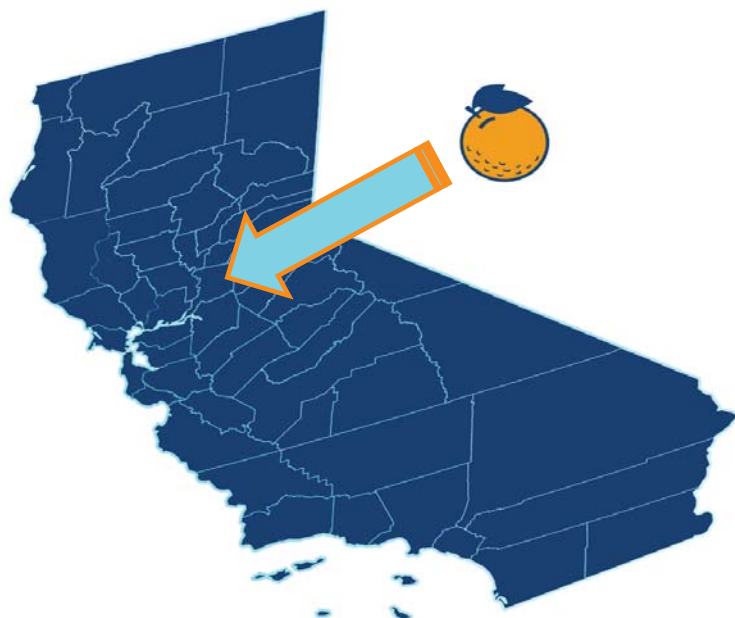
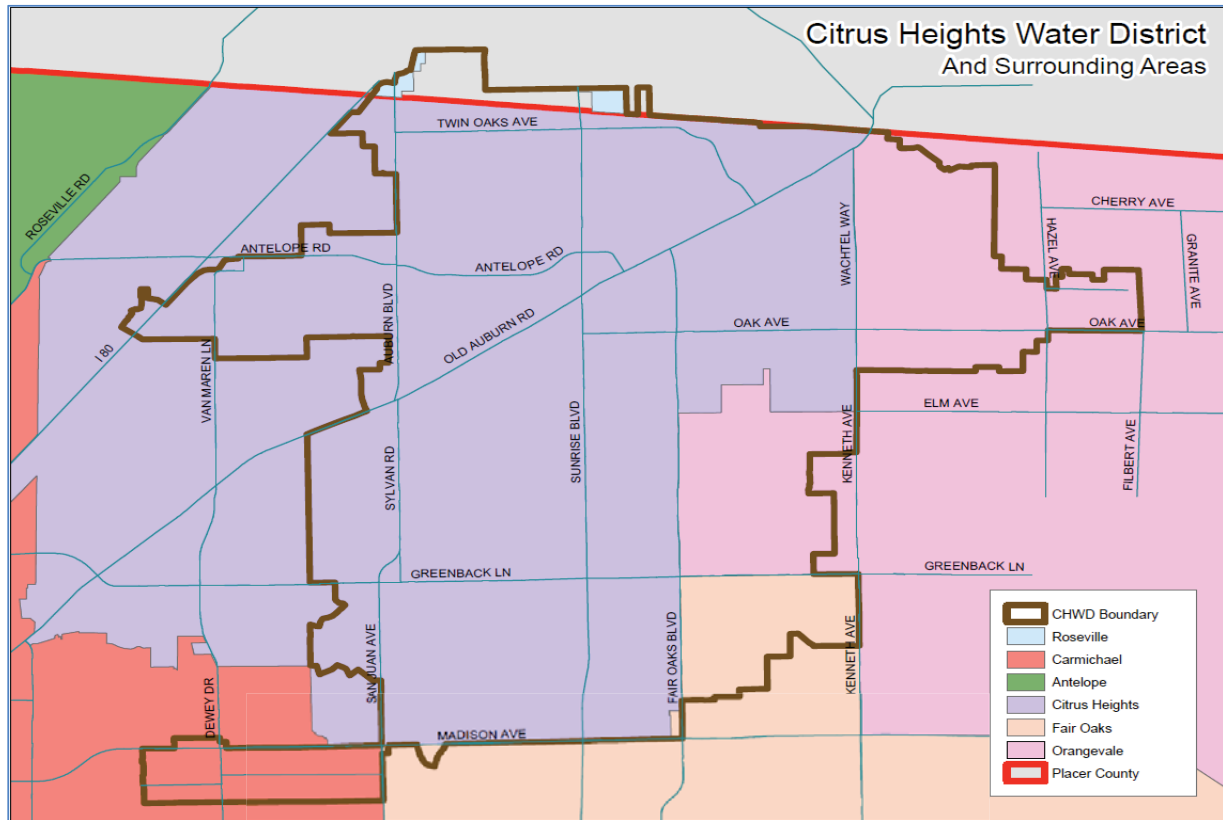
Executive Director/CEO





# CITRUS HEIGHTS WATER DISTRICT

## Service Area Map with Cities Served



# CITRUS HEIGHTS WATER DISTRICT

## Board of Directors and Principal Officers

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### Board of Directors

President	Caryl F. Sheehan	Division One
Vice President	Raymond A. Riehle	Division Two
Director	David C. Wheaton	Division Three

### Executive Staff

General Manager	Hilary M. Straus
Director of Engineering	Melissa Pieri
Director of Finance and Administrative Services	Susan K. Talwar
Director of Operations, Acting	Rebecca Scott

### Appointed Officers

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

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CITRUS  
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WATER  
DISTRICT

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# FINANCIAL SECTION

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# Independent Auditor's Report



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## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the Citrus Heights Water District (the District) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Citrus Heights Water District (the District), as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the date of the financial statements.



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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with the GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Other Reporting Responsibilities***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of net pension liability, the schedule of plan contributions, the schedule of changes in net OPEB liability and related ratios, and the schedule of OPEB contributions be presented to supplement the basic financial statements be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



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

*Prior Year Audited Financial Statements*

The financial statements for the year ended December 31, 2020, were audited by other auditors whose report dated April 13, 2021 expressed an unmodified opinion on those financial statements. We were not engaged to audit, review, or apply any procedures to the 2020 financial statements and accordingly, we do not express an opinion or any other form of assurance on the 2020 financial statements as a whole.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 9, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Lance, Solt &amp; Loughard, LLP".

Sacramento, California  
May 9, 2022

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# Management's Discussion and Analysis



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**CITRUS HEIGHTS WATER DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended December 31, 2021 and 2020

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Citrus Heights Water District (District) provides an introduction to the financial statements of the District for the fiscal years ended December 31, 2021 and 2020. We encourage readers to consider the information presented here in conjunction with the transmittal letter in the Introductory Section and with the accompanying basic financial statements and related notes, which follow this section.

### **Financial Highlights**

The following items are, in the opinion of District management, among the most significant in assessing the District's overall financial activities during 2021 and its financial position at the close of the year 2021:

- ❖ The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the end of year 2021 by \$81,545,536. About 77 percent of the District's net position, \$62,822,494, is composed of the capital assets of the District – the water transmission and distribution system, water production facilities, land, buildings, and equipment belonging to the District. Unrestricted net position totaled \$18,723,042, up from \$15,649,654 at the end of year 2020. This increase is due primarily to an 11.9 percent rate increase levied by the Board of Directors at the beginning of 2021, and connection fees received from a large development being built in the District. In fiscal year 2020, unrestricted net assets increased to \$15,649,654, up from \$12,217,198 at the end of 2019. This increase is due primarily to an 11.9 percent rate increase levied by the Board of Directors at the beginning of 2020.
- ❖ Capital improvement spending in year 2021 decreased by \$666,074 as compared with 2020. Capital improvements capitalized in 2021 amounted to \$3.6 million. Capital improvement spending in year 2020 increased by \$823,011 as compared to year 2019. Capital improvements capitalized in 2020 amounted to \$3.8 million.
- ❖ The District's operating revenues for 2021 were \$17,517,961. About 95 percent of operating revenues, \$16,579,945, came from water sales to customers.
- ❖ The District's total net long-term liabilities at the end of 2021, including the 2012 Revenue Refunding bonds, pension liability, liability for other postemployment benefits (OPEB), and compensated absences is \$5,814,856. GASB Statement No. 68 required the recording of pension liability amounting to \$2,335,284. GASB Statement No. 75 required the recording of OPEB liability in the amount of \$1,727,677. Liabilities from Bond debt service decreased by \$108,370 due to a reduction in principal on debt during 2021 resulting from debt service payments made during the year.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**CITRUS HEIGHTS WATER DISTRICT**  
**Management's Discussion and Analysis**  
For the Fiscal Year Ended December 31, 2021 and 2020

The financial statements provide both long-term and short-term information about the District's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The required supplementary information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) to provide more context regarding the financial statements from an appropriate operational, economic, or historical perspective.

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

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

***Balance Sheet***

The following table summarizes assets, deferred outflows, liabilities, deferred inflows, and net position at December 31, 2021, 2020, and 2019:

	2021	2020	2019	% Increase (Decrease)	
				FY21 vs FY20	FY20 vs FY19
Current assets	\$25,303,085	\$22,371,449	\$18,801,764	13.1%	18.9%
Capital assets, net	64,504,097	61,322,653	59,640,444	5.2%	2.8%
<b>Total Assets</b>	<b>89,807,182</b>	<b>83,694,102</b>	<b>78,442,208</b>	<b>7.3%</b>	<b>6.7%</b>
<b>Deferred outflows</b>	<b>1,464,785</b>	<b>1,480,824</b>	<b>2,113,759</b>	<b>(1.1)%</b>	<b>(29.9)%</b>
Current liabilities	1,660,601	1,526,560	2,295,848	8.8%	(33.5)%
Non-current liabilities	5,814,856	8,213,325	7,945,889	(29.2)%	3.4%
<b>Total Liabilities</b>	<b>7,475,457</b>	<b>9,739,885</b>	<b>10,241,737</b>	<b>(23.3)%</b>	<b>(4.9)%</b>
<b>Deferred Inflows</b>	<b>2,250,974</b>	<b>254,032</b>	<b>361,220</b>	<b>786.1%</b>	<b>(29.7)%</b>
<b>Net Position</b>					
Net investment in capital assets	62,822,494	59,531,355	57,193,152	5.5%	4.1%
Restricted for debt service	-	-	542,660	0.0%	(100.0)%
Unrestricted	18,723,042	15,649,654	12,217,199	19.6%	28.1%
<b>Total Net Position</b>	<b>\$81,545,536</b>	<b>\$75,181,009</b>	<b>\$69,953,010</b>	<b>8.5%</b>	<b>7.5%</b>

**CITRUS HEIGHTS WATER DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended December 31, 2021 and 2020

The total net position of the District increased from \$70.0 million in 2019 to \$75.2 million in 2020, and increased to \$81.5 million in 2021. The District's total assets increased by \$6.1 million, or 7.3%, in 2021 compared to 2020, and \$5.3 million, or 6.7%, in 2020 compared to 2019.

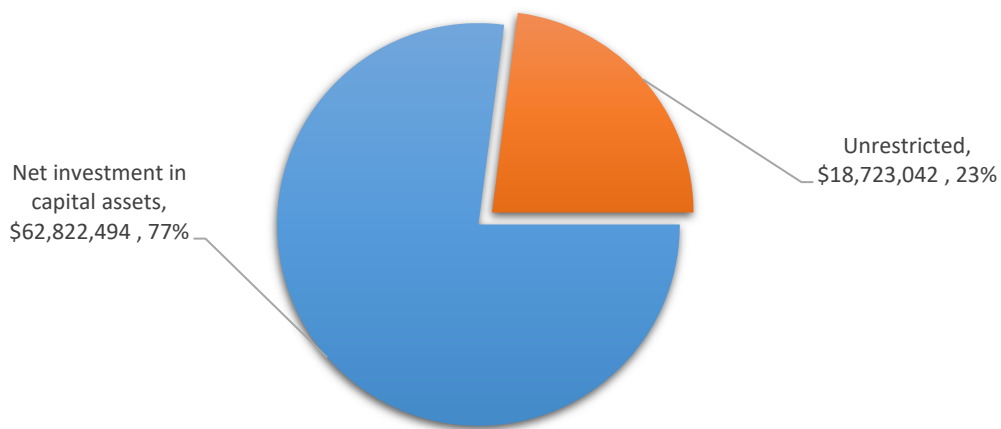
Deferred outflows decreased by 0.9% from \$1.5 million in 2020 to \$1.5 million in 2021, due to the amortization of a prior-year balance of pension deferred outflows; a 29.9% decrease in deferred outflows from \$2.1 million in 2019 to \$1.5 million in 2020 was due to the amortization of a prior-year balance of pension deferred outflows.

In 2021, the total liabilities decreased \$2.26 million, or 23.3%, compared to 2020 as a result of CalPERS investment returns reducing the net pension liability; in 2020, total liabilities decreased \$501,852, or 4.9%, compared to 2019 due to paying off the District's 2010 Certificates of Participation.

Deferred inflows increased by \$2.0 million, or 786.1% to \$2.3 million in 2021 from \$254,032 in 2020 as a result of changes in actuarial assumptions affecting the calculation of the pension liability; deferred inflows decreased by \$107,188, or 29.7%, to \$254,032 in 2020 from \$361,220 in 2019 primarily as a result of changes in actuarial assumptions affecting the calculation of the pension liability.

The increase in net position over the three-year period totals \$11.6 million or 16.6% and is the result of the combination of net income and capital contributions.

**Net Position**



**CITRUS HEIGHTS WATER DISTRICT**  
**Management's Discussion and Analysis**  
For the Fiscal Year Ended December 31, 2021 and 2020

***Changes in Net Position***

The following table summarizes the changes in net position for the fiscal years ended December 31, 2021, 2020, and 2019:

	2021	2020	2019	% Increase (Decrease)	
Operating revenues	\$17,517,961	\$19,203,757	\$15,340,476	(8.8)%	25.2%
Operating expenses:					
Customer service, administration and general	4,044,256	4,999,639	4,371,420	(19.1)%	14.4%
Water purchases	2,798,201	2,917,535	3,131,903	(4.1)%	(6.8)%
Transmission and distribution	2,351,139	2,490,474	2,425,827	(5.6)%	2.7%
Pumping & well maintenance	1,047,987	826,804	683,432	26.8%	21.0%
Water efficiency (Conservation)	753,058	553,068	617,732	36.2%	(10.5)%
Depreciation & amortization	2,485,902	2,469,339	2,435,900	0.7%	1.4%
Total operating expenses	13,480,543	14,256,859	13,666,214	(5.4)%	4.3%
Operating income	4,037,418	4,946,898	1,674,262	(18.4)%	195.5%
Nonoperating revenues	42,416	159,970	322,600	(73.5)%	(50.4)%
Nonoperating expenses	189,766	169,051	230,101	12.3%	(26.5)%
Net income before capital contributions	3,890,068	4,937,817	1,766,761	(21.2)%	179.5%
Capital contributions:					
Contributed (donated) assets	2,474,459	290,182	898,084	752.7%	(67.7)%
Grant Revenue	-	-	-	0.0%	0.0%
Total capital contributions	2,474,459	290,182	898,084	752.7%	(67.7)%
Change in net position	6,364,527	5,227,999	2,664,845	21.7%	96.2%
Net position, beginning of year, as restated	75,181,009	69,953,010	67,288,165	7.5%	4.0%
Net position, end of year	\$81,545,536	\$75,181,009	\$69,953,010	8.5%	7.5%

Net position increased \$6.4 million, or 8.5 percent from the prior year; in 2020, net position increased \$5.2 million, or 7.5 percent from 2019. Operating revenue that exceeded operating expenses by \$4.0 million and \$4.9 million for 2021 and 2020, respectively, accounts for the majority of the increase in net position, and most of these funds were expended for the construction of capital improvements or set aside for that purpose. The receipt of \$2.5 million in donated assets from private developer additions to the District's water distribution system accounted for about 38.9 percent of the increase in net position.

**CITRUS HEIGHTS WATER DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended December 31, 2021 and 2020

Total operating revenues decreased in 2021 by \$1.7 million or 8.8 percent from 2020, and in 2020 by \$3.9 million or 25.2 percent from 2019. An decrease in water consumption, and the stabilization of development projects within District boundaries account for most of this increase. Water consumption by District customers decreased in 2021 compared to 2020 by 4.2% due to customer returning to work and otherwise spending less time at home during 2021 pandemic restrictions were lifted. Water consumption by the District customers increased in 2020 compared with consumption in 2019 by 9.1%; this is as a result of residential customers being home more often during 2020 due to the COVID pandemic.

Total nonoperating revenues decreased by \$117,554 or 73.5% in 2021 to \$42,416 from \$159,970 in 2020. This was primarily a result of decreased investment income, caused by a reduction in interest rates due to financial concerns related to the COVID pandemic. Nonoperating revenues decreased by \$162,630 or 50.4%, to \$159,970 in 2020 from \$322,600 in 2019. This was primarily a result of decreased investment income, caused by a reduction in interest rates due to financial concerns related to the COVID pandemic, and a decrease in groundwater sales in 2020.

Total nonoperating expenses increased by \$20,715 or 12.3% in 2021 to \$189,766 from \$169,051 in 2020 as a result of disposing of assets that caused a higher loss on disposal of capital assets. In 2020, total nonoperating expenses decreased by \$61,050 or 26.5% to \$169,051 from \$230,101 in 2019; this was the result of lower interest expense due to paying off one of the District's debt issuances, as well as a result of disposing of fewer capital assets.

In 2021, operating expenses decreased by \$776,316, or 5.4% from 2020, primarily due to decreased water purchases and decreased pension expense due to CalPERS investment gains. Operating expenses increased in 2020 by 590,645, or 4.3% from 2019, primarily due to the accelerated payoff of pension and OPEB unfunded liabilities, and scheduled maintenance to the Sylvan and Skycrest wells.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

***Capital Assets***

As of December 31, 2021, 2020 and 2019, the District's investment in capital assets, net of related debt, was \$62,822,494, \$59,531,355, and \$57,193,152, respectively, including: the water transmission and distribution system (underground pipelines, water services, water meters, fire hydrants, and other components), water production facilities (groundwater wells), land, buildings and both mobile and fixed equipment.

Replacement of aging pipelines and water service connections throughout the District's system continued to represent the majority of the \$3.2 million additions to the District's capital assets in 2021, the \$3.8 million additions in 2020, and the \$3.0 million additions in 2019. A number of private development projects resulted in the addition of \$2.5 million in donated capital assets in 2021, \$290,182 in 2020, and \$898,084 in 2019.

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

**CITRUS HEIGHTS WATER DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended December 31, 2021 and 2020

***Debt Administration***

The District continues to meet its debt obligations under its 2012 Revenue Refunding bonds. Through scheduled debt service payments, principal on its collective debt was reduced by \$108,370 during 2021, and by \$664,457 during 2020. The District's total debt from its bond issuances now stands at approximately \$1.7 million.

Total compensated absences (long-term liability and current portion combined), are composed of leave hours earned by employees that are payable upon termination or retirement and are valued at \$459,887 at the end of 2021, an increase from the 2020 year-end amount of \$449,098. This increase is due to higher rates of leave due to seniority and low employee turnover. From 2019 to 2020, compensated absences increased by \$4,447. This decrease was due to to higher rates of leave due to seniority and low employee turnover.

The net liability for other post-employment benefits (OPEB) increased by \$303,985 to 1.7 million in 2021, as a result of the annual cost of these benefits exceeding by the amounts paid for premiums, and changes in actuarial assumptions. OPEB liability decreased by \$35,890 in 2020 as a result of the annual cost of these benefits being exceeded by the amounts paid for premiums, as well as investment gains received by the District's OPEB prefunding trust fund.

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

**ECONOMIC FACTORS AND FUTURE BUDGET CONSIDERATIONS**

The District continued to exercise fiscal restraint in budgeting for District operations in 2022, with an overall decrease of \$391,332, or 3.0% percent compared with the 2021 Operating Budget. This budget includes:

- ❖ Maintaining the current level of services and programs for District customers;
- ❖ Funding the implementation of strategic planning items and special projects identified by the Board as priorities for 2022
- ❖ \$1.4 million transfer to reserves for prefunding the Project 2030 Water Mains Replacement Project., and \$4.5 million for operations and maintenance, including many Strategic Planning and Special Project items, such as organizational development, District policy review/updates, completion of the easement project, and providing content for the District's WaterSmart classes.

A 2022 Operating Budget Summary is included at the conclusion of this Management's Discussion and Analysis to provide an overview of the District's operating budget.

Total capital improvement expenditures budgeted for FY2022 are about \$8.7 million compared with \$7.5 million in FY2021. This amount includes about \$4.2 million in carry-over projects from prior years, and about \$5.6 million in new projects for FY2022. Installation of new fire hydrants, as well as replacements and upgrades for \$125,000, four water main



**CITRUS HEIGHTS WATER DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended December 31, 2021 and 2020

replacement or installation projects, scheduled to start design, will be undertaken in 2022 with construction targeted for 2023, as well as five projects scheduled to start construction in 2022 at a total cost of \$2.3 million. Operations equipment replacements and new equipment purchases totaling \$100,000 are planned for 2022. Design and construction of a new well for \$3.2 million is also included.

A 2022 Capital Improvement Budget Summary is included at the conclusion of this Management's Discussion and Analysis to provide an overview of the District's capital improvement budget.

A significant but declining portion of the District's budget continues to be the repayment of long-term debt financing in the form of Certificates of Participation originally issued in 2000 (refunded in 2010) and Certificates of Participation originally issued in 2003 (refunded as Revenue Refunding Bonds in 2012). The District completed its repayment of the 2010 Certificates of Participation in 2020. The annual debt service for the 2012 Revenue Refunding Bonds is budgeted at \$100,000 for FY2022.

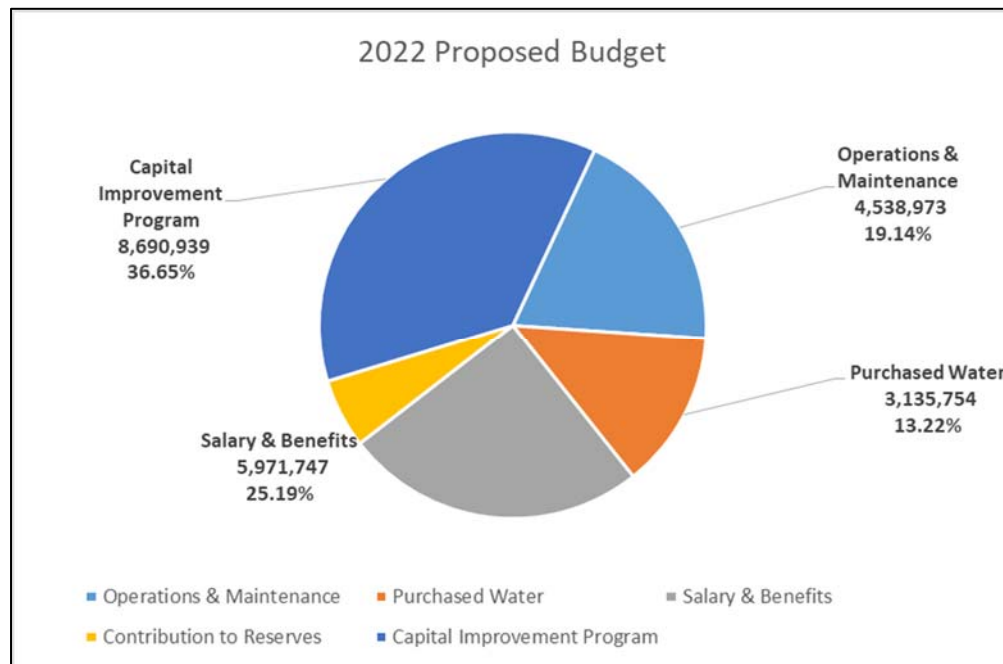
The District's Board of Directors (Board) took into account the effect of the COVID pandemic on the local economy, and no increase was levied for 2021. The District implemented a detailed cost-of-service and financial plan study to determine the increase, taking into consideration the statewide water mandates, capital improvement program, and water meter reserves. Although the District took measures to reduce expenses in order to offset increasing costs in areas such as maintenance of the District's aging water transmission and distribution infrastructure, the Board levied a water rate increase designed to achieve an overall increase in water rate revenues of 13.3% for 2022. Additionally, a fixed surcharge was levied to begin prefunding for the District's anticipated increase in capital costs beginning in 2030.

The District anticipates the need to consider future annual water rate increases to fund replacement of portions of the District's 250 miles of underground water mains, and to pay the continually-rising operating costs of the District, while maintaining financial reserves to comply with debt covenants and to provide funds for emergencies or catastrophic losses. However, water rates for years beyond FY2023 have not been adopted by the Board of Directors. In 2020, District Staff worked with IB Consulting to amend the financial plan created and implemented in conjunction with Raftelis Financial Consultants, which was completed and presented to the Board in 2019.

**CITRUS HEIGHTS WATER DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended December 31, 2021 and 2020**

**CITRUS HEIGHTS WATER DISTRICT ADOPTED BUDGET**

	2020 Actual	2021 Adopted	2021 Projected	2022 Proposed
<u>Revenues</u>				
Water Sales	\$ 16,908,986	\$ 14,821,050	\$ 16,807,101	\$ 16,874,305
Connection and Other Fees	2,294,771	433,300	831,963	982,901
Project 2030 Designated Charge	-	-	-	1,374,099
Investment and Other Income	216,845	195,235	89,081	193,000
<b>Total Revenues</b>	<b>19,420,602</b>	<b>15,449,585</b>	<b>17,728,144</b>	<b>19,424,305</b>
<u>Expenses</u>				
Salaries and Benefits	4,850,319	5,332,066	5,233,360	5,971,747
Water Purchases	3,444,647	3,177,864	3,241,422	3,135,754
Contracted Services	2,199,992	2,429,407	1,447,674	1,982,770
Other Operating Costs	1,968,341	2,220,804	1,922,675	2,456,203
Debt Service	610,000	95,000	95,000	100,000
Transfers to Reserves	1,200,000	-	-	1,374,099
<b>Total Expenses</b>	<b>14,273,299</b>	<b>13,255,141</b>	<b>11,940,131</b>	<b>15,020,573</b>
 Operating Income before Capital Outlay	 5,147,303	 2,194,444	 5,788,014	 4,403,732
 Capital Outlay	 <u>\$ 3,203,785</u>	 <u>\$ 7,208,814</u>	 <u>\$ 3,100,000</u>	 <u>\$ 8,690,939</u>



**CITRUS HEIGHTS WATER DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended December 31, 2021 and 2020**

**CITRUS HEIGHTS WATER DISTRICT ADOPTED CAPITAL PROJECTS BUDGET**

Project Number	Description	2021 Adopted Budget	Project Expenses Prior Years	2021 Projected Expense	2022 Proposed Budget	Proposed Project Budget through 2022	2022 Project Budget Amendment Request
C15-104B	Document Management System	250,000	95,361	-	154,639	250,000	-
C15-109	Blossom Hill Way 6" x 10" Interconnection w/ RV	27,777	-	-	27,777	27,777	-
C15-110	Crestmont Avenue 6" Interconnection w/ RV	24,979	91	-	24,888	24,979	-
C16-134	Auburn Blvd - Rusch Park to Placer County Line	167,609	609	6,000	299,143	305,752	138,143
C17-104	Groundwater Well Property Acquisition (# 7, 8, 9 & 10)	890,000	454,138	354,675	81,187	890,000	-
C19-108	6230 Sylvan Road - East Wall	250,000	7,653	9,095	233,252	250,000	-
C20-101	Fair Oaks Boulevard	475,137	10,210	39,790	425,137	475,137	-
C20-107	Water Supply Project Design and Construction of Well	1,105,500	-	-	3,225,500	3,225,500	2,120,000
C20-108	Pre-Architectural Study Corporation Yard/Master Plan	100,000	1,676	-	98,324	100,000	-
C20-109	Plans, Specifications, & Estimate for Preferred Alt - Corp	400,000	-	-	400,000	400,000	-
C21-040	Other City Partnership Opportunities	112,551	-	39,500	73,051	112,551	-
C21-041	Other Misc Infrastructure Projects	112,551	-	-	112,551	112,551	-
C21-102	Old Auburn Road	91,459	-	5,000	86,459	91,459	-
C21-104	Mesa Verde High School	118,779	-	75,000	672,209	747,209	628,430
C21-105	Madison Avenue & Dewey Drive	28,138	-	5,000	79,654	84,654	56,516
<b>Encumbered Projects Total</b>		<b>4,154,480</b>	<b>569,738</b>	<b>534,060</b>	<b>5,993,771</b>	<b>7,097,569</b>	<b>2,943,089</b>
C22-003	Annual Fleet and Field Operations Equipment	260,000	-	-	100,000	100,000	-
C22-004	Annual Technology Hardware and Software	56,650	-	-	55,000	55,000	-
C22-005	Annual Facilities Improvements	60,000	-	-	100,000	100,000	-
C22-010	Annual Water Main Pipeline Replacements (small)	72,100	-	-	50,000	50,000	-
C22-011	Annual Valve Replacements	103,000	-	-	75,000	75,000	-
C22-012	Annual Water Service Connections	875,500	-	-	825,000	825,000	-
C22-013	Annual Water Meter Replacements	500,000	-	-	100,000	100,000	-
C22-014	Annual Fire Hydrants - Repl, Upgrades, Infill, New	164,800	-	-	125,000	125,000	-
C22-020	Annual Groundwater Well Improvements	154,500	-	-	150,000	150,000	-
C22-040	Other City Partnership Opportunities	112,551	-	-	100,000	100,000	-
C22-041	Other Misc Infrastructure Projects	112,551	-	-	100,000	100,000	-
<b>2022 New Annual Capital Total <sup>1</sup></b>		<b>2,471,652</b>	<b>-</b>	<b>-</b>	<b>1,780,000</b>	<b>1,780,000</b>	<b>-</b>
C21-103	Pratt Avenue	-	-	-	490,064	490,064	-
C22-101	Carriage Dr	-	-	-	427,104	427,104	-
<b>2022 New Projects Total Budget</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>917,168</b>	<b>917,168</b>	<b>-</b>
<b>Totals</b>		<b>6,626,132</b>	<b>569,738</b>	<b>534,060</b>	<b>8,690,939</b>	<b>9,794,737</b>	<b>2,943,089</b>

Project

Summary	Total Budget
<b>Prior Years Carry-Over Capital Project Total</b>	<b>4,154,480</b>
<b>Plus:</b>	
<b>Prior Years Projects Amendment Approval/(Savings)</b>	<b>2,943,089</b>
<b>2021 New Annual Capital Project Total</b>	<b>1,780,000</b>
<b>2021 New Capital Project Total</b>	<b>917,168</b>
<b>2022 Capital Project Total Budget Request</b>	<b>5,640,257</b>
<b>Total CIP Budget</b>	<b>\$ 9,794,737</b>

<sup>1</sup> Prior Year Annual Projects are included for comparison purposes only as Annual Projects are completed on an annual basis

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# Basic Financial Statements

CITRUS HEIGHTS WATER DISTRICT

STATEMENTS OF NET POSITION  
DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>Assets:</b>		
Current:		
Cash and investments (Note 2)	\$ 21,676,526	\$ 18,480,938
Accounts receivable, net	2,627,271	3,005,606
Due from other governments	946	1,453
Accrued interest receivable	4,934	15,193
Inventories	439,389	429,521
Prepaid expenses and other deposits	554,019	438,738
<b>Total Current Assets</b>	<b><u>25,303,085</u></b>	<b><u>22,371,449</u></b>
Noncurrent:		
Non-depreciable capital assets (Note 3)	2,439,395	1,896,854
Depreciable capital assets, net (Note 3)	62,064,702	59,425,799
<b>Total Noncurrent Assets</b>	<b><u>64,504,097</u></b>	<b><u>61,322,653</u></b>
<b>Total Assets</b>	<b><u>89,807,182</u></b>	<b><u>83,694,102</u></b>
<b>Deferred Outflows of Resources:</b>		
Pension related (Noted 8)	910,520	1,283,027
OPEB related (Note 9)	554,265	197,797
<b>Total Deferred Outflows of Resources</b>	<b><u>1,464,785</u></b>	<b><u>1,480,824</u></b>
<b>Liabilities:</b>		
Current:		
Accounts payable	697,665	588,042
Retentions payable	17,995	55,218
Accrued payroll	168,988	197,395
Accrued interest payable	34,178	37,079
Deposits payable	373,402	343,295
Compensated absences (Note 7)	268,373	210,531
Long-term debt (Note 4)	100,000	95,000
<b>Total Current Liabilities</b>	<b><u>1,660,601</u></b>	<b><u>1,526,560</u></b>
Noncurrent:		
Compensated absences (Note 7)	191,514	238,567
Long-term debt (Note 4)	1,560,381	1,673,751
Net pension liability (Note 8)	2,335,284	4,877,315
Net OPEB liability (Note 9)	1,727,677	1,423,692
<b>Total Noncurrent Liabilities</b>	<b><u>5,814,856</u></b>	<b><u>8,213,325</u></b>
<b>Total Liabilities</b>	<b><u>7,475,457</u></b>	<b><u>9,739,885</u></b>
<b>Deferred Inflows of Resources:</b>		
Deferred amount from refunding debt	21,222	22,547
Pension related (Note 8)	2,189,017	206,009
OPEB related (Note 9)	40,735	25,476
<b>Total Deferred Inflows of Resources</b>	<b><u>2,250,974</u></b>	<b><u>254,032</u></b>
<b>Net Position:</b>		
Net investment in capital assets	62,822,494	59,531,355
Unrestricted	18,723,042	15,649,654
<b>Total Net Position</b>	<b><u>\$ 81,545,536</u></b>	<b><u>\$ 75,181,009</u></b>

CITRUS HEIGHTS WATER DISTRICT

STATEMENTS OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>Operating Revenues:</b>		
Water sales	\$ 16,579,945	\$ 16,908,986
Connection and other fees	938,016	2,294,771
<b>Total Operating Revenues</b>	<b><u>17,517,961</u></b>	<b><u>19,203,757</u></b>
<b>Operating Expenses:</b>		
Customer service, administration and general	4,044,426	4,999,639
Water purchases	2,798,201	2,917,535
Transmission and distribution	2,350,969	2,490,474
Pumping and well maintenance	1,047,987	826,804
Conservation	753,058	553,068
Depreciation and amortization	2,485,902	2,469,339
<b>Total Operating Expenses</b>	<b><u>13,480,543</u></b>	<b><u>14,256,859</u></b>
Operating Income (Loss)	<u>4,037,418</u>	<u>4,946,898</u>
<b>Nonoperating Revenues (Expenses):</b>		
Investment income	(343)	116,981
Miscellaneous income	42,759	42,989
Interest expense	(74,734)	(95,741)
Gain (loss) on disposal of capital assets	(115,032)	(73,310)
<b>Total Nonoperating Revenues (Expenses)</b>	<b><u>(147,350)</u></b>	<b><u>(9,081)</u></b>
Income (Loss) Before Capital Contributions	3,890,068	4,937,817
Contributions	<u>2,474,459</u>	<u>290,182</u>
Changes in Net Position	6,364,527	5,227,999
<b>Net Position:</b>		
Beginning of Fiscal Year	<u>75,181,009</u>	<u>69,953,010</u>
<b>End of Fiscal Year</b>	<b><u>\$ 81,545,536</u></b>	<b><u>\$ 75,181,009</u></b>

CITRUS HEIGHTS WATER DISTRICT

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>Cash Flows from Operating Activities:</b>		
Cash receipts from customers	\$ 17,889,180	\$ 18,917,332
Cash paid to suppliers for goods and services	(10,256,602)	(8,412,811)
Cash paid to employees for services	(994,418)	(2,483,840)
Receipts from miscellaneous non operating income	57,489	42,989
<b>Net Cash Provided (Used) by Operating Activities</b>	<b><u>6,695,649</u></b>	<b><u>8,063,670</u></b>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Acquisition and construction of capital assets	(3,337,342)	(3,934,676)
Principal payments on long-term debt	(95,000)	(664,457)
Interest payments on long-term debt	(77,635)	(105,004)
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b><u>(3,509,977)</u></b>	<b><u>(4,704,137)</u></b>
<b>Cash Flows from Investing Activities:</b>		
Interest earnings	9,916	116,981
<b>Net Cash Provided (Used) by Investing Activities</b>	<b><u>9,916</u></b>	<b><u>116,981</u></b>
<b>Net Cash Flows</b>	<b>3,195,588</b>	<b>3,476,514</b>
Cash, beginning of year	<u>18,480,938</u>	<u>15,004,424</u>
<b>Cash, end of year</b>	<b><u>\$ 21,676,526</u></b>	<b><u>\$ 18,480,938</u></b>



CITRUS HEIGHTS WATER DISTRICT

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>		
Operating income (loss)	\$ 4,037,418	\$ 4,946,898
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>		
Depreciation and amortization	2,485,902	2,469,339
Miscellaneous income	57,489	42,989
Change in assets and liabilities:		
(Increase) decrease in assets and deferred outflows of resources:		
Accounts Receivable	378,842	(303,760)
Inventory	(9,868)	(88,341)
Prepaid expenses and other assets	(115,281)	298,930
Deferred amount from refunding of debt	-	9,788
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	109,623	(109,750)
Accrued payroll	(28,407)	81,324
Deposits payable	30,107	(51,871)
Retentions payable	(37,223)	17,335
Compensated absences	10,789	4,447
Deferred amount from refunding of debt	-	(1,325)
Net pension liability and related deferred inflows and outflows	(186,516)	767,602
Net OPEB liability and related deferred inflows and outflows	(37,226)	(19,935)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b><u>\$ 6,695,649</u></b>	<b><u>\$ 8,063,670</u></b>
<b>Supplemental Disclosure of Non-Cash Activities</b>		
Receipt of contributed assets	\$ 2,474,459	\$ 290,182
Amortization of bond premiums	13,370	-
Amortization of deferred charges on refundings	1,325	-

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# Note to the Basic Financial Statements

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## CITRUS HEIGHTS WATER DISTRICT

### NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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#### Note 1: Reporting Entity and Summary of Significant Accounting Policies

Reporting Entity: The District was established on October 25, 1920 as an irrigation district under Division 11 of the Act of Legislature of the State of California. The District constructs and maintains waterworks and supplies domestic water in an area of approximately 12 square miles to over 20,000 connections in Sacramento and Placer counties with an estimated population of 66,000. The District is governed by a Board of Directors consisting of three directors elected by residents of the District. The accompanying basic financial statements present the District and its component unit. The component unit discussed below is included in the District's reporting entity because of the significance of its operational and financial relationship with the District.

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

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

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

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

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

## CITRUS HEIGHTS WATER DISTRICT

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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#### Note 1: Reporting Entity and Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

CITRUS HEIGHTS WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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**Note 1: Reporting Entity and Summary of Significant Accounting Policies (Continued)**

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

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

Capital Assets: Capital assets are recorded at historical cost. Donated capital assets, works of 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. Depreciation is calculated using the straight-line method over the following estimated useful lives:

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

Depreciation expense aggregated to \$2,487,227 and \$2,460,876 for the years ended December 31, 2021 and 2020, respectively, and is included with depreciation and amortization expense.

Maintenance and repairs are charged to operations when incurred. It is the District's policy to capitalize all capital assets with a cost of more than \$5,000 for tangible personal property and \$15,000 for infrastructure, building or improvements. Costs of assets sold or retired (and the related amounts of accumulated depreciation) are eliminated from the balance sheet in the year of sale or retirement, and the resulting gain or loss is recognized in operations.

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

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

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

**CITRUS HEIGHTS WATER DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

**Note 1: Reporting Entity and Summary of Significant Accounting Policies (Continued)**

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

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

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

**Note 2: Cash and Investments**

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

	2021	2020
Cash and investments	\$21,676,526	\$18,480,938
Total cash and investments	\$21,676,526	\$18,480,938

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

	2021	2020
Cash on Hand	\$ 850	\$ 850
Deposits with financial institutions	6,646,281	11,976,561
Total cash	6,647,131	11,977,411
Investments in Local Agency Investment Fund (LAIF)	14,485,373	6,503,527
Money Market Mutual Funds	544,022	-
Total investments	15,029,395	6,503,527
Total cash and investments	\$ 21,676,526	\$ 18,480,938

Investment Policy: California statutes authorize districts to invest idle, surplus, or reserve funds in a variety of credit instruments as provided for in the California Government Code, Section 53600. The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by the bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy. During the year ended December 31, 2021, the District's permissible investments included the following instruments:



CITRUS HEIGHTS WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 2: Cash Investments (Continued)

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

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

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

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

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

**CITRUS HEIGHTS WATER DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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**Note 2: Cash Investments (Continued)**

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

The following is a summary of the fair value hierarchy of the fair value of investments of the District as of December 31, 2021:

	Total
<b>Investments Measured at Amortized Cost:</b>	
Money Market Mutual Fund	\$ 544,022
<b>Cash in banks and on hand</b>	<b>6,647,131</b>
<b>Total Cash and Investments</b>	<b>7,191,153</b>
<b>Investments not subject to Fair Value Hierarchy</b>	
California Local Agency Investment Fund (LAIF)	14,485,373
<b>Total Cash and Investments</b>	<b>\$ 21,676,526</b>

The following is a summary of the fair value hierarchy of the fair value of investments of the District as of December 31, 2020:

	Total
<b>Investments Measured at Amortized Cost:</b>	
Money Market Mutual Fund	\$ 543,957
<b>Cash in banks and on hand</b>	<b>11,433,454</b>
<b>Total Cash and Investments</b>	<b>11,977,411</b>
<b>Investments not subject to Fair Value Hierarchy</b>	
California Local Agency Investment Fund (LAIF)	6,503,527
<b>Total Cash and Investments</b>	<b>\$ 18,480,938</b>

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

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of year-end for each investment type for the year ended December 31, 2021.

**CITRUS HEIGHTS WATER DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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**Note 2: Cash Investments (Continued)**

	Minimum Legal Rating	Not Rated	Total
LAIF	N/A	\$ 14,485,373	\$ 14,485,373
		<u>\$ 14,485,373</u>	<u>\$ 14,485,373</u>

The following is a summary of the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of year-end for each investment type for the year ended December 31, 2020.

	Minimum Legal Rating	Not Rated	Total
LAIF	N/A	\$ 6,503,527	\$ 6,503,527
		<u>\$ 6,503,527</u>	<u>\$ 6,503,527</u>

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

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

Investment in LAIF: The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The District reports its investment in LAIF at the fair value amount provided by LAIF. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. At December 31, 2021 and 2020, these investments matured in an average of 340 and 165 days, respectively.

**CITRUS HEIGHTS WATER DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

**Note 3: Capital Assets**

Capital asset activity for the years ended December 31, 2021 and 2020 are as follows:

	Balance December 31, 2020	Additions	Deletions	Transfers	Balance December 31, 2021
<b>Business-Type Activities:</b>					
Capital assets not being depreciated:					
Land	\$ 1,128,223	\$ -	\$ -	\$ 809,149	\$ 1,937,372
Right of ways	26,080	-	-	-	26,080
Construction in Progress	742,551	3,337,342	-	(3,603,950)	475,943
Total capital assets not being depreciated	<u>1,896,854</u>	<u>3,337,342</u>	<u>-</u>	<u>(2,794,801)</u>	<u>2,439,395</u>
Capital assets being depreciated:					
Improvements	1,275,136	-	-	-	1,275,136
Pipelines and infrastructure	65,477,900	-	(644,298)	2,268,913	67,102,515
Equipment and machinery	4,527,488	-	(76,368)	262,833	4,713,953
Buildings and improvements	4,087,644	-	-	193,727	4,281,371
Well improvements	7,878,418	-	-	69,328	7,947,746
Donated pipelines	18,789,254	2,474,459	(67,346)	-	21,196,367
Total capital assets, being depreciated	<u>102,035,840</u>	<u>2,474,459</u>	<u>(788,012)</u>	<u>2,794,801</u>	<u>106,517,088</u>
Less accumulated depreciation for:					
Improvements	(98,872)	(31,265)	-	-	(130,137)
Pipelines and infrastructure	(24,786,780)	(1,535,715)	523,505	-	(25,798,990)
Equipment and machinery	(3,069,124)	(258,864)	74,206	-	(3,253,782)
Buildings and improvements	(1,142,601)	(99,368)	-	-	(1,241,969)
Well improvements	(2,192,486)	(196,732)	-	-	(2,389,218)
Donated pipelines	(11,320,178)	(365,283)	47,171	-	(11,638,290)
Total accumulated depreciation	<u>(42,610,041)</u>	<u>(2,487,227)</u>	<u>644,882</u>	<u>-</u>	<u>(44,452,386)</u>
Total capital assets being depreciated, net	59,425,799	(12,768)	(143,130)	2,794,801	62,064,702
Capital assets, net	<u>\$ 61,322,653</u>	<u>\$ 3,324,574</u>	<u>\$ (143,130)</u>	<u>\$ -</u>	<u>\$ 64,504,097</u>

	Balance December 31, 2019	Additions	Deletions	Transfers	Balance December 31, 2020
<b>Business-Type Activities:</b>					
Capital assets not being depreciated:					
Land	\$ 955,683	\$ -	\$ -	\$ 172,540	\$ 1,128,223
Right of ways	26,080	-	-	-	26,080
Construction in Progress	596,104	4,003,416	(55,258)	(3,801,711)	742,551
Total capital assets not being depreciated	<u>1,577,867</u>	<u>4,003,416</u>	<u>(55,258)</u>	<u>(3,629,171)</u>	<u>1,896,854</u>
Capital assets being depreciated:					
Improvements	1,245,062	-	-	30,074	1,275,136
Pipelines and infrastructure	62,969,170	-	(232,455)	2,741,185	65,477,900
Equipment and machinery	3,871,505	-	(46,672)	702,655	4,527,488
Buildings and improvements	3,932,387	-	-	155,257	4,087,644
Well improvements	7,878,418	-	-	-	7,878,418
Machinery and equipment	18,508,516	290,181	(9,443)	-	18,789,254
Total capital assets, being depreciated	<u>98,405,058</u>	<u>290,181</u>	<u>(288,570)</u>	<u>3,629,171</u>	<u>102,035,840</u>
Less accumulated depreciation for:					
Improvements	(68,296)	(30,576)	-	-	(98,872)
Pipelines and infrastructure	(23,368,647)	(1,569,943)	151,810	-	(24,786,780)
Equipment and machinery	(2,914,803)	(191,894)	37,573	-	(3,069,124)
Buildings and improvements	(1,046,886)	(95,715)	-	-	(1,142,601)
Well improvements	(1,995,899)	(196,587)	-	-	(2,192,486)
Machinery and equipment	(10,947,950)	(376,161)	3,933	-	(11,320,178)
Total accumulated depreciation	<u>(40,342,481)</u>	<u>(2,460,876)</u>	<u>193,316</u>	<u>-</u>	<u>(42,610,041)</u>
Total capital assets being depreciated, net	58,062,577	(2,170,695)	(95,254)	3,629,171	59,425,799
Capital assets, net	<u>\$ 59,640,444</u>	<u>\$ 1,832,721</u>	<u>\$ (150,512)</u>	<u>\$ -</u>	<u>\$ 61,322,653</u>

**CITRUS HEIGHTS WATER DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

**Note 3: Capital Assets (Continued)**

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

**Note 4: Long-Term Liabilities**

Long-term liabilities consist of the following:

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

The activity of the District's long-term liabilities during the years ended December 31, 2021 and 2020 was as follows:

	Balance December 31, 2020	Additions	Retirements	Balance December 31, 2021	Current Portion
2012 Revenue Refunding Bonds					
3-5.25%, due 2-1-33	\$ 1,615,000	\$ -	\$ 95,000	\$ 1,520,000	\$ 100,000
Less: Unamortized premium	153,751	-	13,370	140,381	-
<b>Total Long-Term Liabilities</b>	<b>\$ 1,768,751</b>	<b>\$ -</b>	<b>\$ 108,370</b>	<b>\$ 1,660,381</b>	<b>\$ 100,000</b>
	Balance December 31, 2019	Additions	Retirements	Balance December 31, 2020	Current Portion
2010 Certificates of Participation					
4%, due 9/28/20	\$ 545,000	\$ -	\$ 545,000	\$ -	\$ -
2012 Revenue Refunding Bonds					
3-5.25%, due 2-1-33	1,705,000	-	90,000	1,615,000	95,000
Less: Unamortized premium	183,208	-	29,457	153,751	-
<b>Total Long-Term Liabilities</b>	<b>\$ 2,433,208</b>	<b>\$ -</b>	<b>\$ 664,457</b>	<b>\$ 1,768,751</b>	<b>\$ 95,000</b>

**CITRUS HEIGHTS WATER DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

**Note 4: Long-Term Liabilities (Continued)**

The annual requirements to amortize the outstanding debt as of December 31, 2021 are as follows:

Fiscal Year Ending December 31,	2012 Revenue Refunding Bonds		
	Principal	Interest	Total
2022	\$ 100,000	\$ 74,338	\$ 174,338
2023	105,000	69,338	174,338
2024	110,000	64,088	174,088
2025	110,000	60,788	170,788
2026	115,000	57,488	172,488
2027-2031	665,000	190,575	855,575
2032-2033	315,000	24,935	339,935
Total	<u>\$ 1,520,000</u>	<u>\$ 541,550</u>	<u>\$ 2,061,550</u>

Pledged Revenue: The District pledged future water system revenues, net of specified expenses, to repay the 2012 Revenue Refunding Bonds in an original amount of \$2,275,000. Proceeds of the Revenue Refunding Bonds were used to refund the 2003 Certificates of Participation to finance capital improvements to the District's water system. The Revenue Refunding Bonds are payable solely from water customer net revenues, and are payable through February, 2033. Annual principal and interest payments on the Bonds are expected to require less than 80% of net revenues. Total principal and interest remaining to be paid on the Revenue Refunding Bonds was \$2,061,550 and \$2,235,638 at December 31, 2021 and 2020, respectively.

Total principal and interest paid on all debt payable from net revenues was \$165,296 and \$730,741 and the total water system net revenues were \$5,479,567 and \$5,165,116 for the years ended December 31, 2021 and 2020, respectively. At December 31, 2021 and 2020, the District's net revenues were 3,315% and 706.83% of debt service payments, respectively.

Events of Default: The 2012 Revenue Refunding Bonds from direct borrowings related to business-type activities, contain events of default that declare the principal of all of the 2012 bonds then outstanding and the interest accrued thereon to be due and payable immediately as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the District to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the District; or if any court or competent jurisdiction shall assume custody or control of the District. There were no such events occurred during the fiscal year ending December 31, 2021.

**Note 5: Arbitrage Rebate Liability**

Section 148(f) of the Internal Revenue Code requires issuers of tax-exempt state and local bonds to remit to the federal government amounts equal to (a) the excess of the actual amounts earned on all "Nonpurpose Investments" allocable to "Gross Proceeds" of an issue of municipal obligations less the amount that would have been earned if the investments bore a rate equal to the amount that would have been earned if the investments bore a rate equal to the yield on the issue, plus (b) all income attributable to the excess. Issuers must make rebate payments at least once every five years and upon final retirement or redemption of the bonds. There was no arbitrage liability at December 31, 2021 and 2020.

## CITRUS HEIGHTS WATER DISTRICT

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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#### Note 6: Net Position

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

The designations are for the following:

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

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

Designated for debt services reserve represents amounts set aside for use in maintaining debt coverage ratios in accordance with bond covenants or other agreements or requirements associated with the issuance of debt by the District.

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

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

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

Designated for water meter replacement reserve represents amounts set aside for use in evaluating, designing, and replacing or rehabilitating capital facilities pertaining to water meters to benefit existing District customers.

Designated for water supply reserve represents amounts set aside for evaluating, acquiring, and constructing capital facilities related to water supply, such as groundwater production wells, aquifer storage and recovery wells, surface water projects, recycled/reclaimed water projects, and land and right-of-way acquisition.

Designated for water main replacement reserve represents amounts set aside for evaluating, planning, designing, constructing, replacing or rehabilitating capital facilities to benefit District customers.

Designated for water efficiency reserve represents amounts set aside for use in a water supply shortage, water supply interruption, Federal/State/Regional/Local mandates, or other programmatic needs.



**CITRUS HEIGHTS WATER DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

**Note 7: Compensated Absences**

The following is a summary of changes in the District’s compensated absences for the year ended December 31, 2021 and 2020:

	December 31, 2020	Additions	Reductions	December 31, 2021	Current Portion
District	\$ 449,098	\$ 223,137	\$ 212,348	\$ 459,887	\$ 268,373
Total	\$ 449,098	\$ 223,137	\$ 212,348	\$ 459,887	\$ 268,373

	December 31, 2019	Additions	Reductions	December 31, 2020	Current Portion
District	\$ 444,651	\$ 161,451	\$ 157,004	\$ 449,098	\$ 210,531
Total	\$ 444,651	\$ 161,451	\$ 157,004	\$ 449,098	\$ 210,531

**Note 8: Defined Benefit Pension Plan**

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

**a. General Information about the Pension Plans**

Plan Description and Summary of Balances by Plan – All qualified permanent and probationary employees are eligible to participate in the District’s Miscellaneous (all other) Employee Pension Rate Plan. The District’s Miscellaneous Rate Plan is part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by the California Public Employees’ Retirement System (CalPERS). PERF C consists of a miscellaneous pool and a safety pool (also referred to as “risk pools”), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. The District sponsors one rate plan (miscellaneous).

Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Below is a summary of the deferred outflows of resources, net pension liabilities, and deferred inflows of resources by Plan for the year ended December 31, 2021:

	Deferred Outflows of Resources	Liability/ Proportionate Share of Net Pension	Deferred Inflows of Resources
Miscellaneous	\$ 910,520	\$ 2,335,284	\$ (2,189,017)



**CITRUS HEIGHTS WATER DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

**Note 8: Defined Benefit Pension Plan (Continued)**

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

The Plans’ provisions and benefits in effect at December 31, 2021, are summarized as follows:

	<u>Miscellaneous Tier 1</u>	<u>Miscellaneous Tier 2</u>	<u>Miscellaneous PEPRA</u>
	Prior to January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013
Hire date			
Benefit formula	2.0% @ 55	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 63	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.43% to 2.42%	1.43% to 2.42%	1.0% to 2.5%
Required employee contribution rates	6.9%	6.9%	6.8%
Required employer contribution rates	10.0%	9.7%	7.0%

Beginning in fiscal year 2017, CalPERS collects employer contributions for the cost-sharing plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund. The dollar amounts are billed on a monthly basis. The District’s required contribution for the unfunded liability was \$421,064 in fiscal year 2021.

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

For the year ended December 31, 2021, the District’s contributions to the Plan were as follows:

	<u>Miscellaneous</u>		
	<u>Tier 1</u>	<u>Tier 2</u>	<u>PEPRA</u>
Contributions - employer	\$ 557,895	\$ 130,465	\$ 66,205

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

As of December 31, 2021, the District reported \$2,335,284 in net pension liabilities for its proportionate shares of the net pension liability of the Plan.

**CITRUS HEIGHTS WATER DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

**Note 8: Defined Benefit Pension Plan (Continued)**

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2021, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2020 and 2021 was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2020	0.04483%
Proportion - June 30, 2021	0.04318%
Change - Increase (Decrease)	<u>-0.00165%</u>

For the year ended December 31, 2021, the District recognized pension expense of \$(186,516). At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 591,672	\$ -
Differences between actual and expected experience	261,877	-
Changes in assumptions	-	-
Changes in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	56,971	(150,438)
Net differences between projected and actual earnings on plan investments	<u>-</u>	<u>(2,038,579)</u>
Total	<u>\$ 910,520</u>	<u>\$ (2,189,017)</u>

The \$591,672 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended December 31,</u>	<u>Annual Amortization</u>
2022	\$ (436,783)
2023	(416,953)
2024	(453,075)
2025	(563,358)

**CITRUS HEIGHTS WATER DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

**Note 8: Defined Benefit Pension Plan (Continued)**

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

	<u>Miscellaneous</u>
1% Decrease	6.15%
Net Pension Liability	\$ 5,363,983
Current Discount Rate	7.15%
Net Pension Liability/(Asset)	\$ 2,335,284
1% Increase	8.15%
Net Pension Liability/(Asset)	\$ (168,498)

Actuarial Assumptions – For the measurement period ended June 30, 2021, the total pension liabilities were determined by rolling forward the June 30, 2020 total pension liability based on the following actuarial methods and assumptions:

	<u>Miscellaneous</u>
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Amortization	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.15% (1)
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies
Mortality	Derived using CalPers Membership Data for all Funds (2)

<sup>1</sup> Net of pension plan investment and administrative expenses, including inflation

<sup>2</sup> The mortality table used was developed based on CalPERS’ specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MO 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2020 valuation were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability for the Plan was 7.15%. The projection of cash flows used to determine the discount rate for the Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially

**CITRUS HEIGHTS WATER DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

**Note 8: Defined Benefit Pension Plan (Continued)**

determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

The table below reflects the expected real rate of return by asset class.

Asset Class <sup>1</sup>	New Strategic Allocation	Real Return Years 1 - 10(a) <sup>2</sup>	Real Return Years 11+(b) <sup>3</sup>
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Sensitive	-	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	-	-0.92%
Total	100.00%		

<sup>1</sup> In the System's ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

<sup>2</sup> An Expected Inflation of 2.00% Used for this Period.

<sup>3</sup> An Expected Inflation of 2.92% Used for this Period.

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

**CITRUS HEIGHTS WATER DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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**Note 8: Defined Benefit Pension Plan (Continued)**

Subsequent Events – On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

**Note 9: Post – Employment Health Care Benefits**

**a. General Information about the District’s Other Post Employment Benefit (OPEB) Plan**

Plan Description – The District provides post-employment healthcare benefits for certain groups of employees that retire from the District, under the Retiree Healthcare Plan (OPEB Plan), an agent multiple-employer plan administered by the District. The OPEB Plan provides benefits for all permanent, full-time employees of the District. The OPEB Plan’s assets are held in trust with the California Employers’ Retiree Benefit Trust Fund (CERBT), an agent multiple-employer Section 115 trust fund plan administered by California Public Employees’ Retirement System (CalPERS), which acts as a common investment and administrative agent for participating public employers within the State of California. Benefit provisions are established through District policy and may be amended through action of the District’s Board of Directors. In order to qualify for participation in the OPEB Plan, employees must meet three conditions: (1) completion of 20 years of service with the District; (2) retirement from the District; and (3) employed with the District by January 30, 2019.

**CITRUS HEIGHTS WATER DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

**Note 9: Post – Employment Health Care Benefits (Continued)**

Benefits Provided – The following is a summary of Plan benefits by employee group as of December 31, 2020:

	Hired before January 31, 2020			
	Retired from District between June 3, 1992 and March 19, 1996	Retired from District after March 19, 1996		Hired After January 30, 2019
20+ Years of Service	Health insurance provided to employee at District expense	Maximum monthly reimbursement of \$359.00 to retiree, spouse/dependents.		
25+ Years of Service	Health insurance provided to retiree, and spouse/dependents at the time of retirement. If no spouse/dependents, or if retiree does not wish to cover spouse/dependents, retiree may select benefit of 30+ years of service.	Maximum monthly reimbursement of \$403.00 to retiree, spouse/dependents.		Employees hired after January 30, 2019 are not eligible to receive any benefit under the OPEB plan.
30+ Years of Service	Health, dental, vision insurance provided at District expense for retiree. Health and dental insurance provided at District expense for spouse/dependents at time of retirement.	Maximum monthly reimbursement of \$450.00 to retiree, spouse/dependents.		

For the year ended December 31, 2021, the District's contributions to the OPEB Plan were \$189,734.

Employees Covered by Benefit Terms – Membership in the OPEB Plan consisted of the following at the census date of December 31, 2020:

Inactive Employees or Beneficiaries Currently Receiving Benefits	20
Inactive Employees Entitled to but not yet Receiving Benefits	0
Active Employees	26
Total	46

**b. Net OPEB Liability**

Actuarial Methods and Assumptions – The District's net OPEB liability was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated December 31, 2020 to determine the total OPEB liability as of December 31, 2020, based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	December 31, 2020
Measurement Date	December 31, 2020
Actuarial Cost Method	Entry - Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	5.43%
Inflation	2.50%
Payroll Growth	2.75%
Healthcare Trend	7.5% for 2020, decreasing to an ultimate rate of 4.04% in 2076
Mortality Rate	CalPers 1997-2015 Experience Study

**CITRUS HEIGHTS WATER DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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**Note 9: Post – Employment Health Care Benefits (Continued)**

The underlying mortality assumptions were based on the CalPERS 1997-2015 Experience Study, and all other actuarial assumptions used in the December 31, 2020 valuation were based on the results of a December 31, 2020 actuarial experience study for the period January 1, 2020 to December 31, 2020.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return Year
Global Equity	40.00%	8.14%
Fixed Income	43.00%	3.40%
TIPS	5.00%	2.40%
Commodities	4.00%	5.71%
REITs	8.00%	6.90%
Total	100.00%	

Discount Rate – The discount rate used to measure the total OPEB liability was 5.43%. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**CITRUS HEIGHTS WATER DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

**Note 9: Post – Employment Health Care Benefits (Continued)**

**c. Changes in Net OPEB Liability**

The changes in the net OPEB liability are as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balance at December 31, 2020 (measurement date December 31, 2019)	\$ 1,607,806	\$ 184,114	\$ 1,423,692
Changes Recognized for the Measurement Period:			
Service Cost	47,435	-	47,435
Interest on the total OPEB liability	102,103	-	102,103
Changes in benefit terms	(572)	-	(572)
Difference between expected and actual experience	(1,841)	-	(1,841)
Changes in assumptions	364,838	-	364,838
Contributions from the employer*	-	145,837	(145,837)
Net investment income	-	39,073	(39,073)
Administrative Expenses	-	(127)	127
Benefit payments and refunds	(43,184)	(43,184)	-
Other changes	-	23,195	(23,195)
Net changes	468,779	164,794	303,985
Balance at December 31, 2021 (measurement date December 31, 2020)	\$ 2,076,585	\$ 348,908	\$ 1,727,677

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates – The following presents the net OPEB liability of the District, as well as what the District’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.43%) or 1- percentage-point higher (6.43%) than the current discount rate:

Plan's Net OPEB Liability		
Discount Rate -1% (4.43%)	Current Discount Rate (5.43%)	Discount Rate 1% (6.43%)
\$ 2,105,792	\$ 1,727,677	\$ 1,426,057

The following presents the net OPEB liability of the District, as well as what the District’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.0% to 4.0%) or 1-percentage-point higher (8.0% to 6.0%) than the current healthcare cost trend rates:

Plan's Net OPEB Liability		
Health Care Cost Trend Rate -1%	Health Care Cost Trend Rates	Health Care Cost Trend Rate +1%
\$ 1,395,813	\$ 1,727,677	\$ 2,153,043



**CITRUS HEIGHTS WATER DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

**Note 9: Post – Employment Health Care Benefits (Continued)**

**d. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

For the year ended December 31, 2021, the District recognized OPEB expense of \$151,533. At December 31, 2021, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 28,285	\$ (15,375)
Changes of assumptions	336,246	-
Net difference between projected and actual earnings on OPEB plan investments	-	(25,360)
Employer contributions made subsequent to the measurement date	189,734	-
<b>Total</b>	<b>\$ 554,265</b>	<b>\$ (40,735)</b>

\$189,734 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as pension expense as follows:

Year Ended December 31:	Annual Amortization
2022	\$ 42,428
2023	42,426
2024	41,935
2025	44,775
2026	49,231
Thereafter	103,001

**e. Payable to the OPEB Plan**

At December 31, 2021, the District reported a payable of \$0 for the outstanding amount of contributions to the OPEB plan required for the year ended December 31, 2021.

**Note 10: Commitments and Contingencies**

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

The District has capital project commitments as of December 31, 2021 and 2020 totaling \$475,943 and \$742,551, respectively, related to construction work.

**CITRUS HEIGHTS WATER DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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**Note 11: Economic Dependency**

During 2021 and 2020, the District purchased 67.35% and 91.74%, respectively, of its water supply from the San Juan Water District (SJWD). Total purchases for the year ended December 31, 2021 and 2020 was \$2,796,248 and \$2,917,535, respectively. In addition, the District owns water transmission capacity entitlements through the cooperative transmission pipeline project owned and operated by SJWD.

**Note 12: Insurance**

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

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

Type of Coverage (Deductible)	ACWA/JPIA	Deductible
General and Auto Liability (Includes Public Officials Liability)	\$5,000,000	None
Property Damage*	100,000	\$2,500-5,000
Crime	100,000	1,000
Workers Comensation Liability	2,000,000	None
Employers Liability	2,000,000	None

\* The District has additional \$500,000,000 in property damage coverage via ACWA/JPIA through the commercial insurance policy

**Note 13: Subsequent Event**

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact on District and the duration cannot be reasonably estimated at this time.



# Required Supplementary Information



CITRUS HEIGHTS WATER DISTRICT

**COST SHARING MULTIPLE-EMPLOYER PLAN  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
AS OF DECEMBER 31, FOR THE LAST TEN YEARS (1)**

<i>Measurement Date</i>	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>
Plan Proportion of the Net Pension Liability	0.05398%	0.12216%	0.11962%	0.11866%
Plan Proportionate Share of the Net Pension Liability	\$ 3,358,940	\$ 3,351,422	\$ 4,155,588	\$ 4,677,711
Plan Covered Payroll	\$ 2,279,406	\$ 2,289,027	\$ 2,270,540	\$ 2,606,536
Plan Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	147.36%	146.41%	183.02%	179.46%
<b>The Pension Plan's (PERF-C) Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	80.43%	78.40%	74.06%	73.31%

**Notes to Schedule:**

Benefit Changes: There were no changes to benefit terms. However, the figures above do not include any liability impact that may have resulted from plan changes which occurred after the measurement dates. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2021, 2020 and 2019, there were no changes. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2018. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amount reported were based on the 7.5 percent discount rate.

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

(2) CalPERS information is provided based on a June 30 fiscal year-end.

	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>
	0.11673%	0.04500%	0.04483%	0.04318%
\$	4,399,273	\$ 4,611,042	\$ 4,877,315	\$ 2,335,284
\$	2,941,557	\$ 3,442,952	\$ 3,399,842	\$ 3,513,707
	149.56%	133.93%	143.46%	66.46%
	75.26%	75.26%	75.10%	88.29%

CITRUS HEIGHTS WATER DISTRICT

**COST SHARING MULTIPLE-EMPLOYER PLAN  
SCHEDULE OF PLAN CONTRIBUTIONS  
AS OF DECEMBER 31, FOR THE LAST TEN YEARS (1)**

	2015	2016	2017	2018
Actuarially Determined Contribution	\$ 468,974	\$ 347,181	\$ 572,724	\$ 700,242
Contribution in Relation to the Actuarially Determined Contribution	(468,974)	(347,181)	(572,724)	(700,242)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 2,129,887	\$ 2,362,614	\$ 2,667,190	\$ 3,046,586
Contributions as a Percentage of Covered Payroll	22.02%	14.69%	21.47%	22.98%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

**Note to Schedule:**

Valuation Date: June 30, 2018

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method  
Amortization method

Entry Age Normal Cost Method  
Level percentage of pay, a summary of the current policy is provided in the table below:

Driver	Source				
	(Gain)/Loss		Assumption/ Method Change	Benefit Change	Golden Handshake
	Investment	Non-investment			
Amortization Period	30 years	30 Years	20 Years	20 Years	5 Years
Escalation Rate					
- Active Plans	2.750%	2.750%	2.750%	2.750%	2.750%
- Inactive Plans	0%	0%	0%	0%	0%
Ramp Up	5	5	5	0	0
Ramp Down	5	5	5	0	0

Asset valuation method  
Inflation  
Payroll Growth  
Projected Salary Increases  
Investment Rate of Return  
Retirement Age

Direct rate smoothing  
2.50%  
2.75%  
Varies by Entry Age and Service  
7.00% (net of pension plan investment and administrative expenses, includes inflation)  
All other actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report may be accessed on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

Mortality

The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using 90 percent of Society of Actuaries' Scale 2016. For more details on this table, please refer to the 2017 experience study report.

2019	2020	2021
\$ 663,989	\$ 716,803	\$ 754,362
(663,989)	(716,803)	(754,362)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,537,549	\$ 3,466,168	\$ 3,362,270
18.77%	20.68%	22.44%

CITRUS HEIGHTS WATER DISTRICT

**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS  
AS OF DECEMBER 31, FOR THE LAST TEN YEARS (1)**

Measurement Date	12/31/2017	12/31/2018	12/31/2019	12/31/2020
<b>Total OPEB Liability</b>				
Service cost	\$ 25,905	\$ 26,682	\$ 37,106	\$ 47,435
Interest on the total OPEB liability	83,640	87,918	96,977	102,103
Change in benefit terms	-	-	-	(572)
Differences between expected and actual experiences	-	41,338	(17,427)	(1,841)
Changes in assumptions	-	23,239	-	364,838
Benefit payments	(41,228)	(42,527)	(46,768)	(43,184)
<b>Net change in total OPEB liability</b>	<b>68,317</b>	<b>136,650</b>	<b>69,888</b>	<b>468,779</b>
<b>Total OPEB liability - beginning</b>	<b>1,332,951</b>	<b>1,401,268</b>	<b>1,537,918</b>	<b>1,607,806</b>
<b>Total OPEB liability - ending (a)</b>	<b>1,401,268</b>	<b>1,537,918</b>	<b>1,607,806</b>	<b>2,076,585</b>
<b>Plan Fiduciary Net Position</b>				
Contribution - employer	41,228	122,527	128,540	145,837
Net investment income	-	(1,658)	24,089	39,073
Benefit payments	(41,228)	(42,527)	(46,768)	(43,184)
Other miscellaneous income/(expense)	-	-	-	23,195
Administrative expense	-	(6)	(83)	(127)
<b>Net change in plan fiduciary net position</b>	<b>-</b>	<b>78,336</b>	<b>105,778</b>	<b>164,794</b>
<b>Plan fiduciary net position - beginning</b>	<b>-</b>	<b>-</b>	<b>78,336</b>	<b>184,114</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>-</b>	<b>78,336</b>	<b>184,114</b>	<b>348,908</b>
<b>Net OPEB Liability - ending (a) - (b)</b>	<b>\$ 1,401,268</b>	<b>\$ 1,459,582</b>	<b>\$ 1,423,692</b>	<b>\$ 1,727,677</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	0.00%	5.09%	11.45%	16.80%
<b>Covered-employee payroll</b>	\$ 2,915,351	\$ 3,278,242	\$ 3,658,217	\$ 3,677,546
<b>Net OPEB liability as a percentage of covered-employee payroll</b>	48.07%	44.52%	38.92%	46.98%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.



CITRUS HEIGHTS WATER DISTRICT

**SCHEDULE OF OPEB CONTRIBUTIONS  
AS OF DECEMBER 31, FOR THE LAST TEN YEARS (1)**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Actuarially Determined Contribution	\$ 122,000	\$ 130,652	\$ 170,121	\$ 158,425
Contribution in Relation to the Actuarially Determined Contributions	(122,527)	(128,530)	(146,814)	(189,734)
Contribution Deficiency (Excess)	<u>\$ (527)</u>	<u>\$ 2,122</u>	<u>\$ 23,307</u>	<u>\$ (31,309)</u>
Covered-employee payroll	\$ 3,278,242	\$ 3,658,217	\$ 3,677,546	\$ 3,689,171
Contributions as a percentage of covered-employee payroll	3.74%	3.51%	3.99%	5.14%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

**Notes to Schedule:**

Methods and assumptions used to determine contribution rates:

	December 31. 2016	December 31. 2018	December 31. 2020
Valuation Date	December 31. 2016	December 31. 2018	December 31. 2020
Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll	Entry Age Normal, Level Percentage of Payroll	Entry Age Normal, Level Percentage of Payroll
Amortization Method	Level percent of pay	Level percent of pay	Level percent of pay
Amortization Period	19-year fixed period for 2019	18-year fixed period for 2020	22 years
Asset Valuation Method	n/a	n/a	n/a
Discount Rate	6.25%	6.25%	5.43%
General Inflation	2.75% annually	2.75% annually	2.50% annually
Medical Trend	7.0% for 2018, decreasing to an ultimate rate of 5.0% in 2022	7.5% for 2018, decreasing to an ultimate rate of 4.0% in 2076	7.0% for 2021, decreasing to an ultimate rate of 4.04% in 2077
Mortality	CalPERS 1997-2011 experience study	CalPERS 1997-2015 experience study	CalPERS 1997-2015 experience study
Mortality Improvement	Mortality projected fully generational with Scale MP-16	Mortality projected fully generational with Scale MP-18	Mortality projected fully generational with Scale 18

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# STATISTICAL SECTION

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# CITRUS HEIGHTS WATER DISTRICT

## Statistical Section

### Table of Contents

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

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These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

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These schedules contain information to help the reader assess the District's ability to generate water revenues, the most significant source of revenue to the District.

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

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

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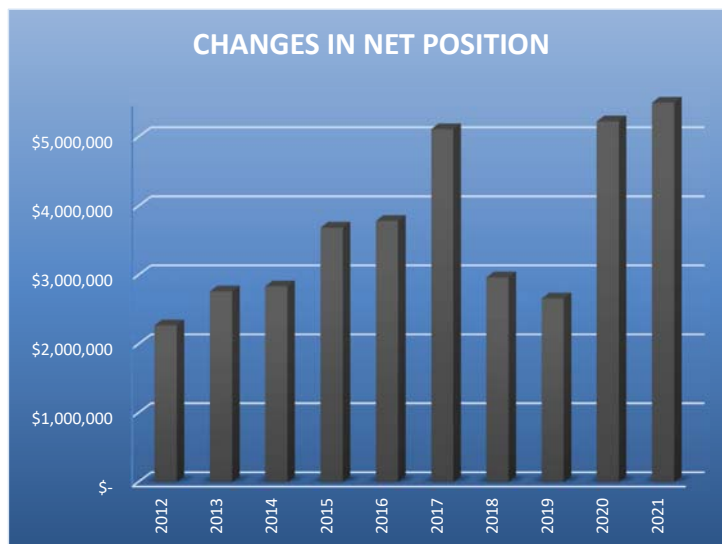
# Financial Trends



**CITRUS HEIGHTS WATER DISTRICT**  
**Changes in Net Position and Net Position by Component**

**Last Ten Fiscal Years**  
**Schedule 1**

	2012	2013	2014	2015	2016
<b>Changes in net position:</b>					
Operating revenues (see Schedule 2)	\$ 10,693,408	\$ 11,358,086	\$ 11,331,301	\$ 10,884,550	\$ 12,325,057
Operating expenses (see Schedule 3)	(6,504,014)	(6,598,323)	(6,358,613)	(6,023,057)	(7,043,963)
Depreciation and amortization	(1,778,195)	(1,898,303)	(2,003,488)	(2,098,944)	(2,203,170)
<b>Operating income(loss)</b>	<b>2,411,199</b>	<b>2,861,460</b>	<b>2,969,200</b>	<b>2,762,549</b>	<b>3,077,924</b>
<b>Non-operating revenues(expenses)</b>					
Investment income	24,067	24,586	15,547	19,093	38,313
Miscellaneous income	16,127	13,616	12,716	28,606	68,203
Groundwater transfers and sales	-	-	-	-	-
Interest expense	(243,737)	(206,480)	(195,210)	(173,462)	(155,214)
(Loss) gain on disposal of capital assets	(31,125)	1,595	(30,669)	4,834	(137,567)
<b>Total non-operating revenues(expenses), net</b>	<b>(234,668)</b>	<b>(166,683)</b>	<b>(197,616)</b>	<b>(120,929)</b>	<b>(186,265)</b>
<b>Net income before capital contributions</b>	<b>2,176,531</b>	<b>2,694,777</b>	<b>2,771,584</b>	<b>2,641,620</b>	<b>2,891,659</b>
<b>Capital Contributions</b>					
Grant Revenues	3,126	3,178	10,310	610,431	715
Capital contributions	96,445	70,657	59,248	438,567	896,688
<b>Changes in net position</b>	<b>\$ 2,276,102</b>	<b>\$ 2,768,612</b>	<b>\$ 2,841,142</b>	<b>\$ 3,690,618</b>	<b>\$ 3,789,062</b>
<b>Net position by component:</b>					
Prior Year adjustment	\$ -	\$ -	\$ -	\$ (3,728,767)	\$ -
Net investment in capital assets	40,384,388	42,108,244	45,931,665	50,895,005	51,801,433
Restricted	536,967	536,973	536,963	533,350	533,796
Unrestricted	9,765,994	10,414,469	9,432,200	4,434,324	7,316,512
<b>Total net position</b>	<b>\$ 50,687,349</b>	<b>\$ 53,059,686</b>	<b>\$ 55,900,828</b>	<b>\$ 52,133,912</b>	<b>\$ 59,651,741</b>



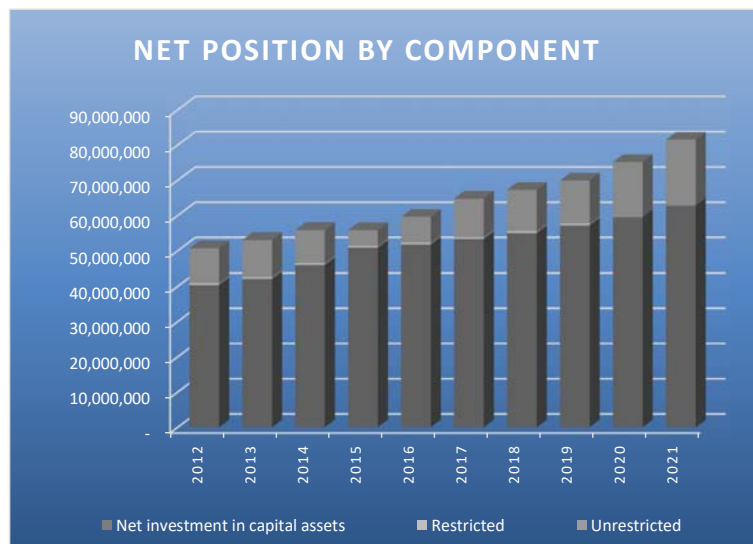
Source: District Administrative Services Department



**CITRUS HEIGHTS WATER DISTRICT**  
**Changes in Net Position and Net Position by Component**

Last Ten Fiscal Years  
Schedule 1 (Continued)

2017	2018	2019	2020	2021	
					<b>Changes in net position:</b>
\$ 14,043,049	\$ 14,375,044	\$ 15,340,476	\$ 19,203,757	\$ 17,517,961	Operating revenues (see Schedule 2)
(7,534,381)	(9,531,439)	(11,230,314)	(11,787,520)	(10,994,641)	Operating expenses (see Schedule 3)
(2,345,281)	(2,388,634)	(2,435,900)	(2,469,339)	(2,485,902)	Depreciation and amortization
<u>4,163,387</u>	<u>2,454,971</u>	<u>1,674,262</u>	<u>4,946,898</u>	<u>4,037,418</u>	<b>Operating income(loss)</b>
					<b>Non-operating revenues(expenses)</b>
63,531	159,437	214,962	116,981	(343)	Investment income
77,074	107,546	69,322	42,989	42,759	Miscellaneous income
1,058,793	347,583	38,316	-	-	Groundwater transfers and sales
(145,911)	(147,540)	(124,346)	(95,741)	(74,734)	Interest expense
(155,343)	(164,842)	(105,755)	(73,310)	(115,032)	(Loss) gain on disposal of capital assets
<u>898,144</u>	<u>302,184</u>	<u>92,499</u>	<u>(9,081)</u>	<u>(147,350)</u>	<b>Total non-operating revenues(expenses), net</b>
<u>5,061,531</u>	<u>2,757,155</u>	<u>1,766,761</u>	<u>4,937,817</u>	<u>3,890,068</u>	<b>Net income before capital contributions</b>
					<b>Capital Contributions</b>
-	-	-	-	-	Grant Revenues
55,813	213,121	898,084	290,182	2,474,459	Capital contributions
<u>\$ 5,117,344</u>	<u>\$ 2,970,276</u>	<u>\$ 2,664,845</u>	<u>\$ 5,227,999</u>	<u>\$ 6,364,527</u>	<b>Changes in net position</b>
					<b>Net position by component:</b>
\$ -	\$ -	\$ -	\$ -	\$ -	Prior Year adjustment
53,350,420	55,029,058	57,193,152	59,531,355	62,822,494	Net investment in capital assets
535,733	541,475	542,660	-	-	Restricted
<u>10,882,932</u>	<u>11,717,632</u>	<u>12,217,198</u>	<u>15,649,654</u>	<u>18,723,042</u>	Unrestricted
<u>\$ 64,769,085</u>	<u>\$ 67,288,165</u>	<u>\$ 69,953,010</u>	<u>\$ 75,181,009</u>	<u>\$ 81,545,536</u>	<b>Total net position</b>

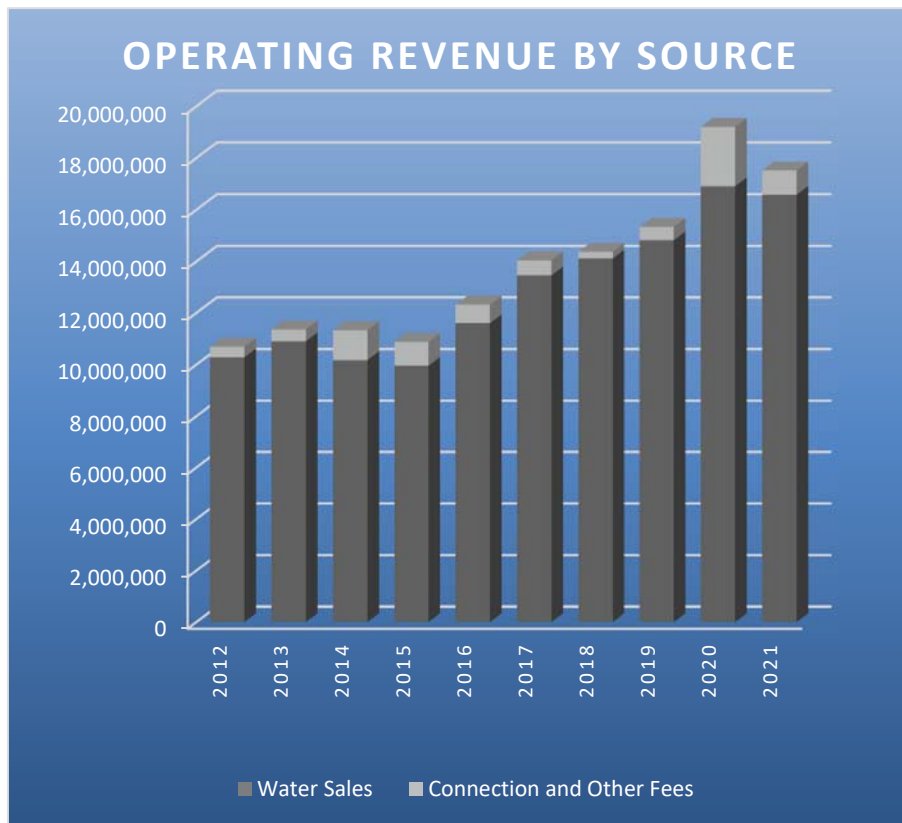


# CITRUS HEIGHTS WATER DISTRICT

## Operating Revenue By Source

Last Ten Fiscal Years  
Schedule 2

Fiscal Year	Water Sales	Connection and Other Fees	Total Operating Revenue
2012	\$ 10,285,029	\$ 408,379	\$ 10,693,408
2013	10,905,197	452,889	11,358,086
2014	10,171,473	1,159,828	11,331,301
2015	9,953,864	930,686	10,884,550
2016	11,602,622	722,435	12,325,057
2017	13,448,691	594,358	14,043,049
2018	14,119,865	255,179	14,375,044
2019	14,823,207	517,269	15,340,476
2020	16,908,986	2,294,771	19,203,757
2021	16,579,945	938,016	17,517,961

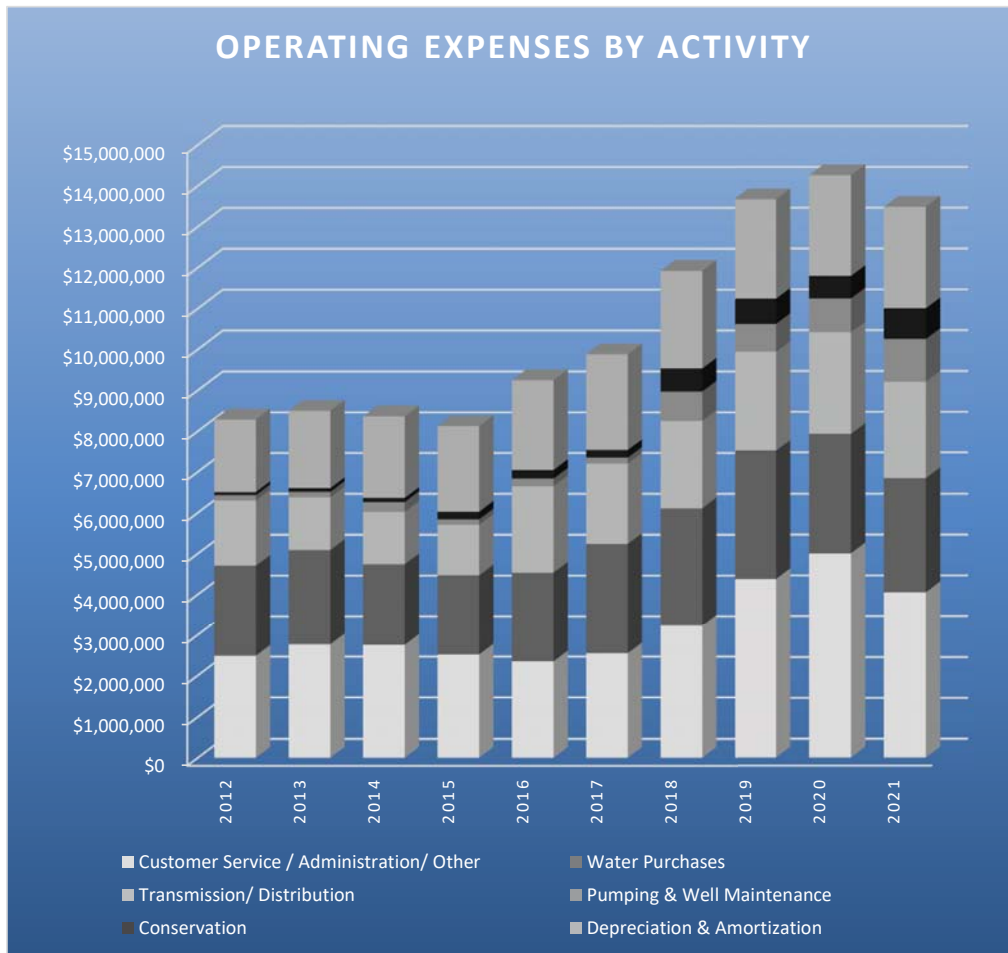


Source: District Administrative Services Department

**CITRUS HEIGHTS WATER DISTRICT**  
Operating Expenses by Activity

Last Ten Fiscal Years  
Schedule 3

Fiscal Year	Customer Service / Administration / Other	Water Purchases	Transmission/ Distribution	Pumping & Well Maintenance	Conservation	Depreciation & Amortization	Total Operating Expenses
2012	\$ 2,481,956	\$ 2,219,550	\$ 1,597,456	\$ 130,129	\$ 74,923	\$ 1,778,195	\$ 8,282,209
2013	2,763,786	2,322,002	1,289,768	133,950	88,817	1,898,303	8,496,626
2014	2,752,172	1,984,921	1,282,941	239,344	99,235	2,003,488	8,362,101
2015	2,514,087	1,950,627	1,239,387	132,842	186,114	2,098,944	8,122,001
2016	2,342,957	2,190,061	2,114,019	184,776	212,150	2,203,170	9,247,133
2017	2,543,736	2,692,482	1,963,750	145,077	189,336	2,345,281	9,879,662
2018	3,228,919	2,878,799	2,142,451	717,562	563,708	2,388,634	11,920,073
2019	4,371,420	3,131,903	2,425,827	683,432	617,732	2,435,900	13,666,214
2020	4,999,639	2,917,535	2,490,474	826,804	553,068	2,469,339	14,256,859
2021	4,044,426	2,798,201	2,350,969	1,047,987	753,058	2,485,902	13,480,543



Source: District Administrative Services Department

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# Revenue Capacity

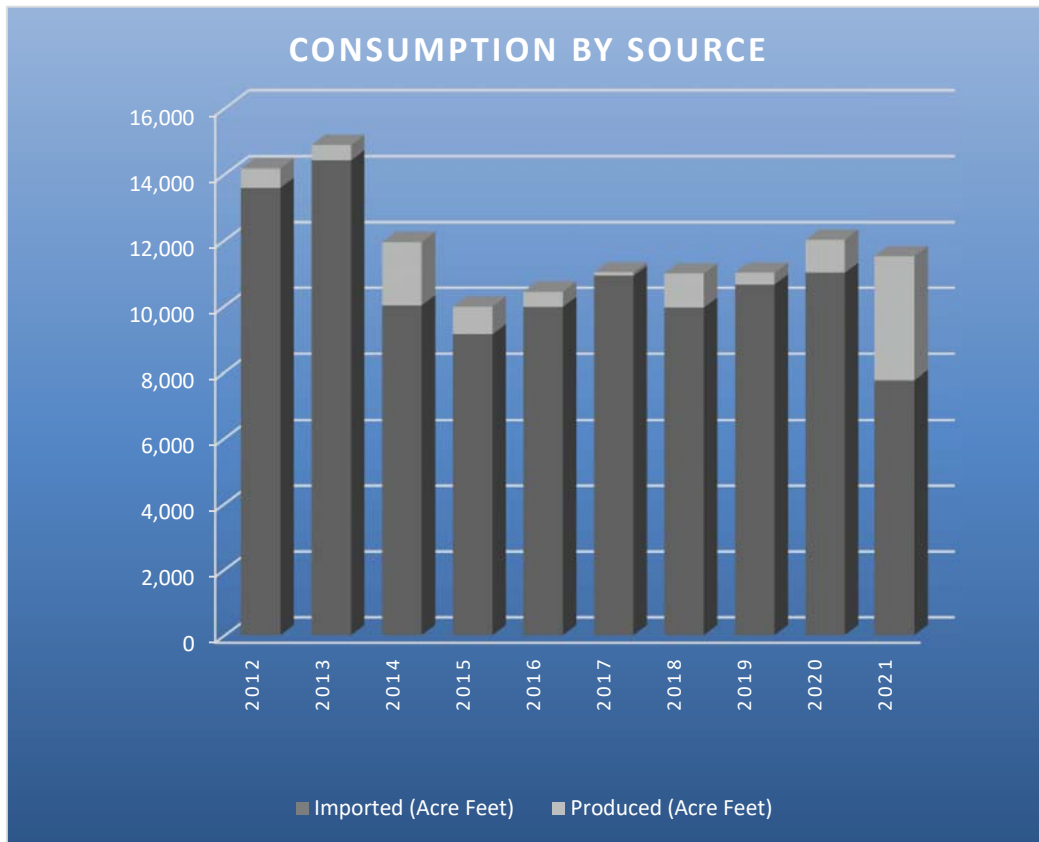


# CITRUS HEIGHTS WATER DISTRICT

## Revenue Base

### Last Ten Fiscal Years Schedule 4

Fiscal Year	Consumption (Acre Feet)	Water Supply		% Water Imported
		Imported (Acre Feet)	Produced (Acre Feet)	
2012	14,169.76	13,583.02	586.74	95.86%
2013	14,881.54	14,416.21	465.33	96.87%
2014	11,937.24	10,007.61	1,929.63	83.84%
2015	9,973.47	9,132.60	840.87	91.57%
2016	10,422.44	9,964.89	457.55	95.61%
2017	11,014.52	10,909.88	104.64	99.05%
2018	10,981.66	9,940.53	1,041.13	90.52%
2019	11,001.23	10,642.14	359.09	96.74%
2020	12,003.53	11,001.81	1,001.72	91.65%
2021	11,505.25	7,749.12	3,756.13	67.35%



**Source:** District Operations Department

**CITRUS HEIGHTS WATER DISTRICT**

**Water Rates**

**Last Ten Fiscal Years**

**Schedule 5**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Flat Rate Accounts (Bimonthly) <sup>(1)</sup></b>										
Single Dwelling	\$ 89.51	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Duplex Dwelling (per duplex side)	75.78	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Condominium Dwelling	75.78	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Apartments/Mobile Homes	75.78	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Irrigation Rate	117.88	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Metered Accounts <sup>(2)</sup></b>										
<b>Consumption (per unit ccf)</b>										
Tier 1	\$ 0.6751	\$ 0.6954	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Tier 2	0.7944	0.8182	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Tier 3	0.8700	0.8961	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Per Unit CCF (No tiers)	n/a	n/a	\$ 0.7440	\$ 0.7663	\$ 0.8735	\$ 0.9871	\$ 1.0167	\$ 1.0674	\$ 1.1800	\$ 1.1800
<b>Service Charge (bimonthly)</b>										
Commercial/Domestic 3/4"	34.88	35.93	35.82	36.89	42.05	47.52	48.94	51.38	57.54	57.54
Commercial/Domestic 1"	50.04	51.54	54.50	56.13	63.98	72.30	74.46	78.18	87.29	87.29
Commercial/Domestic 1-1/2"	87.29	89.91	66.95	68.95	78.60	88.82	91.48	96.05	136.86	136.86
Commercial/Domestic 2"	132.51	136.49	129.20	133.07	151.69	171.41	176.55	185.37	196.35	196.35
Commercial/Domestic 3"	236.80	243.90	203.91	210.02	239.42	270.54	278.65	292.58	384.74	384.74
Commercial/Domestic 4"	385.88	397.46	403.13	415.22	473.35	534.89	550.93	578.47	662.36	662.36
Irrigation 3/4"	17.44	17.96	35.82	36.89	42.05	47.52	48.94	51.38	57.54	57.54
Irrigation 1"	25.02	25.77	54.50	56.13	63.98	72.30	74.46	78.18	87.29	87.29
Irrigation 1-1/2"	43.64	44.95	66.95	68.95	78.60	88.82	91.48	96.05	136.86	136.86
Irrigation 2"	66.25	68.24	129.20	133.07	151.69	171.41	176.55	185.37	196.35	196.35
Irrigation 3"	118.40	121.95	203.91	210.02	239.42	270.54	278.65	292.58	384.74	384.74
Irrigation 4"	192.94	198.73	403.13	415.22	473.35	534.89	550.93	578.47	662.36	662.36

**Notes:**

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

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

**Source:**

District Administrative Services Department

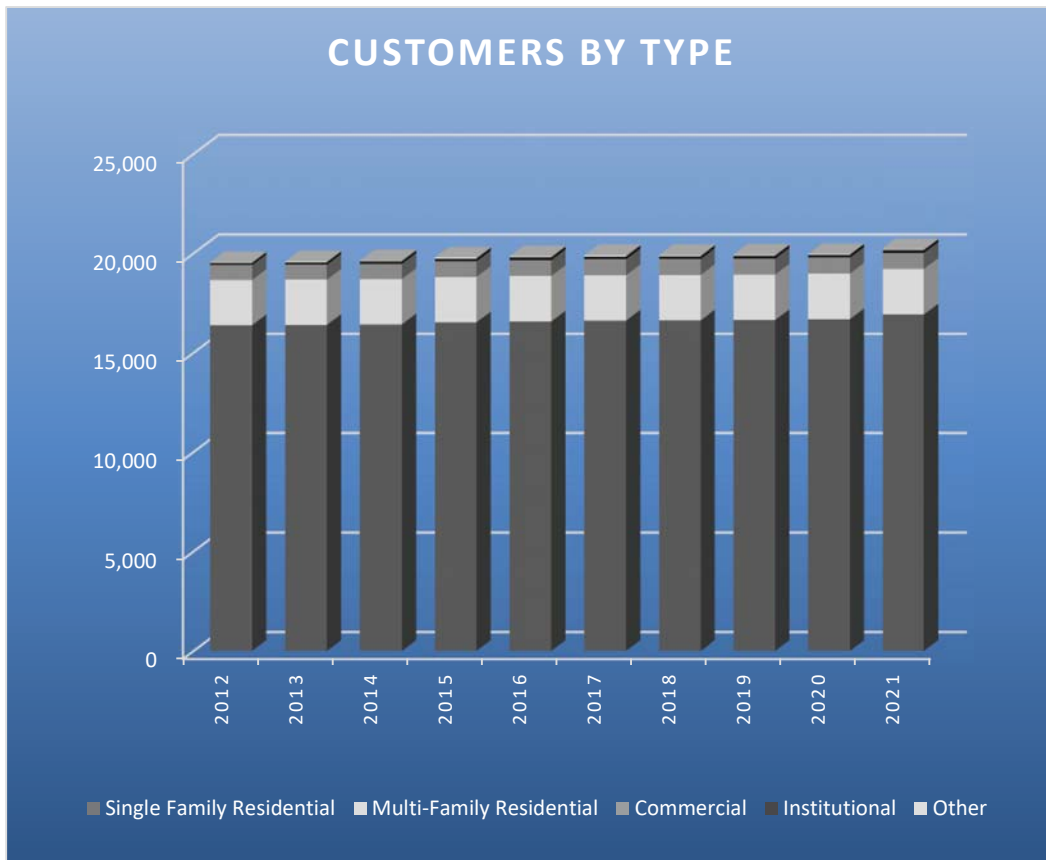
# CITRUS HEIGHTS WATER DISTRICT

## Customers by Type

Last Ten Fiscal Years

Schedule 6

Fiscal Year	Single Family Residential	Multi-Family Residential	Commercial	Institutional	Other	Total
2012	16,385	2,272	751	101	43	19,552
2013	16,402	2,275	758	111	45	19,591
2014	16,425	2,280	771	118	51	19,645
2015	16,527	2,285	785	130	58	19,785
2016	16,576	2,283	802	131	59	19,851
2017	16,615	2,284	807	132	64	19,902
2018	16,627	2,284	807	132	61	19,911
2019	16,645	2,286	810	132	64	19,937
2020	16,691	2,288	809	132	38	19,958
2021	16,922	2,289	812	133	45	20,201



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



# CITRUS HEIGHTS WATER DISTRICT

## Principal Customers

### Current Fiscal Year and Ten Years Ago Schedule 7

Customer	2021	
	Billed Units (ccf's)	Percentage of Total
San Juan Unified School District	115,683	2.31%
JMK Investments	81,870	1.63%
Sunrise Recreation Park District	79,701	1.59%
JRK Investors	48,308	0.96%
Mount Vernon Memorial Park	45,400	0.91%
Conference Claimants Endowment	32,375	0.51%
Salishan Apartments	25,717	0.65%
City of Citrus Heights	25,457	0.51%
Wedgewood Commons Apts LLC	22,493	0.54%
Knaggs Meadows LLC	22,223	0.51%
<b>Total Billed Units: Principal customers</b>	<b>499,227</b>	<b>10.13%</b>
<b>Total Billed Units</b>	<b>5,012,030</b>	<b>100.00%</b>

Customer	2012	
	Billed Units (ccf's)	Percentage of Total
San Juan Unified School District	92,007	1.57%
Sunrise Recreation Park District	89,404	1.53%
JMK Investments	75,853	1.30%
JRK Investors	58,256	1.00%
Conference Claimants Endowment	37,443	0.64%
Mount Vernon Memorial Park	33,219	0.57%
Salishan Apartments	32,367	0.55%
Vertus Properties Inc	30,842	0.53%
City of Citrus Heights	30,038	0.51%
Big Oak Investments	29,072	0.50%
<b>Total Billed Units: Principal customers</b>	<b>508,501</b>	<b>8.70%</b>
<b>Total Billed Units</b>	<b>5,843,635</b>	<b>100.00%</b>

**Source:**  
District Administrative Services Department

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# Debt Capacity



# CITRUS HEIGHTS WATER DISTRICT

## Ratios of Outstanding Debt by Type

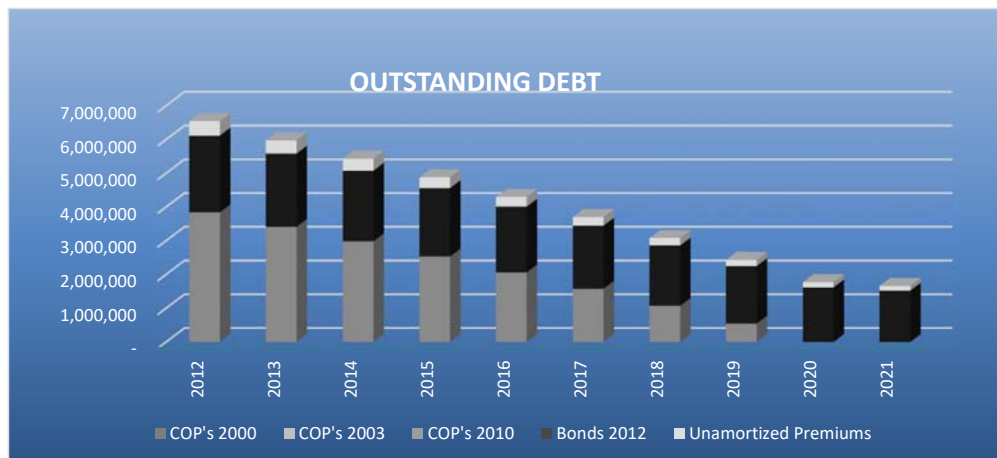
### Last Ten Fiscal Years

#### Schedule 8

Fiscal Year	Certificates of Participation 2000 <sup>(1)</sup>	Certificates of Participation 2003 <sup>(2)</sup>	Certificates of Participation 2010 <sup>(3)</sup>	Refunding Revenue Bonds 2012 <sup>(4)</sup>	Unamortized Premiums	Total		
						Total Debt	No. of Connections <sup>(5)</sup>	Debt Per Capita (Rounded) <sup>(5)</sup>
2012	\$ -	\$ -	\$ 3,840,000	\$ 2,275,000	\$ 426,944	\$ 6,541,944	19,552	\$335
2013	-	-	3,415,000	2,170,000	392,125	5,977,125	19,591	\$305
2014	-	-	2,980,000	2,095,000	357,305	5,432,305	19,645	\$277
2015	-	-	2,530,000	2,025,000	322,486	4,877,486	19,785	\$247
2016	-	-	2,060,000	1,950,000	287,666	4,297,666	19,851	\$216
2017	-	-	1,575,000	1,870,000	252,847	3,697,847	19,902	\$186
2018	-	-	1,070,000	1,790,000	218,027	3,078,027	19,911	\$155
2019	-	-	545,000	1,705,000	183,208	2,433,208	19,937	\$122
2020	-	-	-	1,615,000	153,751	1,768,751	19,958	\$89
2021	-	-	-	1,520,000	140,381	1,660,381	20,201	\$82

#### Notes:

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



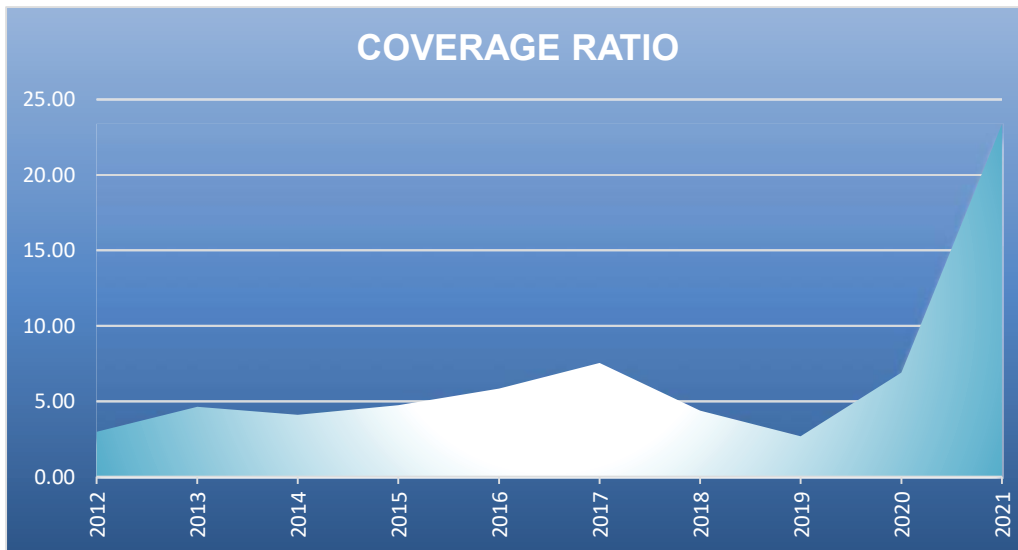
Source: District Administrative Services Department

# CITRUS HEIGHTS WATER DISTRICT

## Debt Coverage

Last Ten Fiscal Years  
Schedule 9

Fiscal Year	Net Revenues	Operating Expenses	Net Available Revenues	Debt Service			Coverage Ratio
				Principal	Interest	Total	
2012	\$ 10,702,477	\$ (8,282,209)	\$ 2,420,268	\$ 570,000	\$ 243,737	\$ 813,737	2.97
2013	11,397,883	(8,496,626)	2,901,257	420,000	206,480	626,480	4.63
2014	11,328,895	(8,362,101)	2,966,794	530,000	195,210	725,210	4.09
2015	11,357,402	(8,122,001)	3,235,401	510,000	173,462	683,462	4.73
2016	13,190,694	(9,247,133)	3,943,561	520,000	155,214	675,214	5.84
2017	15,087,104	(9,879,662)	5,207,442	545,000	145,911	690,911	7.54
2018	15,037,889	(11,920,073)	3,117,816	565,000	147,540	712,540	4.38
2019	15,557,321	(13,666,214)	1,891,107	585,000	124,346	709,346	2.67
2020	19,290,417	(14,256,859)	5,033,558	635,000	95,741	730,741	6.89
2021	17,445,345	(13,480,543)	3,964,802	95,000	74,734	169,734	23.36



Source: District Administrative Services Department

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# Demographic and Economic Information



# CITRUS HEIGHTS WATER DISTRICT

## Demographics and Economic Statistics

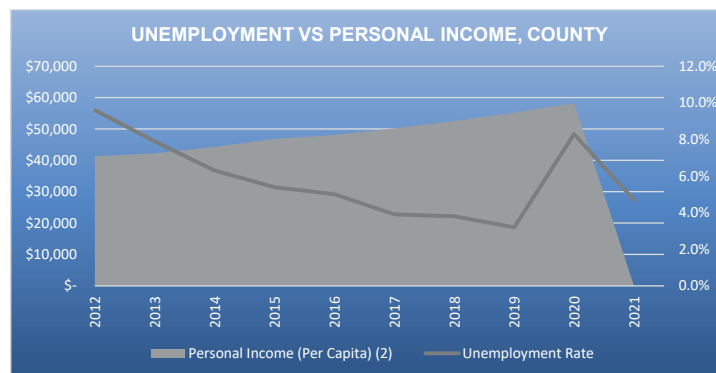
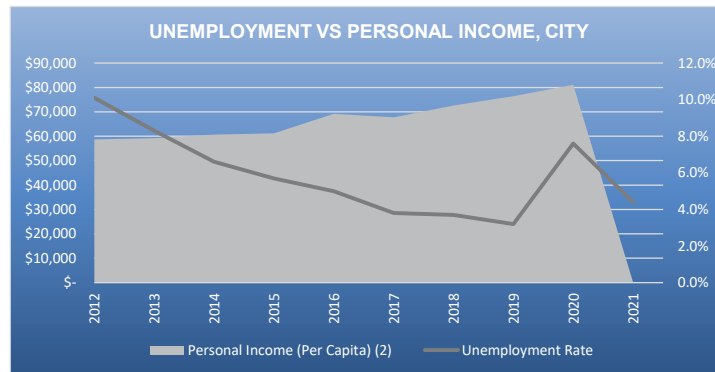
Last Ten Calendar Years  
Schedule 10

Fiscal Year	Total Number of Connections	City of Citrus Heights <sup>(1)</sup>				County of Sacramento <sup>(1)</sup>			
		Population <sup>(3)</sup>	Unemployment Rate	Personal Income (thousands of dollars) <sup>(2)</sup>	Personal Income (Per Capita) <sup>(2)</sup>	Population <sup>(3)</sup>	Unemployment Rate	Personal Income (thousands of dollars) <sup>(2)</sup>	Personal Income (Per Capita) <sup>(2)</sup>
2012	19,552	84,489	10.1%	\$ 4,961,701	\$ 58,726	1,447,236	9.6%	\$ 59,775,785	\$ 41,303
2013	19,591	85,123	8.3%	5,044,729	59,264	1,460,023	7.9%	61,654,690	42,229
2014	19,645	85,891	6.6%	5,212,811	60,691	1,478,137	6.3%	65,486,553	44,303
2015	19,785	86,759	5.7%	5,308,263	61,184	1,496,644	5.4%	70,110,138	46,845
2016	19,851	87,380	5.0%	6,043,288	69,161	1,514,460	5.0%	72,878,458	48,122
2017	19,902	87,931	3.8%	5,952,753	67,698	1,530,615	3.9%	76,832,120	50,197
2018	19,911	87,910	3.7%	6,388,859	72,675	1,540,975	3.8%	80,969,087	52,544
2019	19,937	87,796	3.2%	6,710,775	76,436	1,552,058	3.2%	85,775,621	55,266
2020	19,958	87,583	7.6%	7,102,719	81,097	1,559,146	8.3%	90,908,707	58,307
2021	20,201	n/a	4.4%	n/a	n/a	n/a	4.7%	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) Personal income and per capita personal income is not yet available for Fiscal Year 2021.

(3) Population data is not yet available for Fiscal Year 2021.



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



# CITRUS HEIGHTS WATER DISTRICT

Principal Employers <sup>(1)</sup>

Current Fiscal Year and Ten Years Ago  
Schedule 12

2021			
Employer	Employees	Rank	Percentage of Employment
State of California	82,076	1	11.48%
UC Davis Health	14,618	2	1.76%
County of Sacramento	12,585	3	1.69%
Kaiser Permanente	12,078	4	2.04%
United States Government	11,752	5	1.42%
Dignity Health	10,888	6	1.64%
Sutter Health	10,187	7	1.52%
Intel Corporation	5,992	8	0.74%
California State University Sacramento	5,283	9	0.69%
San Juan Unified School District	4,962	10	0.84%
<u>Total</u>	<u>170,421</u>		<u>23.84%</u>
Total County Employment	715,102		100.00%

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

**Notes:**

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

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

**Source:**

Sacramento Business Journal  
U.S. Bureau of Labor Statistics

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# Operating Information



# CITRUS HEIGHTS WATER DISTRICT

## District Employees by Department

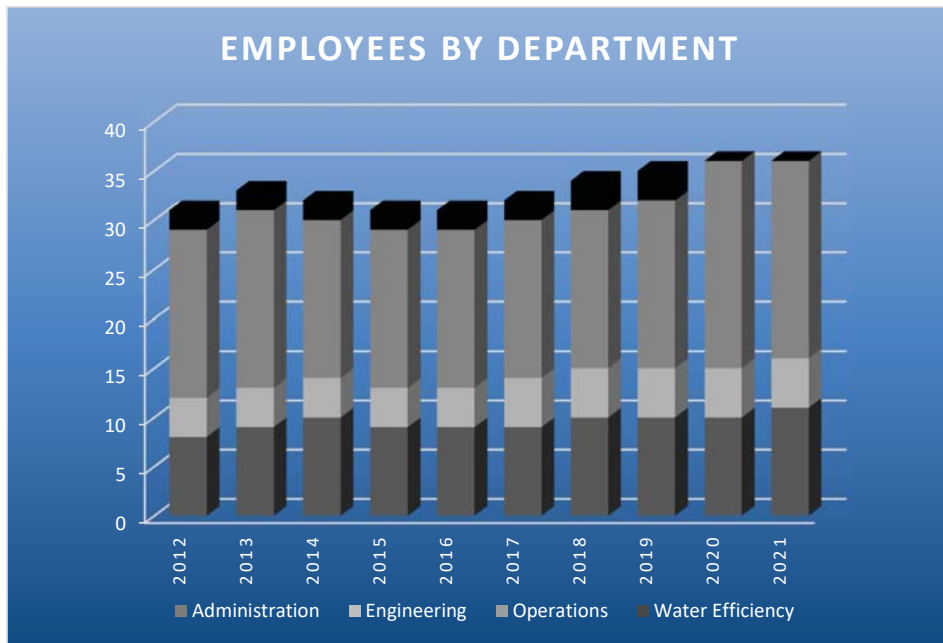
Last Ten Fiscal Years

Schedule 11

Department	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Administration	8	9	10	9	9	9	10	10	10	11
Engineering	4	4	4	4	4	5	5	5	5	5
Operations	17	18	16	16	16	16	16	17	21	20
Water Efficiency	2	2	2	2	2	2	3	3	-	-
<b>Total</b>	<b>31</b>	<b>33</b>	<b>32</b>	<b>31</b>	<b>31</b>	<b>32</b>	<b>34</b>	<b>35</b>	<b>36</b>	<b>36</b>

**Notes:**

(1) The Water Efficiency department was reorganized as part of the Operations department in 2020.



Source: District Administrative Services Department

# CITRUS HEIGHTS WATER DISTRICT

## Other Operating and Capacity Indicators

Last Ten Fiscal Years

Schedule 13

Fiscal Year	Total Connections	Total Annual Demand (Acre Feet)	Pipeline (mi)	Wells	Meters	Hydrants
2012	19,552	14,169.76	240.87	4	19,457	1,996
2013	19,591	14,881.54	242.51	4	19,488	2,037
2014	19,645	11,937.24	243.80	4	19,538	2,062
2015	19,785	9,973.47	245.56	4	19,594	2,087
2016	19,851	10,422.44	248.19	5	19,789	2,133
2017	19,902	11,014.52	249.31	6	19,912	2,160
2018	19,911	10,981.66	249.97	6	20,007	2,181
2019	19,937	11,001.23	250.26	6	20,043	2,368
2020	19,958	12,003.53	251.97	6	20,060	2,373
2021	20,201	11,505.25	252.57	6	20,282	2,367

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



**Citrus Heights Water District**  
6230 Sylvan Road  
Citrus Heights, CA 95610  
916.725.6873  
[www.chwd.org](http://www.chwd.org)

Attachment 2  
Report on Internal Control  
and Required Communications  
For the Year Ended December 31, 2021





INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Citrus Heights Water District, the "District", as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 9, 2022.

#### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.







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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Lance, Soll & Lughard, LLP*

Sacramento, California  
May 9, 2022



May 9, 2022

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

We have audited the financial statements of the Citrus Heights Water District (District) for the year ended December 31, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 17, 2022. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings and Other Issues**

#### ***Qualitative Aspects of Significant Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

Management's estimates of its net pension liability, and net other post-employment benefits liability based on actuarial valuation specialist assumptions. We evaluated the key factors and assumptions used to develop the net pension liability, net other post-employment benefits liability in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

#### ***Significant Unusual Transactions***

Management is responsible for the policies and practices used to account for significant unusual transactions. No significant unusual transactions have occurred during fiscal year 2020-2021.



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

***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. No misstatements were found.

***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

***Circumstances that Affect the Form and Content of the Auditor's Report***

New auditing standards were implemented in fiscal year 2020-2021 related to Statement of Auditing Standards 134, *Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Financial Statements*, through Statement of Auditing Standards 140, *Supplementary Information in Relation to the Financial Statements as a Whole*. These standards updated the form and content of the financial statement auditor's report. The purpose of the change was to present an easier format for users to understand the results of the audit and management's responsibilities.

***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated May 9, 2022.

***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Other Audit Findings or Issues Discussed with Management***

We generally discuss a variety of matters, including the significant events or transactions that occurred during the year, business conditions affecting the District and business plans and strategies that may affect the risks of material misstatements, the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.



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

### **Other Matters**

We applied certain limited procedures to management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of plan contributions, schedule of changes in net OPEB liability and related ratios and schedule of OPEB contributions which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on introductory and statistical sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

The following new Governmental Accounting Standards Board (GASB) pronouncements were effective for fiscal year 2020-2021 audit:

GASB Statement No. 84, *Fiduciary Activities*.

GASB Statement No. 90, *Majority Equity Interests - an Amendment of GASB Statement Nos. 14 and 61*.

GASB Statement No. 98, *The Annual Comprehensive Financial Report*

The following GASB pronouncements are effective in the following fiscal years' audits and should be reviewed for proper implementation by management:

Fiscal year 2022

GASB Statement No. 87, *Leases*.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*.

Fiscal year 2023

GASB Statement No. 91, *Conduit Debt Obligations*.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangement*.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.



To the Honorable Members of the Board of Directors  
Citrus Heights Water District  
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**Restriction on Use**

This information is intended solely for the use of Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Lance, Soll & Lingham, LLP*

Sacramento, California