BOARD MEETING AGENDA
SPECIAL MEETING OF THE BOARD OF DIRECTORS OF
CITRUS HEIGHTS WATER DISTRICT (CHWD)
October 27, 2026 beginning at 6:00 PM

DISTRICT ADMINISTRATIVE OFFICE
6230 SYLVAN ROAD, CITRUS HEIGHTS, CA

CITRUS HEIGHTS WATER DISTRICT

PHONE CALL IN: 669-444-9171
PHONE MEETING ID: 830 3036 8539
COMPUTER AUDIO/LIVE MEETING PRESENTATIONS: https://chwd-org.zoom.us/j/83030368539

In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the General Manager at (916) 725-6873. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

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

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

CALL TO ORDER:

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

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.

CLOSED SESSION:

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

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

CL-3. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

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

CL-4. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Initiation of Litigation pursuant to Government Code, section 54956.9(d)(4): (1 case)

ADJOURNMENT:

CERTIFICATION:

I do hereby declare and certify that this agenda for this Special Meeting of the Board of Directors of the Citrus Heights Water District was posted in a location accessible to the public at the District Administrative Office Building, 6230 Sylvan Road, Citrus Heights, CA 95610 at least 24 hours prior to the special meeting in accordance with Government Code Section 54956.

Brittney Moore

Dated: October 22, 2026

Brittney Moore, Chief Board Clerk

BOARD MEETING AGENDA
REGULAR MEETING OF THE BOARD OF DIRECTORS OF
CITRUS HEIGHTS WATER DISTRICT (CHWD)
October 27, 2026 beginning at 6:30 PM

DISTRICT ADMINISTRATIVE OFFICE
6230 SYLVAN ROAD, CITRUS HEIGHTS, CA

PHONE CALL IN: 669-444-9171
PHONE MEETING ID: 830 3036 8539
COMPUTER AUDIO/LIVE MEETING PRESENTATIONS: https://chwd-org.zoom.us/j/83030368539

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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.

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

CALL TO ORDER:

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

ROLL CALL OF DIRECTORS:

PLEDGE OF ALLEGIANCE:

VISITORS:

PUBLIC COMMENT:

The Public shall have the opportunity to directly address the Board on any item of interest to the public before or during the Board's consideration of that item pursuant to Government Code Section 54954.3. Public comment on items of interest within the jurisdiction of the Board is welcome. The Presiding Officer will limit comments to three (3) minutes per speaker.

(A) Action Item (D) Discussion Item (I) Information Item

CONSENT CALENDAR: (I/A)

All items under the Consent Calendar are considered to be routine and will be approved by one motion. There will be no separate discussion of these items unless a member of the Board, Audience, or Staff request a specific item be removed for separate discussion/action

before the motion to approve the Consent Calendar.

CC-1a. Minutes of the Special Meeting – September 22, 2026 (A)
CC-1b. Minutes of the Regular Meeting – September 22, 2026 (A)
CC-1c. Minutes of the Special Meeting – September 29, 2026 (A)
CC-1d. Minutes of the Special Meeting – October 12, 2026 (A)
CC-1e. Minutes of the Special Meeting – October 13, 2026 (A)

Recommendation:

Approve the minutes of the September 22, 2026 Special and Regular meetings, the minutes of the September 29, 2026 Special Meeting, the minutes of the October 12, 2026 Special Meeting, and the minutes of the October 13, 2026 Special Meeting.

CC-2. Revenue Analysis Report for September 2026 (I)
CC-3. Assessor/Collector's Roll Adjustment for September 2026 (I)
CC-4. Treasurer's Report for September 2026 (I)
CC-5. Treasurer's Report of Fund Balances for September 2026 (I)
CC-6. Operating Budget Analysis for September 2026 (I)
CC-7. Capital Projects Summary for September 2026 (I)
CC-8. Warrants for September 2026 (I)
CC-9. Purchase Card Distributions for September 2026 (I)
CC-10. Employee Recognitions (I)
CC-11. Long-Range Agenda (I)
CC-12. Engineering Department Report (I)
CC-13. Operations Department Report (I)
CC-14. Water Supply (I)
CC-15. Water Supply Reliability (I)
CC-16. Water Efficiency (I)
CC-17. Discussion And Possible Action to Approve Amendments to the Citrus Heights Water District Conflict of Interest Code Pursuant to the Political Reform Act of 1974 (A)

Recommendations:

1. Adopt Resolution No. 17-2026 and Approve Updates to Policy 1035, and Appendix A and Appendix B to amend the Conflict-of-Interest Code Pursuant to the Political Reform Act of 1974
2. Authorize the Acting General Manager to Execute the CEO Declaration

CC-18. Discussion and Possible Action to Approve a Professional Services Agreement for Engineering Services with HDR Engineering, Inc. (HDR) to Develop a Pipeline Condition Assessment Program (A)

Recommendation:

Approve the professional services agreement with HDR Engineering, Inc. in the amount of $149,898 and establish a contingency fund in the amount of $14,990 (10%). Authorize the Acting General Manager to execute the accompanying agreement with HDR.

PRESENTATIONS:

P-1. Kathy Cook Amphitheater Water Feature (I/D)

PUBLIC HEARINGS:

None.

STUDY SESSION:

S-1. Community Engagement and Customer Advisory Committee (CAC) (I/D)

BUSINESS:

B-1. Discussion and Possible Action to Adopt Resolutions Electing Participation in the CalPERS Health Benefits Program (A)

Recommendation:
Adopt Resolution No. 19-2026 and Resolution No. 20-2026 electing participation in the CalPERS Health Benefits Program under PEMHCA, effective February 1, 2027.

B-2. Adoption of a Nonfunctional Turf Ordinance Pursuant to AB 1572 (A)

Recommendation:
Adopt Ordinance No. 02-2026 to comply with California Water Code Section 10608.14 and provide staff direction on customer education, engagement, and outreach.

B-3. Sacramento Groundwater Authority (A)

Recommendation:
Approve Resolution No. 18-2026 Endorsing the Sacramento Groundwater Authority amended Joint Powers Agreement

MANAGEMENT SERVICES REPORTS (I):

None.

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

None.

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

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

D-10. Other Reports

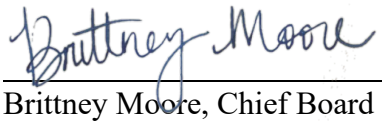
FUTURE CHWD BOARD OF DIRECTORS MEETING DATES:

November 17, 2026 6:30 PM Regular Meeting
December 15, 2026 6:30 PM Regular Meeting

ADJOURNMENT:

CERTIFICATION:

I do hereby declare and certify that this agenda for this Regular Meeting of the Board of Directors of the Citrus Heights Water District was posted in a location accessible to the public at the District Administrative Office Building, 6230 Sylvan Road, Citrus Heights, CA 95610, at least 72 hours prior to the regular meeting in accordance with Government Code Section 54956.



Dated: October 22, 2026

Brittney Moore, Chief Board Clerk

CITRUS HEIGHTS WATER DISTRICT
BOARD OF DIRECTORS SPECIAL MEETING MINUTES
September 22, 2026

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

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

Also present were:

Steve Anderson, General Counsel
Teresa Highsmith, Employment Practices Counsel
Annie Liu, Director of Administrative Services
Brittney Moore, Administrative Services Manager/Chief Board Clerk
Joshua Nelson, Assistant General Counsel
Melissa Pieri, Director of Engineering/District Engineer

VISITORS:

None.

PUBLIC COMMENT:

None.

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

CLOSED SESSION:

CL-1. CONFERENCE WITH LABOR NEGOTIATORS (Govt. Code Section 54957.6)
Agency designated representatives: Annie Liu, Director of Administrative Services; Melissa Pieri, Director of Engineering; Brittney Moore, Administrative Services Manager
Employee organization: Unrepresented employees

No reportable action.

CL-2. PUBLIC EMPLOYEE APPOINTMENT
Title: Acting/Interim General Manager

No reportable action.

CL-3. CONFERENCE WITH LABOR NEGOTIATORS
Agency designated representatives: Ray Riehle Unrepresented employee: Acting/Interim General Manager

No reportable action.

CL-4. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION
(Paragraph (1) of subdivision (d) of Section 54956.9)
CHWD v. San Juan Water District, Sacramento Superior Court,
Case No. 26WM000117

No reportable action.

CL-5. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION
(Paragraph (1) of subdivision (d) of Section 54956.9)
CHWD v. San Juan Water District, Sacramento Superior Court,
Case No. 24WM000064

No reportable action.

President Sheehan adjourned the meeting to Open Session at 6:44 p.m.
President Sheehan adjourned the meeting to Closed Session at 7:55 p.m.
President Sheehan adjourned the meeting Open Session at 8:37 p.m.

ADJOURNMENT:

There being no other business to come before the Board, the meeting was adjourned at 8:37 p.m.

APPROVED:

BRITTNEY C. MOORE
Chief Board Clerk
Citrus Heights Water District

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

CITRUS HEIGHTS WATER DISTRICT
BOARD OF DIRECTORS REGULAR MEETING MINUTES
September 22, 2026

The Regular Meeting of the Board of Directors was called to order at 6:44 p.m. by President Sheehan, and roll was called. Present were:

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

Also present were:

Steve Anderson, General Counsel
Khandriale Clark, Public Affairs Analyst
Mary Elise Conzelmann, Public Affairs Manager
Tamar Dawson, Assistant Engineer
Ann Marie Gallant, Strategic Advisor
Habib Isaac, IB Consulting, Financial Advisor
Todd Jordan, Director of Operations
Annie Liu, Director of Administrative Services
Brittney Moore, Administrative Services Manager/Chief Board Clerk
Viviana Munoz, Management Technician
Joshua Nelson, Assistant General Counsel
Melissa Pieri, Director of Engineering/District Engineer
Mrunal Shah, Best Best & Krieger Partner
Ben Strange, Accounting Manager
Torrance York, Information Technology Analyst

VISITORS:

Paul Dietrich, Resident
Andrew Johnson, Resident
Adam Larsen, Guest
Craig Locke, Guest
Luke Otterstad, Guest
Michael Miller, Guest
Bill Shirley, Resident
Pam Tobin, Guest

PLEDGE OF ALLEGIANCE:

President Sheehan led the Pledge of Allegiance.

PUBLIC COMMENT:

Paul Dietrich, Resident

Pam Tobin, Guest

CONSENT CALENDAR:

CC-1a. Minutes of the Special Meeting – August 19, 2026 (A)
CC-1b. Minutes of the Regular Meeting – August 19, 2026 (A)
Recommendation:
Approve the minutes of the August 19, 2026 Special and Regular meetings
CC-2. Revenue Analysis Report for August 2026 (I)
CC-3. Assessor/Collector's Roll Adjustment for August 2026 (I)
CC-4. Treasurer's Report for August 2026 (I)
CC-5. Treasurer's Report of Fund Balances for August 2026 (I)
CC-6. Operating Budget Analysis for August 2026 (I)
CC-7. Capital Projects Summary for August 2026 (I)
CC-8. Warrants for August 2026 (I)
CC-9. Purchase Card Distributions for August 2026 (I)
CC-10. Employee Recognitions (I)
CC-11. Long-Range Agenda (I)
CC-12. Engineering Department Report (I)
CC-13. Operations Department Report (I)
CC-14. Water Supply (I)
CC-15. Water Supply Reliability (I)
CC-16. Water Efficiency (I)
CC-17. Discussion And Possible Action to Fill a Vacancy on the Customer Advisory Committee (A)
Recommendation:
Appoint Aaron Feldhaus as a Customer Advisory Committee residential alternate member.

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

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

PRESENTATIONS:

None.

PUBLIC HEARINGS:

None.

STUDY SESSION:

S-1. Assembly Bill 1572 Potable Water: Nonfunctional Turf Update (I/D)

BUSINESS:

B-1. Discussion and Possible Action to Appoint an Acting General Manager (A)

ACTION:
Vice President Wheaton moved, and Director Riehle seconded a motion to appoint Melissa Pieri as Acting General Manager by Minute Order, reflecting a 10% increase for acting assignment, and a change of title to "Acting General Manager/Director of Engineering", for a period not to exceed 960 hours in a fiscal year.

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

MANAGEMENT SERVICES REPORTS (I):

None.

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

None.

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

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

ADJOURNMENT:

There being no other business to come before the Board, the meeting was adjourned at 7:55p.m.

APPROVED:

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

CITRUS HEIGHTS WATER DISTRICT
BOARD OF DIRECTORS SPECIAL MEETING MINUTES
September 29, 2026

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

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

Also present were:

Steve Anderson, General Counsel
Teresa Highsmith, Employment Practices Counsel
Annie Liu, Director of Administrative Services
Joshua Nelson, Assistant General Counsel

VISITORS:

None.

PUBLIC COMMENT:

None.

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

CLOSED SESSION:

CL-1. PUBLIC EMPLOYMENT (Government Code Section 54957(b)(1)
Title: General Manager

No reportable action.

President Sheehan adjourned the meeting to Open Session at 7:29 p.m.

ADJOURNMENT:

There being no other business to come before the Board, the meeting was adjourned at 7:29 p.m.

APPROVED:

BRITTNEY C. MOORE
Chief Board Clerk
Citrus Heights Water District

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

CITRUS HEIGHTS WATER DISTRICT
BOARD OF DIRECTORS SPECIAL MEETING MINUTES
October 12, 2026

The Special Meeting of the Board of Directors was called to order at 6:18 p.m. by President Sheehan. Present were:

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

Also present were:

Kathy Abarca, Management Analyst
Todd Jordan, Director of Operations
Annie Liu, Director of Administrative Services
Brittney Moore, Administrative Services Manager/Chief Board Clerk
Joshua Nelson, Assistant General Counsel
Jace Nunes, Senior Management Analyst
Melissa Pieri, Acting General Manager/Director of Engineering
Ali Shafaq, Principal Civil Engineer
Kayleigh Shepard, Senior Management Analyst/Deputy Board Clerk
Carlos Urrutia, Strategic Advisor
Torrance York, Information Technology Analyst

VISITORS:

None.

PLEDGE OF ALLEGIANCE

President Sheehan led the Pledge of Allegiance.

PUBLIC COMMENT:

None.

STUDY SESSION:

S-1. Facilities Modernization and Expansion Status Update (I/D)

The Board provided consensus direction to proceed with the Sylvan Site Improvements and Cabin Property Improvements; and consensus direction to defer the Madison Building Improvements, Sylvan Building Renovations, and the New Shop components of the Facilities Modernization and Expansion Project.

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

D-10. Other Reports

ADJOURNMENT:

There being no other business to come before the Board, the meeting was adjourned at 8:09 p.m.

APPROVED:

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

CITRUS HEIGHTS WATER DISTRICT
BOARD OF DIRECTORS SPECIAL MEETING MINUTES
October 13, 2026

The Special Meeting of the Board of Directors was called to order at 6:02 p.m. by President Sheehan. Present were:

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

Also present were:

Steve Anderson, General Counsel
Teresa Highsmith, Employment Practices Counsel
Todd Jordan, Director of Operations
Annie Liu, Director of Administrative Services
Joshua Nelson, Assistant General Counsel
Melissa Pieri, Acting General Manager/Director of Operations

VISITORS:

None.

PUBLIC COMMENT:

None.

President Sheehan adjourned the meeting to Closed Session at 6:02 p.m.

CLOSED SESSION:

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

No reportable action.

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

No reportable action.

CL-3. PUBLIC EMPLOYMENT (Government Code Section 54957(b)(1)
Title: General Manager

No reportable action.

President Sheehan adjourned the meeting to Open Session at 7:30 p.m.

ADJOURNMENT:

There being no other business to come before the Board, the meeting was adjourned at 7:30 p.m.

APPROVED:

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

CITRUS HEIGHTS WATER DISTRICT

September 2026

REVENUE ANALYSIS

Outstanding Receivables

General Ledger Balance	Total
Outstanding A/R	3,316,839.30
Less Unapplied Payments	(138,398)
Total	$ 3,178,441

Difference	$ -

Aged Trial Balance	
Total	Unapplied Current
3,316,839	138,398

CITRUS HEIGHTS WATER DISTRICT
ASSESSOR/COLLECTOR'S ROLL ADJUSTMENTS FOR
September 2026

CID	Sequence	Charge Type	Trans.Date	Reason For Cancellation	Amount
55227	000	DEFAULT	9/22/2026	ONE TIME COURTESY	8.30
89072	000	DEFAULT	9/15/2026	ONE TIME COURTESY	3.82

September 30, 2026

To: Citrus Heights Water District Board of Directors

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

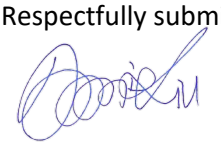
The attached Investment Report for September 2026 is submitted in accordance with the Citrus Heights Water District (District)'s Investment Policy. All investments are in compliance with the policy.

The Investment Report lists all short- term, mid-term and long-term investments held at the conclusion of business on the final day of the month. The combined cash and investments in the District's treasury total $34,095,795 with $8,986,930 under the management of the Local Agency Investment Fund, California Asset Management Program, Money Market Funds and BMO Bank.

Investments with original cost of $24,710,541 are selected based on criteria contained in the District's Investment Policy, which emphasized safety, liquidity, yield, and diversification. The core investments are marked to market daily based on a current market price determined by U.S. Bancorp Investments. The aggregate investment portfolio and holdings are included in the Investment Report.

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

Respectfully submitted,



Annie Y. Liu

Director of Administrative Services/Treasurer

TREASURER'S REPORT TO THE BOARD OF DIRECTORS

For September 30, 2026

Summary of Funds

Fund Name	Par Amount	Book Value	Original Cost	Market Value
BMO Checking Plus Money Market Funds	1,598,896	1,598,896	1,598,896	1,598,896
Local Agency Investment Fund (LAIF)	1,001,284	1,001,284	1,001,284	1,001,284
California Asset Management Program (CAMP)	6,386,750	6,386,750	6,386,750	6,386,750
CHWD Investment CORE	25,519,076	25,108,865	24,710,541	24,629,320
Total	**34,506,005**	**34,095,795**	**33,697,470**	**33,616,250**

TREASURER'S REPORT TO THE BOARD OF DIRECTORS

For September, 2026

Funds Reconciliation

BMO Beginning Balance 9/1/26			**$2,164,293**
RECEIPTS/TRANSFERS:			
Receipts	1,706,128		
		1,706,128	
DISBURSEMENTS/TRANSFERS:			
Checks Issued / ACH Payments	1,582,877		
Returned Checks	7,362		
Bank fees	7,884		
Payroll	673,402		
		2,271,526	(565,397)
Balance Per Bank 09/30/2026			**1,598,896**
Outstanding Transactions			(115,824)
Balance Per Books 09/30/2026			**$1,483,071**

RECONCILEMENT:	
BMO Checking Plus Money Market Funds	$1,598,896
CAMP Pool Account	$6,386,750
Local Agency Investment Fund	$1,001,284
TOTAL LIQUIDY BALANCE	**$8,986,929**

CASH & INVESTMENT SUMMARY:	
CHWD-Liquidity	8,986,929
CHWD-Investment Core	25,108,865
Total	**34,095,795**

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

ANNIE Y. LIU
Treasurer
9/30/2026

GPA GOVERNMENT PORTFOLIO ADVISORS

Monthly Investment Report
Citrus Heights Water District

September 30, 2026

Total Aggregate Portfolio

Month End Commentary - September 2026

Yields surged in September with the 2-year Treasury note rising by 55 basis points to 4.89% while the 5-year note rose by 59 basis points to 5.09% as sticky inflation, a hawkish Fed, spiking oil prices and fiscal concerns all pressured rates higher. Risk assets were mixed, with the AI trade maintaining its momentum, as shown by the Nasdaq Composite Index gaining 1.9% for the month while the Dow Jones Industrial Average fell by an eye-catching 4.1%.

The FOMC delivered its first rate hike in more than three years in a unanimous vote to lift the Fed funds rate to a median 3.875% in effort to combat inflation. Chairman Kevin Warsh delivered remarks in his post meeting press conference reiterating the Fed's commitment to restoring inflation to the committee's 2% target while also noting that the labor market and economic activity remain strong. The September meeting provided a fresh set of official projections that showed the FOMC again lift their inflation forecasts while expecting to hike the Fed funds rate one additional time in 2026. Inflation continues to be the top priority for the Fed with strong economic activity and spiking energy prices posing risks to the disinflation the Fed needs to restore price stability. The Fed's preferred inflation gauge released for August came with good and bad news. The good news is that the print came in slower than expected, however the bad news is that no progress was made from July to August with headline PCE growth advancing by 3.0% while core prices advanced by 3.3%. The labor market moderated in September with nonfarm payrolls adding 29 thousand jobs versus an expected 90 thousand and down from the outsized gain of 133 thousand in August. While traders cut odds of a rate hike at their upcoming meeting following the release, some speculate the soft NFP print was seasonally influenced by a drop in late summer demand along with the beginning of the school year.

Aside from inflation, markets have been growing concerned by US debt levels, which recently hit the $40 trillion mark and by the amount of debt issuance from the Treasury as well as corporate issuers that have been tapping debt markets to finance the ongoing development of AI infrastructure. The long end of the yield curve has risen sharply with 30-year yields touching 23-year highs which led the Treasury to intervene by boosting buy backs of longer dated tenors. However, those efforts did not come without criticism, and the market has not responded favorably with the long bond continuing to sell off.

Short-duration Treasuries outperformed in September with credit spreads widening amid increased volatility and surging yields. We see pockets of value in agency and corporate allocations for clients with permitting policies to earn incremental returns over treasuries while maintaining a high-quality composition of holdings. With yields climbing to multi-decade highs, we advise clients to manage durations neutral to long of benchmark targets while maintaining a regular maturity cadence to provide for ongoing reinvestment opportunities and strategic flexibility.

Treasury Curve Total Returns Last 12 Months

Treasuries	Total Return
3 month bill	3.65%
1 year note	2.85%
2 year note	1.35%
3 year note	0.03%
5 year note	-1.97%

Treasury Benchmark Total Returns In Month

Benchmark	Period Return	YTM	Duration (Years)
ICE BAML 90 Day Bill	0.27%	4.03%	0.22
ICE BAML 0-1 Year Treasury	0.20%	4.35%	0.5
ICE BAML 0-3 Year Treasury	-0.30%	4.69%	1.39
ICE BAML 0-5 Year Treasury	-0.71%	4.79%	2.06

Changes In The Treasury Market (Absolute Yield Levels)

Treasuries	09/30/2025	07/31/2026	08/31/2026	09/30/2026	1 Month Change	12 Month Change
3 month bill	3.93%	3.75%	3.83%	4.11%	0.28%	0.18%
6 month bill	3.84%	3.94%	3.98%	4.33%	0.35%	0.49%
1 year bill	3.61%	4.03%	4.14%	4.54%	0.40%	0.92%
2 year note	3.61%	4.29%	4.34%	4.89%	0.55%	1.28%
3 year note	3.62%	4.35%	4.40%	5.00%	0.60%	1.38%
5 year note	3.74%	4.45%	4.50%	5.09%	0.59%	1.35%
10 year note	4.15%	4.74%	4.75%	5.29%	0.54%	1.14%

Compliance Report

Citrus Heights Water District | Total Aggregate Portfolio

September 30, 2026

Category

Policy Diversification Constraint	Policy Limit	Actual Value*	Status
US Treasury Obligations Maximum % of Holdings	100.000	38.080	Compliant
US Agency Callable Securities Maximum % of Total Portfolio	25.000	0.000	Compliant
US Agency Obligations Issuer Concentration	35.000	9.902	Compliant
US Agency Obligations Maximum % of Holdings	100.000	17.710	Compliant
Supranationals - Issuer is IADB, IBRD, or IFC	0.000	0.000	Compliant
Supranationals Issuer Concentration	5.000	2.776	Compliant
Supranationals Maximum % of Holdings	15.000	6.271	Compliant
Municipal Bonds - Other States Outside of CA	25.000	1.142	Compliant
Municipal Bonds - Other States Outside of CA Issuer Concentration	10.000	1.142	Compliant
Municipal Bonds - State of California	25.000	0.488	Compliant
Municipal Bonds - State of California Issuer Concentration	10.000	0.488	Compliant
Municipal Bonds CA Entities Issuer Concentration	10.000	0.719	Compliant
Municipal Bonds CA Entities Max. % of Holdings	30.000	2.427	Compliant
Mortgages, CMOs and Asset Backed Securities Issuer Concentration	5.000	0.043	Compliant
Mortgages, CMOs and Asset Backed Securities Maximum % of Holdings	20.000	0.043	Compliant
Corporate Notes Issuer Concentration	5.000	0.000	Compliant
Corporate Notes Maximum % of Holdings	25.000	7.282	Compliant
Corporate Notes must be Issued by US Corporation	0.000	0.000	Compliant
Commercial Paper Issued and Operating in the US	0.000	0.000	Compliant
Commercial Paper Issuer Concentration	5.000	0.000	Compliant
Negotiable CDs Issuer Concentration	5.000	0.000	Compliant
Negotiable CDs Maximum % of Holdings	10.000	0.000	Compliant
Non-Negotiable CDs Issuer Concentration	5.000	0.000	Compliant
Non-Negotiable CDs Maximum % of Holdings	10.000	0.000	Compliant
Banker's Acceptance Issuer Concentration	5.000	0.000	Compliant
Banker's Acceptance Maximum % of Holdings	20.000	0.000	Compliant
Money Market Issuer Concentration	20.000	0.310	Compliant
Money Market Maximum % of Holdings	20.000	0.310	Compliant
LGIP Maximum % of Holdings	100.000	2.979	Compliant
Bank Time Deposits/Savings Accounts Issuer Concentration	50.000	4.756	Compliant
Bank Time Deposits/Savings Accounts Maximum % of Holdings	100.000	4.757	Compliant

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

Compliance Report

Citrus Heights Water District | Total Aggregate Portfolio

September 30, 2026

Category			
JPA Pool Max % Holdings	50.000	18.999	Compliant

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

Compliance Report

Citrus Heights Water District | Total Aggregate Portfolio

September 30, 2026

Category

Policy Maturity Structure Constraint	Policy Limit	Actual %	Status
Maturity Constraints Under 5 years Minimum % of Total Portfolio	100.000	100.000	Compliant
Policy Maturity Constraint	**Policy Limit**	**Actual Term**	**Status**
US Treasury Maximum Maturity At Time of Purchase (years)	5.000	5.000	Compliant
US Agency Maximum Maturity At Time of Purchase (years)	5.000	4.997	Compliant
Supranationals Maximum Maturity At Time of Purchase (years)	5.000	4.943	Compliant
Municipals Maximum Maturity At Time of Purchase (years)	5.000	4.995	Compliant
Mortgages, CMOs and Asset Backed Securities Maximum Maturity At Time of Purchase (years)	5.000	4.565	Compliant
Corporate Maximum Maturity At Time of Purchase (years)	5.000	4.940	Compliant
Commercial Paper Days to Final Maturity (days)	397.000	0.000	Compliant
Negotiable CDs Maximum Maturity At Time of Purchase (years)	1.000	0.000	Compliant
Non-Negotiable CDs Maximum Maturity At Time of Purchase (years)	1.000	0.000	Compliant
Banker's Acceptance Maximum Maturity At Time of Purchase (days)	180.000	0.000	Compliant
Weighted Average Maturity (years)	3.000	1.645	Compliant
Policy Credit Constraint			**Status**
Supranationals Ratings AA-/Aa3/AA- or better (Rated by 1 NRSRO)			Compliant
Municipal Bonds Ratings Minimum A-/A3/A- (Rated by 1 NRSRO)			Compliant
Mortgages, CMOs and Asset Backed Securities Minimum Credit Rating AA-/Aa3/AA- (Rated by 1 NRSRO)			Compliant
Corporate Notes Ratings Minimum A-/A-/A3 (Rated by 1 NRSRO)			Compliant
Commercial Paper Ratings Minimum A1/P1/F1 (Rated by 1 NRSRO)			Compliant
Commercial Paper Minimum Long Term Rating A-/A3/A- (Rated by 1 NRSRO)			Compliant
Money Market Ratings Minimum AAA/Aaa/AAA (Rated by 1 NRSRO)			Compliant

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

Summary Overview

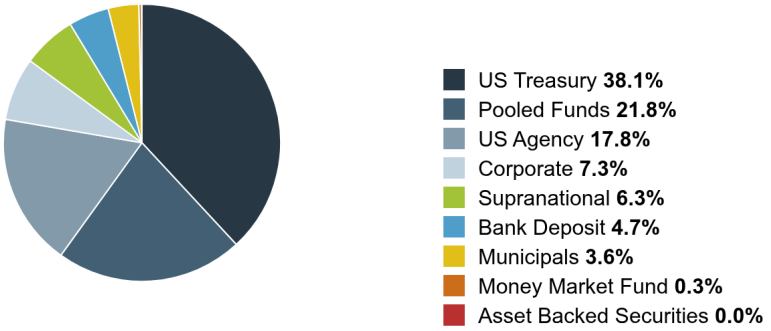
Citrus Heights Water District | Total Aggregate Portfolio

September 30, 2026

Portfolio Characteristics

Metric	Value
Cash and Cash Equivalents	9,091,477.88
Investments (Market Value + Accrued)	24,725,124.97
Book Yield	3.90%
Market Yield	4.41%
Effective Duration	1.51
Years to Maturity	1.65
Avg Credit Rating	AA+

Allocation by Asset Class



Strategic Structure

Account	Par Amount	Original Cost	Book Value	Market Value	Net Unrealized Gain (Loss)	Yield at Cost	Effective Duration	Benchmark Duration	Benchmark
CHWD-Investment Core	25,519,075.64	24,710,540.59	25,108,865.45	24,629,320.13	(479,545.32)	4.15%	2.05	2.06	ICE BofA 0-5 Year US Treasury Index
CHWD-Liquidity	8,986,929.38	8,986,929.38	8,986,929.38	8,986,929.38	0.00	3.19%	0.01	0.09	ICE BofA US 1-Month Treasury Bill Index
Total	**34,506,005.02**	**33,697,469.97**	**34,095,794.83**	**33,616,249.51**	**(479,545.32)**	**3.90%**	**1.51**		

Portfolio Activity

Citrus Heights Water District | Total Aggregate Portfolio

September 30, 2026

Accrual Activity Summary

	Month to Date	Fiscal Year to Date (01/01/2026)
Beginning Book Value	34,554,500.41	33,593,730.72
Maturities/Calls	(350,000.00)	(4,445,000.00)
Purchases	397,648.80	5,991,819.52
Sales	0.00	0.00
Change in Cash, Payables, Receivables	(514,079.75)	(1,029,022.16)
Amortization/Accretion	15,806.74	137,790.92
Realized Gain (Loss)	0.00	2.69
Ending Book Value	34,095,794.83	34,095,794.83

Fair Market Activity Summary

	Month to Date	Fiscal Year to Date (01/01/2026)
Beginning Market Value	34,351,016.75	33,826,811.21
Maturities/Calls	(350,000.00)	(4,445,000.00)
Purchases	397,648.80	5,991,819.52
Sales	0.00	0.00
Change in Cash, Payables, Receivables	(514,079.75)	(1,029,022.16)
Amortization/Accretion	15,806.74	137,790.92
Change in Net Unrealized Gain (Loss)	(276,061.65)	(712,625.80)
Net Realized Gain (Loss)	0.00	2.69
Ending Market Value	33,616,249.51	33,616,249.51

Maturities/Calls	Market Value
Month to Date	(350,000.00)
Fiscal Year to Date	(4,445,000.00)

Purchases	Market Value
Month to Date	397,648.80
Fiscal Year to Date	5,991,819.52

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

Return Management-Income Detail

Citrus Heights Water District | Total Aggregate Portfolio

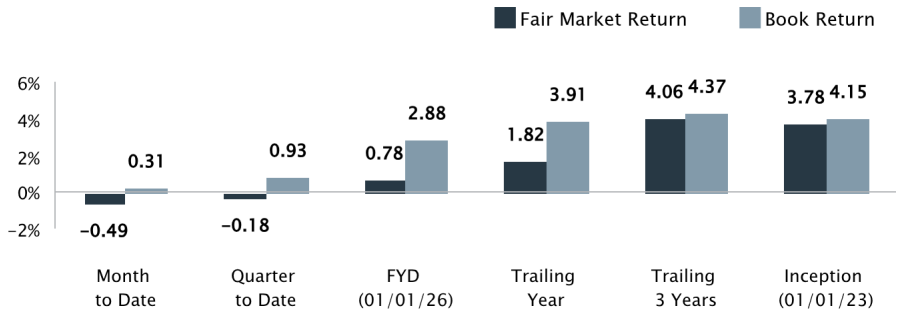
September 30, 2026

Accrued Book Return

	Month to Date	Fiscal Year to Date (01/01/2026)
Amortization/Accretion	15,806.74	137,790.92
Interest Earned	90,124.08	848,479.01
Realized Gain (Loss)	0.00	2.69
Book Income	105,930.82	986,272.62
Average Portfolio Balance	34,208,812.81	34,475,565.88
Book Return for Period	0.31%	2.88%

Return Comparisons

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



Fair Market Return

	Month to Date	Fiscal Year to Date (01/01/2026)
Fair Value Change	(291,868.39)	(850,416.72)
Amortization/Accretion	15,806.74	137,790.92
Interest Earned	90,124.08	848,479.01
Fair Market Earned Income	(185,937.57)	135,853.21
Average Portfolio Balance	34,208,812.81	34,475,565.88
Fair Market Return for Period	(0.49%)	0.78%

Interest Income

	Month to Date	Fiscal Year to Date (01/01/2026)
Beginning Accrued Interest	201,269.40	205,929.83
Coupon Income	91,390.14	889,076.58
Purchased Accrued Interest	350.00	35,021.08
Sold Accrued Interest	0.00	0.00
Ending Accrued Interest	200,353.34	200,353.34
Interest Earned	90,124.08	848,479.01

Notation: Book and Fair Market Returns are not annualized

Security Type Distribution

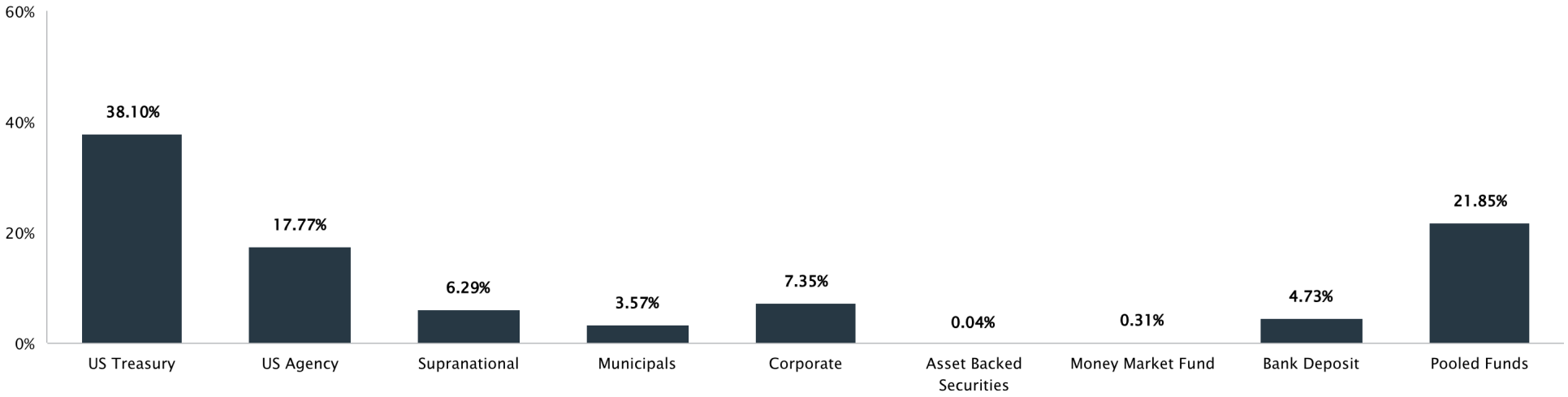
Citrus Heights Water District | Total Aggregate Portfolio

September 30, 2026

Security Type Distribution

Security Type	Par Amount	Book Yield	Market Value + Accrued	% of Market Value + Accrued
US Treasury	13,340,000.00	3.98%	12,885,370.76	38.10%
US Agency	6,175,000.00	4.16%	6,008,070.48	17.77%
Supranational	2,150,000.00	4.33%	2,126,550.10	6.29%
Municipals	1,235,000.00	4.67%	1,205,701.79	3.57%
Corporate	2,500,000.00	4.62%	2,484,862.66	7.35%
Asset Backed Securities	14,527.14	5.25%	14,569.19	0.04%
Money Market Fund	104,369.98	3.46%	104,369.98	0.31%
Bank Deposit	1,599,074.09	0.00%	1,599,074.09	4.73%
Pooled Funds	7,388,033.81	3.88%	7,388,033.81	21.85%
Total	**34,506,005.02**	**3.90%**	**33,816,602.85**	**100.00%**

Security Type Distribution



Risk Management-Credit/Issuer

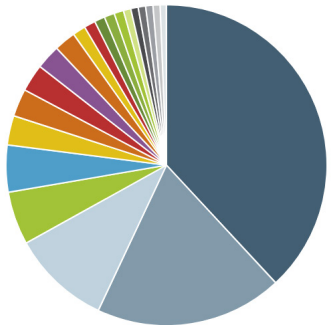
Citrus Heights Water District | Total Aggregate Portfolio

September 30, 2026

Credit Rating S&P/Moody's/Fitch

	Market Value + Accrued	%
S&P		
A	823,477.81	2.44
A+	863,194.32	2.55
AA	741,415.34	2.19
AA+	19,280,926.90	57.02
AA-	496,660.62	1.47
AAA	2,519,628.51	7.45
AAAm	104,369.98	0.31
NA	8,986,929.38	26.58
Moody's		
A1	1,328,297.35	3.93
Aa1	19,543,186.47	57.79
Aa2	988,462.54	2.92
Aa3	510,196.78	1.51
Aaa	2,444,961.15	7.23
NA	9,001,498.57	26.62
Fitch		
A+	673,909.47	1.99
AA	990,363.03	2.93
AA+	19,147,108.52	56.62
AA-	909,016.88	2.69
AAA	119,117.69	0.35
NA	11,977,087.26	35.42
Total	**33,816,602.85**	**100.00**

Issuer Concentration



- USA **38.1%**
- California Asset Management Program **18.9%**
- Farm Credit System **10.0%**
- Federal Home Loan Banks **5.4%**
- Bank of Montreal **4.7%**
- CALIFORNIA LAIF **3.0%**
- International Bank for Reconstruction and De…**2.8%**
- Other **2.8%**
- Federal National Mortgage Association **2.5%**
- The World Bank Group **2.2%**
- Inter-American Development Bank **1.3%**
- State of Hawaii **1.1%**
- Toyota Motor Corporation **1.0%**
- Royal Bank of Canada **1.0%**
- Deere & Company **0.9%**
- Morgan Stanley **0.8%**
- Citigroup Inc. **0.8%**
- The Bank of New York Mellon Corporation **0.8%**
- San Ramon Valley Unified School District **0.7%**
- NVIDIA Corporation **0.7%**
- San Mateo County Community College Distric…**0.6%**

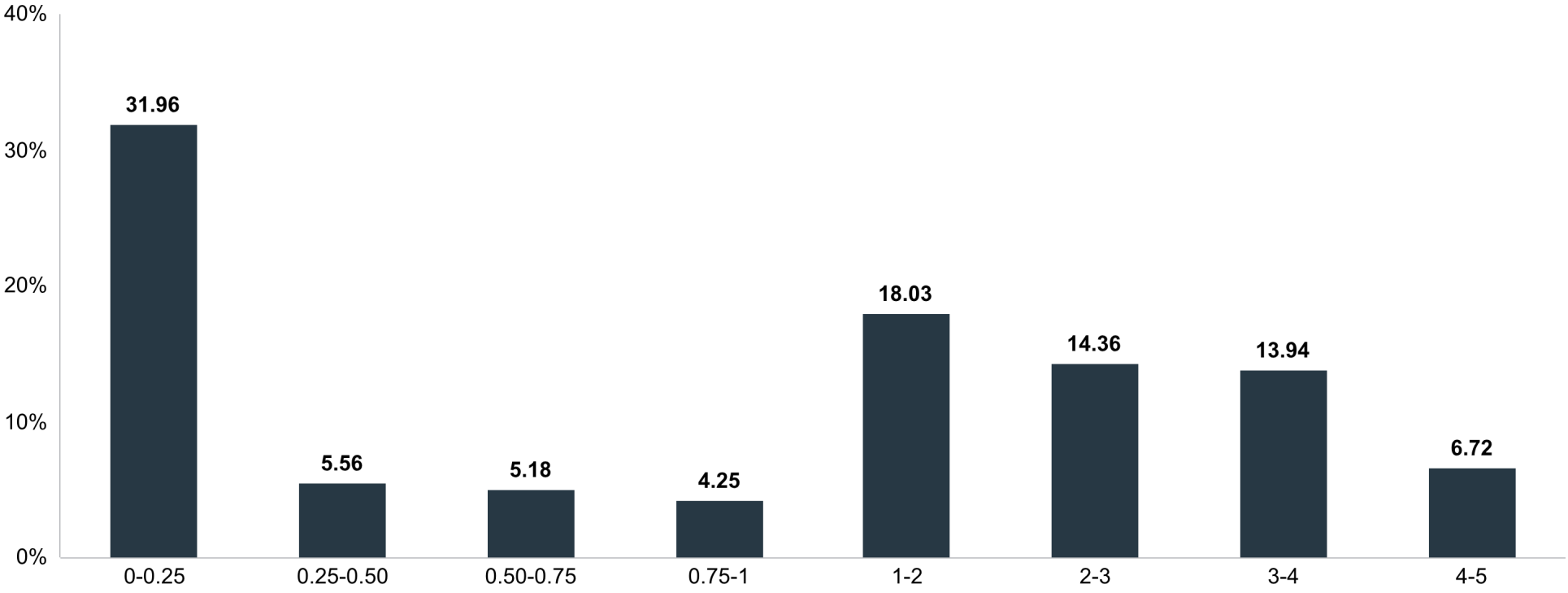
Risk Management-Maturity/Duration

Citrus Heights Water District | Total Aggregate Portfolio

September 30, 2026

1.51 Yrs	Effective Duration	1.65 Yrs	Years to Maturity	602	Days to Maturity

Distribution by Effective Duration



Summary Overview

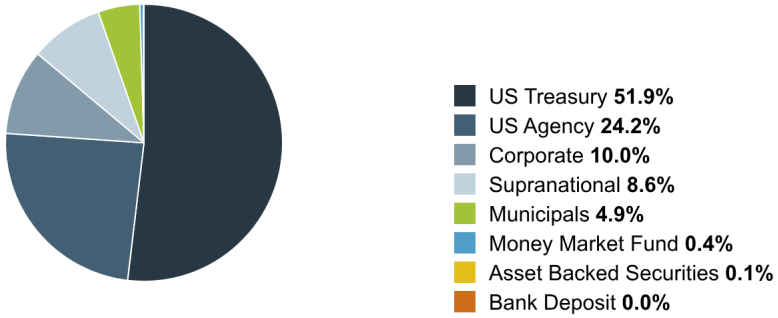
Citrus Heights Water District | Investment Core

September 30, 2026

Portfolio Characteristics

Metric	Value
Cash and Cash Equivalents	104,548.50
Investments (Market Value + Accrued)	24,725,124.97
Book Yield	4.15%
Market Yield	4.85%
Effective Duration	2.05
Years to Maturity	2.24
Avg Credit Rating	AA+

Allocation by Asset Class



Strategic Structure

Account	Par Amount	Original Cost	Book Value	Market Value	Net Unrealized Gain (Loss)	Yield at Cost	Effective Duration	Benchmark Duration	Benchmark
CHWD-Investment Core	25,519,075.64	24,710,540.59	25,108,865.45	24,629,320.13	(479,545.32)	4.15%	2.05	2.06	ICE BofA 0-5 Year US Treasury Index
Total	**25,519,075.64**	**24,710,540.59**	**25,108,865.45**	**24,629,320.13**	**(479,545.32)**	**4.15%**	**2.05**	**2.06**	

Portfolio Activity

Citrus Heights Water District | Investment Core

September 30, 2026

Accrual Activity Summary

	Month to Date	Fiscal Year to Date (01/01/2026)
Beginning Book Value	25,022,410.77	24,329,677.93
Maturities/Calls	(350,000.00)	(4,445,000.00)
Purchases	397,648.80	5,991,819.52
Sales	0.00	0.00
Change in Cash, Payables, Receivables	31,080.51	(751,898.75)
Amortization/Accretion	15,806.74	137,790.92
Realized Gain (Loss)	0.00	2.69
Ending Book Value	25,108,865.45	25,108,865.45

Fair Market Activity Summary

	Month to Date	Fiscal Year to Date (01/01/2026)
Beginning Market Value	24,818,927.11	24,562,758.42
Maturities/Calls	(350,000.00)	(4,445,000.00)
Purchases	397,648.80	5,991,819.52
Sales	0.00	0.00
Change in Cash, Payables, Receivables	31,080.51	(751,898.75)
Amortization/Accretion	15,806.74	137,790.92
Change in Net Unrealized Gain (Loss)	(276,061.65)	(712,625.80)
Net Realized Gain (Loss)	0.00	2.69
Ending Market Value	24,629,320.13	24,629,320.13

Maturities/Calls	Market Value
Month to Date	(350,000.00)
Fiscal Year to Date	(4,445,000.00)

Purchases	Market Value
Month to Date	397,648.80
Fiscal Year to Date	5,991,819.52

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

Return Management-Income Detail

Citrus Heights Water District | Investment Core

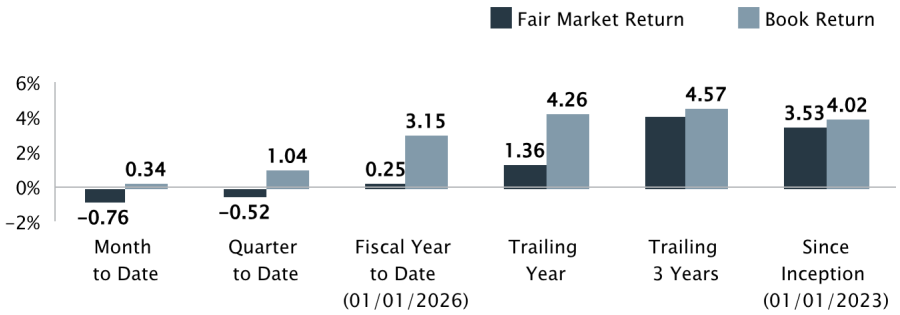
September 30, 2026

Accrued Book Return

	Month to Date	Fiscal Year to Date (01/01/2026)
Amortization/Accretion	15,806.74	137,790.92
Interest Earned	69,886.93	637,205.06
Realized Gain (Loss)	0.00	2.69
Book Income	85,693.67	774,998.67
Average Portfolio Balance	24,694,895.18	24,692,465.61
Book Return for Period	0.34%	3.15%

Return Comparisons

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



Fair Market Return

	Month to Date	Fiscal Year to Date (01/01/2026)
Fair Value Change	(291,868.39)	(850,416.72)
Amortization/Accretion	15,806.74	137,790.92
Interest Earned	69,886.93	637,205.06
Fair Market Earned Income	(206,174.72)	(75,420.74)
Average Portfolio Balance	24,694,895.18	24,692,465.61
Fair Market Return for Period	(0.76%)	0.25%

Interest Income

	Month to Date	Fiscal Year to Date (01/01/2026)
Beginning Accrued Interest	201,269.40	205,929.83
Coupons Income	71,056.65	679,806.42
Purchased Accrued Interest	350.00	35,021.08
Sold Accrued Interest	0.00	0.00
Ending Accrued Interest	200,353.34	200,353.34
Interest Earned	69,886.93	637,205.06

Notation: Book and Fair Market Returns are not annualized

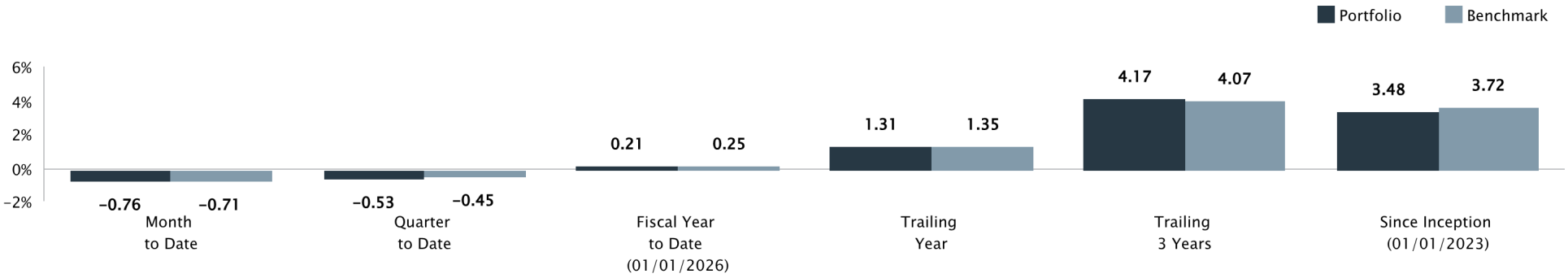
Return Management-Performance

Citrus Heights Water District | Investment Core

September 30, 2026

Performance Returns Net of Fees

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



Historical Returns

Period	Month to Date	Quarter to Date	Fiscal Year to Date (01/01/2026)	Trailing Year	Trailing 3 Years	Trailing 5 Years	Since Inception (01/01/2023)
Return (Net of Fees)	(0.761%)	(0.528%)	0.212%	1.310%	4.173%		3.483%
Return (Gross of Fees)	(0.757%)	(0.515%)	0.249%	1.361%	4.226%		3.529%
ICE BofA 0-5 Year US Treasury Index	(0.709%)	(0.446%)	0.248%	1.352%	4.070%		3.718%

Risk Management-Relative to Benchmark

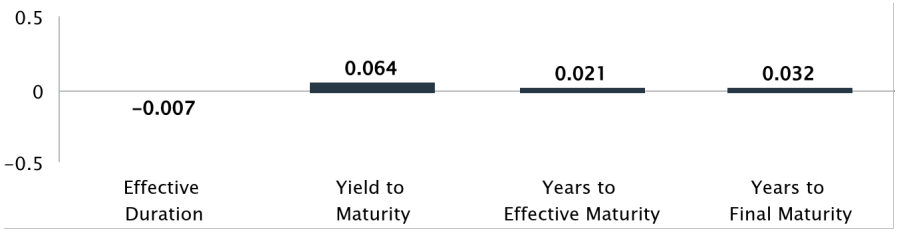
Citrus Heights Water District | Investment Core

September 30, 2026

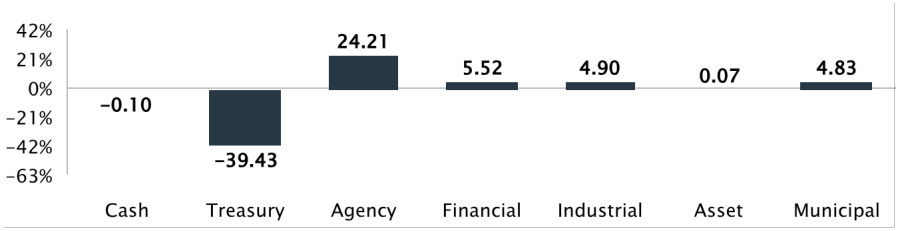
Benchmark Comparison Summary

Risk Metric	Portfolio	Benchmark	Difference
Effective Duration	2.05	2.06	(0.01)
Yield to Maturity	4.86	4.79	0.06
Years to Effective Maturity	2.23	2.21	0.02
Years to Final Maturity	2.24	2.21	0.03
Avg Credit Rating	AA+	AA+	---

Benchmark Comparison Summary



Benchmark vs. Portfolio Variance-Market Sector



Benchmark Comparison-Market Sector

Market Sector	Portfolio	Benchmark	Difference
Cash	0.00	0.10	(0.10)
Treasury	60.47	99.90	(39.43)
Agency	24.21	0.00	24.21
Financial	5.52	0.00	5.52
Industrial	4.90	0.00	4.90
Asset Backed	0.07	0.00	0.07
Municipal	4.83	0.00	4.83

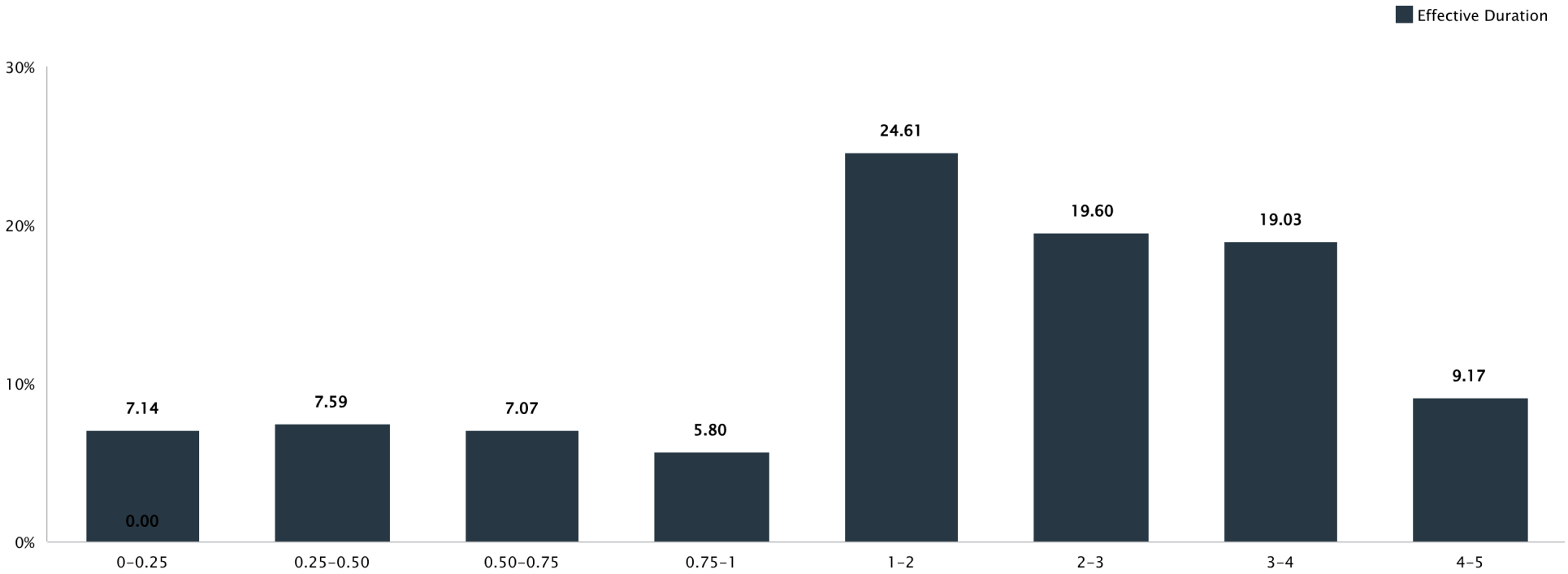
Risk Management-Maturity/Duration

Citrus Heights Water District | Investment Core

September 30, 2026

2.05 Yrs	Effective Duration	2.24 Yrs	Years to Maturity	819	Days to Maturity

Distribution by Effective Duration



Risk Management-Credit/Issuer

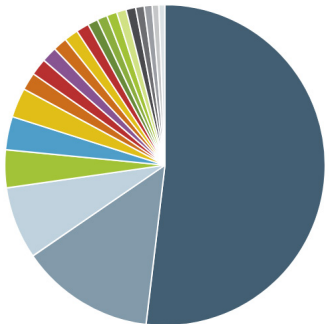
Citrus Heights Water District | Investment Core

September 30, 2026

Credit Rating S&P/Moody's/Fitch

	Market Value + Accrued	%
S&P		
A	823,477.81	3.32
A+	863,194.32	3.48
AA	741,415.34	2.99
AA+	19,280,926.90	77.65
AA-	496,660.62	2.00
AAA	2,519,628.51	10.15
AAAm	104,369.98	0.42
Moody's		
A1	1,328,297.35	5.35
Aa1	19,543,186.47	78.71
Aa2	988,462.54	3.98
Aa3	510,196.78	2.05
Aaa	2,444,961.15	9.85
NA	14,569.19	0.06
Fitch		
A+	673,909.47	2.71
AA	990,363.03	3.99
AA+	19,147,108.52	77.11
AA-	909,016.88	3.66
AAA	119,117.69	0.48
NA	2,990,157.88	12.04
Total	**24,829,673.47**	**100.00**

Issuer Concentration



- USA **51.9%**
- Farm Credit System **13.6%**
- Federal Home Loan Banks **7.3%**
- International Bank for Reconstruction and Dev…**3.8%**
- Federal National Mortgage Association **3.4%**
- The World Bank Group **3.0%**
- Inter-American Development Bank **1.8%**
- Other **1.7%**
- State of Hawaii **1.6%**
- Toyota Motor Corporation **1.4%**
- Royal Bank of Canada **1.4%**
- Deere & Company **1.3%**
- Morgan Stanley **1.0%**
- Citigroup Inc. **1.0%**
- The Bank of New York Mellon Corporation **1.0%**
- San Ramon Valley Unified School District **1.0%**
- NVIDIA Corporation **1.0%**
- San Mateo County Community College Distric…**0.9%**
- The Regents Of The University Of California **0.8%**
- State of California **0.7%**
- JPMorgan Chase & Co. **0.6%**

Holdings by Security Type

Citrus Heights Water District | Investment Core

September 30, 2026

Settlement Date	Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Book Yield	Market Yield	Market Value + Accrued	Net Unrealized Gain (Loss)	% Asset	Eff Dur
US Treasury												
01/15/2025	91282CLS8	525,000.00	USA	4.125%	10/31/2026		4.39%	4.24%	533,978.67	25.12	2.15	0.08
01/29/2024	91282CJT9	500,000.00	USA	4.000%	01/15/2027		4.13%	4.17%	503,939.13	(129.71)	2.03	0.29
08/01/2023	912828Z78	375,000.00	USA	1.500%	01/31/2027		4.44%	4.25%	372,535.19	(42.28)	1.50	0.33
07/31/2024	91282CKE0	500,000.00	USA	4.250%	03/15/2027		4.24%	4.24%	500,949.23	(0.10)	2.02	0.45
06/23/2023	91282CEW7	300,000.00	USA	3.250%	06/30/2027		4.19%	4.46%	299,793.99	(761.41)	1.21	0.73
02/17/2026	91282CNV9	480,000.00	USA	3.625%	08/31/2027		3.52%	4.55%	477,520.46	(4,416.92)	1.92	0.89
06/23/2023	91282CFM8	300,000.00	USA	4.125%	09/30/2027		4.16%	4.60%	298,660.00	(1,264.63)	1.20	0.97
06/23/2026	91282CLX7	350,000.00	USA	4.125%	11/15/2027		4.03%	4.67%	353,388.29	(2,416.72)	1.42	1.07
02/28/2025	912833RY8	700,000.00	USA	0.000%	02/15/2028		4.16%	4.77%	656,103.00	(6,568.06)	2.64	1.34
04/22/2025	91282CMW8	525,000.00	USA	3.750%	04/15/2028		3.77%	4.81%	525,947.93	(8,005.17)	2.12	1.45
	91282CCE9	700,000.00	USA	1.250%	05/31/2028		4.00%	4.83%	663,264.57	(10,336.70)	2.67	1.61
05/28/2026	91282CCH2	125,000.00	USA	1.250%	06/30/2028		4.09%	4.84%	117,948.62	(1,562.37)	0.48	1.69
10/02/2024	91282CDF5	650,000.00	USA	1.375%	10/31/2028		3.54%	4.89%	608,948.65	(17,688.46)	2.45	2.00
01/31/2024	91282CDW8	425,000.00	USA	1.750%	01/31/2029		4.00%	4.92%	396,834.56	(9,389.83)	1.60	2.23
07/01/2024	91282CES6	650,000.00	USA	2.750%	05/31/2029		4.36%	4.96%	620,510.67	(10,640.03)	2.50	2.50
10/29/2024	91282CFC0	500,000.00	USA	2.625%	07/31/2029		4.10%	4.97%	471,506.28	(11,882.41)	1.90	2.67
09/09/2024	91282CFJ5	400,000.00	USA	3.125%	08/31/2029		3.59%	4.98%	381,134.44	(14,981.37)	1.53	2.73
12/13/2024	91282CFY2	500,000.00	USA	3.875%	11/30/2029		4.12%	5.01%	490,086.27	(13,000.30)	1.97	2.90
02/10/2026	91282CMU2	600,000.00	USA	4.000%	03/31/2030		3.68%	5.02%	580,661.93	(25,548.51)	2.34	3.22
08/29/2025	91282CHR5	700,000.00	USA	4.000%	07/31/2030		3.75%	5.04%	679,643.39	(31,162.27)	2.74	3.48
	91282CHW4	750,000.00	USA	4.125%	08/31/2030		3.75%	5.04%	728,334.34	(34,304.10)	2.93	3.56
02/10/2026	91282CPD7	600,000.00	USA	3.625%	10/31/2030		3.73%	5.05%	577,907.90	(28,883.24)	2.33	3.67
02/10/2026	91282CJX0	600,000.00	USA	4.000%	01/31/2031		3.75%	5.06%	579,479.48	(30,427.52)	2.33	3.89
	91282CKF7	675,000.00	USA	4.125%	03/31/2031		4.11%	5.07%	649,790.99	(25,686.03)	2.62	4.04
05/28/2026	91282CCB5	625,000.00	USA	1.625%	05/15/2031		4.26%	5.07%	541,067.44	(19,957.51)	2.18	4.32
08/03/2026	91282CLD1	285,000.00	USA	4.125%	07/31/2031		4.38%	5.08%	275,435.32	(8,421.32)	1.11	4.28
Total		**13,340,000.00**					**3.98%**	**4.82%**	**12,885,370.76**	**(317,451.83)**	**51.90**	**2.29**
US Agency												
09/04/2024	3130ATVE4	500,000.00	Federal Home Loan Banks	4.500%	12/11/2026		3.86%	4.23%	507,080.00	(380.24)	2.04	0.20
09/04/2024	3130A3DU5	500,000.00	Federal Home Loan Banks	3.000%	03/12/2027		3.83%	4.30%	497,916.67	(1,137.33)	2.01	0.44
08/03/2023	3133ENVD9	350,000.00	Farm Credit System	2.875%	04/26/2027		4.52%	4.40%	351,343.47	(10.15)	1.42	0.55

Holdings by Security Type

Citrus Heights Water District | Investment Core

September 30, 2026

Settlement Date	Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Book Yield	Market Yield	Market Value + Accrued	Net Unrealized Gain (Loss)	% Asset	Eff Dur
09/04/2024	3133ERFJ5	500,000.00	Farm Credit System	4.500%	05/20/2027		3.80%	4.39%	508,517.50	(1,748.06)	2.05	0.61
06/29/2023	3133EPAV7	250,000.00	Farm Credit System	3.875%	02/14/2028		4.15%	4.77%	248,314.76	(2,085.62)	1.00	1.31
07/18/2023	3130AWN63	300,000.00	Federal Home Loan Banks	4.000%	06/30/2028		4.08%	4.75%	299,292.33	(3,366.45)	1.21	1.65
08/14/2026	3133ETNU7	350,000.00	Farm Credit System	3.750%	07/03/2028		4.26%	4.89%	346,551.33	(3,661.33)	1.40	1.66
08/31/2023	3133EPUN3	350,000.00	Farm Credit System	4.500%	08/28/2028		4.33%	4.86%	349,175.75	(3,200.20)	1.41	1.80
01/29/2024	3130AXQK7	500,000.00	Federal Home Loan Banks	4.750%	12/08/2028		4.07%	4.94%	505,464.86	(8,638.58)	2.04	2.03
05/21/2024	3133ERDH1	625,000.00	Farm Credit System	4.750%	04/30/2029		4.43%	5.00%	633,652.26	(8,376.27)	2.55	2.36
06/23/2025	3133ETME4	550,000.00	Farm Credit System	4.000%	01/23/2030		4.05%	5.03%	536,995.56	(16,277.96)	2.16	3.03
05/16/2025	31358DDR2	1,000,000.00	Federal National Mortgage Association	0.000%	05/15/2030		4.21%	5.10%	833,100.00	(29,049.81)	3.36	3.53
09/11/2026	3133EWC65	400,000.00	Farm Credit System	4.500%	09/04/2031		4.63%	5.12%	390,666.00	(8,358.65)	1.57	4.34
Total		**6,175,000.00**					**4.16%**	**4.77%**	**6,008,070.48**	**(86,290.65)**	**24.20**	**1.94**
Supranational												
01/29/2024	459058KW2	500,000.00	International Bank for Reconstruction and Development	4.625%	08/01/2028		4.15%	4.90%	501,444.17	(6,346.15)	2.02	1.73
12/21/2023	45950VSM9	250,000.00	The World Bank Group	4.500%	11/27/2028		4.06%	5.35%	249,582.50	(6,439.51)	1.01	2.00
03/08/2024	4581X0EN4	450,000.00	Inter-American Development Bank	4.125%	02/15/2029		4.23%	4.99%	443,695.88	(7,630.14)	1.79	2.22
04/30/2024	45950VSZ0	500,000.00	The World Bank Group	4.375%	03/27/2029		4.80%	5.42%	488,258.06	(7,317.82)	1.97	2.32
12/02/2024	459058LN1	450,000.00	International Bank for Reconstruction and Development	3.875%	10/16/2029		4.29%	5.02%	443,569.50	(9,369.60)	1.79	2.78
Total		**2,150,000.00**					**4.33%**	**5.12%**	**2,126,550.10**	**(37,103.22)**	**8.56**	**2.22**
Municipals												
09/11/2023	13067WRD6	165,000.00	State of California	0.920%	12/01/2026		5.03%	4.65%	164,468.15	(4.58)	0.66	0.17
06/26/2023	91412HFP3	200,000.00	The Regents Of The University Of California	1.366%	05/15/2027		4.47%	4.76%	196,892.09	(648.87)	0.79	0.61
07/19/2023	7994082A6	250,000.00	San Ramon Valley Unified School District	1.184%	08/01/2027		4.69%	4.89%	242,993.33	(929.66)	0.98	0.81
06/29/2023	799038NS9	220,000.00	San Mateo County Community College District	1.467%	09/01/2027		4.77%	4.74%	213,862.55	(433.56)	0.86	0.90
06/26/2023	419792DB9	200,000.00	State of Hawaii	3.350%	10/01/2027	11/03/2026	4.51%	4.74%	200,650.00	(603.71)	0.81	0.96
08/03/2023	419792YT7	200,000.00	State of Hawaii	1.145%	08/01/2028		4.62%	5.05%	186,835.67	(2,271.64)	0.75	1.77
Total		**1,235,000.00**					**4.67%**	**4.81%**	**1,205,701.79**	**(4,892.02)**	**4.86**	**0.88**
Corporate												

Holdings by Security Type

Citrus Heights Water District | Investment Core

September 30, 2026

Settlement Date	Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Book Yield	Market Yield	Market Value + Accrued	Net Unrealized Gain (Loss)	% Asset	Eff Dur
07/18/2023	78016EZZ3	200,000.00	Royal Bank of Canada	1.400%	11/02/2026		5.11%	4.36%	200,630.89	63.32	0.81	0.09
12/21/2023	17325FBC1	250,000.00	Citigroup Inc.	5.488%	12/04/2026	11/04/2026	4.87%	4.68%	254,629.00	37.76	1.03	0.10
06/26/2023	89236TKL8	150,000.00	Toyota Motor Corporation	5.450%	11/10/2027		4.85%	4.94%	154,002.88	(85.54)	0.62	1.05
06/26/2023	023135CP9	150,000.00	Amazon.com, Inc.	4.550%	12/01/2027	11/01/2027	4.62%	4.81%	151,822.00	(342.09)	0.61	1.10
06/26/2023	24422EWR6	150,000.00	Deere & Company	4.750%	01/20/2028		4.73%	4.90%	151,109.71	(327.16)	0.61	1.24
06/26/2023	931142FB4	150,000.00	Walmart Inc.	3.900%	04/15/2028	03/15/2028	4.35%	4.93%	150,417.50	(1,345.74)	0.61	1.45
06/26/2023	46647PDA1	150,000.00	JPMorgan Chase & Co.	4.323%	04/26/2028	04/26/2027	5.39%	5.01%	152,211.44	189.76	0.61	0.55
08/29/2025	61690U8B9	250,000.00	Morgan Stanley	5.504%	05/26/2028	05/26/2027	4.19%	4.88%	255,567.78	(1,285.15)	1.03	0.63
07/18/2025	06405LAH4	250,000.00	The Bank of New York Mellon Corporation	4.729%	04/20/2029	04/20/2028	4.38%	5.13%	253,667.28	(2,924.89)	1.02	1.45
07/20/2026	78017DAX6	150,000.00	Royal Bank of Canada	4.652%	07/10/2029	07/10/2028	4.57%	5.09%	149,723.55	(2,037.93)	0.60	1.67
09/11/2025	89236TNJ0	200,000.00	Toyota Motor Corporation	4.800%	05/15/2030		4.15%	5.51%	198,994.67	(8,877.58)	0.80	3.22
06/08/2026	24422EVL0	200,000.00	Deere & Company	1.450%	01/15/2031		4.55%	5.53%	169,802.22	(7,059.05)	0.68	4.04
07/07/2026	67066GAR5	250,000.00	NVIDIA Corporation	4.500%	06/15/2031	05/15/2031	4.60%	5.57%	242,283.75	(9,837.44)	0.98	4.12
Total		**2,500,000.00**					**4.62%**	**5.03%**	**2,484,862.66**	**(33,831.72)**	**10.01**	**1.59**
Asset Backed Securities												
06/26/2023	142921AD7	200,000.00	CarMax, Inc.	5.050%	01/18/2028		5.25%	4.43%	14,569.19	24.13	0.06	0.10
Total		**200,000.00**					**5.25%**	**4.43%**	**14,569.19**	**24.13**	**0.06**	**0.10**
Money Market Fund												
	31846V203	104,369.98	U.S. Bancorp	3.450%	09/30/2026		3.46%	3.46%	104,369.98	0.00	0.42	0.00
Total		**104,369.98**					**3.46%**	**3.46%**	**104,369.98**	**0.00**	**0.42**	**0.00**
Bank Deposit												
	CCYUSD	178.52	US Dollar		09/30/2026				178.52	0.00	0.00	
Total		**178.52**							**178.52**	**0.00**	**0.00**	
Portfolio Total		**25,704,548.50**					**4.15%**	**4.85%**	**24,829,673.47**	**(479,545.32)**	**100.00**	**2.05**

Transactions

Citrus Heights Water District | Investment Core

September 30, 2026

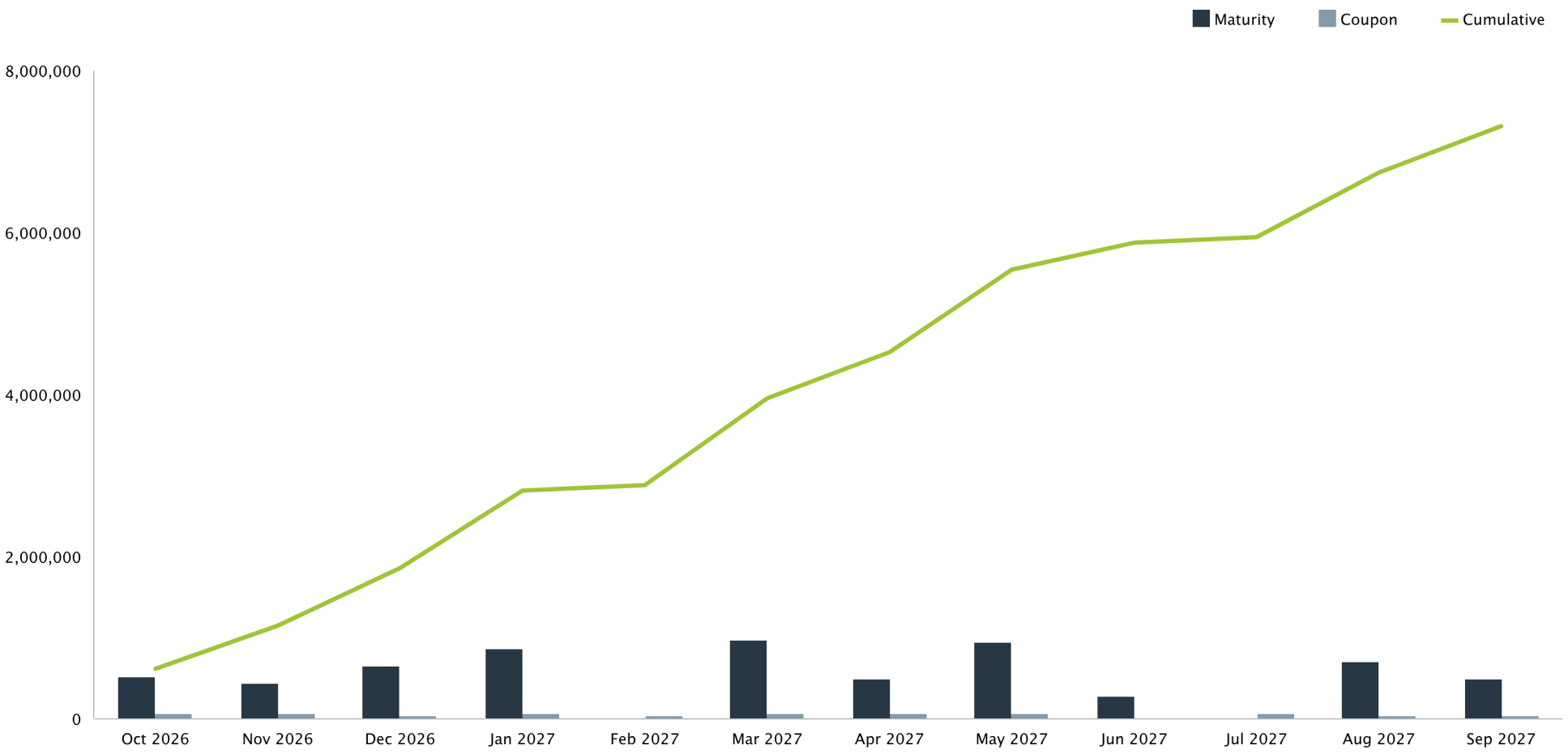
Cusip	Security	Trade Date	Settlement Date	Coupon Payment	Price	Par Amount	Principal Amount	Accrued Amount	Total Amount	Broker
Buy										
3133EWC65	FED FARM CR BNKS 4.500 09/04/31	09/09/2026	09/11/2026	0.00	99.41	400,000.00	397,648.80	350.00	397,998.80	NOMURA
31846V203	FIRST AMER:GVT OBLG;Y	09/23/2026	09/23/2026	0.00	1.00	71,044.27	71,044.27	0.00	71,044.27	Direct
Total				**0.00**		**471,044.27**	**468,693.07**	**350.00**	**469,043.07**	
Sell										
31846V203	FIRST AMER:GVT OBLG;Y	09/11/2026	09/11/2026	0.00	1.00	40,060.10	40,060.10	0.00	40,060.10	Direct
Total				**0.00**		**40,060.10**	**40,060.10**	**0.00**	**40,060.10**	
Maturity										
3130AWTQ3	FHLBANKS 4.625 09/11/26 MATD	09/11/2026	09/11/2026	0.00	100.00	350,000.00	350,000.00	0.00	350,000.00	
Total				**0.00**		**350,000.00**	**350,000.00**	**0.00**	**350,000.00**	
Coupon										
799038NS9	SAN MATEO CNTY CALIF CMNTY 1.467 09/01/27	09/01/2026	09/01/2026	1,613.70		0.00	0.00	0.00	1,613.70	
3130AWTQ3	FHLBANKS 4.625 09/11/26 MATD	09/11/2026	09/11/2026	8,093.75		0.00	0.00	0.00	8,093.75	
3130A3DU5	FHLBANKS 3.000 03/12/27	09/12/2026	09/12/2026	7,500.00		0.00	0.00	0.00	7,500.00	
142921AD7	CARMAX-232-A3	09/15/2026	09/15/2026	95.14		0.00	(0.00)	0.00	95.14	
91282CKE0	US TREASURY 4.250 03/15/27	09/15/2026	09/15/2026	10,625.00		0.00	0.00	0.00	10,625.00	
45950VSZ0	IFC 4.375 03/27/29 MTN	09/27/2026	09/27/2026	10,937.50		0.00	0.00	0.00	10,937.50	
91282CFM8	US TREASURY 4.125 09/30/27	09/30/2026	09/30/2026	6,187.50		0.00	0.00	0.00	6,187.50	
91282CKF7	US TREASURY 4.125 03/31/31	09/30/2026	09/30/2026	13,921.88		0.00	0.01	0.00	13,921.88	
91282CMU2	US TREASURY 4.000 03/31/30	09/30/2026	09/30/2026	12,000.00		0.00	0.00	0.00	12,000.00	
Total				**70,974.47**		**0.00**	**0.00**	**0.00**	**70,974.47**	
Custody Fee										
CCYUSD	US DOLLAR	09/24/2026	09/24/2026	0.00		155.05	(155.05)	0.00	(155.05)	
Total				**0.00**		**155.05**	**(155.05)**	**0.00**	**(155.05)**	
Principal Paydown										
142921AD7	CARMAX-232-A3	09/15/2026	09/15/2026	0.00		8,081.37	8,081.37	0.00	8,081.37	
Total				**0.00**		**8,081.37**	**8,081.37**	**0.00**	**8,081.37**	
Interest Income										
31846V203	FIRST AMER:GVT OBLG;Y	09/30/2026	09/30/2026	178.52		0.00	9.90	0.00	178.52	
Total				**178.52**		**0.00**	**9.90**	**0.00**	**178.52**	

Cash Flow Forecasting

Citrus Heights Water District | Investment Core

September 30, 2026

One Year Projection



Shock Analysis

Citrus Heights Water District | Investment Core

September 30, 2026

Account	Market Value	Duration	+10 BP FMV Change	+25 BP FMV Change	+50 BP FMV Change	+100 BP FMV Change
CHWD-Investment Core	24,629,320.13	2.048	(50,386.59)	(125,641.56)	(250,200.08)	(496,068.00)
Total	24,629,320.13	2.048	(50,386.59)	(125,641.56)	(250,200.08)	(496,068.00)

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

Summary Overview

Citrus Heights Water District | Liquidity

September 30, 2026

Portfolio Characteristics

Metric	Value
Cash and Cash Equivalents	8,986,929.38
Book Yield	3.19%
Market Yield	3.19%
Effective Duration	0.01
Years to Maturity	0.01
Avg Credit Rating	NA



Strategic Structure

Account	Par Amount	Original Cost	Book Value	Market Value	Net Unrealized Gain (Loss)	Yield at Cost	Effective Duration	Benchmark Duration	Benchmark
CHWD-Liquidity	8,986,929.38	8,986,929.38	8,986,929.38	8,986,929.38	0.00	3.19%	0.01	0.09	ICE BofA US 1-Month Treasury Bill Index
Total	**8,986,929.38**	**8,986,929.38**	**8,986,929.38**	**8,986,929.38**	**0.00**	**3.19%**	**0.01**	**0.09**	

Return Management-Income Detail

Citrus Heights Water District | Liquidity

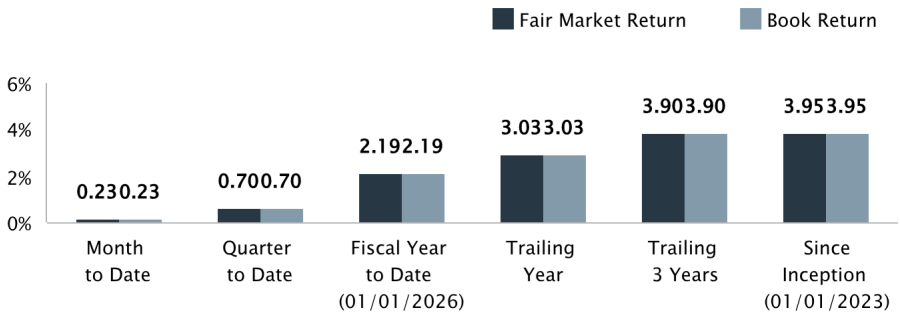
September 30, 2026

Accrued Book Return

	Month to Date	Fiscal Year to Date (01/01/2026)
Interest Earned	20,237.15	211,273.95
Book Income	20,237.15	211,273.95
Average Portfolio Balance	9,513,917.63	9,783,100.26
Book Return for Period	0.23%	2.19%

Return Comparisons

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



Interest Income

	Month to Date	Fiscal Year to Date (01/01/2026)
Beginning Accrued Interest	0.00	0.00
Coupons Income	20,237.15	211,273.95
Purchased Accrued Interest	0.00	0.00
Sold Accrued Interest	0.00	0.00
Ending Accrued Interest	0.00	0.00
Interest Earned	20,237.15	211,273.95

Notation: Book and Fair Market Returns are not annualized

Holdings by Security Type

Citrus Heights Water District | Liquidity

September 30, 2026

Settlement Date	Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Book Yield	Market Yield	Market Value + Accrued	Net Unrealized Gain (Loss)	% Asset	Eff Dur
Bank Deposit												
	CHWD_BMO_DEP	1,598,895.57	Bank of Montreal	0.000%	09/30/2026		0.00%	0.00%	1,598,895.57	0.00	17.79	0.01
Total		**1,598,895.57**					**0.00%**	**0.00%**	**1,598,895.57**	**0.00**	**17.79**	**0.01**
Pooled Funds												
	CAL_CAMP	6,386,749.83	California Asset Management Program	3.870%	09/30/2026		3.87%	3.87%	6,386,749.83	0.00	71.07	0.01
	CAL_LGIP	1,001,283.98	CALIFORNIA LAIF	3.940%	09/30/2026		3.94%	3.94%	1,001,283.98	0.00	11.14	0.01
Total		**7,388,033.81**					**3.88%**	**3.88%**	**7,388,033.81**	**0.00**	**82.21**	**0.01**
Portfolio Total		**8,986,929.38**					**3.19%**	**3.19%**	**8,986,929.38**	**0.00**	**100.00**	**0.01**

Transactions

Citrus Heights Water District | Liquidity

September 30, 2026

Cusip	Security	Trade Date	Settlement Date	Coupon Payment	Price	Par Amount	Principal Amount	Accrued Amount	Total Amount	Broker
Buy										
CAL_CAMP	CALIFORNIA ASSET MANAGEMENT PROGRAM	09/30/2026	09/30/2026	0.00	1.00	20,237.15	20,237.15	0.00	20,237.15	Direct
Total				**0.00**		**20,237.15**	**20,237.15**	**0.00**	**20,237.15**	
Sell										
60934N104	FEDERATED HRMS GV O;INST	09/30/2026	09/30/2026	0.00	1.00	161,247.43	161,247.43	0.00	161,247.43	Direct
CHWD_BMO_DEP	BMO DEPOSIT	09/30/2026	09/30/2026	0.00	1.00	404,149.98	404,149.98	0.00	404,149.98	Direct
Total				**0.00**		**565,397.41**	**565,397.41**	**0.00**	**565,397.41**	
Interest Income										
CAL_CAMP	CALIFORNIA ASSET MANAGEMENT PROGRAM	09/30/2026	09/30/2026	20,237.15		0.00	20,237.15	0.00	20,237.15	
Total				**20,237.15**		**0.00**	**20,237.15**	**0.00**	**20,237.15**	

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPA GOVERNMENT PORTFOLIO ADVISORS

TREASURER'S REPORT OF ACCOUNT BALANCES

September 30, 2026

Fund Name	Beginning Balance 01/1/2026	Year to Date Transfers In / Collections	Year to Date Transfers Out	Current Month Transfers In / Collections	Current Month Transfers Out	Ending Balance 09/30/2026	2026 Target Balance per Policy
Operating Reserve	$ 4,543,050 [1]					$ 4,543,050	$ 4,543,050
Operating Fund	$ 14,238,899 [2]	$ 17,960,809	$ (18,976,503)	1,706,128	(2,271,526)	$ 12,657,810	N/A
Rate Stabilization Fund	$ 1,000,000					$ 1,000,000	$ 1,000,000
Capital Improvement Reserve	$ 3,260,769 [3]					$ 3,260,769	$ 3,146,633
Restricted for Debt Service	$ -					$ -	N/A
Water Supply Reserve	$ 3,023,173					$ 3,023,173	N/A
Water Efficiency Reserve	$ 200,000					$ 200,000	N/A
Water Meter Replacement Reserve	$ 2,125,000					$ 2,125,000	N/A
Water Main Reserve - Project 2030	$ 6,358,138 [4]	$ 1,614,421		$ 227,244		$ 8,199,807	N/A
Fleet Equipment Reserve	$ 575,671					$ 575,671	$ 471,395
Employment-Related Benefits Reserve	$ 1,015,536					$ 1,015,536	$ 1,015,536
	$ 36,340,236	**$ 19,575,230**	**$ (18,976,503)**	**$ 1,933,373**	**$ (2,271,526)**	**$ 36,600,816**	**$ 10,176,614**

Notes

1- Adjustment to beginning balance to match Policy 6200

2- Adjustment to beginning balance to match ACFR

3- Adjustment to beginning balance to match policy 6240

4- Adjustment to beginning balance to match policy 6260

ANNIE Y. LIU, Treasurer

TREASURER'S REPORT OF FUND BALANCES
September 30, 2026

Fund Transfers Summary:	
Operating Fund:	
Fund Collected/Transferred	$ 1,706,128
Fund Disbursed/Transferred	$ (2,271,526)
Net Fund Transferred:	**$ (565,397)**
Water Main Reserve - Project 2030	**$ 227,244**
NET CHANGES- ALL FUNDS	**$ (338,153)**

Citrus Heights Water District
Budget Performance Report
As of 09/30/2026

	Adopted Budget	September 2026 Actual	Year-to-Date Actual	Year-to-Date Encumered	Budget To-Date	Percent of Total Budget Used
Revenues						
Metered Service Charges	$14,905,058.35	$1,674,934.72	$11,970,529.40	0.00	$11,178,793.76	80.31%
Metered Water Deliveries	7,817,588.19	1,102,199.25	4,538,548.35	0.00	5,863,191.14	58.06%
Water Main Replacement Revenue	2,257,294.00	227,244.25	1,659,386.96	0.00	1,692,970.50	73.51%
Penalties	120,000.00	41.70	186,892.32	0.00	90,000.00	155.74%
Interest	1,000,000.00	23,304.54	563,343.93	0.00	750,000.00	56.33%
Backflow Fees	77,879.17	7,712.00	64,315.71	0.00	58,409.38	82.58%
Water Service Install & S&R	46,916.86	0.00	23,243.94	0.00	35,187.65	49.54%
Grant Funds *	1,500,000.00	0.00	1,559.25	0.00	1,125,000.00	0.10%
Miscellaneous **	17,770.22	5,983.71	33,176.97	0.00	13,327.67	186.70%
Cost Reimbursements	34,286.41	5,562.09	41,321.73	0.00	25,714.81	120.52%
Income - Wheeling Water	50,000.00	0.00	43,482.56	0.00	37,500.00	86.97%
Income - Connection Fees	96,616.60	0.00	73,840.77	0.00	72,462.45	76.43%
Total Revenue	**27,923,409.80**	**3,046,982.26**	**19,199,641.89**	**0.00**	**20,942,557.35**	**68.76%**
*Revenue recognized, but not fully collectec						
**includes Assessments, New Account, Back Charges & other Miscellaneous Revenue Sources						
Operating Expenses						
Cost of Water						
Purchased Water	3,283,400.00	216,308.71	2,244,016.13	0.00	2,462,550.00	68.34%
Ground Water	1,606,366.23	77,697.90	664,710.30	6,496.84	1,204,774.67	41.38%
	4,889,766.23	**294,006.61**	**2,908,726.43**	**6,496.84**	**3,667,324.67**	**59.49%**
Labor & Benefits						
Labor Regular	5,171,337.56	420,166.68	3,822,634.51	0.00	3,878,503.17	73.92%
Labor Taxes	417,541.00	30,725.01	316,076.63	0.00	313,155.75	75.70%
Labor External	44,781.00	0.00	0.00	0.00	33,585.75	0.00%
Benefits Med/Den/Vis	874,253.28	67,782.45	650,313.46	0.00	655,689.96	74.39%
Benefits LTD/STD/Life/EAP	85,197.00	7,256.34	70,731.27	0.00	63,897.75	83.02%
Benefits CalPers	539,698.20	57,790.07	358,565.24	0.00	404,773.65	66.44%
Benefits Other	30,993.63	0.00	19,109.68	0.00	23,245.22	61.66%
Benefits OPEB	517,227.02	28,003.65	267,857.80	0.00	387,920.27	51.79%
Benefits GASB 68/PERS UAL	656,678.76	57,489.78	490,095.50	0.00	492,509.07	74.63%
Benefits UAL OPEB	100,639.32	0.00	87,935.00	0.00	75,479.49	87.38%
Capitalized Labor & Benefit Contra		(39,051.31)	(490,916.96)	0.00	0.00	0.00%
	8,438,346.77	**630,162.67**	**5,592,402.13**	**0.00**	**6,328,760.08**	**66.27%**
General & Administrative						
Workers Comp	97,993.05	0.00	69,547.87	0.00	73,494.79	70.97%
Fees & Charges	222,200.00	15,347.89	175,758.15	0.00	166,650.00	79.10%
Regulatory Compliance/Permits	260,600.00	360.00	98,353.39	0.00	195,450.00	37.74%
District Events & Recognition	122,150.00	7,303.50	66,711.11	0.00	91,612.50	54.61%
Maintenance/Licensing	318,270.04	25,798.58	225,666.05	0.00	238,702.53	70.90%
Equipment Maintenance	307,470.00	8,368.11	41,338.50	0.00	230,602.50	13.44%
Professional Development	126,350.00	7,751.20	89,152.24	0.00	94,762.50	70.56%
Dues & Subscriptions	205,821.00	14,119.62	186,912.93	0.00	154,365.75	90.81%
Facility Maintenance	81,440.00	3,815.56	40,257.62	0.00	61,080.00	49.43%
Fuel & Oil	84,070.00	10,934.34	68,634.14	0.00	63,052.50	81.64%
General Supplies	20,400.00	6,858.15	62,353.12	1,880.00	15,300.00	305.65%
Insurance - Auto/Prop/Liab/Cyb	231,100.00	16,016.84	145,171.01	0.00	173,325.00	62.82%
Leasing/Equipment Rental	90,820.00	3,682.52	31,311.50	0.00	68,115.00	34.48%
Parts & Materials	260,000.00	37,755.56	455,844.99	32,713.66	195,000.00	175.32%
Postage/Shipping/Freight	91,655.00	9,252.78	71,622.63	0.00	68,741.25	78.14%
Rebates & Incentives	19,000.00	75.00	8,403.48	0.00	14,250.00	44.23%
Telecom/Network	72,600.00	8,571.66	48,186.34	0.00	54,450.00	66.37%
Tools & Equipment	219,045.53	4,538.30	72,488.32	4,782.11	164,284.15	33.09%
Utilities	82,184.00	2,570.14	41,864.33	0.00	61,638.00	50.94%
Uniforms	9,200.00	701.80	15,088.09	0.00	6,900.00	164.00%
Write-Off Bad Debt Exp	0.00	0.00	0.00	0.00	0.00	0.00%
Capitalized G&A Contra		(32,848.07)	(310,787.05)	0.00	0.00	0.00%
	2,922,368.62	**150,973.48**	**1,703,878.76**	**39,375.77**	**2,191,776.47**	**58.30%**
Professional & Contract Services						
Support Services	2,844,436.00	240,110.40	1,672,889.43	0.00	2,133,327.00	58.81%
Legal Services	654,200.00	71,886.19	612,742.88	0.00	490,650.00	93.66%
Printing Services	97,388.00	3,185.03	48,983.31	0.00	73,041.00	50.30%
	3,596,024.00	**315,181.62**	**2,334,615.62**	**0.00**	**2,697,018.00**	**64.92%**

Citrus Heights Water District
Budget Performance Report
As of 09/30/2026

	Adopted Budget	September 2026 Actual	Year-to-Date Actual	Year-to-Date Encumered	Budget To-Date	Percent of Total Budget Used
Reserves & Debt Services						
Interest Expense	170,788.00	0.00	169,297.54	0.00	128,091.00	99.13%
	170,788.00	**0.00**	**169,297.54**	**0.00**	**128,091.00**	**99.13%**
Total Operating Expenses	**20,017,293.62**	**1,390,324.38**	**12,708,920.48**	**45,872.61**	**15,012,970.22**	**63.49%**
Net Income / (Expense)	**$ 7,906,116.18**	**$ 1,656,657.88**	**$ 6,490,721.41**	**$ (45,872.61)**	**$ 5,929,587.14**	**82.10%**

Citrus Heights Water District
Budget Performance Report
As of 09/30/2026

Project Number	Project Name	FY 2026					Project to Date		
		Adopted Budget	Month to Date	Year to Date	Encumbered	Remaining Budget	Project Forecast Budget	Expenditures to Date	Remaining Budget for Total Project
O25C05-001	Annual Facilities Improvements	$112,000	$0	$0	$0	$112,000	$112,000	$0	$112,000
O25C10-001	Annual Water Main Pipe Replace	$33,000	$0	$1,072	$0	$31,928	$33,000	$1,072	$31,928
O25C11-001	Annual Valve Replacements	$50,000	$0	$0	$0	$50,000	$50,000	$0	$50,000
O25C12-001	Annual Water Service Connections	$500,000	$0	$251,355	$0	$248,645	$500,000	$251,355	$248,645
O25C14-001	Annual Fire Hydrants Replace, Upg	$50,000	$0	$0	$0	$50,000	$50,000	$0	$50,000
O25C20-001	Annual Groundwater Well Improve	$50,000	$0	$38,850	$0	$11,150	$50,000	$38,850	$11,150
O26T04-001	Annual Tech Hardware & Software	$100,000	$0	$0	$0	$100,000	$100,000	$0	$100,000
O26C05-001	Annual Facilities Improvements	$50,000	$0	$0	$0	$50,000	$50,000	$0	$50,000
O26C10-001	Annual Water Main Pipe Replace	$53,000	$0	$0	$0	$53,000	$53,000	$0	$53,000
O26C11-001	Annual Valve Replacements	$135,000	$2,862	$43,935	$0	$91,065	$135,000	$43,935	$91,065
O26C12-001	Annual Water Service Connections	$1,510,000	$50,627	$503,408	$0	$1,006,592	$1,510,000	$503,408	$1,006,592
O26C13-001	Annual Water Meter Replacement	$130,000	$18,409	$86,365	$0	$43,635	$130,000	$86,365	$43,635
O26C14-001	Annual Fire Hydrants Replace, Upg	$175,000	$0	$55,125	$0	$119,875	$175,000	$55,125	$119,875
O26W20-001	Annual Groundwater Well Improve	$200,000	$0	$16,492	$0	$183,508	$200,000	$16,492	$183,508
E26A40-001	Annual Other City Partnerships	$100,000	$0	$6,161	$0	$93,839	$100,000	$6,161	$93,839
E26C41-001	Misc Infrastructure Projects	$100,000	$0	$0	$0	$100,000	$100,000	$0	$100,000
Construction in Progress		**$3,348,000**	**$71,899**	**$1,002,764**	**$0**	**$2,345,236**	**$3,348,000**	**$1,002,764**	**$2,345,236**
O26F03-001	Fleet/Field Operations Equip	$150,000	$41,644	$85,360	$10,710	$53,930	$150,000	$96,070	$53,930
Fleet and Equipment		**$150,000**	**$41,644**	**$85,360**	**$0**	**$53,930**	**$150,000**	**$96,070**	**$ 53,930**
E16C34-001	Auburn Blvd-Rusch Park Placer	$250,000	$1,095	$17,467	$0	$232,533	$671,214	$438,681	$232,533
E24C03-001	Menke Way	$103,000	$0	$829	$0	$102,171	$103,000	$829	$102,171
E25C01-001	Greenback Ln - Birdcage St to	$1,170,000	$229	$1,058,264	$0	$111,736	$1,295,383	$1,183,647	$111,736
E25C02-001	Greenback - Sunrise Blvd to Bi	$100,000	$118	$8,004	$0	$91,996	$139,734	$47,738	$91,996
E25C03-001	Donnawood Way	$505,000	$417,721	$445,886	$0	$59,114	$557,504	$498,390	$59,114
E25C08-001	Sayonara Dr - Lialana to Ming	$6,000	$2,665	$4,857	$0	$1,143	$380,640	$397,445	($16,804)
E26C45-001	Dove and Be Lazy Court	$350,000	$79	$79	$0	$349,921	$350,000	$0	$350,000
E26C46-001	Sagitarius Way & Pleides Ave	$778,000	$51,895	$73,717	$0	$704,283	$778,000	$73,717	$704,283
E26C01-001	Cripple Creek 42" Trans Main	$0	$147,861	$154,675	$0	($154,675)	$0	$154,675	($154,675)
E26C02-001	Hoffman Ln.	$0	$79	$79	$0	($79)	$0	$79	($79)
E26C03-001	Gordian Way	$0	$79	$79	$0	($79)	$0	$79	($79)
Water Mains		**$3,262,000**	**$621,820**	**$1,763,934**	**$0**	**$1,498,066**	**$4,275,475**	**$2,795,278**	**$1,480,198**
O25C04-001	Facilities Mod & Expan (Sylvan)	$3,000,000	$53,231	$1,077,442	$0	$1,922,558	$12,591,894	$1,192,671	$11,399,223
A25T05-001	ERP System	$350,000	$44,828	$119,498	$3,795	$226,707	$472,128	$245,421	$222,912
A25T06-001	SCADA Upgrade	$120,000	$0	$78,149	$9,375	$32,476	$125,400	$92,924	$23,101
A25C07-001	Facilities Mod & Expan (Madison)	$9,982,756	$24,990	$271,939	$747	$9,710,070	$12,408,106	$2,698,036	$9,709,323
Miscellaneous Projects		**$13,452,756**	**$123,049**	**$1,547,028**	**$13,917**	**$11,891,811**	**$25,597,528**	**$4,229,052**	**$21,354,559**
O20W07-001	Well #7 Ella	$1,208,885	$8,646	$888,725	$0	$320,160	$5,795,454	$5,345,888	$449,566
O23W03-001	Highland Well #8	$4,422,115	$5,456	$74,895	$0	$4,347,220	$6,341,633	$1,151,216	$5,190,417
Wells		**$5,631,000**	**$14,102**	**$963,620**	**$0**	**$4,667,380**	**$12,137,087**	**$6,497,104**	**$5,639,983**
	Grand Totals:	**$25,843,756**	**$872,515**	**$5,362,705**	**$13,917**	**$20,456,424**	**$45,508,090**	**$14,620,268**	**$30,873,905**

SEPTEMBER 2026 WARRANTS

CHECK	PAYEE	DESCRIPTION	AMOUNT
510001929	ACWA- JPIA	Employee Benefits	$131.44
510001930	AFLAC	Deferred Compensation	$187.46
510001931	Alexander's Contract Services	Meter Reading	$2,110.14
510001932	Amazon Capital Services	General Supplies	$114.19
510001933	Katherine Bachand	Customer Refund	$32.35
510001934	Michelle Bailey	Customer Refund	$71.71
510001935	Benjamin V Platon II	Customer Refund	$85.25
510001936	Angela/Amanda Boucher	Customer Refund	$238.55
510001937	BSK Associates	Water Analysis	$653.18
510001938	Barry/Linda Calfee	Customer Refund	$22.05
510001939	John-Andrew Duenas	Customer Refund	$6.16
510001940	FG Sorelle LLC	Customer Refund	$2.19
510001941	FlexTG, LLC	Office Supplies	$157.32
510001942	Foothill Fire & Wire, Inc.	Equipment Rental	$68.50
510001943	Connor Futch	Contract Services-Other	$650.00
510001944	LISA GISH ESTATE	Customer Refund	$81.30
510001945	Go Live Technology Inc	Contract Services-Other	$8,662.50
510001946	Diane Hussey	Customer Refund	$15.81
510001947	Indoor Environmental Services	Equipment Maintenance-Office	$1,525.00
510001948	J4 Systems	Contract Services-Other	$1,360.00
510001949	Jennifer Liebermann Consulting	Consulting Services	$5,500.00
510001950	Virginia Johnson	Customer Refund	$236.31
510001951	DAVID OR EMMA LAKIN	Customer Refund	$53.75
510001952	Les Schwab Tires	Equipment Maintenance-Fleet	$3,148.34
510001953	Tim Lewis	Customer Refund	$17.25
510001954	CYNTHIA MINICK HARDER	Customer Refund	$38.86
510001955	MOZINGO CONSTRUCTION, INC	Customer Refund	$1,230.08
510001956	Napa Auto Parts	General Supplies	$9.09
510001957	Pace Supply Corp	Material	$4,813.32
510001958	Pat West LLC	Consulting Services	$1,175.00
510001959	Regional Government Services	Consulting Services	$365.20
510001960	Harry/Patricia Rendon	Customer Refund	$47.06
510001961	Rental Guys	Equipment Rental-Field	$158.72
510001962	Republic Services 922	Utilities	$531.35
510001963	Elizabeth Roberts	Customer Refund	$34.49
510001964	Scarsdale Security Systems Inc	Equipment Rental	$682.41
510001965	Boyd Segero	Customer Refund	$203.90
510001966	SMUD	Utilities	$12,845.50
510001967	Soroptimist International CH	Dues/Subscriptions	$22.00
510001968	T Mobile	Telecom/Network	$2,830.64
510001969	Water Systems Consulting, Inc	Contract Services-Other	$7,723.15
510001970	Peter Zwigl	Customer Refund	$202.69
510001971	Epic Chevrolet Cadillac	Annual Fleet/Equipment	$41,644.22
510001972	Nancy Alaniz	Retiree Benefits	$392.90
510001973	Alexander's Contract Services	Meter Reading	$5,035.38
510001974	Amazon Capital Services	Tools/Equipment	$901.66

SEPTEMBER 2026 WARRANTS

CHECK	PAYEE	DESCRIPTION	AMOUNT
510001975	NEIL ANDERSEN	Customer Refund	$20.97
510001976	Donna Beasley	Customer Refund	$27.68
510001977	Angela/David Benzo Jr	Customer Refund	$57.49
510001978	Best Best and Krieger	Legal Services	$44,899.10
510001979	Kermit Bonner	Customer Refund	$94.58
510001980	Robert Churchill	Retiree Benefits	$556.00
510001981	Citrus Heights Saw and Mower	Tools/Equipment	$117.45
510001982	City of Sacramento	Permits	$85,907.00
510001983	Colantuono Highsmith Whatley PC	Legal Services	$22,158.56
510001984	Robin Cope	Retiree Benefits	$556.00
510001985	Corelogic Information Solutions Inc	Dues/Subscriptions	$263.55
510001986	Steven Corothers	Retiree Benefits	$496.00
510001987	Covino Smith and Simon	Consulting Services	$1,666.67
510001988	CrispImaging	Printing Services	$225.58
510001989	Timothy Cutler	Retiree Benefits	$443.00
510001990	Paul Dietrich	Retiree Benefits	$556.00
510001991	Ernestine Freeman	Retiree Benefits	$202.90
510001992	GHD Inc.	Contract Services-Other	$10,967.49
510001993	Grainger	Tools/Equipment	$193.75
510001994	Harris Industrial Gases	Tools/Equipment	$467.95
510001995	Joshua/Jennifer Hedden	Customer Refund	$80.23
510001996	Henley Pacific LA LLC	Equipment Maintenance-Fleet	$121.57
510001997	Robert W/Carol A Horrillo	Customer Refund	$310.51
510001998	Indoor Environmental Services	Equipment Maintenance-Office	$1,050.00
510001999	J4 Systems	Contract Services-Other	$480.00
510002000	Richard Jimenez	Retiree Benefits	$496.00
510002001	LaFleur Engineering Inc	Contract Services-Engineering	$393,827.78
510002002	Lake Vue Electric, Inc, PSP	Customer Refund	$194.63
510002003	Gerald Lee	Retiree Benefits	$556.00
510002004	Michael Mariedth	Retiree Benefits	$489.00
510002005	Messenger Publishing Group	Printing/Advertisement	$225.00
510002006	Rex Meurer	Retiree Benefits	$443.00
510002007	Donald/Gomon Mokma	Customer Refund	$27.51
510002008	Moonlight BPO LLC	Bill Print/Postage	$3,900.19
510002009	Lonnie Moore	Retiree Benefits	$202.90
510002010	Napa Auto Parts	Equipment Maintenance-Fleet	$75.29
510002011	NES Inc	Contract Services-Other	$3,818.00
510002012	New AnswerNet Inc	Telecom/Network	$363.43
510002013	Pamela Peters	Retiree Benefits	$443.00
510002014	Quick Quack Car Wash	Equipment Maintenance-Fleet	$229.90
510002015	DIXIE RABY	Customer Refund	$82.58
510002016	Rawles Engineering Inc	Contract Services-Engineering	$48,850.00
510002017	Red Wing Shoe Store	Tools/Equipment	$600.00
510002018	Rental Guys	Equipment Rental-Field	$286.25
510002019	David Rossi	Retiree Benefits	$443.00
510002020	Sagent	Consulting Services	$8,214.57

SEPTEMBER 2026 WARRANTS

CHECK	PAYEE	DESCRIPTION	AMOUNT
510002021	Mary Lynn Scherrer	Retiree Benefits	$443.00
510002022	Nick Spiers	Retiree Benefits	$556.00
510002023	Springbrook Holding Company LLC	Contract Services-Other	$16,173.50
510002024	State of California Franchise Tax Board	Withholdings	$899.61
510002025	Gary F/Carolyn A Stieferman	Customer Refund	$10.45
510002026	Tee Janitorial & Maintenance	Janitorial	$2,989.00
510002027	Melinda M Tupper	Retiree Benefits	$311.98
510002028	Carol A/Eddie Verdon	Customer Refund	$34.14
510002029	West Coast Arborists Inc	Contract Services-Other	$2,395.20
510002030	Melody G/ Morgan White	Customer Refund	$191.59
510002031	WM Corporate Services Inc	Utilities	$859.95
510002032	Wolf Consulting	Contract Services-Other	$9,300.00
510002033	19six Architects	Contract Services-Other	$57,292.54
510002034	Alexander's Contract Services	Meter Reading	$2,766.78
510002035	Amazon Capital Services	Office Supplies	$127.26
510002036	Svyatoslav/Kenia Babchanik	Customer Refund	$180.56
510002037	Best Best and Krieger	Legal Services	$41,883.04
510002038	Mary Bowman	Customer Refund	$6.77
510002039	Megan Brown	Customer Refund	$11.80
510002040	BSK Associates	Water Analysis	$5,673.99
510002041	Burketts	Office Supplies	$921.26
510002042	California Landscape Associates Inc	Contract Services-Other	$435.00
510002043	City of Citrus Heights	Permits	$68.64
510002044	Comcast	Equipment Rental-Office	$106.12
510002045	Consolidated	Equipment Rental-Office	$3,536.76
510002046	Crawford & Associates, Inc.	Contract Services-Other	$2,307.50
510002047	CrispImaging	Printing Services	$148.08
510002048	Cty of Sac Dept of Finance	Contract Services-Other	$139.95
510002049	Christine Currier	Customer Refund	$54.31
510002050	Edelstein Gilbert Robson and Smith LLC	Consulting Services	$5,833.33
510002051	Ferguson Enterprises Inc 1423	Material	$5,319.58
510002052	Fieldman, Rolapp & Associates	Contract Services-Other	$3,500.00
510002053	GHD Inc.	Contract Services-Other	$10,691.05
510002054	Government Portfolio Advisors	Contract Services-Financial	$1,439.68
510002055	Grainger	Tools/Equipment	$127.46
510002056	Henley Pacific LA LLC	Equipment Maintenance-Fleet	$69.37
510002057	HJ3 Composite Technologies, LLC	Contract Services-Engineering	$136,508.00
510002058	Howell Consulting Inc	Contract Services-Other	$3,600.00
510002059	Hunt and Sons LLC	Fuel	$5,831.58
510002060	Indoor Environmental Services	Equipment Maintenance-Office	$1,919.50
510002061	iPROMOTEu	General Supplies	$125.04
510002062	J J Locksmiths	Contract Services-Other	$376.59
510002063	LaFleur Engineering Inc	Contract Services-Engineering	$1,942.36
510002064	Les Schwab Tires	Equipment Maintenance-Fleet	$858.33
510002065	Liebert Cassidy Whitmore	Legal Services	$3,997.00
510002066	Lowe's	Supplies-Field	$666.13

SEPTEMBER 2026 WARRANTS

CHECK	PAYEE	DESCRIPTION	AMOUNT
510002067	LSL CPAS	Contract Services-Financial	$2,380.00
510002068	Arlen/Janea Marking	Customer Refund	$30.71
510002069	Tyler Maveety	Customer Refund	$70.72
510002070	Moonlight BPO LLC	Bill Print/Postage	$3,878.34
510002071	Napa Auto Parts	Equipment Maintenance-Fleet	$651.30
510002072	Crystal Nopens	Customer Refund	$215.21
510002073	Pace Supply Corp	Material	$7,279.85
510002074	Pacific Gas and Electric	Utilities	$18.32
510002075	Gregory Putnam	Customer Refund	$65.89
510002076	Rawles Engineering Inc	Contract Services-Engineering	$5,850.00
510002077	Darlene Regan	Customer Refund	$43.71
510002078	Void	Void	$0.00
510002079	Lois Robinson	Customer Refund	$37.92
510002080	Sacramento County	Utilities	$294.00
510002081	SMUD	Utilities	$506.27
510002082	TERRAVERDE ENERGY LLC	Contract Services-Other	$1,950.00
510002083	ULINE	Supplies-Field	$507.08
510002084	USA Blue Book	Supplies-Field	$566.44
510002085	Ronald/Nancy Van Abrahams	Customer Refund	$100.81
510002086	ANATOLIY OR PAVEL VELICHKO	Customer Refund	$53.45
510002087	WaterWise Consulting Inc	Contract Services-Other	$2,375.00
510002088	Christopher Wells	Customer Refund	$366.45
510002089	Wex Bank	Fuel	$4,918.14
510002090	Zanjero	Contract Services-Other	$600.00
*610000100	Action Asphalt And Concrete	Contract Services-Other	$53,475.00
610000101	Amazon Capital Services	Office Supplies	$97.68
610000102	ANG Audio Visual Services	Contract Services-Other	$1,485.00
610000103	Aqua Sierra Controls	Contract Services-Wells	$817.20
610000104	Area West Engineers Inc	Contract Services-Engineering	$9,575.00
610000105	Axiom of Purpose	Contract Services-Other	$17,849.00
610000106	Caleb Babcock	Customer Refund	$34.18
610000107	BSK Associates	Water Analysis	$636.52
610000108	BWD General Engineering Contractors	Contract Services-Engineering	$166,310.15
610000109	City of Citrus Heights	Permits	$2,664.90
610000110	Crawford & Associates, Inc.	Contract Services-Engineering	$9,651.25
610000111	Merrie Douglas	Customer Refund	$6.74
610000112	Michael/Jane Foisy	Customer Refund	$206.84
610000113	Fortiline Waterworks	Material	$4,772.62
610000114	Grainger	Tools/Equipment	$548.74
610000115	INSIGHTFUL REAL ESTATE INVESTM	Customer Refund	$91.18
610000116	iPROMOTEu	General Supplies	$5,717.49
610000117	Erika Johnson	Customer Refund	$12.97
610000118	Roger Lairy	Customer Refund	$175.19
610000119	Leaf	Equipment Rental-Office	$419.49
610000120	Les Schwab Tires	Equipment Maintenance-Fleet	$30.99
610000121	Moonlight BPO LLC	Bill Print/Postage	$3,374.45
610000122	KIM C OR SEAN MURPHY	Customer Refund	$78.52
610000123	Carol Noreen	Customer Refund	$39.54
610000124	Barry/Christine OSullivan	Customer Refund	$190.58
610000125	Pirtek Power Inn	Equipment Maintenance-Fleet	$2,382.66
610000126	SCOTT REIMER	Customer Refund	$13.38
610000127	Rental Guys	Equipment Rental-Field	$251.14
610000128	Barbara Ripley	Customer Refund	$94.31
610000129	Sacramento County	Utilities	$1,543.50
610000130	Sagent	Consulting Services	$10,054.24

*Check stock damaged; started new series.

SEPTEMBER 2026 WARRANTS

CHECK	PAYEE	DESCRIPTION	AMOUNT
610000131	Scarsdale Security Systems Inc	Equipment Rental-Office	$281.28
610000132	State of California Franchise Tax Board	Withholdings	$850.27
610000133	Steadman Group Inc	Customer Refund	$68.52
610000134	TATE THIEL	Customer Refund	$1.07
610000135	Two Twenty Photos	Contract Services-Other	$600.00
610000136	Christina Willey	Customer Refund	$202.33
610000137	CHRISTINA WINTER	Customer Refund	$57.19
610000138	WyJo Services Corp	Equipment Maintenance-Fleet	$1,260.76
610000139	Lydia Yoe	Rebates/Incentives	$75.00
610000140	Zanjero	Contract Services-Other	$10,260.00
610000141	Alexander's Contract Services	Meter Reading	$1,050.00
610000142	Amazon Capital Services	Office Supplies	$53.82
610000143	Jodi Ash	Contract Services-Miscellaneous	$50.00
610000144	Batteries Plus Bulbs 310	Supplies	$15.41
610000145	Cathrine Bonnefoy	Customer Refund	$125.00
610000146	KAREN BRISENDINE	Customer Refund	$16.59
610000147	BSK Associates	Water Analysis	$530.99
610000148	Citrus Heights Saw and Mower	Tools/Equipment	$127.14
610000149	Corelogic Information Solutions Inc	Dues/Subscriptions	$263.55
610000150	Paul Dietrich	Contract Services-Miscellaneous	$50.00
610000151	Ditch Witch	Equipment Maintenance-Fleet	$158.40
610000152	Fast Action Pest Control	Janitorial	$184.80
610000153	Ferguson Enterprises Inc 1423	Material	$4,532.61
610000154	Fortiline Waterworks	Material	$15,817.74
610000155	Josh Gatlin	Customer Refund	$184.24
610000156	Grainger	Tools/Equipment	$150.62
610000157	Suzanne Guthrie	Contract Services-Miscellaneous	$50.00
610000158	GARY OR CAROLYN LEMONS	Customer Refund	$50.37
610000159	Kevin Marini	Contract Services-Other	$1,250.00
610000160	MidAmeria Administrative Retirement	Administrative Fee	$384.00
610000161	Napa Auto Parts	Equipment Maintenance-Fleet	$119.02
610000162	Michael Nishimura	Contract Services-Miscellaneous	$50.00
610000163	Pace Supply Corp	Material	$5,002.54
610000164	Susan Powers	Contract Services-Miscellaneous	$50.00
610000165	Regional Government Services	Consulting Services	$6,264.50
610000166	Rental Guys	Equipment Rental-Field	$230.21
610000167	Marguerite Rose	Contract Services-Miscellaneous	$25.00
610000168	Sacramento County Utilities	Utilities	$397.30
610000169	Sagent	Consulting Services	$8,709.87
610000170	SMUD	Utilities	$139.18
610000171	Springbrook Holding Company LLC	Contract Services-Other	$18,942.00
610000172	MIHAI STICLARU	Customer Refund	$62.28
610000173	T Mobile	Telecom/Network	$1,487.75
610000174	Myel Thelen	Contract Services-Miscellaneous	$25.00
610000175	Tim Therien	Customer Refund	$27.69
610000176	ULINE	Supplies-Field	$118.37
610000177	USA Blue Book	Supplies-Field	$935.82
610000178	Verizon Wireless	Telecom/Network	$610.39
610000179	Water Systems Consulting, Inc	Contract Services-Other	$5,984.23
Total			$1,487,579.12

ACH	BMO Bank NA	$2,028.92
ACH	Chase On line Bill Payment	$4,691.08
ACH	ICMA-RC	$48,035.79
ACH	Department of the Treasury	$113,509.59
ACH	Invoice Cloud	$5,413.04
ACH	PERS	$110,613.87

SEPTEMBER 2026 WARRANTS

CHECK	PAYEE	DESCRIPTION	AMOUNT
ACH	Principal Life Insurance Company		$149.84
ACH	VALIC/AIG		$6,603.62
ACH	State of CA Employment Development Department		$31,607.55
Total			$322,653.30
Grand Total			$1,810,232.42

JP Morgan Purchase Card Distributions
Sep-26

Name	Travel	General Supplies	District Membership Dues and Subscriptions	Fuel	District Events & Recognition	Fees & Charges	Professional Development	Tools & Equipment	Software Subscriptions	Printing Services	Uniforms	Professional Membership Dues and Subscriptions	Parts and Materials	Fleet Maintenance	Total Bill
Shockley	$ 1,795.61	$ 647.82	$ 772.59		$ 3,049.46	$ 1,549.89	$ 2,362.65	$ 593.68	$ 433.80		$ 323.24				$ 11,528.74
Straus	$ 126.00			$ 69.68											$ 195.68
Pieri					$ 120.60								$ 220.73		$ 341.33
Nunes					$ 170.46										$ 170.46
Shepard		$ 18.62			$ 594.39				$ 2.95						$ 615.96
Tran									$ 501.57						$ 501.57
Jordan					$ 128.04										$ 128.04
Fuerte					$ 319.17					$ 115.79					$ 434.96
Conzelmann	$ 13.49				$ 708.24										$ 721.73
Liu												$ 409.20			$ 409.20
Nichols														$ 375.00	$ 375.00
Total Bill	**$ 1,935.10**	**$ 666.44**	**$ 772.59**	**$ 69.68**	**$ 5,090.36**	**$ 1,549.89**	**$ 2,362.65**	**$ 593.68**	**$ 938.32**	**$ 115.79**	**$ 323.24**	**$ 409.20**	**$ 220.73**	**$ 375.00**	**$ 15,422.67**

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS
OCTOBER 27, 2026 REGULAR BOARD MEETING

Subject:	**EMPLOYEE RECOGNITION**
Status:	Action Item
Report Date:	October 5, 2026
Prepared By:	Kayleigh Shepard, Senior Management Analyst/Deputy Board Clerk Viviana Munoz, Management Technician

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

Administrative Services Department

Name	Attendance	Customer Service	Work Quality
Dana Mellado		Patiently guided a customer through Xpress Bill Pay registration, earning repeated thanks for making the process easy and stress-free. Dana received a 5-star Google review recognizing front office staff as *pleasant*, *informative*, *and understanding* while helping customers navigate the billing transition. Their efforts turned a potentially frustrating experience into a positive one, a great example of the District's commitment to responsive service and professionalism.	Provided valuable support throughout the Utility Billing implementation, demonstrating teamwork and dependability.

Name	Attendance	Customer Service	Work Quality
Brittney Moore	Yes		Brittney expertly handled several complex human resources projects. Her patience, thoroughness, and steady attitude make tight deadlines a breeze for the team.
Viviana Munoz	Yes		Viviana provided thorough payroll training and support, to help ensure continuity of administrative services and strengthening internal payroll knowledge and processes.
Megan Selling	Yes	Assisted customers with Xpress Bill Pay registration during the Thursday Open House events, helping make the transition smooth sailing.	Developed a budget dashboard and supported front desk operations, demonstrating accountability and teamwork.
Kayleigh Shepard	Yes	Kayleigh stepped in to clerk the Customer Advisory Committee (CAC) meeting, providing professional administrative support and helping ensure an efficient meeting process.	Kayleigh facilitated individual meetings with staff to review health benefit updates, answer questions, and ensure employees had the information needed to make informed benefits decisions.
Beth Shockley	Yes		Beth continues to embody District values through her dependability, teamwork, and professionalism, helping keep District operations flowing smoothly.

Name	Attendance	Customer Service	Work Quality
Desiree Smith		Continues to be a pro at navigating the waves of customer calls while providing responsive, professional service. Desiree received a 5-star Google review recognizing front office staff as *pleasant*, *informative*, *and understanding* while helping customers navigate the billing transition. Their efforts turned a potentially frustrating experience into a positive one, a great example of the District's commitment to responsive service and professionalism.	Put in extra hours and stepped up to handle increased customer calls during the Utility Billing transition, demonstrating dependability and teamwork.
Nicole Sedlacek		Maintained a positive attitude despite the increased workload surrounding the Utility Billing transition, demonstrating professionalism and teamwork. Nicole received a 5-star Google review recognizing front office staff as *pleasant*, *informative*, *and understanding* while helping customers navigate the billing transition. Their efforts turned a potentially frustrating experience into a positive one, a great example of the District's commitment to responsive service and professionalism.	Received heartfelt praise from a customer, who called Nicole a “blessing” and said she had answered her prayers.

Name	Attendance	Customer Service	Work Quality
Ben Strange	Yes		Ben demonstrated dependability with the Utility Billing system post-launch challenges. He made sure customers' inquiries are answered, stayed on top of every issue until they are resolved, and made sure his team is supported.
Andy Tran	Yes		Andy provided a prompt response and efficient implementation of review folder security settings, ensuring secure access controls were established in a timely manner.
Torrance York	Yes		Torrance provided a prompt response and efficient implementation of review folder security settings, ensuring secure access controls were established in a timely manner.

Engineering Department

Name	Attendance	Customer Service	Work Quality
Tamar Dawson			Assisted in the consultant selection process for the Pipeline Condition Assessment Program.
Jarrett Flink			Provided exceptional construction support for an on-the-spot repair of the District's transmission main.
Tim Katkanov		Coordinated four discovery sessions with all Cityworks users to streamline the upcoming Cityworks training.	
Jace Nunes	Yes		Assisted in the consultant selection process for the Pipeline Condition Assessment Program.

Name	Attendance	Customer Service	Work Quality
Ali Shafaq	Yes	Demonstrated exceptional work coordinating a spot repair on the District's transmission main that was identified as part of the District's Pipeline Condition Assessment Project.	Prepared a Request for Proposal and managed the consultant selection process for the Pipeline Condition Assessment Program.
Luis Zamudio	Yes		Provided field support on September 8th for the District's private development projects during staff outage.

Operations Department

Name	Attendance	Customer Service	Work Quality
Kathy Abarca	Yes		Worked on a Friday to help document the repair work on the 42-inch main. Held her first bid-opening for the FME Madison project. Attended Citrus Nights Concert event on behalf of the District.

Name	Attendance	Customer Service	Work Quality
Chris Bell	Yes	Recognized by a customer on Wachtel Way for a job well done setting a large vault over a valve on the 42-inch main in front of his property.	Worked after-hours responding to a broken water main on Brookcrest Way. Responded on a Saturday to a water main break on Celestial Way. Volunteered to work overnight shifts to monitor dewatering of the 42-inch water main for the Lois Lane repair. Responded to the beaver dam break to minimize impact to the Lois Lane repair work. Worked after-hours on a Thursday, Friday, and Saturday to facilitate the repair work on the 42-inch water main.
Andrew Callister	Yes		Responded on a Saturday to a water main break on Celestial Way. Responded on a Saturday to a main break on San Juan Avenue.
Jose Calvillo	Yes	Recognized by a customer on Brookcrest Way for his great communication and top-notch work on her street.	Worked after-hours responding to a broken water main on Brookcrest Way.
Brady Chambers	Yes		
Kelly Drake	Yes		Developed a scope of work for trench excavation safety and confined space safety update.
Jake Enas	Yes	Recognized by a customer on Wachtel Way for a job well done setting a large vault over a valve on the 42-inch main in front of his property.	Responded on a Saturday to a main break on San Juan Avenue.

Name	Attendance	Customer Service	Work Quality
Jarred Fernandez-Allen		Recognized by a customer on Wachtel Way for a job well done setting a large vault over a valve on the 42-inch main in front of his property.	Worked after-hours responding to a broken water main on Brookcrest Way. Volunteered to work overnight shifts to monitor dewatering of the 42-inch main for the Lois Lane repair. Responded to the beaver dam break to minimize impact to the Lois Lane repair work
James Ferro	Yes		Volunteered to work overnight shifts to monitor dewatering of the 42-inch main for the Lois Lane repair. Responded to the beaver dam break to minimize impact to the Lois Lane repair work. Responded on a Saturday to a main break on San Juan Avenue.
Brandon Goad	Yes		Responded on a Saturday to a water main break on Celestial Way.
Brian Hensley	Yes		
Jesse Jameson	Yes	Recognized by a customer on Brookcrest Way for his great communication and top-notch work on her street.	
Chris Nichols	Yes		Responded to the beaver dam break to minimize impact to the Lois Lane repair work.
Alex Pauli		Recognized by a customer on Brookcrest Way for his great communication and top-notch work on her street.	Worked after hours responding to a broken water main on Brookcrest Way.

Name	Attendance	Customer Service	Work Quality
Ryon Ridner		Recognized by a customer on Brookcrest Way for his great communication and top-notch work on her street.	
Joshua Romero	Yes		Responded to the beaver dam break to minimize impact to the Lois Lane repair work. Responded on a Saturday to a main break on San Juan Avenue.
Neil Tamagni	Yes		Responded to the beaver dam break to minimize impact to the Lois Lane repair work.
Joey Vazquez	Yes	Recognized by a customer on Wachtel Way for a job well done setting a large vault over a valve on the 42-inch main in front of his property.	Responded on a Saturday to a water main break on Celestial Way.

Public Affairs Division

Name	Attendance	Customer Service	Work Quality
Khandriale Clark	Yes	Assisted with facility setup for the September Customer Advisory Committee meeting.	Presented on the non-functional regulation at the September Board meeting. Submitted a grant report for the ARTESIAN funding reimbursement.

Name	Attendance	Customer Service	Work Quality
Mary Elise Conzelmann		Attended the Chamber of Commerce's Elected Official Reception and Sunrise MarketPlace Board meeting alongside Board members and prepared materials for Board members to present. Collaborated with the Administrative Services team on the utility billing system customer transition campaign and responded to customer inquiries.	Attended and presented at the September Customer Advisory Committee meeting.
Katie Fuerte	Yes	Provided logistical support to the Admin Services team on the utility billing system customer office hours to assist customers with the transition.	Provided a high level of logistical support for the community update series where staff attended multiple community meetings to share updates on the District. Prepared staff for the Citrus Nights community outreach event. Led proactive social media planning for upcoming months while supporting intern development in this area. Led the September WaterSmart Workshop: Earth, Worm, and Fire: The Art of Worm Castings. Attended and presented at the community update series content Neighborhood Association 10 (SOAR).

AGENDA ITEM: CC-11

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS
OCTOBER 27, 2026 REGULAR BOARD MEETING

SUBJECT : LONG RANGE AGENDA
STATUS : Consent/Information Item
REPORT DATE : October 21, 2026
PREPARED BY : Brittney Moore, Administrative Services Manager/Chief Board Clerk

OBJECTIVE:

Listed below is the current Long Range Agenda.

Legend	
S	Study Session
CC	Consent Calendar
P	Presentation
B	Business
PH	Public Hearing
CL	Closed Session

CITRUS HEIGHTS WATER DISTRICT LONG RANGE AGENDA

MEETING DATE	MEETING TYPE	ITEM DESCRIPTION	ASSIGNED	AGENDA TYPE	AGENDA ITEM
November 17, 2026					
November 17, 2026		2027 Board Meeting Dates	**Shepard/Moore**	**CC**	A
December 15, 2026					
December 15, 2026	Annual	Committee Assignment	**Shepard/Moore**	**B**	A
December 15, 2026	Annual	District Officers	**Shepard/ Moore**	**B**	A
December 15, 2026	Annual	Selection of President and Vice President	**Shepard/Moore**	**B**	A
January 26, 2027					
January 26, 2027		Emergency Response Plan	**Abarca/Jordan**	**CC**	A
January 26, 2027		Information Technology Roadmap	**Liu/Tran**	**S**	I/D
January 26, 2027		Strategic Plan Update/2026 Strategic Plan Preview	**Moore**	**S**	A
January 26, 2027		Local Hazard Mitigation Plan	**Abarca/Jordan**	**P**	A
February 23, 2027					
February 23, 2027	Annual	Financial Policies (6000 Series) Updates	**Liu**	**B**	A
March 23, 2027					
March 23, 2027	Annual	Investment Portfolio Update	**Liu**	**P**	A
April 27, 2027					
April 27, 2027		Strategic Plan Update	**Moore**	**S**	I/D

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS
OCTOBER 27, 2026 REGULAR MEETING

Subject:	**Engineering Department Report**
Status:	Information Item
Report Date:	October 14, 2026
Prepared By:	Missy Pieri, Director of Engineering/District Engineer

Significant assignments and activities for the Engineering Department are summarized below. I will be available at the meeting to answer questions and/or provide additional details.

Item of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
PROJECT 2030 Water Main Replacement Project - Pipeline Condition Assessment	Engineering	Director of Engineering, Principal Civil Engineer, Senior Management Analyst	Yes, 10/27/26 Anticipate Award of Contract (Pipeline Condition Assessment Program Document)	Yes	Pipeline Condition Assessment	Segment 1 (42-inch): External Corrosion Direct Assessment on 42" Transmission Main (3 locations) completed. Repairs completed at 3 locations. Anticipate Award of Contract for preparation of a Pipeline Condition Assessment Program on 10/27/26.
PROJECT 2030 Project Workflow Program Management	Engineering	General Manager, All Departments	Yes, updates as necessary	Yes	Project Management and Coordination of Nine Project 2030 Workflows.	2026 Meeting Schedule: T1 Meeting occurred 7/7/26. T2 meeting scheduled for 11/5/26.

Item of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
PROJECT 2030 DISTRICT WATER SYSTEM MASTER PLAN	Engineering	Director of Engineering, Director of Operations, Principal Civil Engineer	Yes, 10/22/24 (Award of Contract) 11/2026 (Draft WSMP)	Yes	Update to the District's Existing Water System Master Plan.	Revised Draft Water System Master Plan received 08/03/26. Completed three water meter reading technology meetings with the Customer Advisory Committee on 5/19/26, 6/6/26 and 9/15/26. Anticipate presentation to the Board in November 2026.
DISTRICT-WIDE EASEMENT PROJECT Phase 4	Engineering	Director of Engineering, Principal Civil Engineer, Assistant Engineer, GIS Specialist	Yes, updates as necessary	Yes	Obtaining easements for District-owned facilities.	Group 3 Easements in progress.

Item of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
CAPITAL IMPROVEMENT PROJECT & PROJECT 2030 Facilities Modernization & Expansion Project - 7803 Madison Ave Bldg B	Engineering	Director of Engineering, Director of Operations, Senior Management Analyst, Technical Advisory Committee	Yes, May 2026 (Award of Contract for Construction Management), TBD (Construction Award)	Yes	Development of Contract Documents for tenant and site improvements for District facilities located at 7803 Madison Avenue.	Award of Contract for Construction Management & Inspection Services in May 2026. Released Invitation for Bid on 8/24/26. Bid opening to occur on 9/15/26.
CAPITAL IMPROVEMENT PROJECT & PROJECT 2030 Facilities Modernization & Expansion Project - 6230 Sylvan Rd	Engineering	Director of Engineering, Director of Operations, Senior Management Analyst, Technical Advisory Committee	Yes, TBD	Yes	Development of Contract Documents for tenant and site improvements for District facilities located 6230 Sylvan Road.	Phase 1 Contract Documents 90% complete. Preparing application and supporting documents for lot merger/rezone/design review with the City of Citrus Heights.

Item of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
CAPITAL IMPROVEMENT PROJECT & PROJECT 2030 Facilities Modernization & Expansion Project - 7505 Greenback Ln Demolition	Engineering	Director of Engineering, Senior Management Analyst	Yes, TBD	Yes	Demolish existing buildings and prepare site for incorporation into the District's 6230 Sylvan property	Coordinating utility shut-off and removal. Coordinating tree removal. Obtain proposals for building lead & asbestos testing.
CAPITAL IMPROVEMENT PROJECT & PROJECT 2030 Greenback Ln (Sunrise Blvd to Birdcage St) Water Main Project	Engineering	Director of Engineering and Assistant Engineer	Yes, TBD	Yes	2026 design, 2026/27 construction	District preparing 60% plans. Easement acquisition is required for this project. District coordinating with BRI on easement support services.
CAPITAL IMPROVEMENT PROJECT & PROJECT 2030 Greenback Ln (Birdcage St to Burich Ave) Water Main Project	Engineering	Director of Engineering, Assistant Engineer, and Senior Inspector	Yes, 1/27/26 (Award of Contract)	Yes	2025 design, 2026 construction	Construction completed. Project Closeout in Progress.

Item of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
CAPITAL IMPROVEMENT PROJECT & PROJECT 2030 Donnawood Way Water Main Project	Engineering	Director of Engineering and Assistant Engineer	Yes, 4/28/26 (Award of Contract)	Yes	2026 construction	Construction 100% complete. Project closeout in process.
CAPITAL IMPROVEMENT PROJECT & PROJECT 2030 Sagitarius & Pleides Water Main Project	Engineering	Director of Engineering and Assistant Engineer	Yes, TBD	Yes	2026 design, 2026/27 construction	District preparing 90% plans.
PRIVATE DEVELOPMENT 6031 Sunrise Vista Dr Apartments	Engineering	Principal Civil Engineer, Senior Civil Engineer, and Senior Inspector	No	No	Proposed apartments.	Water facilities construction 100% complete. Project closeout in progress.

Item of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
PRIVATE DEVELOPMENT 7501 Greenglen Ave Parcel Split 1 - 2	Engineering	Senior Civil Engineer and Senior Inspector	No	No	Parcel Split - 1 to 2 lot split per SB9; 4 water services for 4 duplexes.	Plan Check Fees and Installation Deposit Paid. Capacity Fees due prior to water service activation. CHWD completed installation of four water services. Two water services pending activation.
PRIVATE DEVELOPMENT 7401 Mariposa Ave 5 Parcels	Engineering	Principal Civil Engineer and Senior Civil Engineer	No	No	Parcel split. 5 single family homes with frontage improvements including one fire hydrant.	Plans approved 2/17/26. Inspection and meter set charges paid on 7/14/26. Preconstruction meeting occurred on 7/16/26. Water facilities 70% complete.

Item of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
PRIVATE DEVELOPMENT 7803 Madison Ave. Bldg A	Engineering	Principal Civil Engineer and Senior Civil Engineer	No	No	Tenant improvements including updating backflow device to approved CHWD device.	Plans approved and all fees paid. Fire service backflow installation complete. Project closeout in progress.
PRIVATE DEVELOPMENT 8043 Holly Dr. Parcel Split 1-3	Engineering	Senior Civil Engineer and Senior Inspector	No	No	Parcel split from one to three parcels with 3 Single Family Dwellings.	All fees paid. Preconstruction meeting on 6/16/26. Submittals approved. Awaiting water facilities construction.
CITY OF CITRUS HEIGHTS PROJECT Auburn Blvd - Complete Streets Phase 2	Engineering	Senior Civil Engineer and Senior Inspector	No	No	City of Citrus Heights frontage improvements and utility relocation on Auburn Blvd from Rusch Park to north. 3 new irrigation services.	Construction on water related work began on 07/29/24. Water related construction 100% complete. Punchlist Items being completed by the Contractor

Item of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
ArcGIS Migration from ArcGIS Desktop to ArcGIS Pro	Engineering	Director of Engineering, Engineering/GIS Specialist, IT Staff	No	No	Migrate the District's ArcGIS software from Desktop to Pro and update the Cityworks software.	Migration is 95% Complete. Cityworks discovery sessions completed in Aug/Sept. Staff training for Cityworks scheduled for November 2026.

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS
OCTOBER 27, 2026 REGULAR BOARD MEETING

Subject:	**OPERATIONS DEPARTMENT REPORT**
Status:	Information Item
Report Date:	October 14, 2026
Prepared By:	Kathy Abarca, Management Analyst Todd Jordan, Director of Operations

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

OPERATIONS MONTHLY ACTIVITIES

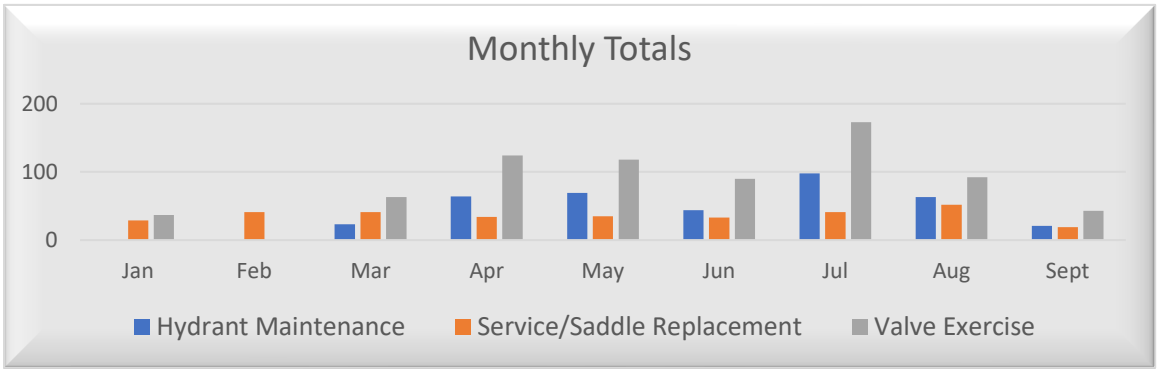
A. Distribution Division

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

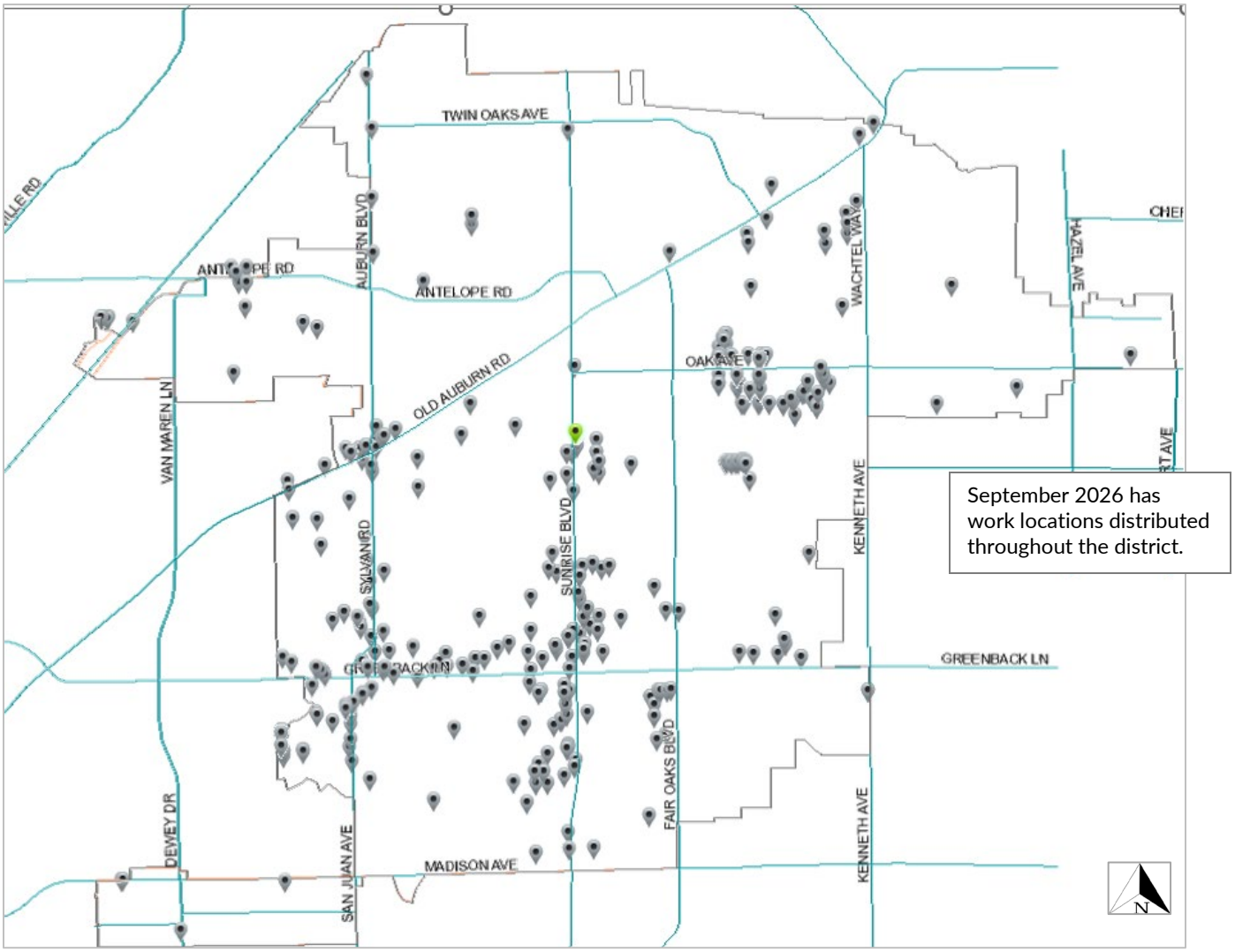
Distribution Maintenance	September 2026	Total YTD 2026	Total # Assets in System
Air Valve Inspection (ARV)	0	184	182
Blow Off Flush	8	21	593
Hydrant Maintenance	21	382	2,176
Mainline Repair/Maintenance	2	7	-
Meter Box Maintenance	2	30	21,007
Meter Register Replacement	5	49	21,007
Service/Saddle Replacement	19	325	21,007
Valve Exercise	43	740	4,631
Total	**100**	**1738**	

CIP Projects	September 2026	Total YTD 2026
C26-010 Water Mainline	0	2
C26-011 Water Valves	1	12
C26-012 Water Services	19	320
C26-013 Water Meters	10	72
C26-014 Fire Hydrants	0	9
C26-103 Pothole Main	0	0
Total	**30**	**415**

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



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



B. Standby Summary

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

2026 Standby Summary			
Standby Reporting Month	**Total Calls to After-Hours Answering Service**	**Site Visits**	**Resolutions Via Phone Call**
January	30	21	9
February	15	9	6
March	25	13	12
April	20	11	9
May	23	14	9
June	31	17	14
July	43	25	18
August	33	22	11
September	28	15	13

C. Operations Specialist

The District's Operations Specialist performs USA markings to identify and protect CHWD facilities when excavation or other work occurs within the District's service area. The Operations Specialist investigates reported leaks, locates water meters, and responds to requests to turn water service on or off. Additional information is provided in the chart below.

Operations Specialist Summary		
Work Description	**September 2026**	**Total CY 2026**
USA Markings	421	7060
Check for Leak	44	254
Fire Hydrant Investigation	0	5
Locate a Meter	0	0
Turn Water On/Off	3	77
Total	**468**	**7396**

D. Water Resources Summary

The Water Resources Division oversees routine monthly bacteriological testing required by the California Division of Drinking Water. In September, staff collected 72 samples, all of which tested negative. Water Resources staff also conduct annual backflow surveys and backflow prevention device inspections to verify that the devices are functioning properly and preventing water from flowing back into the District's distribution system.

Water Resources	September 2026	Total YTD 2026	Total # Assets in System
Backflow Inspection	0	930	930
Backflow Surveys	200	508	N/A

E. Water Efficiency

The following tables summarize the service requests and work orders of Water Efficiency staff for September 2026 (September 2025 is shown for comparison):

Work Orders	Sept 2026	Sept 2025
INSTALL NEW METER	3	1
CONVERT TOUCH READ METER TO RADIO READ METER	8	27
CONVERT METER TO CELLULAR METER	12	0
REPLACE TOUCH READ METER (IN KIND)	4	1
REPLACE TOUCH READ REGISTERS (IN KIND)	2	1
REPLACE RADIO READ REGISTERS (IN KIND)	3	4
CONVERT REGISTER TO CELLULAR REGISTER	4	0
TEST METER	0	0
REPAIR METER	0	0
REPAIR METER BOX	0	6
TOTAL	**36**	**40**

Service Requests	Sept 2026	Sept 2025
CONSERVATION REQUEST	11	21
CHECK FOR LEAK	0	2
READ METER	0	0
RE-READ METER	14	29
UNABLE TO OBTAIN METER READ	90	36
METER MAINTENANCE	45	18
METER BOX MAINTENANCE	1	1
METER BURIED	0	26
CAR OVER METER	3	24
LOCKED GATE	0	3
TRIM SHRUBS	0	0
MOVE-IN/MOVE-OUT	0	10
METER GLASS DIRTY	0	7
CUSTOMER SERVICE	1	3
PARTIAL READ	0	1
UNDERWATER	0	7
TOTAL	**165**	**188**

F. Safety Trainings

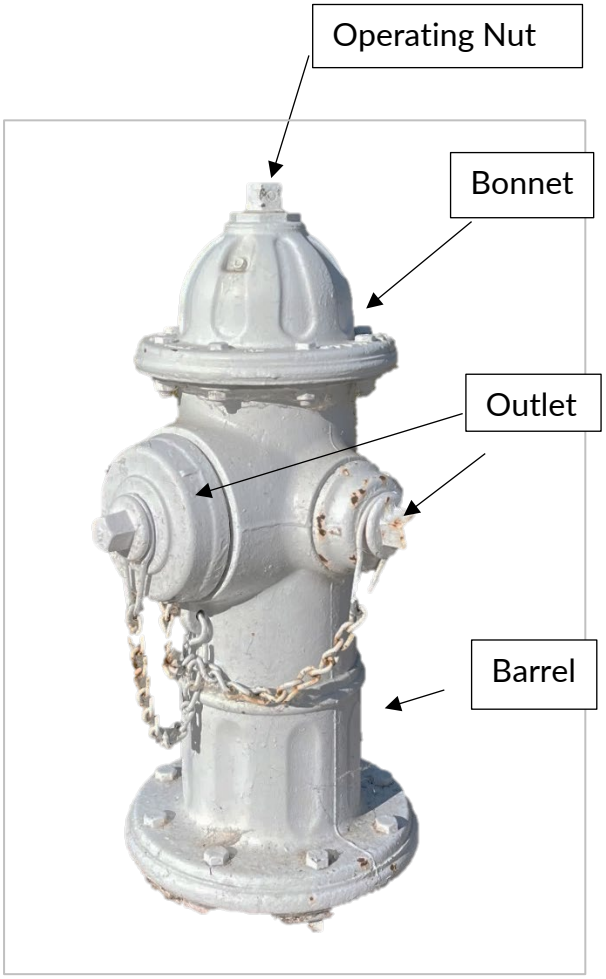
The District typically holds several safety meetings per month. The September 2026 safety meeting topics were:

- 9/3 – Forklift Refresher
- 9/10 – Common Accident Causes
- 9/17 – Pedestal Grinder Safety

G. Refresher:

Fire Hydrant Maintenance:
Citrus Heights Water District owns and maintains 2,176 fire hydrants throughout the service area. The District follows California Fire Code for fire hydrant spacing. In 2025, Operations staff performed maintenance inspections on 558 hydrants. During every routine maintenance inspection, staff operate the fire hydrant to verify all components are working properly; regreases all outlets; then cleans and repaints the body, if needed.

Below are pictures showing typical fire hydrant components and a fire hydrant installation.



Typical fire hydrant components



Photo: CHWD fire hydrant installation

AGENDA ITEM: CC-14

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS
OCTOBER 27, 2026 REGULAR MEETING

SUBJECT : 2026 Water Supply - Purchased & Produced
STATUS : Information Item
REPORT DATE : October 5, 2026
PREPARED BY : Brian Hensley, Water Resources Supervisor
: Todd Jordan, Director of Operations

OBJECTIVE:

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

Month	2013	2021	2022	2023	2024	2025	2026				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	%
							acre feet					
Jan	**602.52**	575.54	528.73	501.92	515.29	556.22	446.91	83.27	530.18	530.18	**-72.34**	**-12.0%**
Feb	**606.36**	485.17	605.17	487.3	467.3	480.41	405.26	66.43	471.69	1,001.87	**-207.01**	**-17.1%**
Mar	**819.55**	601.02	774.74	472.65	539.72	556.98	685.09	72.84	757.93	1,759.80	**-268.63**	**-13.2%**
Apr	**1,029.73**	1,001.96	763.83	698.84	634.32	740.75	641.74	69.02	710.76	2,470.56	**-587.60**	**-19.2%**
May	**1,603.43**	1,277.33	1,133.06	1,016.07	1,044.91	1,190.22	928.85	36.43	965.28	3,435.84	**-1,225.75**	**-26.3%**
Jun	**1,816.73**	1,541.32	1,288.62	1,265.25	1,399.15	1,395.35	1,241.80	27.91	1,269.71	4,705.55	**-1,772.77**	**-27.4%**
Jul	**2,059.21**	1,643.73	1,536.69	1,513.02	1,645.98	1,495.41	1,442.12	24.78	1,466.90	6,172.45	**-2,365.08**	**-27.7%**
Aug	**1,924.28**	1,538.76	1,461.15	1,494.76	1,501.15	1,467.13	1,443.50	33.54	1,477.04	7,649.49	**-2,812.32**	**-26.9%**
Sep	**1,509.82**	1,333.29	1,228.49	1,220.46	1,321.12	1,242.61	1,161.21	44.75	1,205.96	8,855.45	**-3,116.18**	**-26.0%**
Oct	**1,297.42**	972.09	1,065.99	966.12	1,159.16	796.46						
Nov	**911.55**	576.37	637.25	648.08	668.79	580.49						
Dec	**700.94**	536.97	541.93	558.87	573.3	524.84						
Total	**14,881.54**	12,484.43	12,083.55	11,565.65	10,843.34	11,470.19	8,396.48	458.97	8,855.45	8,855.45		
% of Total							94.82%	5.18%				

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS
OCTOBER 27, 2026 REGULAR MEETING

Subject:	**Water Supply Reliability**
Status:	Information Item
Report Date:	October 5, 2026
Prepared By:	Brian Hensley, Water Resources Supervisor Todd Jordan, Director of Operations

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

BACKGROUND AND ANALYSIS:
As of October 1, 2026, storage in Folsom Lake was at 425,340 acre-feet, forty-four percent (44%) of the total capacity of 977,000 acre-feet. This represents a decrease in storage of 35,130 acre-feet in the past month.

The District's total water use during September 2026 (1205.96 acre-feet) was twenty percent (20%) below that of September 2013 (1,509.82 acre-feet).

The District's groundwater production wells: Bonita, Skycrest, Mitchell Farms, and Sylvan are operational and used on a rotational or as-needed basis. Other District groundwater production wells, Palm and Sunrise, are available for emergency use. Construction on the Ella Way Well Project is complete. Highland is at 95% in design phase, preparatory for above-ground construction.

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO THE BOARD OF DIRECTORS
OCTOBER 27, 2026 REGULAR MEETING

Subject:	**Water Efficiency**
Status:	Information Item
Report Date:	October 6, 2026
Prepared By:	Khandriale Clark, Public Affairs Analyst Mary Elise Conzelmann, Public Affairs Manager

Water efficiency updates are summarized below.

ACTIVITIES AND PROGRESS REPORT

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

Month	R-GPCD 2026	R-GPCD 2025	% CHANGE
January	68	71	-5%
February	68	70	-3%
March	95	70	34%
April	92	101	-10%
May	126	145	-13%
June	170	186	-9%
July	173	184	-6%
August*	Unavailable	185	Unavailable
September	Unavailable	156	Unavailable

**Please note the data required for these calculations is being analyzed and was not available as of the date of this report.*

September 2026 Rebates and Incentives

- No High-Efficiency Toilet rebate applications were processed.
- No High-Efficiency Clothes Washer rebate applications were processed.
- Five (5) Irrigation Efficiency Review/Smart Controller Install applications were processed.
- No Pressure Reducing Valve rebate applications were processed.

WaterSmart Workshops

CHWD offers a variety of WaterSmart Workshops. We held our final workshop of the year on Saturday, September 26, at the Sylvan Oaks Library, focusing on worm castings. The 18 attendees gained a detailed understanding of how worm castings support the health and longevity of indoor and outdoor plants and received resources to replicate those practices at home. Staff is planning the 2027 WaterSmart Workshop topics.

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

Garden Corps

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

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS
OCTOBER 27, 2026 REGULAR MEETING

Subject:	**DISCUSSION AND POSSIBLE ACTION TO APPROVE AMENDMENTS TO THE CITRUS HEIGHTS WATER DISTRICT CONFLICT OF INTEREST CODE PURSUANT TO THE POLITICAL REFORM ACT OF 1974**
Status:	Action Item
Report Date:	October 12, 2026
Prepared By:	Brittney Moore, Administrative Services Manager/Chief Board Clerk

OBJECTIVE:
Consider approving amendments to the Citrus Heights Water District (CHWD or District) Conflict of Interest Code.

BACKGROUND AND ANALYSIS:
The Political Reform Act of 1974, Government Code section 81000 et seq. (the "Act"), requires all public agencies to adopt and maintain a conflict-of-interest code establishing the rules for disclosure of personal assets and the disqualification from making or participating in the making of any decisions that may affect any personal assets designating positions and establishing disclosure categories.

Pursuant to Section 87306 of the Act, the District must amend its Code when necessitated by updated circumstances including the creation of new positions which must be designated.

The District's last Conflict-of-Interest Code amendment was adopted via Resolution No. 04-2024 by the Board of Directors on April 23, 2024. The 2024 amendment included new positions that had to be designated, along with Board approved title changes for existing positions.

Attached is a redlined version of the proposed amended Code showing that the revisions proposed for 2026 are based on the establishment and recognition of new position titles that must be designated, along with title corrections for existing positions and updating the language to reflect newly passed Senate Bill (SB) 852, revising form 700 filing requirements for Public Officials who manage public investments.

RECOMMENDATION:
Adopt Resolution No. 17-2026, and approve updates to Policy 1035 and accompanying Appendix A and Appendix B to amend the Conflict-of-Interest Code pursuant to the Political

Reform Act of 1974 and Authorize the Acting General Manager to Execute the CEO Declaration

ATTACHMENTS:

1. Explanation of Amendments
2. Resolution No. 17-2026 to Amend the Conflict-of-Interest Code Pursuant to the Political Reform Act of 1974
3. Redlined Conflict of Interest Code (Policy 1035, Appendix A - Designated Officials and Employees, and Appendix B - Disclosure Categories)
4. CEO Declaration

ACTION:

Moved by Director _____, Seconded by Director _____, Carried _____

ATTACHMENT 1

Explanation of Amendments

October 27, 2026

CITRUS HEIGHTS WATER DISTRICT

EXPLANATION OF CHANGES TO LIST OF DESIGNATED POSITIONS AND THE ASSIGNMENT OF DISCLOSURE REQUIREMENTS

Review of the Conflict of Interest Code of the Citrus Heights Water District (the "District") indicates that it is necessary to update and amend the District's Code to reflect changed circumstances within the District affecting the list of Designated Positions.

The Designated Positions have been amended as follows:

Changes to the conflict of interest code include: based on the need to update the language to reflect newly passed SB 852 revising form 700 filing requirements for Public Officials who manage public investments.

TITLE		**ACTION**
Accounting Manager/Assessor/Collector		Title corrected.
Senior Accountant		Title corrected.
Assistant Engineer		Title corrected.
Principal Operations Specialist		Title corrected.
Civil Engineer (ALL)		Title corrected to require filing from all Civil Engineer classification levels.
Public Affairs Manager – CAT 1 (NEW)		Added with disclosure interests affected by decisions at District level – position makes and participates in decisions on District policies; budget development; equipment, materials and supplies; approves expenditures.
Management Analyst (ALL) – CAT 1 (NEW)		Added with disclosure interests affected by decisions at District level – position makes and participates in decisions on District policies; budget development; equipment, materials and supplies; approves expenditures. This is not a new position. Title was removed inadvertently in FPPC's last Conflict of Interest Code approval.

Principal Accountant – CAT 1 (NEW)		Added with disclosure interests affected by decisions at District level – position makes and participates in decisions on District policies; budget development; equipment, materials and supplies; approves expenditures.
Engineering Manager – CAT 2, 4 (NEW)		Added with disclosure narrowed to real property and interests affected by decisions at department level – position makes and participates in decisions on construction and materials; recommends revisions to plans and specs, and compliance; attends and participates in project planning and construction meetings; assists with construction bids; and confirms and processes contractor requests for payment.
Engineering Supervisor/Principal GIS Specialist – CAT 2, 4 (NEW)		Added with disclosure narrowed to real property and interests affected by decisions at department level – position makes and participates in decisions on construction and materials; recommends revisions to plans and specs, and compliance; attends and participates in project planning and construction meetings; assists with construction bids; and confirms and processes contractor requests for payment.

ATTACHMENT 2

Resolution No. 17-2026 to Amend the Conflict-of-Interest Code Pursuant to the Political Reform Act of 1974

CITRUS HEIGHTS WATER DISTRICT
RESOLUTION NO. 17-2026

RESOLUTION TO AMEND THE CONFLICT OF INTEREST CODE
PURSUANT TO THE POLITICAL REFORM ACT OF 1974

WHEREAS, the State of California enacted the Political Reform Act of 1974, Government Code section 81000 et seq. (the "Act"), which contains provisions relating to conflicts of interest which potentially affect all officers, employees and consultants of the Citrus Heights Water District (the "District") and requires all public agencies to adopt and promulgate a conflict of interest code; and

WHEREAS, the Board of Directors adopted a Conflict of Interest Code (the "Code") which was amended and approved by the Fair Political Reform Act on August 26, 2025; and

WHEREAS, the Board of Directors adopted Resolution No. 04-2024 to amend the Code on April 23, 2024; and

WHEREAS, subsequent changed circumstances within the District have made it advisable and necessary pursuant to Sections 87306 and 87307 of the Act to amend and update the District's Code; and

WHEREAS, the potential penalties for violation of the provisions of the Act are substantial and may include criminal and civil liability, as well as equitable relief which could result in the District being restrained or prevented from acting in cases where the provisions of the Act may have been violated; and

WHEREAS, notice of the time and place of a public meeting on, and of consideration by the Board of Directors of, the proposed amended Code was provided each affected designated employee and publicly posted for review and establishing a 45-day comment period in compliance with Title 2 California Code of Regulations Section 18750(a)(3); and

WHEREAS, a public meeting was held upon the proposed amended Code at a regular meeting of the Board of Directors on October 27, 2026, at which all present were given an opportunity to be heard on the proposed amended Code.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITRUS HEIGHTS WATER DISTRICT AS FOLLOWS:

1. The Board of Directors does hereby adopt the proposed amended Conflict of Interest Code, a copy of which is attached hereto and shall be on file with the Chief Board Clerk and available to the public for inspection and copying during regular business hours;

2. The said amended Code shall be submitted to the Fair Political Practices Commission for approval and said Code shall become effective 30 days after the date of approval of the proposed amended Code.

3. All previously adopted conflict of interest codes and amendments are rescinded upon the effective date of approval by the Fair Political Practices Commission of the amended and updated Conflict of Interest Code, attached.

PASSED AND ADOPTED by the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT, this 27th day of October, 2026, by the following vote, to-wit:

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

Caryl F. Sheehan, President
CITRUS HEIGHTS WATER DISTRICT

SEAL

Brittney C. Moore, Chief Board Clerk
CITRUS HEIGHTS WATER DISTRICT

CONFLICT OF INTEREST CODE FOR THE
CITRUS HEIGHTS WATER DISTRICT

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations Section 18730) that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendix, designating positions and establishing disclosure categories, shall constitute the conflict of interest code of the **Citrus Heights Water District** (**District**).

Officials Who Manage Public Investments shall electronically file their statements of economic interests directly with the **Fair Political Practices Commission**. Individuals holding designated positions shall file their statements of economic interests with the **District**, which will make the statements available for public inspection and reproduction. (Government Code Section 81008.) All statements will be retained by the **District.**

APPENDIX

CONFLICT OF INTEREST CODE OF THE CITRUS HEIGHTS WATER DISTRICT

PART A

OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

The following positions are NOT covered by the conflict of interest code because they must file under Government Code Section 87200 and, therefore, are listed for informational purposes only:

- Directors
- Treasurer
- Deputy Treasurer
- Consultants who manage public investments

An individual holding one of the above-listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by Government Code Section 87200.

CONFLICT OF INTEREST CODE OF
THE CITRUS HEIGHTS WATER DISTRICT

DESIGNATED POSITIONS

DESIGNATED POSITIONS' TITLE OR FUNCTION	DISCLOSURE CATEGORIES ASSIGNED
Accounting Manager/Assessor/Collector	1
Administrative Services Manager/Chief Board Clerk	1
Assistant Engineer	2, 4
Assistant General Manager	1, 2, 3
Assistant Water Distribution Supervisor	4
Public Affairs Analyst (ALL)	4
Construction Inspector (ALL)	2, 4
Construction Inspection Supervisor	2, 4
Director of Finance and Administrative Services	1, 2, 3
Director of Engineering/District Engineer	1, 2
Director of Operations	1, 2
Director of Public Affairs	1, 2, 3
General Counsel	1, 2, 3
General Manager/Secretary	1, 2, 3
Information Technology Analyst (ALL)	4
Information Technology Manager	4
Principal Operations Specialist	4
Project Manager	2, 4
Civil Engineer (ALL)	2, 4
Senior Accountant	1
Principal Accountant	1
Water Distribution Supervisor	4
Water Efficiency Supervisor	4
Water Resources Supervisor/Chief Operator	4
Management Analyst (ALL)	1
Engineering Manager	2, 4
Public Affairs Manager	1
Engineering Supervisor/Principal GIS Specialist	2, 4
Consultants/New Positions	*

Note: The position of General Counsel is filled by an outside consultant but acts in a staff capacity.

*Consultants and new positions shall be included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation:

The General Manager/Secretary may determine in writing that a particular consultant or new position, although a "designated position," is hired to perform a range of duties that is limited in

scope and thus is not required to comply fully with the disclosure requirements described in this section. Such written determination shall include a description of the consultant's or new position's duties and, based upon that description, a statement of the extent of disclosure requirements. The General Manager/Secretary's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code. (Gov. Code Section 81008.)

CONFLICT OF INTEREST CODE OF THE CITRUS HEIGHTS WATER DISTRICT
PART B - DISCLOSURE CATEGORIES

CATEGORY 1

All investments and business positions in business entities, and sources of income, including receipt of gifts, loans, and travel payments, from sources that are located in, or doing business in the jurisdiction of the District, and that provide services, products, materials, machinery, or equipment of the type utilized by the District. Sources may include but are not limited to engineering and environmental consulting firms, water and soil testing companies, products and services contractors, mechanical vendors, farmers, and their agents.

CATEGORY 2

Interests in real property, located in whole or in part within the boundaries of the District, or within two miles of the District, including any leasehold, beneficial or ownership interest or option to acquire such interest in real property.

CATEGORY 3

All investments and business positions in business entities, and sources of income, including receipt of gifts, loans, and travel payments from, entities that have filed a claim, or have a claim pending against the District.

CATEGORY 4

All investments and business positions in business entities, and sources of income, including receipt of gifts, loans, and travel payments, that provide services, products, materials, machinery, vehicles, or equipment of the type purchased or leased by the designated position’s department, unit, or division.

ATTACHMENT 3

Redlined Conflict-of-Interest Code (Policy 1035, Appendix A – Designated Officials and Employees, and Appendix B – Disclosure Categories)

CITRUS HEIGHTS WATER DISTRICT
POLICIES MANUAL

POLICY TYPE	:	GENERAL
POLICY TITLE	:	CONFLICT OF INTEREST CODE
POLICY NUMBER	:	1035
DATE ADOPTED	:	DECEMBER 8, 1992
DATE AMENDED	:	~~JUNE 19, 2019~~ OCTOBER 27, 2026
AMENDMENTS	:	(1) NOVEMBER 1, 1994; (2) MARCH 18, 1997; (3) DECEMBER 13, 2002; (4) OCTOBER 9, 2012; (5) JUNE 19, 2019

CONFLICT OF INTEREST CODE
FOR
CITRUS HEIGHTS WATER DISTRICT

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict-of-interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal Code of Regs. §18730) that contains the terms of a standard conflict-of-interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, the standard code ~~Section 18730~~ may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act.

Therefore, the terms of 2 California Code of Regulations section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This ~~incorporation page,~~ Regulation ~~18730~~ and the attached Appendix, designating positions and establishing disclosure categories, shall constitute the Conflict of Interest Code of the Citrus Heights Water District (the District).

Officials Who Manage Public Investments shall electronically file their statements of economic interests directly with the Fair Political Practices Commission. Individuals holding designated positions shall file their statements of economic interests with the District, which will make the statements available for public inspection and reproduction. (Government Code Section 81008.) All statements will be retained by the District.

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~~All officials and designated positions required to submit a statement of economic interests shall file their statements with the District, which will make the statements available for public inspection and reproduction during regular business hours. (Gov. Code Sec. 81008) All statements will be retained by the District.~~

CITRUS HEIGHTS WATER DISTRICT
POLICIES MANUAL

POLICY TYPE	:	GENERAL
POLICY TITLE	:	CONFLICT OF INTEREST CODE-APPENDIX A DESIGNATED OFFICIALS AND EMPLOYEES
POLICY NUMBER	:	1035.A
DATE ADOPTED	:	DECEMBER 8, 1992
DATE AMENDED	:	~~APRIL 23, 2024~~OCTOBER 27, 2026
AMENDMENTS	:	(1) NOVEMBER 1, 1994; (2) MARCH 18, 1997; (3) DECEMBER 13, 2002; (4) JUNE 12, 2007; (5) AUGUST 14, 2012; (6) OCTOBER 9, 2012; (7) JANUARY 8, 2013; (8) NOVEMBER 19, 2014; (9) APRIL 14, 2015; (10) APRIL 12, 2017; (11) JUNE 19, 2019~~,~~; (12) AUGUST 17, 2022; (13) APRIL 23, 2024

APPENDIX

CONFLICT OF INTEREST CODE

OF THE

CITRUS HEIGHTS WATER DISTRICT

PART A

OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

~~District officials who manage public investments, as defined by 2 Cal. Code of Regs. § 18700.3,~~ The following positions are NOT covered by the conflict of interest code because they must file under ~~statements of economic interests pursuant to~~ Government Code Section 87200 and, therefore, are listed ~~here~~ for informational purposes only:

- Directors
- Treasurer
- Deputy Treasurer
- Consultants who manage public investments

An individual holding one of the above listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by Government Code Section 87200.

CONFLICT OF INTEREST CODE OF THE

CITRUS HEIGHTS WATER DISTRICT

DESIGNATED POSITIONS

DESIGNATED POSITIONS' TITLE OR FUNCTION	DISCLOSURE CATEGORIES ASSIGNED
Accounting Manager/Assessor/Collector	1
Administrative Services Manager/Chief Board Clerk	1
Assistant Engineer	2, 4
Assistant General Manager	1, 2, 3
Assistant Water Distribution Supervisor	4
Director of Finance and Administrative Services	1, 2, 3
Director of Public Affairs	1, 2, 3
General Counsel	1, 2, 3
Public Affairs Analyst (ALL)	4
Construction Inspection Supervisor	2, 4
Construction Inspector (ALL)	2, 4
General Manager/Secretary	1, 2, 3
Information Technology Manager	4
Management Analyst (ALL)	1
Director of Operations	1, 2
Director of Engineering /District Engineer	1, 2
Information Technology Analyst (ALL)	4
Principal Operations Specialist	4
Project Manager	2, 4
Senior Accountant	1
Civil Engineer (ALL)	2, 4
Water Distribution Supervisor	4
Water Efficiency Supervisor	4
Water Resources Supervisor/Chief Operator	4
Engineering Manager	2, 4
Public Affairs Manager	1
Principal Accountant	1
Engineering Supervisor/Principal GIS Specialist	2, 4
Consultant/New Position	*

Note: The position of General Counsel is filled by an outside ~~consultant, but~~consultant but acts in a staff capacity.

*~~Individuals providing services as a~~ Consultants ~~defined in Regulation 18700.3 or in~~ and new positions ~~created since this Code was last approved that makes or participates in making decisions~~ shall be included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation:

The General Manager/Secretary may determine in writing that a particular consultant or new position, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to comply fully with the disclosure requirements described in this section. Such written determination shall include a description of the consultant's on new position's duties and, based upon that description, a statement of the extent of disclosure

requirements. ~~that due to the range of duties or contractual obligations, it is more appropriate to assign a limited disclosure requirement. A clear explanation of the duties and a statement of the extant of the disclosure requirements must be in a written document. (Gov. Code Sec. 82019; FPPC Regulations of 18219 and 18734).~~ The General Manager/Secretary's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code. (Gov. Code Section 81008.)

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CITRUS HEIGHTS WATER DISTRICT
POLICIES MANUAL

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POLICY TYPE	:	GENERAL
POLICY TITLE	:	CONFLICT OF INTEREST CODE-APPENDIX B DISCLOSURE CATEGORIES
POLICY NUMBER	:	1035.B
DATE ADOPTED	:	DECEMBER 8, 1992
DATE AMENDED	:	~~AUGUST 17, 2022~~ OCTOBER 27, 2026
AMENDMENTS	:	(1) NOVEMBER 1, 1994; (2) MARCH 18, 1997; (3) DECEMBER 13, 2002; (4) JUNE 12, 2007; (5) OCTOBER 9, 2012; (6) JANUARY 8, 2013 (7) FEBRUARY 12, 2013; (8) APRIL 12, 2017; (9) JUNE 19, 2019; (10) AUGUST 17, 2022

CONFLICT OF INTEREST CODE OF THE CITRUS HEIGHTS WATER DISTRICT PART B-DISCLOSURE CATEGORIES

The disclosure categories listed below identify the types of economic interests that the designated position must disclose for each disclosure category to which ~~\~~the designated position is assigned. "Investment" means financial interest in any business entity (including a consulting business or other independent contracting business) and are reportable if they are either located in, doing business in, planning to do business in, or have done business during the previous two years in the jurisdiction of the District.

CATEGORY 1

All investments and business positions in business entities and sources of income, including receipt of gifts, loans, and travel payments, from sources that are located in, or doing business in the jurisdiction of the District, and that has provided services, products, materials, machinery, or equipment of the type utilized by the District. Sources may ~~include, but~~include but are not limited to engineering and environmental consulting firms, water and soil testing companies, products and service contractors, mechanical vendors, farmers, and their agents.

CATEGORY 2

Interests in real property, located in whole or in part within the boundaries of the District, or within two miles of the District, including any leasehold, beneficial or ownership interest or option to acquire such interest in real property.

CATEGORY 3

All investments and business positions in business entities, and sources of income, including receipt of gifts, loans, and travel payments, from entities that have filed a claim, or have a claim pending against the District.

CATEGORY 4

All investments and business positions in business entities, and sources of income, including receipt of gifts, loans, and travel payments, that provide services, products, materials, machinery, vehicles or equipment of thea type purchased or leased by the Designated Position's department, unit or division.

ATTACHMENT 4

CEO Declaration

DECLARATION OF CHIEF EXECUTIVE OFFICER

Multi-County Agency Conflict of Interest Code for

Citrus Heights Water District

The proposed conflict of interest code specifically includes each agency position that involves the making or participation in the making of decisions which may foreseeably have a material financial effect on an economic interest. Positions that do not make or participate in decisions are not included.

The disclosure categories are written to address the agency's current programs and require disclosure of only foreseeable interests that may create a conflict of interest.

The agency has satisfied all of the requirements of Title 2, Division 6 of the California Code of Regulations Section 18750 preliminary to approval of the proposed code, including providing a comment period for both employees and the public.

_____ _____

Melissa Pieri, Acting General Manager Date

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS
OCTOBER 27, 2026 REGULAR MEETING

Subject:	**DISCUSSION AND POSSIBLE ACTION TO APPROVE A PROFESSIONAL SERVICES AGREEMENT FOR ENGINEERING SERVICES WITH HDR ENGINEERING, INC. TO DEVELOP A PIPELINE CONDITION ASSESSMENT PROGRAM**
Status:	Action Item
Report Date:	October 27, 2026
Prepared By:	Ali Shafaq, Principal Civil Engineer Missy Pieri, Director of Engineering/Acting General Manager

OBJECTIVE:
Consider approval of an agreement with HDR Engineering, Inc. (HDR) for engineering services to develop a Pipeline Condition Assessment Program.

BACKGROUND AND ANALYSIS:
Pipeline Condition Assessment Programs are key planning tools for water districts to evaluate the condition of their distribution systems and identify necessary improvements to maintain reliable water distribution. To avoid costly system failures, make risk-informed decisions regarding asset improvements, and make data-driven decisions about system investments, it is critical for water districts to understand the condition of their assets.

Upon completion of the Project 2030 Study (Study), the District has conducted condition assessments of various pipelines using different technologies. Numerous emerging pipeline condition assessment technologies are available for different applications, and it is crucial to select the technologies that best suit the District's needs. With rising replacement costs and critical funding decisions ahead, the District needs a practical and defensible framework for prioritizing asset investments. To ensure that the appropriate technologies are selected to accurately assess the condition of the District's pipelines and identify the right candidates for necessary improvements, the Study recommended the District develop a comprehensive pipeline condition assessment program with the assistance of experts in the field and implement the program to better understand the condition of its assets.

The District issued a Request for Proposals for engineering services to develop a Pipeline Condition Assessment Program on June 18, 2026. The scope of work for the project includes the following items:

- Task 1: Project Management and Planning
- Task 2: Condition Assessment Technical Memorandum for Steel Water Mains
- Task 3: Condition Assessment Technical Memorandum Ductile Iron Transmission Mains
- Task 4: Condition Assessment Technical Memorandum for Asbestos Cement Water Mains

The District received four responsive proposals from the following firms, along with their total proposed fees:

- Carollo Engineers, Inc. $175,359
- Water System Consulting, Inc. $167,701
- HDR Engineering, Inc. $149,898
- West Yost $149,538

The District's selection panel comprised of four staff members. The panel evaluated the proposals based on condition assessment experience, qualifications, cost and approach.

HDR demonstrated superior expertise in developing pipeline condition assessment programs. HDR's project staff include industry experts who have helped shape the industry's approach to pipeline condition assessment, as well as local staff with expertise in developing pipeline condition assessment programs and conducting pipeline condition assessments. HDR's ability to accurately evaluate existing system conditions data and develop an appropriate program will ensure that the District can prioritize projects that address the most vulnerable components of its infrastructure.

The District staff's recommendation to select HDR reflects a focus on the highest level of expertise and comprehensive solutions. It is staff's opinion that HDR's detailed approach to developing the program, the expertise of its staff, and its extensive knowledge of available technologies make the firm the best suit to develop the pipeline condition assessment program for the District. In addition, HDR's proposed fee was within $500 of the lowest fee.

The Professional Services Agreement, including HDR's proposal, scope of work, schedule, and fee, accompany this report.

RECOMMENDATION:
Approve the professional services agreement with HDR Engineering, Inc. in the amount of $149,898 and establish a contingency fund in the amount of $14,990 (10%). Authorize the Acting General Manager to execute the accompanying agreement with HDR.

ATTACHMENT:
Professional Services Agreement with HDR for Engineering Services.

ACTION:
Moved by Director _____, Seconded by Director _____, Carried _____

Citrus Heights Water District
PROFESSIONAL SERVICES AGREEMENT

This Agreement is made and entered into as of October ___, 2026, by and between the Citrus Heights Water District, a public agency organized and operating under the laws of the State of California ("District"), and HDR Engineering, Inc., a Nebraska Corporation, with its principal place of business at 1 Capital Mall, Suite 500, Sacramento, CA 95814 (hereinafter referred to as "Consultant"). District and Consultant are sometimes individually referred to as "Party" and collectively as "Parties" in this Agreement.

RECITALS

A. District is a public agency of the State of California and is in need of professional services for the following project:

Pipeline Condition Assessment Program (hereinafter referred to as "the Project").

B. Consultant is duly licensed and has the necessary qualifications to provide such services.

C. The Parties desire by this Agreement to establish the terms for District to retain Consultant to provide the services described herein.

AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services.

Consultant shall provide the District with the services described in the Scope of Services attached hereto as Exhibit "A."

2. Compensation.

a. Subject to paragraph 2(b) below, the District shall pay for such services in accordance with the Schedule of Charges set forth in Exhibit "B."

b. In no event shall the total amount paid for services rendered by Consultant under this Agreement exceed the sum of **$ 149,898.00 (One Hundred Forty-Nine Thousand Eight Hundred Ninety-Eight Dollars)**. This amount is to cover all printing and related costs, and the District will not pay any additional fees for printing expenses. Periodic payments shall be made within 30 days of receipt of an invoice which includes a detailed description of the work performed. Payments to Consultant for work performed will be made on a monthly billing basis.

3. Additional Work.

If changes in the work seem merited by Consultant or the District, and informal consultations with the other party indicate that a change is warranted, it shall be processed in the following manner: a letter outlining the changes shall be forwarded to the District by Consultant

with a statement of estimated changes in fee or time schedule. An amendment to this Agreement shall be prepared by the District and executed by both Parties before performance of such services, or the District will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

4. Maintenance of Records.

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Consultant and made available at all reasonable times during the contract period and for four (4) years from the date of final payment under the contract for inspection by District.

5. Time of Performance.

Consultant shall perform its services in a prompt and timely manner and shall commence performing such services upon of receipt of written notice from the District to proceed (the "Notice to Proceed"). Consultant shall complete the services required hereunder within **twelve months,** unless otherwise agreed to by both Parties in writing.

6. Delays in Performance.

a. Neither District nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing party. For purposes of this Agreement, such circumstances include but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; pandemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage or judicial restraint.

b. Should such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

7. Compliance with Law.

a. Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government, including Cal/OSHA requirements.

b. If required, Consultant shall assist the District, as requested, in obtaining and maintaining all permits required of Consultant by federal, state and local regulatory agencies.

c. If applicable, Consultant is responsible for all costs of clean up and/ or removal of hazardous and toxic substances spilled as a result of his or her services or operations performed under this Agreement.

8. Standard of Care; Performance of Employees

a. Consultant's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

b. Consultant's employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Consultant represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, including a City of Citrus Heights Business License, and that such licenses and approvals shall be maintained throughout the term of this Contract. As provided for in the indemnification provisions of this Contract, Consultant shall perform, at its own cost and expense and without reimbursement from the District, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein. Any employee of the Consultant or its sub-consultants who is determined by the District to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to the District, shall be promptly removed from the Project by the Consultant and shall not be re-employed to perform any of the Services or to work on the Project.

9. Assignment and Subcontracting

Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the District, which may be withheld for any reason. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement. Nothing contained herein shall prevent Consultant from employing independent associates and subcontractors as Consultant may deem appropriate to assist in the performance of services hereunder.

10. Independent Contractor

Consultant is retained as an independent contractor and is not an employee of District. No employee or agent of Consultant shall become an employee of District. The work to be performed shall be in accordance with the work described in this Agreement, subject to such directions and amendments from District as herein provided.

11. Insurance. Consultant shall not commence work for the District until it has provided evidence satisfactory to the District it has secured all insurance required under this section. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

a. Commercial General Liability

(i) The Consultant shall take out and maintain, during the performance of all work under this Agreement, in amounts not less than specified herein, Commercial General Liability Insurance, in a form and with insurance companies acceptable to the District.

(ii) Coverage for Commercial General Liability insurance shall be at least as broad as the following:

(1) Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 00 01) or exact equivalent.

(iii) Commercial General Liability Insurance must include coverage for the following:

(1) Bodily Injury and Property Damage
(2) Personal Injury/Advertising Injury
(3) Premises/Operations Liability
(4) Products/Completed Operations Liability
(5) Aggregate Limits that Apply per Project
(6) Explosion, Collapse and Underground (UCX) exclusion deleted
(7) Contractual Liability with respect to this Agreement
(8) Property Damage
(9) Independent Contractors Coverage

(iv) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; (3) products/completed operations liability; or (4) contain any other exclusion contrary to the Agreement.

(v) The policy shall give District, its officials, officers, employees, agents and District designated volunteers additional insured status using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(vi) The general liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by the District, and provided that such deductibles shall not apply to the District as an additional insured.

b. Automobile Liability

(i) At all times during the performance of the work under this Agreement, the Consultant shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to the District.

(ii) Coverage for automobile liability insurance shall be at least as broad as Insurance Services Office Form Number CA 00 01 covering automobile liability (Coverage Symbol 1, any auto).

(iii) The policy shall give District, its officials, officers, employees, agents and District designated volunteers additional insured status.

(iv) Subject to written approval by the District, the automobile liability program may utilize deductibles, provided that such deductibles shall not apply to the District as an additional insured, but not a self-insured retention.

c. Workers' Compensation/Employer's Liability

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) To the extent Consultant has employees at any time during the term of this Agreement, at all times during the performance of the work under this Agreement, the Consultant shall maintain full compensation insurance for all persons employed directly by him/her to carry out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any acts amendatory thereof, and Employer's Liability Coverage in amounts indicated herein. Consultant shall require all subconsultants to obtain and maintain, for the period required by this Agreement, workers' compensation coverage of the same type and limits as specified in this section.

d. Professional Liability (Errors and Omissions)

At all times during the performance of the work under this Agreement the Consultant shall maintain professional liability or Errors and Omissions insurance appropriate to its profession, in a form and with insurance companies acceptable to the District and in an amount indicated herein. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

e. Minimum Policy Limits Required

(i) The following insurance limits are required for the Agreement:

	Combined Single Limit
Commercial General Liability	$1,000,000 per occurrence/ $2,000,000 aggregate for bodily injury, personal injury, and property damage
Automobile Liability	$1,000,000 combined single limit
Employer's Liability	$1,000,000 per accident or disease
Professional Liability	$1,000,000 per claim and aggregate (errors and omissions)

(ii) Defense costs shall be payable in addition to the limits.

(iii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. Any available coverage shall be provided to the parties required to be named as Additional Insured pursuant to this Agreement.

f. Evidence Required

Prior to execution of the Agreement, the Consultant shall file with the District evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 00 01 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with required endorsements. All evidence of insurance shall be signed by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

g. Policy Provisions Required

(i) Consultant shall provide the District at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to the District at least ten (10) days prior to the effective date of cancellation or expiration.

(ii) The Commercial General Liability Policy and Automobile Policy shall each contain a provision stating that Consultant's policy is primary insurance and that any insurance, self-insurance or other coverage maintained by the District or any named insureds shall not be called upon to contribute to any loss.

(iii) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(iv) All required insurance coverages, except for the professional liability coverage, shall contain or be endorsed to provide a waiver of subrogation in favor of the District, its officials, officers, employees, agents, and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against District, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

(v) The limits set forth herein shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability. Further the limits set forth herein shall not be construed to relieve the Consultant from liability in excess of such coverage, nor shall it limit the Consultant's indemnification obligations to the District and shall not preclude the District from taking such other actions available to the District under other provisions of the Agreement or law.

h. Qualifying Insurers

(i) All policies required shall be issued by acceptable insurance companies, as determined by the District, which satisfy the following minimum requirements:

(1) Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and admitted to transact in the business of insurance in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

i. Additional Insurance Provisions

(i) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the District, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(ii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, District has the right but not the duty to obtain the insurance it deems necessary and any premium paid by District will be promptly reimbursed by Consultant or District will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, District may cancel this Agreement.

(iii) The District may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(iv) Neither the District nor any of its officials, officers, employees, agents or volunteers shall be personally responsible for any liability arising under or by virtue of this Agreement.

j. Subconsultant Insurance Requirements. Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to the District that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name the District as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, District may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

12. Indemnification.

a. To the fullest extent permitted by law, Consultant shall defend (with counsel of District's choosing), indemnify and hold the District, its officials, officers, employees, volunteers, and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services, the Project or this Agreement, including without limitation the payment of all damages, expert witness fees and attorney's fees and other related costs and expenses. Consultant's obligation to indemnify

shall not be restricted to insurance proceeds, if any, received by Consultant, the District, its officials, officers, employees, agents, or volunteers.

b. If Consultant's obligation to defend, indemnify, and/or hold harmless arises out of Consultant's performance of "design professional" services (as that term is defined under Civil Code section 2782.8), then, and only to the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, and, upon Consultant obtaining a final adjudication by a court of competent jurisdiction, Consultant's liability for such claim, including the cost to defend, shall not exceed the Consultant's proportionate percentage of fault.

13. California Labor Code Requirements.

a. Consultant is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects ("Prevailing Wage Laws"). If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is $1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. Consultant shall defend, indemnify and hold the District, its officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Consultant and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Sections 1771.4 and 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of contractors and subcontractors (Labor Code Section 1777.1). The requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code section 1771.4 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Section 1771.4.

b. If the services are being performed as part of an applicable "public works" or "maintenance" project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subconsultants performing such services must be registered with the Department of Industrial Relations. Consultant shall maintain registration for the duration of the Project and require the same of any subconsultants, as applicable. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code Sections 1725.5 and 1771.1 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1725.5 and 1771.1.

c. This Agreement may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements. Any stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor that affect Consultant's performance of services, including any delay, shall be Consultant's sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Consultant caused delay and shall not be compensable by the District. Consultant shall defend, indemnify and hold the District, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor.

14. Safety.

Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life-saving equipment and procedures; (B) instructions in accident prevention for all employees and subcontractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

15. Verification of Employment Eligibility.

By executing this Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subconsultants and sub-subconsultants to comply with the same.

16. INTENTIONALLY DELETED

17. Laws and Venue.

This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a the Superior Court of California for the County of Sacramento.

18. Termination or Abandonment

a. District has the right to terminate or abandon any portion or all of the work under this Agreement by giving ten (10) calendar days written notice to Consultant. In such event, District shall be immediately given title and possession to all original field notes, drawings and specifications, written reports and other documents produced or developed for that portion of the work completed and/or being abandoned. District shall pay Consultant the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for the Project for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by District and Consultant of the portion of such task completed but not paid prior to said termination. District shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of work.

b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days' written notice to District only in the event of substantial failure by District to perform in accordance with the terms of this Agreement through no fault of Consultant.

19. Ownership of Documents and Confidential Information.

a. All deliverables and other documents generated by Consultant in the performance of the Services, including all work papers, work-in-progress, designs, drawings, documents, data, computations, specifications, studies and reports prepared by Consultant as a part of the Services or authorized Additional Services ("Consultant Work Product") shall belong to and be subject to the sole ownership and use of District.

b. Except as otherwise provided in "Termination or Abandonment," above, all original field notes, written reports, drawings and specifications and other documents, produced or developed for the Project shall, upon payment in full for the services described in this Agreement, be furnished to and become the property of the District.

c. During the course of the performance of this Agreement, Consultant may receive written or verbal information from District, its representatives or agents, not in the public domain. Such information may include District's know how, trade secrets, and other proprietary and confidential information and Consultant agrees to treat such information as confidential information belonging to District. Consultant agrees that neither it, nor its officers, employees, representatives, agents, successors, or assigns, will disclose such information to any third party or use the same in any manner without the prior written consent of District. Moreover, Consultant agrees to safeguard such proprietary and confidential information from unauthorized disclosure and/or use using the same degree of care it uses to protect its own proprietary and confidential information, but not less than a reasonable standard of care. In the event that disclosure of such information is sought pursuant to any law or regulation, Consultant shall promptly notify District of such fact to allow District to assert whatever exclusions or exemptions may be available to it under applicable law or regulation.

20. Organization

Consultant shall assign **David Spencer** as Project Manager. The Project Manager shall not be removed from the Project or reassigned without the prior written consent of the District.

21. Limitation of Agreement.

This Agreement is limited to and includes only the work included in the Project described above.

22. Notice

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

DISTRICT:

Citrus Heights Water District

6230 Sylvan Rd, Citrus Heights, CA 95610Attn: Ali Shafaq, Engineering Department

CONSULTANT:

HDR Engineering, Inc.
Kristen McCann, EIT
1 Capital Mall, Suite 500
Sacramento, CA 95814

and shall be effective upon receipt thereof.

23. Third Party Rights

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the District and the Consultant.

24. Equal Opportunity Employment.

Consultant represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

25. Entire Agreement

This Agreement, with its exhibits, represents the entire understanding of District and Consultant as to those matters contained herein, and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters covered hereunder. Each Party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This Agreement may not be modified or altered except in writing signed by both Parties hereto. This is an integrated Agreement.

26. Severability

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the remaining provisions unenforceable, invalid or illegal.

27. Successors and Assigns

This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and assigns of each Party to this Agreement. However, Consultant shall not assign or transfer by operation of law or otherwise any or all of its rights, burdens, duties or obligations without the prior written consent of District. Any attempted assignment without such consent shall be invalid and void.

28. Non-Waiver

None of the provisions of this Agreement shall be considered waived by either Party, unless such waiver is specifically specified in writing.

29. Time of Essence

Time is of the essence for each and every provision of this Agreement.

30. District's Right to Employ Other Consultants

District reserves its right to employ other consultants, including engineers, in connection with this Project or other projects.

31. Prohibited Interests

Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, District shall have the right to rescind this Agreement without liability. For the term of this Agreement, no director, official, officer or employee of District, during the term of his or her service with District, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

[SIGNATURES ON FOLLOWING PAGE]

SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT BETWEEN CITRUS HEIGHTS WATER DISTRICT AND HDR ENGINEERING, INC.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

Citrus Heights Water District	HDR Engineering, Inc.
By: _____	By: _____
Melissa Pieri	
Director of Engineering/	Its: Vice President
Acting General Manager	Printed Name: Elizabeth Mesbah

BBK 2024

EXHIBIT A

Scope of Services

Exhibit A

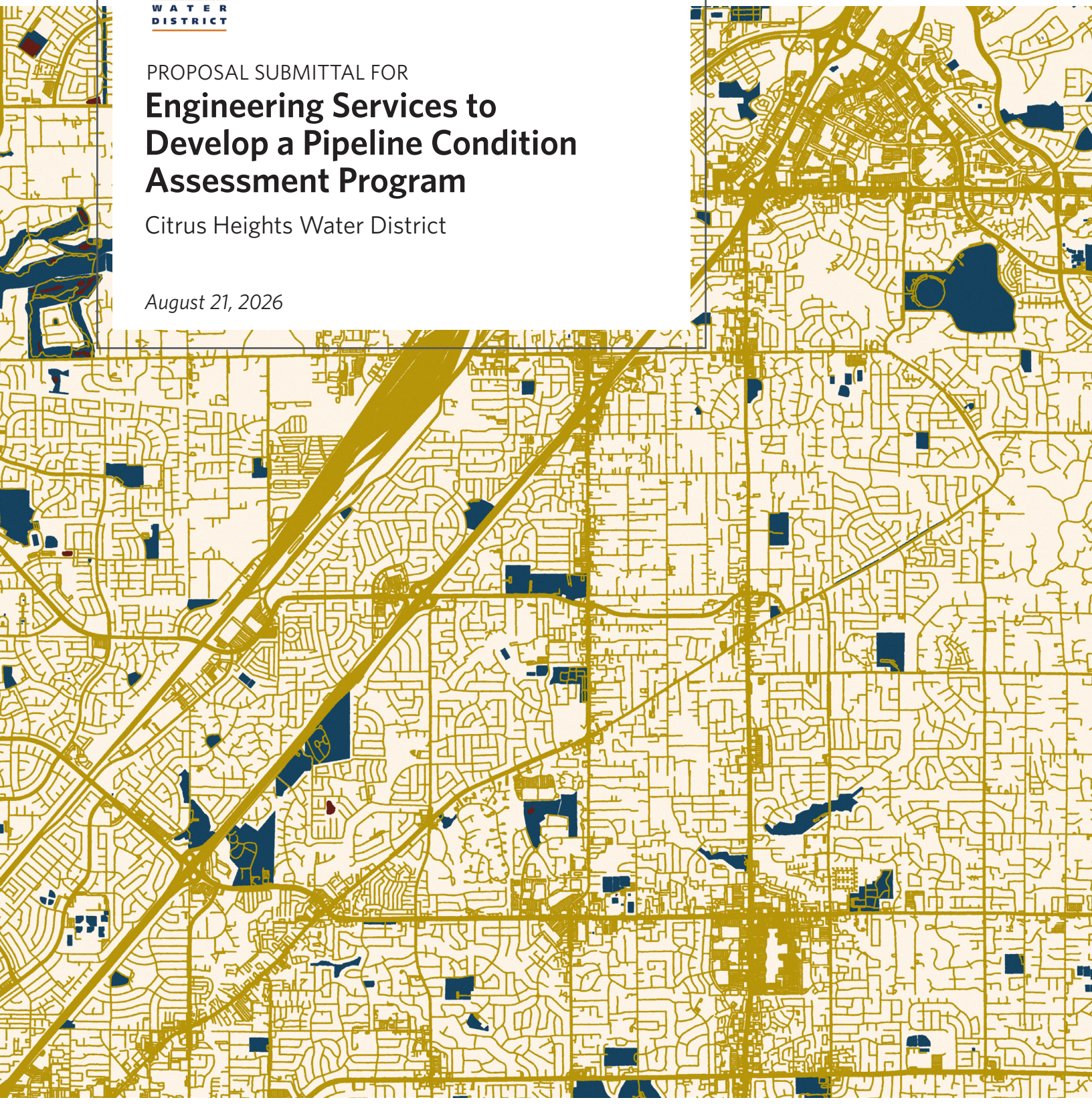
CITRUS HEIGHTS WATER DISTRICT

PROPOSAL SUBMITTAL FOR

Engineering Services to Develop a Pipeline Condition Assessment Program

Citrus Heights Water District

August 21, 2026





CONTACT
David Spencer, PE
Project Manager

David.r.spencer@hdrinc.com
858.245.0771

August 21, 2026

Ali Shafaq
Principal Civil Engineer
Citrus Heights Water District
6230 Sylvan Road
Citrus Heights, CA 95610

RE: Request of Proposal for Pipeline Condition Assessment Program Development

Dear Ali Shafaq,

As Citrus Heights Water District prepares to increase infrastructure investment significantly under Project 2030, the challenge is no longer identifying aging pipelines. The challenge is determining which pipes genuinely warrant replacement, which can continue providing reliable service, and where condition assessment investments will deliver the greatest value to the District and its ratepayers. With rising replacement costs and critical funding decisions ahead, the District needs a practical, defensible framework for prioritizing asset investments.

Few water agencies have the opportunity to work directly with the professionals who helped shape the industry's approach to pipeline condition assessment. For Citrus Heights Water District, that experience will be provided by David Spencer, HDR's proposed Project Manager and a nationally recognized leader in pipeline condition assessment, asset management, and infrastructure renewal planning. David has developed condition assessment and renewal programs encompassing more than 100,000 miles of water pipelines, co-authored Water Research Foundation guidance on asbestos cement pipe management, and contributed to American Water Works Association (AWWA)'s M77 Condition Assessment of Water Mains, the industry's leading guidance document in this field.

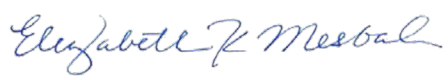
- **A project led by one of the industry's recognized experts.** The District's system includes more than 135 miles of asbestos cement water main and aging metallic transmission infrastructure that requires thoughtful, condition-based decision-making. David's experience helping utilities across North America move beyond age-based replacement strategies will provide the District with practical recommendations grounded in proven methodologies and real-world results.
- **A program, not just a study.** HDR understands the District is seeking more than a catalog of condition assessment technologies. Our team will develop implementation-ready technical memorandums that establish prioritization criteria, decision frameworks, assessment policies, budget considerations, and actionable next steps that support annual budgeting, capital improvement planning, and long-term asset management.
- **Recommendations built around the District's unique system and existing data.** Building on Project 2030, the Water System Master Plan risk framework, GIS resources, maintenance records, leak history, corrosion investigations, conductivity testing, leak detection efforts, and recent pilot condition assessment work, HDR will help the District leverage the information it already possesses to make more informed infrastructure decisions.

- **Local delivery backed by national specialists.** Led from HDR's Sacramento and Folsom offices, our team combines responsive local support with access to nationally recognized condition assessment, corrosion engineering, and asset management specialists. The result is a team that understands both the District's operating environment and the broader industry lessons that can be applied to improve long-term system reliability and investment planning.

The District has already taken important steps through Project 2030 and the Water System Master Plan to understand system risk and future infrastructure needs. This project represents the next step: transforming that understanding into a practical condition assessment program that supports confident, risk-informed decisions for decades to come. HDR is prepared to help the District develop a scalable and sustainable program that improves decision-making, strengthens capital planning, and directs future investments where they will provide the greatest benefit.

If you have questions or need clarification on our response, please contact David Spencer by phone at 858.245.0771 or email at david.r.spencer@hdrinc.com.

Sincerely,
HDR Engineering, Inc.



Elizabeth Mesbah, PE (CA #73078)
Vice President



David Spencer, PE (CA #C66885)
Project Manager



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D. Summary

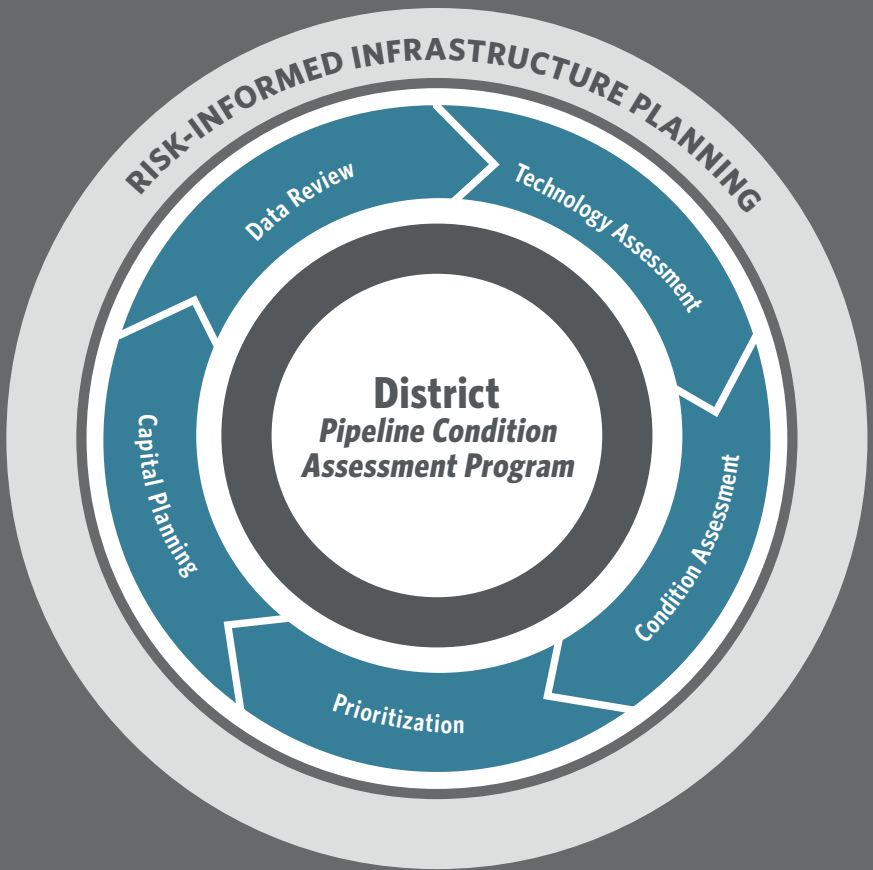
HDR will support the Citrus Heights Water District (District) in developing a comprehensive, implementation-ready Pipeline Condition Assessment Program. Through this effort, HDR will deliver clear, practical technical memorandums (TMs) that help the District evaluate available system data, prior assessment information, and appropriate condition assessment technologies; prioritize pipelines for future assessment; and identify actionable next steps to support maintenance, budgeting, capital improvement planning, and long-term asset management

HDR's approach is centered on a single objective: transforming technical evaluations into practical decision-making tools for District staff. Building on the District's existing planning efforts—including available GIS data, historical break data, maintenance history, prior condition assessment activities, Project 2030 findings, and the Water System Master Plan risk framework—we will develop recommendations that are transparent, defensible, and directly applicable to future planning and operations. Each TM will be tailored to the District's pipeline materials, system configuration, access constraints, redundancy needs, operational considerations, and long-term program goals.

HDR combines pipeline condition assessment experience, pipeline engineering, asset management, and implementation planning to develop a program the District can use long after this initial effort is complete. Rather than simply cataloging available technologies, we will provide clear methodologies, prioritization criteria, decision frameworks, planning-level implementation considerations, and practical recommendations that support future condition assessment activities and ongoing program refinement.

The project will be led from HDR's Sacramento and Folsom offices, providing convenient access to District staff and supporting responsive coordination throughout the project. Our Sacramento-based Deputy Project Manager will serve as the District's primary day-to-day point of contact, supported by a team providing project management, pipeline engineering, condition assessment, asset management, quality management, and client coordination services. Specialized condition assessment and technical review resources from across HDR will be available as needed to support delivery of high-quality work products aligned with the District's objectives.

HDR is well positioned to help the District establish a practical, scalable, and sustainable Pipeline Condition Assessment Program that supports near-term inspection planning while strengthening the District's long-term approach to infrastructure renewal, risk management, and capital investment decision-making.



Condition assessment strategy framework linking system data, technology evaluation, pipeline prioritization, and capital planning to support risk-informed infrastructure decisions.



E. Statement of Understanding

The District owns 243 miles of water main infrastructure that was primarily installed between 1960 and 1985. As the system continues to age and deteriorate, one of the District's primary goals is to cost-effectively sustain desired service levels through infrastructure management, assessment, and replacement. In 2021, the Board of Directors adopted Project 2030, which called for a fourfold increase in investments in aging pipeline infrastructure beginning in 2030. To verify those funds are focused on the *RIGHT* pipes at the *RIGHT* time, the District has requested engineering services support for the development of comprehensive condition assessment TMs for critical pipeline infrastructure, including 135 miles of asbestos cement (AC) mains and 12.4 miles of metallic transmission mains. Since Project 2030 was adopted in 2021, HDR's unit cost database shows that the cost to replace pipe has more than doubled with the total replacement cost of the District's system now exceeding $1 billion. This rapid increase in pipeline replacement costs only magnifies the importance of this project to confirm the District obtains its desired return on renewal investments.

HDR understands the District seeks development of comprehensive TMs for its AC, cement-mortar-lined/coated steel (CML/CMLC), and ductile iron (DI) pipeline assets. The memorandums will evaluate applicable condition assessment technologies and methodologies, develop risk-based prioritization criteria, identify candidate pipelines for future condition assessment, provide planning-level implementation recommendations and costs, and establish decision frameworks for interpreting future assessment results. The resulting TMs will support annual budgeting, capital improvement planning, and long-term asset management objectives.



F. Report Tasks

As the District quadruples pipe replacement budgets as part of Project 2030, the purpose of this project is to develop a condition assessment plan that will verify those funds are focused on the *RIGHT* pipes at the *RIGHT* time. This project will develop two distinct TMs (one for AC pipe and one for metallic pipe) that provide an actionable condition assessment plan to meet that objective.

Scope of Services

The District has developed a robust project scope and deliverables. In our experience on projects like this, the foundation for success relies on consistent communication between our team of technical specialists and your staff. With this in mind, we have augmented the number of workshops from three to six. The RFP provides an option to combine Task 2 and Task 3 into a single metallic pipe task. We believe it would be wise to combine these tasks to generate a more concise and less repetitive deliverable called the Metallic Pipe TM.

The project will include:

- **Task 1:** Project Management and Planning
- **Task 2:** Metallic Pipe TM (Steel and DI Transmission Mains)
- **Task 3:** AC Pipe TM
- **Task 4:** Final TM and Board Presentation

Each TM will include:

- Review of existing condition assessment data and available system information
- Evaluation of condition assessment technologies from least invasive to most invasive
- Recommended assessment methods, tools, and implementation strategies
- Prioritized pipeline recommendations, including pipeline limits, recommended assessment technologies, planning-level cost estimates, access requirements, and implementation recommendations
- Frameworks for interpretation of assessment results and decision-making
- Long-term budgeting and implementation recommendations

HDR proposes a combined Metallic Pipe TM because the condition assessment planning process, technology screening methodology, prioritization approach, and implementation framework are substantially similar for the District's steel and DI transmission mains. Material-specific recommendations will be provided within dedicated sections of the TM.

The scope of work and deliverables described below are supported by HDR's proven condition assessment methodology, which integrates data review, technology assessment, risk-based prioritization, condition assessment strategy development, and decision-support frameworks. This structured approach confirms recommendations are technically sound, economically justified, and tailored to the District's unique system characteristics, ultimately supporting informed investment decisions and helping support replacement funds are directed to the right pipes at the right time.

Task 1 - Project Management and Planning

Task 1.1 - Project Management: Provide overall project management activities to keep the project on schedule and within budget. Lead, coordinate, and monitor the day-to-day activities and administration of the Plan. Prepare monthly status reports outlining past and upcoming work progress, QA/QC activities, and summarizing schedule and budget status in measurable terms.

Task 1.2 - Project Management Meetings: Attend and facilitate bi-weekly progress meetings. For each meeting, the consultant shall prepare an agenda and meeting minutes.

Deliverables:

- Agenda and meeting minutes
- Monthly report summarizing consultant progress, budget, and schedule
- Workshop 1: Kickoff Meeting

Task 2 - Metallic Pipe Technical Memorandum (Steel and Ductile Iron Transmission Mains)

Task 2.1 - Review Existing Data / Conduct Interviews: Develop a practical, risk-based condition assessment program for District steel transmission mains that identifies which pipelines to inspect, how to inspect them, what it will cost, and how the results should be used to support future maintenance and capital planning.

Task 2.2 - Metallic Pipe Condition Assessment TM (Draft and Final): Create a decision-making framework that translates condition assessment results into prioritized actions and investment recommendations to support District's budgeting, capital planning, and asset management programs.

Deliverables:

- Workshop 2: Metallic Program Development
- Draft workshop meeting minutes for District review and incorporating District's comments
- Draft condition assessment TM
- Finalize the TM incorporating District comments

Task 3 - Asbestos Cement (AC) Mains Technical Memo

Task 3.1 - Review Existing Data / Conduct Interviews: Develop a practical and cost-effective condition assessment strategy for District's AC water mains by reviewing existing data, evaluating available inspection technologies, and recommending the best assessment methods for the District's system.

Task 3.2 - AC Pipe Condition Assessment TM (Draft and Final): Create a decision-making process that converts condition assessment data into clear, actionable recommendations for maintenance, rehabilitation, replacement, or further evaluation of pipelines.

Deliverables:

- Workshop 3: AC Program Development
- Draft workshop meeting minutes for District review and incorporating District's comments
- Draft condition assessment TM
- Final TM incorporating District comments

Task 4 - Final Deliverables

Deliverables:

- Workshop 4: Draft Board Material
- Electronic copy of final TMs
- PowerPoint Presentation for the District Board and/or Customer Advisory Committee

Task Assumptions

- Hybrid workshops will be conducted, which include at least one HDR staff member participating in person. As needed, subject matter experts and District Staff may participate virtually to support efficient and timely delivery of the project.
- All deliverables will be electronic (no hardcopies)
- District will provide data within three weeks of request date.
- HDR will provide meeting minutes for all workshops.
- District will assist in scheduling workshops.
- District staff will participate in all workshops.
- District will consolidate comments from individual reviewers into a single set of comments in track changes for HDR to review and incorporate.
- HDR will provide GIS files if new data is generated as part of this project.

Project Management and Planning

HDR strives to deliver quality projects through a pragmatic and structured project management approach. HDR's robust quality management system (QMS) along with our Project Management Office (PMO) will set this project up for success. The project will be executed in compliance with HDR's QMS based on the fundamental principles and guidelines set forth by the ISO 9001:2008 series of international standards for quality management. Quality starts upon execution of the contract, when we assign independent, internal technical specialists to review the approach and project team to make sure the team has the qualification, budget and schedule to meet the project needs. In addition, the team subjects each client submittal to quality control reviews to address quality concerns.

Along with proper administration of the project, which includes monitoring of the scope, schedule, and budget, a project plan will be developed. A proper plan is built on an environment that encourages collaboration and communication. We will foster collaboration through workshops, project team meetings and constant communication. The project management team will monitor and provide full transparency of day-to-day activities, facilitate bi-weekly progress meetings and prepare monthly status reports.



David Spencer providing hands-on training for Ranch California's opportunistic assessment program so that District staff not only know HOW to do it, but WHY it's so important. This approach leads to higher quality data that a utility can own and carry forward.

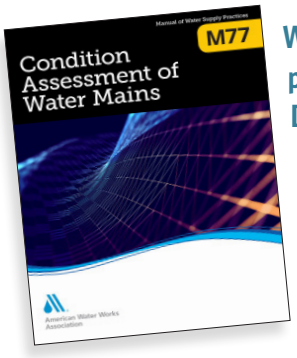
Condition Assessment Plan

Pipeline condition assessment can range significantly in cost and in the amount of data collected to support decision-making. HDR's technical experts are industry leaders in applying pipeline condition assessment methods and technologies to water pressure pipes to balance cost, risk and benefits of condition assessments.

Several of our staff, including David Spencer and Raul Borromeo (chapter lead of M77 Ch 11), were lead authors and major contributors to the AWWA Manual of Practice M77 – Condition Assessment of Water Mains. This is the guidebook for our industry on everything from desktop evaluations to planning and executing field inspections to analyzing and interpreting inspection data to make prudent, actionable plans for prolonging the service lives of mains. We are also unbiased as it relates to the various technologies; we bring forward the right technology for the situation. Our program's key to success will be combining our industry capabilities with the District's institutional knowledge.

Opportunistic Condition Assessment

While some proactive condition assessment may be warranted to identify pipelines for replacement prior to pipelines experiencing breaks, significant savings could be realized by developing an opportunistic assessment program. Opportunistic assessments are done when the pipe is already exposed for another reason (e.g., valve replacement, new service installation), thereby taking advantage of the pipe exposure. Methods for opportunistic assessment vary by material. This task would collaboratively initiate an opportunistic assessment program tailor-made for the District, including standard operating procedures and custom forms ready for field implementation.



We wrote the book on pressure pipeline condition assessment! David Spencer and Raul Borromeo are lead authors on several pipeline condition assessment books including AWWA Manual of Practice M77 - Condition Assessment of Water Mains.

The key to success of these programs is proper training and efficient data collection to make certain these assessments do not impact efficiency nor the ability of the District to restore service as quickly as possible.

Because AC pipe makes up most of the District's system and breaks, special attention will be focused on it. Our project manager, David Spencer, has co-authored four Water Research Foundation studies, including the most recent book on condition assessment of AC pipe titled "WRF Project 4480: Development of an Effective Management Strategy for AC Pipe." Our proposed technical approach is based upon the practical application of this research and is summarized on the page 14 (Exhibit 1).

Metallic Pipe

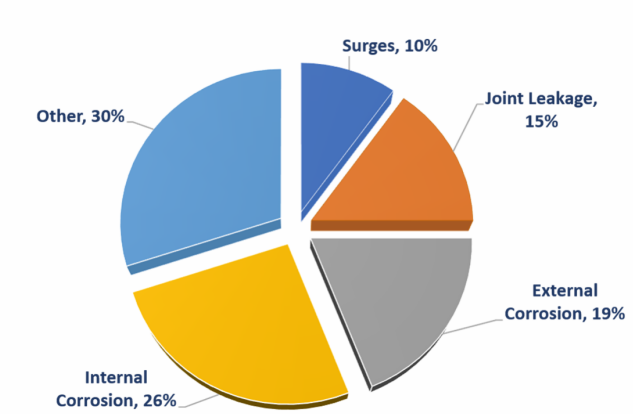
We understand that the District has set a goal under Project 2030 to replace over 70% of its water mains by the year 2080 and with HDR's industry knowledge, familiarity with assessment technologies, and experience in field execution of water main condition assessment, we can help the District meet this goal. Specifically, HDR will review readily available data for the 12.4 miles of metallic pipe (5 miles of Steel and 7.4 miles of DI) to identify the data gaps and develop a comprehensive condition assessment TM focused on the best available methods and technologies for these particular pipes. HDR knows that age alone is not the best parameter for determining a replacement of a pipe. This is evident is the example of a cast iron pipe from 1883 removed for construction purposes versus a failed DI pipe manufactured in 1975 shown in the photo.





Historically, the majority of metallic pipe failures can be attributed to corrosion, both external and internal. This means working to understand the soil conditions, cathodic protection measures, if an internal conditions such as, lining performance and areas of H2S buildup.

We will clearly identify which technologies apply and the levels of invasiveness and operational requirements for each.



There is a smaller portion of the District system that is so critical, a more proactive condition assessment strategy is warranted. A targeted pipeline condition assessment program on these critical pipes will support cost effective system management and risk mitigation by:

- Extending the life of some pipes found to be in good condition,
- Preventing breaks in other pipes found to be in poor condition,
- Identifying the most cost-effective renewal technology and project extents, and
- Increasing confidence in decision making.

HDR will collaborate with the District to develop prudent strategies, policies, data management and visualization strategies, and budgets that can be used to manage risk through condition assessment of critical mains. This will include a definition of which pipes qualify for planned condition assessment, policies for how often to inspect those pipes, the appropriate technology to use, planning level unit costs, and long-term budgeting to incorporate into the capital improvement plan.

Each TM will consider the applicability of:

1. **Opportunistic Assessments.** Water main assessment can be expensive and disruptive. However, when a pipe is already exposed for another reason (e.g. break, service tap, construction activity), assessment can be 90% less expensive and disruptive. Opportunistic assessment can often include visual inspection, pipe/soil sampling, or testing (e.g. concrete, potential testing, ultrasonic thickness). The key to success of these programs is proper training and efficient data collection to make certain these assessments do not impact efficiency nor the ability of the District to restore service as quickly as possible.

2. **Scheduled (Recurring) Assessments.** A scheduled assessment is often used for lower cost technologies where additional value can be extracted from repeating an assessment. Examples of cost-effective scheduled assessments include cathodic test station monitoring, assessment of exposed pipe (e.g. creek crossings, bridges), external leak detection, and pressure monitoring.

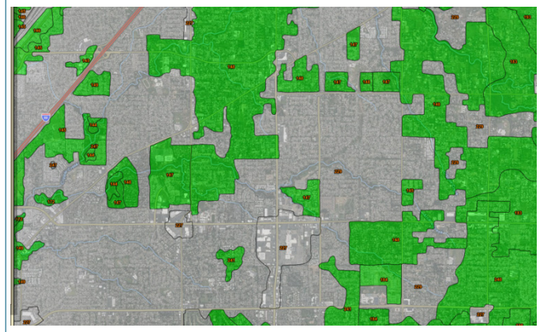
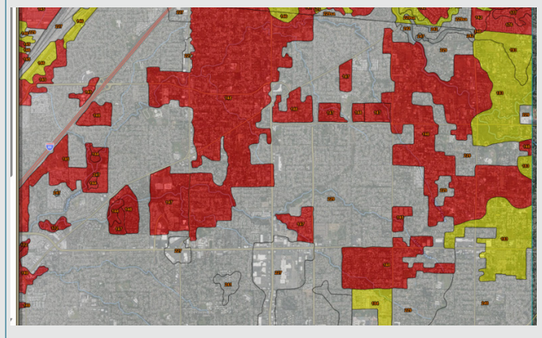
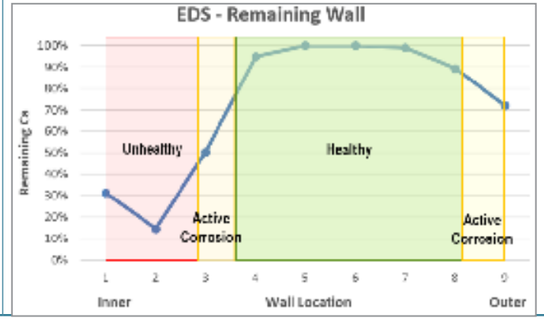


In Atlanta, this HDR team developed a recurring assessment schedule and strategy for above-ground pipelines at creeks and bridges to cost-effectively mitigate risk for these assets.

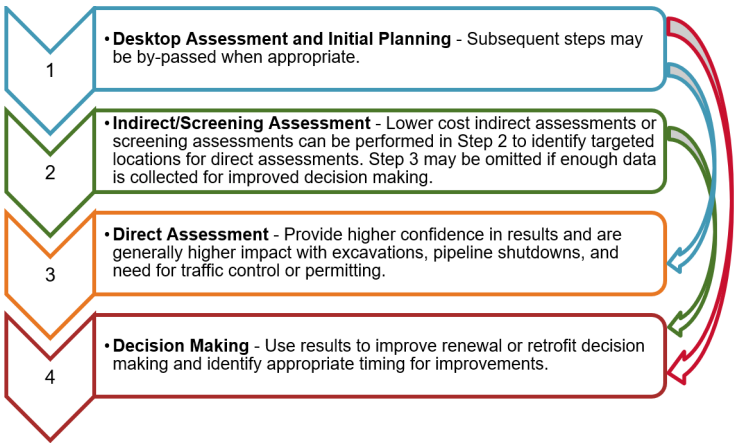
3. **Planned Assessments.** Planned assessments are identified in advance and may include assessment of a particular pipeline or neighborhood. Planned assessments of key pipelines are typically budgeted and scheduled similar to a pipeline replacement construction project where there is a design phase to confirm extents, finalize assessment methods, design access and coordinate system operations and other requirements (e.g., permitting, traffic control, safety). Planned assessment methods are highly dependent on available technologies, pipe material, and pipe diameter. Examples of planned assessments can include in-pipe visual, in-pipe acoustic, in-pipe electromagnetic/ultrasonic scans, external acoustic velocity wall thickness measurements, or external corrosion direct assessments (ECDA).

Developing a cost-effective pipeline renewal plan requires understanding of the most likely causes of deterioration in the Systems for each mechanism. Exhibit 1 describes each mechanism for AC pipe, how it is measured, anticipated prevalence of the mechanism in your Systems, and our initial recommendation for testing.

Exhibit 1

MECHANISM	MEASUREMENT METHOD	ANTICIPATED IMPACT TO SYSTEM FOR THE DISTRICT	TESTING RECOMMENDATION
Salt-cracking & Sulfate Attack Salt-cracking occurs where salts migrate into the pipe wall through capillary and evaporation processes and then crystalize and expand when hydrated. Sulfate attack occurs when sulfates in the soils react with free lime creating expansive ettringite. Both mechanisms cause cracking and a loss of strength. These mechanisms are accelerated when a pipe installed in the zone of intermittent saturation.	Salt cracking and sulfate attack is measured by extracting a small, pipe wall sample and performing petrographic analysis. Soil samples can also support distinction between various cracking (e.g. salt, ground movement, sulfate attack).	 The map on the left is the USGS map where green is low salt content Based on USGS mapping, it is expected that salt-cracking and sulfate attack will not be the primary driver for AC deterioration in the District system.	Soil sample analysis and petrographic analysis should be collected near the lake due to moderate likelihood of salt cracking. If data verify no salt-cracking nor sulfate attack, future testing protocols could exclude petrographic and soil sampling to improve program cost-effectiveness.
Ground Movement Occurs where ground movement initiates cracks and a loss of strength within the pipe wall. In areas where slopes are steep, the long-term slope creep can drive ground movement cracking. In areas where the groundwater is deep and the moisture content of the soils is variable due to seasonal rainfall patterns, soil shrinkage and swelling is typically the dominant driver for ground movement initiated cracking. In these cases, breaks are often concentrated just before the first significant rainfall of the season because the dry soils between the pipe and the groundwater table shrink no longer supporting the pipe from breaking. For example, at East Bay Municipal Utility District who owns thousands of miles of AC pipe, AC break rates just before the first significant rain occurs are roughly five times higher than during the rainy season, even after accounting for changes in demands and pressures in the system.	Ground movement cracking is measured by extracting a small, pipe wall sample and performing petrographic analysis. Soil samples can also support distinction between various cracking (e.g. salt, ground movement, sulfate attack). Soil is tested for linear extensibility, which measures how much soils expand when saturated. Higher levels of linear extensibility will result in increased stresses and likelihood for ground movement induced cracking.	 USGS mapping of shrink-swell potential, shallow groundwater tables, and a relatively flat service area would indicate that ground movement is not the primary driver for AC deterioration although it may be prominent in pockets of the system (e.g. Hilltop Park Neighborhood).	No additional testing is recommended for ground movement. However, additional analysis should be performed related to major sources of ground movement (e.g. shrink-swell and slope creep) to understand how these factors will impact remaining useful life.
Calcium Leaching Calcium leaching is a chemical reaction where calcium is dissolved and carried away from the calcium-silicate-hydrate and other cement products in the concrete mix resulting in a loss of strength. While calcium leaching can occur on the external surface (particularly where groundwater is prevalent), it is typically most severe on the inside of the pipe wall where the water conveyed by the pipe is the perfect media to dissolve and carry away the calcium. Industry research shows that water chemistry can have a modest impact on the rate of degradation although manufacturing quality is also important.	Calcium leaching is measured by extracting a small, pipe wall sample and performing energy dispersive spectroscopy (EDS) testing.	 Due to prolonged exposure, it is expected that calcium leaching will be a significant factor in deterioration.	The District should consider an on-going program after this project to sample AC pipes whenever they are exposed for another reason. This would reduce the cost of future condition assessment activities by roughly 90% since the vast majority of the testing cost is in exposing the pipe and restoring the excavation area.

Phased approaches start with lower cost indirect screening methods first to collect information in a way that has less impact on the community and can eliminate higher cost inspection methods. This approach saved Padre Dam Municipal Water District $1M in unnecessary high resolution inspection.



The workshop will identify the range of inspection methods and technologies available for the different pipe materials and diameters. Inspection methods will be grouped into the categories shown in the following table.

CONDITION ASSESSMENT INSPECTION METHODS WORKSHOP PRESENTATION AND DISCUSSION TOPICS
Soil Corrosivity Surveys & CP System Evaluations
Assessment Methods for Non-Metallic Pipe
Lower Effort, Limited Data Inspection Methods
High Resolution Inspection Methods
Contracting Options for Condition Assessment
OPTIONAL TOPICS
Leak Detection
Pressure Monitoring

We will review contracting options available to the District for procuring specialty engineering, construction, and inspection services for the assessment project. **Effective planning is critical to make sure safe, efficient, and coordinated field inspections, including clear roles and decision-making authority among engineers, the District staff, contractors, and technology providers.**

District Provided Services	Contractor Provided Services	Civil Site Support Services Required for Inspections
(Some may not apply to all inspection methods)		
☐	☐	Piping modifications for launching or extracting inspection tools (design, fabrication, construction)
☐	☐	Capture devices for inspection tools (design, fabrication, installation)
☐	☐	Excavations for pipe access
☐	☐	Storage yard
☐	☐	Local equipment rental
☐	☐	Cranes/operators
☐	☐	Tagline purchase/install
☐	☐	Lock-out/tag-out
☐	☐	Dewatering
☐	☐	Flow adjustments
☐	☐	Pipe modifications
☐	☐	Air valve removal
☐	☐	Access flange removal
☐	☐	Clean vault
☐	☐	Provide ladders
☐	☐	Confined space entry support
☐	☐	Clean out pipe
☐	☐	On-site power/generators
☐	☐	Lighting for night work
☐	☐	Excavations for verification of defects
☐	☐	Permits
☐	☐	Traffic control
☐	☐	Public relations/ROW access notifications
☐	☐	Portable sanitation facilities
☐	☐	Other general contractor or utility services

The District can reduce the cost of inspections by 30% by taking on some of the tasks that are required for the field work. Before HDR writes a performance spec for contractors to bid on the pipe inspection work, HDR will ask the District which of the items the District is capable of and willing to take on with your own forces.

The District can reduce inspection costs by up to 30% by providing site support services (e.g., storage yard, crane, confined space entry, sanitation) and handling community outreach, permitting, and traffic control.

This project will develop two distinct TMs (one for AC pipe and one for metallic pipe) that align with the RFP scope. Note, that because the approach to four sections is similar, the proposal describes the approach once to limit repetitiveness. Each TM will be organized into four technical sections and an executive summary. A description of the tasks and methodologies for each section of the TMs is described below.

Report Sections:



Report Section 01: Data & Program Assessment

The "right" solution for one utility may not be appropriate for another utility. This task will allow us to listen to your unique challenges and operating context so we can share pertinent lessons learned and potential solutions that you can own and carry forward. For example, our understanding is that the District has used opportunistic phenolphthalein stain tests (i.e. stain tests) to measure the condition of AC pipes. While opportunistic sampling of AC pipes is industry best practice, we know the stain test exaggerates deterioration because it only measures carbonation, not calcium leaching. HDR will help you refine this program to make sure the District obtains actionable condition assessment data.

Our project approach is **founded on industry research and decades of implementation experience.**



The foundation of our approach relies on efficient communication between our team and your staff. In the picture below, David Spencer and Dan Ellison have highlighted specific areas on risk maps for efficient review by Padre Dam Municipal Water District staff.



The District has a wealth of data to support this project including GIS, as-built drawings, hydraulic and redundancy assessments, risk model, and a variety of condition assessment activities including leak detection, acoustic velocity testing, soil corrosivity tests, electrical continuity testing, and external direct assessments. Now is the time to pivot towards leveraging this data to drive prudent budgeting and decision making.

HDR's proposed project manager, David Spencer, has developed over 100 water pipeline capital improvement plan programs around the country and is supported by a team that knows the District's system. This knowledge will assist in coordination and lessen the learning curve, allowing the team to begin work efficiently. The foundation of our approach relies on ongoing, direct communication with the District staff while engaging our industry specialists at appropriate stages. This task will begin with a review of existing data, practices, and systems and interviews with key staff. Together through a series of analyses and workshops, we will review and refine the District's existing data management practices, workflow, and information systems based on industry best practices and the unique needs of your program. The table below summarizes our understanding of the District's key project challenges and how we propose to overcome them. At the project kickoff, we will validate and update these challenges based on your input so the project will start off on the right foot.

HDR will review condition assessment reports, maintenance records, risk modeling outputs, and ongoing assessment activities to identify data gaps and opportunities for improving future condition assessment efforts.

Our proven approach applied at over 100 utilities around the country has been tailored to your needs to position you for success.

LISTEN
to your unique experiences and challenges

DOCUMENT
your programs, policies, workflow, readily available data, data gaps, and perceived drivers for deterioration and renewal

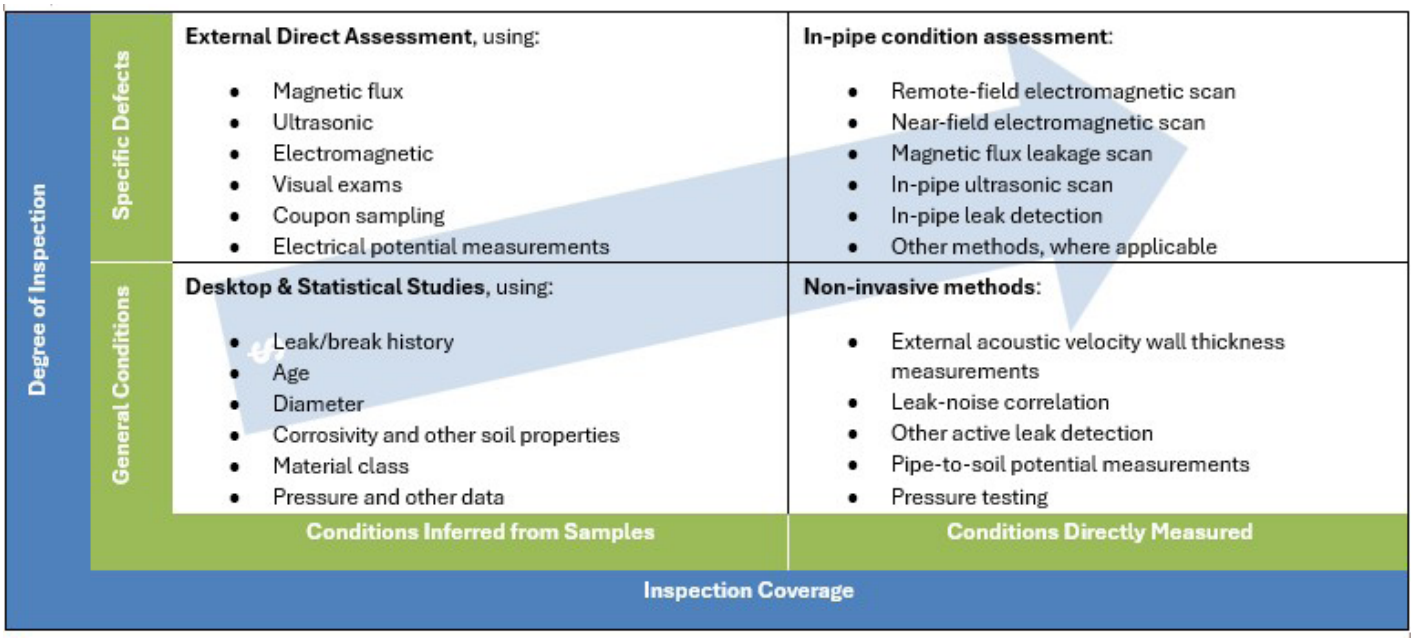
SHARE
our experience, lessons learned, and potential solutions

Report Section 02: Technology Assessment

Pipeline condition assessment can be planned and performed so that assessment methods are performed under one project or condition assessment can be completed progressively, with the results of one inspection used to determine what additional inspections are appropriate. The approach varies by pipeline to balance cost, risk, and assessment value. As pipeline conditions deteriorate, assessments may become more frequent. To determine the level of assessment, there are generally four variables to be considered:

1. **The degree of inspection.** Determine the goal of the condition assessment: ascertain general condition or find small defects.
2. **The inspection coverage.** Determine pipe length for assessment.
3. **Pipeline access.** Ascertain ease of use for pipe tools around pipeline access sites. Confirm if pipe can be shut down, depressurized, or dewatered. Determine how long pipeline can be out of service.

Tradeoffs Between Costs, Coverage, and Degree of Inspection



4. **The cost of the assessment.** The condition assessment cost should be in some proportion to the perceived risk and the overall value of the asset.

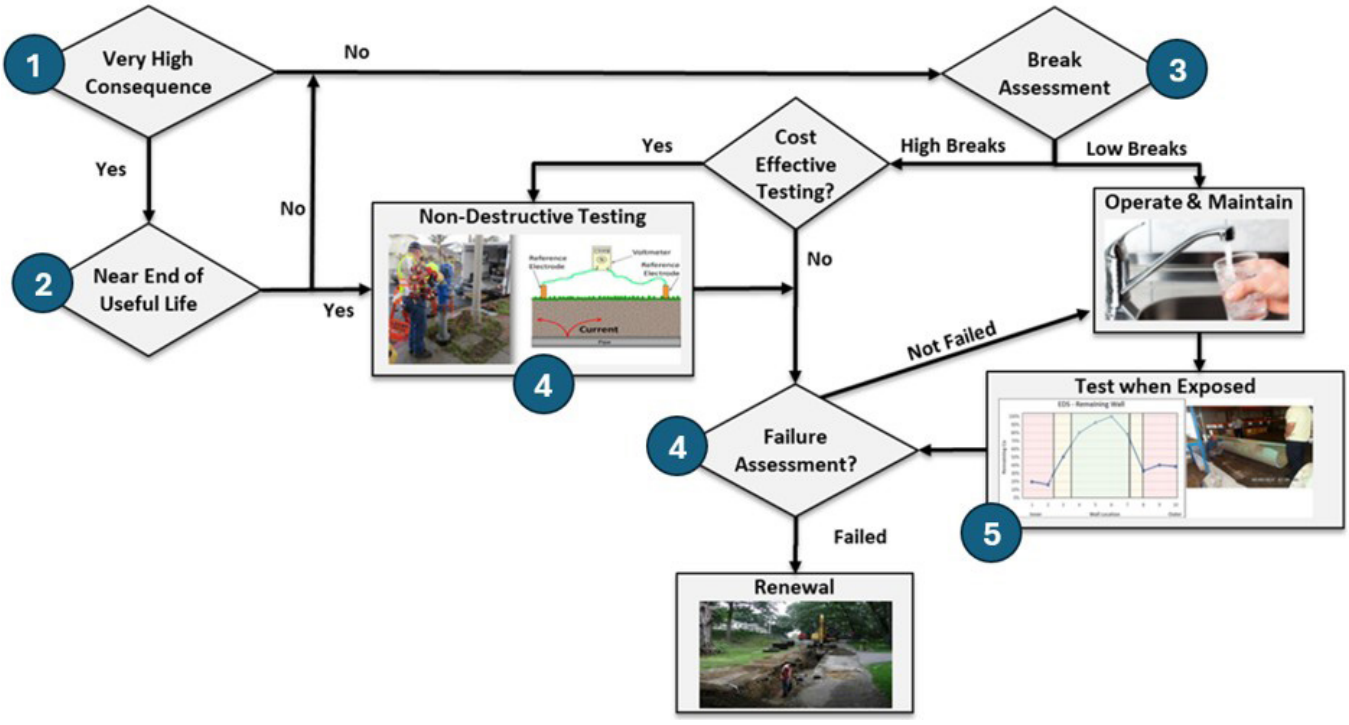
As shown in the figure below, the higher the degree of inspection and the greater the amount of pipe to be inspected, the higher the cost of the assessment. Additionally, the cost of pipeline inspection is greatly affected by economies of scale, the competitiveness of the marketplace, how easily the pipeline can be accessed, and the development costs associated with the technologies. Unit costs will be lower when longer run lengths or several pipelines can be inspected with a single mobilization of an inspection technology vendor.

The foundation of an effective condition assessment plan is to understand the unique modes of failure for the pipeline being assessed. For example, if internal degradation at poorly mudded joints is the primary issue for steel pipe, a focus on leak detection and internal inspection may be appropriate. Conversely, if the pipe is electrically continuous and external corrosion is the primary issue, close-interval-survey may be the reasonable first step. HDR will work with your staff to understand the extent of deterioration in your system (and share lessons from your neighbors) so we can leverage the right technologies for your unique system.

Report Section 03: Condition Assessment Strategy & Budget

The purpose of this section is to define the District's pipeline condition assessment plan using strategies, policies, and budgets to identify specific pipeline condition assessment projects and guide long-term, proactive asset management. For example, the condition assessment strategy for AC pipes may lean into opportunistic assessment.

For exposed metallic pipes (e.g., bridge and creek crossings) which are less expensive and disruptive to perform external assessment, the strategy may be to monitor through recurring scheduled inspections



At Mesa Water District, the condition assessment strategy that saved $100k/yr in testing costs and $200M in replacement costs compared to age-based analysis was used to communicate the value of the condition assessment program to political stakeholders.

of the coating and/or wall thickness. For consequential buried pipes without a history of condition related issues, a policy might be to perform direct condition assessment at 75% of the estimated age-based useful life. Inspection of consequential pipes with a history of condition related issues (e.g. the 24-inch steel pipe near Greenback Lane and the Sunrise Community Church) may be accelerated under the policy.

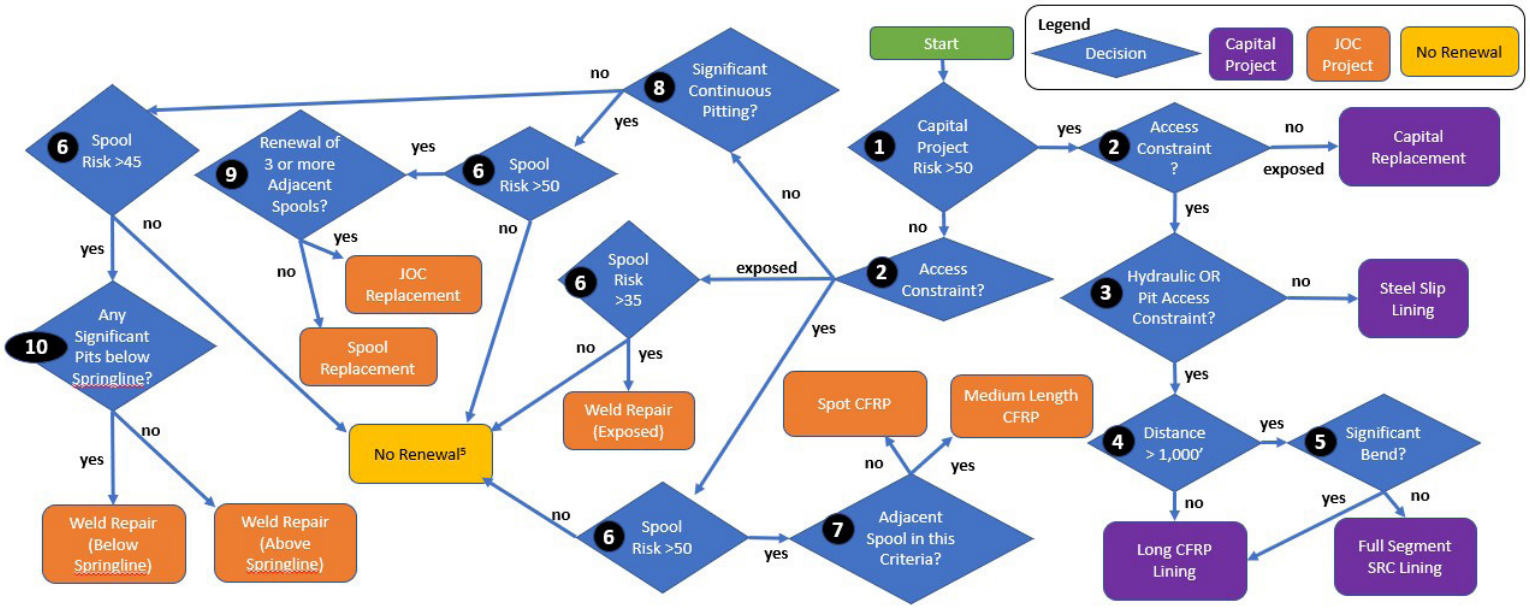
In parallel, HDR would estimate the planning level cost to implement particular policies and strategies. This would give District staff an understanding of the budget implications of those options and position the District to strike the appropriate balance between risk management and affordability.

This task will culminate in a prioritized list of candidate pipelines recommended for condition assessment consistent with the District's Water Systems Master Plan risk framework.

Report Section 04: Methods for Interpreting Data

Once condition assessment data is collected, it is important to interpret that data to make prudent infrastructure management decisions. HDR recommends the development of decision making logic which allows for more consistent and transparent decision processes. HDR has developed data interpretation logic for hundreds of utilities around the country. In this task, we would leverage those lessons learned to build a decision process(es) to address your needs

Decision frameworks will identify appropriate next actions following an assessment, including continued monitoring, additional inspection, rehabilitation, replacement, or operational mitigation measures.



At SFPUC, decision logic was developed for steel pipelines, which resulted in a consistent, transparent, and prudent decision-making process.



G. Background and Experience

Firm Background and Local Presence

HDR is a 100% employee-owned professional services firm founded in 1917, with more than a century of experience delivering engineering, planning, and infrastructure solutions for public agencies.

HDR maintains a strong and established presence in Northern California, where we have collaborated with public-sector clients for more than four decades. Our Northern California practice includes more than 600 professionals with knowledge of water system planning, pipeline engineering, hydraulic modeling, condition assessment technologies, GIS, and asset management. This experience reflects a long-standing commitment to helping agencies address aging infrastructure, improve system reliability, and plan strategically for long-term capital needs.

For the District, HDR will provide services from our Sacramento and Folsom offices. The proximity of HDR's Sacramento and Folsom offices allows frequent in-person coordination with District staff, participation in workshops, and efficient support of field verification or assessment planning activities required during development of the program. HDR's team will function as an integrated partner with the District, providing consistent communication, timely delivery, and alignment with project priorities throughout the duration of the work.

The District is developing a series of TMs to establish a comprehensive, risk-informed pipeline condition assessment program for its water system. HDR recognizes the importance of building upon prior planning efforts while establishing a structured, data-driven framework that supports future condition assessment activities and long-term asset management objectives.

HDR's approach emphasizes practical implementation—helping the District collect the right data, apply the right technologies, and make confident infrastructure renewal decisions while balancing risk, affordability, and operational considerations.

Building on this foundation, HDR's approach is focused on translating the District's existing system information and prior planning efforts into clear, actionable TM. This includes:

- Applying a risk-based approach to identify and prioritize pipelines for condition assessment based on likelihood and consequence of failure
- Evaluating and recommending appropriate condition assessment technologies and inspection methods based on pipe characteristics, system conditions, and available data
- Developing practical methodologies for opportunistic, scheduled, and planned condition assessment activities that support future program implementation and updates
- Documenting findings, assumptions, and recommendations in TM that support capital planning, maintenance prioritization, and operational decision-making

HDR has supported numerous water agencies in developing and implementing condition assessment programs that balance technical rigor with practical application. Our experience includes working with utilities at varying levels of data maturity, allowing us to tailor our approach to the District's available data and operational needs while identifying opportunities to enhance data quality over time.

HDR also recognizes that the value of this effort lies not only in the analysis, but in the usability of the deliverables. HDR will structure the TM developed under this project to serve as practical tools for District staff—clearly documenting methodologies, assumptions, and recommendations in a format that supports transparent decision-making and long-term program management.

Through our combination of local presence, technical skills, and experience implementing condition assessment programs, HDR is well positioned to help the District develop a practical, risk-informed program that is technically sound, scalable, and immediately applicable to its system needs.

Founded in 1917, HDR has:

15,000+
Employees Worldwide

200+
Offices Globally



8
Offices in Northern California

YOUR **PROJECT TEAM**

HDR has assembled a focused team of pipeline condition assessment, asset management, and water infrastructure professionals to support development of the Citrus Heights Water District's Pipeline Condition Assessment Program. The proposed team combines local project leadership with specialized condition assessment expertise to develop TMs that are practical, data-driven, and directly applicable to the District's long-term planning and operational needs. Together, the team brings experience in pipeline engineering, risk-based prioritization, asset management, condition assessment technologies, and implementation planning for water utilities throughout California and across North America

David Spencer, PE, will serve as Project Manager, providing overall project leadership, quality oversight, and strategic guidance throughout development of the TM. David brings proven experience helping water utilities develop condition assessment programs, prioritize infrastructure investments, and implement risk-informed asset management strategies.

Dan Ellison, PE, will provide senior-level technical and strategic guidance in the role of Strategic Advisor. Drawing on decades of experience with water transmission infrastructure, condition assessment programs, and utility asset management, Dan will help shape project recommendations and maintain industry best practices and the District's long-term objectives.

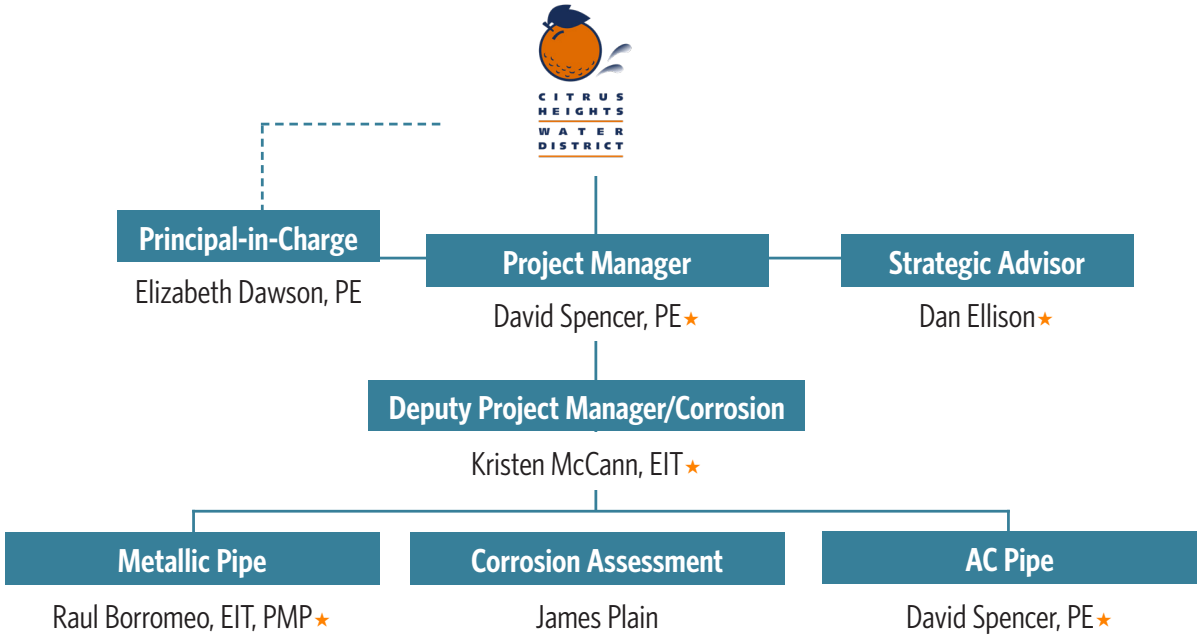
Kristen McCann, PE, will function as Deputy Project Manager and Corrosion Lead, directing day-to-day project execution, coordinating with District staff, and leading development of the TM. Kristen will also oversee corrosion-related evaluations, condition assessment strategies for metallic pipelines, and interpretation of assessment results to develop practical, actionable recommendations.

Raul Borromeo, EIT, PMP, will lead HDR's evaluation of steel and DI assets as Metallic Pipe Lead. Raul brings experience in pipeline engineering, infrastructure planning, and utility systems assessment, supporting development of condition assessment methodologies, technology evaluations, and risk-based prioritization recommendations for the District's metallic transmission mains.

Supported by HDR's broader network of condition assessment specialists, asset management practitioners, and water infrastructure professionals, the project team will provide the District with the resources necessary to develop a scalable and sustainable condition assessment program that supports future inspection planning, capital improvement programming, and long-term asset management objectives.

The organizational chart below illustrates the proposed team structure and key personnel assignments for this project. Team biographies, representative project experience, and client references follow and provide additional detail regarding HDR's qualifications, technical expertise, and experience delivering similar services for water utilities.

HDR Team Organizational Chart



★ *Key Personnel*



DAVID SPENCER, PE

Project Manager

EDUCATION
Bachelor of Science, Civil Engineering, California Polytechnic State University, San Luis Obispo

REGISTRATIONS
Professional Engineer — CA #C66885

INDUSTRY TENURE
25 years

> "I look forward to helping the District develop a practical, risk-based condition assessment program that supports informed decisions, reduces risk, and improves long-term infrastructure planning."

With 25 years of experience, David is a nationally recognized leader in pipeline condition assessment, asset management, and infrastructure renewal planning. He has developed and implemented condition assessment and renewal programs encompassing more than 100,000 miles of potable and recycled water pipelines throughout the United States. His experience includes risk-based asset management, infrastructure prioritization, condition assessment program development, and capital planning for utilities of varying sizes and system complexities.

David has supported comprehensive reviews of water systems and the development and update of Water System Master Plans through condition assessment, risk analysis, asset management, and capital improvement planning. His work helps utilities evaluate system condition, prioritize investments, and develop sustainable infrastructure renewal strategies that support long-term planning objectives. David is also a recognized industry contributor, having helped advance condition assessment methodologies through Water Research Foundation initiatives and development of the AWWA M77 Condition Assessment of Water Mains manual.

PROJECT ROLE
David will serve as Project Manager and lead for development of the District's pipeline condition assessment program, including condition assessment planning, risk prioritization, and implementation recommendations.

David's extensive experience developing condition assessment and asset management programs for water utilities nationwide will benefit the project, as will his skills in infrastructure renewal planning, risk-based decision-making, and capital improvement program development.

VALUABLE PROJECT EXPERIENCE

Mesa Water District, Pipeline Integrity Program, Costa Mesa, CA
David managed a water main renewal planning study that established long-term investment strategies and supported defensible infrastructure funding decisions.

Suburban Water Systems, Water Main Study, Covina, CA
David led development of a risk-informed water main management program that established investment strategies, prioritization methodologies, and long-term renewal planning for 860 miles of water mains.

Irvine Ranch Water District, Pipeline Asset Management Program, Irvine, CA
David directed the condition-based asset management and capital improvement planning tools for potable and non-potable pipeline systems.

Water Research Foundation, AC Pipe Management Strategy
David co-authored industry guidance for AC pipe assessment, renewal prioritization, remaining life evaluation, and infrastructure investment planning.



KRISTEN MCCANN, EIT

Deputy Project Manager

Kristen is a corrosion and condition assessment specialist with seven years of experience supporting water utilities with pipeline condition evaluation, asset management, and infrastructure protection. Kristen has worked with more than 200 public agencies and water districts, including Southern California Edison, Inland Empire Utilities Agency, and San Francisco Public Utilities Commission. Her experience includes corrosion assessment, pipeline inspection, risk evaluation, and development of data-driven recommendations to support long-term infrastructure management.

Kristen's strengths include pipeline condition assessment, soil corrosivity analysis, cathodic protection testing, and asset management planning. She has supported utility planning, Water System Master Plan initiatives, and system evaluation efforts by integrating field data, condition information, and operational considerations into practical recommendations that help utilities prioritize investments, manage risk, support capital improvement planning, and develop sustainable infrastructure strategies aligned with long-term operational goals.

PROJECT ROLE
Kristen will serve as Deputy Project Manager and corrosion assessment lead, coordinating day-to-day delivery and District communication while applying her soil corrosivity, cathodic protection, and pipeline condition assessment expertise to the District's metallic pipe evaluation and risk-informed renewal decisions.

VALUABLE PROJECT EXPERIENCE
Kristen was the Corrosion/Coatings Specialist, providing corrosion and coatings support for the City of Santa Cruz Water Department Capital Improvement Program.

EDUCATION
Bachelor of Science, Chemical Engineering, California State Polytechnic University, Pomona

REGISTRATIONS
Engineer in Training — CA #165784
NASSCO PACP — #P0057606
AMPP Cathodic Protection Technician — #70343
AMPP Coating Inspector Level 1 — #111947

INDUSTRY TENURE
13 years



DAN ELLISON, PE

Strategic Advisor

Dan is a nationally recognized authority in pipeline condition assessment, rehabilitation, and trenchless technologies, with more than 45 years of experience helping water utilities develop practical, risk-based approaches to infrastructure management. As the founding Chair of the AWWA Water Main Condition Assessment Committee and lead contributor to AWWA Manual M77, Condition Assessment of Water Mains, Dan has helped shape industry best practices for evaluating pipeline condition, selecting assessment technologies, and making informed renewal and replacement decisions. He has authored numerous publications on water main condition assessment, asset management, and rehabilitation, and has advised utilities throughout North America on developing sustainable infrastructure investment strategies.

Dan's knowledge spans the full lifecycle of condition assessment program development, including technology evaluation, data interpretation, risk modeling, and integration of assessment results into asset management and capital planning frameworks. His experience helping utilities translate condition assessment findings into actionable renewal and rehabilitation strategies provides valuable perspective for agencies seeking to extend asset life, enhance investments, and support long-term system reliability.

PROJECT ROLE
Dan will provide strategic guidance on condition assessment approaches, risk-based prioritization, and long-term asset management planning.

VALUABLE PROJECT EXPERIENCE
Dan served as Project Manager, providing AC pipe condition assessment, remaining life, and renewal prioritization guidance for the Water Research Foundation's WRF 4480 project.

EDUCATION
Master of Science, Finance, University of Southern California

Bachelor of Science, Civil Engineering, University of Utah

Bachelor of Arts, English, University of Utah

REGISTRATIONS
Professional Civil Engineer — CA #C38094
Structural Engineer — CA #S3020

INDUSTRY TENURE
45 years



RAUL BORROMEO, EIT

Metallic Pipe

Raul is a senior condition assessment and asset management professional with more than 15 years of experience supporting water utilities with pipeline inspection, monitoring, rehabilitation, and renewal planning. He has led and supported large-scale condition assessment programs for clients including Washington Suburban Sanitary Commission, Great Lakes Water Authority, and Long Beach Water Department, helping utilities develop risk-based strategies for infrastructure management and capital planning.

Raul's experience includes condition assessment technologies for pressurized and gravity pipelines, risk modeling, remaining useful life evaluations, and asset management planning. He has supported comprehensive system assessments and utility planning efforts by integrating condition assessment findings, GIS data, and operational information into decision-making frameworks that inform capital improvement programs, Water System Master Plans, and long-term infrastructure investment strategies. His experience helps utilities evaluate infrastructure condition, prioritize investments, and develop sustainable asset management and renewal programs that support long-term planning objectives.

EDUCATION
Bachelor of Science, Civil Engineering, San Francisco State University

REGISTRATIONS
Engineer in Training — CA #131390

INDUSTRY TENURE
24 years

PROJECT ROLE
Raul will lead evaluation of metallic pipe condition assessment technologies and support development of risk-based inspection and renewal strategies for the District's DI and steel transmission mains.

VALUABLE PROJECT EXPERIENCE
Raul served as Project Manager, leading pipeline condition assessment and asset management planning for Long Beach Water Department's Pipeline Condition Assessment Program.

Firm Qualifications

HDR brings decades of experience helping water utilities evaluate, prioritize, and manage critical pipeline infrastructure. Our condition assessment and asset management professionals have supported agencies throughout California and across North America in developing risk-based programs that improve reliability, refine capital investments, and support long-term infrastructure planning.

For more than 60 years, HDR has provided specialized corrosion engineering and pipeline assessment services for water systems. This experience is supported by HDR's dedicated Corrosion Laboratory in Southern California, which provides advanced soil and water corrosivity analysis, research, and technical support for condition assessment and asset management programs.

HDR's Pipeline Condition Assessment and Asset Management practice includes nationally recognized specialists in condition assessment technologies, risk assessment, infrastructure renewal planning, and asset management. Our team has helped utilities assess thousands of miles of transmission and distribution pipelines and develop practical strategies for inspection, rehabilitation, replacement, and long-term system management.

HDR has also played a leading role in advancing industry best practices for water main condition assessment. HDR led development of the AWWA M77 Condition Assessment of Water Mains manual and continues to contribute to ongoing industry guidance related to pipeline condition assessment and infrastructure management.

For the District, HDR combines local project leadership with specialized national expertise to deliver TMs that are practical, defensible, and directly applicable to future condition assessment planning, capital improvement programming, and long-term asset management objectives.



Below is a matrix of similar projects that our team has completed. These projects below represent successful collaborations with our clients, providing cost-saving solutions, reaching performance goals, and creating programs that are program-specific and right-sized.

	All		Steel			Iron			AC		
Client	Project Management	Data & Program Assessment	Technology Assessment	Data Interpretation & Decisions	Assessment Strategy, Budget, TM	Technology Assessment	Data Interpretation & Decisions	Assessment Strategy, Budget, TM	Technology Assessment	Data Interpretation & Decisions	Assessment Strategy, Budget, TM
Mesa Water District, CA*	●	●	●	●	●	●	●	●	●	●	●
Suburban Water Systems, CA*	●	●	●	●	●	●	●	●	●	●	●
Irvine Ranch Water District, CA*	●	●	●	●	●	●	●	●	●	●	●
WRF 4480 Effective Management of AC Pipe*	●								●	●	●
San Dieguito Water District, CA*	●	●							●	●	●
San Jacinto River Authority, TX*	●	●				●	●	●	●	●	●
San Juan Water District, CA	●	●							●	●	●
Fort Bragg, CA	●	●							●	●	●
City of Santa Cruz, CA	●	●		●			●		●	●	●
Department of Water Resources, CA	●	●	●	●	●	●	●	●			
Contra Costa Water District, CA	●	●		●			●		●	●	●
San Francisco Public Utilities Commission, CA	●	●	●	●	●						
East Bay Municipal Utility District, CA	●	●							●	●	●
Las Virgenes Municipal Water District	●	●	●	●	●	●	●	●	●	●	●
Padre Dam Municipal Water District, CA	●	●	●	●	●	●	●	●	●	●	●
Long Beach Water District, CA	●	●	●	●	●	●	●	●	●	●	●
Vista Irrigation District, CA	●	●							●	●	●
Olivenhain Municipal Water District	●	●	●	●	●				●	●	●
Rainbow Municipal Water District, CA	●	●	●	●	●						
Rancho California Water District, CA	●	●	●	●	●	●	●	●	●	●	●
San Bernardino County, CA	●	●							●	●	●
City of Carlsbad, CA	●	●	●	●	●	●	●	●	●	●	●
Sweetwate Authority, CA	●	●							●	●	●
City of Bellevue, WA	●	●	●	●	●	●	●	●	●	●	●
City of Phoenix, AZ	●	●	●	●	●	●	●	●	●	●	●
City of Honolulu, HI	●	●	●	●	●	●	●	●			
City of Des Moines, IA	●	●				●	●	●			
City of St. Petersburg, FL	●	●	●	●	●				●	●	●

** Full project descriptions and client references are included on the following pages*



Pipeline Integrity Testing Program

Mesa Water District (Mesa Water), *Costa Mesa, CA*

Mesa Water hired HDR to estimate the remaining useful life of Mesa Water's pipelines based on measured pipeline properties, rather than using an age-based approach. HDR developed a Board-adopted pipeline decision-making process which leverages readily available data to identify remaining useful life, identify specific pipes that required condition assessment of replacement, continuously refined the testing program to provide value to the ratepayers, refined business processes to collect high-quality break and condition assessment data, and updated GIS / Asset Data to reflect work in this project.

HDR performed assessments of Mesa Water's existing system:

CATHODIC PROTECTION SYSTEMS SURVEY: Performed corrosion control testing and evaluation of 19 pipelines, including approximately 141,000 linear feet of cement mortar and coated welded steel pipe, concrete cylinder pipe, cement mortar lined and coal tar coated welded steel pipe, and DI pipe. Through this evaluation, HDR provided Mesa Water with an updated assessment of the existing cathodic protection system and recommended the need to rehabilitate the system that is depleted or approaching the end of its intended life.

CELL-TO-CELL SURVEY OF 12-INCH CAST IRON PIPELINE: Performed cell-to-cell potential survey of a critical 12-inch cast iron pipeline approximately 3,800 linear feet along W 19th Street between Placentia and Harbor Boulevard, which is a high traffic area (vehicular and pedestrians). The survey identified several locations with the highest potential for active corrosion and performed additional testing through external corrosion direct assessment to inform decision-making for pipe replacement.

PROJECT DETAILS

REFERENCE
Karyn Igar, PE
Mesa Water District
1965 Placentia Ave, Costa Mesa, CA 92627
949.207.5452
Karynl@mesawater.org

DATES
2017 - 2021

KEY STAFF
David Spencer; Dan Ellison

VALUE ADDED

Developed a Board-adopted, condition-based decision-making framework that identified pipelines requiring near-term renewal or additional condition assessment. The program demonstrated significant remaining useful life across much of the system, helping defer approximately $230 million in capital expenditures. The project received industry recognition from CMUA, ACWA, and Journal AWWA.



Water Main Study

Suburban Water Systems, *San, Diego, CA*

Suburban Water Systems (SWS) owns and operates approximately 860 miles of water main infrastructure. SWS retained HDR to evaluate its asset management practices and develop a risk-informed framework for condition assessment, infrastructure investment, and system renewal planning.

Working closely with SWS staff, HDR developed a water main management program that integrated asset condition, likelihood and consequence of failure, operational considerations, and lifecycle costs into a transparent decision-making framework. The program established prioritization methodologies and investment strategies that enabled SWS to focus resources on the highest-risk assets while enhancing the value of future capital investments.

A key component of the effort was development of a condition assessment program for the utility's AC pipeline network, which represents approximately 80 percent of the system. HDR evaluated available condition assessment technologies and developed recommendations for prioritizing assessments, interpreting results, and incorporating findings into long-term rehabilitation, replacement, and capital planning decisions.

The final program provided a sustainable path forward for condition assessment, asset management, and capital planning, while supplying the technical justification necessary to support regulatory approval and organizational buy-in.

PROJECT DETAILS

REFERENCE
Zhaohui (Josie) Sun, PE,
Suburban Water Systems
1325 N. Grand Avenue, Ste, 100,
Covina, CA 91724
626.543.256 | zsun@swwc.com

DATES
2018 - 2023

KEY STAFF
David Spencer

VALUE ADDED

The program resulted in more than **$1 million in condition assessment savings** and approximately **$16 million annually in deferred pipeline replacement costs.** HDR also developed dashboards that enabled staff to communicate program benefits and investment strategies to management and board members. The project received the ASCE San Diego Award for Sustainability for its innovative approach to managing aging infrastructure.



Capital Improvement Plan and Asset Management for Potable and Non-potable Pipelines

Irvine Ranch Water District (IRWD), *Irvine, CA*

PROJECT DETAILS

REFERENCE

Mitch Robinson, PE,
Project Manager
Irvine Ranch Water District
15600 Sand Canyon Avenue,
Irvine, CA 92618
949.453.5863 | robinson@irwd.com

DATES

2023 - Ongoing

KEY STAFF

David Spencer; Dan Ellison

VALUE ADDED

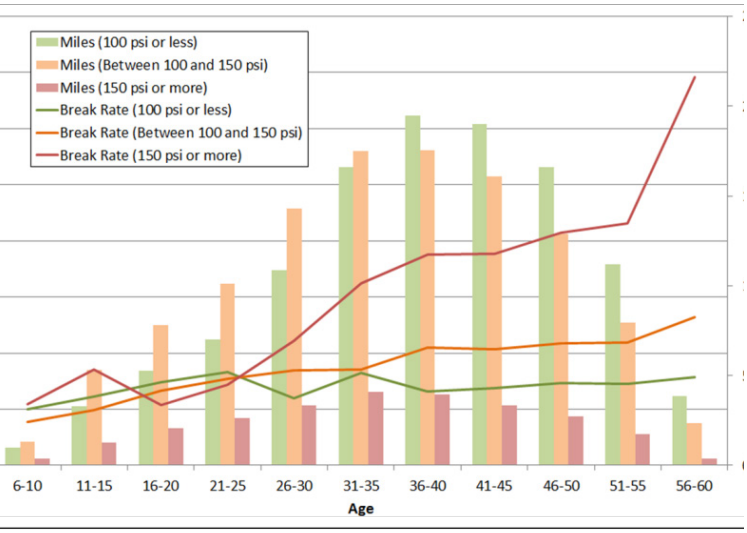
HDR developed a **cost-effective pipeline condition assessment strategy** including opportunistic condition assessment whenever a pipe is exposed and a proactive condition assessment program for pipes that are so critical, the City can't wait for them to fail before performing condition assessment.

Irvine Ranch Water District owns and operates approximately 2,600 miles of potable and recycled water pipelines. To better prioritize infrastructure investments, IRWD sought an approach based on condition, risk, service level, cost, and long-term system performance rather than age alone.

HDR developed a condition-based capital improvement and asset management program that integrated condition assessment, cathodic protection, rehabilitation, and replacement planning into a coordinated infrastructure renewal strategy. The project included desktop condition assessments, likelihood and consequence of failure analyses, remaining useful life evaluations, replacement cost modeling, and level-of-service considerations to help identify priority pipelines and support long-term capital planning.

A key component of the effort was improving how pipeline data is collected, managed, and applied in decision-making. HDR evaluated the integration of break history, leak detection results, cathodic protection data, condition assessment findings, and cost information into IRWD's information management systems, enabling ongoing refinement of investment priorities as new data becomes available.

HDR also developed implementation recommendations addressing program governance, workflows, staffing needs, and ongoing condition assessment activities, providing a sustainable framework for asset management and future capital planning



Break Rate vs. Age for Different Pressures

WRF 4480, Development of Effective Asbestos Cement Distribution Pipe Management Strategy for Utilities

Water Research Foundation (WRF), *Phoenix, AZ*

HDR led this research project that involved developing an effective strategy for management of utility AC pipe assets, which included condition assessment and remaining life prediction, water quality optimization, rehabilitation and replacement, renewal prioritization modeling, and cost analysis. The project involved analysis of more than 100 samples of pipe and 20 years of break data for 1,100 miles of East Bay Municipal Utility District (EBMUD) AC pipes.

HDR applied a variety of testing methodologies to the same pipe to quantify the value and cost-effectiveness of each technology. HDR evaluated EDS, hardness, crush tests, flexural tests, burst test, acoustic testing, stain testing, measured diameter to thickness ratio, water quality, stress information, and system performance as measured through break history.

PROJECT DETAILS

REFERENCE

Jian Zhang, Research Manager
Water Research Foundation (WRF)
6666 W. Quincy Ave., Denver, CO 80235
303.347.6114 | jzhang@waterRF.org

DATES

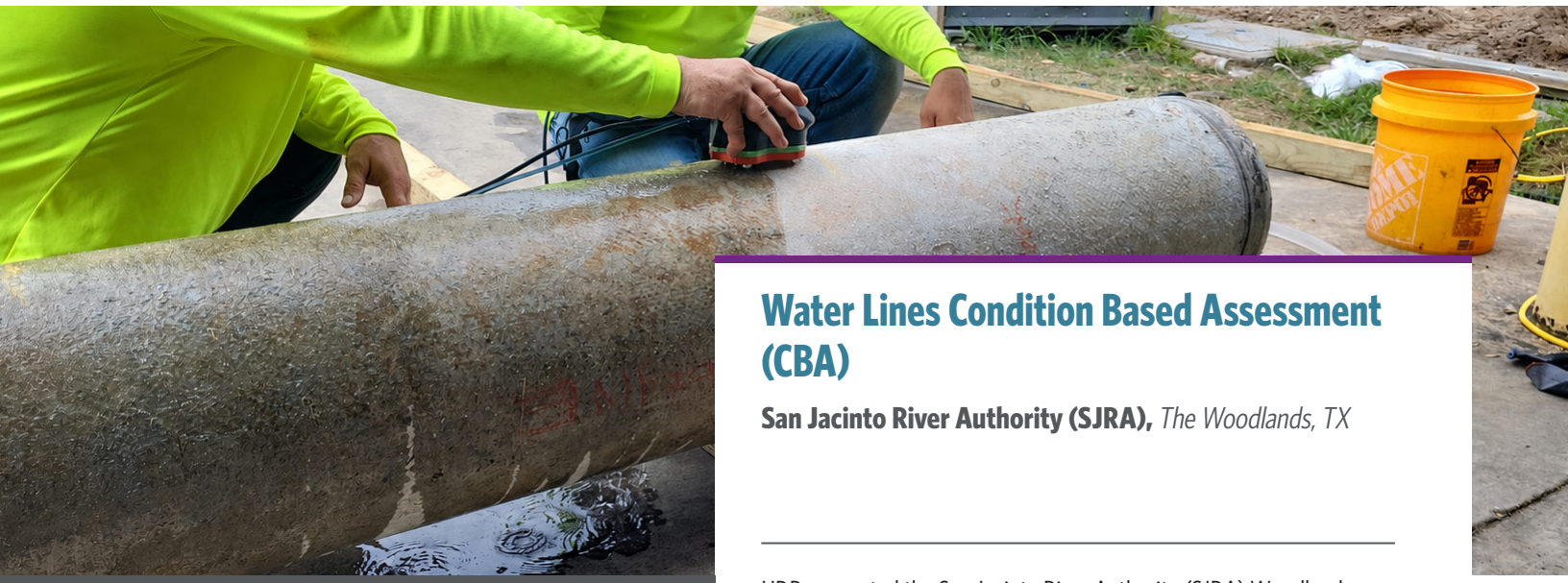
2012 - 2014

KEY STAFF

David Spencer; Dan Ellison

VALUE ADDED

This project resulted in **$13M per year by moving from an age-based to a condition-based asset management program.**



Water Lines Condition Based Assessment (CBA)

San Jacinto River Authority (SJRA), *The Woodlands, TX*

HDR supported the San Jacinto River Authority (SJRA) Woodlands Division in developing a proactive, condition-based asset management and replacement strategy for its large-diameter potable water system. The system includes more than 121 miles of water lines 12 inches in diameter or larger, of which over 48 miles are AC pipelines installed between 1973 and 1995 and approaching the latter portion of their expected service life.

HDR performed a comprehensive review of available system information, including break history, operational data, material age, and prior studies, to understand deterioration trends and failure mechanisms specific to AC pipe. This effort was supplemented with targeted field investigations and both non-destructive and destructive testing, including sampling and laboratory analysis, to assess pipe condition, strength, and remaining structural capacity.

Using the collected data, HDR completed engineering analyses to evaluate risk, remaining useful life, and replacement timing, and to compare rehabilitation versus replacement strategies. The resulting condition-based planning framework enabled SJRA to prioritize investments, focus on the highest-risk assets, and identify a cost-effective and least-disruptive path forward for managing its AC pipeline inventory while maintaining system reliability and minimizing customer impacts.

PROJECT DETAILS

REFERENCE

Kim Robbins, CTPM, CTCM, Senior Buyer
SJRA
PO Box 329, Conroe, TX 77305
1577 Dam Site Rd., Conroe, TX 77304
936.588.7118 | krobbins@sjra.net

DATES

2024-2026

KEY STAFF

David Spencer; Raul Borromeo

VALUE ADDED

Developed a condition-based asset management strategy for a large-diameter water system by evaluating asset data, break history, operational records, and targeted field investigations. The resulting risk-based framework prioritized **high-risk assets** and guided **cost-effective rehabilitation and replacement decisions** while maintaining **system reliability.**



Pipeline Risk Prioritization & Condition Assessment of Potable Water Pipelines

Padre Dam Municipal Water District,

Santee, CA

HDR provided engineering planning services to Padre Dam Municipal Water District related to the development of a potable water pipeline risk prioritization model. This risk-based prioritization approach would allow the District to move systematically forward with a more comprehensive condition assessment program for its potable water pipelines. This prioritization led to pipeline condition assessment including approximately 25,000 linear feet of indirect assessment followed by direct assessment. The condition assessments were utilized to make repair, rehabilitation, replacement or future monitoring recommendations on pipelines and inform the development of the District's future potable water pipelines Condition Assessment Program and Capital Improvement Program budgeting. The scope of services included two phases and multiple-step processes that used selected specialized methods to assess the condition of high-priority pipelines.

Phase 1 of the Project included a detailed data review, an indirect condition assessment of pipelines, a direct assessment design, a direct assessment proposal evaluation, negotiation of scopes and budgets with vendors and contractors, and preparation for the work plan for direct assessment.

Phase 2 of the Project included direct condition assessment, analysis of results, risk model updates, identification of specific monitoring or capital improvement recommendations for assessed pipelines, and program recommendations for future condition assessments and capital improvements.

PROJECT DETAILS

REFERENCE
Michael Hindle, PE
Padre Dam Municipal Water District
9300 Fanita Pkwy, Santee, CA 92071
619.258.4632
mhindle@padre.org

DATES
2017-2023

KEY STAFF
David Spencer; Dan Ellison

VALUE ADDED

Risk-based pipeline prioritization model guided a comprehensive condition assessment program, resulting in **$1M in condition assessment savings** and **$16M annually in pipeline replacement deferrals.** HDR also developed d**ecision-support dashboards** to support capital planning and board communications. The project received the **ASCE San Diego Award for Sustainability.**



H. Project Cost

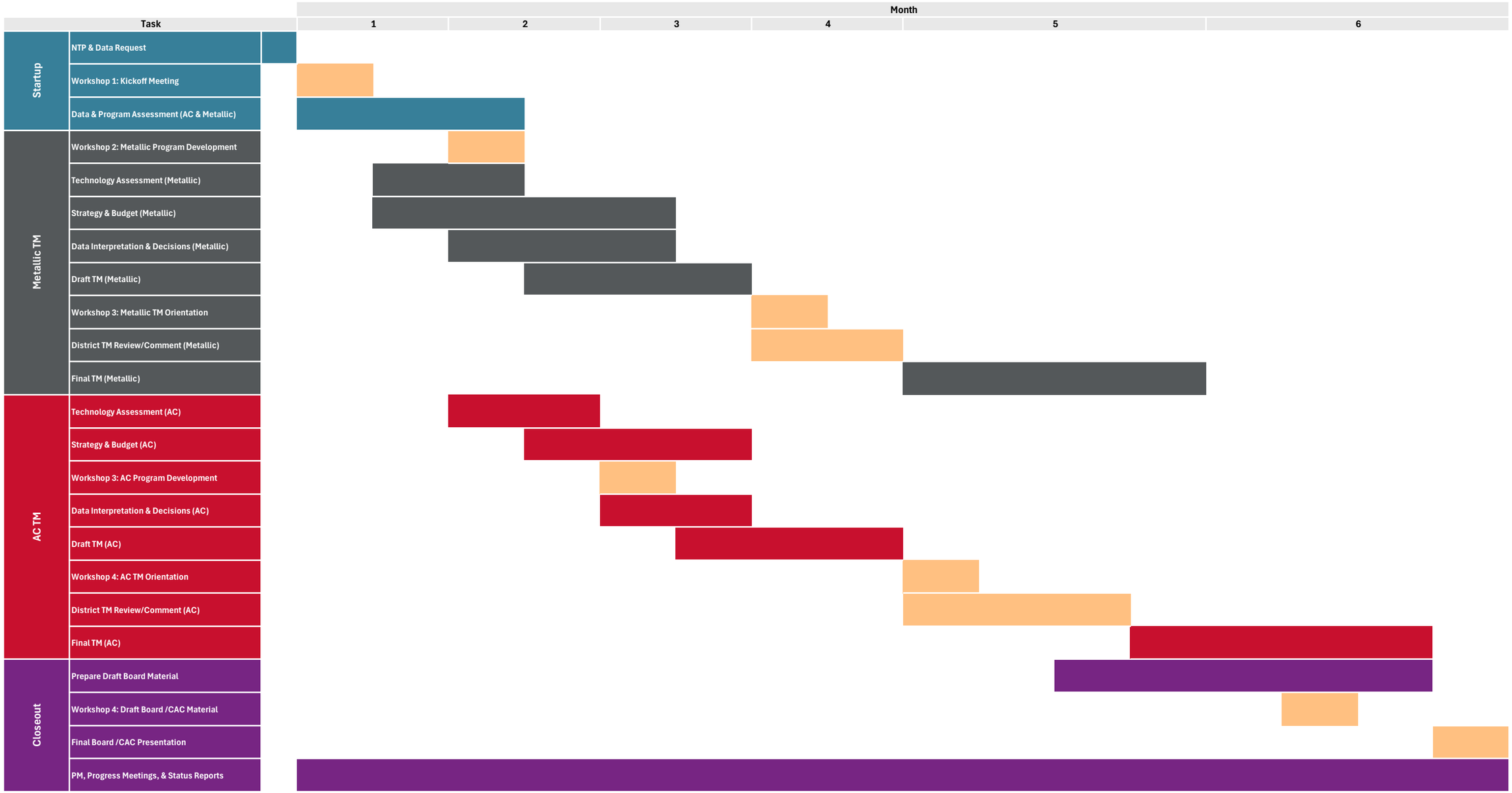
Table 1 - Estimated Work Effort and Cost
Citrus Heights Water District
Pipeline Condition Assessment Program

Task	Task Description	Project Manager	QA/QC	SME / Technical Advisor	Technical Lead / Project Engineer	Principal In Charge	GIS Specialist	Accountant	Engineer, EIT	Project Controls	Senior Admin	Total HDR Labor Hours	Total HDR Labor ($)	HDR Expenses ($)	Total Cost ($)
	Rates	$ 259.17	$ 420.51	$ 360.39	$ 188.16	$ 411.00	$ 163.83	$ 149.54	$ 132.63	$ 172.80	$ 192.77				
Task 1 - Project Management and Meetings															
1.1	Project Management and Quality Control	16	2	4	6	2		16	0	12	4	62	13,617.63	0.00	13,617.63
1.2	Project Management Meetings	12	2	4	4	2		4	0	4	4	36	9,027.73	0.00	9,027.73
	Subtotal Task 1	**28**	**4**	**8**	**10**	**4**	**0**	**20**	**0**	**16**	**8**	**98**	**22,645.37**	**0.00**	**22,645.37**
Task 2 - Metallic Mains Tech Memo															
2.1	Review Existing Data / Conduct Interviews	24	8	12	24	2	8	0	18		8	104	24,486.71	0.00	24,486.71
2.2	Metallic Pipe Condition Assessment TM (Draft and Final)	24	4	16	32	4	8		12		8	108	25,777.75	0.00	25,777.75
	Subtotal Task 2	**48**	**12**	**28**	**56**	**6**	**16**	**0**	**30**	**0**	**16**	**212**	**50,264.46**	**0.00**	**50,264.46**
Task 3 - AC Mains Tech Memo															
3.1	Review Existing Data / Conduct Interviews	16	6	16		2	8		4		6	58	16,255.86	0.00	16,255.86
3.2	AC Pipe Condition Assessment TM (Draft and Final)	32	2	36	4	2	6		8		6	96	26,883.88	0.00	26,883.88
	Subtotal Task 3	**48**	**8**	**52**	**4**	**4**	**14**	**0**	**12**	**0**	**12**	**154**	**43,139.75**	**0.00**	**43,139.75**
Task 4 - Final Deliverables															
4.1	Final Overall TM and Workshop	14	4	14	14	4	4		6		6	66	17,241.83	0.00	17,241.83
4.2	Workshop Presentation for District Board	14	2	14	12	4	2		3		5	56	15,106.20	1,500.00	16,606.20
	Subtotal Task 4	**28**	**6**	**28**	**26**	**8**	**6**	**0**	**9**	**0**	**11**	**122**	**32,348.03**	**1,500.00**	**33,848.03**
COLUMN TOTALS		**152**	**30**	**116**	**96**	**22**	**36**	**20**	**51**	**16**	**47**	**586**	**$ 148,398**	**$ 1,500**	**$ 149,898**



I. Plan Preparation Schedule

HDR's proposed project schedule.



Key Points:

District requires project be completed in 6 months.

HDR would provide a data request after selection but before NTP to allow District more time to gather/provide data so we can hit the ground running when we receive NTP

AC and metallic work would run in parallel.

Orange signals where significant client input will be needed.



J. Agreement

We have reviewed the sample contract terms and conditions included in the Exhibit A of the RFP and propose the following exceptions. Based on discussions with the District, the District has indicated a willingness to negotiate contract terms, including indemnity language, and has previously expressed flexibility regarding agreement provisions for services of this nature. Requested additions are shown in blue bold text, and requested deletions are shown in red strike-through text.

Section 2. Compensation.

b. Periodic payments shall be made within ~~45~~ **30** days of receipt of an invoice which includes a detailed description of the work performed.

Section 6. Delays in Performance.

a. For purposes of this Agreement, such circumstances include but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; **pandemics; quarantine restrictions;** war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage or judicial restraint**.**

Section 7. Compliance with Law.

e. ~~**If applicable, Consultant is responsible for all costs of clean up and/ or removal of hazardous and toxic substances spilled as a result of his or her services or operations performed under this Agreement.**~~

Section 11. Insurance.

d. Professional Liability (Errors and Omissions) "... This insurance shall be ~~**endorsed to include contractual liability applicable to this Agreement and shall be**~~ written on a policy form coverage specifically designed to protect against **negligent** acts, errors or omissions of the Consultant.

e. Minimum Policy Limits Required

(iii) "... ~~**Any available coverage shall be provided to the parties required to be named as Additional Insured pursuant to this Agreement.**~~

g. Policy Provisions Required

(iii) "... ~~**Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement."**~~

i. Additional Insurance Provisions

(iii) The District may require the Consultant to provide **redacted** ~~**complete**~~ copies of all insurance policies in effect for the duration of the Project.

Section 12. Indemnification.

a. "... in any manner **to the extent** arising out of, pertaining to, or incident to any **negligence, recklessness,** ~~**alleged acts, errors or omissions,**~~ or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services, the Project or this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses. Notwithstanding the foregoing, to the extent Consultant's services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to Claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the District, its officials, officers, employees, agents or volunteers. **In no event shall the cost to defend charged to Consultant exceed Consultant's proportionate percentage of fault.**

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

Section 13. California Labor Code Requirements.

"...Consultant shall defend, indemnify and hold the District, its officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure ~~**or alleged failure**~~ to comply with the Prevailing Wage Laws."

Section 16. Termination or Abandonment.

a. District has the right to terminate or abandon any portion or all of the work under this Agreement by giving ten (10) calendar

days written notice to Consultant~~:~~ **, provided District shall not terminate for cause unless District provides written notice of the breach and Consultant fails to cure within ten (10) days of receipt of such notice**. In such event, District shall, upon payment, be immediately given title and possession to all original field notes, drawings and specifications, written reports and other documents produced or developed for that portion of the work completed and/or being abandoned.

b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days' written notice to District only in the event of ~~**substantial**~~ failure by District to perform in accordance with the terms of this Agreement through no fault of Consultant.

Section 17. Ownership and Use of Documents; Confidentiality.

17.1 Ownership. All plans, specifications, original or reproducible transparencies of working drawings and master plans, preliminary sketches, design presentation drawings, structural computations, estimates and any other documents prepared pursuant to this Agreement, including, but not limited to, any other works of authorship fixed in any tangible medium of expression such as writings, physical drawings and data magnetically or otherwise recorded on computer diskettes (hereinafter referred to as the "Project Documents") shall be and remain the property of District~~.~~ **, upon payment.** Although the official copyright in all Project Documents shall remain with the Consultant or other applicable subcontractors or consultants, the Project Documents shall be the property of District whether or not the work for which they were made is executed or completed. Within thirty (30) calendar days following completion of the Project, Consultant shall provide to District copies of all Project Documents required by District. In addition, Consultant shall retain copies of all Project Documents on file for a **maximum of ten (10**) minimum of fifteen (15) years following completion of the Project, and shall make copies available to District upon the payment of reasonable duplication costs.

17.2 Right to Use.

(b). The repair, renovation, modernization, replacement, reconstruction or expansion of this Project at any time~~;~~

"... District is not bound by this Agreement to employ the services of Consultant in the event such documents are used or reused for these purposes. District shall be able to use or reuse the Project Documents for these purposes without risk of liability to the Consultant or third parties with respect to the condition of the Project Documents, and the use or reuse of the Project Documents for these purposes shall not be construed or interpreted to waive or limit District's right to recover for latent defects or for **negligent** errors or omissions of the Consultant. **Any modification or reuse of the Project Documents for purposes other than those intended by this Agreement or other projects shall be at the re-user's sole risk and without liability to Consultant.**

Section 30. Waiver of Consequential Damages

Notwithstanding anything to the contrary herein, neither party to this Agreement shall be liable to the other party for any special, incidental, indirect, or consequential damages (including but not limited to loss of use or opportunity; loss of good will; cost of substitute facilities, goods, or services; cost of capital; and/or fines or penalties), loss of profits or revenue arising out of, resulting from, or in any way related to the Project or the Agreement from any cause or causes, including but not limited to any such damages caused by the negligence, errors or omissions, strict liability or breach of contract. The employees of both parties are intended third party beneficiaries of this waiver of consequential damages.



K. Additional Information

HDR has no additional information to provide.

1 Capitol Mall, Suite 500
Sacramento, CA 95814
916.679.8700

hdrinc.com

We practice increased use of sustainable materials and reduction of material use.

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EXHIBIT B

Schedule of Charges/Payments

Consultant will invoice District on a monthly cycle. Consultant will include with each invoice a detailed progress report that indicates the amount of budget spent on each task. Consultant will inform District regarding any out-of-scope work being performed by Consultant. This is a time-and-materials contract.

Exhibit B

H. Project Cost

Table 1 - Estimated Work Effort and Cost

Citrus Heights Water District

Pipeline Condition Assessment Program

Task	Task Description	Project Manager	QA/QC	SME / Technical Advisor	Technical Lead / Project Engineer	Principal In Charge	GIS Specialist	Accountant	Engineer, EIT	Project Controls	Senior Admin	Total HDR Labor Hours	Total HDR Labor ($)	HDR Expenses ($)	Total Cost ($)
	Rates	$ 259.17	$ 420.51	$ 360.39	$ 188.16	$ 411.00	$ 163.83	$ 149.54	$ 132.63	$ 172.80	$ 192.77				
Task 1 - Project Management and Meetings															
1.1	Project Management and Quality Control	16	2	4	6	2		16	0	12	4	62	13,617.63	0.00	13,617.63
1.2	Project Management Meetings	12	2	4	4	2		4	0	4	4	36	9,027.73	0.00	9,027.73
	Subtotal Task 1	**28**	**4**	**8**	**10**	**4**	**0**	**20**	**0**	**16**	**8**	**98**	**22,645.37**	**0.00**	**22,645.37**
Task 2 - Metallic Mains Tech Memo															
2.1	Review Existing Data / Conduct Interviews	24	8	12	24	2	8	0	18		8	104	24,486.71	0.00	24,486.71
2.2	Metallic Pipe Condition Assessment TM (Draft and Final)	24	4	16	32	4	8		12		8	108	25,777.75	0.00	25,777.75
	Subtotal Task 2	**48**	**12**	**28**	**56**	**6**	**16**	**0**	**30**	**0**	**16**	**212**	**50,264.46**	**0.00**	**50,264.46**
Task 3 - AC Mains Tech Memo															
3.1	Review Existing Data / Conduct Interviews	16	6	16		2	8		4		6	58	16,255.86	0.00	16,255.86
3.2	AC Pipe Condition Assessment TM (Draft and Final)	32	2	36	4	2	6		8		6	96	26,883.88	0.00	26,883.88
	Subtotal Task 3	**48**	**8**	**52**	**4**	**4**	**14**	**0**	**12**	**0**	**12**	**154**	**43,139.75**	**0.00**	**43,139.75**
Task 4 - Final Deliverables															
4.1	Final Overall TM and Workshop	14	4	14	14	4	4		6		6	66	17,241.83	0.00	17,241.83
4.2	Workshop Presentation for District Board	14	2	14	12	4	2		3		5	56	15,106.20	1,500.00	16,606.20
	Subtotal Task 4	**28**	**6**	**28**	**26**	**8**	**6**	**0**	**9**	**0**	**11**	**122**	**32,348.03**	**1,500.00**	**33,848.03**
COLUMN TOTALS		**152**	**30**	**116**	**96**	**22**	**36**	**20**	**51**	**16**	**47**	**586**	**$ 148,398**	**$ 1,500**	**$ 149,898**

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS
OCTOBER 27, 2026 REGULAR MEETING

Subject:	**Kathy Cook Amphitheater Water Feature**
Status:	Presentation Item
Report Date:	October 15, 2026
Prepared By:	Missy Pieri, Director of Engineering

OBJECTIVE:
Staff will be presenting an update on the Kathy Cook Amphitheater water feature located at Rusch Community Park.

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS
OCTOBER 27, 2026 REGULAR MEETING

Subject:	**Community Engagement and Customer Advisory Committee**
Status:	Discussion Item
Report Date:	October 27, 2026
Prepared By:	Mary Elise Conzelmann, Public Affairs Manager

OBJECTIVE:
Provide the Board with an overview of Citrus Heights Water District (CHWD) community engagement, review the Customer Advisory Committee (CAC), and receive Board direction on near-term options for the CAC while staff develop future engagement model options.

BACKGROUND AND ANALYSIS:
CHWD uses a range of methods to inform, engage, and listen to customers. These include digital and print communications, such as social media, newsletters, direct mail, the website, and press releases; direct engagement through community events, Garden Corps, customer field visits, community and business outreach, presentations, and regional meetings; and opportunities to gather input through the CAC, market research and surveys, community feedback, and direct customer conversations.

The original CAC convened from 2018 to 2021. The CAC was reconvened in 2023 through Resolution No. 20-2023. The purpose of the CAC is to educate and develop community leaders who provide informed stakeholder input on District priorities and serve as ambassadors for CHWD. From 2023 through 2025, CAC meetings addressed a variety of educational topics, and the 2026 CAC meeting series focused on meter technology.

The CAC includes 9-13 residential members, up to three business representatives, and up to five institutional representatives. Up to four residential alternates may also participate as non-voting members. Since 2018, 39 unique individuals have participated in the CAC, including two participants who later moved into community leadership roles.

Terms for nine residential members expire in October 2026. Continuing the current structure, including Brown Act CAC meetings with regular compensation as outlined in Resolution No. 20-2023, would require action to address those expiring terms. The scheduled December 8, 2026 CAC meeting also falls outside the current residential terms. This timing provides an opportunity

for the Board to consider the CAC's near-term structure while staff evaluates how CHWD can continue to engage customers in the future.

Staff is presenting two options for Board discussion.

Option 1 would extend the current residential member terms through December 2027 and close out the 2026 CAC year with the regular December meeting.

Option 2 would allow current residential members whose terms are expiring to conclude their service and be recognized for their contributions. The District would cancel the December 8, 2026 CAC meeting and could host an optional, informal appreciation event. Any such event would be strictly social or ceremonial, with no discussion of CAC or District business, to comply with Brown Act requirements. Members would not receive compensation for attending the event, and staff would post a meeting cancellation notice.

Under either option, staff would gather feedback, develop future engagement model options, and return to the Board with recommendations in early 2027.

RECOMMENDATION:
Staff recommends that the Board discuss the two options presented and provide direction on the near-term approach for the Customer Advisory Committee. Under either option, staff will gather feedback, develop future engagement model options, and return to the Board with recommendations in early 2027.

ATTACHMENT:
Resolution No. 20-2023 Establishing a Customer Advisory Committee

ACTION:

Moved by Director _____, Seconded by Director _____, Carried _____

CITRUS HEIGHTS WATER DISTRICT
RESOLUTION NO. 20-2023

RESOLUTION OF THE BOARD OF DIRECTORS
ESTABLISHING A CUSTOMER ADVISORY COMMITTEE

WHEREAS, the Citrus Heights Water District (CHWD) is an Irrigation District formed pursuant to the California Irrigation District Law (California Water Code, Section 20500 et seq.); and

WHEREAS, CHWD provides drinking water to an estimated service area population of 67,000 customers via approximately 20,300 water service connections in Sacramento and Placer Counties and has responsibility for operating, maintaining, repairing and replacing its facilities and assets; and

WHEREAS, in 2018, as part of its public engagement and stakeholder outreach efforts, the Board of Directors of CHWD established a Customer Advisory Committee ("CAC") to consider alternatives, funding options and recommendations concerning CHWD's Project 2030 –Water Main Replacement Program ("Project 2030") and Water Meter Asset Management Program; and

WHEREAS, the Board of Directors adopted Resolution 07-2023 to update the composition and broaden the scope of the CAC to support the CHWD in meeting its mission, goals, and objectives as defined in its Strategic Plan and budget; and

WHEREAS, the Board of Directors adopted Resolution 15-2023 to allow for alternate members; and

WHEREAS, the Board of Directors seeks to adopt Resolution 20-2023 to accomplish the goals of Resolution 15-2023 and allow for the appointment of alternate residential members; and

WHEREAS, Resolution 20-2023 replaces the designated Auburn Boulevard Business Association seat with a Citrus Heights Chamber of Commerce at-large business representative.; and

WHEREAS, the goal of the CAC is to develop community education and leadership among its customers and other stakeholders regarding CHWD policies, projects, and programs;

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

Section 1. The foregoing Recitals are true and correct, and are incorporated herein and made an operative part of this Resolution.

Section 2. This Resolution 20-2023 hereby supersedes Resolutions No. 15-2023, 07-2023, 01-2021, 16-2019, 04-2018, and 01-2018, which are no longer in full force or effect, provided that all actions of the CAC predating this Resolution remain in force and effect and are hereby ratified to the extent required.

Section 3. Establishment and Purpose

The CAC is hereby reestablished as set forth herein. The general purpose of CAC is hereby set forth herein.

The general purpose of the CAC, shall be to, as assigned:

A. Provide input to the Board of Directors and staff on policies, programs, projects and major initiatives.

B. Serve as ambassadors of the CHWD and its Board of Directors.

Section 4. Membership.

The CAC shall be comprised of 17 to 21 voting members, appointed as follows:

A. Residential Representation
Nine to thirteen (9-13) members appointed by the CHWD Board of Directors, representing various areas geographically distributed throughout the District's service area.

B. Business Representation
Three (3) Business Representation positions are appointed by the CHWD Board of Directors. Each organization will appoint its representative and may change its representative at any time.
One (1) Citrus Heights Chamber of Commerce representative.
One (1) Citrus Heights Chamber of Commerce at-large business representative.
One (1) Sunrise MarketPlace representative.

C. Institutional Representation
Five (5) Institutional Representation positions are appointed by the CHWD Board of Directors. Each organization will appoint its representative and may change its representative at any time.
One (1) representative from San Juan Unified School District, elected official, faculty or staff.
One (1) representative from Sunrise Parks and Recreation District, elected official, management or administration.
One (1) representative from Sylvan Cemetery District, elected official, management or administration.
One (1) representative from the City of Citrus Heights, elected official, management or administration.
One (1) representative from the Sacramento Metropolitan Fire District, elected official, management or administration.

Section 5. Term of Membership.

Members of the CAC shall serve up to a three-year (3) term from the date of appointment.

Section 6. Termination of Membership.

Membership on the CAC is an 'at-will' appointment, made at the sole discretion of the

CHWD Board of Directors. The Board of Directors may remove a CAC member for no reason or for any of the following reasons:

A. Resignation from CAC.
B. Affiliation changes of Business or Institutional Representatives.
C. Two (2) or more unexcused absences from CAC meetings in any 12-month period.
D. Failure to complete mandatory training by the District-designated deadline.
E. Violation of the Ralph M. Brown Act.
F. Violation of applicable provisions within District Policy No. 2100 – Standards of Conduct for Directors and Officers.

In the event of a CAC member removal, the District shall endeavor to fill the vacancy.

Section 7. Officers

The CAC shall nominate a Chairperson and an Alternate Chairperson, whose appointments to this office shall be ratified by the Board of Directors. The Chairperson shall call meetings to order, shall have all the powers and duties of the presiding officer as described in the standardized rules of parliamentary procedure determined to be applicable by CHWD, and shall perform such other duties as may from time to time be prescribed by CHWD or the Board of Directors. The Alternate Chairperson shall have all of the powers and duties of the Chairperson in the event the Chairperson is absent or unable to act.

Section 8. Alternates

The Board of Directors may approve up to four alternates for residential CAC members. Alternates must meet all criteria as CAC members, will be invited to attend all CAC meetings, and may be eligible for a per diem at the discretion of the Board. Alternate attendance is optional. When a member from the CAC resigns or is removed, the Board will include one of the alternates from the list to replace said member. The term of an alternate is also up to three years. If appointed as a member, they will serve the remainder of the three-year term.

Section 9. Meetings.

Based on Board-directed policy, the CHWD General Manager or the General Manager's designee shall work with the CAC Chair/Alternate Chair to determine the place and times for CAC meetings, assist the Chair/Alternate Chair in preparing and distributing agendas, serve as a CAC liaison to CHWD staff, and perform other administrative tasks necessary to support the mission, goals and objectives of the CAC. From time to time, there may be committee work, as required by the District. All meetings shall comply with California's open meetings law for public agencies (the Ralph M. Brown Act, Government Code Sections 54950 et seq.) CHWD may establish a per diem for meeting attendance, mandatory training, and other days of service for residential members and alternates. CHWD shall not compensate CAC members with a per diem unless the General Manager or the General Manager's designee identifies an activity as compensable prior to it commencing.

Section 10. Quorum and Voting.

A quorum of the CAC shall consist of a majority of the CAC's voting membership and does not include alternates. Any necessary decisions of the CAC shall, whenever possible, be determined by consensus. If consensus cannot be reached, any necessary decisions shall be determined by majority vote.

Section 11. Responsibilities of the CAC and Alternates.
The CAC shall have the following responsibilities and such other duties as the District may from time to time assign:

A. Diligently review all documents and materials provided by the CHWD General Manager or the General Manager's designee relevant to the purposes referenced in Section 1.
B. Serve as a forum for public input and feedback on issues related to the purposes referenced in Section 1.
C. Develop timely recommendations for District consideration on issues relevant to the District.
D. Provide stakeholder input on the development of District policies, projects and issues.
E. Serve as ambassadors of CHWD by sharing positions in support of the mission, goals and objectives of the District.
F. Abide by all relevant policies and procedures in the District Policy No. 2100 – Standards of Conduct for Directors and Officers, including participating in any training and making any disclosures that CHWD deems necessary to ensure compliance with all laws.

Operations of the CAC may also be subject to Administrative Procedures in keeping with, but not addressed by, this Resolution.

Any and all feedback, advice or other actions taken by the CAC shall be deemed to be advisory only and shall not be binding upon CHWD or its Board of Directors. Any activities of the CAC shall be performed as provided for in this Resolution and in compliance with all laws.

PASSED AND ADOPTED by the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT this 20th day of December, 2023 by the following vote, to wit:

AYES: Directors- Riehle, Wheaton, Sheehan

NOES: Directors-

ABSTAIN: Directors-

ABSENT: Directors-

SEAL



RAYMOND RIEHLE, President
Board of Directors
Citrus Heights Water District

ATTEST:

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of Resolution 20-2023 adopted by the Board of Directors of Citrus Heights Water District at a special meeting held December 20, 2023.

BRITTNEY C. MOORE, Chief Board Clerk
Citrus Heights Water District

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS
OCTOBER 27, 2026 REGULAR MEETING

Subject:	**Discussion and Possible Action to Adopt Resolutions Electing Participation in the CalPERS Health Benefits Program**
Status:	Action Item
Report Date:	October 21, 2026
Prepared By:	Brittney Moore, Administrative Services Manager/Chief Board Clerk

OBJECTIVE:
Consider adoption of Resolution No. 19-2026 and No. 20-2026 electing participation in the California Public Employees' Retirement System (CalPERS) Health Benefits Program under the Public Employees' Medical and Hospital Care Act (PEMHCA), to be effective February 1, 2027.

BACKGROUND AND ANALYSIS:
Citrus Heights Water District (CHWD) currently provides employee medical coverage through the CalChoice exchange. The District's existing program includes two health benefit tiers based on employee hire date. Tier 1 employees receive health insurance coverage subject to a District monthly premium contribution cap of $2,133; along with an established retiree health benefit for eligible employees upon retirement. There are 12 employees classified as Tier 1. Tier 2 employees receive a contribution tied to the full cost of Kaiser Platinum coverage. Premiums under the current program vary based on employee and dependent ages and ZIP codes. There are 26 employees classified as Tier 2.

At the September 22, 2026, Board Study Session, staff presented an overview of the District's current health benefits program and recommendations for the 2027 plan year. Following discussion, the Board provided consensus direction for staff to move forward with the proposed transition to the CalPERS Health Benefits Program, effective February 1, 2027, and return with the necessary resolutions and associated benefit program updates for formal consideration.

Staff has evaluated participation in the CalPERS Health Benefits Program as an alternative to the current arrangement. CalPERS participation would expand the selection of available medical plans and establish a common health coverage platform for eligible participating employees. It would also provide the framework for a transition away from the current CalChoice program.

To establish participation in the CalPERS Health Benefits Program, the Board will need to adopt the applicable resolutions electing coverage under the Public Employees' Medical and Hospital Care Act (PEMHCA). The attached resolutions address the respective employee groups, including the Board of Directors. Additionally, Upon the District's enrollment into CalPERS health, eligible retirees (annuitants) will also have the opportunity to elect CalPERS health coverage, subject to applicable eligibility requirements; and the resolutions establish an initial District contribution of $1 per month for annuitants, which will increase over time in accordance with statutory phase-in requirements until the applicable PEMHCA minimum contribution is reached.

The action requested at the October 27, 2026 meeting is to adopt the CalPERS participation resolutions. Proposed policy amendments as well as associated Health Reimbursement Arrangement plan (HRA) and Flexible Benefits plan amendments and other benefit program changes, are not being presented for approval at this time. Those matters will be brought forward at a future meeting for Board consideration.

FISCAL IMPACT:
The proposed transition to CalPERS health coverage includes a one-time upfront buy-in cost of up to $120,505 in 2027. The actual amount will depend on the number of participants, employee enrollment, and selected coverage levels. This one-time cost is accounted for in the 2027 operating budget.

Next Steps
If adopted, staff will submit the executed resolutions to CalPERS and coordinate the required enrollment and implementation activities for the proposed February 1, 2027 effective date.

Staff will return to the Board separately with any proposed District policy and benefit plan amendments requiring approval in November and/or December 2026.

RECOMMENDATION:
Adopt Resolution No. 19-2026 and Resolution No. 20-2026 electing participation in the CalPERS Health Benefits Program under PEMHCA, effective February 1, 2027.

ATTACHMENT:
CalPERS Health Resolution Template Packet

ACTION:

Moved by Director _____, Seconded by Director _____, Carried _____

Health Resolution Template Packet

Contract vs. Resolution

The CalPERS Health Program is governed by the Public Employees Medical and Hospital Care Act (PEMHCA), and the California Code of Regulations (CCR), of the California Public Employees Retirement Law (PERL). PEMHCA contains all the rules and regulations that a contracting agency must adhere to. We define PEMHCA as the actual *health contract,* and the *resolution* as the method by which an agency elects to become subject to PEMHCA.

Resolution Type (Enclosed)

New Resolution	**Purpose**
Format: ☐ All, Equal ☐ All, Unequal ☐ By Group, Equal ❖ By Group, Unequal	An agency must file a *new resolution* to elect to be subject to PEMHCA, establish participation for the whole agency or by recognized employee group(s), and designate the monthly employer health contribution. If an agency submits a signed and adopted resolution to CalPERS on or before the 10th of any month, coverage can be effective on the first of the following month.

Instructions

- The enclosed resolution should be completed by filling in the editable fields with the information requested in the field tab. Contracting agencies may not add, edit, or remove language in the enclosed resolution, other than the editable fields. CalPERS may reject resolutions that are submitted with additional changes.
- The certification shown following the resolution is to be completed by those individuals authorized to sign for the contracting agency in legal actions and is to include the name of the governing body (i.e. Board of Directors, Board of Trustees, etc.), and the location and the date of signing.
- **This resolution serves as a legally binding document, and we require the original resolution, certified copy with original signatures, or a copy of the resolution with the agency's raised seal.** Please complete and include the enclosed cover sheet when mailing the resolution.

Questions or Additional Information

The Health Resolutions & Compliance Unit is responsible for authoring and maintaining this document. The unit can be contacted directly at HealthContracts@calpers.ca.gov.

CalPERS

Please staple on top of your health resolution(s) or cover letter.
This will ensure that the CalPERS mailroom expedites delivery to our office.
Mail packet to either:

Overnight Mail Service
California Public Employees' Retirement System
Health Resolutions & Compliance Services, HAMD
400 Q Street
Sacramento, CA 95811

Regular Mail
California Public Employees' Retirement System
Health Resolutions & Compliance Services, HAMD
PO BOX 942714
Sacramento, CA 94229-2714

HEALTH RESOLUTION

CalPERS ID #	**4515311579**
Agency Name	**Citrus Heights Water District**
Desired Effective Date	**February 1, 2027**

RESOLUTION NO. 19-2026
ELECTING TO BE SUBJECT TO THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT AT AN UNEQUAL AMOUNT FOR EMPLOYEES AND ANNUITANTS WITH RESPECT TO A RECOGNIZED EMPLOYEE ORGANIZATION
000 ALL EMPLOYEES

WHEREAS, (1) A contracting agency meeting the eligibility requirements set forth in Government Code Section 22920, may obtain health benefit plan(s), as defined under Government Code Section 22777, by submitting a resolution to the Board of Administration of the California Public Employees' Retirement System (the "Board"), and upon approval of such resolution by the Board, become subject to the Public Employees' Medical and Hospital Care Act (the "Act"); and

WHEREAS, (2) **Citrus Heights Water District** is a contracting agency eligible to be subject to the Act under Government Code Section 22920; and

WHEREAS, (3) Government Code Section 22892(a) provides that a contracting agency subject to the Act shall fix the amount of the employer contribution by resolution; and

WHEREAS, (4) Government Code Section 22892(b) provides that the employer contribution shall be an equal amount for both employees and annuitants, but may not be less than the amount prescribed by Section 22892(b) of the Act; and

WHEREAS, (5) Government Code Section 22892(c) provides that, notwithstanding Section 22892(b), a contracting agency may establish a lesser monthly employer contribution for annuitants than for employees, provided that the monthly employer contribution for annuitants is annually increased to equal an amount not less than the number of years the contracting agency has been subject to this subdivision multiplied by five percent of the current monthly employer contribution for employees, until the time that the employer contribution for annuitants equals the employer contribution paid for employees; and

WHEREAS, (6) **Citrus Heights Water District** desires to obtain for its employees and annuitants who are members of **All Employees** the benefit of the Act and to accept the liabilities and obligations of an employer under the Act; now, therefore, be it

RESOLVED, (a) **Citrus Heights Water District** elects to be subject to the provisions of the Act; and be it further

RESOLVED, (b) That the employer contribution for each employee shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan up to a maximum of **PEMHCA Minimum** per month, plus administrative fees and Contingency Reserve Fund assessments; and be it further

RESOLVED, (c) That the initial employer contribution for each annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan up to a maximum of **$1.00** per month, plus administrative fees and Contingency Reserve Fund assessments; and be it further

RESOLVED, (d) That the monthly employer contribution for annuitants is annually increased to equal an amount not less than the number of years the contracting agency has been subject to this subdivision multiplied by five percent of the current monthly employer contribution for employees, until the time that the employer contribution for annuitants equals the employer contribution paid for employees; and be it further

RESOLVED, (e) That this annual adjustment to the minimum monthly employer contribution for annuitants shall not exceed one hundred dollars ($100.00); and be it further

RESOLVED, (f) **Citrus Heights Water District** has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further

RESOLVED, (g) That the participation of the employees and annuitants of **Citrus Heights Water District** shall be subject to determination of its status as an "agency or instrumentality of the state or political subdivision of a State" that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that **Citrus Heights Water District** would not qualify as an agency or instrumentality of the state or political subdivision of a State under such final Regulations, CalPERS may be obligated, and reserves the right to terminate the health coverage of all participants of the employer; and be it further

RESOLVED, (h) That the executive body appoint and direct, and it does hereby appoint and direct, **Brittney Moore, Administrative Services Manager** to file with the Board a verified copy of this resolution, and to perform on behalf of **Citrus Heights Water District** all functions required of it under the Act; and be it further

RESOLVED, (i) That coverage under the Act be effective on **February 1, 2027.**

Adopted at a regular meeting of the Citrus Heights Water District Board of Directors at 6230 Sylvan Rd, Citrus Heights, CA 95610, this 27th day of October, 2026.

Signed: _____
Caryl Sheehan, President, Board of Directors

Attest: _____
Brittney Moore, Chief Board Clerk

RESOLUTION NO. 20-2026
ELECTING TO BE SUBJECT TO THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT AT AN UNEQUAL AMOUNT FOR EMPLOYEES AND ANNUITANTS WITH RESPECT TO A RECOGNIZED EMPLOYEE ORGANIZATION
700 BOARD OF DIRECTORS

WHEREAS, (1) A contracting agency meeting the eligibility requirements set forth in Government Code Section 22920, may obtain health benefit plan(s), as defined under Government Code Section 22777, by submitting a resolution to the Board of Administration of the California Public Employees' Retirement System (the "Board"), and upon approval of such resolution by the Board, become subject to the Public Employees' Medical and Hospital Care Act (the "Act"); and

WHEREAS, (2) **Citrus Heights Water District** is a contracting agency eligible to be subject to the Act under Government Code Section 22920; and

WHEREAS, (3) Government Code Section 22892(a) provides that a contracting agency subject to the Act shall fix the amount of the employer contribution by resolution; and

WHEREAS, (4) Government Code Section 22892(b) provides that the employer contribution shall be an equal amount for both employees and annuitants, but may not be less than the amount prescribed by Section 22892(b) of the Act; and

WHEREAS, (5) Government Code Section 22892(c) provides that, notwithstanding Section 22892(b), a contracting agency may establish a lesser monthly employer contribution for annuitants than for employees, provided that the monthly employer contribution for annuitants is annually increased to equal an amount not less than the number of years the contracting agency has been subject to this subdivision multiplied by five percent of the current monthly employer contribution for employees, until the time that the employer contribution for annuitants equals the employer contribution paid for employees; and

WHEREAS, (6) **Citrus Heights Water District** desires to obtain for its employees and annuitants who are members of **Board of Directors** the benefit of the Act and to accept the liabilities and obligations of an employer under the Act; now, therefore, be it

RESOLVED, (a) **Citrus Heights Water District** elects to be subject to the provisions of the Act; and be it further

RESOLVED, (b) That the employer contribution for each employee shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan up to a maximum of **PEMHCA Minimum** per month, plus administrative fees and Contingency Reserve Fund assessments; and be it further

RESOLVED, (c) That the initial employer contribution for each annuitant shall be the amount

necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan up to a maximum of **$1.00** per month, plus administrative fees and Contingency Reserve Fund assessments; and be it further

RESOLVED, (d) That the monthly employer contribution for annuitants is annually increased to equal an amount not less than the number of years the contracting agency has been subject to this subdivision multiplied by five percent of the current monthly employer contribution for employees, until the time that the employer contribution for annuitants equals the employer contribution paid for employees; and be it further

RESOLVED, (e) That this annual adjustment to the minimum monthly employer contribution for annuitants shall not exceed one hundred dollars ($100.00); and be it further

RESOLVED, (f) **Citrus Heights Water District** has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further

RESOLVED, (g) That the participation of the employees and annuitants of **Citrus Heights Water District** shall be subject to determination of its status as an "agency or instrumentality of the state or political subdivision of a State" that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that **Citrus Heights Water District** would not qualify as an agency or instrumentality of the state or political subdivision of a State under such final Regulations, CalPERS may be obligated, and reserves the right to terminate the health coverage of all participants of the employer; and be it further

RESOLVED, (h) That the executive body appoint and direct, and it does hereby appoint and direct, **Brittney Moore, Administrative Services Manager** to file with the Board a verified copy of this resolution, and to perform on behalf of **Citrus Heights Water District** all functions required of it under the Act; and be it further

RESOLVED, (i) That coverage under the Act be effective on **February 1, 2027**.

Adopted at a regular meeting of the Citrus Heights Water District Board of Directors at 6230 Sylvan Rd, Citrus Heights, CA 95610, this 27th day of October, 2026.

Signed: _____
Caryl Sheehan, President, Board of Directors

Attest: _____
Brittney Moore, Chief Board Clerk

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS
OCTOBER 27, 2026, REGULAR MEETING

Subject:	**Nonfunctional Turf Ordinance Pursuant to AB 1572**
Status:	Business Item
Report Date:	October 6, 2026
Prepared By:	Khandriale Clark, Public Affairs Analyst Katie Fuerte, Public Affairs Analyst Mary Elise Conzelmann, Public Affairs Manager

OBJECTIVE:
To consider adoption of Ordinance No. 02-2026 to incorporate the requirements of California Water Code Section 10608.14 regarding the use of potable water to irrigate nonfunctional turf and to establish the District's compliance with State law prior to the January 1, 2027 statutory deadline.

BACKGROUND AND ANALYSIS:
Assembly Bill 1572 (AB 1572), codified in California Water Code Section 10608.14, prohibits using potable water to irrigate nonfunctional turf on commercial, industrial, and institutional properties as well as those owned by public agencies or homeowner's associations. The prohibition does not apply to individual residential lawns, and cemeteries are exempt. The legislation establishes phased implementation dates and requires urban public water systems to adopt applicable regulations, policies, or ordinances reflecting these requirements and communicate them to affected customers. The types of customers and their compliance deadlines are as follows:

A. All properties owned by the Department of General Services, local governments, local or regional public agencies, and public water systems, except those specified in paragraph D below, beginning January 1, 2027;
B. All other institutional properties and all commercial and industrial properties, beginning January 1, 2028;
C. All common areas of properties of homeowners' associations, common interest developments, and community service organizations or similar entities, beginning January 1, 2029; and
D. All properties owned by local governments, local public agencies, and public water systems in a disadvantaged community, beginning January 1, 2031, or the date upon which a state funding source is made available to fund conversion of nonfunctional turf on these properties to climate-appropriate landscapes, whichever is later.

To comply with AB 1572, staff has prepared Ordinance No. 02-2026 incorporating the requirements of California Water Code Section 10608.14. The proposed ordinance includes all minimum required statutory provisions. It identifies affected property types, incorporates the implementation timelines established by State law, recognizes statutory exemptions and allowances, and includes applicable State definitions related to nonfunctional turf.

During January and September 2026 discussions on the proposed ordinance, the Board supported compliance with State requirements and alignment with other regional agencies' approaches; however, the Board emphasized a preference for customer education and outreach, not enforcement action. The Board indicated that the District should focus on informing and supporting affected customers and developing opportunities to increase the amount of turf within the service area considered functional rather than establishing a proactive enforcement program, except as may be required to remain compliant with future regulatory obligations.

Consistent with this direction, the proposed ordinance is limited to the provisions necessary to comply with State law and does not establish any additional local enforcement procedures, inspection programs, penalty structures, or landscape classification requirements. Additionally, neither the State law nor the ordinance requires removal or replacement of turf lawns; they only require applicable water users to cease using potable resources to irrigate those lawns. District staff are seeking direction on customer education and outreach options that align with the Board's preferred approach to compliance.

Following adoption and Board direction, staff will develop customer communications and educational materials to inform District customers on or before January 1, 2027, of the new requirements as required by law, implementation timelines, available resources, and District water-use efficiency programs. Outreach efforts may include direct customer notifications, website resources, informational materials, and technical assistance opportunities. The District will evaluate whether to increase this engagement based on District impact, staff capacity, partnership opportunities, and grant fund availability. This approach aligns with the Board's preference to prioritize education, collaboration, and customer support rather than active enforcement, while maintaining compliance with State law.

No new fees or appropriations are required. Staff expects that implementation and customer education and outreach costs can be accommodated within existing departmental budgets.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The adoption of the proposed Ordinance is not a project under CEQA pursuant to State CEQA Guidelines Section 15378(b)(5), or alternatively, is exempt under Sections 15061(b)(3), 15307, and 15308. The Ordinance implements existing State requirements under Water Code Section 10608.14 without imposing additional substantive restrictions or authorizing physical development. Accordingly, its adoption does not independently result in environmental changes and has no potential for significant environmental effects. The Ordinance also qualifies for the Class 7 and Class 8 exemptions because it implements water conservation requirements intended to protect natural resources and the environment.

Following adoption, staff will file a Notice of Exemption with the appropriate county clerks and electronically with the State Clearinghouse.

RECOMMENDATION:
Staff recommends that the Board of Directors move to adopt Ordinance No. 02-2026 to comply with California Water Code Section 10608.14 and provide staff direction on customer education and outreach.

ATTACHMENT:
Ordinance No. 02-2026

ACTION:
Adopt Ordinance No. 02-2026

Moved by Director _____, Seconded by Director _____, Carried _____

CITRUS HEIGHTS WATER DISTRICT
ORDINANCE NO. 02-2026

ORDINANCE OF THE BOARD OF DIRECTORS
ESTABLISHING NONFUNCTIONAL TURF REGULATIONS PURSUANT TO
WATER CODE SECTION 10608.14

WHEREAS, Citrus Heights Water District ("CHWD" or "District") is a public water system and urban retail water supplier organized and existing under the laws of the State of California; and

WHEREAS, Assembly Bill 1572 (2023) ("AB 1572"), codified in Division 6, Part 2.55, Chapter 2.5 of the California Water Code § 10608.14, declares the irrigation of non-exempt nonfunctional turf on certain types of properties with potable water to be an inefficient use of water and establishes statewide requirements prohibiting such use according to specified compliance dates; and

WHEREAS, California Water Code Section 22257 authorizes the District to establish rules governing the distribution and use of water and Water Code § 10608.14(d) requires public water systems to revise ordinances, policies, or regulations governing water service to incorporate the State's nonfunctional turf requirements, and to communicate those requirements to their customers by January 1, 2027; and

WHEREAS, California Water Code § 10608.14(g) states that a public water system, city, county, or city and county may enforce the provisions of AB 1572; and

WHEREAS, the District recognizes that water is a valuable and limited natural resource and that efficient outdoor water use promotes long-term water supply reliability and continued community beautification; and

WHEREAS, the District desires to align the State's nonfunctional turf requirements with its water conservation program and provide information to customers regarding compliance with this California law; and

WHEREAS, the District's adoption of this Ordinance is intended to meet the requirements of AB 1572 and promote water use efficiency; and

WHEREAS, nothing in this Ordinance is intended to conflict with or supersede any applicable State law, existing District ordinances, or any lawful enforcement authority exercised by the State Water Board, Sacramento County, Placer County, the City of Citrus Heights, the City of Roseville, or any other public agency possessing jurisdiction; and

WHEREAS, notice of this Ordinance shall be posted or published as required by applicable law.

BE IT ORDAINED, by the Board of Directors of the Citrus Heights Water District as follows:

SECTION 1: PURPOSE

The purpose of this Ordinance is to update the District's regulations, ordinances, or policies governing water service to include the requirements of AB 1572, and to communicate these requirements to the District's customers.

SECTION 2: DEFINITIONS

The following definitions shall apply to this Ordinance in accordance with Water Code section 10608.12:

Functional Turf – shall mean a ground cover surface of turf located in a recreational use area or community space. Turf enclosed by fencing or other barriers to permanently preclude human access for recreation or assembly is not functional turf.

Nonfunctional Turf – shall mean any turf that is not functional turf and includes turf located within street rights-of-way and parking lots.

Turf – shall mean a ground cover surface of mowed grass.

Disadvantaged Community – shall mean a community with an annual median household income that is less than 80 percent of the statewide annual median household income.

Homeowners' Association – shall mean a nonprofit corporation or unincorporated association created for the purpose of managing a common interest development.

Community Service Organization or Similar Entity – shall mean a nonprofit entity, other than an association, organized to provide services to residents of a common interest development or to the public in addition to residents, to the extent community common area or facilities are available to the public. Community Service Organization or Similar Entity does not include an entity that has been organized solely to raise moneys and contribute to other nonprofit organizations that are qualified as tax exempt under Section 501(c)(3) of the Internal Revenue Code and that provide housing or housing assistance.

Common Areas – shall mean that portion of a common interest development or of a property owned or managed by a homeowners' association or community service organization or similar entity that is not assigned or allocated to the exclusive use of occupants of an individual dwelling unit.

Common Interest Development – shall mean:

(a) A community apartment project;
(b) A condominium project;
(c) A planned development; or
(d) A stock cooperative.

Potable Water – shall mean water that is suitable for human consumption.

Recreational Use Area – shall mean an area designated by a property owner or governmental agency to accommodate human foot traffic for recreation, including but not limited to sports fields, golf courses, playgrounds, picnic grounds, or pet exercise areas. This recreation may be either formal or informal.

Community Space – shall mean an area designated by a property owner or governmental agency to accommodate human foot traffic for civic, ceremonial, community, or social gathering purposes.

State Water Board – shall mean the California State Water Resources Control Board.

SECTION 3: ORDINANCE

Pursuant to the requirements of California Water Code sections 10608.14(a) and (b), the use of potable water to irrigate non-exempt nonfunctional turf on commercial, industrial, and institutional properties (other than cemeteries) and on properties of homeowners' associations, common interest developments, and community service organizations or similar entities is prohibited according to the timelines provided in AB 1572 and set forth herein:

A. All properties owned by the Department of General Services, local governments, local or regional public agencies, and public water systems, except those specified in paragraph D below, beginning January 1, 2027;
B. All other institutional properties and all commercial and industrial properties, beginning January 1, 2028;
C. All common areas of properties of homeowners' associations, common interest developments, and community service organizations or similar entities, beginning January 1, 2029; and
D. All properties owned by local governments, local public agencies, and public water systems in a disadvantaged community, beginning January 1, 2031, or the date upon which a state funding source is made available to fund conversion of nonfunctional turf on these properties to climate-appropriate landscapes, whichever is later.

Beginning June 30, 2030, an owner of commercial, industrial, or institutional property with more than 5,000 square feet of irrigated area other than a cemetery shall certify to the State Water Board, and every three years thereafter through 2039, that their property is in compliance with the requirements of Division 6, Part 2.55, Chapter 2.5 of California Water Code § 10608.14. An owner of a property with more than 5,000 square feet of irrigated common area that is a homeowners' association, common interest development, or community service organization or similar entity shall certify to the State Water Board, commencing June 30, 2031, and every three years thereafter through 2040, that their property is in compliance with the requirements of Division 6, Part 2.55, Chapter 2.5 of California Water Code § 10608.14.

This Ordinance shall be construed as complementary to and consistent with the District's Water Conservation Program in Ordinance No. 01-2021. Nothing herein shall be interpreted to conflict with, supersede, or diminish the applicability of Ordinance No. 01-2021. The provisions of Ordinance No. 01-2021 shall remain in full force and effect.

SECTION 4: EXCLUSIONS, EXTENSIONS, AND CLARIFICATIONS

- Notwithstanding the requirements of California Water Code § 10608.14(a), the use of potable water is not prohibited to the extent necessary to ensure the health of trees and other perennial nonturf plantings, or to the extent necessary to address an immediate health and safety need.
- Nothing in this Ordinance shall limit any extension, exemption, or variance

authorized by State law or granted by the State Water Board.

- Consistent with California Water Code § 10608.14, a public water system including the District as well as a city, county, or city and county may enforce the statewide nonfunctional turf requirements.
- Nothing herein shall be interpreted to limit the authority of any entity authorized by State law to enforce the nonfunctional turf requirements.

SECTION 5: CEQA COMPLIANCE

The adoption of the proposed Ordinance is not a project under CEQA pursuant to State CEQA Guidelines Section 15378(b)(5), or alternatively, is exempt under Sections 15061(b)(3), 15307, and 15308. The Ordinance implements existing State requirements under Water Code Section 10608.14 without imposing additional substantive restrictions or authorizing physical development. Accordingly, its adoption does not independently result in environmental changes and has no potential for significant environmental effects. The Ordinance also qualifies for the Class 7 and Class 8 exemptions because it implements water conservation requirements intended to protect natural resources and the environment.

SECTION 6: SEVERABILITY

If any section, subsection, sentence, clause, or phrase of this Ordinance is held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Ordinance.

SECTION 7: EFFECTIVE DATE

This Ordinance shall become effective immediately upon adoption.

PASSED AND ADOPTED by the Board of Directors of the Citrus Heights Water District this 27th day of October 2026 by the following vote:

AYES: Board Members-
NOES: Board Members-
ABSTAIN: Board Members-
ABSENT: Board Members-

SEAL

_____

CARYL SHEEHAN, President
Board of Directors
Citrus Heights Water District

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of Ordinance 02-2026 adopted by the Board of Directors of Citrus Heights Water District at its regular meeting held on October 27, 2026.

_____

Brittney Moore, Chief Board Clerk
Citrus Heights Water District

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS
OCTOBER 27, 2026 REGULAR MEETING

Subject:	**SACRAMENTO GROUNDWATER AUTHORITY**
Status:	Business Item
Report Date:	October 15, 2026
Prepared By:	Todd Jordan, Director of Operations

OBJECTIVE:
Consider approving Resolution No. 18-2026 endorsing the Sacramento Groundwater Authority amended Joint Powers Agreement.

BACKGROUND AND ANALYSIS:
Attached for consideration is a draft Resolution No. 2026-26 endorsing the Sacramento Groundwater Authority amended Joint Powers Agreement. As a reminder, the District's representative and alternate to the Governing Board of the Sacramento Groundwater Authority are Directors Sheehan and Riehle. These positions are appointed by the City of Citrus Heights.

The City of Sacramento, the City of Folsom, the City of Citrus Heights, and the County of Sacramento (for the purposes of this staff report are collectively referred to as the "JPA Parties"), created the Sacramento North Area Groundwater Management Authority in 1998 to manage, protect and sustain the groundwater resources in Sacramento County, north of the American River. The JPA Parties created an agreement that established a 16-member Board of Directors that includes municipal water agencies who pump groundwater as well as other representatives (e.g. a representative of agriculture and a representative of "self-supplied" groundwater pumpers). The JPA Parties pooled their police powers as a means to address problematic groundwater use. In 2002, the organization was renamed the Sacramento Groundwater Authority.

The revisions proposed in this JPA address a number of matters since the JPA was last revised and include:

- **The dissolution of the Del Paso Manor Water District (DPMWD)**. The existing JPA has a seat for the DPMWD which was dissolved in 2025 and no longer exists. DPMWD's assets, liabilities and customers were absorbed into the Sacramento Suburban Water District. Currently, the DPMWD position is treated as a vacancy, creating challenges for

forming a quorum of the Board of Directors. The proposed JPA revisions remove DPMWD as a member on the Board of Directors.

- **The passage of the Sustainable Groundwater Management Act (SGMA) in 2014**. SGMA gave groundwater sustainability agencies (GSA) certain powers to manage groundwater use. The SGA became a GSA after the passage of SGMA. Revisions to the proposed revised JPA remove conflicts between the JPA parties delegated powers and SGMA powers.

- **Address the time lag between Board members nominating a board member and the JPA Parties appointing the member**. The current JPA requires the JPA Parties to appoint a board member and this may take weeks to do. This can be especially challenging when a resignation, death, or a member losing an election occurs, and may result in a member agency not having representation on the Board. The proposed JPA revisions allow for a member agency to recommend a board member who may vote immediately, but the JPA Parties will have complete discretion to appoint the member.

In addition to the items described above, the proposed JPA revisions reduce administrative burden by removing the requirements to have meeting minutes forwarded to the JPA Parties. The Citrus Heights City Council is scheduled to consider approval of the JPA amendment at its October 28, 2026 meeting.

RECOMMENDATION:
Approve Resolution No. 18-2026 "Endorsing the Sacramento Groundwater Authority amended Joint Powers Agreement."

ATTACHMENTS:
1. Draft Amended Joint Powers Agreement
2. Resolution No. 18-2026

ACTION:

Moved by Director _____, Seconded by Director _____, Carried _____

ATTACHMENT 1

Draft Amended Joint Powers Agreement

Version: ~~August 11, 2026 1:12 PM~~
~~August 12, 2026 9:41 AM~~
Approved by the SGA Board of Directors on August 13, 2026
Signature block change requested by City of Sacramento September 15, 2026

SECOND AMENDED JOINT POWERS AGREEMENT BETWEEN THE CITY OF CITRUS HEIGHTS, THE CITY OF FOLSOM, THE CITY OF SACRAMENTO AND THE COUNTY OF SACRAMENTO CREATING THE SACRAMENTO GROUNDWATER AUTHORITY

This Second Amended Agreement amends the Joint Powers Agreement creating the Sacramento Groundwater Authority initially adopted in 1998 and first amended by agreement dated May 7, 2002, by and between the City of Citrus Heights, a municipal corporation, the City of Folsom, a municipal corporation, the City of Sacramento, a municipal corporation, and the County of Sacramento, a political subdivision of the State of California ("County") (collectively "Parties"). Except as amended, the Agreement remains in full force and effect.

RECITALS

WHEREAS, each of the Parties to this Agreement is a local government entity functioning within the County of Sacramento; and

WHEREAS, pursuant to the Joint Exercise of Powers Act (Chapter 5 of Division 7 of Title 1 of the California Government Code), two or more public agencies may by agreement jointly exercise any power held in common by the agencies entering into such an agreement; and

WHEREAS, on August 29, 2014, the California Legislature passed comprehensive groundwater legislation contained in SB 1168, SB 1319 and AB 1739. Collectively, those bills, as subsequently amended, enacted the "Sustainable Groundwater Management Act," or "SGMA." Governor Brown signed the legislation on September 16, 2014, and it became effective on January 1, 2015; and

WHEREAS, each of the Parties hereto has under its police power the authority to regulate groundwater; and

WHEREAS, each of the Parties hereto, or collectively as the Sacramento Groundwater Authority, is authorized to become, or participate in, a Groundwater Sustainability Agency ("GSA") under SGMA; and

WHEREAS, the Parties hereto find that it is to their mutual advantage and benefit to maintain such a groundwater management authority pursuant to this Agreement in order to

participate in the implementation of a Groundwater Sustainability Plan; and

WHEREAS, the Parties hereto find and declare that the conservation of groundwater resources within the North Area Basin for agricultural and municipal and industrial uses is in the public interest and for the common benefit of all water users within the County of Sacramento; and

WHEREAS, the overriding purpose of the joint powers authority established pursuant to this Agreement is to maintain the sustainable yield of the North Area Basin as set forth in the Groundwater Sustainability Plan; and

WHEREAS, it is the desire of the Parties hereto to use the groundwater management powers which they have in common that are necessary and appropriate to further the purposes for which the joint powers authority is being established; and

WHEREAS, the Parties seek to modify this Agreement because SGMA granted broad powers to manage groundwater and the Parties intend to incorporate those authorities unless expressly prohibited herein; and

WHEREAS, the Parties further seek to modify this Agreement because one of the original agencies on the Board of Directors dissolved, which requires a modification to remove them; and

WHEREAS, the Parties hereto are receptive to amending this Agreement in the future to include public agencies outside the County of Sacramento who have a specific and relevant interest in the North Area Basin.

NOW, THEREFORE, in consideration of the promises, terms, conditions, and covenants contained herein, the City of Citrus Heights, the City of Folsom, the City of Sacramento and the County hereby agree the following shall constitute the Second Amended JPA Agreement:

1. Incorporation of Recitals. The foregoing recitals are hereby incorporated by reference.

2. Definitions. As used in this Agreement, the following words and phrases shall have the meanings set forth below unless the context clearly indicates otherwise.

(a) "Conjunctive use" shall mean the planned management and use of both groundwater and surface water in order to maintain the sustainable yield of the North Area Basin.

(b) "North Area Basin" shall mean the portion of the North American Subbasin within Sacramento County.

(c) "Sustainable yield" shall mean the maximum quantity of water, calculated over a base period representative of long-term conditions in the basin and including any temporary surplus, that can be withdrawn annually from a groundwater supply without causing an undesirable result. Sustainable yield requires a balance between extraction and basin recharge and is expressed as the number of acre feet of groundwater per year which can be extracted from the North Area Basin on an average annual basis as set forth in the Groundwater Sustainability Plan.

(d) "Water Production," for purposes of determining assessments, fees or charges to support Water Costs of the Authority, means the total amount of groundwater produced within the boundaries of the Authority by each retail provider, by Agricultural Interests, and by Commercial/Industrial Self-Supplied Water Users for use within the boundaries of the Authority or other areas approved by the Board.

3. <u>Purpose</u>. This Agreement is being entered into in order to establish a joint powers authority for the following purposes:

(a) to maintain the long-term sustainable yield of the North Area Basin;

(b) to manage the use of groundwater in the North Area Basin and facilitate implementation of an appropriate conjunctive use program by water purveyors;

(c) to coordinate efforts among those entities represented on the governing body of the joint powers authority to devise and implement strategies to safeguard groundwater quality; and

(d) to work collaboratively with other entities, including groundwater management authorities that may be formed in other areas of the County of Sacramento and adjacent political jurisdictions, to promote coordination of policies and activities throughout the

region.

4. Establishment Of The Authority. There is hereby established pursuant to the Joint Exercise of Powers Act a joint powers authority which shall be a public entity separate from the Parties to this Agreement. The name of such entity shall be the Sacramento Groundwater Authority ("Authority"). The boundaries of the Authority shall be as follows: north of the American River to the Sacramento County line; bounded on the south by the

American River; on the west by the Sacramento River; on the north and east by the Sacramento County line; and including the City of Folsom. A map depicting the boundaries of the Authority is attached hereto and incorporated herein as Exhibit "A".

5. Membership Of The Governing Board. The governing body of the Authority shall initially be a Board of Directors of fifteen (15) members consisting of the following representatives who shall be appointed in the manner set forth in Section 7 of this Agreement:

(a) An elected member of the governing board or designated employee of each of the following public agencies: the City of Folsom, the City of Sacramento and the Sacramento County Water Agency.

(b) An elected member of the governing board of each of the following public agencies: the Carmichael Water District, the Citrus Heights Water District, the Fair Oaks Water District, the Rio Linda/Elverta Community Water District, the Sacramento Suburban Water District, and the San Juan Water District.

(c) A member of the board of directors, or designee thereof, of each of the following private water purveyors or investor owned utilities: the Golden State Wa~~t~~er Company California-American Water Company, the Natomas Central Mutual Water Company and the Orange Vale Water Company.

(d) One representative of Agricultural Interests within the boundaries of the Authority.

(e) One representative of Commercial/Industrial Self-Supplied Water Users within the boundaries of the Authority.

6. Adjustment To Composition Of Governing Board.

(a) Should circumstances change in the future, any person or entity may petition the Parties hereto to amend this Agreement so as to add or delete representatives to the Governing Board to accurately reflect groundwater production within the boundaries of the Authority.

(b) The acquisition, takeover, consolidation or merger of a member of the Governing Board by another member of the Governing Board, all within the SGA service area, shall not require a petition to amend this Agreement but shall instead

automatically adjust the membership numbers to reflect this change.

7. Appointment Of Members Of Governing Board.

(a) The members of the Governing Board of the Authority[1] shall be appointed as follows:

(i) The City of Folsom representative shall be appointed by the Folsom City Council.

(ii) The Agricultural Interests representative shall be appointed by the County Board of Supervisors.

(iii) The representative of Commercial/Industrial Self-Supplied Water Users shall be appointed by the Sacramento City Council.

(iv) The Citrus Heights City Council shall appoint the representative of the Citrus Heights Water District.

(v) The Sacramento City Council shall appoint the representatives of the following entities: Golden State Water Company, California-American Water Company, the City of Sacramento, the Natomas Central Mutual Water Company, and Sacramento Suburban Water District.

(vi) The County Board of Supervisors shall appoint the representatives of the following entities: Carmichael Water District, Fair Oaks Water District, Orange Vale Water Company, Rio Linda/Elverta Community Water District, San Juan Water District and the Sacramento County Water Agency.

(b) The entities listed in subsections (a)(v) and (vi), above, will submit a recommended appointee for their respective representatives to the appointing Party. The recommended appointee representative may participate on the Governing Board of the Authority prior to the final appointment by the Party responsible for the appointment. The appointing Party shall act within six months on such recommendation or the recommendation shall terminate, but shall retain the absolute discretion to appoint any person satisfying the criteria for appointment set forth in

[1] Each appointment assumes the voluntary participation of the appointed entity.

Section 5 hereof.

8. Governing Board Voting Requirements.

(a) Each member of the Governing Board of the Authority shall have one vote. With the exception of fiscal items as set forth in subsections (b) and (c) below, a majority vote of all members of the Governing Board is required to approve any item.

(b) Fiscal items related to the **Administrative Costs** of the Authority shall require approval by a double majority consisting of the following: a majority vote of all members of the Governing Board and a majority vote weighted according to the financial contribution of each Retail Provider, of Agricultural Interests, or of Commercial/Industrial Self-Supplied Water Users to the total administrative budget for the last complete fiscal year. The weighted vote of each member of the Governing Board shall be established and fixed annually at the time the Financing Plan for the administrative budget is adopted, and shall remain in effect throughout the succeeding fiscal year and shall apply to all votes on fiscal items related to the Administrative Costs of the Authority.

(c) Fiscal items related to **Water Costs** shall require approval by a double majority consisting of the following: a majority of all members of the Governing Board and a majority vote weighted on the basis of Water Production as defined in Section 2(d) hereof.

(d) For purposes of subsection (c) hereof, the weighted vote of the representative of Agricultural Interests and the Commercial/Industrial Self-Supplied Water Users representative shall be weighted on the basis of groundwater production by all such interests and users within the boundaries of the Authority, adjusted to reflect any differential rate which may be paid by a particular classification of water users; e.g., if each acre-foot of water pumped equals one vote and Agricultural Interests pump 100,000

acre feet, but pay only 20% of the per acre-foot assessment, fee or charge levied on other types of pumpers, the vote of the Agricultural Interests representative would be calculated at 20,000 votes.

(e) Water Production, as defined in Section 2(d) hereof, shall be based on an annual determination by the governing body of the Authority during the previous calendar year. Until such time as the governing board of the Authority makes its annual determination of Water Production, the last complete yearly calculation shall be controlling for purposes of the double majority requirement set forth in subsection (c) above.

9. Quorum. A majority of the members of the Governing Board shall constitute a quorum for purposes of transacting business, except less than a quorum may vote to adjourn a meeting.

10. Terms Of Office. With the exception of the initial term of the representatives appointed by the City of Folsom and the City of Sacramento, the term of office of each member of the Governing Board of the Authority shall be for a period of four (4) years. For the purpose of providing staggered terms of office, the term of the initial representatives appointed by the City of Folsom and the City of Sacramento shall be for a period of two (2) years. Thereafter, the term of office of each representative appointed by the City of Folsom and the City of Sacramento shall be for a period of four (4) years. Each member of the Governing Board shall serve at the pleasure of the appointing body and may be removed as a member of the Governing Board by the appointing body at any time. If at any time a vacancy occurs on the Governing Board, a replacement shall be appointed by the represented entities to fill the unexpired term of the previous representative pursuant to the provisions of Section 7 hereof within ninety (90) days of the date that such position becomes vacant.

11. Alternates. The City of Citrus Heights, the City of Folsom, the City of Sacramento and the County, in addition to their regular appointments, shall appoint one or more persons with the required qualifications to serve as alternate members for each representative entity of the Governing Board of the Authority. The entities listed in subsections 6 (a)(v) and (vi) above shall submit a recommended appointment for their respective alternate to the appointing Party. The recommended alternate representative may participate on the Governing Board of the Authority prior to the final appointment by the Party responsible for the appointment. The appointing Party shall act promptly on such recommendation, but shall retain the absolute discretion to appoint any person satisfying the criteria for appointment set forth in Section 5 hereof. Any such alternates shall be empowered to cast votes in the absence of the regular members or, in the event of a conflict of interest preventing the regular member from voting, to vote because of such a conflict of interest.

12. Organization Of The Authority. The Governing Board of the Authority shall elect a chair, a vice chair and such other officers as the Governing Board shall find appropriate. Such officers shall serve for a term of one (1) year unless sooner terminated at the pleasure of the Governing Board.

13. Treasurer, Controller, Clerk and Legal Counsel. The Governing Board of the Authority shall appoint a treasurer, controller, clerk and legal counsel as it deems appropriate. The controller of the Authority shall cause an independent annual audit of the Authority's finances to be made by a certified public accountant in compliance with Government Code Section 6505. The treasurer of the Authority shall be the depositor and shall have custody of all money of the Authority from whatever source. The controller of the Authority shall draw warrants to pay demands against the Authority when the demands have been approved by the Authority or by its authorized representative pursuant to any delegation of authority adopted by the Authority. The treasurer and controller shall comply strictly with the provisions of statutes relating to their duties found in Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code.

14. Executive Director. The Governing Board of the Authority shall appoint an

Executive Director who shall be responsible to the Governing Board for the proper and efficient administration of the Authority as directed by the Governing Board pursuant to the provisions of

this Agreement or of any ordinance, resolution or order of the Governing Board. In addition to any other duties which may be assigned, the Executive Director shall have the following authority:

(a) under the policy direction of the Governing Board, to plan, organize and direct all Authority activities;

(b) to authorize expenditures within the designations and limitations of the budget approved by the Governing Board;

(c) to make recommendations to and requests of the Governing Board concerning any matter which is to be performed, done or carried out by the Governing Board;

(d) to have the authority to appoint, discipline, assign and otherwise supervise and control the activities of any employees or contractors which may be hired or retained by the Authority; and

(e) to have charge of, handle and have access to any property of the Authority.

15. Meetings. The Authority shall provide for regular and special meetings in accordance with the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code) or with any successor provision.

16. Powers and Functions.

(a) The Authority shall have no power to regulate land use or to engage in the retail sale of water and shall be prohibited from restricting or otherwise limiting the extraction of groundwater within the boundaries of the Authority except as authorized in SGMA. The Authority shall further be prohibited from funding any capital construction projects, except as provided in subsection 16 (b)(ix) below.

(b) Subject to the limitations set forth in subsection (a), the Authority shall have any and all powers commonly held by the Parties hereto necessary or appropriate to regulate groundwater within the boundaries of the Authority including, but not limited to, the

following powers:

(i) Collect and monitor data on the extraction of groundwater from, and the quality of groundwater in, the North Area Basin;

(ii) Establish and administer a Conjunctive Use program for the purpose of maintaining Sustainable yields in the North Area Basin consistent with the Groundwater Sustainability Plan;

(iii) Buy and sell water on other than a retail basis;

(iv) Exchange water;

(v) Distribute water in exchange for ceasing or reducing groundwater extractions;

(vi) Spread, sink and inject water into the North Area Basin;

(vii) Store, transport, recapture, recycle, purify, treat or otherwise manage and control water for the beneficial use of persons and property within the Authority;

(viii) To implement any Conjunctive Use program which the Authority deems necessary to maintain Sustainable yields in the North Area Basin consistent with the Groundwater Management Element; and

(ix) To construct, own and maintain facilities that allow for the measurement of groundwater conditions or other necessary geophysical measurements within the North Area Basin.

(x) Study and plan ways and means to implement any or all of the foregoing powers.

(c) For purposes of exercising the authority set forth in subsection (b), and subject to the limitations set forth in subsection (a), the Authority shall have the following corporate and political powers:

(i) To sue and be sued in all actions and proceedings in all courts and tribunals.

(ii) To adopt a seal and alter it at its discretion.

(iii) To take by grant, purchase, gift, devise or lease, to hold, use and enjoy, and to lease, convey or dispose of, real and personal property of every kind, within or without the boundaries of the Authority, necessary or convenient to the full exercise of its power.

(iv) For the common benefit of the Authority, to store water in underground water basins or reservoirs within and outside the Authority, to appropriate water and acquire water rights within or outside the Authority, to import water into the Authority, and to conserve, or cause the conservation of, water within or outside the Authority.

(v) To exercise the right of eminent domain to take any property necessary to supply the Authority or any portion of it with replenishment water; provided that the right of eminent domain may not be exercised with respect to water and water rights, and may not be exercised with respect to any property owned or occupied by any of the Parties hereto or the entities represented on the Governing Board of the Authority.

(vi) To act jointly, or cooperate, with the United States or any agency thereof, the state, or any county or agency thereof, or any political subdivision or district therein, including flood control districts, private and public corporations, and any person, so that the powers of the Authority may be fully and economically exercised.

(vii) To cause taxes, assessments, fees or charges to be levied in accordance with applicable State law, and in a manner consistent with the Groundwater Management Element, to accomplish the purposes of the Authority.

(viii) To require the permitting of groundwater extraction facilities within the boundaries of the Authority, to maintain a record of extraction with respect to any such facilities, and to require the installation of meters on groundwater extraction facilities for the purpose of determining the amount of groundwater being extracted from the North Area Basin.

(ix) To make contracts, employ labor and to do all acts necessary for the full exercise of the Authority's powers.

(x) To carry on technical and other investigations of all kinds necessary to further the purposes of the Authority.

(xi) To fix rates at which water acquired by the Authority shall be sold for replenishment purposes, and to establish different rates for different classes of service or conditions of service, provided that the rates shall be uniform for like classes and conditions of service.

(xii) To participate in any contract under which producers may voluntarily agree to use surface water in lieu of groundwater, and to that end the Authority may become a party to the contract and pay from Authority funds that portion of the cost of the surface water as will encourage the purchase and use of that water in lieu of pumping so long as persons or property within the boundaries of the Authority are directly or indirectly benefitted by the resulting replenishment of the North Area Basin.

(xiii) To apply for, accept and receive state, federal or local licenses, permits, grants, loans or other aid from any agency of the United States, the State of California, or other public or private entity necessary or appropriate for the Authority's full exercise of its powers.

17. Budgets. Within ninety days after the first meeting of the Governing Board of the Authority, and thereafter prior to the commencement of each fiscal year (defined as July 1 through June 30), the Governing Board shall adopt a budget for the Authority for the ensuing fiscal year.

18. Termination. This Agreement shall remain in effect until terminated by one of the Parties hereto pursuant to this section. This Agreement may be terminated by any of the Parties hereto at any time and for any reason by providing ninety (90) days written notice of termination to the other Parties. Except as provided in Section 19(b) hereof, the Authority shall automatically terminate upon the effective date of the termination of this Agreement.

19. Disposition Of Authority Assets Upon Termination.

(a) In the event of the termination of the Authority where there will be a successor public entity which will carry on the functions of the Authority and assume its assets, the assets of the Authority shall be transferred to the successor public entity.

(b) If there is no successor public entity which will carry on the functions of the Authority and assume its assets, the assets shall be returned to the Parties hereto in proportion to the contribution of each party during the term of this Agreement.

(c) If there is a successor public entity which will carry on some of the functions of the Authority and assume some of its assets, the assets of the Authority shall be allocated by the Governing Board of the Authority between the successor public entity and the Parties hereto.

20. Liabilities. The debts, liabilities and obligations of the Authority shall be the debts, liabilities and obligations of the Authority alone, and not of the Parties to this Agreement, unless otherwise provided by law.

21. Rules. The Governing Board of the Authority may adopt from time to time such rules and regulations for the conduct of its affairs as it deems necessary and appropriate.

22. Minutes. The clerk appointed by the Governing Board of the Authority shall cause to be kept minutes of all meetings of the Governing Board.

23. Effective Date. The Authority was created on October 13, 1998. This Agreement, which replaces and supersedes all prior Agreements and Amendments to the Joint Powers Agreement creating the Authority, shall become effective when the governing bodies of all the Parties shall have authorized its execution.

24. Amendments. This Agreement may only be amended by the affirmative vote of the governing bodies of all of the Parties hereto.

IN WITNESS WHEREOF, the Parties hereto execute this Agreement on the date last signed below.

Version: ~~August 11, 2026 1:12 PM~~
~~August 12, 2026 9:41 AM~~
Approved by the SGA Board of Directors on August 13, 2026
Signature block change requested by City of Sacramento September 15, 2026

CITY OF CITRUS HEIGHTS

Dated: _____ By _____
Mayor

Attest:

_____
City Clerk

Approved As To Form:

_____
City Attorney

CITY OF FOLSOM

Dated: _____ By _____
Mayor

Attest:

_____
City Clerk

Approved As To Form:

_____
City Attorney

Version: ~~August 11, 2026 1:12 PM~~
~~August 12, 2026 9:41 AM~~
Approved by the SGA Board of Directors on August 13, 2026
Signature block change requested by City of Sacramento September 15, 2026

CITY OF SACRAMENTO

Dated: _____ By _____
City Manager

Attest: Approved As To Form:

_____ _____
City Clerk City Attorney

COUNTY OF SACRAMENTO

Dated: _____ By _____
Chairperson, Board of Supervisors

Attest: Approved As To Form:

_____ _____
Clerk of the Board County Counsel

ATTACHMENT 2

Resolution No. 18-2026

CITRUS HEIGHTS WATER DISTRICT
RESOLUTION NO. 18-2026

RESOLUTION OF THE BOARD OF DIRECTORS
AUTHORIZING THE CITRUS HEIGHTS WATER DISTRICT'S ENDORSING THE
AMENDED JOINT POWERS AGREEMENT

WHEREAS, the Citrus Heights Water District recognizes the importance of maintaining the long-term sustainable yield of the groundwater in the North Area Basin, and the importance of safeguarding the quality of the water in this Basin; and

WHEREAS, the District believes that a coordinated effort among water purveyors and entities that have the authority to manage groundwater in the North Area Basin is needed to maintain access to a safe and reliable supply of water; and

WHEREAS, the District has actively participated in and supported the Sacramento Groundwater Authority and implementation of the Groundwater Sustainability Plan, and has encouraged the continued participation of the City of Citrus Heights through the proposed Amendment that amends the previously amended Joint Powers Agreement creating the Sacramento Groundwater Authority; and

WHEREAS, the District believes that the Authority and its Governing Board, operating under the proposed Second Amended Joint Powers Agreement, are a sound and reasonable approach to achieving the groundwater reliability and quality objectives while respecting the existing and future rights of all groundwater users.

NOW, THEREFORE, BE IT RESOLVED THAT by the Board of Directors of the Citrus Heights Water District that the District hereby endorses the proposed Amendment that amends the previously amended Joint Powers Agreement creating the Sacramento Groundwater Authority.

PASSED AND ADOPTED by the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT, this 27th day of October, 2026, by the following vote:

AYES: Board Members-
NOES: Board Members-
ABSTAIN: Board Members-
ABSENT: Board Members-

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

SEAL

_____
BRITTNEY C. MOORE, Chief Board Clerk
Citrus Heights Water District