

**BOARD MEETING AGENDA  
SPECIAL MEETING OF THE BOARD OF DIRECTORS OF  
CITRUS HEIGHTS WATER DISTRICT (CHWD)  
June 23, 2026 beginning at 6:00 PM**



**DISTRICT ADMINISTRATIVE OFFICE  
6230 SYLVAN ROAD, CITRUS HEIGHTS, CA**

**PHONE CALL IN: 669-444-9171  
PHONE MEETING ID: 849 4562 2335  
COMPUTER AUDIO/LIVE MEETING PRESENTATIONS:  
<https://chwd-org.zoom.us/j/84945622335>**

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](http://www.chwd.org).

**CALL TO ORDER:**

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

**VISITORS:**

**PUBLIC COMMENT:**

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

(A) Action Item

(D) Discussion Item

(I) Information Item

**CLOSED SESSION:**

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

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

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

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

June 23, 2026          6:30 PM          Regular Meeting

**ADJOURNMENT:**

**CERTIFICATION:**

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

  
\_\_\_\_\_  
Kayleigh Shepard, Deputy Board Clerk

Dated: June 18, 2026

**BOARD MEETING AGENDA  
REGULAR MEETING OF THE BOARD OF DIRECTORS OF  
CITRUS HEIGHTS WATER DISTRICT (CHWD)  
June 23, 2026 beginning at 6:30 PM**



**DISTRICT ADMINISTRATIVE OFFICE  
6230 SYLVAN ROAD, CITRUS HEIGHTS, CA**

**PHONE CALL IN: 669-444-9171  
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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](http://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 – May 18, 2026 (A)
- CC-1b. Minutes of the Special Meeting – May 20, 2026 (A)
- CC-1c. Minutes of the Special Meeting – May 26, 2026 (A)
- CC-1d. Minutes of the Regular Meeting – May 26, 2026 (A)

Recommendation:

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

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

Recommendation:

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

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

Recommendation:

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

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

Recommendation:

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

- CC-20. 2027 Strategic Plan Approval (A)

Recommendation:

Approve the 2027 Strategic Plan, and direct that Strategic Plan Objectives be included in the 2027 proposed budget, which will be considered by the

- Board of Directors for adoption later in 2026, for the 2027 budget year.
- CC-21. Discussion and Possible Action to Amend Policy 5700A: Records Retention Schedule (A)

Recommendation:

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

**PRESENTATIONS:**

None.

**PUBLIC HEARINGS:**

- PH-1. 2025 Urban Water Management Plan (A)

Recommendation:

1. Hold a public hearing on the 2025 Urban Water Management Plan and Water Shortage Contingency Plan
2. Adopt Resolution 11-2026 Adopting the Water Shortage Contingency Plan
3. Adopt Resolution 12-2026 Adopting the 2025 Urban Water Management Plan

**STUDY SESSION:**

None.

**BUSINESS:**

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

Recommendation:

Receive and file the District's Annual Comprehensive Financial Statements for the year ended December 31, 2025.

**MANAGEMENT SERVICES REPORTS (I):**

None.

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

None.

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

- D-1. Regional Water Authority (Wheaton/Straus).
- D-2. Sacramento Groundwater Authority (Sheehan/Riehle).
- D-3. San Juan Water District (All).
- D-4. Association of California Water Agencies (Riehle/Wheaton).
- D-5. ACWA Joint Powers Insurance Authority (Wheaton/Moore).
- D-6. City of Citrus Heights (Pieri).

- D-7. Chamber of Commerce Update (Conzelmann).
- D-8. RWA Legislative and Regulatory Affairs Update (Conzelmann).
- D-9. Other Reports

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

August 25, 2026	6:30 PM	Regular Meeting
September 22, 2026	6:30 PM	Regular Meeting
October 27, 2026	6:30 PM	Regular Meeting
November 17, 2026	6:30 PM	Regular Meeting
December 15, 2026	6:30 PM	Regular Meeting

**ADJOURNMENT:**

**CERTIFICATION:**

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

  
\_\_\_\_\_  
Kayleigh Shepard, Deputy Board Clerk

Dated: June 18, 2026

CITRUS HEIGHTS WATER DISTRICT  
BOARD OF DIRECTORS SPECIAL MEETING MINUTES  
May 18, 2026

The Special Meeting of the Board of Directors was called to order at 6:08 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  
Habib Isaac, IB Consulting  
Al Johnson, Strategic Advisor  
Carlos Urrutia, Strategic Advisor  
Todd Jordan, Director of Operations  
Annie Liu, Director of Administrative Services  
Joshua Nelson, Assistant General Counsel  
Hilary Straus, General Manager  
Ben Strange, Accounting Manager  
Melissa Pieri, Director of Engineering  
Mrunal Shah, Best Best & Krieger Partner  
Andrew Tran, Information Technology Manager

**VISITORS:**

None.

**PUBLIC COMMENT:**

None.

**CONSENT CALENDAR:**

CC-1. Discussion and Possible Action to Approve a Task Order Agreement with 4Leaf, Inc. For Construction Management and Inspection Services (A)

**ACTION:**

Director Riehle moved, and Vice President Wheaton seconded a motion to approve the Task Order Agreement with 4Leaf, Inc. For Construction Management and Inspection Services.

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

**STUDY SESSION:**

S-1. Facilities Modernization & Expansion (FME) Project Phasing, Funding, and Rate Impact (I/D)

**ACTION:**

The Board of Directors provided consensus direction, affirming the recommended approach to the Facilities Modernization and Expansion Project phasing and to continue next steps to form a Joint Powers Authority to support bond issuance at an upcoming Board meeting should the Board opt for that funding option.

**BUSINESS:**

- B-1. Evaluation of Potential For No Rate increase in 2027 (A)

**ACTION:**

Vice President Wheaton moved, and President Sheehan seconded a motion to provide direction for no rate increase for 2027 and authorize staff to begin customer education and outreach efforts.

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

- B-2. Discussion and Possible Action to Approve Resolution No. 07-2026 Repealing Resolution No. 06-2023 and Authorizing the General Manager to Exercise Discretion to Take Positions on Pending Legislative Bills, Local Infrastructure Improvements, Utility Planning, and Other Public Projects (A)

**ACTION:**

The Board discussed Resolution No. 07-2026. No motion was made.

Director Riehle moved, and Vice President Wheaton seconded a motion to send a letter in support of Sacramento County's Greenback Lane Complete Streets Project in Orangevale.

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

President Sheehan adjourned the meeting to Closed Session at 8:18 p.m.

**CLOSED SESSION:**

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

No reportable action.

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

No reportable action.

CL-3. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Section 54956.8:

Property: Parcel Number 243-0180-002-0000

Agency Negotiators: Steve Anderson, Brian Hensley, Josh Nelson, Hilary Straus, Annie Liu, Brittney Moore, Missy Pieri, Carlos Urrutia, Kayleigh Shepard, Todd Jordan, Jace Nunes, Mary Elise Conzelmann, Greg Snarr

Negotiating Parties: Ashwani Kumar, Teresita Kumar

Under Negotiation: Price and Terms of Payment

No reportable action.

President Sheehan adjourned the meeting back to open session at 8:48 p.m.

**ADJOURNMENT:**

There being no other business to come before the Board, the meeting was adjourned at 8:50 p.m.

APPROVED:

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KAYLEIGH SHEPARD  
Deputy Board Clerk  
Citrus Heights Water District

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

CITRUS HEIGHTS WATER DISTRICT  
BOARD OF DIRECTORS SPECIAL MEETING MINUTES  
May 20, 2026

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

Caryl F. Sheehan, President  
David C. Wheaton, Vice President (arrived at 6:32 p.m.)  
Raymond A. Riehle, Director

**Staff:**

Khandriale Clark, Public Affairs Analyst  
Mary Elise Conzelmann, Public Affairs Manager  
Tamar Dawson, Assistant Engineer  
Kelly Drake, Water Efficiency Supervisor  
Katie Fuerte, Public Affairs Analyst  
Brian Hensley, Water Resources Supervisor  
Todd Jordan, Director of Operations  
Annie Liu, Director of Administrative Services  
Jace Nunes, Senior Management Analyst  
Melissa Pieri, Director of Engineering/District Engineer  
Ali Shafaq, Principal Civil Engineer  
Kayleigh Shepard, Senior Management Analyst/Deputy Board Clerk  
Ben Strange, Accounting Manager  
Hilary Straus, General Manager  
Neil Tamagni, Water Distribution Supervisor  
Andrew Tran, Information Technology Manager  
Rod Wood, Strategic Advisor  
Luis Zamudio, Senior Civil Engineer

Jennifer Liebermann, Facilitator  
Jim Peifer, Executive Director, Regional Water Authority and Sacramento Groundwater Authority

**Customer Advisory Committee Members:**

Julia Eunice  
Andrew Johnson  
Mike Nishimura  
Alan Utzig

**VISITORS:**

Ted Costa, Board President, San Juan Water District  
George Machado, Board Member, San Juan Water District

**PUBLIC COMMENT:**

None.

**BUSINESS:**

B-1. Strategic Planning Session Defining Goals and Objectives for the District (I/D)

**ADJOURNMENT:**

There being no other business to come before the Board, the meeting was adjourned at 8:31 p.m.

APPROVED:

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KAYLEIGH SHEPARD  
Deputy Board Clerk  
Citrus Heights Water District

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

CITRUS HEIGHTS WATER DISTRICT  
BOARD OF DIRECTORS SPECIAL MEETING MINUTES  
May 26, 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 (arrived at 6:04 p.m.)

Also present were:

Steve Anderson, General Counsel  
Mary Elise Conzelmann, Public Affairs Manager  
Al Johnson, Strategic Advisor  
Todd Jordan, Director of Operations  
Joshua Nelson, Assistant General Counsel  
Hilary Straus, General Manager  
Carlos Urrutia, Strategic Advisor

**VISITORS:**

None.

**PUBLIC COMMENT:**

None.

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

**CLOSED SESSION:**

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

No reportable action.

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

No reportable action.

CL-3. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Section 54956.8:

Property: Parcel Number 243-0180-002-0000

Agency Negotiators: Steve Anderson, Brian Hensley, Josh Nelson, Hilary Straus, Annie Liu, Brittney Moore, Missy Pieri, Carlos Urrutia, Kayleigh Shepard, Todd Jordan, Jace Nunes, Mary Elise Conzelmann, Greg Snarr

Negotiating Parties: Ashwani Kumar, Teresita Kumar

Under Negotiation: Price and Terms of Payment

No reportable action.

President Sheehan adjourned the meeting back to open session at 6:41 p.m.

**ADJOURNMENT:**

There being no other business to come before the Board, the meeting was adjourned at 6:41 p.m.

APPROVED:

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KAYLEIGH SHEPARD  
Deputy Board Clerk  
Citrus Heights Water District

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

CITRUS HEIGHTS WATER DISTRICT  
BOARD OF DIRECTORS REGULAR MEETING MINUTES  
May 26, 2026

The Regular Meeting of the Board of Directors was called to order at 6:43 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:

Kathy Abarca, Management Analyst  
Khandriale Clark, Public Affairs Analyst  
Mary Elise Conzelmann, Principal Public Affairs Analyst  
Katie Fuerte, Public Affairs Analyst  
Todd Jordan, Director of Operations  
Viviana Munoz, Management Technician  
Joshua Nelson, Assistant General Counsel  
Melissa Pieri, Director of Engineering  
Kayleigh Shepard, Senior Management Analyst/Deputy Board Clerk  
Ben Strange, Accounting Manager  
Hilary Straus, General Manager  
Carlos Urrutia, Strategic Advisor  
Torrance York, Information Technology Technician

**VISITORS:**

Michelle Banonis, Manager of Strategic Affairs, Regional Water Authority  
Meha Bola, Senior Advisor, GHD, Inc  
Catherine Bonnefoy, CAC Alternate Member  
Jennifer Bradlee, Partner, Best Best & Krieger LLP  
Bexley Frink, Trajan Elementary School  
Craig Locke, Sacramento Suburban Water District Board Member  
Addy Macedo, Trajan Elementary School  
Penny Rose, CAC Residential Member  
Elia Sadat, Trajan Elementary School  
Kevin Thomas, Sacramento Suburban Water District Board Member

**PLEDGE OF ALLEGIANCE:**

President Sheehan led the Pledge of Allegiance.

**PUBLIC COMMENT:**

None.

**CONSENT CALENDAR:**

CC-1a. Minutes of the Special Meeting – April 28, 2026 (A)

CC-1b. Minutes of the Regular Meeting –April 28, 2026 (A)

**Recommendation:**

Approve the minutes of the April 28, 2026 Special and Regular Meetings.

CC-2. Revenue Analysis Report for April 2026 (I)

CC-3. Assessor/Collector’s Roll Adjustment for April 2026 (I)

CC-4. Treasurer’s Report for April 2026 (I)

CC-5. Treasurer’s Report of Fund Balances for April 2026 (I)

CC-6. Operating Budget Analysis for April 2026 (I)

CC-7. Capital Projects Summary for April 2026 (I)

CC-8. Warrants for April 2026 (I)

CC-9. Purchase Card Distributions for April 2026 (I)

CC-10. Employee Recognitions (I)

CC-11. Long-Range Agenda (I)

CC-12. Engineering Department Report (I)

CC-13. Operations Department Report (I)

CC-14. Water Supply (I)

CC-15. Water Supply Reliability (I)

CC-16. Water Efficiency (I)

CC-17. Discussion and Possible Action to Approve a Professional Services Agreement with GHD, Inc. (A)

**Recommendation:**

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

CC-18. Discussion and Possible Action to Fill Vacancies on the Customer Advisory Committee (A)

**Recommendation:**

Appoint Pennie Rose to the vacant residential member seat; and appoint Catherine Bonnefoy and Myel Thelen as CAC residential alternate members.

CC-19. Discussion and Possible Action to Adopt Resolution 08-2026 Approving and Confirming the Report of Delinquent Utilities Charges and Requesting Sacramento County to Collect Such Charges on the Tax Roll and Resolution 09-2026 Approving and Confirming the Report of Delinquent Utilities Charges and Requesting Placer County to Collect Such Charges on the Tax Roll (A)

**Recommendation:**

Adopt Resolutions 08-2026 (Sacramento County) and 09-2026 (Placer County) approving and confirming the Report of Delinquent Utilities Charges and requesting the respective county to place such charges on the respective tax roll.

CC-20. Consider Approval of Resolution No. 10-2026 Authorizing the Creation of the Citrus Heights Water District Public Financing Authority and Authorize the General Manager to Execute the Related Joint Exercise of Powers Agreement

(A)

Recommendation:

1. Approval of Resolution No. 10-2026 authorizing the creation of the Citrus Heights Water District Public Financing Authority to form a joint powers authority, partnering with the California Stateside Communities Development Authority as the mechanism to financing of public capital improvements for the benefit of the community, and
2. Authorize the General Manager to execute the Joint Exercise of Powers Agreement Creating Citrus Heights Water District Public Financing Authority.

**ACTION:**

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

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

**PRESENTATIONS:**

P-1. Water Awareness Poster Contest (I/D)

**PUBLIC HEARINGS:**

None.

**STUDY SESSION:**

None.

**BUSINESS:**

B-1 Discussion and Possible Action to Approve the Amendment No. 1 of the ARTESIAN Project Agreement(A)

Recommendation:

Approve the amendment to the ARTESIAN Agreement with the Regional Water Authority and authorize the General Manager to execute the agreement.

**ACTION:**

Vice President Wheaton moved, and Director Riehle seconded a motion to approve the Amendment No. 1 of the ARTESIAN Project Agreement(A).

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

**MANAGEMENT SERVICES REPORTS (I):**

None.

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

None.

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

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

**ADJOURNMENT:**

There being no other business to come before the Board, the meeting was adjourned at 7:28 p.m.

APPROVED:

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KAYLEIGH SHEPARD  
Deputy Board Clerk  
Citrus Heights Water District

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

**CITRUS HEIGHTS WATER DISTRICT  
May 2026  
REVENUE ANALYSIS**

**Outstanding Receivables**

Aged Trial Balance					
Total	Current	31-90	91-150	>150	Unapplied Current
1,632,085	1,021,220	181,517	115,941	442,871	129,464

General Ledger Balance	Total
Outstanding A/R	1,707,071.71
Outstanding Liens	-
Outstanding Grants	-
A/R Other	-
Less Unapplied Payments	(134,388)
<b>Total</b>	<b>\$ 1,572,683</b>
	Diff \$ (59,401)

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

<b>LID</b>	<b>CID</b>	<b>Charge Type</b>	<b>Trans.Date</b>	<b>Reason For Cancellation</b>	<b>Amount</b>
16302	0020778	DEFAULT	5/5/2026	ONE TIME COURTESY	4.41
21086	0041229	DEFAULT	4/7/2026	ONE TIME COURTESY	8.23
01793	0016922	DEFAULT	5/5/2026	ONE TIME COURTESY	8.09
00466	0000448	DEFAULT	5/12/2026	ONE TIME COURTESY	8.09
16048	0036431	DEFAULT	5/19/2026	ONE TIME COURTESY	9.33
16250	0036431	DEFAULT	5/19/2026	ONE TIME COURTESY	9.68
15185	0041946	DEFAULT	5/19/2026	ONE TIME COURTESY	9.15
07277	0001407	DEFAULT	4/21/2026	ONE TIME COURTESY	8.50
17755	0021390	DEFAULT	4/28/2026	ONE TIME COURTESY	8.09
20605	0042389	DEFAULT	5/5/2026	ONE TIME COURTESY	8.09
04633	0043037	DEFAULT	5/12/2026	ONE TIME COURTESY	8.02
19585	0029607	DEFAULT	5/19/2026	ONE TIME COURTESY	9.06
04976	0004440	DEFAULT	4/28/2026	ONE TIME COURTESY	8.02
07009	0029822	DEFAULT	4/7/2026	ONE TIME COURTESY	7.61

May 31, 2026

To: Citrus Heights Water District Board of Directors

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

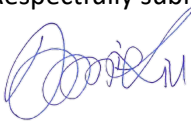
The attached Investment Report for May 2026 is submitted in accordance with the Citrus Heights Water District (District)'s Investment Policy. All investments are in compliance with the policy.

The Investment Report lists all short- term, mid-term and long-term investments held at the conclusion of business on the final day of the month. The combined cash and investments in the District's treasury total \$35,150,903 with \$10,381,726 under the management of the Local Agency Investment Fund, California Asset Management Program, Money Market Funds and BMO Bank.

Investments with original cost of \$24,418,109 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,

A handwritten signature in blue ink, appearing to read 'Annie Y. Liu', is written over the typed name.

Annie Y. Liu

Director of Administrative Services/Treasurer

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

**Summary of Funds**

Fund Name	Par Amount	Book Value	Original Cost	Market Value
BMO Checking Plus Money Market Funds	4,015,879	4,015,879	4,015,879	4,015,879
Local Agency Investment Fund (LAIF)	59,637	59,637	59,637	59,637
California Asset Management Program (CAMP)	6,306,210	6,306,210	6,306,210	6,306,210
CHWD Investment CORE	25,207,238	24,769,177	24,418,109	24,740,157
<b>Total</b>	<b>35,588,964</b>	<b>35,150,903</b>	<b>34,799,835</b>	<b>35,121,883</b>

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

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<b>BMO Beginning Balance 5/1/26</b>	<b>\$3,423,555</b>
-------------------------------------	--------------------

**RECEIPTS/TRANSFERS:**

Receipts	2,724,824	
		2,724,824

**DISBURSEMENTS/TRANSFERS:**

Checks Issued / ACH Payments	1,556,635	
Returned Checks	7,025	
Bank fees	11,970	
Payroll	556,870	
		2,132,500

<b>Balance Per Bank 05/31/2026</b>	<b>592,324</b>
	<b>4,015,879</b>

Outstanding Transactions	(456,932)
	(456,932)

<b>Balance Per Books 05/31/2026</b>	<b>\$3,558,947</b>
	<b>\$3,558,947</b>

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**RECONCILEMENT:**

BMO Checking Plus Money Market Funds	\$4,015,879
CAMP Pool Account	\$6,306,210
Local Agency Investment Fund	\$59,637
	\$10,381,726

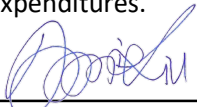
<b>TOTAL LIQUIDY BALANCE</b>	<b>\$10,381,726</b>
	<b>\$10,381,726</b>

**CASH & INVESTMENT SUMMARY:**

CHWD-Liquidity	10,381,726
CHWD-Investment Core	24,769,177
<b>Total</b>	<b>35,150,903</b>


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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.



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**ANNIE Y. LIU**  
Treasurer  
5/31/2026



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**HILARY M. STRAUS**  
Secretary

# Monthly Investment Report Citrus Heights Water District

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May 31, 2026

Total Aggregate Portfolio

## Month End Commentary - May 2026

Swinging oil prices and headlines related to the war with Iran continued to drive fluctuations in stocks and bonds throughout May. Equities showed little concern for a second consecutive month, seemingly looking through the potential surge in inflation as the S&P 500 index advanced by a strong 5.26%. Bonds on the other hand, expressed worry, as 2-year Treasury yields climbed by 13 basis points to 4% while 10-year notes advanced by seven basis points to 4.44%.

Economic data released in May highlighted an ongoing stabilization in the job market, resilient consumer spending and accelerating price growth. Nonfarm payrolls advanced by a sizable 115 thousand in April, far exceeding economic forecasts while the unemployment rate held steady at 4.3%. The labor market has shown strength over the past couple of months with nonfarm payrolls averaging 76 thousand in 2026 – up from the dismal 9.67 thousand monthly average in all of 2025. ADP's private payroll data released for April and May also showed the labor market gaining momentum as did the BLS's April JOLTS survey that saw job openings rise to a two-year high while layoffs fell, further supporting the stabilization narrative.

So far, the rise in energy prices has not dampened consumer spending with April retail sales advancing by 0.5% while the control group, which feeds into GDP, beat expectations advancing by 0.7%. However, the longer energy prices remain elevated, the greater the threat posed to consumer spending, the economy's growth engine. Fortunately, the surge in energy prices has not yet meaningfully spilled over into prices for core goods and services, however there are some signs that it is starting to. The Consumer Price Index advanced by a hotter-than-expected, yearly 3.8% in April while core CPI advanced by 2.8%. The Producer Price Index, known as wholesale inflation, advanced by an outsized yearly 6% in April and surely captured the attention of the Fed. The PPI is considered a leading indicator for consumer price growth as businesses may eventually pass price increases onto their customers, which if sustained, could force the Fed's hand to raise interest rates. The Fed's last look at April's inflation figures provided some reprieve with the Personal Consumption Expenditures index advancing by a yearly 3.8% while core PCE advanced 3.3%. Both indicators matched expectations, but the trend is in the wrong direction and headline PCE is sitting at nearly double the Fed's inflation target of 2%.

With the FOMC unlikely to lower rates in the near term, we advise clients to manage portfolio durations neutral of benchmark targets to anchor portfolio earnings while opportunistically adding in spread assets. Credit spreads continued to tighten in May, but we remain constructive on high-quality corporate issuers to add incremental yield over Treasuries. Additionally, with agency bullets trading flat to treasuries, we are taking opportunities to add agency exposure at attractive levels by structuring agency callable notes with longer lockout periods to increase returns while mitigating duration drift.

## Treasury Curve Total Returns Last 12 Months

Treasuries	Total Return
3 month bill	3.88%
1 year note	3.67%
2 year note	3.19%
3 year note	3.00%
5 year note	3.02%

## Treasury Benchmark Total Returns In Month

Benchmark	Period Return	YTM	Duration (Years)
ICE BAML 90 Day Bill	0.30%	3.64%	0.23
ICE BAML 0-1 Year Treasury	0.29%	3.79%	0.51
ICE BAML 0-3 Year Treasury	0.17%	3.93%	1.42
ICE BAML 0-5 Year Treasury	0.09%	3.98%	2.1

## Changes In The Treasury Market (Absolute Yield Levels)

Treasuries	05/31/2025	03/31/2026	04/30/2026	05/31/2026	1 Month Change	12 Month Change
3 month bill	4.33%	3.67%	3.66%	3.67%	0.01%	-0.66%
6 month bill	4.29%	3.69%	3.69%	3.74%	0.05%	-0.55%
1 year bill	4.12%	3.66%	3.71%	3.77%	0.06%	-0.35%
2 year note	3.94%	3.79%	3.87%	4.00%	0.13%	0.06%
3 year note	3.90%	3.82%	3.89%	4.05%	0.16%	0.15%
5 year note	4.00%	3.94%	4.00%	4.14%	0.14%	0.14%
10 year note	4.44%	4.32%	4.37%	4.44%	0.07%	0.00%

# Compliance Report

Citrus Heights Water District | Total Aggregate Portfolio



May 31, 2026

Category	Policy Limit	Actual Value*	Status
<b>Policy Diversification Constraint</b>			
US Treasury Obligations Maximum % of Holdings	100.000	35.180	Compliant
US Agency Callable Securities Maximum % of Total Portfolio	25.000	0.000	Compliant
US Agency Obligations Issuer Concentration	35.000	10.249	Compliant
US Agency Obligations Maximum % of Holdings	100.000	18.959	Compliant
Supranationals - Issuer is IADB, IBRD, or IFC	0.000	0.000	Compliant
Supranationals Issuer Concentration	5.000	2.760	Compliant
Supranationals Maximum % of Holdings	15.000	6.234	Compliant
Municipal Bonds - Other States Outside of CA	25.000	1.119	Compliant
Municipal Bonds - Other States Outside of CA Issuer Concentration	10.000	1.119	Compliant
Municipal Bonds - State of California	25.000	0.471	Compliant
Municipal Bonds - State of California Issuer Concentration	10.000	0.471	Compliant
Municipal Bonds CA Entities Issuer Concentration	10.000	0.701	Compliant
Municipal Bonds CA Entities Max. % of Holdings	30.000	2.775	Compliant
Mortgages, CMOs and Asset Backed Securities Issuer Concentration	5.000	0.137	Compliant
Mortgages, CMOs and Asset Backed Securities Maximum % of Holdings	20.000	0.210	Compliant
Corporate Notes Issuer Concentration	5.000	0.000	Compliant
Corporate Notes Maximum % of Holdings	25.000	7.133	Compliant
Corporate Notes must be Issued by US Corporation	0.000	0.000	Compliant
Commercial Paper Issued and Operating in the US	0.000	0.000	Compliant
Commercial Paper Issuer Concentration	5.000	0.000	Compliant
Negotiable CDs Issuer Concentration	5.000	0.000	Compliant
Negotiable CDs Maximum % of Holdings	10.000	0.000	Compliant
Non-Negotiable CDs Issuer Concentration	5.000	0.000	Compliant
Non-Negotiable CDs Maximum % of Holdings	10.000	0.000	Compliant
Banker's Acceptance Issuer Concentration	5.000	0.000	Compliant
Banker's Acceptance Maximum % of Holdings	20.000	0.000	Compliant
Money Market Issuer Concentration	20.000	4.077	Compliant
Money Market Maximum % of Holdings	20.000	4.081	Compliant
LGIP Maximum % of Holdings	100.000	0.173	Compliant
Bank Time Deposits/Savings Accounts Issuer Concentration	50.000	5.842	Compliant
Bank Time Deposits/Savings Accounts Maximum % of Holdings	100.000	5.922	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



May 31, 2026

**Category**

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JPA Pool Max % Holdings	50.000	18.214	Compliant
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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



May 31, 2026

**Category**

<b>Policy Maturity Structure Constraint</b>	<b>Policy Limit</b>	<b>Actual %</b>	<b>Status</b>
Maturity Constraints Under 5 years Minimum % of Total Portfolio	100.000	100.000	Compliant
<b>Policy Maturity Constraint</b>	<b>Policy Limit</b>	<b>Actual Term</b>	<b>Status</b>
US Treasury Maximum Maturity At Time of Purchase (years)	5.000	5.000	Compliant
US Agency Maximum Maturity At Time of Purchase (years)	5.000	4.997	Compliant
Supranationals Maximum Maturity At Time of Purchase (years)	5.000	4.943	Compliant
Municipals Maximum Maturity At Time of Purchase (years)	5.000	4.995	Compliant
Mortgages, CMOs and Asset Backed Securities Maximum Maturity At Time of Purchase (years)	5.000	4.565	Compliant
Corporate Maximum Maturity At Time of Purchase (years)	5.000	4.833	Compliant
Commercial Paper Days to Final Maturity (days)	397.000	0.000	Compliant
Negotiable CDs Maximum Maturity At Time of Purchase (years)	1.000	0.000	Compliant
Non-Negotiable CDs Maximum Maturity At Time of Purchase (years)	1.000	0.000	Compliant
Banker's Acceptance Maximum Maturity At Time of Purchase (days)	180.000	0.000	Compliant
Weighted Average Maturity (years)	3.000	1.645	Compliant
<b>Policy Credit Constraint</b>			<b>Status</b>
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-/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.

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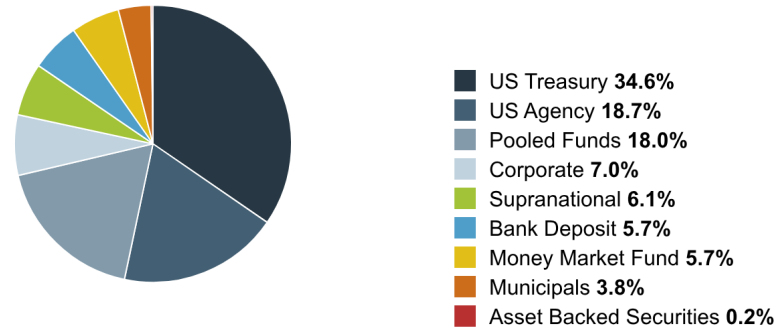
# Summary Overview

Citrus Heights Water District | Total Aggregate Portfolio

## Portfolio Characteristics

Metric	Value
Cash and Cash Equivalents	10,406,553.84
Investments (Market Value + Accrued)	24,910,306.53
Book Yield	3.83%
Market Yield	3.72%
Effective Duration	1.49
Years to Maturity	1.62
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	25,207,238.25	24,418,108.85	24,769,177.22	24,740,157.48	(29,019.74)	4.18%	2.11	2.10	ICE BofA 0-5 Year US Treasury Index
CHWD-Liquidity	10,381,725.66	10,381,725.66	10,381,725.66	10,381,725.66	0.00	2.98%	0.01	0.08	ICE BofA US 1-Month Treasury Bill Index
<b>Total</b>	<b>35,588,963.91</b>	<b>34,799,834.51</b>	<b>35,150,902.88</b>	<b>35,121,883.14</b>	<b>(29,019.74)</b>	<b>3.83%</b>	<b>1.49</b>		

# Portfolio Activity

Citrus Heights Water District | Total Aggregate Portfolio

## Accrual Activity Summary

	Month to Date	Fiscal Year to Date (01/01/2026)
Beginning Book Value	34,454,973.17	33,593,730.72
Maturities/Calls	(450,000.00)	(2,500,000.00)
Purchases	670,078.12	3,793,695.32
Sales	0.00	0.00
Change in Cash, Payables, Receivables	485,431.96	286,053.80
Amortization/Accretion	14,944.24	73,067.01
Realized Gain (Loss)	0.00	0.00
Ending Book Value	35,150,902.88	35,150,902.88

## Fair Market Activity Summary

	Month to Date	Fiscal Year to Date (01/01/2026)
Beginning Market Value	34,482,576.30	33,826,811.21
Maturities/Calls	(450,000.00)	(2,500,000.00)
Purchases	670,078.12	3,793,695.32
Sales	0.00	0.00
Change in Cash, Payables, Receivables	485,431.96	286,053.80
Amortization/Accretion	14,944.24	73,067.01
Change in Net Unrealized Gain (Loss)	(56,622.87)	(262,100.22)
Net Realized Gain (Loss)	0.00	0.00
Ending Market Value	35,121,883.14	35,121,883.14

Maturities/Calls	Market Value
Month to Date	(450,000.00)
Fiscal Year to Date	(2,500,000.00)

Purchases	Market Value
Month to Date	670,078.12
Fiscal Year to Date	3,793,695.32

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

# Return Management-Income Detail

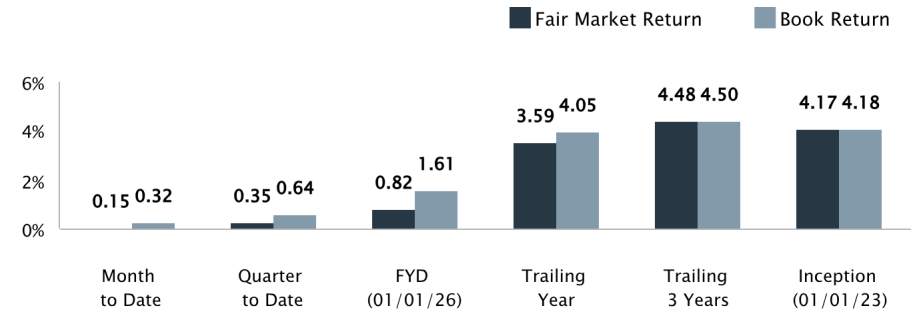
Citrus Heights Water District | Total Aggregate Portfolio

## Accrued Book Return

	Month to Date	Fiscal Year to Date (01/01/2026)
Amortization/Accretion	14,944.24	73,067.01
Interest Earned	95,908.40	474,098.84
Realized Gain (Loss)	0.00	0.00
Book Income	110,852.64	547,165.84
Average Portfolio Balance	34,467,855.65	34,062,898.00
Book Return for Period	0.32%	1.61%

## 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	(71,567.11)	(335,167.23)
Amortization/Accretion	14,944.24	73,067.01
Interest Earned	95,908.40	474,098.84
Fair Market Earned Income	39,285.53	211,998.61
Average Portfolio Balance	34,467,855.65	34,062,898.00
Fair Market Return for Period	0.15%	0.82%

## Interest Income

	Month to Date	Fiscal Year to Date (01/01/2026)
Beginning Accrued Interest	191,650.28	205,929.83
Coupon Income	93,579.04	511,619.28
Purchased Accrued Interest	997.59	26,567.84
Sold Accrued Interest	0.00	0.00
Ending Accrued Interest	194,977.23	194,977.23
Interest Earned	95,908.40	474,098.84

Notation: Book and Fair Market Returns are not annualized

# Security Type Distribution

Citrus Heights Water District | Total Aggregate Portfolio

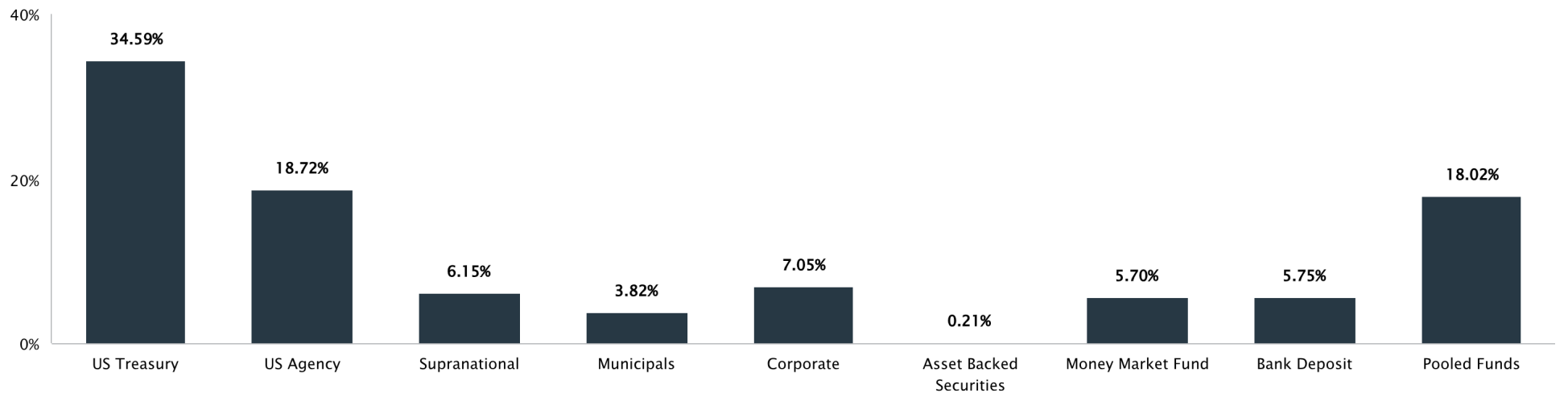


May 31, 2026

## Security Type Distribution

Security Type	Par Amount	Book Yield	Market Value + Accrued	% of Market Value + Accrued
US Treasury	12,455,000.00	3.97%	12,217,027.85	34.59%
US Agency	6,675,000.00	4.21%	6,611,222.19	18.72%
Supranational	2,150,000.00	4.34%	2,171,025.35	6.15%
Municipals	1,380,000.00	4.68%	1,349,263.61	3.82%
Corporate	2,450,000.00	4.76%	2,489,087.35	7.05%
Asset Backed Securities	72,410.07	5.29%	72,680.19	0.21%
Money Market Fund	2,011,694.27	3.50%	2,011,694.27	5.70%
Bank Deposit	2,029,012.66	0.00%	2,029,012.66	5.75%
Pooled Funds	6,365,846.91	3.76%	6,365,846.91	18.02%
<b>Total</b>	<b>35,588,963.91</b>	<b>3.83%</b>	<b>35,316,860.37</b>	<b>100.00%</b>

## Security Type Distribution



# Risk Management-Credit/Issuer

Citrus Heights Water District | Total Aggregate Portfolio

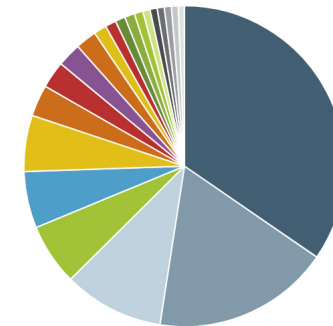


May 31, 2026

## Credit Rating S&P/Moody's/Fitch

	Market Value + Accrued	%
<b>S&amp;P</b>		
A	809,302.99	2.29
A+	1,121,626.90	3.18
AA	743,488.09	2.11
AA+	19,216,398.04	54.41
AA-	253,181.45	0.72
AAA	2,764,775.45	7.83
AAAm	2,011,694.27	5.70
NA	8,396,393.18	23.77
<b>Moody's</b>		
A1	1,319,506.03	3.74
Aa1	19,379,851.17	54.87
Aa2	1,241,740.46	3.52
Aa3	511,294.28	1.45
Aaa	4,445,649.13	12.59
NA	8,418,819.29	23.84
<b>Fitch</b>		
A+	663,158.21	1.88
AA	986,790.53	2.79
AA+	19,081,431.49	54.03
AA-	1,169,410.58	3.31
AAA	2,107,967.89	5.97
NA	11,308,101.67	32.02
<b>Total</b>	<b>35,316,860.37</b>	<b>100.00</b>

## Issuer Concentration



- United States **34.6%**
- California Asset Management Program **17.9%**
- Farm Credit System **10.1%**
- Federal Home Loan Banks **6.2%**
- Money Market Obligations Trust - Federated ... **5.7%**
- Bank of Montreal **5.7%**
- Other **3.2%**
- International Bank for Reconstruction and De... **2.7%**
- Federal National Mortgage Association **2.4%**
- The World Bank Group **2.1%**
- 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%**
- Citigroup Inc. **0.7%**
- Wells Fargo & Company **0.7%**
- The Bank of New York Mellon Corporation **0.7%**
- Morgan Stanley **0.7%**
- San Ramon Valley Unified School District **0.7%**
- San Mateo County Community College Distric... **0.6%**

# Risk Management-Maturity/Duration

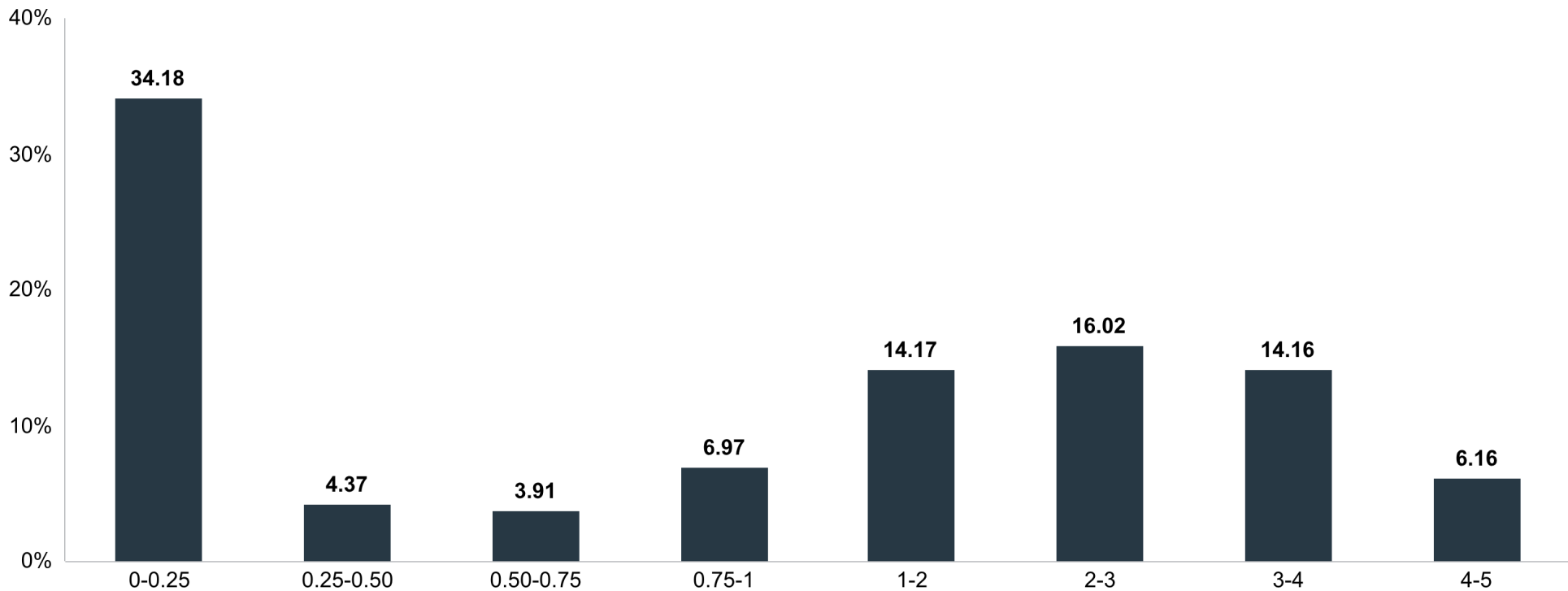
Citrus Heights Water District | Total Aggregate Portfolio



May 31, 2026

<b>1.49 Yrs</b>	<b>Effective Duration</b>	<b>1.62 Yrs</b>	<b>Years to Maturity</b>	<b>591</b>	<b>Days to Maturity</b>
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Distribution by Effective Duration



# Summary Overview

Citrus Heights Water District | Investment Core

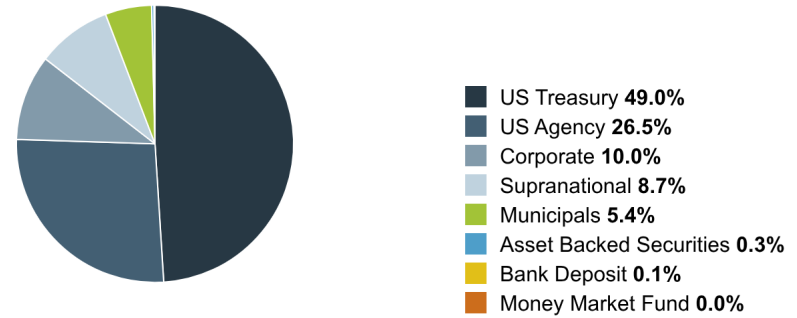


May 31, 2026

## Portfolio Characteristics

Metric	Value
Cash and Cash Equivalents	24,828.18
Investments (Market Value + Accrued)	24,910,306.53
Book Yield	4.18%
Market Yield	4.03%
Effective Duration	2.11
Years to Maturity	2.29
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	25,207,238.25	24,418,108.85	24,769,177.22	24,740,157.48	(29,019.74)	4.18%	2.11	2.10	ICE BofA 0-5 Year US Treasury Index
<b>Total</b>	<b>25,207,238.25</b>	<b>24,418,108.85</b>	<b>24,769,177.22</b>	<b>24,740,157.48</b>	<b>(29,019.74)</b>	<b>4.18%</b>	<b>2.11</b>	<b>2.10</b>	

# Portfolio Activity

Citrus Heights Water District | Investment Core



May 31, 2026

## Accrual Activity Summary

	Month to Date	Fiscal Year to Date (01/01/2026)
Beginning Book Value	24,685,626.86	24,329,677.93
Maturities/Calls	(450,000.00)	(2,500,000.00)
Purchases	670,078.12	3,793,695.32
Sales	0.00	0.00
Change in Cash, Payables, Receivables	(126,947.39)	(831,619.07)
Amortization/Accretion	14,944.24	73,067.01
Realized Gain (Loss)	0.00	0.00
Ending Book Value	24,769,177.22	24,769,177.22

## Fair Market Activity Summary

	Month to Date	Fiscal Year to Date (01/01/2026)
Beginning Market Value	24,713,229.99	24,562,758.42
Maturities/Calls	(450,000.00)	(2,500,000.00)
Purchases	670,078.12	3,793,695.32
Sales	0.00	0.00
Change in Cash, Payables, Receivables	(126,947.39)	(831,619.07)
Amortization/Accretion	14,944.24	73,067.01
Change in Net Unrealized Gain (Loss)	(56,622.87)	(262,100.22)
Net Realized Gain (Loss)	0.00	0.00
Ending Market Value	24,740,157.48	24,740,157.48

Maturities/Calls	Market Value
Month to Date	(450,000.00)
Fiscal Year to Date	(2,500,000.00)

Purchases	Market Value
Month to Date	670,078.12
Fiscal Year to Date	3,793,695.32

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

# Return Management-Income Detail

Citrus Heights Water District | Investment Core



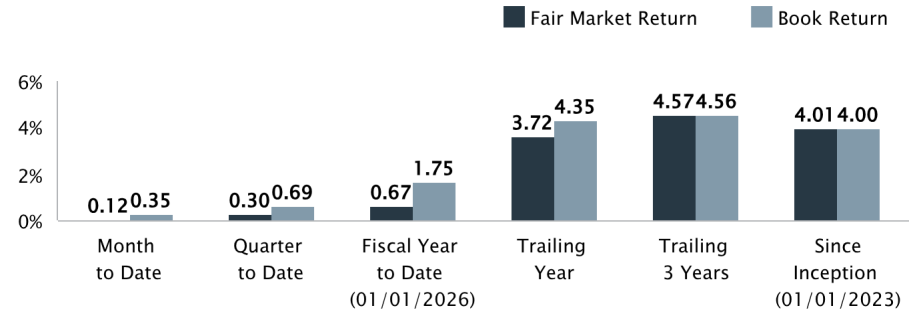
May 31, 2026

## Accrued Book Return

	Month to Date	Fiscal Year to Date (01/01/2026)
Amortization/Accretion	14,944.24	73,067.01
Interest Earned	72,087.37	356,248.94
Realized Gain (Loss)	0.00	0.00
Book Income	87,031.61	429,315.94
Average Portfolio Balance	24,678,512.21	24,652,039.97
Book Return for Period	0.35%	1.75%

## 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	(71,567.11)	(335,167.23)
Amortization/Accretion	14,944.24	73,067.01
Interest Earned	72,087.37	356,248.94
Fair Market Earned Income	15,464.50	94,148.71
Average Portfolio Balance	24,678,512.21	24,652,039.97
Fair Market Return for Period	0.12%	0.67%

## Interest Income

	Month to Date	Fiscal Year to Date (01/01/2026)
Beginning Accrued Interest	191,650.28	205,929.83
Coupons Income	69,374.12	395,358.26
Purchased Accrued Interest	997.59	26,567.84
Sold Accrued Interest	0.00	0.00
Ending Accrued Interest	194,977.23	194,977.23
Interest Earned	72,087.37	356,248.94

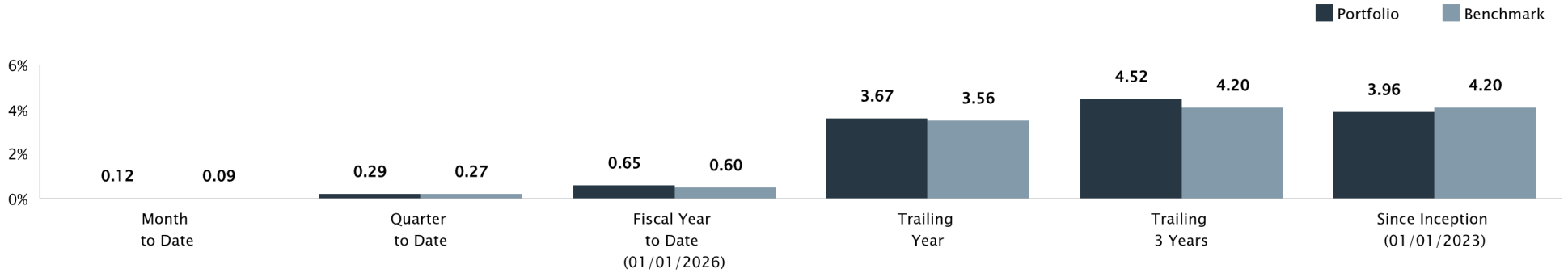
Notation: Book and Fair Market Returns are not annualized

# Return Management-Performance

Citrus Heights Water District | Investment Core

## 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)	0.116%	0.289%	0.649%	3.672%	4.521%		3.962%
Return (Gross of Fees)	0.120%	0.297%	0.670%	3.724%	4.573%		4.008%
ICE BofA 0-5 Year US Treasury Index	0.088%	0.271%	0.601%	3.556%	4.204%		4.196%

# Risk Management-Relative to Benchmark

Citrus Heights Water District | Investment Core

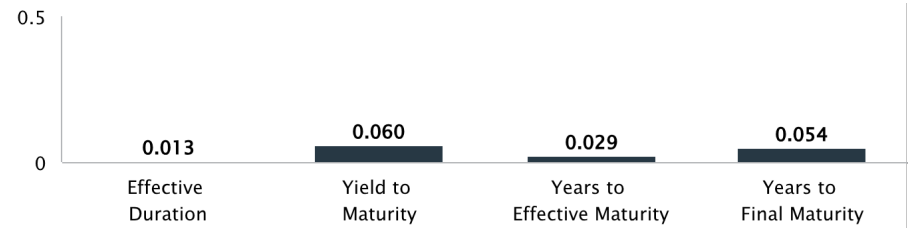


May 31, 2026

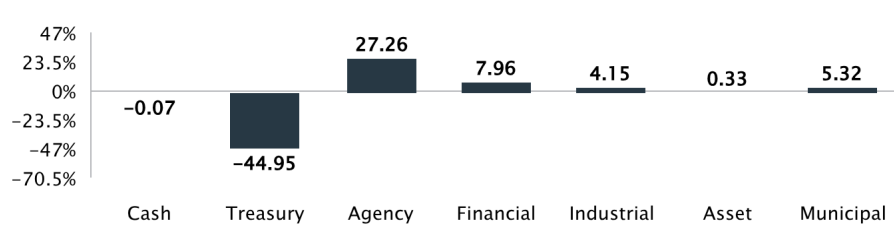
## Benchmark Comparison Summary

Risk Metric	Portfolio	Benchmark	Difference
Effective Duration	2.11	2.10	0.01
Yield to Maturity	4.04	3.98	0.06
Years to Effective Maturity	2.27	2.24	0.03
Years to Final Maturity	2.29	2.24	0.05
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	0.07	(0.07)
Treasury	54.97	99.93	(44.95)
Agency	27.26	0.00	27.26
Financial	7.96	0.00	7.96
Industrial	4.15	0.00	4.15
Asset Backed	0.33	0.00	0.33
Municipal	5.32	0.00	5.32

# Risk Management-Maturity/Duration

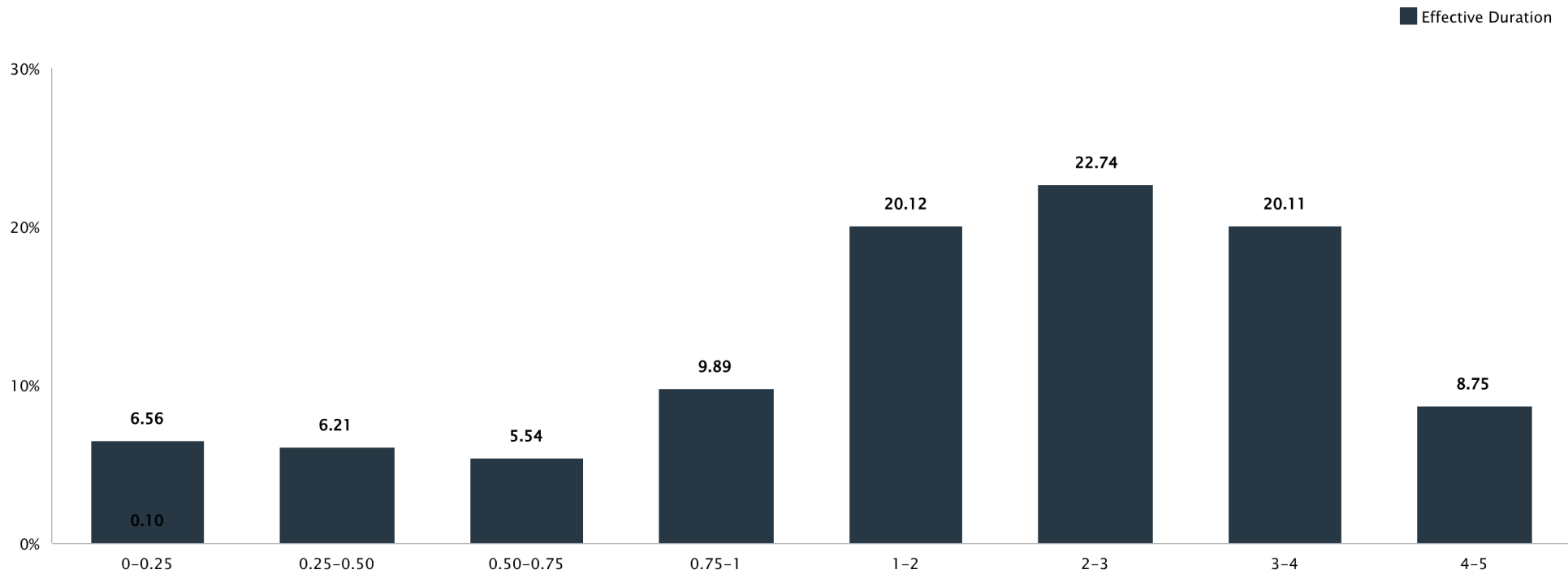
Citrus Heights Water District | Investment Core



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## Distribution by Effective Duration



# Risk Management-Credit/Issuer

Citrus Heights Water District | Investment Core

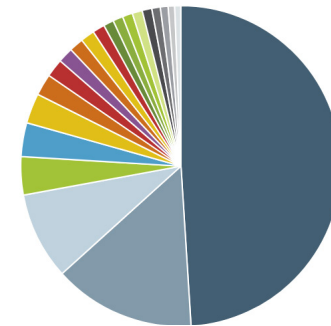


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## Credit Rating S&P/Moody's/Fitch

	Market Value + Accrued	%
<b>S&amp;P</b>		
A	809,302.99	3.25
A+	1,121,626.90	4.50
AA	743,488.09	2.98
AA+	19,216,398.04	77.07
AA-	253,181.45	1.02
AAA	2,764,775.45	11.09
AAAm	1,234.75	0.00
NA	25,127.04	0.10
<b>Moody's</b>		
A1	1,319,506.03	5.29
Aa1	19,379,851.17	77.72
Aa2	1,241,740.46	4.98
Aa3	511,294.28	2.05
Aaa	2,435,189.61	9.77
NA	47,553.15	0.19
<b>Fitch</b>		
A+	663,158.21	2.66
AA	986,790.53	3.96
AA+	19,081,431.49	76.52
AA-	1,169,410.58	4.69
AAA	97,508.37	0.39
NA	2,936,835.53	11.78
<b>Total</b>	<b>24,935,134.71</b>	<b>100.00</b>

## Issuer Concentration



- United States **49.0%**
- Farm Credit System **14.3%**
- Federal Home Loan Banks **8.8%**
- International Bank for Reconstruction and Dev... **3.9%**
- Federal National Mortgage Association **3.4%**
- The World Bank Group **3.0%**
- Other **2.2%**
- Inter-American Development Bank **1.8%**
- State of Hawaii **1.6%**
- Toyota Motor Corporation **1.4%**
- Royal Bank of Canada **1.4%**
- Deere & Company **1.2%**
- Citigroup Inc. **1.0%**
- Wells Fargo & Company **1.0%**
- The Bank of New York Mellon Corporation **1.0%**
- Morgan Stanley **1.0%**
- San Ramon Valley Unified School District **1.0%**
- San Mateo County Community College Distric... **0.9%**
- The Regents Of The University Of California **0.8%**
- State of California **0.7%**
- Amazon.com, Inc. **0.6%**

# Risk Management-Credit Changes

Citrus Heights Water District | Investment Core

## Rating Changes in Period

Effective Date	Identifier	Description	Value	Agency	Old Value	New Value
<b>Upgrade</b>						
05/12/2026	06405LAH4	BANK OF NEW YORK MELLON	251,835.00	Fitch	AA	AA+
05/12/2026	17325FBC1	CITIBANK NA	251,627.50	Fitch	A+	AA-
05/12/2026	61690U8B9	MORGAN STANLEY BANK NA	252,730.00	Fitch	AA-	AA

## Outlook

Effective Date	Identifier	Description	Value	Agency	Old Value	New Value
05/22/2026	91282CPD7	UNITED STATES TREASURY	587,952.00	Moody's	Stable	Off

# Holdings by Security Type

Citrus Heights Water District | Investment Core



May 31, 2026

Settlement Date	Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Book Yield	Market Yield	Market Value + Accrued	Net Unrealized Gain (Loss)	% Asset	Eff Dur
<b>US Treasury</b>												
01/15/2025	91282CLS8	525,000.00	United States	4.125%	10/31/2026		4.39%	3.81%	527,539.40	1,209.15	2.12	0.41
01/29/2024	91282CJT9	500,000.00	United States	4.000%	01/15/2027		4.13%	3.78%	508,239.06	1,036.29	2.04	0.61
08/01/2023	912828Z78	375,000.00	United States	1.500%	01/31/2027		4.44%	3.79%	371,210.18	1,070.43	1.49	0.66
07/31/2024	91282CKE0	500,000.00	United States	4.250%	03/15/2027		4.24%	3.81%	506,184.08	1,662.43	2.03	0.77
06/23/2023	91282CEW7	300,000.00	United States	3.250%	06/30/2027		4.19%	3.91%	302,008.92	679.65	1.21	1.04
02/17/2026	91282CNV9	480,000.00	United States	3.625%	08/31/2027		3.52%	3.94%	482,520.48	(2,487.51)	1.94	1.21
06/23/2023	91282CFM8	300,000.00	United States	4.125%	09/30/2027		4.16%	3.95%	302,765.31	815.03	1.21	1.28
02/28/2025	912833RY8	700,000.00	United States	0.000%	02/15/2028		4.16%	3.99%	654,129.00	529.92	2.62	1.68
04/22/2025	91282CMW8	525,000.00	United States	3.750%	04/15/2028		3.77%	4.00%	525,128.93	(2,231.80)	2.11	1.79
	91282CCE9	700,000.00	United States	1.250%	05/31/2028		4.00%	4.00%	663,245.91	(1,551.54)	2.66	1.93
05/28/2026	91282CCH2	125,000.00	United States	1.250%	06/30/2028		4.09%	4.01%	118,819.83	172.76	0.48	2.02
10/02/2024	91282CDF5	650,000.00	United States	1.375%	10/31/2028		3.54%	4.03%	611,270.17	(8,058.93)	2.45	2.34
01/31/2024	91282CDW8	425,000.00	United States	1.750%	01/31/2029		4.00%	4.05%	402,980.52	(1,612.24)	1.62	2.56
07/01/2024	91282CES6	650,000.00	United States	2.750%	05/31/2029		4.36%	4.05%	626,310.84	4,235.11	2.51	2.81
10/29/2024	91282CFC0	500,000.00	United States	2.625%	07/31/2029		4.10%	4.06%	483,197.09	(146.56)	1.94	2.98
09/09/2024	91282CFJ5	400,000.00	United States	3.125%	08/31/2029		3.59%	4.07%	391,674.97	(5,961.79)	1.57	3.03
12/13/2024	91282CFY2	500,000.00	United States	3.875%	11/30/2029		4.12%	4.09%	496,617.94	351.13	1.99	3.18
02/10/2026	91282CMU2	600,000.00	United States	4.000%	03/31/2030		3.68%	4.10%	601,977.57	(8,819.53)	2.41	3.50
08/29/2025	91282CHR5	700,000.00	United States	4.000%	07/31/2030		3.75%	4.12%	706,216.12	(9,762.20)	2.83	3.76
	91282CHW4	750,000.00	United States	4.125%	08/31/2030		3.75%	4.13%	757,728.44	(10,931.32)	3.04	3.84
02/10/2026	91282CPD7	600,000.00	United States	3.625%	10/31/2030		3.73%	4.13%	589,843.30	(9,548.16)	2.37	4.03
02/10/2026	91282CJX0	600,000.00	United States	4.000%	01/31/2031		3.75%	4.14%	604,482.10	(9,855.41)	2.42	4.17
03/31/2026	91282CKF7	425,000.00	United States	4.125%	03/31/2031		3.99%	4.14%	427,587.27	(2,948.56)	1.71	4.32
05/28/2026	91282CCB5	625,000.00	United States	1.625%	05/15/2031		4.26%	4.15%	555,350.42	2,596.44	2.23	4.67
<b>Total</b>		<b>12,455,000.00</b>					<b>3.97%</b>	<b>4.02%</b>	<b>12,217,027.85</b>	<b>(59,557.22)</b>	<b>49.00</b>	<b>2.57</b>
<b>US Agency</b>												
06/23/2023	3133EPNG6	300,000.00	Farm Credit System	4.375%	06/23/2026		4.41%	3.79%	305,862.42	108.44	1.23	0.07
08/03/2023	3133EPQC2	250,000.00	Farm Credit System	4.625%	07/17/2026		4.68%	3.78%	254,563.82	277.26	1.02	0.13
08/15/2023	3133EPSW6	350,000.00	Farm Credit System	4.500%	08/14/2026		4.53%	3.75%	355,188.75	525.52	1.42	0.21
08/24/2023	3130AWTQ3	350,000.00	Federal Home Loan Banks	4.625%	09/11/2026		4.81%	3.78%	354,384.72	960.55	1.42	0.28
09/04/2024	3130ATVE4	500,000.00	Federal Home Loan Banks	4.500%	12/11/2026		3.86%	3.84%	512,345.00	129.15	2.05	0.51

# Holdings by Security Type

Citrus Heights Water District | Investment Core



May 31, 2026

Settlement Date	Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Book Yield	Market Yield	Market Value + Accrued	Net Unrealized Gain (Loss)	% Asset	Eff Dur
09/04/2024	3130A3DU5	500,000.00	Federal Home Loan Banks	3.000%	03/12/2027		3.83%	3.79%	500,241.67	(3.72)	2.01	0.76
08/03/2023	3133ENVD9	350,000.00	Farm Credit System	2.875%	04/26/2027		4.52%	3.80%	348,118.80	1,875.01	1.40	0.88
09/04/2024	3133ERFJ5	500,000.00	Farm Credit System	4.500%	05/20/2027		3.80%	3.89%	503,557.50	(305.57)	2.02	0.95
06/29/2023	3133EPAV7	250,000.00	Farm Credit System	3.875%	02/14/2028		4.15%	4.11%	251,894.34	89.87	1.01	1.62
07/18/2023	3130AWN63	300,000.00	Federal Home Loan Banks	4.000%	06/30/2028		4.08%	4.01%	304,940.33	353.17	1.22	1.95
08/31/2023	3133EPUN3	350,000.00	Farm Credit System	4.500%	08/28/2028		4.33%	4.11%	356,921.25	1,757.13	1.43	2.10
01/29/2024	3130AXQK7	500,000.00	Federal Home Loan Banks	4.750%	12/08/2028		4.07%	4.06%	519,663.19	586.24	2.08	2.31
05/21/2024	3133ERDH1	625,000.00	Farm Credit System	4.750%	04/30/2029		4.43%	4.06%	639,337.67	6,612.30	2.56	2.70
06/23/2025	3133ETME4	550,000.00	Farm Credit System	4.000%	01/23/2030		4.05%	4.11%	555,682.72	(1,168.53)	2.23	3.32
05/16/2025	31358DDR2	1,000,000.00	Federal National Mortgage Association	0.000%	05/15/2030		4.21%	4.19%	848,520.00	(908.38)	3.40	3.88
<b>Total</b>		<b>6,675,000.00</b>					<b>4.21%</b>	<b>3.96%</b>	<b>6,611,222.19</b>	<b>10,888.44</b>	<b>26.51</b>	<b>1.73</b>
<b>Supranational</b>												
01/29/2024	459058KW2	500,000.00	International Bank for Reconstruction and Development	4.625%	08/01/2028		4.15%	4.05%	513,653.33	1,292.12	2.06	2.02
12/21/2023	45950VSM9	250,000.00	The World Bank Group	4.500%	11/27/2028		4.06%	4.51%	250,090.00	(2,514.41)	1.00	2.33
03/08/2024	4581X0EN4	450,000.00	Inter-American Development Bank	4.125%	02/15/2029		4.23%	4.07%	456,086.63	1,813.85	1.83	2.51
04/30/2024	45950VSZ0	500,000.00	The World Bank Group	4.375%	03/27/2029		4.80%	4.50%	502,243.89	3,649.27	2.01	2.61
12/02/2024	459058LN1	450,000.00	International Bank for Reconstruction and Development	3.875%	10/16/2029		4.29%	4.10%	448,951.50	2,381.26	1.80	3.12
<b>Total</b>		<b>2,150,000.00</b>					<b>4.34%</b>	<b>4.22%</b>	<b>2,171,025.35</b>	<b>6,622.09</b>	<b>8.71</b>	<b>2.53</b>
<b>Municipals</b>												
07/18/2023	797272RN3	145,000.00	San Diego Community College District	1.445%	08/01/2026		4.72%	3.87%	145,092.32	123.73	0.58	0.17
09/11/2023	13067WRD6	165,000.00	State of California	0.920%	12/01/2026		5.03%	3.92%	163,302.15	642.95	0.65	0.49
06/26/2023	91412HFP3	200,000.00	The Regents Of The University Of California	1.366%	05/15/2027		4.47%	3.94%	195,305.42	559.73	0.78	0.94
07/19/2023	7994082A6	250,000.00	San Ramon Valley Unified School District	1.184%	08/01/2027		4.69%	3.93%	243,206.67	1,427.12	0.98	1.14
06/29/2023	799038NS9	220,000.00	San Mateo County Community College District	1.467%	09/01/2027		4.77%	3.94%	214,209.05	1,550.23	0.86	1.22
06/26/2023	419792DB9	200,000.00	State of Hawaii	3.350%	10/01/2027	06/21/2026	4.51%	3.95%	199,572.67	1,252.97	0.80	1.19
08/03/2023	419792YT7	200,000.00	State of Hawaii	1.145%	08/01/2028		4.62%	4.11%	188,575.33	1,139.30	0.76	2.10

# Holdings by Security Type

Citrus Heights Water District | Investment Core



May 31, 2026

Settlement Date	Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Book Yield	Market Yield	Market Value + Accrued	Net Unrealized Gain (Loss)	% Asset	Eff Dur
<b>Total</b>		<b>1,380,000.00</b>					<b>4.68%</b>	<b>3.95%</b>	<b>1,349,263.61</b>	<b>6,696.02</b>	<b>5.41</b>	<b>1.08</b>
<b>Corporate</b>												
06/26/2023	24422EWX3	150,000.00	Deere & Company	4.750%	06/08/2026		4.75%	4.02%	153,447.96	24.08	0.62	0.02
07/20/2023	78016FZZ0	150,000.00	Royal Bank of Canada	5.200%	07/20/2026		5.30%	3.93%	153,090.33	270.04	0.61	0.14
08/09/2023	94988J6D4	250,000.00	Wells Fargo & Company	5.450%	08/07/2026	07/07/2026	5.46%	3.96%	254,689.58	380.82	1.02	0.10
07/18/2023	78016EZZ3	200,000.00	Royal Bank of Canada	1.400%	11/02/2026		5.11%	3.89%	198,143.56	763.74	0.79	0.42
12/21/2023	17325FBC1	250,000.00	Citigroup Inc.	5.488%	12/04/2026	11/04/2026	4.87%	3.96%	258,373.17	1,020.75	1.04	0.42
06/26/2023	89236TKL8	150,000.00	Toyota Motor Corporation	5.450%	11/10/2027		4.85%	4.12%	153,250.38	1,619.90	0.61	1.38
06/26/2023	023135CP9	150,000.00	Amazon.com, Inc.	4.550%	12/01/2027	11/01/2027	4.62%	3.99%	154,560.00	1,290.17	0.62	1.37
06/26/2023	24422EWR6	150,000.00	Deere & Company	4.750%	01/20/2028		4.73%	4.12%	154,067.21	1,434.73	0.62	1.54
06/26/2023	931142FB4	150,000.00	Walmart Inc.	3.900%	04/15/2028	03/15/2028	4.35%	4.02%	150,416.00	805.58	0.60	1.77
06/26/2023	46647PDA1	150,000.00	JPMorgan Chase & Co.	4.323%	04/26/2028	04/26/2027	5.23%	4.38%	150,553.94	1,147.73	0.60	0.88
08/29/2025	61690U8B9	250,000.00	Morgan Stanley	5.504%	05/26/2028	05/26/2027	4.19%	4.37%	252,921.11	(413.37)	1.01	0.96
07/18/2025	06405LAH4	250,000.00	The Bank of New York Mellon Corporation	4.729%	04/20/2029	04/20/2028	4.37%	4.32%	253,181.45	249.34	1.02	1.79
09/11/2025	89236TNJ0	200,000.00	Toyota Motor Corporation	4.800%	05/15/2030		4.15%	4.53%	202,392.67	(2,671.38)	0.81	3.57
<b>Total</b>		<b>2,450,000.00</b>					<b>4.76%</b>	<b>4.13%</b>	<b>2,489,087.35</b>	<b>5,922.13</b>	<b>9.98</b>	<b>1.09</b>
<b>Asset Backed Securities</b>												
07/13/2023	12663JAC5	250,000.00	CNH Equipment Trust 2022-B	3.890%	11/15/2027		5.37%	4.03%	25,127.04	225.61	0.10	0.09
06/26/2023	142921AD7	200,000.00	CarMax, Inc.	5.050%	01/18/2028		5.25%	4.16%	47,553.15	183.19	0.19	0.27
<b>Total</b>		<b>450,000.00</b>					<b>5.29%</b>	<b>4.11%</b>	<b>72,680.19</b>	<b>408.80</b>	<b>0.29</b>	<b>0.21</b>
<b>Money Market Fund</b>												
05/27/2026	31846V203	1,234.75	U.S. Bancorp	3.250%	05/31/2026		3.26%	3.26%	1,234.75	0.00	0.00	0.00
<b>Total</b>		<b>1,234.75</b>					<b>3.26%</b>	<b>3.26%</b>	<b>1,234.75</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Bank Deposit</b>												
	CCYUSD	23,593.43	US Dollar		05/31/2026				23,593.43	0.00	0.09	
<b>Total</b>		<b>23,593.43</b>							<b>23,593.43</b>	<b>0.00</b>	<b>0.09</b>	
<b>Portfolio Total</b>		<b>25,584,828.18</b>					<b>4.18%</b>	<b>4.03%</b>	<b>24,935,134.71</b>	<b>(29,019.74)</b>	<b>100.00</b>	<b>2.11</b>

# Transactions

Citrus Heights Water District | Investment Core

Cusip	Security	Trade Date	Settlement Date	Coupon Payment	Price	Par Amount	Principal Amount	Accrued Amount	Total Amount	Broker
<b>Buy</b>										
31846V203	FIRST AMER:GVT OBLG;Y	05/16/2026	05/16/2026	0.00	1.00	213,773.72	213,773.72	0.00	213,773.72	Direct
91282CCB5	US TREASURY 1.625 05/15/31	05/21/2026	05/28/2026	0.00	88.34	625,000.00	552,124.02	358.78	552,482.80	RBC CAPITAL MARKETS
91282CCH2	US TREASURY 1.250 06/30/28	05/21/2026	05/28/2026	0.00	94.36	125,000.00	117,954.10	638.81	118,592.91	MORGAN STANLEY
<b>Total</b>				<b>0.00</b>		<b>963,773.72</b>	<b>883,851.84</b>	<b>997.59</b>	<b>884,849.43</b>	
<b>Sell</b>										
31846V203	FIRST AMER:GVT OBLG;Y	05/28/2026	05/28/2026	0.00	1.00	364,105.00	364,105.00	0.00	364,105.00	Direct
<b>Total</b>				<b>0.00</b>		<b>364,105.00</b>	<b>364,105.00</b>	<b>0.00</b>	<b>364,105.00</b>	
<b>Maturity</b>										
14913UAA8	CTRPLLR FIN SERV 4.350 05/15/26 MTN MAT	05/15/2026	05/15/2026	0.00	100.00	150,000.00	150,000.00	0.00	150,000.00	
3133EPUD5	FED FARM CR BNKS 4.750 05/28/26 MATD	05/28/2026	05/28/2026	0.00	100.00	300,000.00	300,000.00	0.00	300,000.00	
<b>Total</b>				<b>0.00</b>		<b>450,000.00</b>	<b>450,000.00</b>	<b>0.00</b>	<b>450,000.00</b>	
<b>Coupon</b>										
78016EZZ3	RBC 1.400 11/02/26 MTN	05/02/2026	05/02/2026	1,400.00		0.00	0.00	0.00	1,400.00	
89236TKL8	TOYOTA MOTOR CRD 5.450 11/10/27 MTN	05/10/2026	05/10/2026	4,087.50		0.00	0.00	0.00	4,087.50	
91412HFP3	UNIVERSITY CALIF REVS 1.366 05/15/27	05/15/2026	05/15/2026	1,366.00		0.00	0.00	0.00	1,366.00	
12663JAC5	CNHET-22B-A3	05/15/2026	05/15/2026	131.97		0.00	0.00	0.00	131.97	
142921AD7	CARMAX-232-A3	05/15/2026	05/15/2026	236.61		0.00	(0.00)	0.00	236.61	
14913UAA8	CTRPLLR FIN SERV 4.350 05/15/26 MTN MAT	05/15/2026	05/15/2026	3,262.50		0.00	0.00	0.00	3,262.50	
89236TNJ0	TOYOTA MOTOR CRD 4.800 05/15/30 MTN	05/15/2026	05/15/2026	4,800.00		0.00	0.00	0.00	4,800.00	
3133ERFJ5	FED FARM CR BNKS 4.500 05/20/27	05/20/2026	05/20/2026	11,250.00		0.00	0.00	0.00	11,250.00	
61690U8B9	MSBNA 5.504 05/26/28 '27 FRN	05/26/2026	05/26/2026	6,880.00		0.00	0.00	0.00	6,880.00	
45950VSM9	IFC 4.500 11/27/28 MTN	05/27/2026	05/27/2026	5,625.00		0.00	0.00	0.00	5,625.00	
3133EPUD5	FED FARM CR BNKS 4.750 05/28/26 MATD	05/28/2026	05/28/2026	7,125.00		0.00	0.00	0.00	7,125.00	
91282CCE9	US TREASURY 1.250 05/31/28	05/31/2026	05/31/2026	4,375.00		0.00	0.00	0.00	4,375.00	
91282CES6	US TREASURY 2.750 05/31/29	05/31/2026	05/31/2026	8,937.50		0.00	0.00	0.00	8,937.50	

# Transactions

Citrus Heights Water District | Investment Core



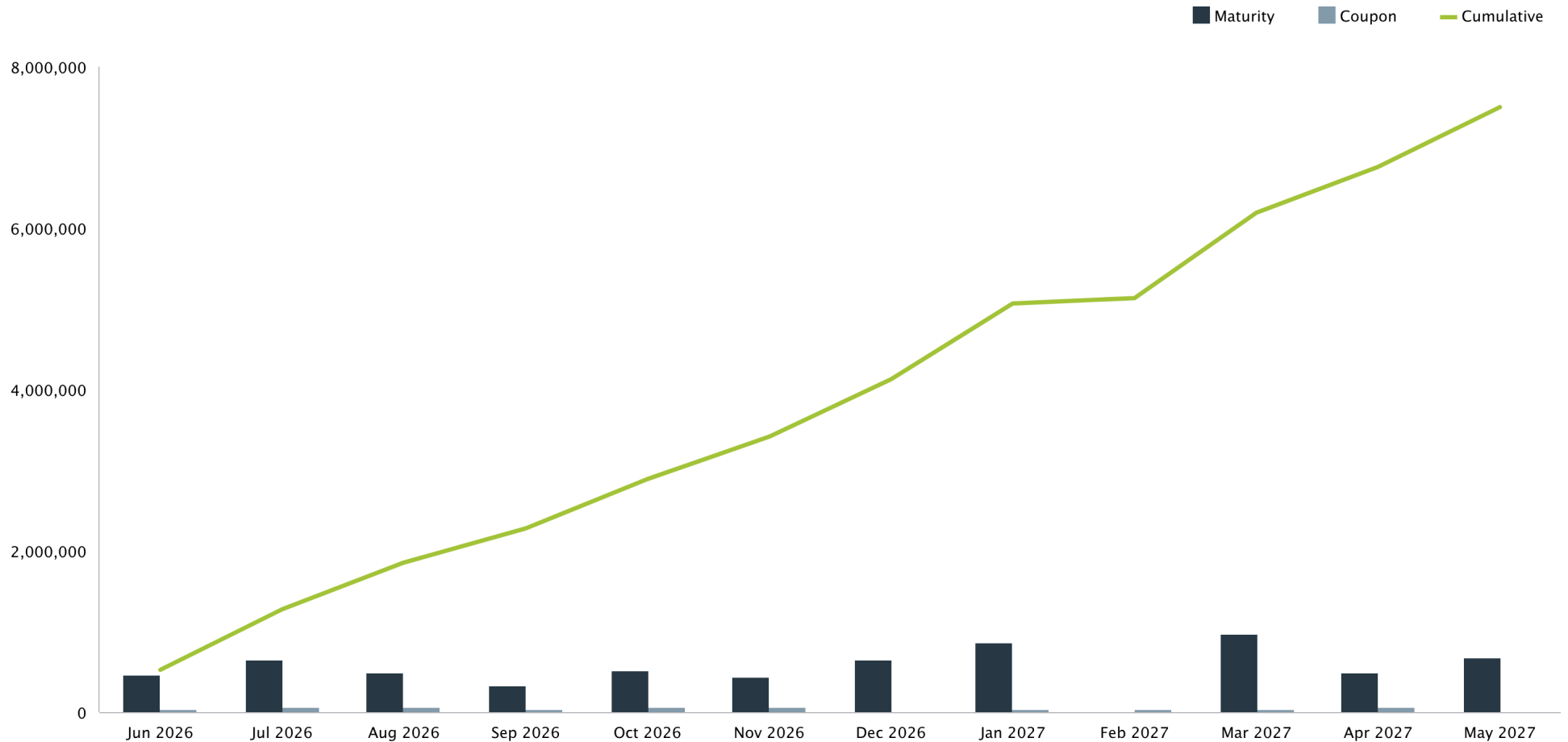
May 31, 2026

Cusip	Security	Trade Date	Settlement Date	Coupon Payment	Price	Par Amount	Principal Amount	Accrued Amount	Total Amount	Broker
91282CFY2	US TREASURY 3.875 11/30/29	05/31/2026	05/31/2026	9,687.50		0.00	0.00	0.00	9,687.50	
<b>Total</b>				<b>69,164.58</b>		<b>0.00</b>	<b>(0.00)</b>	<b>0.00</b>	<b>69,164.58</b>	
<b>Custody Fee</b>										
CCYUSD	US DOLLAR	05/22/2026	05/22/2026	0.00		154.29	(154.29)	0.00	(154.29)	
<b>Total</b>				<b>0.00</b>		<b>154.29</b>	<b>(154.29)</b>	<b>0.00</b>	<b>(154.29)</b>	
<b>Principal Paydown</b>										
12663JAC5	CNHET-22B-A3	05/15/2026	05/15/2026	0.00		15,623.65	15,623.65	0.00	15,623.65	
142921AD7	CARMAX-232-A3	05/15/2026	05/15/2026	0.00		8,900.95	8,900.95	0.00	8,900.95	
<b>Total</b>				<b>0.00</b>		<b>24,524.60</b>	<b>24,524.60</b>	<b>0.00</b>	<b>24,524.60</b>	
<b>Interest Income</b>										
31846V203	FIRST AMER:GVT OBLG;Y	05/31/2026	05/31/2026	593.43		0.00	0.11	0.00	593.43	
<b>Total</b>				<b>593.43</b>		<b>0.00</b>	<b>0.11</b>	<b>0.00</b>	<b>593.43</b>	

# Cash Flow Forecasting

Citrus Heights Water District | Investment Core

## One Year Projection



# Shock Analysis

## Citrus Heights Water District | Investment Core

Account	Market Value	Duration	+10 BP FMV Change	+25 BP FMV Change	+50 BP FMV Change	+100 BP FMV Change
CHWD-Investment Core	24,740,157.48	2.111	(24,226.70)	(60,566.74)	(121,133.48)	(513,461.89)
Total	24,740,157.48	2.111	(24,226.70)	(60,566.74)	(121,133.48)	(513,461.89)

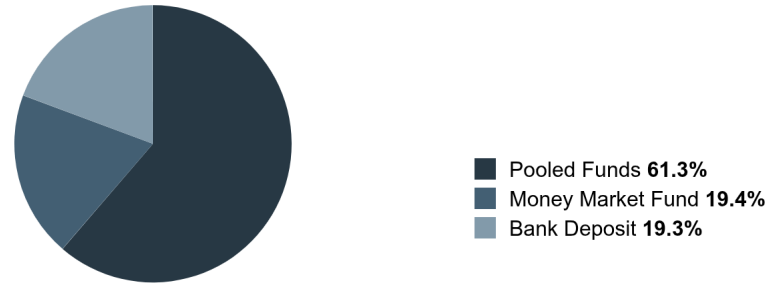
The changes in market values displayed represent approximations of principal changes given an instantaneous increase in interest rates. Changes in interest rates over longer periods would most likely mitigate the impact of an instantaneous change through the addition of the interest income received on 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

## Portfolio Characteristics

Metric	Value
Cash and Cash Equivalents	10,381,725.66
Book Yield	2.98%
Market Yield	2.98%
Effective Duration	0.01
Years to Maturity	0.01
Avg Credit Rating	AAA



## Strategic Structure

Account	Par Amount	Original Cost	Book Value	Market Value	Net Unrealized Gain (Loss)	Yield at Cost	Effective Duration	Benchmark Duration	Benchmark
CHWD-Liquidity	10,381,725.66	10,381,725.66	10,381,725.66	10,381,725.66	0.00	2.98%	0.01	0.08	ICE BofA US 1-Month Treasury Bill Index
<b>Total</b>	<b>10,381,725.66</b>	<b>10,381,725.66</b>	<b>10,381,725.66</b>	<b>10,381,725.66</b>	<b>0.00</b>	<b>2.98%</b>	<b>0.01</b>	<b>0.08</b>	

# Return Management-Income Detail

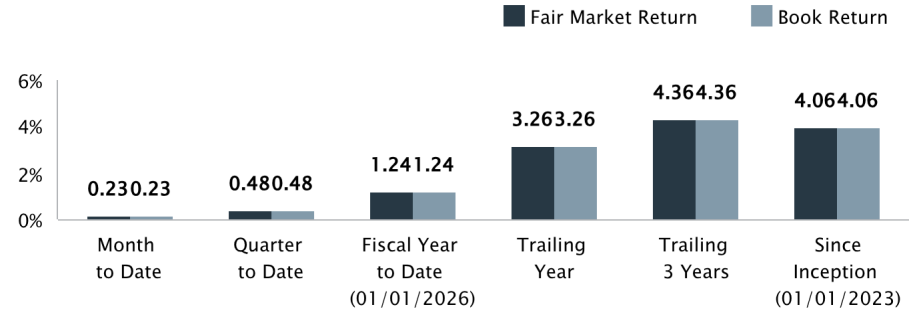
Citrus Heights Water District | Liquidity

## Accrued Book Return

	Month to Date	Fiscal Year to Date (01/01/2026)
Interest Earned	23,821.03	117,849.90
Book Income	23,821.03	117,849.90
Average Portfolio Balance	9,789,343.44	9,410,858.03
Book Return for Period	0.23%	1.24%

## 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	23,821.03	117,849.90
Purchased Accrued Interest	0.00	0.00
Sold Accrued Interest	0.00	0.00
Ending Accrued Interest	0.00	0.00
Interest Earned	23,821.03	117,849.90

Notation: Book and Fair Market Returns are not annualized

# Holdings by Security Type

Citrus Heights Water District | Liquidity



May 31, 2026

Settlement Date	Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Book Yield	Market Yield	Market Value + Accrued	Net Unrealized Gain (Loss)	% Asset	Eff Dur
<b>Money Market Fund</b>												
	60934N104	2,010,459.52	Money Market Obligations Trust - Federated Government Obligations Fund	3.490%	05/31/2026		3.50%	3.50%	2,010,459.52	0.00	19.37	0.00
<b>Total</b>		<b>2,010,459.52</b>					<b>3.50%</b>	<b>3.50%</b>	<b>2,010,459.52</b>	<b>0.00</b>	<b>19.37</b>	<b>0.00</b>
<b>Bank Deposit</b>												
	CHWD_BMO_DEP	2,005,419.23	Bank of Montreal	0.000%	05/31/2026		0.00%	0.00%	2,005,419.23	0.00	19.32	0.01
<b>Total</b>		<b>2,005,419.23</b>					<b>0.00%</b>	<b>0.00%</b>	<b>2,005,419.23</b>	<b>0.00</b>	<b>19.32</b>	<b>0.01</b>
<b>Pooled Funds</b>												
	CAL_CAMP	6,306,209.55	California Asset Management Program	3.760%	05/31/2026		3.76%	3.76%	6,306,209.55	0.00	60.74	0.01
	CAL_LGIP	59,637.36	CALIFORNIA LAIF	3.811%	05/31/2026		3.81%	3.81%	59,637.36	0.00	0.57	0.01
<b>Total</b>		<b>6,365,846.91</b>					<b>3.76%</b>	<b>3.76%</b>	<b>6,365,846.91</b>	<b>0.00</b>	<b>61.32</b>	<b>0.01</b>
<b>Portfolio Total</b>		<b>10,381,725.66</b>					<b>2.98%</b>	<b>2.98%</b>	<b>10,381,725.66</b>	<b>0.00</b>	<b>100.00</b>	<b>0.01</b>

# Transactions

Citrus Heights Water District | Liquidity



May 31, 2026

Cusip	Security	Trade Date	Settlement Date	Coupon Payment	Price	Par Amount	Principal Amount	Accrued Amount	Total Amount	Broker
<b>Buy</b>										
60934N104	FEDERATED HRMS GV O;INST	05/31/2026	05/31/2026	0.00	1.00	603,171.43	603,171.43	0.00	603,171.43	Direct
CAL_CAMP	CALIFORNIA ASSET MANAGEMENT PROGRAM	05/31/2026	05/31/2026	0.00	1.00	20,055.22	20,055.22	0.00	20,055.22	Direct
<b>Total</b>				<b>0.00</b>		<b>623,226.65</b>	<b>623,226.65</b>	<b>0.00</b>	<b>623,226.65</b>	
<b>Sell</b>										
CHWD_BMO_DEP	BMO DEPOSIT	05/31/2026	05/31/2026	0.00	1.00	10,847.30	10,847.30	0.00	10,847.30	Direct
<b>Total</b>				<b>0.00</b>		<b>10,847.30</b>	<b>10,847.30</b>	<b>0.00</b>	<b>10,847.30</b>	
<b>Interest Income</b>										
CAL_CAMP	CALIFORNIA ASSET MANAGEMENT PROGRAM	05/31/2026	05/31/2026	20,055.22		0.00	20,055.22	0.00	20,055.22	
60934N104	FEDERATED HRMS GV O;INST	05/29/2026	05/29/2026	3,765.81		0.00	14.42	0.00	3,765.81	
<b>Total</b>				<b>23,821.03</b>		<b>0.00</b>	<b>20,069.64</b>	<b>0.00</b>	<b>23,821.03</b>	

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.

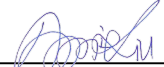
**Financial Situation:** In order to better serve you, GPA should be promptly notified of any material change in your investment objective or financial situation.

**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.



**TREASURER'S REPORT OF ACCOUNT BALANCES**  
**May 31, 2026**

Fund Name	Beginning Balance 01/1/2026	Year to Date Transfers In / Collections	Year to Date Transfers Out	Current Month Transfers In / Collections	Current Month Transfers Out	Ending Balance 05/31/2026	2026 Target Balance per Policy
<b>Operating Reserve</b>	\$ 4,238,459					\$ 4,238,459	\$ 4,543,050
<b>Operating Fund</b>	\$ 10,879,259	\$ 7,893,233	\$ (7,467,352)	2,724,824	(2,132,500)	\$ 11,897,464	N/A
<b>Rate Stabilization Fund</b>	\$ 1,000,000					\$ 1,000,000	\$ 1,000,000
<b>Capital Improvement Reserve</b>	\$ 3,118,456					\$ 3,118,456	\$ 3,146,633
<b>Restricted for Debt Service</b>	\$ -					\$ -	N/A
<b>Water Supply Reserve</b>	\$ 3,023,173					\$ 3,023,173	N/A
<b>Water Efficiency Reserve</b>	\$ 200,000					\$ 200,000	N/A
<b>Water Meter Replacement Reserve</b>	\$ 2,125,000					\$ 2,125,000	N/A
<b>Water Main Reserve - Project 2030</b>	\$ 6,358,138	\$ 801,502		\$ 249,440		\$ 7,527,977	N/A
<b>Fleet Equipment Reserve</b>	\$ 555,009					\$ 555,009	\$ 471,395
<b>Employment-Related Benefits Reserve</b>	\$ 1,015,536					\$ 1,015,536	\$ 1,015,536
	<u><u>\$ 32,513,029</u></u>	<u><u>\$ 8,694,735</u></u>	<u><u>\$ (7,467,352)</u></u>	<u><u>\$ 2,974,264</u></u>	<u><u>\$ (2,132,500)</u></u>	<u><u>\$ 34,701,074</u></u>	<u><u>\$ 10,176,614</u></u>

  
 \_\_\_\_\_  
**ANNIE Y. LIU, Treasurer**

**TREASURER'S REPORT OF FUND BALANCES**  
**May 31, 2026**

**Fund Transfers Summary:**

**Operating Fund:**

Fund Collected/Transferred	\$ 2,724,824
Fund Disbursed/Transferred	\$ <u>(2,132,500)</u>
<b>Net Fund Transferred:</b>	<b>\$ 592,324</b>
<b><u>Water Main Reserve - Project 2030</u></b>	<b><u>\$ 249,440</u></b>
<b>NET CHANGES- ALL FUNDS</b>	<b><u><u>\$ 841,765</u></u></b>

**Citrus Heights Water District  
Budget Performance Report  
As of 05/31/2026**

	<b>Adopted Budget</b>	<b>May 2026 Actual</b>	<b>Year-to-Date Actual</b>	<b>Year-to-Date Encumbered</b>	<b>Budget To-Date</b>	<b>Percent of Total Budget Used</b>
<b>Revenues</b>						
Metered Service Charges	\$15,321,359.81	\$885,096.97	\$6,587,492.62	0.00	\$6,383,899.92	43.00%
Metered Water Deliveries	7,817,588.19	249,849.79	1,619,932.23	0.00	3,257,328.41	20.72%
Water Main Replacement Revenue	2,260,833.00	118,896.74	920,398.58	0.00	942,013.75	40.71%
Penalties	120,000.00	7,764.67	49,991.49	0.00	50,000.00	41.66%
Interest	1,000,000.00	25,033.26	119,335.96	0.00	416,666.67	11.93%
Backflow Fees	77,879.17	3,329.33	35,043.04	0.00	32,449.65	45.00%
Water Service Install & S&R	46,916.86	4,748.00	14,156.94	0.00	19,548.69	30.17%
Grant Funds *	1,500,000.00	225.00	1,071.75	0.00	625,000.00	0.07%
Miscellaneous **	17,770.22	5,952.10	22,644.58	0.00	7,404.26	127.43%
Cost Reimbursements	34,286.41	0.00	6,747.57	0.00	14,286.00	19.68%
Income - Wheeling Water	50,000.00	0.00	0.00	0.00	20,833.33	0.00%
Income - Connection Fees	96,616.60	25,758.39	73,840.77	0.00	40,256.92	76.43%
<b>Total Revenue</b>	<b>28,343,250.26</b>	<b>1,326,654.25</b>	<b>9,450,655.53</b>	<b>0.00</b>	<b>11,809,687.61</b>	<b>33.34%</b>
*Revenue recognized, but not fully collected						
**includes Assessments, New Account, Back Charges & other Miscellaneous Revenue Sources						
<b>Operating Expenses</b>						
<b>Cost of Water</b>						
Purchased Water	3,283,400.00	225,975.25	1,197,768.27	0.00	1,368,083.33	36.48%
Ground Water	1,606,366.23	(61,624.38)	328,684.11	0.00	669,319.26	20.46%
	<b>4,889,766.23</b>	<b>164,350.87</b>	<b>1,526,452.38</b>	<b>0.00</b>	<b>2,037,402.60</b>	<b>31.22%</b>
<b>Labor &amp; Benefits</b>						
Labor Regular	4,220,784.33	385,931.53	2,010,589.36	0.00	1,758,660.14	47.64%
Labor Taxes	417,541.00	29,883.83	175,787.02	0.00	173,975.42	42.10%
Labor External	44,781.00	0.00	0.00	0.00	18,658.75	0.00%
Benefits Med/Den/Vis	874,253.28	65,272.95	327,740.02	0.00	364,272.20	37.49%
Benefits LTD/STD/Life/EAP	85,197.00	7,067.28	35,053.19	0.00	35,498.75	41.14%
Benefits CalPers	539,698.20	36,901.11	170,359.40	0.00	224,874.25	31.57%
Benefits Other	30,993.63	189.75	8,400.63	0.00	12,914.01	27.10%
Benefits OPEB	517,227.02	20,150.67	129,873.91	0.00	215,511.26	25.11%
Benefits GASB 68/PERS UAL	656,678.76	53,743.64	261,783.54	0.00	273,616.15	39.86%
Benefits UAL OPEB	100,639.32	0.00	0.00	0.00	41,933.05	0.00%
Capitalized Labor & Benefit Contra		(67,564.36)	(305,534.53)	0.00	0.00	0.00%
	<b>7,487,793.54</b>	<b>531,576.40</b>	<b>2,814,052.54</b>	<b>0.00</b>	<b>3,119,913.98</b>	<b>37.58%</b>
<b>General &amp; Administrative</b>						
Workers Comp	97,993.05	0.00	47,365.28	0.00	40,830.44	48.34%
Fees & Charges	222,200.00	18,606.71	79,677.80	0.00	92,583.33	35.86%
Regulatory Compliance/Permits	260,600.00	8,330.61	87,311.05	0.00	108,583.33	33.50%
District Events & Recognition	122,150.00	2,099.48	14,987.50	0.00	50,895.83	12.27%
Maintenance/Licensing	318,270.04	25,734.35	106,180.36	0.00	132,612.52	33.36%
Equipment Maintenance	307,470.00	5,237.79	21,794.48	0.00	128,112.50	7.09%
Professional Development	126,350.00	1,770.24	54,603.91	0.00	52,645.83	43.22%
Dues & Subscriptions	205,821.00	18,921.18	117,325.81	0.00	85,758.75	57.00%
Facility Maintenance	81,440.00	7,842.10	25,981.32	0.00	33,933.33	31.90%
Fuel & Oil	84,070.00	8,368.68	31,462.36	0.00	35,029.17	37.42%
General Supplies	20,400.00	3,064.24	27,351.54	0.00	8,500.00	134.08%
Insurance - Auto/Prop/Liab/Cyb	231,100.00	16,528.38	80,057.49	0.00	96,291.67	34.64%
Leasing/Equipment Rental	90,820.00	2,930.34	15,285.66	0.00	37,841.67	16.83%
Parts & Materials	260,000.00	129,083.22	269,849.43	40,496.40	108,333.33	103.79%
Postage/Shipping/Freight	91,655.00	4,560.69	33,317.53	0.00	38,189.58	36.35%
Rebates & Incentives	19,000.00	300.00	2,063.45	0.00	7,916.67	10.86%
Telecom/Network	72,600.00	3,620.07	22,268.01	0.00	30,250.00	30.67%
Tools & Equipment	219,045.53	10,851.65	49,998.22	0.00	91,268.97	22.83%
Utilities	457,184.00	6,154.31	21,717.75	0.00	190,493.33	4.75%
Write-Off Bad Debt Exp	0.00	0.00	0.00	0.00	0.00	0.00%
Capitalized G&A Contra		(31,408.94)	(177,388.66)	0.00	0.00	0.00%
	<b>3,288,168.62</b>	<b>242,595.10</b>	<b>931,210.29</b>	<b>40,496.40</b>	<b>1,370,070.26</b>	<b>28.32%</b>
<b>Professional &amp; Contract Services</b>						
Support Services	2,844,436.00	146,813.15	659,462.71	0.00	1,185,181.67	23.18%
Legal Services	654,200.00	115,556.76	286,965.05	0.00	272,583.33	43.87%
Printing Services	97,388.00	1,422.64	21,158.40	0.00	40,578.33	21.73%
	<b>3,596,024.00</b>	<b>263,792.55</b>	<b>967,586.16</b>	<b>0.00</b>	<b>1,498,343.33</b>	<b>26.91%</b>
<b>Reserves &amp; Debt Services</b>						

**Citrus Heights Water District  
Budget Performance Report  
As of 05/31/2026**

	<b>Adopted Budget</b>	<b>May 2026 Actual</b>	<b>Year-to-Date Actual</b>	<b>Year-to-Date Encumbered</b>	<b>Budget To-Date</b>	<b>Percent of Total Budget Used</b>
Interest Expense	170,788.00	0.00	143,620.68	0.00	71,161.67	84.09%
	<b>170,788.00</b>	<b>0.00</b>	<b>143,620.68</b>	<b>0.00</b>	<b>71,161.67</b>	<b>84.09%</b>
<b>Total Operating Expenses</b>	<b>19,432,540.39</b>	<b>1,202,314.92</b>	<b>6,382,922.05</b>	<b>40,496.40</b>	<b>8,096,891.83</b>	<b>32.85%</b>
<b>Net Income / (Expense)</b>	<b>\$ 8,910,709.87</b>	<b>\$ 124,339.33</b>	<b>\$ 3,067,733.48</b>	<b>\$ (40,496.40)</b>	<b>\$ 3,712,795.78</b>	<b>34.43%</b>

**Citrus Heights Water District  
Budget Performance Report  
As of 05/31/2026**

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	\$3,135	\$22,036	\$0	\$112,964	\$135,000	\$22,036	\$112,964
O26C12-001	Annual Water Service Connections	\$1,510,000	\$39,960	\$267,572	\$0	\$1,242,428	\$1,510,000	\$267,572	\$1,242,428
O26C13-001	Annual Water Meter Replacement	\$130,000	\$7,221	\$39,933	\$0	\$90,067	\$130,000	\$39,933	\$90,067
O26C14-001	Annual Fire Hydrants Replace, Upg	\$175,000	\$12,922	\$40,511	\$0	\$134,489	\$175,000	\$40,511	\$134,489
O26W20-001	Annual Groundwater Well Improve	\$200,000	\$0	\$16,492	\$0	\$183,508	\$200,000	\$16,492	\$183,508
E26A40-001	Annual Other City Partnerships	\$100,000	\$2,597	\$6,161	\$0	\$93,839	\$100,000	\$6,161	\$93,839
E26C41-001	Misc Infrastructure Projects	\$100,000	\$0	\$0	\$0	\$100,000	\$100,000	\$0	\$100,000
<b>Construction in Progress</b>		<b>\$3,348,000</b>	<b>\$65,835</b>	<b>\$683,983</b>	<b>\$0</b>	<b>\$2,664,017</b>	<b>\$3,348,000</b>	<b>\$683,983</b>	<b>\$2,664,017</b>
O26F03-001	Fleet/Field Operations Equip	\$150,000	\$0	\$0	\$0	\$150,000	\$150,000	\$0	\$150,000
<b>Fleet and Equipment</b>		<b>\$150,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$0</b>	<b>\$150,000</b>
E16C34-001	Auburn Blvd-Rusch Park Placer	\$250,000	\$0	\$13,614	\$0	\$236,386	\$671,214	\$434,828	\$236,386
E24C03-001	Menke Way	\$103,000	\$0	\$120	\$0	\$102,880	\$103,000	\$120	\$102,880
E25C01-001	Greenback Ln - Birdcage St to	\$1,170,000	\$27,502	\$32,493	\$0	\$1,137,507	\$1,295,383	\$157,876	\$1,137,507
E25C02-001	Greenback - Sunrise Blvd to Bi	\$878,000	\$236	\$1,525	\$0	\$876,475	\$917,734	\$41,259	\$876,475
E25C03-001	Donnawood Way	\$505,000	\$512	\$7,774	\$0	\$497,226	\$557,504	\$60,278	\$497,226
E25C08-001	Sayonara Dr - Lialana to Ming	\$6,000	\$0	\$2,192	\$0	\$3,808	\$380,640	\$394,780	(\$14,139)
E26C45-001	Dove and Be Lazy Court	\$350,000	\$0	\$0	\$0	\$350,000	\$350,000	\$0	\$350,000
E26C46-001	Sagittarius Way & Pleides Ave	\$0	\$10,637	\$12,126	\$0	(\$12,126)	\$0	\$12,126	(\$12,126)
<b>Water Mains</b>		<b>\$3,262,000</b>	<b>\$38,888</b>	<b>\$69,843</b>	<b>\$0</b>	<b>\$3,192,157</b>	<b>\$4,275,475</b>	<b>\$1,101,266</b>	<b>\$3,174,209</b>
O25C04-001	Facilities Mod & Expan (Sylvan)	\$3,000,000	\$136,691	\$279,141	\$6,832	\$2,714,027	\$12,591,894	\$394,370	\$12,190,692
A25T05-001	ERP System	\$350,000	\$7,047	\$54,412	\$22,935	\$272,653	\$472,128	\$176,540	\$272,653
A25T06-001	SCADA Upgrade	\$120,000	\$24,614	\$78,149	\$9,375	\$32,476	\$125,400	\$83,549	\$32,476
A25C07-001	Facilities Mod & Expan (Madison)	\$9,982,756	\$41,437	\$85,140	\$3,818	\$9,893,798	\$12,408,106	\$2,510,490	\$9,893,798
<b>Miscellaneous Projects</b>		<b>\$13,452,756</b>	<b>\$209,789</b>	<b>\$496,843</b>	<b>\$42,960</b>	<b>\$12,912,953</b>	<b>\$25,597,528</b>	<b>\$3,164,950</b>	<b>\$22,389,618</b>
O20W07-001	Well #7 Ella	\$1,150,000	\$232,858	\$871,215	\$0	\$278,785	\$5,736,569	\$5,328,379	\$408,190
O23W03-001	Highland Well #8	\$4,481,000	\$0	\$46,492	\$0	\$4,434,508	\$6,400,518	\$1,122,813	\$5,277,705
<b>Wells</b>		<b>\$5,631,000</b>	<b>\$232,858</b>	<b>\$917,708</b>	<b>\$0</b>	<b>\$4,713,292</b>	<b>\$12,137,087</b>	<b>\$6,451,192</b>	<b>\$5,685,895</b>
<b>Grand Totals:</b>		<b>\$25,843,756</b>	<b>\$547,369</b>	<b>\$2,168,377</b>	<b>\$42,960</b>	<b>\$23,632,419</b>	<b>\$45,508,090</b>	<b>\$11,401,391</b>	<b>\$34,063,739</b>

## MAY 2026 WARRANTS

<u>CHECK</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
510001162	FERRIE IRREVOC GRANTOR TRST	Customer Refund	\$44.41
510001163	SHARYL M TOBIN	Customer Refund	\$369.07
510001164	Kurtz Family Trust	Customer Refund	\$26.19
510001165	JAMES OR REBECCA J WAGONER	Customer Refund	\$172.64
510001166	WILLIAM J OR TERESA M RYAN	Customer Refund	\$302.40
510001167	EDWARD PETRELLA	Customer Refund	\$142.16
510001168	JESSE W MURRAY	Customer Refund	\$28.10
510001169	OTIS WILLIAMS	Customer Refund	\$204.67
510001170	LAURA OR LISA FIERRO	Customer Refund	\$87.46
510001171	GARY D/GINGER WILLIAMS	Customer Refund	\$120.33
510001172	SUSAN LYONS	Customer Refund	\$187.90
510001173	GRANT H GENTRY OR ASHLEY WALLIS	Customer Refund	\$176.67
510001174	MARK NIPPER	Customer Refund	\$24.68
510001175	ROLLIN IN THE DOUGH LLC	Customer Refund	\$247.27
510001176	ELIZABETH T BAKER	Customer Refund	\$143.13
510001177	Action Asphalt And Concrete	Contract Services-Other	\$7,570.00
510001178	ACWA- JPIA	Insurance- Property Program	\$44,257.10
510001179	AFLAC	Employee Paid Insurance	\$187.46
510001180	AIA Services LLC	Tools/Equipment	\$234.30
510001181	Nancy Alaniz	Retiree Benefits	\$392.90
510001182	Teresa Alberghini	Rebates/Incentives	\$175.00
510001183	Alexander's Contract Services	Meter Reading	\$3,128.16
510001184	Amazon Capital Services	Tools/Equipment	\$727.67
510001185	AREA Portable Services	Equipment Rental- Field	\$138.43
510001186	John Bain	Rebates/Incentives	\$150.00
510001187	BSK Associates	Water Analysis	\$632.12
510001188	Capital Tent City	Equipment Rental-Other	\$1,240.83
510001189	Robert Churchill	Retiree Benefits	\$556.00
510001190	Citrus Heights Chamber of Commerce	Dues/Subscriptions	\$1,000.00
510001191	City of Citrus Heights- Community Center	Equipment Rental-Office	\$59.00
510001192	Robin Cope	Retiree Benefits	\$556.00
510001193	Steven Corothers	Retiree Benefits	\$496.00
510001194	Covino Smith and Simon	Contract Services-Other	\$1,666.67
510001195	Timothy Cutler	Retiree Benefits	\$443.00
510001196	Paul Dietrich	Retiree Benefits	\$556.00
510001197	Employee Relations Inc	Contract Services-Other	\$325.04
510001198	Ferguson Enterprises Inc 1423	Material	\$101,084.59
510001199	Ernestine Freeman	Retiree Benefits	\$202.90
510001200	Go Live Technology Inc	Contract Services-Finance	\$1,650.00
510001201	J4 Systems	Contract Services-Other	\$1,200.00
510001202	Jennifer Liebermann Consulting	Consulting Services	\$3,850.00
510001203	Gerald Lee	Retiree Benefits	\$556.00
510001204	Michael Mariedth	Retiree Benefits	\$489.00
510001205	Rex Meurer	Retiree Benefits	\$443.00
510001206	Moonlight BPO LLC	Bill Print/ Mail	\$1,756.69
510001207	Lonnie Moore	Retiree Benefits	\$202.90
510001208	New AnswerNet Inc	Contract Services-Other	\$362.89
510001209	One Print Source And Graphics	Printing Services	\$446.29
510001210	Pace Supply Corp	Material	\$1,339.78
510001211	Pamela Peters	Retiree Benefits	\$443.00
510001212	Petty Cash CHWD	Petty Cash	\$265.33
510001213	Probolsky Research LLC	Consulting Services	\$29,700.00
510001214	Rescue Training Institute Inc	Contract Services-Other	\$4,255.00

## MAY 2026 WARRANTS

<u>CHECK</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
510001215	David Rossi	Retiree Benefits	\$443.00
510001216	Mary Lynn Scherrer	Retiree Benefits	\$443.00
510001217	Shred City	Shredding Services	\$63.72
510001218	SMUD	Utilities	\$124.69
510001219	Sonitrol	Equipment Rental-Office	\$219.02
510001220	Nick Spiers	Retiree Benefits	\$556.00
510001221	Springbrook Holding Company LLC	Contract Services-Other	\$5,397.00
510001222	Melinda M Tupper	Retiree Benefits	\$311.98
510001223	Wizix Technology Group Inc	Equipment Rental-Office	\$524.14
510001224	ANDREW M NOMOF	Customer Refund	\$127.26
510001225	JENNIFER FROST	Customer Refund	\$191.92
510001226	KOBA RAZMADZE	Customer Refund	\$33.00
510001227	REALTY SOLUTIONS GROUP LP	Customer Refund	\$14.79
510001228	GREATER SACRAMENTO HOMEBUYER LLC	Customer Refund	\$221.43
510001229	Alexander's Contract Services	Meter Reading	\$2,782.74
510001230	Amazon Capital Services	Tools/Equipment	\$2,983.70
510001231	Bryce Consulting Inc	Consulting Services	\$4,000.00
510001232	California Nevada Section AWWA	Professional Development	\$140.00
510001233	Carollo Engineers Inc	Contract Services-Engineering	\$27,137.25
510001234	CDW Government Inc	Tools/Equipment	\$2,375.91
510001235	Consolidated	Equipment Rental	\$3,513.95
510001236	Corelogic Information Solutions Inc	Contract Services-Finance	\$251.00
510001237	Government Portfolio Advisors	Contract Services-Finance	\$1,444.76
510001238	Hunt and Sons LLC	Fuel	\$3,339.29
510001239	Yamasaki Landscape Architecture	Contract Services-Engineering	\$610.00
510001240	LSL CPAS	Contract Services- Finance	\$11,905.00
510001241	Moonlight BPO LLC	Bill Print/ Mail	\$2,256.39
510001242	N & S Tractor	Equipment Maintenance-Field	\$1,452.29
510001243	Occu Med	Contract Services-Other	\$413.60
510001244	Quick Quack Car Wash	Equipment Maintenance-Field	\$200.00
510001245	Sacramento County - PO Box 1587	Permits	\$286.00
510001246	Scarsdale Security Systems Inc	Equipment Rental- Office	\$600.83
510001247	SWRCB (Water Control Board)	Professional Development	\$70.00
510001248	WM Corporate Services Inc	Utilities	\$1,433.08
510001249	Wolf Consulting	Consulting Services	\$10,200.00
510001250	WyJo Services Corp	Equipment Maintenance-Field	\$876.78
510001251	19six Architects	Contract Services- Other	\$163,163.77
510001252	Afman Supply	Supplies-Field	\$239.94
510001253	AIA Services LLC	Tools/Equipment	\$1,988.75
510001254	Dan Alexander	Rebates/Incentives	\$200.00
510001255	All American Publishing	Printing Services	\$450.00
510001256	Amazon Capital Services	Tools/Equipment	\$1,861.48
510001257	Area West Engineers Inc	Contract Services-Engineering	\$9,735.50
510001258	Bender Rosenthal Incorporated	Contract Services-Engineering	\$2,600.00
510001259	Best Best and Krieger	Legal Services	\$100,232.87
510001260	BSK Associates	Water Analysis	\$1,323.31
510001261	California Landscape Associates Inc	Janitorial	\$4,391.50
510001262	California Office Furniture	Supplies- Office	\$1,054.47
510001263	Citrus Heights Police Activities League	Dues/Subscriptions	\$1,000.00

## MAY 2026 WARRANTS

<u>CHECK</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
510001264	City of Citrus Heights- Community Center	Equipment Rental	\$292.00
510001265	Colantuono Highsmith Whatley PC	Legal Services	\$13,123.50
510001266	Comcast	Equipment Rental	\$106.12
510001267	City of Sac Dept of Finance	Permits	\$250.95
510001268	Shannon Delzer	Rebates/Incentives	\$100.00
510001269	Edelstein Gilbert Robson and Smith LLC	Consulting Services	\$5,833.33
510001270	Ferguson Ent DBA Pollardwater	Material	\$387.68
510001271	Ferguson Enterprises Inc 1423	Material	\$629.34
510001272	Bexley Frink	Rebates/Incentives	\$100.00
510001273	Harris Industrial Gases	Supplies	\$139.03
510001274	Henley Pacific LA LLC	Equipment Maintenance-Field	\$208.36
510001275	Howell Consulting Inc	Contract Services-Engineering	\$1,800.00
510001276	J Comm Inc	Contract Services-Other	\$7,050.00
510001277	Jennifer Liebermann Consulting	Consulting Services	\$6,531.25
510001278	Yamasaki Landscape Architecture	Contract Services-Engineering	\$390.00
510001279	Lowe's	Supplies- Field	\$833.02
510001280	M and M Backflow and Meter Maintenance	Professional Development-Field	\$1,400.00
510001281	Addy Macedo	Rebates/Incentives	\$50.00
510001282	Messenger Publishing Group	Printing Services	\$225.00
510001283	Minuteman Press	Printing Services	\$133.61
510001284	Moonlight BPO LLC	Bill Print/ Mail	\$3,184.61
510001285	Napa Auto Parts	Equipment Maintenance-Field	\$407.34
510001286	National Trench Safety	Contract Services-Other	\$1,372.41
510001287	NowSpeed Inc.	Consulting Services	\$250.00
510001288	Pacific Gas and Electric	Utilities	\$26.83
510001289	Public Agency Risk Management Assoc	Dues/Subscriptions	\$300.00
510001290	RDO Equipment	Equipment Maintenance-Field	\$907.01
510001291	Red Wing Shoe Store	Tools/Equipment	\$600.00
510001292	Rental Guys	Equipment Rental- Field	\$232.59
510001293	Rescue Training Institute Inc	Professional Development	\$2,069.02
510001294	Road Tech Safety Services Inc	Tools/Equipment	\$200.00
510001295	Elia Sadat	Rebates/Incentives	\$50.00
510001296	Sagent	Consulting Services	\$8,283.34
510001297	SMUD	Utilities	\$763.88
510001298	Tee Janitorial & Maintenance	Janitorial	\$2,989.00
510001299	Verdant Commercial Capital	Equipment Rental-Office	\$376.97
510001300	West Coast Arborists Inc	Contract Services-Engineering	\$4,860.00
510001301	Wex Bank	Fuel	\$5,029.39
510001302	WyJo Services Corp	Equipment Maintenance-Field	\$1,396.08
510001303	SHARON A JENSEN	Customer Refund	\$80.91
510001304	GLORIA R DYER	Customer Refund	\$321.76
510001305	DONNA F PROBST	Customer Refund	\$33.61
510001306	ANN BENSON BACCUS	Customer Refund	\$500.00
510001307	MARY JANE WOOLEN	Customer Refund	\$40.80
510001308	LAURIE L KLING	Customer Refund	\$186.92
510001309	SERENA CARLSON	Customer Refund	\$227.24
510001310	SANTIAGO OR EMILY G SALINAS	Customer Refund	\$201.59
510001311	JEFFREY B DEITZ	Customer Refund	\$211.76
510001312	MELODY B QU	Customer Refund	\$456.10
510001313	DAVID OR FANNY BATSON	Customer Refund	\$38.09
510001314	Advanced Chemical Transport LLC	Contract Services-Other	\$1,259.98
510001315	Amazon Capital Services	Supplies-Office	\$25.85

## MAY 2026 WARRANTS

<u>CHECK</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
510001316	Aqua Sierra Controls	Contract Services-Other	\$24,614.16
510001317	BSK Associates	Water Analysis	\$737.65
510001318	BWD General Engineering Contractors	Contract Services-Engineering	\$218,392.55
510001319	California Nevada Section AWWA	Professional Development	\$140.00
510001320	Fast Action Pest Control	Janitorial	\$184.80
510001321	Henley Pacific LA LLC	Equipment Maintenance-Field	\$104.18
510001322	SMUD	Utilities	\$10,944.62
510001323	TERRAVERDE ENERGY LLC	Contract Services-Other	\$1,152.50
510001324	UES Professional Solutions Inc	Contract Services-Other	\$2,856.25
510001325	Zanjero	Contract Services-Other	\$8,155.00
510001326	AFLAC	Employee Paid Insurance	\$187.46
510001327	Amazon Capital Services	Supplies- Office	\$151.40
510001328	ANG Audio Visual Services	Contract Services- Other	\$1,435.00
510001329	Best Best and Krieger	Legal Services	\$38,167.39
510001330	Integrity Administrators Inc	Benefits-Other	\$207.00
510001331	Regional Government Services	Consulting Services	\$354.20
<b>Total</b>			<b>\$974,451.67</b>
ACH	ADP Payroll	Contract Services-Other	400.00
ACH	Chase On line Bill Payment	Bank Fee	5,317.15
ACH	Department of the Treasury	Federal Payroll Taxes	12.93
ACH	ADP Payroll	Contract Services-Other	400.00
ACH	BMO Bank NA	Bank Fee	2,666.28
ACH	ICMA-RC	Deferred Compensation	22,960.66
ACH	Department of the Treasury	Federal Payroll Taxes	104,536.79
ACH	Invoice Cloud	Bank Fee	8,503.43
ACH	MidAmerica Administrative Retirement	Benefits-Other	389.16
ACH	PERS	Pers	69,146.81
ACH	Principal Life Insurance Company	Health Insurance	15,570.75
ACH	VALIC/AIG	Deferred Compensation	3,301.81
ACH	State of CA Employment Development Department	State Income/Unemployment Tax	18,911.01
ACH	MidAmerica Administrative Retirement	Benefits-Other	648.49
ACH	California Choice Benefit Administrators	Health Insurance	\$70,538.59
<b>Total</b>			<b>\$323,303.86</b>
<b>Grand Total</b>			<b>\$1,297,755.53</b>

JP Morgan Purchase Card Distributions  
May-26

Name	Software Subscriptions	Fees & Charges	District Events & Recognition	Postage/Shipping/ Freight	General Supplies	District Membership Dues and Subscriptions	Professional Development	Fac Mod & Exp (Madison)	Travel	Tools & Equipment	Uniforms	Office Supplies	Advertisement	Prepaid	Fleet Maintenance	Total Bill
Conzelmann	\$ 408.00		\$ 2,003.03				\$ 795.75		\$ 3.00							\$ 3,209.78
Shockley		\$ 6.45	\$ 2,263.33		\$ 102.88	\$ 516.60	\$ 1,996.00	\$ 1,827.44	\$ 1,735.99	\$ 927.75	\$ 150.26	\$ 18.13				\$ 9,544.83
Shepard	\$ 2.95		\$ 2,341.78	\$ 11.60	\$ 18.62				\$ 396.80				\$ 374.00			\$ 3,145.75
Tran	\$ 332.27		\$ 120.16											\$ 180.00		\$ 632.43
Pieri									\$ 39.27							\$ 39.27
Liu			\$ 164.00						\$ 84.00							\$ 248.00
Clark			\$ 113.16		\$ (119.29)					\$ 269.84						\$ 263.71
Nichols															\$ 66.18	\$ 66.18
<b>Total Bill</b>	<b>\$ 743.22</b>	<b>\$ 6.45</b>	<b>\$ 7,005.46</b>	<b>\$ 11.60</b>	<b>\$ 2.21</b>	<b>\$ 516.60</b>	<b>\$ 2,791.75</b>	<b>\$ 1,827.44</b>	<b>\$ 2,259.06</b>	<b>\$ 1,197.59</b>	<b>\$ 150.26</b>	<b>\$ 18.13</b>	<b>\$ 374.00</b>	<b>\$ 180.00</b>	<b>\$ 66.18</b>	<b>\$ 17,149.95</b>

# CITRUS HEIGHTS WATER DISTRICT

## DISTRICT STAFF REPORT TO BOARD OF DIRECTORS JUNE 23, 2026 REGULAR BOARD MEETING

Subject:	EMPLOYEE RECOGNITION
Status:	Information Item
Report Date:	June 9, 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 May 2026.

### Administrative Services

<u>Name</u>	<u>Attendance</u>	<u>Customer Service</u>	<u>Work Quality</u>
Dana Mellado		A customer on Lobata Street praised Dana, Desiree, and Johnny for their patience, compassion, and support during a difficult leak situation while dealing with a family medical emergency.	
Viviana Munoz			Viviana provided valuable support to the Human Resources Department, helping maintain efficient operations and high-quality service.  Participated in the City's Tools of the Trade event.

<u>Name</u>	<u>Attendance</u>	<u>Customer Service</u>	<u>Work Quality</u>
Megan Selling			Megan supported the implementation of the Fixed Asset Module for Springbrook, developed a Master Tasker pilot program, assisted with Board Clerk duties, contributed to strategic planning, and helped complete the annual audit.
Kayleigh Shepard	Yes		Participated in the Strategic Planning Session on May 20 <sup>th</sup> .
Beth Shockley	Yes		Beth, along with Desiree, Brandon, Khandriale, Joey, and Luis, helped organize the District's Staff Appreciation Event, fostering employee engagement and a positive workplace culture.
Desiree Smith		Customers on Lobata Street and Pacheco Way commended Desiree for her patience, empathy, and outstanding customer service during challenging situations.	Desiree helped organize the District's Staff Appreciation Event and prepared the annual Tax Levy Staff Report and Board Resolution, demonstrating strong attention to detail and professionalism.
Ben Strange	Yes		Participated in the Strategic Planning Session on May 20 <sup>th</sup> .
Andy Tran			Participated in the Strategic Planning Session on May 20 <sup>th</sup> .
Torrance York			<p>Provided IT support at the May 26<sup>th</sup> Board meeting.</p> <p>Coordinated with Dell to facilitate hardware repairs for staff.</p> <p>Assisted with access permission for our project partners.</p>

**Engineering Department**

<u>Name</u>	<u>Attendance</u>	<u>Customer Service</u>	<u>Work Quality</u>
Tamar Dawson	Yes		Participated in the Strategic Planning Session on May 20 <sup>th</sup> .  Provided project oversight and support on the District's Greenback Lane Water Main Project on multiple evenings.
Jarrett Flink		On May 13 <sup>th</sup> , Jarrett was flagged down while working overnight on Greenback Lane by a woman reporting a leak at the Wendy's Restaurant. He responded and closed a private isolation valve to allow repairs.	Provided inspection on the District's Greenback Lane Water Main Project on multiple evenings in May.
Tim Katkanov			Provided evening inspection on the District's Greenback Lane Water Main Project on May 31 <sup>st</sup> .
Jace Nunes	Yes	Presented at the May 19 <sup>th</sup> Customer Advisory Committee meeting.	Participated in the Strategic Planning Session on May 20 <sup>th</sup> .
Ali Shafaq	Yes	Attended the May 29 <sup>th</sup> Customer Advisory Committee meeting.	Passed the Project Management Professional (PMP) test and obtained his PMP certification.  Participated in the Strategic Planning Session on May 20 <sup>th</sup> .
Luis Zamudio	Yes		Participated in the Strategic Planning Session on May 20 <sup>th</sup> .  Luis helped organize the District's Staff Appreciation Event, fostering employee engagement and a positive workplace culture.

**Operations Department**

<u>Name</u>	<u>Attendance</u>	<u>Customer Service</u>	<u>Work Quality</u>
Kathy Abarca	Yes		<p>Attended the Citrus Heights Historical Society presentation of History of Water in Citrus Heights.</p> <p>Participated in the City's Tools of the Trade event.</p> <p>Presented the Cooperative Purchasing Program to the RWA Board.</p> <p>Presented to the Board the ARTESIAN amendment with RWA's Michelle Banonis at the May 28<sup>th</sup> Board meeting.</p>
Chris Bell	Yes		<p>Participated in the City's Tools of the Trade event.</p>
Andrew Callister			<p>Participated in the City's Tools of the Trade event.</p>
Jose Calvillo	Yes		<p>Participated in the City's Tools of the Trade event.</p>
Brady Chambers			<p>Presented to the CAC the District's current meter systems.</p>
Kelly Drake	Yes		<p>Presented to the CAC the benefits of AMI to the District and to the customers.</p> <p>Participated in the Strategic Planning Session on May 20<sup>th</sup>.</p>
Jake Enas	Yes		<p>Passed the Grade D1 Water Distribution Operator exam.</p>
Brandon Goad			<p>Brandon helped organize the District's Staff Appreciation Event, fostering employee</p>

<u>Name</u>	<u>Attendance</u>	<u>Customer Service</u>	<u>Work Quality</u>
			engagement and a positive workplace culture. Provided sampling services for the Auburn Boulevard Complete Streets Project.  Participated in the City's Tools of the Trade event.
Brian Hensley	Yes		Participated in the Strategic Planning Session on May 20 <sup>th</sup> .
Jesse Jameson	Yes		Promoted to Water Distribution Operator I.
Chris Nichols	Yes		
Alex Pauli	Yes		
Ryon Ridner			Participated in the City's Tools of the Trade event
Joshua Romero	Yes		Passed the Grade D3 Water Distribution Operator exam.  Participated in the City's Tools of the Trade event.
John Spinella	Yes	A customer on Lobata Street praised Johnny, Dana, and Desiree for their patience, compassion, and support during a difficult leak situation while dealing with a family medical emergency.	
Neil Tamagni	Yes		Participated in the Strategic Planning Session on May 20 <sup>th</sup> .
Joey Vazquez	Yes		Joey helped organize the District's Staff Appreciation Event, fostering employee engagement and a positive workplace culture.

**Public Affairs Division**

<u>Name</u>	<u>Attendance</u>	<u>Customer Service</u>	<u>Work Quality</u>
Khandriale Clark	Yes	Assisted in collecting the District's donation of branded orange stress balls for the Big Day of Service.	<p>Participated in the Strategic Planning Session on May 20th.</p> <p>Supported the May 19th Customer Advisory Committee meeting and the coordination of the Water Awareness Poster Contest.</p> <p>Khandriale helped organize the District's Staff Appreciation Event, fostering employee engagement and a positive workplace culture.</p>
Mary Elise Conzelmann	Yes	<p>Provided District promotional items to the Chamber of Commerce for the Big Day of Service.</p> <p>Collaborated with Admin Services on customer communications for the utility billing system upgrade change.</p>	<p>Participated in the District's Strategic Planning staff workshop on April 14<sup>th</sup> and 29<sup>th</sup>.</p> <p>Participated in the Strategic Planning Session on May 20<sup>th</sup>.</p> <p>Awarded a California Association of Public Information Officers Excellence in Public Information &amp; Communications (EPIC) Award for a public service announcement video campaign.</p>

# CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS  
 JUNE 23, 2026 REGULAR BOARD MEETING

SUBJECT : LONG RANGE AGENDA  
 STATUS : Consent/Information Item  
 REPORT DATE : June 16, 2026  
 PREPARED BY: Kayleigh Shepard, Senior Management Analyst/Deputy 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
<b>July 2026: Summer Recess - No Meeting</b>					
<b>August 25, 2026</b>					
August 25, 2026	Annual	Capital Improvement Program (CIP) Update	Pieri/Shafaq	P	I/D
<b>September 22, 2026</b>					
September 22, 2026		Emergency Response Plan	Abarca	CC	A
September 22, 2026	Biennial	Conflict of Interest Code Updates	Shepard/Liu	CC	A
September 22, 2026		Local Hazard and Mitigation Plan	Abarca	P	A



# CITRUS HEIGHTS WATER DISTRICT

## DISTRICT STAFF REPORT TO BOARD OF DIRECTORS JUNE 23, 2026 REGULAR MEETING

Subject:	Engineering Department Report
Status:	Information Item
Report Date:	June 8, 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
<b>PROJECT 2030 Water Main Replacement Project - Pipeline Condition Assessment</b>	Engineering	Director of Engineering, Principal Civil Engineer, Senior Management Analyst	Yes, updates as necessary	Yes	Pipeline Condition Assessment	Segment 1 (42-inch): External Corrosion Direct Assessment on 42" Transmission Main began on 06/15/26.  Condition Assessment Program Technical Memos Request for Proposal to be released by the end of June.
<b>PROJECT 2030 Project Workflow Program Management</b>	Engineering	General Manager, All Departments	Yes, updates as necessary	Yes	Project Management and Coordination of Nine Project 2030 Workflows.	Tri-Annual Meeting Schedule:  T1 Meeting scheduled for 7/7/26.  Future meetings in 2026 to be scheduled at the T1 meeting.
<b>DISTRICT ENGINEERING STANDARDS</b>	Engineering	Engineering and Operations Department	Yes, 06/24/25 (Approved by Board)	No	Develop Engineering Standards for Private Development Projects.	Approved by the Board in June 2025.  Perform next steps for implementation including Administrative Procedures.

Item of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
<b>DISTRICT POLICY UPDATE &amp; DEVELOPMENT (ENGINEERING RELATED)</b>	Engineering	Engineering and Operations Department	Yes, 06/24/25 (Anticipate Action by Board)	No	Develop and update District Policies that relate to Engineering/Development Projects.	Approved by the Board in June 2025.  Perform next steps for implementation including Administrative Procedures.
<b>PROJECT 2030 DISTRICT WATER SYSTEM MASTER PLAN</b>	Engineering	Director of Engineering, Director of Operations, Principal Civil Engineer, All Departments	Yes, 10/22/24 (Award of Contract) 9/22/26 (Draft WSMP)	Yes	Update to the District's Existing Water System Master Plan.	Draft Water System Master Plan received 04/03/26. Three water meter reading technology meetings with the Customer Advisory Committee to occur: 5/19/26 and 6/6/26 (completed) and 9/15/26.
<b>DISTRICT-WIDE EASEMENT PROJECT Phase 4</b>	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
<b>CAPITAL IMPROVEMENT PROJECT &amp; PROJECT 2030 Facilities Modernization &amp; Expansion Project - 7803 Madison Ave Bldg B</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.  90% Contract Documents for Tenant Improvements in progress.
<b>CAPITAL IMPROVEMENT PROJECT &amp; PROJECT 2030 Facilities Modernization &amp; Expansion Project - 6230 Sylvan Rd</b>	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.	60% Design Development Plans in progress.  Lead and asbestos survey completed. Awaiting final report.  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
<b>CAPITAL IMPROVEMENT PROJECT &amp; PROJECT 2030 Greenback Ln (Sunrise Blvd to Birdcage St) Water Main Project</b>	Engineering	Director of Engineering and Assistant Engineer	Yes, TBD	Yes	2025 design, 2026 construction	District preparing 60% plans.  Easement acquisition is required for this project. District coordinating with BRI on easement support services.
<b>CAPITAL IMPROVEMENT PROJECT &amp; PROJECT 2030 Greenback Ln (Birdcage St to Burich Ave) Water Main Project</b>	Engineering	Director of Engineering, Assistant Engineer, and Senior Inspector	Yes, 1/27/26 (Award of Contract)	Yes	2025 design, 2026 construction	Award of Contract occurred at 01/27/26 Board Meeting.  Construction began on 05/06/26. 80% Complete.
<b>CAPITAL IMPROVEMENT PROJECT &amp; PROJECT 2030 Donnawood Way Water Main Project</b>	Engineering	Director of Engineering and Assistant Engineer	Yes, 4/28/26 (Award of Contract)	Yes	2026 construction	Award of Contract occurred on 04/28/26. Begin work end of June.

Item of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
<b>PRIVATE DEVELOPMENT</b> 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.
<b>PRIVATE DEVELOPMENT</b> 7975 Twin Oaks Ave Parcel Split 1 - 3	Engineering	Principal Civil Engineer and Senior Civil Engineer	No	No	Parcel Split - 1 to 3 lot split; 3 single family homes with frontage improvements.	Plans approved on 03/03/25.  Plan Check Fees paid.  Awaiting developer to begin construction.
<b>PRIVATE DEVELOPMENT</b> 7501 Greenglen Ave Parcel Split 1 - 2	Engineering	Senior Civil Engineer and Senior Inspector	No	No	Parcel Split - 1 to 2 lot split per SB9; 4 water services for 4 duplexes.	Plan Check Fees and Installation Deposit Paid. Capacity Fees due prior to water service activation.  CHWD completed installation of 4 water services. 2 water services pending activation.
<b>PRIVATE DEVELOPMENT</b> 7401 Mariposa Ave Parcel Split 1 - 2	Engineering	Principal Civil Engineer and Senior Civil Engineer	No	No	Parcel Split - 1 parcel to 2 parcels.	Parcel split approved by the City.  District provided plan review comments on 04/02/25.

Item of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
<b>PRIVATE DEVELOPMENT</b> 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.	District provided plan review comments. Awaiting resubmittal.
<b>PRIVATE DEVELOPMENT</b> 7803 Madison Ave. Bldg C	Engineering	Principal Civil Engineer and Senior Civil Engineer	No	No	Tenant improvements including updating backflow device to approved CHWD device.	District provided plan review comments. Awaiting resubmittal.
<b>PRIVATE DEVELOPMENT</b> 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.
<b>COUNTY OF SACRAMENTO AC Overlay Project 2025 Phase A</b> (Madison Ave. from San Juan Ave to Fair Oaks Blvd)	Engineering	Senior Civil Engineer and Senior Inspector	No	No	Road improvements on Madison Ave from San Juan Ave. to Fair Oaks Blvd. Water improvements include valve box adjustments.	County's contractor to perform valve box adjustments. Road improvements have begun. Final valve adjustments to occur after final paving.

Item of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
<p><b>CITY OF CITRUS HEIGHTS PROJECT Auburn Blvd - Complete Streets Phase 2</b></p>	<p>Engineering</p>	<p>Senior Civil Engineer and Senior Inspector</p>	<p>No</p>	<p>No</p>	<p>City of Citrus Heights frontage improvements and utility relocation on Auburn Blvd from Rusch Park to north. 3 new irrigation services.</p>	<p>Final plans signed on 02/24/23.</p> <p>Fees for irrigation services paid.</p> <p>3 easements obtained.</p> <p>Construction on water related work began on 07/29/24. Water related construction 98% complete.</p>
<p><b>ArcGIS Migration from ArcGIS Desktop to ArcGIS Pro</b></p>	<p>Engineering</p>	<p>Director of Engineering, Engineering/GIS Specialist, IT Staff</p>	<p>No</p>	<p>No</p>	<p>Migrate the District's ArcGIS software from Desktop to Pro</p>	<p>In Phase 3 of 4.</p> <p>Migration is 95% Complete.</p> <p>Staff training began in November and will continue into 2026.</p>

# CITRUS HEIGHTS WATER DISTRICT

## DISTRICT STAFF REPORT TO BOARD OF DIRECTORS June 23, 2026 REGULAR BOARD MEETING

Subject:	Operations Department Report
Status:	Information Item
Report Date:	June 15, 2026
Prepared By:	Kathy Abarca, Management Analyst Todd Jordan, Director of Operations

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

### OPERATIONS MONTHLY ACTIVITIES

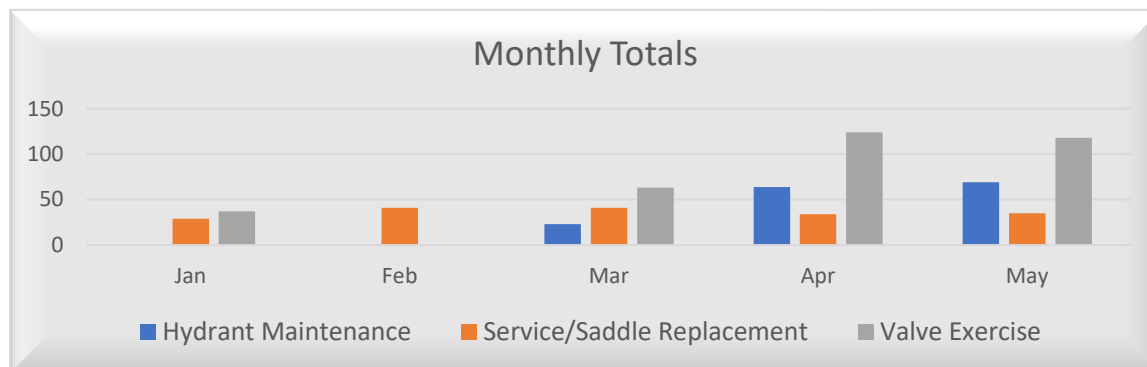
#### A. Distribution Division

The Operations Department includes 10 Distribution Operators who are responsible for the operation, maintenance, and repair of the District’s water distribution system, including more than 250 miles of pipeline and more than 21,000 service connections. The tables below summarize key operational and maintenance activities routinely performed to ensure the continued reliability and performance of the water system.

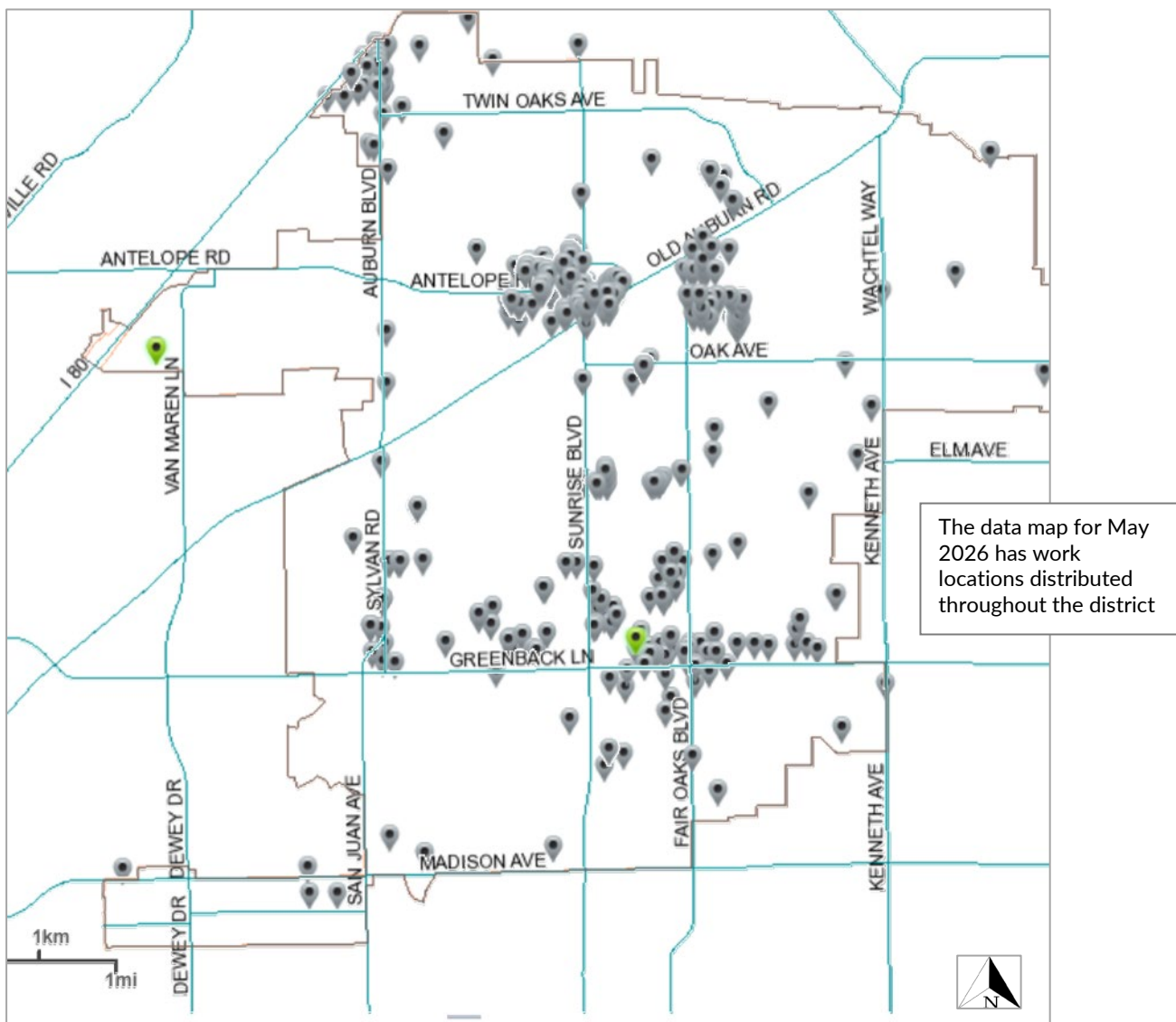
Distribution Maintenance	May 2026	Total YTD 2026	Total # Assets in System
Air Valve Inspection (ARV)	0	184	147
Blow Off Flush	0	3	593
Hydrant Maintenance	69	156	2,170
Mainline Repair/Maintenance	0	4	-
Meter Box Maintenance	4	18	21,007
Meter Register Replacement	6	32	21,007
Service/Saddle Replacement	35	180	21,007
Valve Exercise	118	342	4,631
<b>Total</b>	<b>232</b>	<b>919</b>	

CIP Projects	May 2026	Total YTD 2026
C26-010 Water Mainline	0	0
C26-011 Water Valves	1	7
C26-012 Water Services	39	177
C26-013 Water Meters	9	40
C26-014 Fire Hydrants	2	7
C26-103 Pothole Main	0	0
<b>Total</b>	<b>51</b>	<b>231</b>

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 May:



**B. Standby Summary**

The Operations Department assigns employees to weekly standby duty to provide 24-hour emergency response coverage throughout the District. Year-to-date standby activity is provided below:

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

**C. Operations Specialist**

The District's Operations Specialist performs USA markings to help protect the District's water distribution system by locating and marking CHWD facilities for contractors, utilities, and other entities working within the District's service area. The Operations Specialist also responds to leak investigations, meter location requests, and water service turn ons/off. Additional information is provided in the chart below.

<b>Operations Specialist Summary</b>		
<b>Work Description</b>	<b>May 2026</b>	<b>Total CY 2026</b>
USA Markings	614	5,072
Check for Leak	31	116
Fire Hydrant Investigation	0	4
Locate a Meter	0	0
Turn Water On/Off	14	47
<b>Total</b>	<b>659</b>	<b>5,239</b>

**D. Water Resources Summary**

The Water Resources Division oversees routine monthly bacteriological testing as required by the California Division of Drinking Water. In May, the District collected 72 samples, all of which returned negative results.

Water Resources staff also conducted annual backflow inspections to verify that devices are functioning properly and help prevent water that has left the system from flowing back into the system.

Water Resources	May 2026	Total YTD 2026	Total # Assets in System
Backflow Inspection	112	712	919

E. Field Services

The following tables summarizes the service requests and work orders by Field Services staff during May 2026:

Work Orders	May 2026	May 2025
CHANGE TOUCH-READ TO RADIO READ	2	6
CONVERT TO RADIO-READ METER	25	35
CONVERT TO CELLULAR METER	1	0
METER BOX MAINTENANCE	3	3
METER REPAIR		
METER REPLACEMENT	6	2
METER TESTING		
REGISTER REPLACEMENT	4	2
RADIO-READ REGISTER REPLACEMENT	5	5
CELLULAR REGISTER REPLACEMENT	30	0
INSTALL METER		
<b>TOTAL</b>	<b>45</b>	<b>53</b>

Service Requests	May 2026	May 2025
CONSERVATION REQUEST	4	4
CHECK FOR LEAK		1
UNABLE TO OBTAIN METER READ	70	98
TRIM SHRUBS		5
METER BURIED	12	21
METER MAINT.	38	17
LOCKED GATE	1	4
RE-READ METER	1	2
READ METER	4	19
METER BOX MAINT.	3	5
MOVE-IN/MOVE-OUT	12	15
CAR OVER METER	7	8
<b>TOTAL</b>	<b>152</b>	<b>199</b>

F. Safety Trainings

The District typically conducts several safety meetings each month to reinforce safe work practices, review regulatory requirements, and address workplace hazards. The safety meeting topics covered in May 2026 are as listed below:

- 5/7 – Hazard Recognition On The Job
- 5/14 – Skin Cancer
- 5/21 – Ten Commandments Of Good Safety Habits
- 5/28 – Field Ergonomics

G. Refresher:

CHWD Mainline Creek and Bridge Crossings:

Within the CHWD service area, water distribution mains cross several creeks and bridges. At these locations, portions of the pipelines are exposed, making them more vulnerable to corrosion, weathering, and physical damage. The map below identifies the District's nine creek crossings and ten bridge crossings.

To help ensure the continued reliability of these facilities, CHWD Engineering and Operations staff have implemented a monitoring program that includes annual inspections following significant rain events. Annual inspections evaluated the overall condition of the exposed pipelines, including signs of corrosion and deterioration. Rain event inspections are conducted to identify any damage caused by external factors, such as fallen trees, erosion, debris impacts, or other storm-related conditions.



# CITRUS HEIGHTS WATER DISTRICT

## DISTRICT STAFF REPORT TO BOARD OF DIRECTORS

JUNE 23, 2026 REGULAR MEETING

SUBJECT : 2026 Water Supply - Purchased & Produced  
 STATUS : Information Item  
 REPORT DATE : June 4, 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						
Jul	2,059.21	1,643.73	1,536.69	1,513.02	1,645.98	1,495.41						
Aug	1,924.28	1,538.76	1,461.15	1,494.76	1,501.15	1,467.13						
Sep	1,509.82	1,333.29	1,228.49	1,220.46	1,321.12	1,242.61						
Oct	1,297.42	972.09	1,065.99	966.12	1,159.16	796.46						
Nov	911.55	576.37	637.25	648.08	668.79	580.49						
Dec	700.94	536.97	541.93	558.87	573.3	524.84						
<b>Total</b>	<b>14,881.54</b>	<b>12,484.43</b>	<b>12,083.55</b>	<b>11,565.65</b>	<b>10,843.34</b>	<b>11,470.19</b>	<b>3,107.85</b>	<b>327.99</b>	<b>3,435.84</b>	<b>9,198.25</b>		
% of Total							90.45%	9.55%				

# CITRUS HEIGHTS WATER DISTRICT

## DISTRICT STAFF REPORT TO BOARD OF DIRECTORS JUNE 23, 2026 REGULAR MEETING

Subject:	<b>Water Supply Reliability</b>
Status:	Information Item
Report Date:	June 8, 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 May 1, 2026, storage in Folsom Lake was at 947,870 acre-feet, ninety-seven percent (97%) of the total capacity of 977,000 acre-feet. This represents an increase in storage of 21,281 acre-feet in the past month.

The District’s total water use during May 2026 (965.28 acre-feet) was forty percent (40%) below that of May 2013 (1603.43 acre-feet).

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

# CITRUS HEIGHTS WATER DISTRICT

## DISTRICT STAFF REPORT TO THE BOARD OF DIRECTORS JUNE 23, 2026 REGULAR MEETING

Subject:	<b>Water Efficiency</b>
Status:	Information Item
Report Date:	June 4, 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%

*\*Preliminary number as of the report date*

#### **May 2026 Rebates and Incentives**

- No High Efficiency Toilet rebate applications were processed.
- No High-Efficiency Clothes Washer rebate applications were processed.
- 17 Smart Irrigation Controller/Water Audit rebate applications were processed.
- Two (2) Pressure Reducing Valve rebate applications were processed.

### WaterSmart Workshops

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

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

### Garden Corps

CHWD has a demonstration garden at the Sylvan Ranch Community Garden showcasing water-efficient landscaping. We work with a customer-based volunteer group, the "Garden Corps," who help maintain the plots by caring for the plants, removing weeds, and checking the irrigation system and controller settings. The garden's webpage, [www.chwd.org/garden](http://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 June 23, 2026 REGULAR MEETING

Subject:	Discussion And Possible Action to Approve a Task Order Agreement with Two Twenty Photos by Mytra Huynh
Status:	Action Item
Report Date:	June 23, 2026
Prepared By:	Katie Fuerte, Public Affairs Analyst Mary Elise Conzelmann, Public Affairs Manager

### **OBJECTIVE:**

Consider approval of a task order agreement with Two Twenty Photos for photography and videography support services.

### **BACKGROUND AND ANALYSIS:**

Two Twenty Photos is a professional photography and videography firm owned and operated by Mytra Huynh. The proposed agreement establishes as-needed support for photography and videography, editing, post-production, and social media content development related to District programs, projects, facilities, operations, public outreach, and other District activities.

This agreement directly supports the 2026 Strategic Plan goal of “Engage Customers and Communicate the District’s Priorities and Value-Added Programs,” including objectives to increase customer awareness, strengthen community connections, and enhance public understanding of the District’s projects, services, and value-added programs. High-quality visual storytelling and documentation are important tools for communicating the District’s work, promoting transparency, and engaging customers through a variety of communication channels.

Two Twenty Photos brings professional experience in photography, videography, content creation, and visual storytelling. The firm specializes in capturing images and video that help organizations effectively communicate with their audiences. These services will support the District’s ongoing efforts to document projects, showcase operations, highlight community engagement activities, and develop content for social media, website, and other public information platforms.

It is recommended that CHWD formalize a task order agreement with Two Twenty Photos. Under the agreement, individual assignments will be authorized through written Task Orders approved by the District Manager or designee. Each Task Order will define the scope of work, schedule, deliverables, and budget for the requested services.

The task order agreement is structured to offer the options of a Time-and-Materials/Hourly Billable arrangement or a Project Basis/Not-to-Exceed (NTE) amount with a defined scope of work, schedule, and a not-to-exceed budget.

Funding for the various services covered in the agreement is budgeted within the Public Affairs budget and aligned with the 2026 Strategic Plan. Work performed under the agreement will be subject to the availability of budgeted funds. The term of the agreement is ongoing but includes a fifteen (15) day termination provision by either party without cause.

**RECOMMENDATION:**

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

**ATTACHMENT:**

Task Order Agreement with Two Twenty Photos by Mytra Huynh for Public Engagement Support Services.

**ACTION:**

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

**CITRUS HEIGHTS WATER DISTRICT  
TASK ORDER AGREEMENT WITH  
TWO TWENTY PHOTOS BY MYTRA HUYNH**

**Parties And Date.**

This Agreement is made and entered into this \_\_\_\_\_ day of June, 2026 by and between the by and between the Citrus Heights Water District, a municipal corporation organized under the laws of the State of California with its principal place of business at 6230 Sylvan Road, Citrus Heights, California 95610 (“District”) and Two Twenty Photos by Mytra Huynh, a \_\_\_\_\_ with its principal place of business at 8937 Blakemore Ct. Elk Grove, CA 95624 (“Consultant”). District and Consultant are sometimes individually referred to as “Party” and collectively as “Parties” in this Agreement.

**Recitals.**

**Consultant.**

Consultant desires to perform and assume responsibility for the provision of certain services required by the District on the terms and conditions set forth in this Agreement and in the task order(s) to be issued pursuant to this Agreement and executed by the District and Consultant (“Task Order”). Consultant represents that it is experienced in photography and videography support and that it and its employees or subcontractors have all necessary licenses and permits to perform the Services in the State of California, and that is familiar with the plans of District. Consultant will perform the Services and shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written approval of District. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

**Project.**

District desires to engage Consultant to render such photography and videography services for any of District’s objectives, known as project (“Project”) as set forth in this Agreement on an on-call, as-needed basis. There is no guarantee of any of work under this Agreement other than what is specified herein.. District shall not be responsible for, and Consultant shall not invoice or seek reimbursement for, any expenses, administrative fees, markups, or additional charges unless expressly authorized in advance by the District in writing and provided for in a written amendment to this Agreement.

**TERMS.**

**Scope of Services and Term.**

General Scope of Services. Consultant promises and agrees to furnish to the District all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the services necessary for the Project (“Services”). The types of Services to be provided are described in Exhibit “A” attached hereto and incorporated herein by reference and in the individual Task Orders issued by the District. No Services shall be performed unless authorized by this Agreement or by a fully executed Task Order in the form attached hereto as Exhibit “C”. All Services shall be subject to, and performed in accordance, with this Agreement, any relevant Task Order, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations.

Term. The term of this Agreement shall continue in force for a period of one year from the date of execution. Upon expiration thereof, this agreement will continue in force until either party notifies the other party in writing of its intent to terminate this agreement as outline in Section 3.5.1. Consultant shall meet any other established schedules and deadlines set forth in the applicable Task Order. All applicable indemnification provisions of this Agreement shall remain in effect following the termination of this Agreement.

### **Responsibilities of Consultant.**

Control and Payment of Subordinates; Independent Consultant. The Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. District retains Consultant on an independent Consultant basis and not as an employee. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall also not be employees of District and shall at all times be under Consultant’s exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers’ compensation insurance.

Schedule of Services. Consultant shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the specific schedule that shall be set forth in this Agreement and any Task Order(s) (“Schedule of Services”). Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant’s conformance with each Schedule, the District shall respond to Consultant’s submittals in a timely manner. Upon the District’s request, Consultant shall provide a more detailed schedule of anticipated performance to meet the relevant Schedule of Services as set forth in each Task Order.

Conformance to Applicable Requirements. All work undertaken by Consultant shall be subject to the approval of District.

District’s Representative. The District hereby designates the General Manager, or his or her designee, to act as its representative for the performance of this Agreement (“District’s Representative”). District’s Representative shall have the power to act on behalf of the District

for all purposes under this Agreement. Consultant shall not accept direction or orders from any person other than the District's Representative or his or her designee.

Consultant's Representative. Consultant hereby designates Tra Hunyh, or his or her designee, to act as its representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his or her best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Agreement and as described in the relevant Task Order.

Coordination of Services. Consultant agrees to work closely with District staff in the performance of Services and shall be available to District's staff, consultants and other staff at all reasonable times.

Standard of Care; Performance of Employees. Consultant shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and subcontractors, if any, shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subcontractors, if any, have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, including a city or county business license, and that such licenses and approvals shall be maintained throughout the term of this Agreement. The District shall have the right to request a copy of any license for purposes of verification. As provided for in the indemnification provisions of this Agreement, 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.

Period of Performance. Consultant shall perform and complete all Services under this Agreement within the term set forth in Section 0 above ("Performance Time"). Consultant shall perform the Services in strict accordance with any completion schedule or Project milestones described in this Agreement and any Task Order issued by the District, or which may be provided separately and agreed upon in writing by the Parties. Consultant shall be responsible for the cost of any damages suffered by the District by reason of delay caused by Consultant, its employees or subcontractors, if any.

Disputes. Should any dispute arise respecting the true value of any work done, of any work omitted, or of any extra work which Consultant may be required to do, or respecting the size of any payment to Consultant during the performance of this Agreement, Consultant shall

continue to perform the Services while said dispute is decided by the District. If Consultant disputes the District's decision, Consultant shall have such remedies as may be provided by law.

Laws and Regulations; Employee/Labor Certifications. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with Services. If the Consultant performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the District, Consultant shall be solely responsible for all costs arising therefrom. District is a public entity of the State of California subject to certain provisions of the Health & Safety Code, Government Code, Public Contract Code, and Labor Code of the State. It is stipulated and agreed that all provisions of the law applicable to the public contracts of a municipality are a part of this Agreement to the same extent as though set forth herein and will be complied with. These include but are not limited to the payment of prevailing wages, the stipulation that eight (8) hours' labor shall constitute a legal day's work and that no worker shall be permitted to work in excess of eight (8) hours during any one calendar day except as permitted by law. Consultant shall defend, indemnify and hold District, its officials, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

Employment Eligibility; Consultant. 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. Such requirements and restrictions include, but are not limited to, examination and retention of documentation confirming the identity and immigration status of each employee of the Consultant. Consultant also verifies that it has not committed a violation of any such law within the five (5) years immediately preceding the date of execution of this Agreement, and shall not violate any such law at any time during the term of the Agreement. Consultant shall avoid any violation of any such law during the term of this Agreement by participating in an electronic verification of work authorization program operated by the United States Department of Homeland Security, by participating in an equivalent federal work authorization program operated by the United States Department of Homeland Security to verify information of newly hired employees, or by some other legally acceptable method. Consultant shall maintain records of each such verification, and shall make them available to the District or its representatives for inspection and copy at any time during normal business hours. The District shall not be responsible for any costs or expenses related to Consultant's compliance with the requirements provided for in Section 0 or any of its sub-sections.

Employment Eligibility; Subcontractors, Sub-subcontractors and consultants. To the same extent and under the same conditions as Consultant, Consultant shall require all of its subcontractors, sub-subcontractors and consultants, if any, performing any work relating to the Project or this Agreement to make the same verifications and comply with all requirements and restrictions provided for in Section 0.

Employment Eligibility; Failure to Comply. Each person executing this Agreement on behalf of Consultant verifies that they are a duly authorized officer of Consultant, and understands that any of the following shall be grounds for the District to terminate the Agreement for cause: (1) failure of Consultant or its subcontracts, sub-subcontractors or consultants, if any, to meet any of the requirements provided for in Sections 0; (2) any misrepresentation or material omission concerning compliance with such requirements (including in those verifications provided to the Consultant under Section 0); or (3) failure to immediately remove from the Project any person found not to be in compliance with such requirements.

Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subConsultant, if any, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. 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. Consultant shall also comply with all relevant provisions of District's Minority Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

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

Water Quality.

Management and Compliance. To the extent applicable, Consultant's Services must account for, and fully comply with, all local, state and federal laws, rules and regulations that may impact water quality compliance, including, without limitation, all applicable provisions of the Federal Water Pollution Control Act (33 U.S.C. §§ 1300); the California Porter-Cologne Water Quality Control Act (Cal Water Code §§ 13000-14950); laws, rules and regulations of the Environmental Protection Agency and the State Water Resources Control Board, the District's ordinances regulating discharges of storm water; and any and all regulations, policies, or permits issued pursuant to any such authority regulating the discharge of pollutants, as that term is used in the Porter-Cologne Water Quality Control Act, to any ground or surface water in the state.

Liability for Non-Compliance. Failure to comply with the laws, regulations and policies described in this Section is a violation of law that may subject Consultant or District to penalties, fines, or additional regulatory requirements. Consultant shall defend, indemnify and hold the District, its officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from and against any and all fines, penalties, claims or other regulatory requirements imposed as a result of Consultant's non-compliance with the laws, regulations and policies described in this Section, unless such non-compliance is the result of the sole established negligence or willful misconduct of the District, its officials, officers, agents, employees or authorized volunteers.

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

Insurance.

Minimum Scope and Limits of Insurance. Consultant shall procure and maintain for the duration of the Agreement, and for 5 years thereafter, insurance against claims for injuries or death to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, his agents, representatives, employees, or subcontractors.

Coverage. Coverage shall be at least as broad as the following:

Commercial General Liability (CGL). Insurance Services Office (ISO) Commercial General Liability Coverage (Occurrence Form CG 00 01) including products and completed operations, property damage, bodily injury, and personal and advertising injury, with limits of not less than One Million Dollars (\$1,000,000) per occurrence and not less than Two Million Dollars (\$2,000,000) in the general aggregate. Defense costs shall be paid in addition to the limits. If a general aggregate limit applies, such aggregate limit shall apply separately to this Project/location (coverage as broad as ISO CG 25 03 or ISO CG 25 04, with endorsement provided to District), or the general aggregate limit shall be twice the required occurrence limit.

Automobile Liability. Insurance Services Office (ISO) Business Auto Coverage (Form CA 00 01), covering Symbol 1 (any auto) with limit of one million dollars (\$1,000,000) for bodily injury and property damage each accident.

Workers' Compensation Insurance. The Consultant shall provide workers' compensation coverage as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease. Waiver of Subrogation (also known as Transfer of Rights of Recovery Against Others

to Us): The Consultant hereby agrees to waive rights of subrogation to obtain endorsement necessary to affect this waiver of subrogation in favor of the District, its directors, officers, employees, and authorized volunteers, for losses paid under the terms of this coverage which arise from work performed by the Named Insured for the District; this provision applies regardless of whether or not the District has received a waiver of subrogation from the insurer.

Consultant's Pollution Liability. (Optional: if Project involves environmental hazards) with limits no less than \$5,000,000 per occurrence or claim, and \$10,000,000 policy aggregate.

If the Consultant maintains broader coverage and or/higher limits than the minimums shown above, the District requires and shall be entitled to the broader coverage and/or higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum of insurance and coverage shall be available to the District.

Other Required Provisions. The Commercial General Liability policy, Automobile Liability policy and Consultants Pollution (if necessary) are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status. District, its directors, officers, employees, and authorized volunteers are to be given insured status (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10 10 01 and CG 20 37 10 01 for the Commercial General Liability policy) with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Consultant's insurance.

Primary Coverage and Non-Contributory Coverage. For any claims related to this Project, the Consultant's insurance coverage shall be primary, at least as broad as ISO CG 20 01 04 13 for the Commercial General Liability policy, as respects to the District, its directors, officers, employees, and authorized volunteers. Any insurance or self-insurance maintained by the District, its directors, officers, employees, and authorized volunteers shall be in excess of the Consultant's insurance and shall not contribute with it.

Waiver of Subrogation. All policies shall permit and Consultant does hereby waive any right of subrogation which any insurer of Consultant may acquire from Consultant by virtue of the payment of any loss.

Notice of Cancellation. Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the District.

Acceptability of Insurers. Insurance is to be placed with insurers having a current A.M. Best rating of no less than A: VII or equivalent or as otherwise approved by District.

The Consultant agrees and he/she will comply with such provisions before commencing work. All of the insurance shall be provided on policy forms and through companies satisfactory to District. The District reserves the right to obtain complete, certified copies of all required insurance policies,

including the policy declarations page with endorsement number. Failure to continually satisfy the Insurance requirements is a material breach of contract.

Responsibility for Work. Until the completion and final acceptance by District of all the work under and implied by this Agreement, the work shall be under the Consultant's responsible care and charge. The Consultant shall rebuild, repair, restore and make good all injuries, damages, re-erectations, and repairs occasioned or rendered necessary by causes of any nature whatsoever.

Deductibles and Self-Insured Retentions. Insurance deductibles or self-insured retentions must be declared by the Consultant, and approved by the District. At the election of District the Consultant shall either cause the insurer to reduce or eliminate such self-insured retentions as respects the District, its directors, officers, employees, and authorized volunteers or the Consultant shall provide a financial guarantee satisfactory to the District guaranteeing payment of losses and related investigations, claim administration, and defense expenses. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or the District.

Verification of Coverage - Evidences of Insurance. Consultant shall furnish the District with copies of certificates and amendatory endorsements effecting coverage required by this Agreement. All certificates and endorsements are to be received and approved by the District before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The District reserves the right to require complete, certified copies of all required insurance policies, including policy Declaration pages and Endorsement pages, required by these specifications, at any time. Failure to continually satisfy the Insurance requirements is a material breach of contract.

Continuation of Coverage. The Consultant shall, upon demand of District deliver evidence of coverage showing continuation of coverage for at least (5) years after completion of the Project. Consultant further waives all rights of subrogation under this Agreement. When any of the required coverages expire during the term of this Agreement, the Consultant shall deliver the renewal certificate(s) including the general liability additional insured endorsement and evidence of waiver of rights of subrogation against District to District at least ten (10) days prior to the expiration date.

Sub-Consultants. In the event that the Consultant employs other Consultants (sub-Consultants) as part of the work covered by this Agreement, it shall be the Consultant's responsibility to require and confirm that each sub-Consultant meets the minimum insurance requirements specified above (via as broad as ISO CG 20 38 04 13). The Consultant shall, upon demand of District, deliver to District copies such policy or policies of insurance and the receipts for payment of premiums thereon.

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 lifesaving equipment and procedures; (B) instructions in accident prevention for all employees and subcontractors, if any, 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.

[reserved]

Accounting Records. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of District during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

### **Fees and Payments.**

Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the initial rates set forth in Exhibit “B” attached hereto and incorporated herein by reference. District may approve increases or modifications to the rates in any Task Order in its sole discretion. The maximum compensation for Services to be provided pursuant to each Task Order shall be set forth in the relevant Task Order. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

Payment of Compensation. Consultant shall submit to District a monthly itemized statement which indicates work completed and hours of Services rendered by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. District shall, within 30 days of receiving such statement, review the statement and pay all approved charges thereon.

Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by District.

Extra Work. At any time during the term of this Agreement, District may request that Consultant perform Extra Work. As used herein, “Extra Work” means any work which is determined by District to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from District’s Representative.

Prevailing Wages. Consultant is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., (“Prevailing Wage Laws”), which require the payment of prevailing wage rates and the performance of other requirements on “public works” and “maintenance” projects.

Since the Services are being performed as part of an applicable “public works” or “maintenance” project, as defined by the Prevailing Wage Laws, and since the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. District shall provide Consultant with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Consultant shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Consultant’s principal place of business and at the project site. Consultant shall defend, indemnify and hold the District, its elected officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Consultant and all subcontractors 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 Section 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of Consultants and subcontractors (Labor Code Section 1777.1).

Registration. Pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subcontractors performing 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 subcontractors, as applicable. This Project 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.

### **Termination of Agreement.**

Grounds for Termination. District may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Consultant may, by written notice to District, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to District of such termination, and specifying the effective date thereof, at least thirty (30) days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those services which have been adequately rendered to District, and Consultant shall be entitled to no further compensation.

Effect of Termination. If this Agreement is terminated as provided herein, District may require Consultant to provide all finished or unfinished Documents and Data and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such document and other information within fifteen (15) days of the request.

Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, District may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

### **General Provisions.**

Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

**Consultant:**

Two Twenty Photos by Mytra Hyunh

7220 Greenhaven Drive, Suite 9

Sacramento, California 95831

Attention: Tra Huynh

**District:**

Citrus Heights Water District

6230 Sylvan Road

Citrus Heights, California 95610

Attn: General Manager

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

Indemnification.

Scope of Indemnity. To the fullest extent permitted by law, Consultant shall defend, indemnify and hold the District, its directors, 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 alleged acts, errors or omissions of Consultant, its officials, officers, employees, subcontractors, if any, consultants or agents in connection with the performance of the Consultant's Services, the Project, this Agreement, or any Task Order, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses, except for any claims, demands, causes of action, costs, expenses, liabilities, losses, damage or injuries arising through the sole negligence or willful misconduct of the District, or its officials, directors, officers, employees, agents or independent Consultants.

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, suits, actions or other proceedings of every kind covered by Section 0 that may be brought or instituted against the District or its directors, officials, officers, employees, volunteers and agents. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against the District or its directors, officials, officers, employees, volunteers and agents as part of any such claim, suit, action or other proceeding, except for any judgments, awards or decrees arising through

the sole negligence or willful misconduct of District, or its officials, directors, officers, employees, agents or independent Consultants. Consultant shall also reimburse District for the cost of any settlement paid by the District or its directors, officials, officers, employees, agents or volunteers as part of any such claim, suit, action or other proceeding, except for any costs of settlements arising through the sole negligence or willful misconduct of the District, or its officials, directors, officers, employees, agents or independent Consultants. Such reimbursement shall include payment for District's attorney's fees and costs, including expert witness fees. Consultant shall reimburse the District and its directors, officials, officers, employees, agents, and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided, except for any legal expenses and costs arising through the sole negligence or willful misconduct of the District, or its officials, directors, officers, employees, agents or independent Consultants. Consultant's obligation to indemnify shall survive expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by the District, its directors, officials officers, employees, agents, or volunteers.

Governing Law; Government Code Claim Compliance. This Agreement shall be governed by the laws of the State of California. Venue shall be in Sacramento County. In addition to any and all contract requirements pertaining to notices of and requests for compensation or payment for extra work, disputed work, claims and/or changed conditions, Consultant must comply with the claim procedures set forth in Government Code sections 900 et seq. prior to filing any lawsuit against the District. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, claims, and/or changed conditions have been followed by Consultant. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Consultant shall be barred from bringing and maintaining a valid lawsuit against the District.

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

District's Right to Employ Other Consultants. District reserves right to employ other Consultants in connection with this Project.

Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties.

Assignment or Transfer. Consultant shall not assign, hypothecate or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the District. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Consultant include all personnel, employees, subcontractors, if any, and agents

of Consultant, except as otherwise specified in this Agreement. All references to District include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content or intent of this Agreement.

Amendment; Modification. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel or otherwise.

No Third Party Beneficiaries. Except to the extent expressly provided for in Section 0, there are no intended third party beneficiaries of any right or obligation assumed by the Parties.

Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

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. Consultant further agrees to file, or shall cause its employees or subcontractors, if any, to file, a Statement of Economic Interest with the District's Filing Officer as required under state law in the performance of the Services. 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 member, 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.

Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

Attorney's Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both parties.

Recitals. The recitals set forth above are true and correct and incorporated herein by reference.

*[signatures on following page]*

**SIGNATURE PAGE FOR ON-CALL SERVICES AGREEMENT  
BETWEEN THE CITRUS HEIGHTS WATER DISTRICT  
AND TWO TWENTY PHOTOS**

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the  
[\*\*\*INSERT DAY\*\*\*] day of June, 2026.

**CITRUS HEIGHTS WATER DISTRICT**

**Two Twenty Photos**

\_\_\_\_\_  
Hilary M. Straus  
General Manager

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

Federal ID No. \_\_\_\_\_

Business License Number \_\_\_\_\_ (City  
of \_\_\_\_\_)

## **EXHIBIT “A” SCOPE OF SERVICES**

Based on the District’s needs and issuance of an approved Task Order (see Exhibit “C”), **Two Twenty Photos** will accomplish one or more of the following tasks in the performance of providing requested services including: Consultant shall provide professional photography and videography services for District special programs, projects, facilities, operations, public outreach initiatives, community events, and other requested District activities. Services may include:

- Photography and photo editing
- Videography
- Editing and post-production
- Social Media Support related to District Projects

**EXHIBIT “B”**  
**COMPENSATION**

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.

**COMPENSATION SCHEDULE**

1. Method of Compensation

Consultant shall be compensated on a Time-and-Materials basis for actual services performed. Compensation shall be based upon the actual time expended by Consultant personnel and subcontractors at the fully burdened hourly rates set forth below.

2. Rates (2026)

3. Invoicing and Payment

Consultant shall submit itemized monthly invoices identifying personnel classifications, hours worked, services performed, and reimbursable expenses incurred during the billing period.

District shall pay undisputed invoices within thirty (30) days of receipt in accordance with the terms of this Agreement.

**EXHIBIT "C"**

**SAMPLE TASK ORDER FORM**

**CITRUS HEIGHTS WATER DISTRICT**

**TASK ORDER**

Task Order No. \_\_\_\_\_

Agreement: [INSERT NAME OF AGREEMENT]

Consultant: [INSERT NAME OF CONSULTANT]

**The Consultant is hereby authorized to perform the following work subject to the provisions of the Agreement identified above:**

**List any attachments:** [INSERT ATTACHMENTS, IF ANY]

**Dollar Amount of Task Order:** Not to exceed \$\_\_\_\_\_,\_\_\_\_\_.00

**Completion Date:** \_\_\_\_\_, 20\_\_

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

**Citrus Heights Water District**

**Two Twenty Photos**

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

# CITRUS HEIGHTS WATER DISTRICT

## DISTRICT STAFF REPORT TO BOARD OF DIRECTORS June 23, 2026 REGULAR MEETING

Subject:	Discussion And Possible Action to Approve a Task Order Agreement with Axiom of Purpose
Status:	Action Item
Report Date:	June 10, 2026
Prepared By:	Mary Elise Conzelmann, Public Affairs Manager

**OBJECTIVE:**

Consider approval of a task order agreement with Axiom of Purpose for communications, marketing, community outreach, and public engagement support.

**BACKGROUND AND ANALYSIS:**

The District is advancing implementation of the Enterprise Resource Planning (ERP) system, an initiative that will require proactive communications and community outreach to ensure customers understand the change to their utility billing system. To support these efforts, staff have identified Axiom of Purpose, a communications, marketing, community outreach, and public engagement firm with expertise in public agency outreach, stakeholder engagement, and strategic communications.

The proposed agreement would establish Axiom of Purpose as an as-needed communications partner to support ERP outreach and engagement activities, including the implementation of communications strategies, public information materials, community meetings, and related public-facing materials. In addition to ERP support, the consultant would be available to provide communications and outreach assistance for other District initiatives and projects as needed.

This agreement supports the District's Strategic Plan goal to "Engage Customers and Communicate the District's Priorities and Value-Added Programs," including objectives to increase customer awareness, strengthen community relationships, and implement effective public engagement strategies.

It is recommended that CHWD enter into a task order agreement with Axiom of Purpose. The agreement will be structured to allow for task-order-based assignments with defined scopes of work, schedules, and budgets, enabling the District to utilize services as needed for ERP outreach activities and other communications-related projects.

Funding for the services covered under the agreement is budgeted in the annual Operating Budget, aligned with the 2026 Strategic Plan. Work performed will be subject to the availability of budgeted funds.

**RECOMMENDATION:**

Approve the Task Order agreement with Axiom of Purpose and authorize the General Manager to execute the agreement.

**ATTACHMENT:**

Task Order Agreement with Axiom of Purpose

**ACTION:**

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

**CITRUS HEIGHTS WATER DISTRICT  
COMMUNICATION TASK ORDER AGREEMENT  
WITH AXIOM OF PURPOSE**

**1. Parties And Date.**

This Agreement is made and entered into this \_\_\_\_ day of June, 2026 by and between the by and between the Citrus Heights Water District, a municipal corporation organized under the laws of the State of California with its principal place of business at 6230 Sylvan Road, Citrus Heights, California 95610 (“District”) and Axiom of Purpose, a limited liability company with its principal place of business at 325 W. WASHINGTON STREET #2377 SAN DIEGO, CA 92103 (“Consultant”). District and Consultant are sometimes individually referred to as “Party” and collectively as “Parties” in this Agreement.

**2. Recitals.**

**2.1 Consultant.**

Consultant desires to perform and assume responsibility for the provision of certain services required by the District on the terms and conditions set forth in this Agreement and in the task order(s) to be issued pursuant to this Agreement and executed by the District and Consultant (“Task Order”). Consultant represents that it is experienced in providing professional communications, marketing, outreach, training, and analytics support services and that it and its employees or subcontractors have all necessary licenses and permits to perform the Services in the State of California, and that is familiar with the plans of District. Consultant will perform the Services and shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written approval of District. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

**2.2 Project.**

District desires to engage Consultant to render such services for the communications projects (“Project”) as set forth in this Agreement on an on-call, as-needed basis. There is no guarantee of any of work under this Agreement other than what is specified herein. District shall not be responsible for, and Consultant shall not invoice or seek reimbursement for, any expenses, administrative fees, markups, or additional charges unless expressly authorized in advance by the District in writing and provided for in a written amendment to this Agreement.

**3. TERMS.**

**3.1 Scope of Services and Term.**

3.1.1 General Scope of Services. Consultant promises and agrees to furnish to the District all labor, materials, tools, equipment, services, and incidental and customary work

necessary to fully and adequately supply the services necessary for the Project (“Services”). The types of Services to be provided are described in Exhibit “A” attached hereto and incorporated herein by reference and in the individual Task Orders issued by the District. No Services shall be performed unless authorized by this Agreement or by a fully executed Task Order in the form attached hereto as Exhibit “C”. All Services shall be subject to, and performed in accordance, with this Agreement, any relevant Task Order, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations.

3.1.2 Term. The term of this Agreement shall continue in force for a period of one year from the date of execution. Upon expiration thereof, this agreement will continue in force until either party notifies the other party in writing of its intent to terminate this agreement as outline in Section 3.5.1. Consultant shall meet any other established schedules and deadlines set forth in the applicable Task Order. All applicable indemnification provisions of this Agreement shall remain in effect following the termination of this Agreement.

### **3.2 Responsibilities of Consultant.**

3.2.1 Control and Payment of Subordinates; Independent Consultant. The Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. District retains Consultant on an independent Consultant basis and not as an employee. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall also not be employees of District and shall at all times be under Consultant’s exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers’ compensation insurance.

3.2.2 Schedule of Services. Consultant shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the specific schedule that shall be set forth in this Agreement and any Task Order(s) (“Schedule of Services”). Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant’s conformance with each Schedule, the District shall respond to Consultant’s submittals in a timely manner. Upon the District’s request, Consultant shall provide a more detailed schedule of anticipated performance to meet the relevant Schedule of Services as set forth in each Task Order.

3.2.3 Conformance to Applicable Requirements. All work undertaken by Consultant shall be subject to the approval of District.

3.2.4 District’s Representative. The District hereby designates the General Manager or his or her designee, to act as its representative for the performance of this Agreement (“District’s Representative”). District’s Representative shall have the power to act on behalf of

the District for all purposes under this Agreement. Consultant shall not accept direction or orders from any person other than the District's Representative or his or her designee.

3.2.5 Consultant's Representative. Consultant hereby designates Revekka Balancier, or his or her designee, to act as its representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his or her best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Agreement and as described in the relevant Task Order.

3.2.6 Coordination of Services. Consultant agrees to work closely with District staff in the performance of Services and shall be available to District's staff, consultants and other staff at all reasonable times.

3.2.7 Standard of Care; Performance of Employees. Consultant shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and subcontractors, if any, shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subcontractors, if any, have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, including a city or county business license, and that such licenses and approvals shall be maintained throughout the term of this Agreement. The District shall have the right to request a copy of any license for purposes of verification. As provided for in the indemnification provisions of this Agreement, 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.

3.2.8 Period of Performance. Consultant shall perform and complete all Services under this Agreement within the term set forth in Section 3.1.2 above ("Performance Time"). Consultant shall perform the Services in strict accordance with any completion schedule or Project milestones described in this Agreement and any Task Order issued by the District, or which may be provided separately and agreed upon in writing by the Parties. Consultant shall be responsible for the cost of any damages suffered by the District by reason of delay caused by Consultant, its employees or subcontractors, if any.

3.2.9 Disputes. Should any dispute arise respecting the true value of any work done, of any work omitted, or of any extra work which Consultant may be required to do, or respecting the size of any payment to Consultant during the performance of this Agreement,

Consultant shall continue to perform the Services while said dispute is decided by the District. If Consultant disputes the District's decision, Consultant shall have such remedies as may be provided by law.

3.2.10 Laws and Regulations; Employee/Labor Certifications. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with Services. If the Consultant performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the District, Consultant shall be solely responsible for all costs arising therefrom. District is a public entity of the State of California subject to certain provisions of the Health & Safety Code, Government Code, Public Contract Code, and Labor Code of the State. It is stipulated and agreed that all provisions of the law applicable to the public contracts of a municipality are a part of this Agreement to the same extent as though set forth herein and will be complied with. These include but are not limited to the payment of prevailing wages, the stipulation that eight (8) hours' labor shall constitute a legal day's work and that no worker shall be permitted to work in excess of eight (8) hours during any one calendar day except as permitted by law. Consultant shall defend, indemnify and hold District, its officials, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.2.10.1 Employment Eligibility; Consultant. 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. Such requirements and restrictions include, but are not limited to, examination and retention of documentation confirming the identity and immigration status of each employee of the Consultant. Consultant also verifies that it has not committed a violation of any such law within the five (5) years immediately preceding the date of execution of this Agreement, and shall not violate any such law at any time during the term of the Agreement. Consultant shall avoid any violation of any such law during the term of this Agreement by participating in an electronic verification of work authorization program operated by the United States Department of Homeland Security, by participating in an equivalent federal work authorization program operated by the United States Department of Homeland Security to verify information of newly hired employees, or by some other legally acceptable method. Consultant shall maintain records of each such verification, and shall make them available to the District or its representatives for inspection and copy at any time during normal business hours. The District shall not be responsible for any costs or expenses related to Consultant's compliance with the requirements provided for in Section 3.2.10 or any of its sub-sections.

3.2.10.2 Employment Eligibility; Subcontractors, Sub-subcontractors and consultants. To the same extent and under the same conditions as Consultant, Consultant shall require all of its subcontractors, sub-subcontractors and consultants, if any, performing any work relating to the Project or this Agreement to make the same verifications and comply with all requirements and restrictions provided for in Section 3.2.10.

3.2.10.3 Employment Eligibility; Failure to Comply. Each person executing this Agreement on behalf of Consultant verifies that they are a duly authorized officer of Consultant, and understands that any of the following shall be grounds for the District to terminate the Agreement for cause: (1) failure of Consultant or its subcontracts, sub-subcontractors or consultants, if any, to meet any of the requirements provided for in Sections 3.2.10.1; (2) any misrepresentation or material omission concerning compliance with such requirements (including in those verifications provided to the Consultant under Section 3.2.10.2); or (3) failure to immediately remove from the Project any person found not to be in compliance with such requirements.

3.2.10.4 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.2.10.5 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subConsultant, if any, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. 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. Consultant shall also comply with all relevant provisions of District's Minority Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

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

3.2.10.7 Water Quality.

(A) Management and Compliance. To the extent applicable, Consultant's Services must account for, and fully comply with, all local, state and federal laws, rules and regulations that may impact water quality compliance, including, without limitation, all applicable provisions of the Federal Water Pollution Control Act (33 U.S.C. §§ 1300); the California Porter-Cologne Water Quality Control Act (Cal Water Code §§ 13000-14950); laws, rules and regulations of the Environmental Protection Agency and the State Water Resources Control Board, the District's ordinances regulating discharges of storm water; and any and all regulations, policies, or permits issued pursuant to any such authority regulating the discharge of

pollutants, as that term is used in the Porter-Cologne Water Quality Control Act, to any ground or surface water in the state.

(B) Liability for Non-Compliance. Failure to comply with the laws, regulations and policies described in this Section is a violation of law that may subject Consultant or District to penalties, fines, or additional regulatory requirements. Consultant shall defend, indemnify and hold the District, its officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from and against any and all fines, penalties, claims or other regulatory requirements imposed as a result of Consultant's non-compliance with the laws, regulations and policies described in this Section, unless such non-compliance is the result of the sole established negligence or willful misconduct of the District, its officials, officers, agents, employees or authorized volunteers.

(C) Training. In addition to any other standard of care requirements set forth in this Agreement, Consultant warrants that all employees and subcontractors, if any, shall have sufficient skill and experience to perform the Services assigned to them without impacting water quality in violation of the laws, regulations and policies described in this Section. Consultant further warrants that it, its employees and subcontractors, if any, will receive adequate training, as determined by District, regarding the requirements of the laws, regulations and policies described in this Section as they may relate to the Services provided under this Agreement. Upon request, District will provide Consultant with a list of training programs that meet the requirements of this paragraph.

### 3.2.11 Insurance.

3.2.11.1 Minimum Scope and Limits of Insurance. Consultant shall procure and maintain for the duration of the Agreement, and for 5 years thereafter, insurance against claims for injuries or death to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, his agents, representatives, employees, or subcontractors.

3.2.11.2 Coverage. Coverage shall be at least as broad as the following:

(A) Commercial General Liability (CGL). Insurance Services Office (ISO) Commercial General Liability Coverage (Occurrence Form CG 00 01) including products and completed operations, property damage, bodily injury, personal and advertising injury with limit of at least five million dollars (\$4,000,000) per occurrence or the full per occurrence limits of the policies available, whichever is greater. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this Project/location (coverage as broad as the ISO CG 25 03, or ISO CG 25 04 endorsement provided to District) or the general aggregate limit shall be twice the required occurrence limit.

(B) Automobile Liability. Insurance Services Office (ISO) Business Auto Coverage (Form CA 00 01), covering Symbol 1 (any auto) with limit of one million dollars (\$1,000,000) for bodily injury and property damage each accident.

(C) Workers' Compensation Insurance. The Consultant shall provide workers' compensation coverage as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease. Waiver of Subrogation (also known as Transfer of Rights of Recovery Against Others to Us): The Consultant hereby agrees to waive rights of subrogation to obtain endorsement necessary to affect this waiver of subrogation in favor of the District, its directors, officers, employees, and authorized volunteers, for losses paid under the terms of this coverage which arise from work performed by the Named Insured for the District; this provision applies regardless of whether or not the District has received a waiver of subrogation from the insurer.

(D) Consultant's Pollution Liability. (Optional: if Project involves environmental hazards) with limits no less than \$5,000,000 per occurrence or claim, and \$10,000,000 policy aggregate.

If the Consultant maintains broader coverage and or/higher limits than the minimums shown above, the District requires and shall be entitled to the broader coverage and/or higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum of insurance and coverage shall be available to the District.

3.2.11.3 Other Required Provisions. The Commercial General Liability policy, Automobile Liability policy and Consultants Pollution (if necessary) are to contain, or be endorsed to contain, the following provisions:

(A) Additional Insured Status. District, its directors, officers, employees, and authorized volunteers are to be given insured status (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10 10 01 and CG 20 37 10 01 for the Commercial General Liability policy) with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Consultant's insurance.

(B) Primary Coverage and Non-Contributory Coverage. For any claims related to this Project, the Consultant's insurance coverage shall be primary, at least as broad as ISO CG 20 01 04 13 for the Commercial General Liability policy, as respects to the District, its directors, officers, employees, and authorized volunteers. Any insurance or self-insurance maintained by the District, its directors, officers, employees, and authorized volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

(C) Waiver of Subrogation. All policies shall permit and Consultant does hereby waive any right of subrogation which any insurer of Consultant may acquire from Consultant by virtue of the payment of any loss.

3.2.11.4 Notice of Cancellation. Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the District.

3.2.11.5 Acceptability of Insurers. Insurance is to be placed with insurers having a current A.M. Best rating of no less than A: VII or equivalent or as otherwise approved by District.

The Consultant agrees and he/she will comply with such provisions before commencing work. All of the insurance shall be provided on policy forms and through companies satisfactory to District. The District reserves the right to obtain complete, certified copies of all required insurance policies, including the policy declarations page with endorsement number. Failure to continually satisfy the Insurance requirements is a material breach of contract.

3.2.11.6 Responsibility for Work. Until the completion and final acceptance by District of all the work under and implied by this Agreement, the work shall be under the Consultant's responsible care and charge. The Consultant shall rebuild, repair, restore and make good all injuries, damages, re-erectations, and repairs occasioned or rendered necessary by causes of any nature whatsoever.

3.2.11.7 Deductibles and Self-Insured Retentions. Insurance deductibles or self-insured retentions must be declared by the Consultant, and approved by the District. At the election of District the Consultant shall either cause the insurer to reduce or eliminate such self-insured retentions as respects the District, its directors, officers, employees, and authorized volunteers or the Consultant shall provide a financial guarantee satisfactory to the District guaranteeing payment of losses and related investigations, claim administration, and defense expenses. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or the District.

3.2.11.8 Verification of Coverage - Evidences of Insurance. Consultant shall furnish the District with copies of certificates and amendatory endorsements effecting coverage required by this Agreement. All certificates and endorsements are to be received and approved by the District before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The District reserves the right to require complete, certified copies of all required insurance policies, including policy Declaration pages and Endorsement pages, required by these specifications, at any time. Failure to continually satisfy the Insurance requirements is a material breach of contract.

3.2.11.9 Continuation of Coverage. The Consultant shall, upon demand of District deliver evidence of coverage showing continuation of coverage for at least (5) years after completion of the Project. Consultant further waives all rights of subrogation under this Agreement. When any of the required coverages expire during the term of this Agreement, the Consultant shall deliver the renewal certificate(s) including the general liability additional insured endorsement and evidence of waiver of rights of subrogation against District to District at least ten (10) days prior to the expiration date.

3.2.11.10 Sub-Consultants. In the event that the Consultant employs other Consultants (sub-Consultants) as part of the work covered by this Agreement, it shall be the Consultant's responsibility to require and confirm that each sub-Consultant meets the minimum insurance requirements specified above (via as broad as ISO CG 20 38 04 13). The Consultant shall, upon demand of District, deliver to District copies such policy or policies of insurance and the receipts for payment of premiums thereon.

3.2.12 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 lifesaving equipment and procedures; (B) instructions in accident prevention for all employees and subcontractors, if any, 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.

3.2.13 [reserved]

3.2.14 Accounting Records. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of District during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

### **3.3 Fees and Payments.**

3.3.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the initial rates set forth in Exhibit "B" attached hereto and incorporated herein by reference. District may approve increases or modifications to the rates in any Task Order in its sole discretion. The maximum compensation for Services to be provided pursuant to each Task Order shall be set forth in the relevant Task Order. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

3.3.2 Payment of Compensation. Consultant shall submit to District a monthly itemized statement which indicates work completed and hours of Services rendered by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. District shall, within 30 days of receiving such statement, review the statement and pay all approved charges thereon.

3.3.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by District.

3.3.4 Extra Work. At any time during the term of this Agreement, District may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by District to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement.

Consultant shall not perform, nor be compensated for, Extra Work without written authorization from District's Representative.

3.3.5 Prevailing Wages. Consultant is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. Since the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and since the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. District shall provide Consultant with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Consultant shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Consultant's principal place of business and at the project site. Consultant shall defend, indemnify and hold the District, its elected officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Consultant and all subcontractors 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 Section 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of Consultants and subcontractors (Labor Code Section 1777.1).

3.3.6 Registration. Pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subcontractors performing 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 subcontractors, as applicable. This Project 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.

### **3.4 Termination of Agreement.**

3.4.1 Grounds for Termination. District may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Consultant may, by written notice to District, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to District of such termination, and specifying the effective date thereof, at least thirty (30) days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those services which have been adequately rendered to District, and Consultant shall be entitled to no further compensation.

3.4.2 Effect of Termination. If this Agreement is terminated as provided herein, District may require Consultant to provide all finished or unfinished Documents and Data and other information of any kind prepared by Consultant in connection with the performance of

Services under this Agreement. Consultant shall be required to provide such document and other information within fifteen (15) days of the request.

3.4.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, District may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

### **3.5 General Provisions.**

3.5.1 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

#### **Consultant:**

Axiom of Purpose  
325 West Washington Street, #2377  
San Diego, California 92103  
Attention: Revekka Balancier, Founder

#### **District:**

Citrus Heights Water District  
6230 Sylvan Road  
Citrus Heights, California 95610  
Attn: General Manager

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

#### 3.5.2 Indemnification.

3.5.2.1 Scope of Indemnity. To the fullest extent permitted by law, Consultant shall defend, indemnify and hold the District, its directors, 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 alleged acts, errors or omissions of Consultant, its officials, officers, employees, subcontractors, if any, consultants or agents in connection with the performance of the Consultant's Services, the Project, this Agreement, or any Task Order, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses, except for any claims, demands, causes of action, costs, expenses, liabilities,

losses, damage or injuries arising through the sole negligence or willful misconduct of the District, or its officials, directors, officers, employees, agents or independent Consultants.

3.5.2.2 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, suits, actions or other proceedings of every kind covered by Section 3.5.2.1 that may be brought or instituted against the District or its directors, officials, officers, employees, volunteers and agents. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against the District or its directors, officials, officers, employees, volunteers and agents as part of any such claim, suit, action or other proceeding, except for any judgments, awards or decrees arising through the sole negligence or willful misconduct of District, or its officials, directors, officers, employees, agents or independent Consultants. Consultant shall also reimburse District for the cost of any settlement paid by the District or its directors, officials, officers, employees, agents or volunteers as part of any such claim, suit, action or other proceeding, except for any costs of settlements arising through the sole negligence or willful misconduct of the District, or its officials, directors, officers, employees, agents or independent Consultants. Such reimbursement shall include payment for District's attorney's fees and costs, including expert witness fees. Consultant shall reimburse the District and its directors, officials, officers, employees, agents, and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided, except for any legal expenses and costs arising through the sole negligence or willful misconduct of the District, or its officials, directors, officers, employees, agents or independent Consultants. Consultant's obligation to indemnify shall survive expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by the District, its directors, officials officers, employees, agents, or volunteers.

3.5.3 Governing Law; Government Code Claim Compliance. This Agreement shall be governed by the laws of the State of California. Venue shall be in Sacramento County. In addition to any and all contract requirements pertaining to notices of and requests for compensation or payment for extra work, disputed work, claims and/or changed conditions, Consultant must comply with the claim procedures set forth in Government Code sections 900 et seq. prior to filing any lawsuit against the District. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, claims, and/or changed conditions have been followed by Consultant. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Consultant shall be barred from bringing and maintaining a valid lawsuit against the District.

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

3.5.5 District's Right to Employ Other Consultants. District reserves right to employ other Consultants in connection with this Project.

3.5.6 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties.

3.5.7 Assignment or Transfer. Consultant shall not assign, hypothecate or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the District. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.5.8 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Consultant include all personnel, employees, subcontractors, if any, and agents of Consultant, except as otherwise specified in this Agreement. All references to District include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content or intent of this Agreement.

3.5.9 Amendment; Modification. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.5.10 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel or otherwise.

3.5.11 No Third Party Beneficiaries. Except to the extent expressly provided for in Section 3.5.7, there are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.5.12 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.5.13 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. Consultant further agrees to file, or shall cause its employees or subcontractors, if any, to file, a Statement of Economic Interest with the District's Filing Officer as required under state law in the performance of the Services. 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 member, 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.

3.5.14 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.5.15 Attorney's Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

3.5.16 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.5.17 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.5.18 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both parties.

3.5.19 Recitals. The recitals set forth above are true and correct and incorporated herein by reference.

*[signatures on following page]*

**SIGNATURE PAGE FOR ON-CALL SERVICES AGREEMENT  
BETWEEN THE CITRUS HEIGHTS WATER DISTRICT  
AND AXIOM OF PURPOSE**

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the  
[\*\*\*INSERT DAY\*\*\*] day of June, 2026.

**CITRUS HEIGHTS WATER DISTRICT**

**AXIOM of PURPOSE**

\_\_\_\_\_  
Hilary M. Straus  
General Manager

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

Federal ID No. \_\_\_\_\_

Business License Number \_\_\_\_\_ (City  
of \_\_\_\_\_)

## **EXHIBIT “A” SCOPE OF SERVICES**

Based on the District’s needs and issuance of an approved Task Order (see Exhibit “C”), **Axiom of Purpose** will accomplish one or more of the following tasks in the performance of providing requested strategic communications, public outreach, stakeholder engagement, project coordination, and related professional services for District initiatives, programs, operations, and special projects as authorized by the District through individual Task Orders.

Services may include, but are not limited to:

1. Communications Planning and Public Outreach
  - a. Development and implementation of communications strategies, outreach plans, and public engagement initiatives.
  - b. Preparation of customer-facing and stakeholder communications materials, including notices, newsletters, presentations, website content, social media content, email communications, fact sheets, educational materials, and related outreach resources.
  - c. Support for public information efforts related to District projects, programs, operational activities, capital improvements, technology implementations, service changes, and other District initiatives.
  - d. Coordination of messaging and communications activities with District staff, consultants, contractors, vendors, partner agencies, and other stakeholders.
2. Training, Educational Resources, and Program Support
  - a. Development, organization, and implementation of training materials, onboarding resources, educational content, knowledge management systems, and related support platforms.
  - b. Assistance with content development, formatting, organization, review, maintenance, and updates for District programs, committees, advisory groups, and stakeholders.
3. Communications Analytics, Reporting, and Coordination
  - a. Collection, review, analysis, and presentation of communications, outreach, social media, and stakeholder engagement data.
  - b. Preparation of reports, dashboards, presentations, summaries, recommendations, and related materials.
  - c. Coordination with District consultants, vendors, partner agencies, and other project participants regarding communications initiatives and performance metrics.

4. General Professional Services

- a. Strategic communications consulting and advisory services.
- b. Project coordination, stakeholder engagement, meeting support, facilitation assistance, and implementation support.
- c. Other communications, outreach, public engagement, project support, and related professional services reasonably requested by the District and authorized through a Task Order.

Specific scopes of work, schedules, deliverables, compensation, and performance requirements shall be established in individual Task Orders issued pursuant to this Agreement.

Deliverables may include communications plans, outreach materials, presentations, reports, dashboards, training resources, educational content, website content, social media analytics summaries, meeting materials, stakeholder engagement documentation, and other work products identified in the applicable Task Order.

Consultant shall coordinate closely with District staff and project partners and shall perform all services in a timely, professional, and workmanlike manner consistent with applicable professional standards and District objectives.

**EXHIBIT “B”**  
**COMPENSATION**

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.

**COMPENSATION SCHEDULE**

1. Method of Compensation

Consultant shall be compensated on a Time-and-Materials basis for actual services performed. Compensation shall be based upon the actual time expended by Consultant personnel and subcontractors at the fully burdened hourly rates set forth below.

The hourly rates set forth in this Exhibit shall remain fixed for the entire term of the Agreement and shall not be subject to escalation, annual increases, administrative fees, overhead charges, or other surcharges.

2. Hourly Billing Rates (2026)

<b>Classification</b>	<b>Hourly Rate</b>
Executive Oversight	\$225
Media Planning / Project Management	\$175
Creative Production / Multimedia Design	\$175
Project Coordination / Design Support	\$125
Special Production (Photography / Video Production)	\$225

3. Invoicing and Payment

Consultant shall submit itemized monthly invoices identifying personnel classifications, hours worked, services performed, and reimbursable expenses incurred during the billing period.

District shall pay undisputed invoices within thirty (30) days of receipt in accordance with the terms of this Agreement.

**EXHIBIT "C"**

**SAMPLE TASK ORDER FORM**

**CITRUS HEIGHTS WATER DISTRICT**

**TASK ORDER**

Task Order No. \_\_\_\_\_

Agreement: [INSERT NAME OF AGREEMENT]

Consultant: [INSERT NAME OF CONSULTANT]

**The Consultant is hereby authorized to perform the following work subject to the provisions of the Agreement identified above:**

**List any attachments:** [INSERT ATTACHMENTS, IF ANY]

**Dollar Amount of Task Order:** Not to exceed \$\_\_\_\_\_,\_\_\_\_\_.00

**Completion Date:** \_\_\_\_\_, 20\_\_

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

**Citrus Heights Water District**

**Axiom of Purpose**

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

# CITRUS HEIGHTS WATER DISTRICT

## DISTRICT STAFF REPORT TO BOARD OF DIRECTORS JUNE 23, 2026 REGULAR MEETING

Subject:	Discussion and Possible Action to Approve a Professional Services Agreement with Rincon Consultants, Inc.
Status:	Action Item
Report Date:	June 5, 2026
Prepared By:	Khandriale Clark, Public Affairs Analyst Mary Elise Conzelmann, Public Affairs Manager

**OBJECTIVE:**

Consider approval of an agreement with Rincon Consultants, Inc. for engineering, public affairs, operations, and alternative funding support services.

**BACKGROUND AND ANALYSIS:**

Rincon is a consulting firm that provides integrated environmental, planning, and regulatory support services, including air quality compliance, environmental sciences, land use planning, and natural and water resource management. They also offer specialized expertise in community and cultural resource planning, sustainability and climate action strategies, and groundwater management. In addition, the firm supports clients with Geographic Information System (GIS) and communications, digital accessibility, and comprehensive funding identification, application, and implementation services to advance project delivery. The proposed agreement enables CHWD to issue task orders centered around Rincon’s professional offerings and the District’s capital, funding, operational, and/or other project needs.

Rincon’s deep bench of technical and non-technical staff can provide CHWD with the knowledge and expertise needed to advance District priorities. Their longstanding experience working with public agencies across different sectors, including water utilities, makes them a strong partner for CHWD as the District pursues grant funding and makes progress on technical initiatives.

It is recommended that CHWD formalize a task-order-style professional services agreement with Rincon Consultants, Inc. The task order style agreement is structured to offer the options of a Time-and-Materials/Hourly Billable arrangement or a Project Basis/Not-to-Exceed (NTE) amount with a defined scope of work, schedule, and a not-to-exceed budget. Work performed will be subject to the availability of budgeted funds.

**RECOMMENDATION:**

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

**ATTACHMENT:**

Professional Services Agreement for Consulting Support 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 June 23, 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 Rincon Consultants, Inc., a professional services corporation with its principal place of business at 601 University Avenue, Suite 221, Sacramento, California 95825, United States (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:

Engineering, Public Affairs, Funding Support, and Operations Consulting Support, as further described in Section 1 of the Agreement and more fully described in individual Task Orders to be issued under the Agreement (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.

The Recitals above are fully incorporated into this Agreement. The Consultant shall provide the District with consulting services (“Services”), including but not limited to:

- Air Quality & Compliance Services
- Community Planning Services
- Cultural Resources Services
- Digital Accessibility Services
- Environmental Sciences & Land Use Planning Services
- Funding Identification, Application, and Strategy Services
- Geographic Information System (“GIS”) & Communications Services
- Groundwater Sustainability & Implementation Planning Services
- Natural and Water Resources Services
- Sustainability and Climate Action Planning Services

Specific Services shall be set forth and authorized by District by use of a Task Order form. A sample Task Order form is included and incorporated in this Agreement as Exhibit “A”. No Services shall be performed unless authorized by a fully executed Task Order.

2. Compensation.

a. Intentionally Removed

b. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "B" attached hereto and incorporated herein by reference. The total compensation per Task Order shall be set forth in the relevant Task Order, and shall not exceed the amount in the Task Order without written approval of the District's General Manager or designee. Additional Work may be authorized, as described below; and if authorized, said Additional Work will be compensated at the rates and manner set forth in this Agreement and/or the applicable Task Order. 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 and/or the applicable Task Order 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. Term

The term of this Agreement shall be from **June 23, 2026** until terminated as provided herein. Consultant shall meet any other established schedules and deadlines set forth in the applicable Task Order. All applicable indemnification provisions of this Agreement shall remain in effect following the termination of this Agreement.

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-instated 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 immediate 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	\$2,000,000 per occurrence/\$4,000,000 aggregate for bodily injury, personal injury, and property damage
Automobile Liability	\$2,000,000 combined single limit
Employer's Liability	\$2,000,000 per accident or disease
Professional Liability	\$2,000,000 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 negligent acts, errors or omissions, recklessness, 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 without cause or abandon any portion or all of the work under this Agreement by giving five (5) 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 Order 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 Order 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 without cause its obligation to provide further services under this Agreement upon five (5) 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. Consultant Work Product shall not, without the prior written consent of District, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services.

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 Meha Bola as Project Manager. The Project Manager shall not be removed from the Project or reassigned without the prior written consent of the District unless otherwise provided in this Agreement.

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 95610  
Attn: Hilary Straus

CONSULTANT:

Rincon Consultants, Inc.  
601 University Avenue, Suite 221  
Sacramento, California 95825, United States  
Attn: Hannah Mize and Rosalyn Prickett

and shall be effective upon three (3) calendar days after deposit in the United States Post Office.

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 and grounds for immediate termination of the Agreement.

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.

32. INTENTIONALLY DELETED

**[SIGNATURES ON FOLLOWING PAGE]**

**SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT  
BETWEEN CITRUS HEIGHTS WATER DISTRICT  
AND RINCON CONSULTANTS, INC**

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

Citrus Heights Water District

Rincon Consultants, Inc.

By: \_\_\_\_\_  
Hilary Straus  
General Manager

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Printed Name: \_\_\_\_\_

**EXHIBIT "A"**  
**SAMPLE TASK ORDER FORM**

**TASK ORDER**

Task Order No. \_\_\_\_\_

Contract: [INSERT NAME OF CONTRACT]

Consultant: Rincon Consultants, Inc.

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

**List any attachments:** (Please provide if any.)

**Compensation Form:** [INSERT HOURLY OR LUMP SUM]

**Reimbursements:** [INSERT WHETHER MILEAGE AND OTHER REIMBURSEMENTS WILL BE PROVIDED]

**Dollar Amount of Task Order:** Not to exceed \$\_\_\_\_\_,\_\_\_\_\_.00 (If hourly, include hourly rate)

**Completion Date:** \_\_\_\_\_, 20\_\_

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

**Citrus Heights Water District**

**Consultant**

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

**EXHIBIT "B"**  
**COMPENSATION**

Consultant may receive a hourly compensation on a time and materials basis at the hourly rates noted in the attached cost estimate.

Consultant shall not request or receive reimbursement for any expenses unless authorized in the appropriate Task Order.

# CITRUS HEIGHTS WATER DISTRICT

## DISTRICT STAFF REPORT TO BOARD OF DIRECTORS JUNE 23, 2026 REGULAR MEETING

Subject:	2027 Strategic Plan Approval
Status:	Discussion and Action Item
Report Date:	June 11, 2026
Prepared By:	Kayleigh Shepard, Senior Management Analyst/Deputy Board Clerk Annie Liu, Director of Administrative Services

### **OBJECTIVE:**

Consider approval of the Citrus Heights Water District's 2027 Strategic Plan.

### **BACKGROUND AND ANALYSIS:**

For the eleventh consecutive year, CHWD has engaged in a Strategic Planning process to shape its annual budget. This process is vital because the budget is not just a financial document, but a direct reflection of our mission, vision, values, and decision-making principles. The budget is formally developed based on the specific one-year objectives established during strategic planning. By bringing together the Board of Directors, key staff, and stakeholders, we ensure that our limited resources, such as funding, time, personnel, and other external components, are intentionally directed toward high-priority policies and projects that advance the District beyond daily operations.

The Strategic Planning process includes three major components: 1) Education/Issues Briefing; 2) Team Building; 3) Work Program Development.

The **Education/Issues Briefing Component** consisted of a 2025 Strategic Plan Update and 2026 Strategic Plan Preview by CHWD staff in a Study Session to the Board at the January 27, 2026, Regular Board Meeting. The Board of Directors received an additional 2026 Strategic Plan update at the April 28, 2026, Regular Meeting.

The **Team Building** and **Work Program Development** components took place on May 20, 2026, in a session attended by the Board of Directors, Customer Advisory Committee (CAC) members, and key District staff and stakeholders, facilitated by Jennifer Liebermann. A full summary of the May 20, 2026 session, prepared by facilitator Jennifer Liebermann, accompanies this report as an attachment.

In early 2027, leadership staff will share a 2027 Strategic Plan Preview with the Board, including those who will serve as the Executive staff member responsible for each one-year objective, the Project Lead, a project timeline, and who will serve on the Project Team to accomplish each objective within a projected timeframe.

District leadership staff will frequently review progress on the Strategic Plan and will update the Board of Directors quarterly or more often as required. Additional updates will be provided to the CAC through Public Affairs staff.

**RECOMMENDATION:**

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

**ATTACHMENT:**

2027-2029 Strategic Plan Session Summary

**ACTION:**

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



CITRUS  
HEIGHTS  

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WATER  
DISTRICT

# ***2027-2029 STRATEGIC PLAN***

Developed May 20, 2026

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## ***INTRODUCTION***

On Tuesday, May 20th, 2026, the following members of the Board and Management of the Citrus Heights Water District met to develop the District's 2027-2029 Strategic Plan:

### **Board Members**

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

### **District Staff**

Khandriale Clark, Public Affairs Analyst  
Mary Elise Conzelmann, Public Affairs Manager  
Tamar Dawson, Assistant Engineer  
Kelly Drake, Water Efficiency Supervisor  
Katie Fuerte, Public Affairs Analyst  
Brian Hensley, Water Resources Supervisor  
Todd Jordan, Director of Operations  
Annie Liu, Director of Administrative Services  
Jace Nunes, Senior Management Analyst  
Melissa Pieri, Director of Engineering/District Engineer  
Ali Shafaq, Principal Civil Engineer  
Kayleigh Shepard, Senior Management Analyst/Deputy Board Clerk  
Ben Strange, Accounting Manager  
Hilary Straus, General Manager  
Neil Tamagni, Water Distribution Supervisor  
Andrew Tran, Information Technology Manager  
Rod Wood, Strategic Advisor  
Luis Zamudio, Senior Civil Engineer

### **Residential Customer Advisory Committee (CAC) Members:**

Julia Eunice  
Andrew Johnson  
Mike Nishimura  
Alan Utzig

### **Visitors**

Ted Costa, Board President, San Juan Water District  
George Machado, Board Member, San Juan Water District  
Jim Peifer, Executive Director, Regional Water Authority and Sacramento Groundwater Authority

### **Strategic Planning Consultant/Facilitator**

Jennifer Liebermann

## ***DISTRICT ACCOMPLISHMENTS AND STRENGTHS***

Customers, Staff, Board Members, and Visitors shared district accomplishments and strengths over the past year. These were captured and clustered into five categories below:

<b><i>1. Financial Management</i></b>
Pay-as-you-go financing
Keeping debt at a minimum
Funding Project 2030 plan in advance
Planning ahead for infrastructure needs as the system ages
Strong financial base
Ahead of the capital planning curve with strong financial reserves
Pursuing alternative funding sources (contractors, EC, customers, staff)

<b><i>2. People and Culture</i></b>
Good will — doing the right things for our community
CHWD's Professional Development and Advancement Program
Staff resilient to recent changes including Enterprise Resource Planning and staffing challenges
Strong cross-division and cross-department collaboration
Dedicated staff
Staff adaptable to new change and process, with great agility to learn and refine
Drawing great people into the district
Deep institutional knowledge
Commitment to workforce development, staff retention, and institutional knowledge
Mentoring staff
Strong team and strong skill sets
Very open and supportive staff who pull together well as a true team

### ***3. Operations, Infrastructure and Reliability***

Coordinating 9 workflows of Project 2030

Active modernization: new ERP, GIS upgrade, Cityworks

Great Basin — complete control of the water in our area

Finished drilling phase for Highland Well

Meter testing program

Quality of water; our water tastes great

Proactive approach to water system maintenance

Documenting processes via desk manuals, standard operating procedures, and process documentation

Pre-1914 water rights

Pipeline condition assessment program

### ***4. Community Engagement and External Relations***

Good relationship with the City of Citrus Heights

New well celebration; recognition from Ami Bera and Rosario Rodriguez

Community engagement and trust

CHWD's strong commitment to honest and transparent communication with customers and community

Community youth education and stewardship of our water resource

Strong internal and external collaborations and partnerships

Community engagement events including CAC, WaterSmart classes, and Sunrise Backyard Bash sponsorship

Effective community engagement

### ***5. Strategic Vision and Leadership***

Consistent, demonstrated values aligned with mission and purpose

Constant, consistent leadership

The agency is proactive and forward-focused

Senior management with great depth of experience

Good brand and 24/7 water service

## **REASONS TO BE PROUD**

Customers, Staff, Board Members, and Visitors reflected on what makes the Citrus Heights Water District a source of pride. Responses are captured below:

- Forward-thinking approach to decisions, with careful attention to costs and benefits.
- A culture of resolving issues internally, without unnecessarily involving outside legal counsel.
- Proactive, grounded problem-solving built on sound ideas and careful analysis.
- A flexible, adaptable organization where staff and departments step up when needed, especially in engineering.
- A strong “if/then” mindset that anticipates consequences and plans accordingly.
- \$6 million secured in non-ratepayer funding, reducing the cost burden on customers.
- An HR function that is attentive, responsive, and consistently on top of workforce needs.
- A shared sense of public service. Staff and board understand and embrace their role as stewards of the community.
- The Customer Advisory Committee as a model for accountability, transparency, and community trust.
- A complex, demanding body of work, particularly in community engagement, handled with skill and professionalism.
- Solid leadership that makes service on the CHWD board and staff accessible and effective.
- Today’s decisions are building a legacy. The next generation will inherit safe, reliable water service as a result of the work happening now.
- Other agencies, including those recovering from disasters, look to CHWD as a model, both for its CAC structure and its pipeline condition assessment program.
- Proactive investment in aging infrastructure at a time when this issue is receiving increasing attention statewide — with JPIA focus on facilities and pipes.

# ISSUES, FACTORS, AND TRENDS

The following key issues, factors, and trends that do or could affect the District moving forward were reviewed and refined by the Board of Directors, District staff, and the Customer Advisory Committee (CAC) members.

**ISSUES, FACTORS, AND TRENDS**

- 1 Water Supply & Management**
  - Threats to long-standing water rights and impacts to CHWD's surface water supply (Negotiations to strengthen the protection of water rights)
  - State and Federal operation of Folsom Lake
  - Alternative water technologies and need for Aquifer Storage
- 2 Regulatory, Policy & Compliance**
  - State / Federal regulations and unfunded mandates (conservation, EV mandates, agency water budgets)
  - Impacts of Federal policy of funding availability
  - Emerging water contaminant issues, and more water regulations (groundwater)
  - City & County pavement restoration requirements
- 3 Economic Trends**
  - Economic uncertainty and inflation, specifically construction costs and consumer costs
  - San Juan Wholesale's future costs and impacts to retail agencies
  - Unfunded CalPERS and OPEB liabilities, system changes, and city/county/district impacts
  - Reliance on rate-payer funding for Irrigation Districts
- 4 Workforce & Operational**
  - Recruitment and retention challenges - staff, Board, CAC, and community leaders
  - Challenges related to being an employer of choice
  - Space needs to address work program
  - Cybersecurity & unknown impacts of Artificial Intelligence (AI)
  - Multi-generations in the workplace
  - Partnerships to reduce costs
- 5 Communications / Public Engagement**
  - Confusing or contradictory state messages on water availability, usage, and drought
  - Engaging customers who mostly interact with the District solely by paying their bill
  - Changes in how people consume information
  - Need for community leadership development

**CITY OF CHICO**  
**WATER DISTRICT**

# **DISTRICT MISSION, VISION, VALUES, AND DECISION-MAKING PRINCIPLES**

## **MISSION STATEMENT**

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

## **VISION STATEMENT**

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

## **VALUES**

*Integrity  
Teamwork  
Dependability  
Accountability  
Professionalism*

## **DECISION-MAKING PRINCIPLES**

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

*Educate and engage customers.*

*Protect customers from unfair ongoing cost burdens and opposing unfunded mandates.*

*Safeguard multi-generational investments in District assets and water supply sources.*

*Fulfill its purpose to advance local, community decision-making.*

# THREE-YEAR GOALS – 2027-2029

(not in priority order)

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



# CITRUS HEIGHTS WATER DISTRICT ✨ 2027 STRATEGIC OBJECTIVES

## **THREE-YEAR GOAL: 1: *Manage a Dependable Water Supply and Transmission System***

### *2027 Objectives*

1. Complete 50% of the Aquifer Storage and Recovery (ASR) permitting process for Well 7.

2. Complete 50% of construction for Well 8 equipping.

3. Develop a transmission main operations plan and standard operating procedures to ensure reliable system performance.

4. Prepare an engineering report that identifies and evaluates a suitable location for future water facilities.

**CITRUS HEIGHTS WATER DISTRICT ✨ 2027 STRATEGIC OBJECTIVES**

**THREE-YEAR GOAL: 2: Manage, Improve, and/or Reinvest in District Infrastructure, Facilities, and Other Assets**

<i>2027 Objectives</i>
1. Project 2030 Workflow 6: Complete 100% construction of the Facilities Modernization & Expansion Project at Madison Avenue & 50% construction of the selected improvements at Sylvan Road.
2. Develop an implementation plan for the next generation of meter-reading technology based on analysis in the Water System Master Plan.
3. Project 2030 Workflow 2: Complete the Water System Master Plan and incorporate projects into the District’s rate model.
4. Initiate easement acquisition on ten locations as identified by the prioritized list.

**CITRUS HEIGHTS WATER DISTRICT ⚙ 2027 STRATEGIC OBJECTIVES**

**THREE-YEAR GOAL: 3: *Continue Preparation to Implement the Project 2030 Water Main Replacement Program to Maintain a Reliable Water Distribution System***

<i>2027 Objectives</i>
1. Complete \$2 million of water main replacement based on the Water System Master Plan recommendation and operational factors.
2. Continue non-invasive condition assessment on the 42" transmission main and initiate non-invasive condition assessment on the 24" transmission main.
3. Complete 50% of a pre-design alternative analysis on one key transmission main identified in the Water System Master Plan.

# CITRUS HEIGHTS WATER DISTRICT ✨ 2027 STRATEGIC OBJECTIVES

## **THREE-YEAR GOAL: 4: Promote Organizational Effectiveness and Best Practices to Local Government**

<i>2027 Objectives</i>
1. Implement a file storage plan; complete a migration of 50% of the local shared drive to a cloud-based platform to strengthen data security, and update related administrative procedures to provide uniform indexing and naming guidelines for the file structure.
2. Identify critical processes and develop desk manuals for at least 16 processes, prioritizing high-risk or high-frequency tasks, to minimize the impact of staff turnover and ensure uninterrupted service delivery.
3. Continue the organizational development program, focusing on: > Enhancing staff cohesion through quarterly team-building event > Reviewing the employees' comprehensive benefit package to ensure long-term fiscal sustainability and to remain an employer of choice.
4. Execute a digital adoption campaign across four community engagement events to encourage customer transition to paperless billing and improve payment processing efficiency.
5. Promote industry visibility and leadership by submitting at least one speaker proposal to a professional association (ACWA, CSDA, CAPIO, RWA, ACWA JPIA) to feature a presentation on organizational best practices.

**CITRUS HEIGHTS WATER DISTRICT ✨ 2027 STRATEGIC OBJECTIVES**

**THREE-YEAR GOAL: 5: Execute Public Affairs Initiatives That Increase Customer Awareness, Participation, and Support for Our Priorities and Programs**

<i>2027 Objectives</i>
1. Website Modernization: transition the CHWD website to a .gov domain; aim to achieve Web Content Accessibility Guidelines 2.1 Level AA compliance; and improve security, accessibility, navigation, and overall user experience.
2. Stakeholder Engagement: implement stakeholder engagement through programs and conduct at least two engagement activities annually, to obtain stakeholder input for potential integration into organizational decision-making.
3. Alternative Funding: implement our alternative funding strategy by actively pursuing grants, low-interest loans, and/or other external funding sources, submitting at least two applications annually to increase external funding sources.
4. Market Research & Evaluation: conduct one statistically valid customer market research study and at least one targeted evaluation survey annually to measure awareness, favorability, and effectiveness of key initiatives.
5. Key Pillar Refresh: refresh the key pillars to align with long-term District values and core projects identified in the Water System Master Plan.

## STRATEGIC PILLARS

The district has four strategic pillars that represent how CHWD puts its mission, vision, and guiding principles into action.

- **Project 2030** focuses on long-term infrastructure planning and system reliability, through our water main replacement program.
- **Cooperative Purchasing and Asset Management** helps improve efficiency and responsible stewardship of District resources, through a cooperative or joint agency purchasing program led by CHWD throughout the region.
- **Groundwater Expansion and Reinvestment** strengthens local water resiliency and long-term supply reliability, through our investment in groundwater wells.

Together, these pillars help protect reliable service, affordability, and long-term water security for our community.

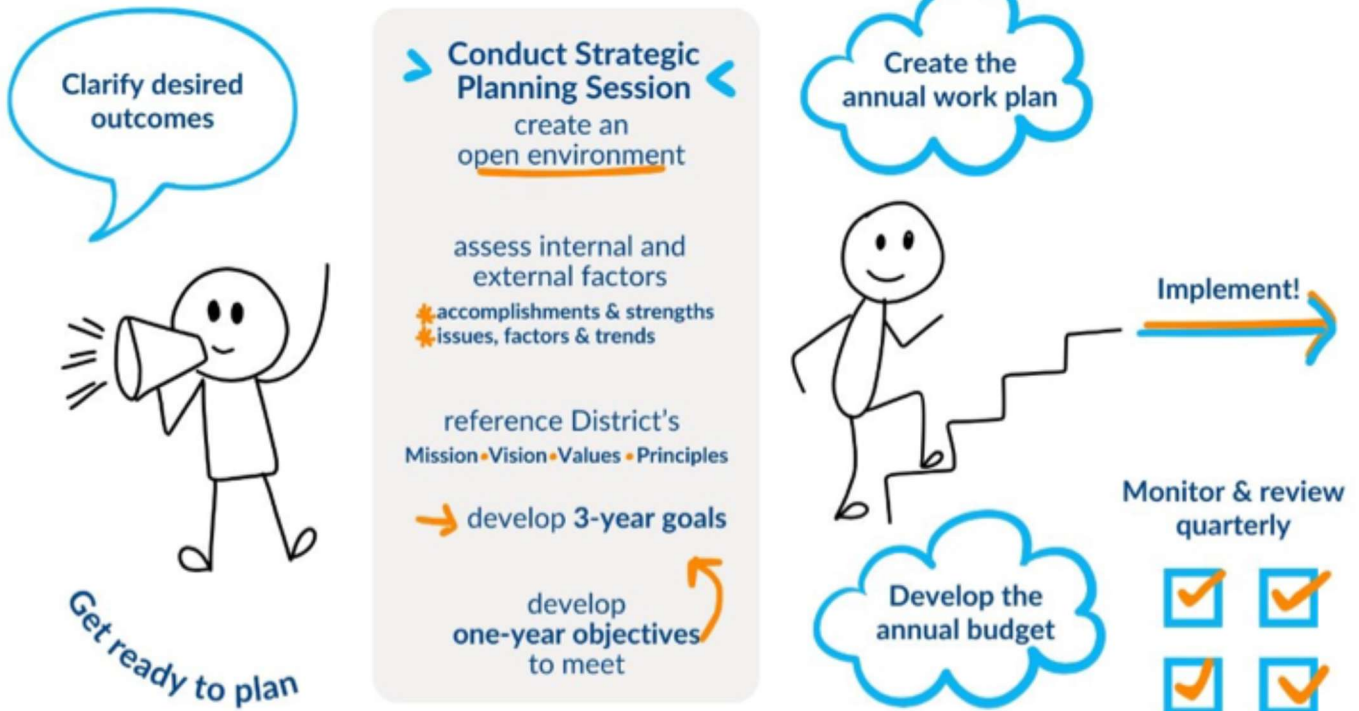


As our work and priorities continue to evolve, CHWD is adding a fourth guiding pillar: **Protect Our Water**. Long-term water security, local control, and rising wholesale water costs continue to create challenges for the District and the community we serve. Regional proposals could affect local decision-making and our access to senior water rights we have held for generations. Wholesale surface water remains CHWD's single largest outbound expense, and the current rate structure results in Citrus Heights subsidizing costs for neighboring agencies while stranding our own groundwater assets.

In response, CHWD is increasing public education, community engagement, advocacy, and groundwater resiliency investments to protect reliable, affordable local water for the future.

This new pillar strengthens and reinforces all of CHWD's existing strategic priorities.

# ATTACHMENT A



# ATTACHMENT B

## Regional Partners



The graphic features an orange header with the Citrus Heights Water District logo on the left and the text "Regional Partners" in white. Below this, on a white background, are three categories of relationships: City Relationships (Citrus Heights and Roseville), County Relationships (Sacramento and Placer), and Regional Water Authority (RWA, SGA, and San Juan Water District). Each category is accompanied by the respective organization's logo. A small Citrus Heights Water District logo is in the bottom right corner.

**CITRUS HEIGHTS WATER DISTRICT**

### Regional Partners

**City Relationships**

- City of Citrus Heights
- City of Roseville

**County Relationships**

- Sacramento
- Placer

**Regional Water Authority (RWA)**  
**Sacramento Groundwater Authority (SGA)**  
**San Juan Water District (SJWD)**



# ATTACHMENT C

## Industry Partners



# Industry Partners

- American Society of Civil Engineers (ASCE)
- American Water Works Association California-Nevada Section (AWWA CA-NV)
- Association of California Water Agencies (ACWA)
- Association of California Water Agencies Joint Powers Authority (ACWA JPIA)
- California Association of Public Information Officials (CAPIO)
- California Society of Municipal Finance Officers (CSMFO)
- California Special Districts Association (CSDA)
- Municipal Management Association of Northern California (MMANC)
- Public Agency Risk Management Association (PARMA)
- Sacramento Area Water Works Association (SAWWA)



## **ATTACHMENT D**

### ***Takeaways from Strategic Planning Session Participants***

- Recognized CHWD as a district that operates well ahead of the curve — with tremendously talented staff doing this work, supported by board leadership that sets the tone from the top.
- Expressed deep gratitude for CHWD as the best organization they have had the opportunity to work with — describing the experience as a “dream.”
- Proposed featuring CHWD’s staff in the customer newsletter (Waterline) as a way to celebrate the people behind the work and strengthen the connection between the district and its community.
- Encouraged a focus on evolution and implementation — advancing all three strategic pillars with discipline and follow-through. Noted that execution may not always feel exciting, but it is the work that matters most.
- Closed the session with a clear and unifying call to action: “Protect our water.”

# CITRUS HEIGHTS WATER DISTRICT

## DISTRICT STAFF REPORT TO BOARD OF DIRECTORS JUNE 23, 2026 REGULAR BOARD MEETING

Subject:	Discussion and Possible Action to Amend Policy 5700A: Records Retention Schedule (A)
Status:	Action Item
Report Date:	June 9, 2026
Prepared By:	Kayleigh Shepard, Senior Management Analyst/Deputy Board Clerk Annie Liu, Director of Administrative Services

### **OBJECTIVE:**

Consider amending District Policy 5700A: Records Retention Schedule as presented.

### **BACKGROUND AND ANALYSIS:**

On October 18, 2017, Resolution 11-2017, establishing a Records Retention Policy, was adopted by the Citrus Heights Water District (CHWD or District) Board of Directors. This initiative stemmed from the 2017 Strategic Plan, which identified a critical need to update the District's records schedules. To achieve this, the District retained Gladwell Governmental Services, Inc. (Gladwell), an industry expert that has assisted over 100 California special districts, cities, and county agencies with records management and document imaging programs.

To ensure the District's retention schedules continuously reflect changes in law and align with public sector best practices, Gladwell conducts an annual legal review of the schedules. Most recently, updates to Policy 5700.A: Records Retention Schedule were approved by the CHWD Board of Directors at the April 22<sup>nd</sup>, 2025 Regular Meeting.

Major highlights to the 2026 retention schedule include:

#### **District-Wide:**

- Further clarification regarding Office of Records to describe the lead department managing the agreement/contract or lead department managing the grant.
- DW-017: Description change to align with terminology the Supreme Court uses.
- DW-032: Added descriptions for various records series that other agencies have encountered when destroying records during the year.

#### **Engineering:**

- Updated Office of Records to improve description to include Project Management.
- ENG-009: Updated physical paper retention of easements, rights of way, record grant deeds to never destroy.

**Finance:**

- FIN-005, FIN-006, and FIN-007: language was added to include the Internal Revenue Service guidelines regarding retention of bond-related documents.

**Human Resources:**

- HR-019 and HR-021: updated description to include training certificates, in compliance with Senate Bill 513.
- HR-022: updated description to include Fiscal & Financial training, in compliance with Senate Bill 827.

**Operations:**

- OPS-001: updated retention to the life of the storage tank, in compliance with recommendations from the U.S. Environmental Protection Agency (EPA).
- OP-040.05: added item to clarify additional records type.

**Water Efficiency:**

- WE-018: updated description to clarify information required, in compliance with Senate Bill 513.

The remainder of changes were improvements to descriptions, repeals or additions to legal citations that did not affect retention, but Gladwell has updated all of the citations so CHWD's schedule stays current with law.

While CHWD's Chief Board Clerk maintains overall responsibility for policy issues and management of CHWD's records retention program, the program's implementation is a shared responsibility. The General Manager along with all department heads are given the opportunity to review and provide feedback on the proposed retention schedule changes.

**RECOMMENDATIONS:**

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

**ATTACHMENT:**

Red-lined Policy 5700A: Records Retention Schedule

**ACTION:**

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

# HOW TO USE RETENTION SCHEDULES

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A **legend** explaining the information presented in the retention schedule; please read this for an explanation of every column.

The specified retention period applies regardless of the media of the record: If a record is stored on paper and electronic format (a computer file on a hard drive), **all electronic and paper records should be destroyed (or deleted / erased) after the specified period of time has elapsed** and authorization to destroy has been obtained.

**Copies** or duplicates of records should never be retained longer than the prescribed period for the official (original) record, and drafts and copies should be destroyed as soon as they are no longer required.

The term “records” shall include all records as defined by the California Public Records Act.

## **STRUCTURE: DISTRICT-WIDE, DEPARTMENTS & DIVISIONS**

The District-wide retention schedule includes those records all departments have in common (e-mails, letters, memorandums, purchase orders, etc.). These records are NOT repeated in the Department retention schedule, unless that department is the Office of Record.

Each department has a separate retention schedule that describes the records that are unique to their department, or for which they are the Office of Record. The department retention schedules may be organized by Division within that Department. If a record is not listed in your department retention schedule, refer to the District-wide retention schedule, or look in the index to the schedules (provided after approval.)

## **BENEFITS**

This retention schedule has been developed by Diane R. Gladwell, MMC, an expert in Municipal Government records, and will provide the District with the following benefits:

- Reduce administrative expenses, expedite procedures
- Free office space and computer storage space
- Reduce the cost of records storage – paper and electronic
- Eliminate duplication of effort within the District
- Find records faster
- Determine what media should be used to store records

## **AUTHORIZATION TO DESTROY RECORDS (Paper or Electronic Records):**

Destruction or deletion of an **official (original) record** that has exceeded its retention period (and has SUBSTANTIVE CONTENT) must be **authorized prior to destruction or deletion.**

- If there is a **minimum** retention (“**Minimum 2 years**”), **the destruction / deletion must be authorized before it is destroyed,** as it is an official (original) record.

Copies, drafts, notes and non-records (or originals that do NOT have SUBSTANTIVE CONTENT) do **NOT require authorization**, and can be destroyed “**When No Longer Required.**”

- If there is **NOT** a minimum retention (“When No Longer Required”), it does **NOT** need to be authorized prior to destruction, as it is a preliminary draft, copy, or the Content is NOT Substantive.

On every page of the schedules (near the top, just under the column headings) are important instructions, including instructions regarding holds on destroying records. “**Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or resolution).**”

## RECORDS RETENTION SCHEDULE LEGEND

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**OFR (Office of Record):** The department that keeps the Official (original or “record copy”) record for its retention period, then authorizes destruction. Usually, it is the department that originates the record. The official (original) record may be the paper / hard copy version of the record; however the electronic record may be the official (original) record. See the “Destroy Paper after Imaged & QC’d” below for the Legal Requirements for the electronic record to be the official (original) record.

**Records Description:** The record series (a group of like records).

**Non-Record:** Documents, studies, books and pamphlets produced by outside agencies, preliminary drafts not retained in the ordinary course of business.

**Retention/Disposition:**  
**Active (guideline):** How long the file remains in the immediate office area  
**Inactive (guideline):** How long the file is in off-site storage, stored electronically in accordance with law (see below)  
**Total Retention:** The total number of years the record is retained

For file folders containing documents with different retention timeframes, use the document with the longest retention time.

**P = Permanent**

**Indefinite** = No fixed or specified retention period; used for databases, because the data fields are interrelated and certain data may require minimum retention.

**Vital?** = Those records that are needed for basic operations in the event of a disaster.

**Media Options (guideline) terms used in State law:**  
Mag = Electronic Computer Magnetic Media (Hard drives, Networks, USB Drives, Cloud, etc.)  
Mfr = Microforms (aperture cards, microfilm, microfiche, or jackets)  
Ppr = Paper, Mylar, Linen, “Hard Copy”  
OD = Optical Disk or other **Unalterable Media which does not allow changes**

**Scan / Import (guideline):**  
“S” indicates the record should be scanned into the document imaging system;  
“I” indicates the record should be electronically imported into the document imaging system;  
“M” indicates the record was microfilmed

**Destroy Paper after Imaged & QC’d (quality checked) / Trustworthy Electronic Record:** “Yes” means the **electronic** record may serve as the **OFFICIAL** record (and the paper version may be destroyed, or the record may be electronically generated and never exist in paper format) **IF (these are the legal requirements for the electronic record to serve as the official (original) record) the electronic record is also placed on Unalterable Media, Imutable Cloud Media, Optical Disk (OD), DVD-R, CD-R, Blue-ray-R, or WORM, or microfilmed** which is **stored in a safe & separate location**. Employees are required to Quality Check (“QC’d”) both the images and the indexes, and ensure the electronic record **contains all significant details from the original and be an adequate substitute for the original document for all purposes**; other legal mandates may apply.

**Legend for legal citations** (§: Section)

CC: Civil Code (CA)

CFC: California Fire Code

EVC: Evidence Code (CA)

FTB: Franchise Tax Board (CA)

HUD: Housing & Urban Develop. (US)

PC: Penal Code (CA)

UFC: Uniform Fire Code

W&I: Welfare & Institutions Code (CA)

B&P: Business & Professions Code (CA)

CCP: Code of Civil Procedure (CA)

CFR: Code of Federal Regulations (US)

FA: Food & Agriculture Code

GC: Government Code (CA)

LC: Labor Code (CA)

PRC: Public Resources Code

USC: United States Code (US)

CBC: California Building Code

CCR: California Code of Regulations (CA)

EC: Elections Code (CA)

FC: Family Code (CA)

H&S: Health & Safety Code (CA)

Ops. Cal. Atty. Gen.: Attorney General Opinions (CA)

R&T: Revenue & Taxation Code (CA)

VC: Vehicle Code (CA)

**RECORDS RETENTION SCHEDULE: DISTRICT-WIDE STANDARDS**  
(Used By ALL Departments)

Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC & OD'd?	
(OFR)										
<i>Retentions apply to the department that is NOT the Office of Record (OFR) or the "Lead Department". If you are the OFR, refer to your department retention schedule.</i>										
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>										
<i>HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>										
<b>DISTRICT-WIDE (Used By ALL Departments)</b>										
Human Resources / Risk Manage.	DW-001	Accident / Damage Reports	Copies - When No Longer Required		Copies - When No Longer Required	Yes: Until Settled	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	GC §60200
Finance / Accounts Payable	DW-002	Accounts Payable (Invoices, Petty Cash, Travel Expense Reimbursements, etc.)	Copies - When No Longer Required		Copies - When No Longer Required	Yes: Until Paid	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Also see Grants. copies; GC §60200
Clerk of the Board	DW-003	Agendas, Agenda Packets (Board of Directors)	Copies - When No Longer Required		Copies - When No Longer Required	Yes	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	copies; GC §60200
Clerk of the Board	DW-004	Agreements / Contracts <b>(ALL)</b>	Copies - When No Longer Required		Copies - When No Longer Required	Yes	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Send all originals to the Clerk of the Board; GC §60200
Lead Department <a href="#">(Managing the Agreement / Contract)</a>	DW-005	Agreements / Contracts - ALL: <b>ADMINISTRATIVE RECORDS</b>  (Correspondence, project schedules, copies of invoices, backup, insurance certificates etc.) Also see grant retention, if applicable.	Completion + 10 years		Completion + 10 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Also see Grants. Covers E&O Statute of Limitations (insurance certificates are filed with agreement); Published Audit Standards=4-7 years; Statute of Limitations: Contracts & Spec's=4 years, Wrongful Death=comp. + 5 years, Developers must retain their records for completion + 10 years; CCP §§336(a), 337 et. seq., GC §60201

**RECORDS RETENTION SCHEDULE: DISTRICT-WIDE STANDARDS**  
(Used By ALL Departments)

Office of Record	Retention No.	Records Description	Retention / Disposition						Comments / Reference		
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan		Destroy Paper after Imaged & QC & OD'd?	
(OFR)											
<i>Retentions apply to the department that is NOT the Office of Record (OFR) or the "Lead Department". If you are the OFR, refer to your department retention schedule.</i>											
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>											
<i>HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>											
Lead Department <a href="#">(Managing the Agreement / Contract)</a>	DW-006	Agreements / Contracts: <b>UNSUCCESSFUL BIDS / PROPOSALS / RESPONSES to RFPs</b> (Request for Proposals) / <b>RFQs</b> (Request for Qualifications) that don't result in a contract	Bid Opening + 2 years		Bid Opening + 2 years			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Special Districts are required to keep public works unaccepted bids for 2 years; GC §60201(d)(11)
	DW-007	Association Records (external associations - e.g., ACWA, etc.)	When No Longer Required		When No Longer Required			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Non-records; GC §60201 et seq.
	DW-008	Bids: See Agreements						Mag, Ppr			
	DW-009	Brochures: See Reference Materials						Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	
Finance	DW-010	Budgets - Finals, Drafts, Reports, Worksheets	Copies - When No Longer Required		Copies - When No Longer Required	Yes: Current Fiscal Year		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	GC §§60200, 53901
Human Resources / Risk Manage.	DW-011	Claims / Litigation	Copies - When No Longer Required		Copies - When No Longer Required	Yes: Before Settlement		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	GC §§60200, 60201 et seq.
Lead Dept.	DW-012	Clippings / Newspaper Clippings	When No Longer Required		When No Longer Required			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Non-records; GC §60201 et seq.

**RECORDS RETENTION SCHEDULE: DISTRICT-WIDE STANDARDS**  
**(Used By ALL Departments)**

Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference	
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC & OD'd?		
(OFR)											
<i>Retentions apply to the department that is NOT the Office of Record (OFR) or the "Lead Department". If you are the OFR, refer to your department retention schedule.</i>											
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>											
<i>HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>											
Lead Dept.	DW-013	Committees, Task Forces, Associations, Commissions, / Boards: <b>External</b> Organizations (e.g. Association of California Water Agencies, etc.)	When No Longer Required		When No Longer Required			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Non-records
	DW-014	Contracts: See Agreements						Mag, Ppr			
	DW-015	Copies / duplicates of any record	Copies - When No Longer Required		Copies - When No Longer Required			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	GC §60200
Lead Dept.	DW-016	Correspondence - <b>Regulatory Agencies</b>	Minimum <u>2</u> <del>10</del> years		Minimum <u>2</u> <del>10</del> years	Yes: While Active Issues		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	District preference; <del>some</del> <del>correspondence from Regulatory Agencies need to be retained for long periods of time</del> ; GC §60201

**RECORDS RETENTION SCHEDULE: DISTRICT-WIDE STANDARDS**  
(Used By ALL Departments)

Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference	
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC & OD'd?		
(OFR)											
<i>Retentions apply to the department that is NOT the Office of Record (OFR) or the "Lead Department". If you are the OFR, refer to your department retention schedule.</i>											
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>											
<i>HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>											
Dept. that Authors Document or Receives the District's Original Document	DW-017	<p>Correspondence - Routine <b>(IF CONTENT relates in a SUBSTANTIVE way to the conduct of the public's business)</b></p> <p>(e .g. Administrative <a href="#">Files</a>, <del>Chronological</del>, Communications, e-mail / <a href="#">email</a> with <b>SUBSTANTIVE</b> content, General Files, Letters, Memorandums, Miscellaneous Reports, etc. Does NOT include Regulatory Agency Correspondence)</p> <p><u>SUBSTANTIVE synonyms:</u>  <a href="#">Significant</a>, <a href="#">Meaningful</a>, <a href="#">Considerable</a>, <a href="#">Essential</a>  <del>IF the Content relates in a SUBSTANTIVE way to the conduct of the public's business</del></p>	Minimum 2 years		Minimum 2 years			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	ONLY IF the Content relates in a substantive way to the conduct of the public's business; City of San Jose v. Superior Court (2017) 2 Cal.5th 608; GC §60201

## RECORDS RETENTION SCHEDULE: DISTRICT-WIDE STANDARDS (Used By ALL Departments)

Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference	
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC & OD'd?		
(OFR)											
<i>Retentions apply to the department that is NOT the Office of Record (OFR) or the "Lead Department". If you are the OFR, refer to your department retention schedule.</i>											
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>											
<i>HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>											
Dept. that Authors Document or Receives the District's Original Document	DW-018	Correspondence - <b>TRANSITORY / PRELIMINARY DRAFTS</b> , Interagency / Intraagency Memoranda not retained in the ordinary course of business  <b>Content NOT Substantive</b> , / NOT made / retained for the purpose of preserving the informational content for future reference  (e.g. calendars, checklists, e-mail / <b>email</b> , / social media posting, instant messaging, inventories, invitations, logs, mailing lists, meeting room registrations, speaker slips, <b>staff Teams</b> videoconference chats, notes / recordings, supply inventories, telephone messages, text messages, transmittal letters, thank yous, requests from other cities, undeliverable envelopes / returned mail, visitors logs, voice mails, webpages, etc.)	When No Longer Required		When No Longer Required			Mag, Ppr		Electronic and paper records are categorized, filed and retained based upon the <b>CONTENT</b> of the record. Records where either the <b>CONTENT</b> relates in a <b>SUBSTANTIVE</b> way to the conduct of the public's business, or <b>ARE</b> made or retained for the purpose of preserving the informational content for future reference are <b>SAVED</b> by placing them in an electronic or paper (project) file folder and retained for the applicable retention period. If not mentioned here, consult the City Attorney to determine if a record is considered transitory / preliminary draft. GC §§60201, 7927.500; 64 Ops. Cal. Atty. Gen. 317 (1981)); City of San Jose v. Superior Court (2017) 2 Cal.5th 608	
Lead Dept.	DW-019	Credit Card Slips (Signed by Employees)	75-years		75-years			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	For auditing purposes; GC §60201(d)(12) et seq.

## RECORDS RETENTION SCHEDULE: DISTRICT-WIDE STANDARDS (Used By ALL Departments)

Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference	
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC & OD'd?		
(OFR)											
<i>Retentions apply to the department that is NOT the Office of Record (OFR) or the "Lead Department". If you are the OFR, refer to your department retention schedule.</i>											
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>											
<i>HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>											
Lead Dept.	DW-020	Drafts / Notes: Drafts that are revised (retain final version)	When No Longer Required		When No Longer Required			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	As long as the drafts and notes are not retained in the "Regular Course of Business". GC §60201, GC § 7927.500
Lead Dept. <a href="#">(Managing the Grant)</a>	DW-021	Grants ( <b>SUCCESSFUL</b> - all records, including FEMA claims)	2 years	After Funding Agency Audit, if Required - <b>Minimum 5 years</b>	After Funding Agency Audit, if required - <b>Minimum 5 years</b>			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	District Preference (may include records pertaining to independent contractor's compensation, or expense reimbursement); Meets auditing standards; Uniform Admin. Requirements for Grants to Local Governments is 3 years from expenditure report or final payment of grantee or subgrantee; 2 CFR 200.334; 24 CFR , 91.105(h), 92.505, 570.490, & 570.502(a) <del>29 CFR-97.42; OMB Circular A-110 &amp; A-133</del> ; GC §60201, GC §8546.7
Lead Dept. <a href="#">(Managing the Grant)</a>	DW-022	Grants: <b>UNSUCCESSFUL</b> (Applications, Correspondence, etc.)	2 years		2 years			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §60201
Lead Dept.	DW-023	Index to Inactive Records / Records Stored in Records Center / Inventory of Records in Records Center	Indefinite - Permanent		Indefinite - Permanent			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §60201
	DW-024	Invoices - see Accounts Payable						Mag, Ppr			

**RECORDS RETENTION SCHEDULE: DISTRICT-WIDE STANDARDS**  
(Used By ALL Departments)

Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC & OD'd?	
<i>Retentions apply to the department that is NOT the Office of Record (OFR) or the "Lead Department". If you are the OFR, refer to your department retention schedule.</i>										
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>										
<i>HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>										
Clerk of the Board	DW-025	Ordinances	Copies - When No Longer Required		Copies - When No Longer Required	Yes	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	GC §60201
Human Resources	DW-026	Personnel Files - <b>Department-level Copies</b> <a href="#">Send all originals to Human Resources</a>	Send to Human Resources Upon Separation		Send to Human Resources Upon Separation	Before Separation	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Ensure records kept in Department files comply with District policy; Originals are maintained by Personnel. Supervisors notes should be maintained in a separate folder and be incorporated in the employee's annual performance review; 29 CFR 1602.31 & 1627.3(b)(ii), 8 CCR §3204(d)(1) et seq., GC §§12946, 12960, 60201
Human Resources	DW-027	Personnel Files - Department-level <b>Supervisor's Notes</b>	After Performance Evaluation or Documented Discipline		After Performance Evaluation or Documented Discipline	Before Separation	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Preliminary Drafts; Supervisors notes should maintained in a separate folder and be incorporated in the employee's annual performance review; 29 CFR 1602.31 & 1627.3(b)(ii), 8 CCR §3204(d)(1) et seq., GC §§12946, 12960, 60201
Lead Dept.	DW-028	Photographs	When No Longer Required		When No Longer Required		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	GC §60201
	DW-029	Policies / Procedures - See Reference Manuals					Mag, Ppr			

## RECORDS RETENTION SCHEDULE: DISTRICT-WIDE STANDARDS (Used By ALL Departments)

Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC & OD'd?	
<i>Retentions apply to the department that is NOT the Office of Record (OFR) or the "Lead Department". If you are the OFR, refer to your department retention schedule.</i>										
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>										
<i>HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>										
Clerk of the Board	DW-030	Records Destruction Lists	Copies - When No Longer Required		Copies - When No Longer Required		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Copies; GC §60200
Finance	DW-031	Travel Authorizations	Copies - When No Longer Required		Copies - When No Longer Required		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	GC §60200
Authoring Dept.	DW-032	Reference Materials: Policies, Procedures, Brochures, <a href="#">Handbooks</a> , Manuals, <a href="#">Plans (if not provided in the schedule)</a> , <a href="#">Standard Operating Procedures (SOPs)</a> , <a href="#">Studies</a> , <a href="#">Reports (if not provided in the schedule)</a> , Newsletters	When No Longer Required		When No Longer Required		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Documents of historical significance should be retained longer; GC §60201
Lead Dept.	DW-033	Reports, Studies - White Papers, Issue Papers, Position Papers, Scientific Studies (other than Annual Reports)	Minimum 2 years		Minimum 2 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	GC §60201
Clerk of the Board	DW-034	Resolutions	Copies - When No Longer Required		Copies - When No Longer Required	Yes, depending upon subject	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	copies; GC §60200

**RECORDS RETENTION SCHEDULE: DISTRICT-WIDE STANDARDS**  
(Used By ALL Departments)

Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference	
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC & OD'd?		
(OFR)											
<i>Retentions apply to the department that is NOT the Office of Record (OFR) or the "Lead Department". If you are the OFR, refer to your department retention schedule.</i>											
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>											
<i>HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>											
Lead Dept.	DW-035	Surveys / Questionnaires (that the District issues). If a <b>summary</b> of the data is compiled, the survey forms are considered a draft / transitory record, / can be destroyed when no longer required.	2 years		2 years			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	GC §§60200, 60201
Finance / Payroll	DW-036	Time Sheets	Copies - When No Longer Required		Copies - When No Longer Required			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	GC §60201

**RECORDS RETENTION SCHEDULE: CLERK OF THE BOARD**

Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC & OD'd?	
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>										
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>										
<i>HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>										
<b>CLERK OF THE BOARD</b>										
Clerk of the Board	COB-001	Agendas / Agenda Packets - District Board of Directors  (Includes Agenda Staff Reports, Annotated Agendas, News clippings, etc.)	2 years	P	P	Yes: Before Meeting Date	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201
Clerk of the Board	COB-002	Agreements / Contracts - <b>INFRASTRUCTURE - Engineering, JPAs, etc.</b>  Agreement / Contract, Insurance Certificates / Notices of Completion. Agreement / Contract includes all contractual obligations (e.g. RFP / Specifications / Successful Proposal / Scope of Work / Certificates of Insurance / amendments)  Examples of Infrastructure: Architects, Treatment Plants, Lines, Buildings, etc.	Completion	P	P	Yes: Before Completion	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; All infrastructure, JPAs, & Mutual Aid contracts are permanent for emergency preparedness; Statute of Limitations is 4 years; 10 years for Errors & Omissions; CCP §§337. 337.1(a), 337.15, 343; GC §60201 et seq.

**RECORDS RETENTION SCHEDULE: CLERK OF THE BOARD**

Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC & OD'd?	
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>										
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>										
<i>HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>										
Clerk of the Board	COB-003	<p>Agreements / Contracts - <b>NON INFRASTRUCTURE - Administration / Operations - Equipment Purchases, Consulting Services, Leases, Vehicle Purchases, etc.</b></p> <p>Agreement / Contract, Insurance Certificates / Notices of Completion. Agreement / Contract includes all contractual obligations (e.g. RFP / Specifications / Successful Proposal / Scope of Work / Certificate of Insurance / amendments)</p> <p>Examples of Non-Infrastructure: Consultants, Painting, Maintenance, Franchise Agreements, etc.</p>	Completion	10 years	Completion + 10 years	Yes: Before Completion	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	<p>Department preference; Covers E&amp;O Statute of Limitations (insurance certificates are filed with agreement); Published Audit Standards=4-7 years; Statute of Limitations: Contracts &amp; Spec's=4 years, Wrongful Death=comp. + 5 years, Developers=comp. + 10 years; CCP §337 et. seq., GC §60201 et seq.</p>
Clerk of the Board	COB-004	<p>Agreements / Contracts: Political / Outside Jurisdictions</p> <p>Conjunctive Agreements, Cooperative Agreements, JPAs (Joint Powers Authorities), Water Supply Agreements</p>	2 years	P	P	Yes: Before Superseded	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	<p>Department preference; GC §60201</p>

**RECORDS RETENTION SCHEDULE: CLERK OF THE BOARD**

Office of Record	Retention No.	Records Description	Retention / Disposition						Comments / Reference	
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan		Destroy Paper after Imaged & QC & OD'd?
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>										
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>										
<i>HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>										
Clerk of the Board	COB-005	Appointments / Resignations	2 years	P	P		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201
Clerk of the Board	COB-006	Association Records (external associations - e.g., ACWA, etc.)	When No Longer Required		When No Longer Required		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Non-records; GC §60201 et seq.
Clerk of the Board	COB-007	Director's Handbook (Policy)	Minimum of Superseded + 2 years		Minimum of Superseded + 2 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Documents of historical significance should be retained longer; GC §60201
Clerk of the Board	COB-008	District Formation Records, Acquisition of other Districts	2 years	P	P		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference (historical purposes); GC §60201
Clerk of the Board	COB-009	Elections - Historical (Sample Ballot, Election Results)	2 years	P	P		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference (historical purposes); GC §60201
Clerk of the Board	COB-010	Elections: Correspondence, Notifications / Publications, Certificate of Election, etc.	2 years		2 years		Mag, Ppr			Department preference (historical purposes); GC §60201
Clerk of the Board	COB-011	FPPC 700 Series Forms (Statement of Economic Interests): <b>DESIGNATED EMPLOYEES / CONSULTANTS</b> (specified in the District's Conflict of Interest code)	7 years		7 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC	District maintains original statements; GC §81009(e)&(g)

**RECORDS RETENTION SCHEDULE: CLERK OF THE BOARD**

Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC & OD'd?	
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>										
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>										
<i>HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>										
Clerk of the Board	COB-012	FPPC 700 Series Forms (Statement of Economic Interests): <b>PUBLIC OFFICIALS</b> (elected / not elected. Includes District Board Members, General Manager)	7 years		7 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC	Department Preference; <a href="#">as of January 1, 2025, the FPPC is the Filing Officer for 87200 filers</a> ; City maintains copies only; original statements are filed with FPPC; GC §81009(f)&(g)
Clerk of the Board	COB-013	FPPC Form 801 (Gift to Agency Report)	7 years		7 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC	Must post on website; 2 CCR 18944(c)(3)(G); GC §81009(e)
Clerk of the Board	COB-014	FPPC Form 802 (Tickets Provided by Agency Report)	7 years		7 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC	Must post on website for 4 years; GC §81009e
Clerk of the Board	COB-015	FPPC Form 803 (Behested Payment Report)	7 years		7 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC	GC §81009e
Clerk of the Board	COB-016	FPPC Form 804 (Agenda Report of New Positions)	P		P		Mag, Mfr, OD, Ppr	S / I	Yes: After QC	FPPC Regulation 18734(c); GC §81009e; GC §60201
Clerk of the Board	COB-017	FPPC Form 805 (Agency Report of Consultants)	P		P		Mag, Mfr, OD, Ppr	S / I	Yes: After QC	FPPC Regulation 18734(c); GC §81009e; GC §60201
Clerk of the Board	COB-018	FPPC Form 806 (Agency Report of Public Official Appointments)	7 years		7 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC	Must post on website; GC §81009e&(g); 2 CCR 18702.5(b)(3)
Clerk of the Board	COB-019	Historical Records	2 years	P	P		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Clerk Determines Historical Significance; GC §60201

**RECORDS RETENTION SCHEDULE: CLERK OF THE BOARD**

Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC & OD'd?	
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>										
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>										
<i>HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>										
Clerk of the Board	COB-020	Minutes: Board of Directors	2 years	P	P	Yes (all)	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	GC §60201(d)(3)
Clerk of the Board	COB-021	Notices: Affidavits of Postings / Publications	2 years		2 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Statute of Limitations for <a href="#">some</a> Municipal Government actions is 3 - 6 months; CCP§335 <del>337</del> et seq; GC §§60201, <a href="#">65009(c)(1)</a>
Clerk of the Board	COB-022	Oaths of Office (Elected Officials Only)	2 years	P	P		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §60201
Clerk of the Board	COB-023	Ordinances	2 years	P	P	Yes (all)	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	GC §60201 et. seq.
Clerk of the Board	COB-024	Organization Charts - In Agenda Packets	5 years	P	P		Mag, Mfr, OD, Ppr	S / I	Yes: After Annual Audit	GC §60201 et seq.
Clerk of the Board	COB-025	Proclamations	2 years		2 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC'd & OD	GC §60201
Clerk of the Board	COB-026	Public Records Act Requests	2 years		2 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §60201
Clerk of the Board	COB-027	Records Destruction Authorization Forms	10 years		10 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §60201
Clerk of the Board	COB-028	Real Property Acquisition / Sale: Deeds, Easements, Rights of Way, etc.	P		P		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §60201

**RECORDS RETENTION SCHEDULE: CLERK OF THE BOARD**

Office of Record	Retention No.	Records Description	Retention / Disposition						Comments / Reference	
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan		Destroy Paper after Imaged & QC & OD'd?
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>										
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>										
<i>HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>										
Clerk of the Board	COB-029	Resolutions	2 years	P	P	Yes (all)	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	GC §60201 et. seq.
Clerk of the Board	COB-030	Secretary of State Statement of Facts / Registry of Public Agencies (Required of all Public Agencies whenever the Chair changes)	2 years		2 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201 et. seq.
Clerk of the Board	COB-031	Subpoenas	2 years		2 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	GC §60201(d)(5)

**RECORDS RETENTION SCHEDULE: FINANCE**

**(Admin. / Gen. Acct, A/P, A/R, Customer Svc., Cash Mgmt., Payroll, Purchasing)**

Office of Record	Retention No.	Records Description	Retention / Disposition						Comments / Reference	
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan		Destroy Paper after Imaged & QC & OD'd?
(OFR)										
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>										
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>										
<i>HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>										
<b>FINANCE / ADMINISTRATION / GENERAL ACCOUNTING</b>										
Finance / General Accounting	FN-001	Audit Annual Reports / Audited Financial Statements / Annual Comprehensive Financial Report (ACFR) with Audit Management Letters / Audit Reports	5 years	P	P		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §60201 et seq.
Finance / General Accounting	FN-002	Audit Work Papers (Finals) Includes Depreciation Schedules	5 years		5 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §60201
Finance / General Accounting	FN-003	Audits - Single Audits	2 years	3 years	5 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; Meets municipal government auditing standards; GC §60201
Finance / General Accounting	FN-004	Bank Statements / Checking Account Reconciliation / Fiscal Agent Statements, Trustee Statements, Investment Account Statements, etc.	2 years	3 years	5 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; Meets municipal government auditing standards; GC §60201

**RECORDS RETENTION SCHEDULE: FINANCE**

**(Admin. / Gen. Acct, A/P, A/R, Customer Svc., Cash Mgmt., Payroll, Purchasing)**

Office of Record	Retention No.	Records Description	Retention / Disposition						Comments / Reference	
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan		Destroy Paper after Imaged & QC & OD'd?
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<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>										
<i>HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>										
Finance / General Accounting	FN-005	Bond Registers	2 years	Fully Defeased + 10 years	Fully Defeased + 10 years	Yes: Until Maturity	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	<a href="#">Department Preference:</a> Statute of Limitations for <del>bonds, mortgages, trust deeds, notes or debentures</del> is 6 years; Bonds issued by local governments are 10 years; <a href="#">IRS bond auditing regulations state, "...material records should generally be kept for as long as the bonds are outstanding, plus 3 years after the final redemption date of the bonds;"</a> There are specific requirements for disposal of unused bonds; CCP §§336 et seq., 337.5(a); 26 CFR 1.6001-1(e); <a href="#">26 CFR § 1.148-5(d)(6)(iii)(E)</a> ; GC §43900 et seq.

**RECORDS RETENTION SCHEDULE: FINANCE**

(Admin. / Gen. Acct, A/P, A/R, Customer Svc., Cash Mgmt., Payroll, Purchasing)

Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC & OD'd?	
(OFR)										
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>										
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>										
<i>HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>										
Finance / General Accounting	FN-006	Bonds / Certificates of Participation / Transcripts / Disclosure Reports	2 years	Fully Defeased + 10 years	Fully Defeased + 10 years	Yes: Until Maturity	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; Statute of Limitations for <del>bonds, mortgages, trust deeds, notes or debentures</del> is 6 years; Bonds issued by local governments are 10 years; <a href="#">IRS bond auditing regulations state, "...material records should generally be kept for as long as the bonds are outstanding, plus 3 years after the final redemption date of the bonds;"</a> There are specific requirements for disposal of unused bonds; CCP §§336(a)(1) & (2), 337.5(2); <a href="#">26 CFR 1.6001-1(e); 26 CFR § 1.148-5(d)(6)(iii)(E)</a> ; GC §43900 et seq. GC §60201 et seq.

**RECORDS RETENTION SCHEDULE: FINANCE**

(Admin. / Gen. Acct, A/P, A/R, Customer Svc., Cash Mgmt., Payroll, Purchasing)

Office of Record	Retention No.	Records Description	Retention / Disposition						Comments / Reference	
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan		Destroy Paper after Imaged & QC & OD'd?
(OFR)										
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>										
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>										
<i>HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>										
Finance / General Accounting	FN-007	Bonds Issue Records	2 years	Fully Defeased + 10 years	Fully Defeased + 10 years	Yes: Until Maturity	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; Statute of Limitations for <del>bonds, mortgages, trust deeds, notes or debentures</del> is 6 years; Bonds issued by local governments are 10 years; <a href="#">IRS bond auditing regulations state, "...material records should generally be kept for as long as the bonds are outstanding, plus 3 years after the final redemption date of the bonds;"</a> There are specific requirements for disposal of unused bonds; CCP §§336(a)(1) & (2), 337.5(2); <a href="#">26 CFR 1.6001-1(e); 26 CFR § 1.148-5(d)(6)(iii)(E)</a> ; GC §43900 et seq. GC §60201 et seq.
Finance / General Accounting	FN-008	Budgets: Adopted	5 years	P	P	Yes: Current Fiscal Year	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §60200
Finance / General Accounting	FN-009	Budgets: Proposed, Work Papers, Drafts, etc.	When No Longer Required		When No Longer Required		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; Preliminary drafts; GC §60200
Finance / General Accounting	FN-010	Cash Reconciliation	2 years	3 years	5 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; Meets municipal government auditing standards; GC §60201
Finance / General Accounting	FN-011	Chart of Accounts (Print out if a major software change is made in order to retain historical account numbers)	2 years	5 years	7 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §60200

**RECORDS RETENTION SCHEDULE: FINANCE**

**(Admin. / Gen. Acct, A/P, A/R, Customer Svc., Cash Mgmt., Payroll, Purchasing)**

Office of Record	Retention No.	Records Description	Retention / Disposition						Comments / Reference		
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan		Destroy Paper after Imaged & QC & OD'd?	
(OFR)											
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>											
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>											
<i>HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>											
Finance / General Accounting	FN-012	Equipment Inventory	When No Longer Required		When No Longer Required			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Preliminary drafts (the Financial Database is the original); GC §60200
Finance / General Accounting	FN-013	Financial Reports created from Database: Journals, Ledgers, Reconciliations, Registers, Reports, Transaction Histories, Balance Sheets, Budget Adjustments, Billing Registers for New Financial System, Edit Lists, (MONTHLY / PERIODIC)	When No Longer Required		When No Longer Required	Yes		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Draft / Preliminary documents used to produce final year-end general ledger (financial database is the original); GC §60201
Finance / General Accounting	FN-014	Financial System Database / ERP Database	Indefinite - Minimum 7 years		Indefinite - Minimum 7 years	Yes		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Data is interrelated; Meets municipal government auditing standards; May include Employee Reimbursement; GC §60201(d)(12)
Finance / General Accounting	FN-015	Fixed Assets - Auction / Disposal / Sales / Surplused	2 years	3 years	5 years			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Consistent with Accounts Receivable; Statute of limitations is 3 years; GC §60201, CCP §337
Finance / General Accounting	FN-016	Fund Transfers / Wire Transfers / Adjustments	2 years	3 years	5 years			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; Meets municipal government auditing standards; GC §60201
Finance / General Accounting	FN-017	Inventory Reports	When No Longer Required		When No Longer Required			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Preliminary drafts (the Financial Database is the original); GC §60200
Finance / General Accounting	FN-018	Investment Files	2 years	3 years	5 years	Yes: Until Maturity		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §60201

**RECORDS RETENTION SCHEDULE: FINANCE**

(Admin. / Gen. Acct, A/P, A/R, Customer Svc., Cash Mgmt., Payroll, Purchasing)

Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC & OD'd?	
(OFR)										
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>										
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>										
<i>HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>										
Finance / General Accounting	FN-019	Journal Vouchers / Journal Entries	2 years	3 years	5 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; Statute of Limitations is 4 years; GC §60201, CCP §337

**RECORDS RETENTION SCHEDULE: FINANCE**

**(Admin. / Gen. Acct, A/P, A/R, Customer Svc., Cash Mgmt., Payroll, Purchasing)**

Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC & OD'd?	
(OFR)										
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>										
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>										
<i>HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>										
Finance / General Accounting	FN-020	LAIF (Local Agency Investment Fund)	2 years	3 years	5 years	Yes: Until Maturity	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §60201
Finance / General Accounting	FN-021	State Reports: State Controllers Report / Local Government Compensation Report, Public Self Insurer Report (SIP Report), etc.	2 years	3 years	5 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	District Preference; Meets auditing standards; GC §60201
<b>FINANCE / ACCOUNTS PAYABLE</b>										
Finance / Accounts Payable	FN-022	1099's, 1096's, DE542 (California Report of Independent Contractors)	2 years	5 years	7 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	IRS: 4 years after tax is due or paid (longer for auditing & contractor delinquency); Ca. FTB: 3 years; IRS Reg §31.6001-1(e)(2), R&T §19530, GC §60201(d)(12); 29 USC 436
Finance / Accounts Payable	FN-023	Accounts Payable Source Records / Invoices / Receivers / Credit Card Statements  <b>ALL</b>	2 years	5 years	7 years	Yes: Until Paid	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Meets municipal government auditing standards; Sewage Sludge is required for 5 years; 40 CFR 122.41(j)(2); WC §13263.2(b) et seq.; GC §60201(d)(12)
Finance / Accounts Payable	FN-024	Check Copies / Cancelled Checks	2 years	5 years	7 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	May contain independent contractor's compensation; Statute of Limitations is 4 years; Meets municipal government auditing standards; GC §60201(d)(12), CCP § 337
Finance / Accounts Payable	FN-025	Check Register	When No Longer Required		When No Longer Required		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	The Financial Database is the original; Reports can be recreated on demand and are considered a copy or preliminary draft; GC §60201

**RECORDS RETENTION SCHEDULE: FINANCE**

**(Admin. / Gen. Acct, A/P, A/R, Customer Svc., Cash Mgmt., Payroll, Purchasing)**

Office of Record	Retention No.	Records Description	Retention / Disposition						Comments / Reference	
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan		Destroy Paper after Imaged & QC & OD'd?
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<i>HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>										
Finance / Accounts Payable	FN-026	Customer Refunds / Backup	2 years	5 years	7 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	District preference for drinking water regulations; CCP §§338 et seq., 340 et seq., 342, GC §§945.6, GC §60201
Finance / Accounts Payable	FN-027	Petty Cash / Reconciliation / Reports / Vouchers	2 years	5 years	7 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	District Preference (may include records pertaining to independent contractor's compensation, or expense reimbursement); Meets auditing standards; GC §60201
Finance / Accounts Payable	FN-027	W-9s	Vendor Inactive + 3 years		Vendor Inactive + 3 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Meets IRS auditing standards; GC §60201
<b>FINANCE / ACCOUNTS RECEIVABLE / CUSTOMER SERVICE</b>										
Finance / Accounts Receivable & Customer Service	FN-028	Bankruptcies (Where District does NOT pursue a claim)	When No Longer Required		When No Longer Required		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201
Finance / Accounts Receivable & Customer Service	FN-029	Bankruptcies (Where District DOES pursue a claim)	10 years		10 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201
Finance / Accounts Receivable & Customer Service	FN-030	Checks deposited to Bank (District scans them for the Bank, rather than physically taking the checks to the bank to deposit them.)	2 years	5 years	7 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	These are bank instruments, and not District records; per bank agreement.

**RECORDS RETENTION SCHEDULE: FINANCE**

**(Admin. / Gen. Acct, A/P, A/R, Customer Svc., Cash Mgmt., Payroll, Purchasing)**

Office of Record	Retention No.	Records Description	Retention / Disposition						Comments / Reference	
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan		Destroy Paper after Imaged & QC & OD'd?
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<i>HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>										
Finance / Accounts Receivable & Customer Service	FN-031	Collection Agency Assignments / Write Offs	2 years	5 years	7 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference (negative information remains on credit reports for 7 years); GC §60201 et seq.
Finance / Accounts Receivable & Customer Service	FN-033	Customer Correspondence, Appeals, etc. (letters from / to customers)	2 years	3 years	5 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference (Clean Water Act actions are 5 years); GC §60201
Finance / Accounts Receivable & Customer Service	FN-034	Customer Invoices / Customer Billing Database	Indefinite - Minimum 5 years		Indefinite - Minimum 5 years	Yes	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Data Fields / Records are interrelated; meets municipal government auditing standards; GC §60201
Finance / Accounts Receivable & Customer Service	FN-035	Direct Deposits / Lock Box / Backup (Images, Stubs / Deposit Tickets)	2 years	3 years	5 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; Meets municipal government auditing standards; GC §60201
Finance / Accounts Receivable & Customer Service	FN-036	Direct Payment Applications	2 years	3 years	5 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Meets municipal government auditing standards; GC §60201

**RECORDS RETENTION SCHEDULE: FINANCE**

**(Admin. / Gen. Acct, A/P, A/R, Customer Svc., Cash Mgmt., Payroll, Purchasing)**

Office of Record	Retention No.	Records Description	Retention / Disposition						Comments / Reference	
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan		Destroy Paper after Imaged & QC & OD'd?
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Finance / Accounts Receivable & Customer Service	FN-037	Liens	10 years		10 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Liens are good for 10 years from recording date, and may be extended by re-recording lien; WC 36729; 37212(b),
Finance / Accounts Receivable & Customer Service	FN-038	Payment Stubs (mailed) / Utility Receipts (when payment is made at the counter)	When No Longer Required		When No Longer Required		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; Transitory records not retained in the ordinary course of business; GC §60201
Finance / Accounts Receivable & Customer Service	FN-039	Returned Checks (NSF, etc.)	5 years		5 years	Yes: Until Paid	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Meets municipal government auditing standards; GC §60201
Finance / Accounts Receivable & Customer Service	FIN-039.1	Water Billing: Appeals - Payment Delinquency / Impending Discontinuation	Final Decision + 2 years		Final Decision + 2 years		Mag, Ppr, Mfr, OD	S / I	Yes: After QC & OD	Documented or attached to Customer Record in database GC §60201; H&S §116908
Finance / Accounts Receivable & Customer Service	FIN-039.2	Water Billing: Non-payment Notices / Notice of Payment Delinquency / Impending Discontinuation (Initial, Final)	When No Longer Required		When No Longer Required		Mag, Ppr, Mfr, OD	S / I	Yes: After QC & OD	Documented or attached to Customer Record in database GC §60201; H&S §116908

**RECORDS RETENTION SCHEDULE: FINANCE**

**(Admin. / Gen. Acct, A/P, A/R, Customer Svc., Cash Mgmt., Payroll, Purchasing)**

Office of Record	Retention No.	Records Description	Retention / Disposition						Comments / Reference		
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan		Destroy Paper after Imaged & QC & OD'd?	
(OFR)											
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<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>											
<i>HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>											
Finance / Accounts Receivable & Customer Service	FIN-039.3	Water Billing: NSF Checks / Adjustments to Customer accounts	When No Longer Required		When No Longer Required			Mag, Ppr, Mfr, OD	S / I	Yes: After QC & OD	Documented or attached to Customer Record in database GC §60201; H&S §116908
Finance / Accounts Receivable & Customer Service	FIN-039.4	Water Billing: Payment Plans: Amortization, Alternative Payment Plans, Deferrals, etc.	Expiration or Completion of Payment Plan		Expiration or Completion of Payment Plan			Mag, Ppr, Mfr, OD	S / I	Yes: After QC & OD	Documented or attached to Customer Record in database GC §60201; H&S §116910
Finance / Accounts Receivable & Customer Service	FIN-039.5	Water Billing: Policy on Discontinuation of Residential Service for Nonpayment	When Superseded - Minimum 2 years		When Superseded; Minimum 2 years			Mag, Ppr, Mfr, OD	S / I	Yes: After QC & OD	Must post to Website; H&S §116906; GC §60201
Finance / Accounts Receivable & Customer Service	FIN-039.6	Water Billing: Report of Annual Discontinuations of Residential Service	Minimum 2 years		Minimum 2 years			Mag, Ppr, Mfr, OD	S / I	Yes: After QC & OD	Must post to Website; H&S §116918; GC §60201
<b>FINANCE / CASH MANAGEMENT</b>											
Finance / Cash Manag.	FN -040	Bank Deposit Receipts	2 years	3 years	5 years			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; Meets municipal government auditing standards; GC §60201
Finance / Cash Manag.	FN -041	Bank Signature Cards	Superseded + 5 years		Superseded + 5 years			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; Meets municipal government auditing standards; GC §60201

**RECORDS RETENTION SCHEDULE: FINANCE**

**(Admin. / Gen. Acct, A/P, A/R, Customer Svc., Cash Mgmt., Payroll, Purchasing)**

Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC & OD'd?	
(OFR)										
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>										
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>										
<i>HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>										
Finance / Cash Manag.	FN -042	Cash Receipts	2 years	3 years	5 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; Meets municipal government auditing standards; GC §60201
Finance / Cash Manag.	FN -043	Customer Deposits	2 years	3 years	5 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	District preference for drinking water regulations; CCP §§338 et seq., 340 et seq., 342, GC §60201
<b>FINANCE / PAYROLL</b>										
Finance / Payroll	FN -044	Cancelled Payroll Checks, Including Voided copies for Automatic Deposits	2 years	5 years	7 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	GC §60201(d)(12), CCP § 337
Finance / Payroll	FN -045	Billing: COBRA / Retiree Medical	Termination of Service	7 years	Termination of Service + 7 years	Yes: During Service	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Retained to cover auditing standards; General rule under ERISA (Employee Retirement Income Security Act) is 7 years; 29 CFR 1627.3(b)(1)(2); 29 USC 1027; GC §60201
Finance / Payroll	FN -046	Billing: Separated Employee Loans (Educational Reimbursement, etc.)	Fully Paid	7 years	Fully Paid + 7 years	Yes: During Service	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	GC §60201(d)(12)
Finance / Payroll	FN -047	DE-6 / 941 Forms DE-6 / 941 Forms, DE-7, DE-9 DE-43, W-3, / DE-166, IRS 5500 Forms (Employee Benefit Plans) - Quarterly Payroll Tax Returns	5 years		5 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; IRS: 4 years after tax is due or paid (longer for auditing & contractor delinquency); Ca. FTB: 3 years; IRS Reg §31.6001-1(e)(2), 26 CFR §1.6001-1, R&T §19530, GC §60201

**RECORDS RETENTION SCHEDULE: FINANCE**

**(Admin. / Gen. Acct, A/P, A/R, Customer Svc., Cash Mgmt., Payroll, Purchasing)**

Office of Record	Retention No.	Records Description	Retention / Disposition						Comments / Reference	
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan		Destroy Paper after Imaged & QC & OD'd?
(OFR)										
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>										
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>										
<i>HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>										
Finance / Payroll	FN -048	Employee Payroll File Includes automatic payroll deposit authorizations, education loans, deductions, voluntary deductions, W-4s, etc.	Separation + 1 year	3 years	Separation + 4 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference (W-4's are required for 4 years); FLSA requires 3 years; 29 CFR 516; GC §60201 et seq.
Finance / Payroll	FN -049	Garnishments	Fully Satisfied or Separated + 2 years		Fully Satisfied or Separated + 2 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201 et seq.
Finance / Payroll	FN -050	Payroll Checks	2 years	5 years	7 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	GC §60201(d)(12), CCP § 337
Finance / Payroll	FN -051	Payroll Registers / Payroll Reports Includes Deferred Compensation Reports, PERS reports, 401A, etc.	When No Longer Required		When No Longer Required		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference (The software can accurately reproduce reports); GC §60201(d)(12)
Finance / Payroll	FN -052	PERS File Copies of PERS payments, statements, etc. Includes copies of Temporary Workers stubs / timesheets	2 years	5 years	7 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference (Meets Municipal Government auditing Standards); GC §60201(d)(12)
Finance / Payroll	FN -053	Reports: Vacation / Sick Leave Usage	When No Longer Required		When No Longer Required		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Draft / Preliminary documents (financial database is the original); GC §60201
Finance / Payroll	FN -054	Timesheets / Timecards	2 years	5 years	7 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	GC §60201(d)(12); 29 CFR 516.5 & 516.6(c); IRS Reg §31.6001-1(e)(2), R&T §19530; LC § 1174(d)

**RECORDS RETENTION SCHEDULE: FINANCE**

**(Admin. / Gen. Acct, A/P, A/R, Customer Svc., Cash Mgmt., Payroll, Purchasing)**

Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC & OD'd?	
(OFR)										
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>										
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>										
<i>HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>										
Finance / Payroll	FN -055	W-2's	2 years	5 years	7 years		Mag, OD, Mfr, Ppr	S / I	Yes: After QC & OD	Department preference; IRS: 4 yrs after tax is due or paid; Ca. FTB: 3 years; IRS Reg §31.6001-1(e)(2), R&T §19530; 29CFR 516.5 - 516.6, 29USC 436, GC §60201(d)(12)
<b>FINANCE / PURCHASING</b>										
Finance / Purchasing	FN-056	Purchase Orders	When No Longer Required		When No Longer Required		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference (software can accurately re-create Purchase Order); GC §60201
Finance / Purchasing	FN-057	Vehicle Titles (Pink Slips)	Upon Sale of the Vehicle		Upon Sale of the Vehicle	Yes	Mag, Mfr, OD, Ppr	S / I		Given to the new owner upon sale of the vehicle; GC §60201 et seq.

**RECORDS RETENTION SCHEDULE: GENERAL MANAGER**

Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>										
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>										
<i>HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>										
<b>GENERAL MANAGER</b>										
General Manager	GM-001	Projects, Programs, Subject / Issues (Issues / projects will vary over time)	When No Longer Required		When No Longer Required		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §60201
General Manager	GM-002	Speech Notes / PowerPoint Presentations	When No Longer Required		When No Longer Required		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Notes, drafts, or preliminary documents; GC §60201 et seq.

**RECORDS RETENTION SCHEDULE: HUMAN RESOURCES**  
**(Risk Management)**

Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference	
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC & OD'd?		
(OFR)											
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>											
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>											
<i>HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>											
<b>HUMAN RESOURCES</b>											
Human Resources	HR-001	1095-C, 1094-C (Employer-Provided Health Insurance Offer / Coverage / Transmittal Form)	4 years		4 years			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; Instructions state "Generally, keep copies of information returns you filed with the IRS or have the ability to reconstruct the data for at least 3 years, from the due date of the returns" ; GC §60201
Human Resources	HR-002	Affirmative Action Complaints - California Civil Rights Department (CRD) / Department of Fair Employment / Housing (DFEH) / Equal Opportunity Commission (EEOC) / Harassment Claims	Separation + 4 years		Separation + 4 years			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference (Same as the Personnel File); EEOC/FLSA/ADEA (Age) requires 3 years for promotion, demotion, transfer, selection, or discharge; State Law requires 4 years; 29 CFR 1602.31 & 1627.3(b)(1), 8 CCR §3204(d)(1) et seq., GC §§12946, 12960, 60201
Human Resources	HR-003	Applications for Employment / Recruitment Files: <b>Solicited (Not Hired)</b>  (Includes Applications (Unsuccessful), Advertisements, Interview Notes, Job Brochures, Test Data, Rating Sheets, Questions, Eligibility Lists, Reference Checks, etc.)	1 year After Hiring Decision	3 years	4 years After Hiring Decision			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	State Law requires 4 years; 29 CFR 1627.3(b)(1), 29 CFR 1602.14 et seq., 2 CCR 11013(c); GC §§12946, 12960, 60201

**RECORDS RETENTION SCHEDULE: HUMAN RESOURCES**  
**(Risk Management)**

Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference	
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC & OD'd?		
(OFR)											
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>											
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>											
<i>HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>											
Human Resources	HR-004	Applications for Employment, Interest Cards / Resumes: <b>Non-Solicited / Unsolicited / No open position (not hired)</b>	When No Longer Required		When No Longer Required			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	No positions open; therefore not deemed part of District recruitment practices; considered a transitory record not materially impacting the conduct of the public's business; GC §60201
Human Resources	HR-005	Beneficiary Files / FSA Files (Binders)  (401A, 457, PERS, FSA)  Place in Official Personnel File upon Separation	Separation + 1 year	5 years	Separation + 6 years	Yes: Until Separation		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §§12946, 12960, 60201
Human Resources	HR-006	Cal-OSHA Log 200, 300, 300A, 301, etc.	5 years		5 years			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; Calif. Labor Division is required to keep their records 7 years; OSHA requires 5 years; State law requires 2 years; ; 8 CCR §3203(b)(1), 29 CFR 1904.33, OMB 1220-0029, 8 CCR 14300.33;GC §60201 et seq.; LC §6429c
Human Resources	HR-007	Classification / Compensation Studies / Surveys / Salary Surveys	When No Longer Required		When No Longer Required			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §60201

**RECORDS RETENTION SCHEDULE: HUMAN RESOURCES**  
**(Risk Management)**

Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC & OD'd?	
(OFR)										
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>										
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>										
<i>HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>										
Human Resources	HR-008	Contracts for Employees (Consultants / Contractors)	Completion	10 years	Completion + 10 years			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD  Also see Grants. Covers E&O Statute of Limitations (insurance certificates are filed with agreement); Published Audit Standards=4-7 years; Statute of Limitations: Contracts & Spec's=4 years, Wrongful Death=comp. + 5 years, Developers must retain their records for completion + 10 years; CCP §§336(a), 337 et. seq., GC §60201
Human Resources	HR-009	District Benefit Contracts / Benefit Plans / Insurance Policies (Health, Dental, Deferred Compensation, Pension, etc.)	Plan Termination + 1 year	1 year	Plan Termination + 2 years			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD  EEOC / ADEA (Age) requires 1 year after benefit plan termination; State Law requires 2 years after action; 9 CFR 1627.3(b)(2); 29 USC 1027; 28 CCR 1300.85.1; GC §60201
Human Resources	HR-010	DMV Pull Notices	When Superseded, or Upon Separation		When Superseded, or Upon Separation			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD  Department Preference; GC §§60201, 60201 et seq.

**RECORDS RETENTION SCHEDULE: HUMAN RESOURCES**  
**(Risk Management)**

Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC & OD'd?	
(OFR)										
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>										
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>										
<i>HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>										
Human Resources	HR-011	Drug / Alcohol Testing / D.O.T files (ALL Files - Random, Post-Accident / Reasonable Suspicion Tests, refusals, annual summaries, etc.)	5 years		5 years			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD Department preference; D.O.T. Requires 5 years for positive tests, refusals, annual summaries, etc., 1 year for negative tests; EEOC / FLSA / ADEA (Age) requires 3 years physical examinations; State Law requires 2 years; 229 CFR 1627.3(b)(1)(v), GC §§12946, 12960, 60201, 49 CFR 655.71 et seq.; 49 CFR 382.401 et seq. 49 CFR 653.71
Human Resources	HR-012	EEO-4 Reports / records required to generate EEO-4 report (Self-Identification Form, etc.)	1 year	2 years	3 years			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD 29 CFR 1602.30; 29 CFR 1602.31, 29 CFR 1602.32; GC §60201
Human Resources	HR-013	Grievances	Separation + 1 year	5 years	Separation + 6 years			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD All State and Federal laws require retention until final disposition of formal complaint; State requires 4 years after "fully and finally disposed"; 2 CCR 1101(c); GC §§12946, 12960, 60201

**RECORDS RETENTION SCHEDULE: HUMAN RESOURCES**  
**(Risk Management)**

Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC & OD'd?	
(OFR)										
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>										
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>										
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Human Resources	HR-014	I-9s	Separation + 3 years		Separation + 3 years			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD Non-citizens must re-certify periodically; Required for 1 year from termination or 3 years from hiring, whichever is later; EEOC / FLSA / ADEA (Age) requires 3 years for "any other forms of employment inquiry"; State Law requires 2 -3 years; 8 CFR 274a.2; 29 CFR 1627.3(b)(1); GC §§12946, 12960, 60201, 60201
Human Resources	HR-015	Illness / Injury Prevention Program	Minimum of Superseded + 2 years		Minimum of Superseded + 2 years			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD Consistent with District-wide standards; GC §60201
Human Resources	HR-016	Job Descriptions	Superseded + 1 years	3 years	Superseded + 4 years	Yes: Before Superseded		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD Department Preference; statute of limitations for EEOC/FLSA/ADEA (Age) requires 3 years for promotion, demotion, transfer, selection, or discharge; State Law requires 4 years; 29 CFR 1602.31 & 1627.3(b)(ii), GC §§12946, 12960, 60201
Human Resources	HR-017	Loss Runs - State Fund, Workers Compensation, etc.	2 years	3 years	5 years			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD Department Preference (actuary wants 10 years of data); GC §60201 et seq.

**RECORDS RETENTION SCHEDULE: HUMAN RESOURCES**  
**(Risk Management)**

Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC & OD'd?	
(OFR)										
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>										
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>										
<i>HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>										
Human Resources	HR-018	<p><b>Personnel Files - Medical File</b></p> <p>(Includes pre-employment physicals, hazmat exposure records, pulmonary tests, Class B medicals, medical leaves, Respiratory Fit Tests, etc.)</p>	Separation + 1 year	29 years, or Termination of Benefits + 5 years, Whichever is Longer	Separation + 30 years, or Termination of Benefits + 5 years, Whichever is Longer	Yes: Until Separation	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; Files maintained separately; Claims can be made for 30 years for toxic substance exposure; 8 CCR §3204(d)(1) et seq., 8 CCR 5144, 29 CFR 1910.1020(d)(1)(i), GC §§12946, 12960, 60201; LC §1198.5
Human Resources	HR-019	<p><b>Personnel Files - Official Personnel file</b></p> <p>(Includes Application, Awards, Backgrounds, Employee Action Forms, DMV Reports, Disciplinary Actions, Certifications, Commendations, Evaluations, Grievances, Licenses, Oath of Office, Policy acknowledgements, Supplemental Life Insurance, <a href="#">Training Certificates</a>, etc. - <b>Excludes</b> Medical Records)</p>	Separation + 1 year	5 years	Separation + 6 years	Yes: Until Separation	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; statute of limitations for retirement benefits is 6 years from last action; EEOC/FLSA/ADEA (Age) requires 3 years for promotion, demotion, transfer, selection, or discharge; State Law requires 4 years; W-4s are required four years after the due date of such tax for the return period to which the records relate, or the date such tax is paid, whichever is the later. 26 CFR 31-6001-1; 29 CFR 1602.31 & 1627.3(b)(1), GC §§ 3105, 12946, 12960, 60201; 53237.2(b), LC §1198.5
Human Resources	HR-020	Retirement Benefit Files	Termination of Benefits (includes Spouses' Benefits)	6 years	Termination of Benefits + 6 years (Includes Spouses' Benefits)	Yes: Until Separation	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; statute of limitations for retirement benefits is 6 years from last action; GC §§12946, 12960, 60201; 29 USC 1113

**RECORDS RETENTION SCHEDULE: HUMAN RESOURCES**  
**(Risk Management)**

Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC & OD'd?	
(OFR)										
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>										
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>										
<i>HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>										
Water Efficiency / Safety OR Human Resources	HR-021	Training <b>Database</b> (Tracks what employees have received what training)  <a href="#">Required Information for all Employee Training (if records are created):</a> <a href="#">Employee Name</a> <a href="#">Training Provider's Name</a> <a href="#">Date</a> <a href="#">Duration (length)</a> <a href="#">Core Competencies / Skills</a> <a href="#">Certifications / Qualifications</a>	Indefinite - Minimum Separation ± 5 years		Indefinite - Minimum Separation ± 5 years	<a href="#">Yes</a>	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Data Fields / Records are interrelated; GC §60201 <a href="#">LC §1198.5</a>
Water Efficiency / Safety OR Human Resources	HR-022	Training Presented by Staff - <b>COURSE RECORDS</b>  (Attendance Rosters / Sign-in Sheets, Outlines / Materials; includes Ethics, <a href="#">Fiscal &amp; Financial</a> , Harassment, Workplace Violence, Safety Training, Tailgates)	2 years	3 years	5 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; Ethics, <a href="#">Fiscal and Financial</a> , Harassment & <a href="#">Workplace Violence</a> Prevention Training is 5 years; Calif. Labor Division is required to keep their OSHA records 7 years; EEOC/FLSA/ADEA (Age) requires 3 years for promotion, demotion, transfer, selection, or discharge; State Law requires 4 years for personnel actions; 8 CCR §3203 et seq., 29 CFR 1602.31 1627.3(b)(ii), LC §6429(c); GC §§12946, 12960, 60201, 53235.2(b); 53237.2(b); <a href="#">53238.3(b)</a> ; LC §6401.9(f),

**RECORDS RETENTION SCHEDULE: HUMAN RESOURCES**  
**(Risk Management)**

Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference	
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC & OD'd?		
(OFR)											
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>											
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>											
<i>HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>											
Human Resources	HR-022.5	Verifications of Employment, Child Support, etc. (From lenders / other outside companies)	When No Longer Required		When No Longer Required			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Not an Agency record / Content does NOT relate in a substantive way to the conduct of the public's business; GC §60201 et seq.
Human Resources	HR-023	Worker's Compensation Claims Files	Close	30 years, or Termination of Benefits + 5 years, Whichever is Longer	Separation + 30 years, or Termination of Benefits + 5 years, Whichever is Longer	Yes: Until Separation		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; Claims can be made for 30 years for toxic substance exposure; 8 CCR 10102; 8 CCR 15400.2, 8 CCR §3204(d)(1) et seq., 29 CFR 1910.1020, GC §§12946, 12960, 60201. CCP §337 et seq.
Human Resources	HR-023.5	Workplace Violence – Hazard identification, evaluation, correction, incident logs, investigations- <del>training</del> , etc.	5 years		5 years			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	LC §6401.9(f), GC §60201
<b>HUMAN RESOURCES / RISK MANAGEMENT</b>											
<a href="#">Human Resources</a> / Risk Manage.	HR-024	Claims	Final Resolution	5 years	Final Resolution + 5 years	Yes: Until Resolution		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; Covers various statute of limitations; CCP §§ 337 et seq.; GC §§ 911.2, 60201(d)(4)
<a href="#">Human Resources</a> / Risk Manage.	HR-025	Insurance Policies - <b>ALL</b>	Expiration + 2 years	P	P	Yes		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; Covers various statute of limitations; CCP §§ 337 et seq.; GC §§ 911.2, - 60201(d)(4)

**RECORDS RETENTION SCHEDULE: ENGINEERING**  
**(Project Management)**

Office of Record	Retention No.	Records Description	Retention / Disposition						Comments / Reference		
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan		Destroy Paper after Imaged & QC'd?	
(OFR)											
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>											
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>											
<i>HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>											
<b>ENGINEERING / PROJECT MANAGEMENT</b>											
Engineering / <a href="#">Project Mgmt.</a>	EN-001	Aerials	2 years	P	P			Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department Preference; GC §60201
Engineering / <a href="#">Project Mgmt.</a>	EN-002	Annexations / Boundary Changes Index, Maps, Documents	Upon Completion	P	P	Yes		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	GC §60201 et seq.
Engineering / <a href="#">Project Mgmt.</a>	EN-002.1	CEQA / NEPA Documents: Environmental Determinations: Environmental Impact Reports (EIRs), Negative Declarations, Categorical Exceptions, etc.)  <b>Correspondence / staff notes</b> that provide insight into the project / the agency's CEQA compliance with respect to the project	Project Approval or Denial + 180 days		Project Approval or Denial + 180 days			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Not all internal communications and notes are required to be saved; "E-mails that do not provide insight into the project or the agency's CEQA compliance with respect to the project — are not within the scope of section 21167.6, subdivision (e) and need not be retained." Golden Door Properties, LLC v. Superior Court of San Diego County (County of San Diego, et al., Real Parties in Interest) (D076605, D076924, D076993) (4th Dist. 2020); PRC 21167.6; GC §60201

**RECORDS RETENTION SCHEDULE: ENGINEERING**  
(Project Management)

Office of Record	Retention No.	Records Description	Retention / Disposition						Comments / Reference		
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Engineering / <a href="#">Project Mgmt.</a>	EN-003	CEQA / NEPA Documents: <b>Prepared by others for NON-District Projects</b>  (District comments) (Environmental Impact Reports (EIRs), Environmental Assessments, Negative Declarations, etc.)	When No Longer Required		When No Longer Required			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Non-records; GC §60200
Engineering / <a href="#">Project Mgmt.</a>	EN-004	CEQA / NEPA Documents: <b>Prepared for District Purposes</b>  (Environmental Impact Reports (EIRs), Environmental Assessments, Negative Declarations, etc.)	2 years	P	P	Yes: Until Project Completed		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Usually filed in Project File; GC §60201
Engineering / <a href="#">Project Mgmt.</a>	EN-005	Comment Letters: No Comment, Non-Interference Letters to City / County for their proposed projects	2 years		2 years			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201
Engineering / <a href="#">Project Mgmt.</a>	EN-006	Correspondence with <b>Regulatory Agencies</b>	Minimum 10 years		Minimum 10 years	Yes: While Active Issues		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	District preference; some correspondence from Regulatory Agencies need to be retained for long periods of time; GC §60201
Engineering / <a href="#">Project Mgmt.</a>	EN-007	Customer Advisory Committee (CAC)	2 years		2 years	Yes: Until Completed		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	GC §60201 et seq.
Engineering / <a href="#">Project Mgmt.</a>	EN-008	Customer Service / Changes to System / Meters - <b>ALL FINAL RECORDS</b>	Upon Completion	P	P	Yes: Until Completed		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	For disaster preparedness purposes; GC §60201 et seq.

**RECORDS RETENTION SCHEDULE: ENGINEERING**  
(Project Management)

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Engineering / <a href="#">Project Mgmt.</a>	EN-009	Easements, Rights of Way, / Recorded Grant Deeds	While active	P	P		Mag, Mfr, OD, Ppr	S / I	<del>No Yes: After QC &amp; OD</del>	Department preference; GC §60201
Engineering / <a href="#">Project Mgmt.</a>	EN-010	Environmental Agencies / Regulatory Agencies Permits (EPA, DHS / DPH, NPDES, etc.) <b>Note: Does not include AQMD</b>	<b>Minimum Expiration + 3 years</b>		<b>Minimum Expiration + 3 years</b>	Yes	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201; NPDES Monitoring records required for 3 years in Federal law; 40 CFR §§122.21, 122.41
Engineering / <a href="#">Project Mgmt.</a>	EN-011	Inspection Reports	While active	P	P		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201
Engineering / <a href="#">Project Mgmt.</a>	EN-012	Projects (CIP / Private Development): <b>Large Format Drawings</b>  Design Drawings (finals), Record Drawings ("As Builts")	Upon Completion	P	P	Yes: Until Completed	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	For Disaster Recovery Purposes; Final environmental determinations are required to be kept a "reasonable period of time"; 14 CCR §15095(c); GC §60201 et seq.

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(Project Management)

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Engineering / <a href="#">Project Mgmt.</a>	EN-013	Projects (CIP / Private Development): <b>Permanent File</b>  Agreements / Contracts (copies), Bid Package(Winning), Change Orders, Environmental, Final As-Built Drawings (Record Drawings), Inspection Pictures, Inspection Reports, Material Testing, Operations / Maintenance Manuals, Permits (Design, Environmental), Preliminary Design Report, Rights of Way / Easements, Soils, Geotechnical Reports, Specifications, Submittals, Surveys, CAD files, Engineer's Calculation Files	Upon Completion	P	P	Yes: Until Completed	Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department preference; retained for disaster preparedness purposes; Final environmental determinations are required to be kept a "reasonable period of time"; 14 CCR §15095(c); CCP §337 et. seq., GC §60201

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(Project Management)

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Engineering / <a href="#">Project Mgmt.</a>	EN-014	Projects (CIP / Private Development): <b>Administration - 10 year file</b>  Project Administration, Bid Summary, Bonds, Certified Payroll, Grant Documents, Errors / Omissions, Insurance Certificates, Notifications, Progress Payments, Punch Lists, Videos Post-Construction / Pre-Construction, Bid Bonds (returned), Bond Copies of Drawings, Correspondence (Transitory / Preliminary Drafts), Engineer's Estimates, Memoranda, NPDES, Permits (Construction / Street Opening), Project Schedules, Requests for Information, Stop Notices - Claims, CCTV	Completion	10 years or After Funding Agency Audit, if required, whichever is longer	<b>Completion + 10 years</b> or After Funding Agency Audit, if required, whichever is longer	Yes: Until Completed	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Some grant funding agencies require audits; Statute of Limitations for Errors & Omissions is 10 years; Statute of Limitations: Contracts & Spec's=4 years, Wrongful Death=comp. + 5 years, Developers=comp. + 10 years; CCP §337 et. seq., GC §60201
Engineering / <a href="#">Project Mgmt.</a>	EN-015	Projects (CIP / Private Development): <b>Unsuccessful Proposals</b>	2 years		2 years	Yes: Until Completed	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	GC §60201 et seq.

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Engineering / <a href="#">Project Mgmt.</a>	EN-016	Real Estate Appraisal Reports ALL (Whether Purchased / Not)	2 years	3 years	5 years	Yes: Before Purchase	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference (not accessible to the public until close of escrow); USPAP (Uniform Standards of Professional Appraisal Practice) ethical standards require appraisers to retain records for at least 5 years, or final disposition + 2 years, if used in a judicial proceeding; GC §§60201, 7928.705
Engineering / <a href="#">Project Mgmt.</a>	EN-017	Reports, Studies (Soils Report, Water Availability, etc.)	2 years	P	P	Yes	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §60201 et seq.
Engineering / <a href="#">Project Mgmt.</a>	EN-018	Sewer Improvement Districts / Assessment Districts / CFDs	Upon Completion	P	P	Yes	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	GC §60201 et seq.
Engineering / <a href="#">Project Mgmt.</a>	EN-019	Tracts / Subdivisions / Parcel Maps / Tentative Tracts (may contain drawings of our easements)	Upon Completion	P	P	Yes	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference (Tracts maintained by appropriate County and/or City); GC §60201
Engineering / <a href="#">Project Mgmt.</a>	EN-020	Wastewater Special Studies	Minimum 3 years		Minimum 3 years	Yes	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference to comply with NPDES regulations; 40 CFR §§122.21, 122.41; GC §60201 et seq.
Engineering / <a href="#">Project Mgmt.</a>	EN-021	Water Master Plans	2 years	P	P	Yes	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference (updated every 5 years); GC §60201 et seq.

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Engineering / <a href="#">Project Mgmt.</a>	EN-022	Will-Serve Letters / Availability Letters	2 years	P	P	Yes	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201

## RECORDS RETENTION SCHEDULE: OPERATIONS (Administration, Water)

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<b>OPERATIONS / ADMINISTRATION</b>										
Operations / Admin.	OP-001	Aboveground Storage Tanks (Agency Owned) Spill Prevention Control / Countermeasures (SPCC), Inspections, Integrity Testing, Maintenance, Repairs	20 years <a href="#">Life of the Tank</a>		20 years <a href="#">Life of the Tank</a>		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; <a href="#">EPA FAQs recommend Life of the Tank</a> ; applies to both Tier I and Tier II Tanks; (Tier II tanks are required to have an integrity test every 20 years); GC §60201
Operations / Admin.	OP-002	AQMD Monitoring	5 years		5 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; 40 CFR 70.6; GC §60201
Operations / Admin.	OP-003	Asbestos Disposal - Chain of Custody	2 years	P	P		Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department Preference; GC §60201
Operations / Admin.	OP-004	Business Plans / Hazardous Materials Inventory / Disclosures (for Local Fire Authorities / Districts)	5 years		5 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference (this is performed annually); GC §60201
Operations / Admin.	OP-005	Call Sheets / Standby Calls	2 years		2 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201
Operations / Lead Div.	OP-006	Confined Space Entries / Hot Work Permits (Permitted entries into confined spaces such as sewers / storm drains in order to comply with regulations)	2 years		2 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	8 CCR 5157(d)(14) & (e)(6); 29 CFR 1910.146(e)(6); GC §60201

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Operations / Admin.	OP-006.1	Consumer Confidence Report / Annual Water Quality Report	P		P	Yes: Until Completed	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; Required for 12 years or 2 compliance cycles; 22 CCR §§ 64400.25; 64470, 64483(g), 40 CFR 141.33(a); 40 CFR 141.91
Operations / Admin.	OP-007	Customer Information System / Field Memos / Service Orders / Service Tracker <b>CMMS DATABASE</b> (Computerized Maintenance Management System)	Indefinite - Minimum 5 years		Indefinite - Minimum 5 years	<a href="#">Yes</a>	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Data is interrelated; GC §60201
Operations / Admin.	OP-008	Customer Information System / Field Memos / Service Orders / Service Tracker - <b>All Information Entered in CMMS Database</b>	When No Longer Required		When No Longer Required	<a href="#">Yes</a>	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Preliminary drafts (the database is the original); GC §60201
Operations / Admin.	OP-009	Encroachment Permit (Road / Street Cuts)	Upon Expiration		Upon Expiration		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Issued by other agencies for our work; GC §60201
Admin. / Information Technology & Ops	OP-010	Geographic Information System (GIS)	Indefinite - Permanent		Indefinite - Permanent	Yes	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Data is interrelated; GC §60200, 60201 et seq.
Operations / Admin.	OP-011	Hazardous Waste Manifests / Disposal (includes batteries)	5 years	P	P	Yes: Before Resolution	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference (District has "cradle to grave" liability); only 3 years is mandated; 22 CCR 66262.40; GC §60201
Operations / Admin.	OP-012	Hydrant Maintenance Logs / Exercises / Flushes (prior to CMMS)	5 years		5 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §60201

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Operations / Admin.	OP-013	Incidents / Unauthorized Discharges: Main Breaks, Spills, Investigations / Corrective Actions, Notice to Comply - <b>ALL</b>	Last Action + 5 years		Last Action + 5 years	Yes: Before Resolution	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; Code of Federal Regulations requires 3 years; 40 CFR 122.41(j)(2) & 40 CFR 141.33(b)(2); 22 CCR §64470
Operations / Admin.	OP-014	MSDS / SDS <b>Masters</b> (Material Safety Data Sheets / Safety Data Sheets) / Chemical Use Report Form (/ records of the chemical / substance / agent, where / when it was used)	Superseded + 2 years	28 years	Superseded + 30 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Previous MSDS may be obtained from a service; MSDS may be destroyed as long as a record of the chemical / substance / agent, where & when it was used is maintained for 30 years; Applies to qualified employers; Claims can be made for 30 years for toxic substance exposures; 8 CCR 3204(d)(1)(B)(2 and 3), 29 CFR 910.1020(d)(1)(ii)(B), GC §60201
Operations / Admin.	OP-015	NPDES Permits	Expiration + 3 years		Expiration + 3 years	Yes	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; NPDES Monitoring records required for 3 years in Federal law; 40 CFR §§122.21, 122.41
Operations / Admin.	OP-016	Permits: Hazardous Materials Storage, other regulatory permits	Expiration + 3 years		Expiration + 3 years	Yes	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §60201
Operations / Admin.	OP-017	Plans: IRWMP (Integrated Regional Water Management Plan), etc.	10 years		10 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201

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(Administration, Water)

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Operations / Admin.	OP-018	Respirator Inventory / Maintenance	2 years		2 years		Mag, Mfr, OD, Ppr	S / I		Department preference; GC §60201
Operations / Admin.	OP-019	Two-Way Radio Licensing / Information	Expiration + 2 years		Expiration + 2 years	Yes: Until Expired	Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Covers statute of limitations for written contracts (4 years); CCP § 337 et. Seq.; GC § 60201
Operations / Admin.	OP-020	Underground Service Alerts (USA's) / Dig Alerts	3 years		3 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; <a href="#">entered into DigAlert Software the Excavator, Operator and the Regional Notification Center all have an obligation to retain the notice for 3 years</a> ; GC §§4216.2(f) GC §60201
Operations / Admin.	OP-021	Vehicle / Equipment Folders: Includes Maintenance History, Inspections, etc.	Disposal of Vehicle or Equipment + 2 years		Disposal of Vehicle or Equipment + 2 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; If a motor carrier, required for 18 months after vehicle is sold; CHP requires life of vehicle; OSHA requires 1 year; 8 CCR § 3203(b)(1); 49 CFR 396.21(b)(1); 49 CFR 396.3(c); CCP §337 et. seq., 13 CCR 1234(f); GC §60201

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<b>OPERATIONS / WATER DISTRIBUTION (DRINKING WATER / POTABLE WATER)</b>										
Operations / Water Dist.	OP-022	Backflow Testing / Cross Connection	3 years	2 years	5 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; exceeds SWRCB Cross-Connection Control Policy Handbook Section 3.5.1 requires records be retained for the previous three calendar years; 17 CCR 7605(f); GC §60201
Operations / Water Dist.	OP-023	Customer Concerns / Customer Complaints: Odor / Taste / Visual Complaints about Potable Water (Entered into CMMS)	5 years		5 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	5 years is required in State and Federal law for any complaints; 40 CFR 122.41(j)(2) & 40 CFR 141.33(b); 22 CCR 64470(a)
Operations / Water Dist.	OP-024	Daily Safety Checks / Pre-Starts / Commercial Vehicle Prestarts / Forklift Inspections / Pre-Trip Inspections	1 year		1 year		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	13 CCR 1234(e); VC 34505.5(c); 49 CFR 396.11; GC §60201
Operations / Water Dist.	OP-025	Diaries - Water Distribution (Some contain As-built drawings)	P		P		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201
Operations / Water Dist.	OP-026	Flow Meter Reading	5 years		5 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201
Operations / Water Dist.	OP-027	Generator Operation Logs (for <b>Fixed / Stationary generators</b> ) / Inspections	3 years		3 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	AQMD Rule 1470; GC §60201
Operations / Water Dist.	OP-028	Lab Reports / Chains of Custody: <b>Bacteriological / Organics</b>	5 years		5 years		Mag, Mfr, OD, Ppr	S / I	Yes - After QC & OD	Department Preference; 40 CFR 141.33(a) and (b)(1); 22 CCR §64470

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Operations / Water Dist.	OP-029	Lab Reports / Chains of Custody: <b>Chemical</b> (Includes Chlorine Residuals, Disinfectant Residuals, Disinfection Byproducts, / Disinfection Byproduct Precursors)	10 years		10 years			Mag, Mfr, OD, Ppr	S / I	Yes - After QC & OD	Department preference (10 years is required); 40 CFR 141.33(a); 22 CCR §§64470, 64537, 64692
Operations / Water Dist.	OP-030	Lab Reports / Chains of Custody: <b>Lead / Copper</b>	12 years		12 years			Mag, Mfr, OD, Ppr	S / I	Yes - After QC & OD	Required for 12 years or 2 compliance cycles; 22 CCR 64400.25; 22 CCR §64470; 22 CCR 64690.80; 40 CFR 141.33(a); 40 CFR 141.91
Operations / Water Dist.	OP-031	Leak Reports	5 years		5 years			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	5 years is required in State and Federal law for any complaints; 40 CFR 122.41(j)(2) & 40 CFR 141.33(b); 22 CCR 64470
Operations / Water Dist.	OP-032	Manuals: Operations / Maintenance / Project Manuals (O&M Manuals)	Upon Disposal of Equipment		Upon Disposal of Equipment	Yes: Until Superseded		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Maintain copies as long as the infrastructure is in the field; GC §60200
Operations / Water Dist.	OP-033	Meter Calibration Records (Production Meters)	2 years	10 years	12 years			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Consistent with Lead & Copper Analysis; 40 CFR 141.33(a)
Operations / Water Dist.	OP-034	Meter Changes / Pump Meter Changes	Upon Change of Pump or Meter		Upon Change of Pump or Meter			Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department Preference; GC §60201
Operations / Water Dist.	OP-035	Pressure Tests	5 years		5 years			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201

## RECORDS RETENTION SCHEDULE: OPERATIONS (Administration, Water)

Office of Record	Retention No.	Records Description	Retention / Disposition						Comments / Reference		
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan		Destroy Paper after Imaged & QC'd?	
(OFR)											
If the record is not listed here, refer to the Retention for District-Wide Standards.											
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.											
HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).											
Operations / Water Dist.	OP-035.5	Public Notices - Potable Water (Tier 1, 2, / 3)	3 years		3 years			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	22 CCR §64470; GC §60201
Operations / Water Dist.	OP-036	Pump Tests / Meter Tests	Upon Change of Pump or Meter		Upon Change of Pump or Meter			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §60201
Operations / Water Dist.	OP-036.5	Reservoirs: <b>Dive Videos</b>	10 years		10 years			Mag, Mfr, OD, Ppr	S	Yes - After QC & OD	Department preference (covers 2 mandated cycles); GC §60201
Operations / Water Dist.	OP-036.6	Reservoirs: <b>Flushing, Disinfection / Cleaning</b>	Minimum 3 years		Minimum 3 years			Mag, Mfr, OD, Ppr	S	Yes - After QC & OD	Flushing, Disinfection, Inspection and Cleaning is required for 3 years; 22 CCR §64604(c); GC §60201
Operations / Water Dist.	OP-036.7	Reservoirs: <b>Inspection Reports, Maintenance Records</b>	P		P			Mag, Mfr, OD, Ppr	S	Yes - After QC & OD	Department preference; GC §60201
Operations / Water Dist.	OP-037	SCADA Alarm / Status Printouts / Charts	When No Longer Required		When No Longer Required			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Database is original, printouts are drafts / copies. Data is interrelated; GC §§60200, 12168.7
Operations / Water Dist.	OP-038	SCADA Database (Supervisory Control / Data Acquisition)	Indefinite - Minimum 5 years		Indefinite - Minimum 5 years	Yes		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; Data is interrelated; GC §§60201
Operations / Water Dist.	OP-039	Vulnerability Assessment / Emergency Response Plan / Risk / Resiliency Assessment / Hazard Mitigation Plan	When Superseded Minimum 5 years		When Superseded Minimum 5 years			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Highly Confidential; 42 USC 300i-2 (c); GC §60201

## RECORDS RETENTION SCHEDULE: OPERATIONS (Administration, Water)

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<b>OPERATIONS / WATER RESOURCES</b>											
Operations / Water Resources	OP-040	Plans: GWMP (Ground Water Management Plan), etc.	10 years		10 years			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201
<a href="#">Operations / Water Resources</a>	<a href="#">OP-040.5</a>	<a href="#">Sanitary Surveys of Drinking Water Systems</a>	<a href="#">10 years</a>		<a href="#">10 years</a>			<a href="#">Mag, Mfr, OD, Ppr</a>	<a href="#">S / I</a>	<a href="#">Yes: After QC &amp; OD</a>	<a href="#">22 CCR §6447(b)(3);40 C.F.R. § 141.33(c); GC §34090</a>
Operations / Water Resources	OP-041	Well Construction Files: <b>Permanent File</b>  Agreements / Contracts (copies), Bid Package(Winning), Change Orders, Environmental, Final As-Built Drawings (Record Drawings), Inspection Pictures, Inspection Reports, Material Testing, Operations / Maintenance Manuals, Permits (Design, Environmental), Preliminary Design Report, Rights of Way / Easements, Soils, Geotechnical Reports, Specifications, Submittals, Surveys, CAD files, Engineer's Calculation Files	Upon Completion	P	P		Yes: Until Completed	Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department preference; retained for disaster preparedness purposes; Final environmental determinations are required to be kept a "reasonable period of time"; 14 CCR §15095(c); CCP §337 et. seq., GC §60201

**RECORDS RETENTION SCHEDULE: OPERATIONS**  
(Administration, Water)

Office of Record	Retention No.	Records Description	Retention / Disposition						Comments / Reference	
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HOLDS: Litigation, complaints, claims, public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
Operations / Water Resources	OP-042	Well Construction Files: <b>Administration - 10 year file</b>  Project Administration, Bid Summary, Bonds, Certified Payroll, Grant Documents, Errors / Omissions, Insurance Certificates, Notifications, Progress Payments, Punch Lists, Videos Post-Construction / Pre-Construction, Bid Bonds (returned), Bond Copies of Drawings, Correspondence (Transitory / Preliminary Drafts), Engineer's Estimates, Memoranda, NPDES, Permits (Construction / Street Opening), Project Schedules, Requests for Information, Stop Notices - Claims, CCTV	Completion	10 years or After Funding Agency Audit, if required, whichever is longer	<b>Completion + 10 years</b> or After Funding Agency Audit, if required, whichever is longer	Yes: Until Completed	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Some grant funding agencies require audits; Statute of Limitations for Errors & Omissions is 10 years; Statute of Limitations: Contracts & Spec's=4 years, Wrongful Death=comp. + 5 years, Developers=comp. + 10 years; CP §337 et. seq., GC §60201
Operations / Water Resources	OP-043	Well Extraction Verifications	2 years	P	P	Yes	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201
Water Efficiency	OP-044	Well Water Production Reports (to State DHS / DPH / DWR)	Life of Well		Life of Well		Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department Preference; Meets California Department of Health requirements (3 years); GC §60201
Operations / Water Resources	OP-045	Well Water Quality Reports	5 years		5 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	5 years is required in State and Federal law for any complaints; 40 CFR 122.41(j)(2) & 40 CFR 141.33(b); 22 CCR 64470

**RECORDS RETENTION SCHEDULE: OPERATIONS**  
(Administration, Water)

Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference
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Water Efficiency	OP-046	Wells Depth to Water measurements, Sounding, Compiled Reports, etc.	P		P	Yes	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201

**RECORDS RETENTION SCHEDULE: WATER EFFICIENCY**

**(Safety)**

Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference
			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC & OD'd?	
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<b>WATER EFFICIENCY</b>										
Water Efficiency	WE-001	Classes, Sign-in Sheets	2 years		2 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201
Water Efficiency	WE-002	Conservation Violation Notices	3 years		3 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201
Water Efficiency	WE-003	Evaluations, Surveys, / Audits (Conservation Inspection Results, Evaluations, Landscape, etc.)	5 years		5 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; meets municipal government auditing requirements, and may have grant funding; GC §60201
Water Efficiency	WE-004	Landscape Toilet / Turf / Washer Incentive Application / Payment Worksheet: <b>Denial Letters</b>	5 years		5 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201
Water Efficiency	WE-005	Landscape / Toilet / Turf / Washer Incentive Application / <b>Payment Worksheet / Reimbursement</b>	5 years		5 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201
Water Efficiency	WE-006	Meter Installation, Repair, Replacement - <b>CMMS DATABASE</b> (Computerized Maintenance Management System)	Indefinite - Minimum Life of the Equipment		Indefinite - Minimum Life of the Equipment	<a href="#">Yes</a>	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Data is interrelated; GC §60201
Water Efficiency	WE-007	Meter Installation, Repair, Replacement - <b>All Information Entered in CMMS Database</b>	When No Longer Required		When No Longer Required	<a href="#">Yes</a>	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Preliminary drafts (the database is the original); GC §60201
Water Efficiency	WE-008	Meter Sheets: Installation, Notes, etc.	5 years		P		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201 et seq.

**RECORDS RETENTION SCHEDULE: WATER EFFICIENCY**

(Safety)

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Water Efficiency	WE-009	Rebate Requests: <b>ALL Approved</b> High-Efficiency Toilet Rebate, Water-Free Urinal Rebate, Clothes Washer Rebate, Hot Water Recirculation System Rebate, etc.	5 years		5 years			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference to meet auditing standards and MWD's requirements; GC §60201
Water Efficiency	WE-010	Reports: CUWCC (California Urban Water Conservation Council), Conservation, etc.	10 years		10 years			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference (Commercial baseline is 10 years); GC §60201
Water Efficiency	WE-011	Studies / Technical Studies / Meter Replacement Advance Studies	5 years		P			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201 et seq.
Water Efficiency	WE-012	Urban Water Management Plans (UWMP)	10 years		10 years			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference (copies) GC §60201
<b>WATER EFFICIENCY / SAFETY</b>											
Water Efficiency / Safety	WE-013	Cal-OSHA Inspections / Citations	5 years		5 years			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; Calif. Labor Division is required to keep their records 7 years; OSHA requires 5 years; State law requires 2 years; 8 CCR 14300.33(a); 29 CFR 1904.33, 29 CFR 1904.44; GC §60201 et seq.; LC §6429c
Water Efficiency / Safety	WE-014	Emergency Exercises / Drills / After Action Reports	When No Longer Required		When No Longer Required	Yes: Until Superseded		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §60201

**RECORDS RETENTION SCHEDULE: WATER EFFICIENCY  
(Safety)**

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Water Efficiency / Safety	WE-015	Industrial Hygiene Surveys / Sampling Plan, Data	5 years		5 years			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference (actuary wants 10 years of data); GC §60201 et seq.
Water Efficiency / Safety	WE-016	Safety Committee / Safety Steering Committee	5 years		5 years			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; 8 CCR §3203 et seq.; GC §60201 et seq.
Water Efficiency / Safety	WE-017	Safety Inspections	5 years		5 years			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; Calif. Labor Division is required to keep their records 7 years; OSHA requires 5 years; State law requires 2 years; 8 CCR 14300.33(a); 29 CFR 1904.33, 29 CFR 1904.44; GC §60201 et seq.; LC §6429c
Water Efficiency / Safety OR Human Resources	WE-018	Training <b>Database</b> (Tracks what employees have received what training)  <a href="#">Required Information for all Employee Training (if records are created):</a> <a href="#">Employee Name</a> <a href="#">Training Provider's Name</a> <a href="#">Date</a> <a href="#">Duration (length)</a> <a href="#">Core Competencies / Skills</a> <a href="#">Certifications / Qualifications</a>	Indefinite - Minimum Separation ± 5 years		Indefinite - Minimum Separation ± 5 years	Yes		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Data Fields / Records are interrelated; GC §60201 <a href="#">LC §1198.5</a>

**RECORDS RETENTION SCHEDULE: WATER EFFICIENCY**  
**(Safety)**

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Water Efficiency / Safety OR Human Resources	WE-019	Training Presented by Staff - <b>COURSE RECORDS</b>  (Attendance Rosters / Sign-in Sheets, Outlines / Materials; includes Ethics, <a href="#">Fiscal &amp; Financial</a> , Harassment, Workplace Violence, Safety Training, Tailgates)	2 years	3 years	5 years			Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; Ethics, <a href="#">Fiscal and Financial</a> , Harassment & <a href="#">Workplace Violence</a> Prevention Training is 5 years; Calif. Labor Division is required to keep their OSHA records 7 years; EEOC/FLSA/ADEA (Age) requires 3 years for promotion, demotion, transfer, selection, or discharge; State Law requires <a href="#">4-2-3</a> years for personnel actions; 8 CCR §3203 et seq., 29 CFR 1627.3(b)(1)(ii), LC §6429(c); GC §§12946, 12960, 60201, 53235.2(b), 53237.2(b); <a href="#">53238.3(b)</a> ; <a href="#">LC §6401.9(f)</a>

# CITRUS HEIGHTS WATER DISTRICT

## DISTRICT STAFF REPORT TO THE BOARD OF DIRECTORS JUNE 23, 2026 REGULAR MEETING

Subject:	2025 Urban Water Management Plan
Status:	Action Item
Report Date:	June 8, 2026
Prepared By:	Missy Pieri, Director of Engineering

**OBJECTIVE:**

Conduct a public hearing and consider adoption of CHWD’s 2025 Urban Water Management Plan (UWMP) and the Water Shortage Contingency Plan (WSCP).

**BACKGROUND AND ANALYSIS:**

The California Urban Water Management Planning Act, Water Code section 10610, et seq. (the Act) requires water purveyors that serve more than 3,000 connections or supply more than 3,000 acre-feet of water annually to adopt and submit an Urban Water Management Plan (UWMP). The UWMP must be updated and submitted every five years to the California Department of Water Resources (DWR). With the support of Zanjero Inc., a Public Review Draft of the 2025 UWMP (Attachment 1) was prepared in compliance with DWR guidelines.

The UWMP provides guidelines for long-term water management by CHWD. Although the UWMP does not legally obligate CHWD to a specific course of action, it provides an overview of anticipated water demands and water supplies and the types of water demand management activities that CHWD expects to undertake to meet State water conservation requirements. The adopted UWMP must be submitted to DWR by July 1, 2026.

The Act also requires adoption of a Water Shortage Contingency Plan (WSCP) as part of the UWMP. The WSCP establishes procedures for responding to water shortages and emergencies by defining shortage stages, response actions, communication protocols, compliance and enforcement measures, and financial considerations. The WSCP also provides procedures for monitoring and reporting water supply conditions and identifies actions the District may implement to maintain reliable water service during droughts, supply disruptions, or other emergencies.

Following the public hearing, staff requests Board consideration of the following resolutions:

- Resolution No. 11-2026 Adopting the Water Shortage Contingency Plan (Attachment 2)
- Resolution No. 12-2026 Adopting the 2025 Urban Water Management Plan (Attachment 3)

Preparation of the final UWMP document will be completed following Board adoption to incorporate the adopted resolutions and any public comment.

**RECOMMENDATION:**

1. Hold a public hearing on the 2025 Urban Water Management Plan and Water Shortage Contingency Plan.
2. Adopt Resolution No. 11-2026 Adopting the Water Shortage Contingency Plan.
3. Adopt Resolution No. 12-2026 Adopting the 2025 Urban Water Management Plan.

**ATTACHMENTS:**

1. Draft 2025 Urban Water Management Plan
2. Resolution No. 11-2026 Adopting the Water Shortage Contingency Plan
3. Resolution No. 12-2026 Adopting the 2025 Urban Water Management Plan

**ACTION:**

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

# **ATTACHMENT 1**

2025 Urban Water Management Plan  
Public Review Draft  
June 18, 2026



Public Review Draft – June 18, 2026

# 2025 Urban Water Management Plan

**CITRUS  
HEIGHTS  
WATER  
DISTRICT**



Prepared By:



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[Placeholder for PE Stamp]

# EXECUTIVE SUMMARY

## LAYPERSON'S DESCRIPTION

After the devastating drought in the late 1970s, the California Legislature declared California's water supplies as a limited resource, subject to ever-increasing demands and that long-term, reliable supply of water is essential to protect California's businesses, communities, agricultural production, and environmental interests. The Legislature also recognized a need to strengthen local and regional drought planning and increase statewide resilience to drought and climate change. Thus, in 1983, the California Legislature created the Urban Water Management Planning Act (UWMPA).<sup>1</sup> The UWMPA requires urban water suppliers serving over 3,000 customers or supplying at least 3,000 acre-feet (AF) of water annually to prepare and adopt an Urban Water Management Plan (UWMP) every five years,<sup>2</sup> which shall demonstrate water supply reliability in a normal year, single dry year, and droughts lasting at least five years over a twenty-year planning horizon.<sup>3</sup> The UWMPA also requires each urban water supplier to prepare a drought risk assessment and water shortage contingency plan (WSCP).<sup>4</sup> Additionally, beginning in July 2022, each urban water supplier must prepare an annual water supply and demand assessment.<sup>5</sup> The California Legislature asserts that aggregating all of these legal requirements at the urban water supplier level will improve local, regional, and statewide water planning and water resilience.

The UWMP is the legal and technical water management foundational document for urban water suppliers throughout California. A well-constructed UWMP provides the supplier's elected officials, management, staff, and customers with an understanding of past, current, and future water conditions and management. The UWMP integrates local and regional land use planning, regional water supply, infrastructure, and demand management projects as well as analyzing statewide challenges that may manifest through climate change and evolving regulations. Thoughtful urban water management planning provides an opportunity for the supplier to integrate supplies and demands in a balanced and methodical planning platform that addresses short- and long-term planning conditions. In short, the UWMP

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<sup>1</sup> California Water Code (CWC) §10610 *et seq.* (Chapter 1 added by Stats. 1983, Ch. 1009, Sec. 1).

<sup>2</sup> CWC §10610 *et seq.*

<sup>3</sup> CWC §§10631-10635

<sup>4</sup> CWC §§10632

<sup>5</sup> CWC §§10632.1

gathers, characterizes, and synthesizes water-related information from numerous sources into a plan with local, regional, and statewide practical utility.

## ES-1 CITRUS HEIGHTS WATER DISTRICT

Citrus Heights District (District) is a public water agency located in northeastern Sacramento County and southern Placer County, approximately 15 miles northeast of downtown Sacramento. Formed in 1920 under the California Irrigation District Law, the District is governed by a three-member, publicly elected Board of Directors.<sup>6</sup>

The District provides potable water service to portions of the cities of Citrus Heights and Roseville, as well as unincorporated areas including Orangevale, Fair Oaks, and Carmichael. The service area encompasses approximately 7,780 acres and serves a population of approximately 66,600.

The District's primary water supply is treated surface water from the American River, purchased from the San Juan Water District (SJWD), which secures supplies through a combination of rights and contracts and serves multiple wholesale customer agencies in the region. Groundwater is used as a supplemental supply to meet peak, emergency, and drought-related demands, supporting a reliable and integrated system serving primarily residential, along with commercial and institutional customers. **Figure ES-1** presents the water service area.

## ES-2 WATER SERVICE RELIABILITY

Based on the information and analysis presented in this 2025 UWMP, the District anticipates reliable, sufficient water supplies necessary to meet expected demands under normal, single dry, and a five-year consecutive drought over the 25-year planning horizon through 2050. Under normal conditions, the District projects it will need approximately 13,200 AF to meet expected demands in 2050. The District's wholesale supplier (San Juan Water District, or SJWD) has confirmed the ability to deliver the amount of water necessary to meet the District's projected demands, including during dry year and consecutive drought year conditions. CHWD anticipates utilizing approximately 900 AF per year (AFY) of groundwater production during normal year types, and up to 3,000 AF during the single dry year and multi-dry year planning scenarios, while maintaining the ability to produce up to 5,000 AFY. The District can rely on remaining available groundwater capacity should circumstances change with respect to wholesale supply availability. The District has updated its Water Shortage Contingency Plan (WSCP) in conjunction with this UWMP in Section 6. The WSCP is a tool to address supply shortages identified through an annual assessment of available supplies and

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<sup>6</sup> A Brief History of Citrus Heights Water District, available at: <https://chwd.org/our-story/>

Executive Summary

unconstrained demand. The District's demand management and supply augmentation tools provide necessary actions to address and mitigate supply shortfalls, if necessary.

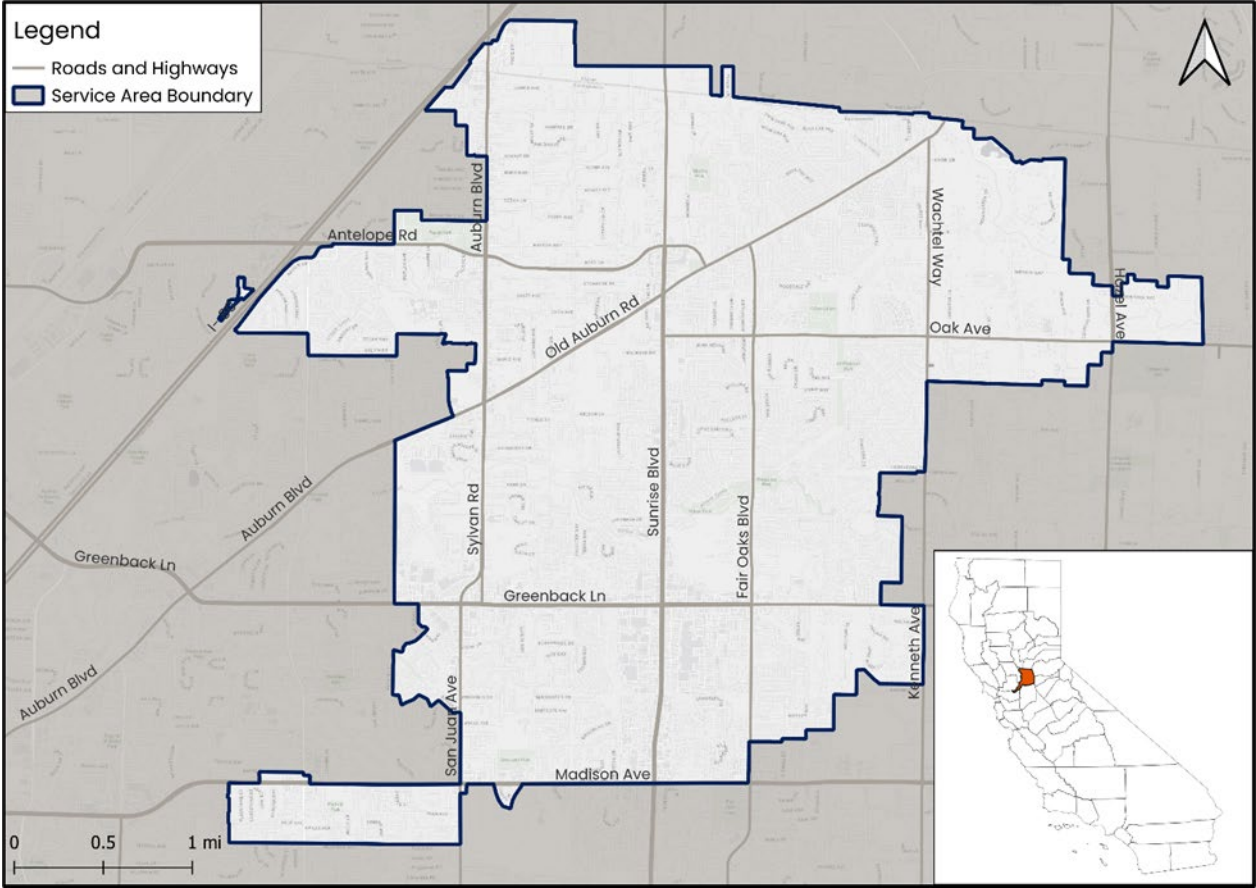


Figure ES-1. CITRUS HEIGHTS WATER DISTRICT WATER SERVICE AREA

# CHAPTER 1

## INTRODUCTION

For more than a century, the Citrus Heights Water District (CHWD) has been dedicated to providing safe, reliable, and high-quality water to its community. Founded in 1920, CHWD grew from the legacy of the North Fork Ditch, first constructed in 1856 to bring water from the American River to support Gold Rush mining and later, the fertile soils that fueled regional agriculture. From its early days serving 225 farms over 4.7 square miles, CHWD has evolved into a modern, independent water district committed to meeting the needs of a growing population.

CHWD's history is marked by a strong focus on water use efficiency, resource stewardship, and community service. As early as the 1920s, the District promoted efficient water use, introducing measures such as metering and irrigation scheduling. Over time, CHWD became a partner in the establishment of the San Juan Water District, which today serves as its wholesale water supplier. Through this partnership, surface water supplies from Folsom Lake are treated to the highest standards and delivered to CHWD customers across Citrus Heights, Roseville, and neighboring unincorporated communities.

Today, CHWD continues to build on its legacy of service by investing in infrastructure, planning for long-term reliability, and prioritizing customer needs. With a mission grounded in safety, dependability, and sustainability, CHWD's 2025 Urban Water Management Plan (UWMP) reflects both the District's historic commitment to water stewardship and its forward-looking approach to ensuring a resilient water future for generations to come.

### 1.1. BACKGROUND AND PURPOSE

The Urban Water Management Planning Act (UWMPA) was enacted by the California Legislature in 1983 to address the growing need for comprehensive water supply planning across the state's urban areas. Codified in California Water Code (CWC) §§10610-10656, the UWMPA requires urban water suppliers serving more than 3,000 customers or delivering more than 3,000 acre-feet (AF) annually to prepare and adopt comprehensive water management plans every five years. The District has prepared this 2025 UWMP to comply with the UWMPA requirements and addresses the District's water management planning efforts to assure adequate water supplies to meet forecast demands over the next 25 years.

As required by the UWMPA, this 2025 UWMP specifically assesses the availability of the District's supplies to meet forecast water uses during average, single-dry, and five

consecutive drought years through 2050. Verification that future demands will not exceed supplies and assuring the availability of supplies in dry-year conditions are critical outcomes of this plan. The 2025 UWMP is an update to the District’s 2020 UWMP and presents new data and analysis as required by the California Department of Water Resources (DWR) and the CWC since 2020. This comprehensive water planning document describes existing and future supply reliability, forecasts future water uses, presents demand management progress, and identifies local and regional cooperative efforts to meet projected water use.

The UWMP is designed to be a valuable water management and planning tool to guide and inform the District’s managers, customers, and the State of California about the District’s practices. It reflects the District’s planning assumptions and goals and should be used in combination with other planning resources and documents over the UWMP planning horizon, representing the District’s continued commitment to responsible water stewardship and proactive strategies that protect both water reliability and community prosperity.

## 1.2. BASIS FOR PLAN PREPARATION

The District operates a Public Water System as described in California Health and Safety Code §116275. The District qualifies as a Retail Urban Water Supplier as described in CWC §10617, providing water for municipal purposes to more than 3,000 customers or 3,000 AF of water per year. This qualification requires the preparation of an UWMP every five years.

The District’s Public Water System details are listed in **Table 1-1**.

**TABLE 1-1. PUBLIC WATER SYSTEM INFORMATION**

Public Water System Number	Public Water System Name	Volume of Water Supplied (AF)	Number of Municipal Connections 2025
CA3410006	Citrus Heights Water District	11,027	20,446

The State Legislature passed numerous new requirements for the 2020 UWMP cycle which continue to apply to this 2025 UWMP. Since there have been no additional statutory changes to UWMP requirements between 2020 and 2025, this plan incorporates the same comprehensive framework established for 2020 UWMPs. Major requirements implemented in 2020 and continued in this 2025 UWMP are listed below along with references to the corresponding sections where they are addressed in this document.

**Five Consecutive Dry-Year Water Reliability Assessment:** The Legislature modified the dry-year water reliability planning from a "multiyear" time period to a "drought lasting five consecutive water years" designation. This statutory change requires the District to analyze the reliability of its water supplies to meet its water use over an extended drought period. This requirement is addressed in Chapter 3—Water Supply Characterization, Chapter 4—Water Use, and Chapter 5—Water Service Reliability Assessment.

**Drought Risk Assessment (DRA):** Due to the extensiveness of recent California droughts and the variability associated with climate change predictions, the California Legislature created a DRA requirement for UWMPs. The DRA requires assessment over a five-year period from 2026 to 2030 that examines water supplies, water uses, and the resulting water supply reliability for five consecutive dry years. The DRA is addressed in Chapter 5—Water Service Reliability Assessment and Chapter 6—Water Shortage Contingency Plans.

**Seismic Risk:** Evaluating seismic risk to water system infrastructure and facilities and having a mitigation plan is now required by the CWC. Incorporating the water system into regional or county hazard mitigation planning is an important aspect of this statute. Seismic risk is addressed in Chapter 6.

**Water Shortage Contingency Plan:** The Legislature modified the UWMPA to require a Water Shortage Contingency Plan (WSCP) with specific elements. The WSCP is a document that provides the District with an action plan for a drought or catastrophic water supply shortage. The WSCP is included in Chapter 6 of this UWMP.

**Groundwater Supplies Coordination:** For suppliers who rely on groundwater, UWMPs must include information regarding the applicable Groundwater Sustainability Plan or alternatives, describe the groundwater basin, identify basin priority or adjudication status, and describe the supplier's coordination with groundwater sustainability agencies or groundwater management agencies to maintain or achieve sustainable groundwater conditions. The District's groundwater supplies are described in Chapter 3—Water Supply Characterization.

**Lay Description:** A synopsis of the fundamental determinations of the UWMP is a statutory requirement. This section is intended for new staff, new governing members, customers, and the media, and ensures a consistent representation of the District's detailed analysis.

### 1.3. COORDINATION AND OUTREACH

The District has complied with the UWMPA by engaging in coordination with local and regional agencies to ensure a consistent, transparent, and regionally integrated approach to water resource planning. Coordination and communication among agencies play a critical role in promoting reliability, resilience, and sustainability of the region's water supplies. In accordance with CWC §10620(d)(3), the District coordinated the preparation of this UWMP with other appropriate agencies within and adjacent to its service area, including water suppliers sharing common sources, water management agencies, and relevant public entities.

The District actively participates in regional coordination efforts as a member of both the Regional Water Authority (RWA) and the Sacramento Groundwater Authority (SGA). The RWA includes most of the region's water agencies and focuses on regional water supply planning, program development, and representation on statewide water issues. The SGA is primarily responsible for managing and monitoring the Sacramento area's groundwater basin to ensure its long-term sustainability. Coordination with these regional partners ensures

consistency between the UWMP and related planning documents such as Groundwater Sustainability Plans (GSPs), General Plans, and Water Master Plans. These efforts strengthen integrated regional water management and support alignment with other regional and state planning initiatives.

In compliance with CWC §10621(b), the District provided notification to all affected cities and counties at least 60 days prior to the public hearing on this UWMP update, ensuring adequate opportunity for review and participation. Additionally, the District conducted outreach to community stakeholders and encouraged the involvement of diverse social, cultural, and economic elements within the service area, as required under CWC §10642. These efforts reflect the District’s ongoing commitment to public transparency and engagement in water resource planning. A summary of these notifications is provided in **Table 1-2**, and copies of the notification letters are included in Appendix A.

**TABLE 1-2. PUBLIC AND AGENCY COORDINATION**

Coordinating Agencies	Coordinate Regarding Demands	Sent Copy of Draft UWMP	Sent 60-Day Notice	Notice of Public Hearing
Cities, Counties, Customers, and Interested Parties				
City of Citrus Heights		Posted on District's Website	X	Publication on April 23, 2026
City of Roseville			X	
Placer County			X	
Regional Water Authority				
Sacramento County			X	
Sacramento County Planning Department				
Sacramento County Water Agency				
Sacramento Groundwater Authority				
Sacramento County LAFCo				
Sacramento Suburban Water District			X	
San Juan Water District	X		X	
General Public				

**1.3.1. WATER SUPPLIER INFORMATION EXCHANGE**

In accordance with CWC §10631(h), the District coordinated closely with its wholesale water supplier, the San Juan Water District (SJWD), to exchange data and projections necessary for both agencies’ UWMPs. SJWD provides wholesale water to the District, and as required by the UWMPA, both agencies exchange projected water demand in five-year increments for at least 20 years into the future.

### 1.3.2. STATUTORY REQUIREMENTS FOR NOTICE

In compliance with CWC §10621(b), the District notified the City of Citrus Heights and Sacramento and Placer counties on February 11, 2026 and on April 23, 2026 regarding its intent to update and adopt this 2025 UWMP. The notification was provided more than 60 days prior to the scheduled public hearing, fulfilling statutory requirements. Furthermore, consistent with CWC §10642, the District encouraged public participation by providing notice through newspaper publications of the hearing date, time, location, and methods for accessing the draft UWMP. Notifications were published in local newspapers and sent directly to interested stakeholders to promote inclusive community involvement in the plan’s development.

### 1.4. PUBLIC HEARING, ADOPTION, AND SUBMITTAL

In compliance with CWC §10642, the District held a publicly noticed hearing on June 23, 2026 [ANTICIPATED DATE OF PUBLIC HEARING, SUBJECT TO CHANGE] to review and consider adoption of the 2025 UWMP and associated Water Shortage Contingency Plan (WSCP). The hearing provided an opportunity for community members and regional stakeholders to comment on the proposed Plan. Following public input, the Board of Directors formally adopted [ANTICIPATED, SUBJECT TO CHANGE] the 2025 UWMP and WSCP by resolution.

Consistent with CWC §10644(a), the adopted Plan was submitted within 30 days to the California State Library, the City of Citrus Heights, and Sacramento and Placer counties. Additionally, the District electronically submitted the Plan and all required data tables to the DWR prior to the regulatory deadline of July 1, 2026, completing all statutory submittal obligations.

### 1.5. DOCUMENT ORGANIZATION

This 2025 UWMP is organized as follows:

- **Executive Summary** provides an overview of the purpose and findings of this 2025 UWMP.
- **Chapter 1** establishes the basis for the UWMP, describes the outreach activities and introduces the document organization.
- **Chapter 2** provides a description of the District’s service area, demographic characteristics and climate, and describes the future population the District anticipates needing to serve.
- **Chapter 3** describes the current and future water supplies and the availability of the supplies through 2045.
- **Chapter 4** details the customer uses, including the past and future estimated uses, and describes District’s past and on-going demand management measures.
- **Chapter 5** presents the District’s water system service reliability into the future, including an assessment of reliability if a drought occurred over the next five consecutive years.

- **Chapter 6** is the District’s stand-alone water shortage contingency plan, incorporated as a chapter in this UWMP, but also available to be shared and utilized separate from the UWMP.

**NOTE TO DWR:**

The Citrus Heights Water District has prepared this Urban Water Management Plan (UWMP) primarily as a water resources planning tool to effectively manage water supply, reliability and demand. This UWMP also satisfies all the requirements of the Urban Water Management Planning Act (UWMPA). This UWMP is considered an individual plan as it is not part of a Regional Alliance.

The body of the document provides narratives, analysis and data that DWR requests in its 2025 UWMP Guidebook, including changes to the California Water Code since 2020. Efforts have also been made to include enhancements to this document wherever possible as recommended in the UWMP Guidebook.

Unless otherwise noted, annual reporting is on a calendar year basis and units for volumetric values are reported in acre-feet (AF).

To facilitate review by DWR for compliance with the UWMPA, data from the body of the document has been transferred into required DWR submittal tables consistent with the organization of the tables in Appendix E of the 2025 UWMP Guidebook. These tables are separately uploaded to DWR's web portal. This UWMP has been reviewed for adequacy according to the UWMP Checklist as contained in Appendix F in the 2025 UWMP Guidebook.

## CHAPTER 2

# WATER SERVICE AND SYSTEM DESCRIPTION

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CHWD is located in the northeast portion of Sacramento County and south Placer County, California, approximately 15 miles northeast of downtown Sacramento. The District was formed on October 25, 1920, under Division 11, the Irrigation District Act of the State of California Water Code. The District is governed by a three-member Board of Directors elected at large from divisions within the District.

CHWD provides water service to portions of the cities of Citrus Heights and Roseville, and portions of the unincorporated communities of Orangevale, Fair Oaks, Carmichael, and a portion of unincorporated Placer County, as shown in **Figure 2-1**. The service area covers approximately 7,780 acres in Sacramento and Placer Counties. A small portion of the District's service area, approximately 140 acres, is located in Placer County.

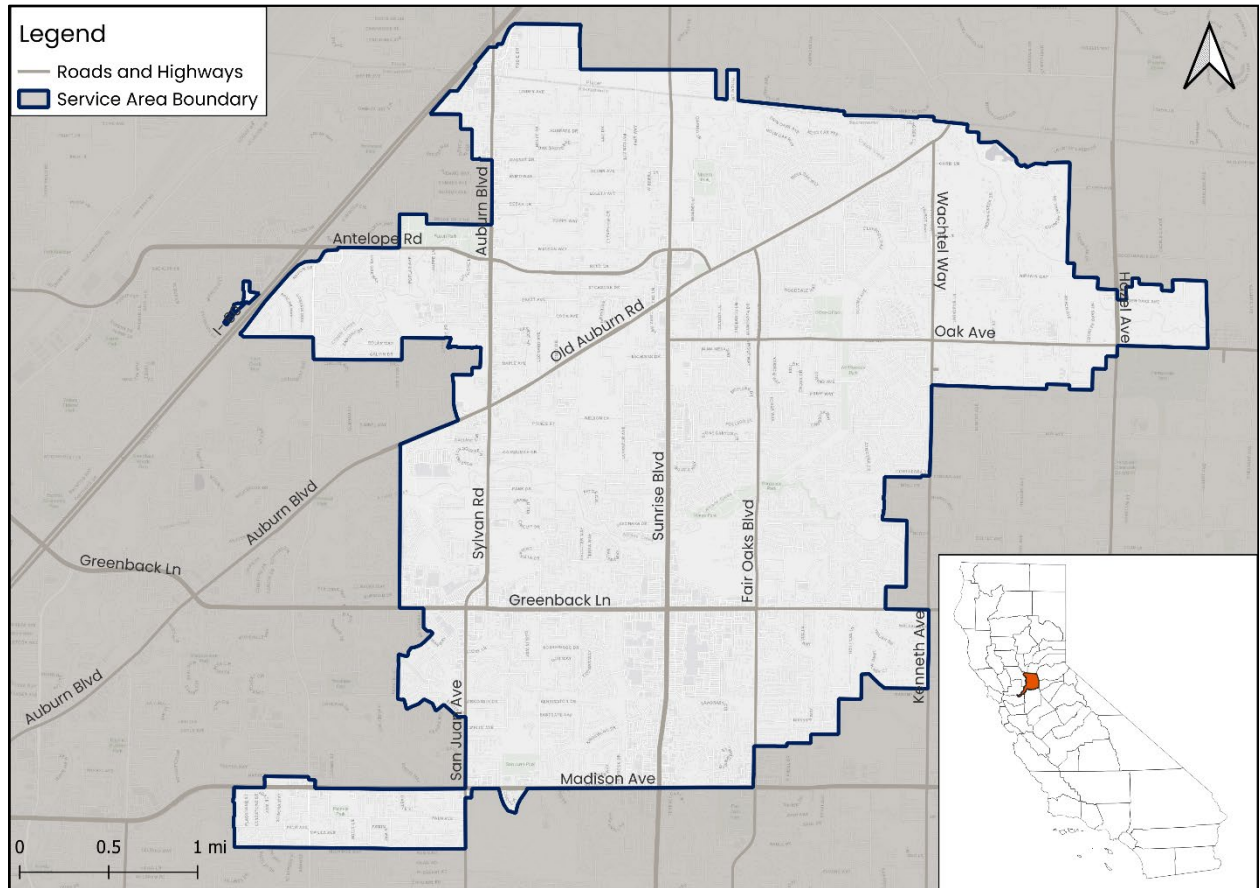


FIGURE 2-1. WATER SERVICE AREA

## 2.1. GENERAL WATER SERVICE AREA DESCRIPTION

The District initially used American River surface water supply from the North Fork Ditch Company to serve its customers. The customer base was primarily comprised of small family farms and limited urban areas. Concurrent with the completion of Folsom Dam in 1956, San Juan Water District (SJWD) was formed and acquired the facilities and water rights of the North Fork Ditch Company. SJWD has also contracted for additional water from the United States Bureau of Reclamation (USBR) and Placer County Water Agency (PCWA). CHWD now receives surface water from the American River through SJWD. Along with CHWD, SJWD provides treated surface water to Fair Oaks Water District, Orange Vale Water Company, portions of the City of Folsom, and SJWD’s own retail service area. These agencies are collectively referred to as the SJWD Wholesale Customer Agencies (WCAs). CHWD continues to supplement its surface water supply with groundwater for readiness-to-serve purposes and to meet peaking, pressure, shortage, and emergency demands.

**Table 2-1** below summarizes the District’s water service connections by type.

**TABLE 2-1. CUSTOMER WATER SERVICE CONNECTIONS**

Customer Class	2020	2021	2022	2023	2024	2025
Single Family Residential	16,592	16,870	16,863	16,891	17,052	16,943
Multi-Family Residential	2,189	2,191	2,191	2,191	2,291	2,193
Commercial/Institutional	701	706	702	703	889	703
Industrial	57	57	54	55	58	55
Landscape	401	406	407	410	410	408
<b>District Total</b>	<b>19,940</b>	<b>20,230</b>	<b>20,217</b>	<b>20,250</b>	<b>20,700</b>	<b>20,302</b>

Wastewater in CHWD’s service area is collected, treated and disposed of by the Sacramento Area Sewer District (SASD). Wastewater is collected and conveyed approximately 25 miles southwest, near Elk Grove, to the regional wastewater treatment plant.

## 2.2. SERVICE AREA CLIMATE

The CHWD service area experiences cool winters and hot, dry summers. The California Irrigation Management Information System (CIMIS) maintains historic climate data for select sites only. CIMIS does not have a station within the CHWD service area boundary and therefore the Fair Oaks station was utilized for the climate data analysis. The Fair Oaks station is located less than three miles outside the district service area and adequately represents the climate data for CHWD. The CIMIS website maintains historical climate records for the Fair Oaks station beginning in 1997 and reports the monthly temperature ranges from an average low of 39.0 (December) to an average high of 94.1 (July) degrees Fahrenheit (°F)<sup>7</sup>. During the historical period of record, extreme conditions were recorded at 21.3 °F for the lowest temperature (1998) and 119.5 °F for the highest (2019).

Precipitation data is also documented from the CIMIS Fair Oaks station. For the period 1997 through 2025, average rainfall was measured at 20.14 inches. The wettest months are January, February, March, and December while the driest months are typically July and August.

Evapotranspiration (ET<sub>o</sub>) varies seasonally. Standard monthly average ET<sub>o</sub> data was obtained from the CIMIS Fair Oaks station. Average annual ET<sub>o</sub> for the period 1997–2020 measured 50.79 inches.

**Figure 2-2** presents the monthly average climate summary based on the historical data for the CIMIS Fair Oaks station.

<sup>7</sup> [cimis.water.ca.gov](http://cimis.water.ca.gov)

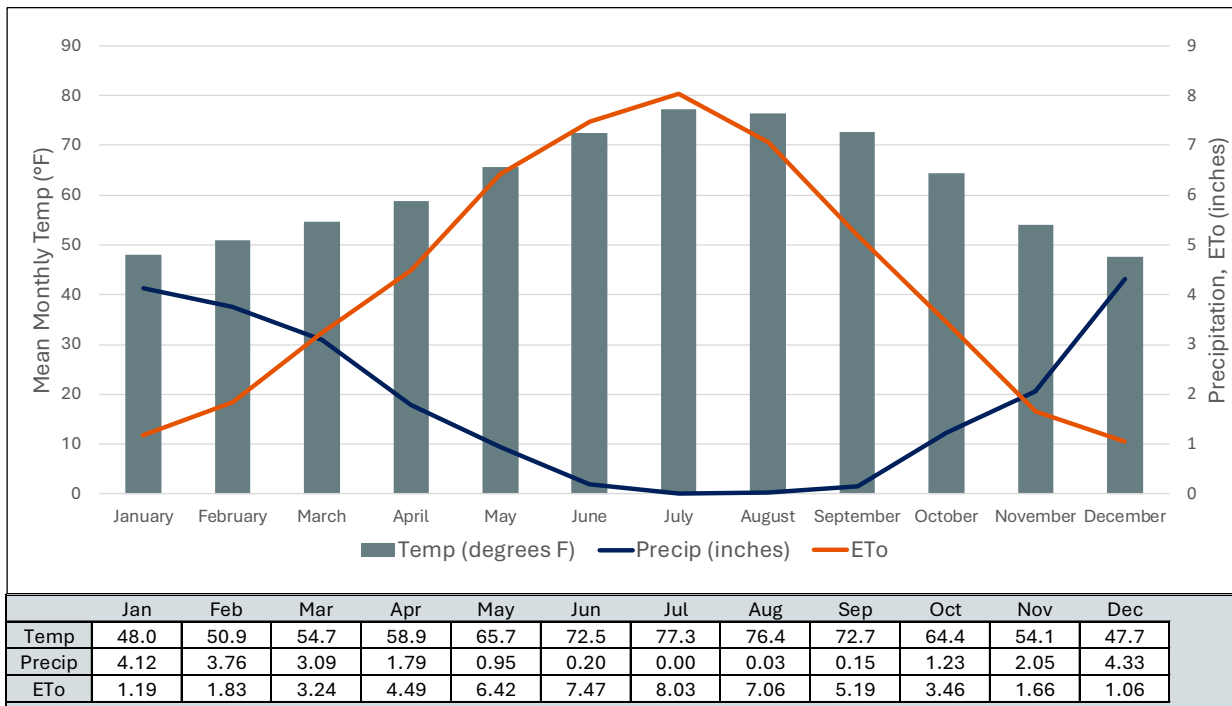


FIGURE 2-2. AVERAGE CLIMATE CONDITIONS<sup>8</sup>

### 2.2.1. CLIMATE CHANGE

The CWC recognizes climate change as an important consideration for water suppliers assessing drought risk, water conservation and use efficiency, and demand management and supply.

Precipitation patterns in the Sacramento region, shown in Figure 2-3, show considerable variability and uncertainty in future projections. While annual precipitation totals may not change dramatically, climate projections suggest a shift toward more intense, less frequent precipitation events.<sup>9</sup>

As shown by the trendlines in Figure 2-4, the region has experienced gradual warming, with annual temperatures having increased by approximately 2°F since the mid-20th century. This warming trend will likely continue, with potential temperatures increasing by 4.9-7.2°F by the end of the century.<sup>10</sup> Warming temperatures contribute to decline within the Sierra Nevada snowpack, with more precipitation falling as rain rather than snow and earlier snowmelt fundamentally altering runoff patterns. As a result, flows into reservoirs will be higher during winter months. However, much of this additional flow cannot be stored effectively as

<sup>8</sup> Data obtained from CIMIS

<sup>9</sup> See Chapter 7.1. *Projected Future Conditions* of the [American River Basin Study](#) (ARBS), a collaborative project between USBR and regional partners to develop basin-specific climate change adaptation strategies.

<sup>10</sup> See Chapter 2.3.5. *Projected Future Temperature* of the ARBS.

reservoirs approach critical operational thresholds and face stricter flood control levels during the winter.<sup>11</sup> Given its reliance on imported water from other watersheds, any effect from climate change on Sierra Nevada snowpack or flows into Northern California reservoirs will have a serious impact on water availability. Additional details and discussion regarding the potential effects of climate change are included in Chapter 3.

On the demand side, increasing temperatures and longer, more intense heat waves are likely to increase outdoor water demands, particularly for landscape irrigation, even as conservation measures continue to improve efficiency.

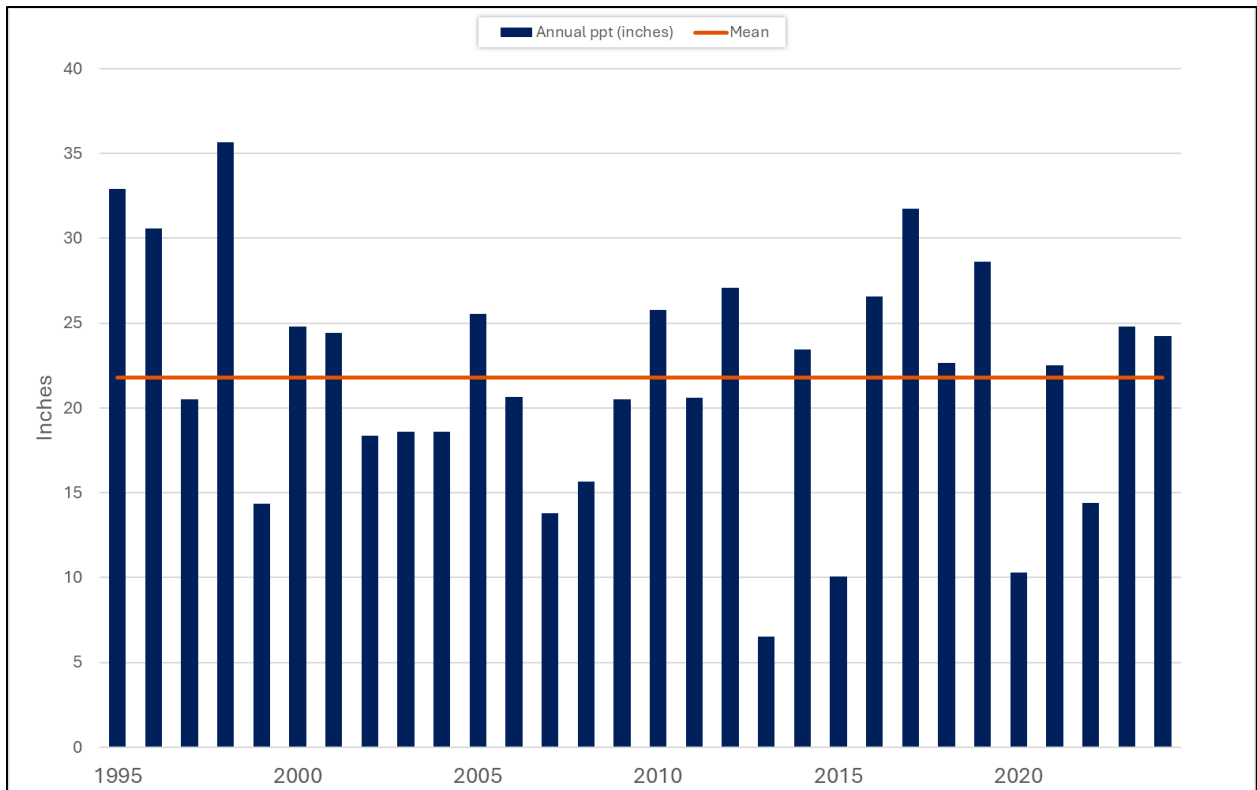


FIGURE 2-3. ANNUAL PRECIPITATION VARIABILITY (YEARS)

<sup>11</sup> See Section 6.2. *Overall Effects of Climate Change* of the Draft Delivery Capability Report published by DWR for 2025.

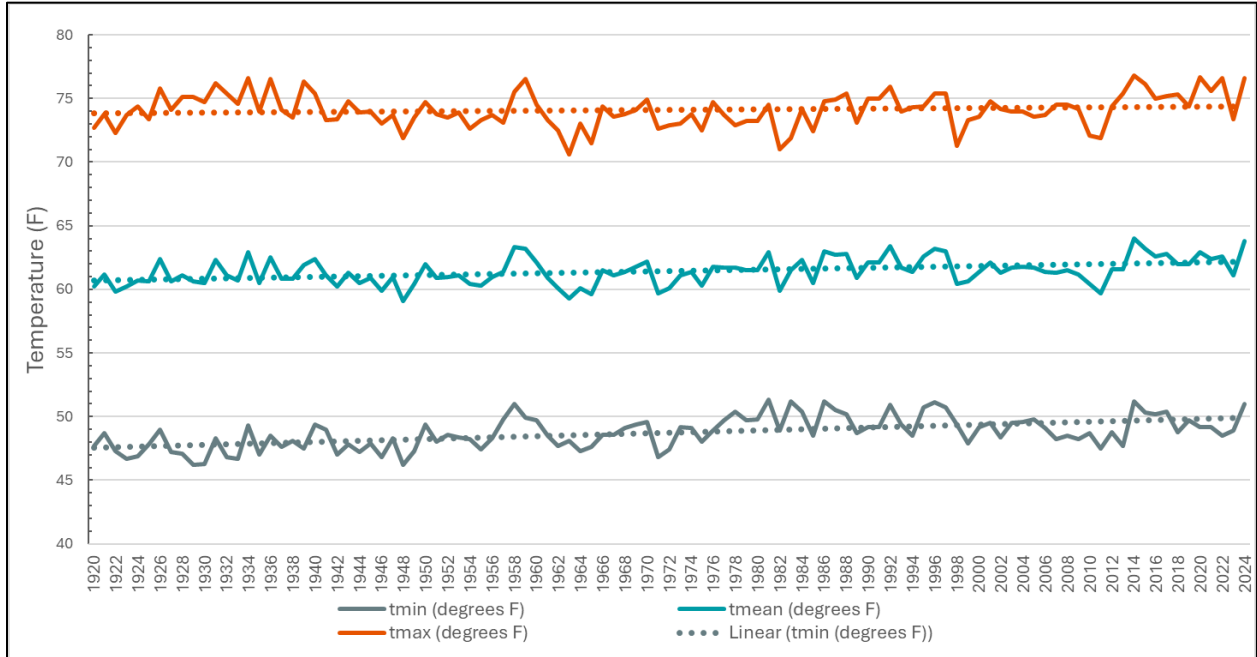


FIGURE 2-4. HISTORICAL ANNUAL TEMPERATURE (YEARS)<sup>12</sup>

### 2.3. CURRENT AND PROJECTED POPULATION, LAND USE, ECONOMY, AND DEMOGRAPHICS

Service area population and land use projections are critical to developing a useful planning framework, as population dynamics and growth are a primary driver on water use. These projections directly influence planning decisions for system supply, delivery, infrastructure, and demand management. Similarly, understanding the District’s economic, social, and demographic trends is requisite for water management and planning. This section of the UWMP addresses these factors to provide a supportable basis for forecasting future water use.

Developing these planning frameworks and growth projections begins with calculating an informed estimate of the CHWD’s current service area population, consistent with DWR requirements.

#### 2.3.1. SERVICE AREA POPULATION AND DEMOGRAPHICS (CURRENT AND PROJECTED)

The CHWD service area boundary does not directly match up with census tract or block group zones. The existing service population is therefore estimated using the person per connection method. The United States Census Bureau (US Census) information regarding

<sup>12</sup> Temperature data is from the PRISM Climate Group <https://prism.oregonstate.edu/> Location: Lat: 39.1239 Lon: -121.6174 Elev: 56ft

total population and number of housing units were used to estimate the person per connection within the District’s service area. Geographic Information System (GIS) data was obtained from the US Census website<sup>13</sup> utilizing the most recent census data (2020). Census blocks were identified as within the District’s service area, and the associated population and number of dwelling units were used to estimate the person per connection for a single census block. The average person per connection for each block within the District’s service area is estimated as 2.83. The number of residential connections is then factored in to calculate the capita per connection. Projected populations assume the current capita per connection value of 2.83 and include projected connections from future developments, including the Sunrise Marketplace Redevelopment. See Chapter 3 for a more detailed discussion of projected customer connections. Population projections are summarized in **Table 2-2**.

**TABLE 2-2. CURRENT AND PROJECTED POPULATION**

Population Served	2025	2030	2035	2040	2045	2050
	66,617	68,221	69,825	71,428	73,032	76,309

### 2.3.2. CURRENT AND PROJECTED LAND USE

Per the City of Citrus Heights General Plan (City of Citrus Heights, 2020), land uses within the CHWD service area include Residential (various densities), General Commercial, Business Professional, Industrial, Open Space, Public, and Corridor Transition Overlay. The Citrus Heights General Plan does not specifically inform on land use projections but does identify the Sacramento Area Council of Governments (SACOG) as the responsible entity relating to such planning projections. The CHWD service area is included in the SACOG planning area and is mainly classified as “Established Community”. With exception to the Sunrise MarketPlace project, no land use changes that would affect CHWD’s water management planning are anticipated. Based on current and projected land use, SACOG’s 2025 Blueprint projects approximately 2,300 new residential units within the service area by 2050.

Although in the early stages, redevelopment of the Sunrise Mall is expected. The proposed project includes redevelopment and conversion of the existing parcels into residential and commercial properties. A total of 2,220 residential units could be added, including a mixture of townhouses, multi-family lifestyle units (apartments, flats, and mixed-use), and senior housing, while commercial operations could include a hotel, retail shops, offices, and community and institutional developments totaling 1,730,000 square feet (Gensler, 2021).

The District has identified various commercial and residential infill development projects likely to be constructed within the planning horizon of this UWMP. **Table 2-3** below provides the dwelling unit potential for residential infill development as well as the total acres for commercial infill development. These metrics are used to project total number of future

<sup>13</sup> <https://www.census.gov/geographies/mapping-files/time-series/geo/tiger-line-file.html>

connections (and population), as well as the basis for estimating future demands (see Chapter 4).

**TABLE 2-3. SUMMARY OF LAND USE PLANS IN SERVICE AREA WITH FUTURE RESIDENTIAL UNITS**

Planned Development Name	Land Use Type	Dwelling Unit Potential	Acres
Expected Infill Projects - Residential	Residential	52	
Expected Infill Projects - Commercial	Commercial		26.18
Sunrise Tomorrow - Residential	Residential	2,220	
Sunrise Tomorrow - Commercial	Commercial		39.72
	<b>Total</b>	<b>2,272</b>	<b>65.90</b>

Land uses within the District’s service area are presented in **Figure 2-5** below. As the service area overlies various land use jurisdictions (City of Citrus Heights, unincorporated Sacramento and Placer Counties), the figure provides the land uses as defined by each land use authority and were obtained from the relevant General Plans.

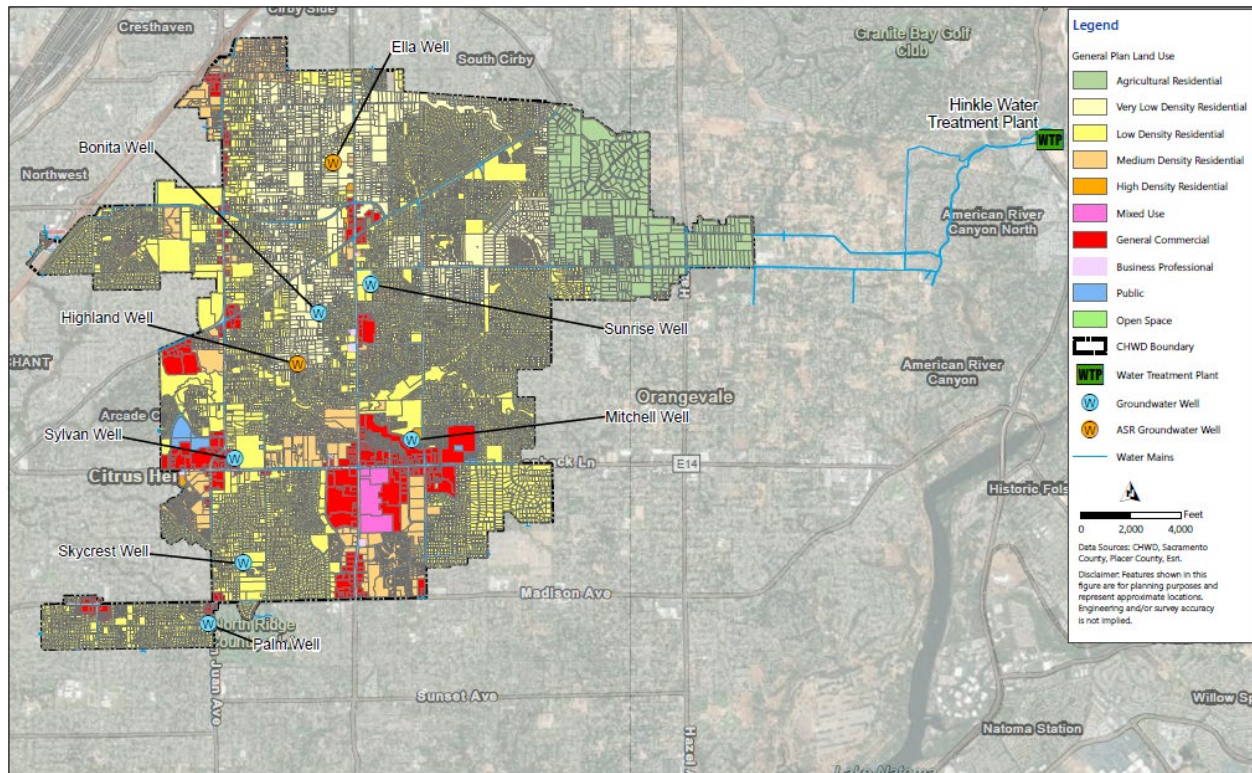


FIGURE 2-5. General Plan Land Use Map<sup>14</sup>

<sup>14</sup> General Plan Land Use mapping obtained from CHWD.

### 2.3.3. ECONOMIC TRENDS & OTHER SOCIAL AND DEMOGRAPHIC FACTORS

In the early years of the District, residential and agricultural growth was nominal. Since then, urban development continued to such a degree that presently there is no significant agricultural water use within the District. CHWD now serves a predominantly residential customer base, with a 2025 residential demand equal to 84 percent of its total annual retail deliveries.

In the years prior to the Covid-19 pandemic, some areas within the greater Sacramento Region experienced substantially low unemployment rates. **Figure 2-6** displays the Sacramento metropolitan area Labor Force and Employed populations as well as the resulting Unemployment Rate for the period January 2010 through September 2025. As seen on the figure, in September 2019, the region experienced the lowest unemployment rate for the period (3.1 percent). Commensurate with the impacts on the labor market due to the pandemic, 2020 saw the largest increase in the unemployment rate for the period, resulting in a high of 14.3 percent (April 2020). Since then, the area has experienced an overall decrease in the unemployment rate, although recent trends indicate that the rate has rebounded from a local low of 3.1% (May 2022) up to 5.2% as of September 2025.

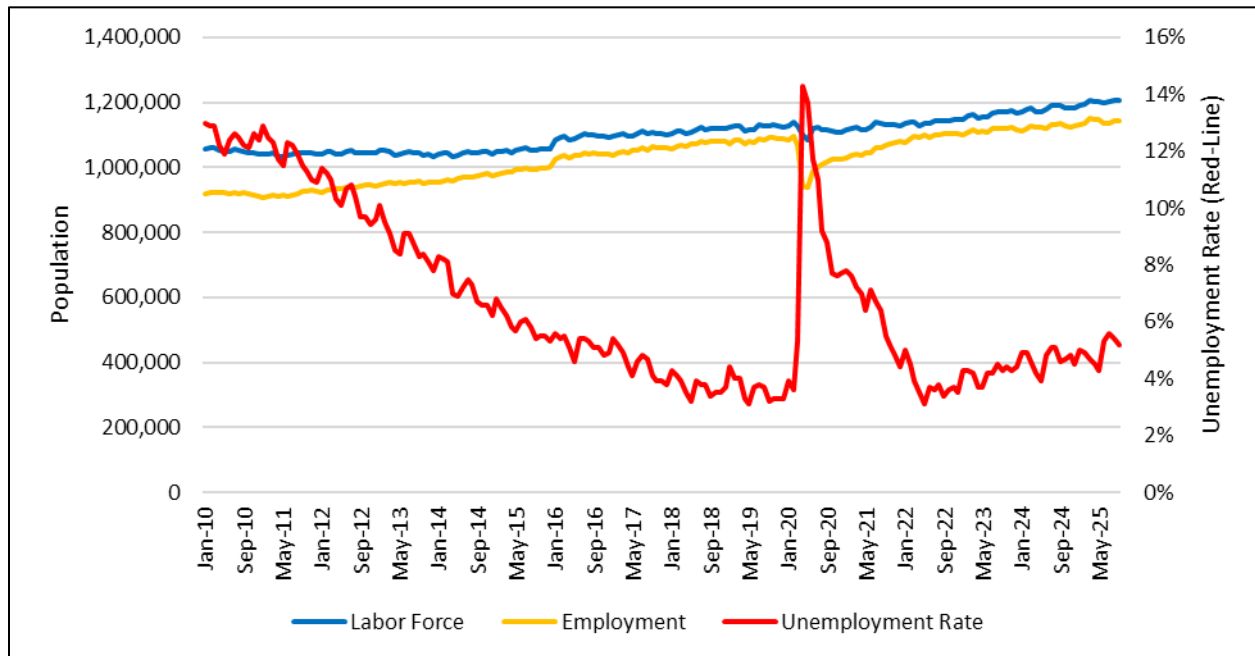


FIGURE 2-6. AGENCY AREA EMPLOYMENT DATA<sup>15</sup>

The United States (US) Census Bureau provides demographic statistics for the City of Citrus Heights. Although the City’s boundary does not match CHWD’s service area boundary,

<sup>15</sup> U.S. Bureau of Labor Statistics: Sacramento – Arden Arcade – Roseville, CA.

information pertaining to the City is considered a proxy for CHWD, as approximately 70 percent of the District’s service area boundary is within the City boundary. Per the US Census Bureau, approximately 9.8 percent of the population within the City of Citrus Heights is considered “in poverty”, while the annual per capita income for the period 2019–2023 is \$36,645. The US Census Bureau also reports that 20.8 percent of the City’s population (aged five years and higher) speak a language other than English at home, with 14.9 percent being foreign-born. **Table 2-4** displays the percentage of the City’s population based on age groups.

**TABLE 2-4. AGE DISTRIBUTION OF THE CITY OF CITRUS HEIGHTS**

Age Range	Percent of Population
Persons Under 5 Years	5.4
Persons Under 18 Years	20.3
Persons Under 65 Years	81.8
Persons 65 Years and Older	18.2

Source: US Census Bureau, Quick Facts

## 2.4. DELIVERY SYSTEM DETAILS

The District operates a potable water system to provide water service to its customers. **Figure 2-7** represents the major features of CHWD’s water system.

CHWD purchases surface water from SJWD. All of SJWD’s surface supplies are withdrawn from Folsom Reservoir and treated at SJWD’s water treatment plant. The District does not have any water treatment facilities within its service area. CHWD maintains four total connections with SJWD to receive its water supply. One connection on the CHWD 42-inch transmission main and three on the SJWD 72-inch Cooperative Transmission Pipeline.

In addition to treated surface water supplies from SJWD, the District also produces groundwater from multiple wells located throughout the service area. **Figure 2-7** also provides the approximate locations of groundwater production wells.

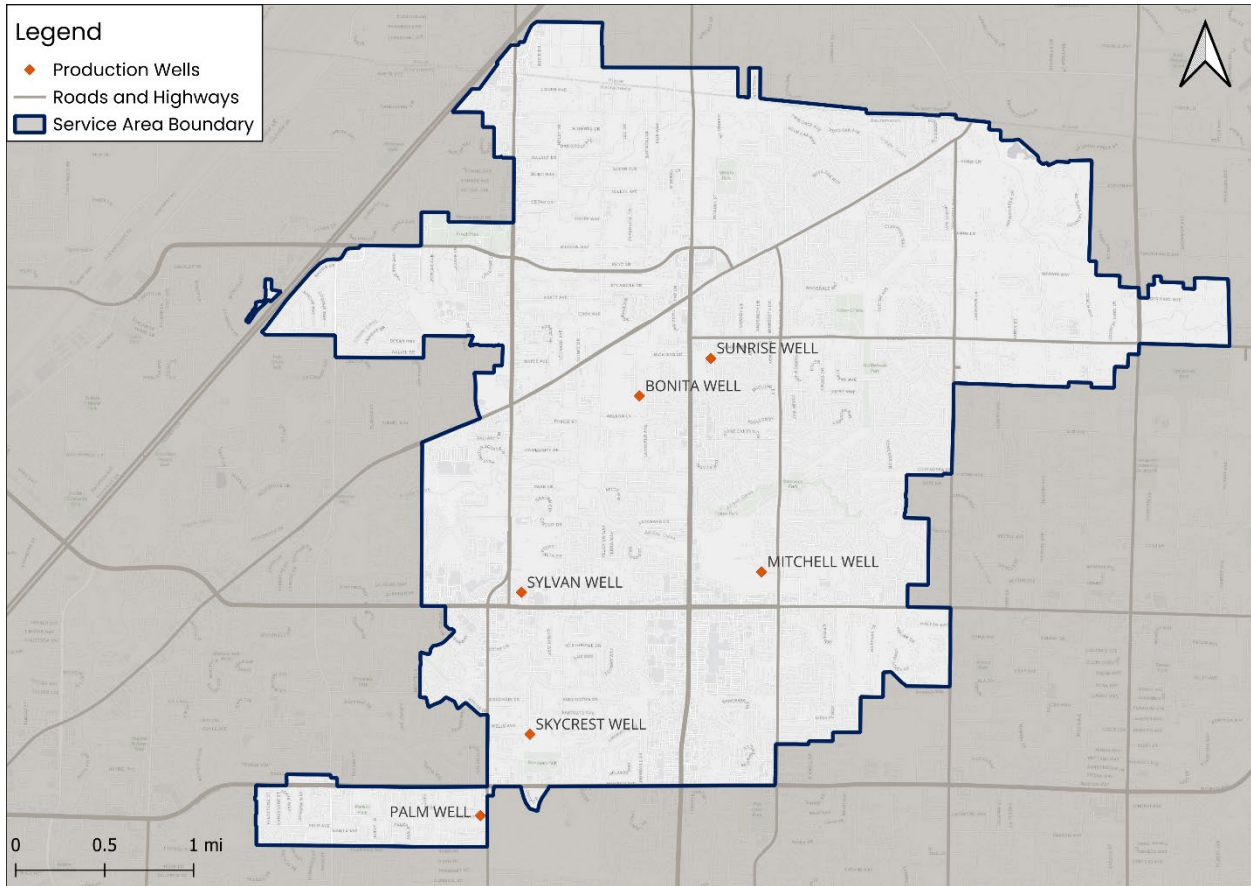


FIGURE 2-7. CHWD’S WATER SYSTEM

## 2.5. ENERGY INTENSITY

The energy required to supply water to CHWD’s customer base is reported in **Table 2-5** below, per UWMP requirements. The treated surface water supplied by SJWD is gravity fed into CHWD’s service area. The majority of CHWD’s energy consumption to supply water is attributed to groundwater pumping. In 2025, a total of 421,790 kilowatt-hours (kWhs) were needed to deliver 673 AF of groundwater to CHWD’s customer base. As the surface water supply is gravity fed to the District’s distribution system, there is no energy use associated with SJWD supplies. The resulting energy intensity, expressed in kilowatt-hours per AF of water delivered (kWh/AF), is reported as 627 kWh/AF.

**TABLE 2-5. ENERGY INTENSITY – TOTAL UTILITY APPROACH**

Supply	Energy Consumed (kWh)	Volume of Water Entering Process (AF)	Energy Intensity (kWh/AF)
Surface Water	0	10,354	0
Groundwater	421,790	673	627

# CHAPTER 3

## WATER SUPPLY

CHWD uses both surface water and groundwater to supply its customers. The District purchases surface water from the San Juan Water District (SJWD). Groundwater is obtained from the District’s four active wells and two standby wells. The District has drilled two additional wells and is in the design and construction phases for the well housing.

In addition to the connections to SJWD, the District also maintains interties with the City of Roseville, the Carmichael Water District, as well as the Fair Oaks Water District. These interties can be used during emergency events to facilitate overall supply reliability.

The following subsections present information on the District’s supply portfolio and conditions regarding such supplies.

### 3.1. SURFACE WATER SUPPLY

Citrus Heights Water District purchases all of its surface water supplies from SJWD. CHWD does not hold any surface water rights of its own. SJWD obtains its surface water through a combination of rights and contracts totaling 82,200 acre-feet per year (AFY). The specifics and reliability of each right and contract is presented in SJWD’s UWMP (Chapters 3 and 5) and summarized in Chapter 5 of this UWMP. All of SJWD’s surface water supplies are withdrawn from Folsom Reservoir into SJWD’s water treatment plant.

CHWD maintains a wholesale Water Supply Agreement (WSA) with SJWD to provide surface water, as does SJWD with all the WCAs. The WSA is dated 2008 and is valid until 2045. The wholesale WSA does not include a volumetric amount; rather it states that SJWD will provide CHWD the required supply. The other WCA contracts also include the same language. CHWD projects it will primarily rely on surface water to meet the majority of its customer demands.

CHWD maintains multiple connections with SJWD to receive its water supply, one on the CHWD 42-inch transmission main and three on the SJWD 72-inch Cooperative Transmission Pipeline. Barring the failure of these connections, there are no physical constraints to obtaining the required SJWD supply.

**Table 3-1** provides the District’s historical utilization of SJWD purchases for the period 2021 through 2025.

**TABLE 3-1. HISTORICAL WHOLESALE UTILIZATION, 2021 – 2025 (VALUES IN ACRE-FEET)**

Year	Utilization
2021	7,749
2022	7,968
2023	9,719
2024	10,783
2025	10,354

### 3.2. GROUNDWATER SUPPLY

The groundwater basin underlying the District is the North American Sub-basin, part of the larger Sacramento Valley groundwater basin. In the California’s Groundwater Update 2003 (Bulletin 118), DWR identifies the basin as 5-21.64.

#### 3.2.1. BASIN DESCRIPTION

Water-bearing formations beneath the District occur in two major strata. The upper water bearing units include the geologic formations of the Victor, Fair Oaks, and Laguna Formations and are typically unconfined. The lower water-bearing unit consists primarily of the Mehrten Formation, which exhibits confined conditions. The Mehrten Formation is the most productive fresh water-bearing unit in the eastern Sacramento Valley, though some of the permeable layers of the Fair Oaks Formation produce moderate amounts of water. Much of the recharge of these aquifer systems comes from rainfall and applied water (36%), subsurface flow from the South (26%), and the Sacramento River (21%) (SGA, 2014). To a lesser extent, aquifer recharge also occurs where the Mehrten Formation reaches the surface in the foothills in eastern Sacramento and western El Dorado County areas.

Supply wells in the Sacramento region draw water primarily from the Mehrten and Fair Oaks formations and typically produce 500-1,500 gallons per minute (gpm). There are areas throughout the basin that exhibit elevated levels of iron, manganese, and arsenic. CHWD’s wells do not exhibit any water quality issues that impact its use as potable water supply or require treatment other than disinfection prior to service.

The local groundwater basin does contain three significant major groundwater contamination areas: the United Pacific Railroad plume located northwest of the District in Roseville and the McClellan Air Force Base plume located west of the District. Both plumes are down-gradient and not expected to impact the District’s groundwater quality. A third groundwater contamination plume attributed to Aerojet’s historic operations was first

detected in groundwater south of the American River in 1979. Since that time, Aerojet has installed groundwater treatment facilities and conducted other efforts to treat and control plume migration. However, the plume was detected north of the American River near Fair Oaks in 2000, and another plume was detected north of the American River in 2005 near Ancil Hoffman Park in Carmichael. Additional monitoring wells and pump-and-treat facilities have been installed to monitor and treat the plumes attributed to Aerojet.

The basin is not adjudicated. Total usable capacity and safe yield of the basin have not yet been determined. Usable capacity is assumed to be the yield calculated in the DWR's American Basin Conjunctive Use Project Feasibility Study (1997). The study assumed a specific yield of 7 percent and an assumed thickness of 200 feet. Applying these assumptions to the total basin area results in a usable capacity of 70.2 million AF. More information on the management of the basin is presented in the following subsections.

### 3.2.2. GROUNDWATER MANAGEMENT

#### SACRAMENTO GROUNDWATER AUTHORITY (SGA)

The SGA is a joint powers authority originally formed in 1998 to manage the North Basin (SGA, 2014) in response to descending groundwater levels. Up until the early 2000s, groundwater levels had been generally declining in Sacramento County for the previous 50 years, with many areas declining at a rate of 1.2 to 2.0 feet per year. A groundwater depression that was evident in 1968 significantly expanded and deepened in 1996. The SGA developed a Groundwater Management Plan (GMP) in 2003, with several updates since. The current GMP was completed in 2014 and identified the following four basin management objectives:

1. Maintain groundwater elevations in the SGA area that provide for sustainable use of the groundwater basin.
2. Maintain or improve groundwater quality in the SGA area to ensure sustainable use of the groundwater basin.
3. Maintain groundwater levels to prevent inelastic land surface subsidence that would damage infrastructure or exacerbate flooding.
4. Protect against adverse impacts to surface water or groundwater resulting from the interaction between groundwater in the basin and surface water in the American River, the Sacramento River, and other surface water bodies within the SGA area.

SGA reports that groundwater elevation levels have stabilized, or in some cases increased. SGA is also the California Statewide Groundwater Elevation Monitoring (CASGEM) reporting agency for the basin conditions. As a member of SGA, CHWD continues to track contamination threats and participate in conjunctive use programs or other projects to minimize the risk of contamination plumes. The comprehensive SGA basin monitoring program and other strategies to mitigate groundwater overdraft on a regional basis are

included in the SGA GMP, located at <https://sgah2o.org/programs/groundwater-management-program/groundwater-management-plan/>.

### **SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA)**

The enactment of SGMA in 2014 required “management and use of groundwater in a manner that can be maintained during the planning and implementation horizon without causing undesirable results” (CWC § 10721(v)). SGMA empowered local entities to form Groundwater Sustainability Agencies (GSAs), whose purposes include implementation of SGMA. As such, SGA was designated as the exclusive GSA for its management area in early 2016. SGA has continually participated throughout the SGMA process, including development of the GSP, Emergency Regulations, Basin Boundary Modifications process, and the report on the surface water available for replenishment.

SGMA basin prioritization includes a process that identifies a groundwater basin as Very Low, Low, Medium, and High priority basins, with specific SGMA requirements for each. All basins identified as either High or Medium priority basins are required to be managed under a GSP or coordinated GSP (CWC § 10720.7). The North American Sub-Basin is identified as Medium/High priority.

Although there are no current restrictions on CHWD’s ability to produce groundwater, basin sustainability may ultimately require certain limitations on groundwater production.

### **3.2.3. OVERDRAFT CONDITIONS**

DWR Bulletin 118 does not identify the North American Sub-Basin as being in overdraft. Groundwater management efforts in the region through SGA and other partnerships have improved and stabilized basin groundwater levels. Hydrographs for the basin’s monitoring wells are shown in **Figure 3-1** below and can be accessed at <https://www.sgah2o.org/basin-conditions/groundwater-hydrographs/>. The red points indicate the Spring season groundwater level measurement, usually correlating to the highest groundwater level for the year (before pumping for agricultural purposes). The y-axis displays the reported groundwater surface elevation above (or below) mean sea level.



FIGURE 3-1. HYDROGRAPHS FOR BASIN MONITORING

### 3.2.4. HISTORICAL GROUNDWATER PRODUCTION

CHWD maintains four active operating wells with a projected total yield of approximately 5,000 AFY based on approximately seven months operation during the dry season. Well production rates vary from 800 to 2,000 gpm. CHWD cycles its wells weekly to maintain operational readiness-to-serve capabilities and to supplement the surface water supply. Over the last five years, this “maintenance” groundwater production has averaged approximately 2,083 AFY.

CHWD plans to construct an additional four wells over the next 10 years to replace existing wells nearing their end of useful life and provide additional dry-year supplies. The District plans to maintain groundwater production capacity equivalent to at least 5,000 AFY from its well system. However, groundwater production could increase up to the full well capacities in successive dry-year scenarios. Well site availability could impact the number of wells constructed or the construction implementation schedule. The District continues to monitor its service area for potential well sites and obtains the land as available. The District actively evaluates its needs for new wells and will update the number or timing of new wells as appropriate.

**Table 3-2** provides the District’s historical utilization of groundwater for the period 2021 through 2025.

**TABLE 3-2. HISTORICAL GROUNDWATER UTILIZATION, 2021 – 2025 (VALUES IN ACRE-FEET)**

Year	Utilization
2021	4,334
2022	3,597
2023	1,124
2024	687
2025	673

### 3.3. OTHER WATER SOURCES

General information on other water sources is provided in the following subsections.

#### 3.3.1. STORMWATER

Multiple entities are responsible for stormwater management within CHWD’s service area. For portions within the City of Citrus Heights’ boundary, stormwater is managed by the City of Citrus Heights and currently discharged to Arcade, Brooktree, and Cripple Creeks (including tributaries)<sup>16</sup>. For portions of CHWD’s service area outside of the City’s boundary (but within Sacramento County), Sacramento County Department of Water Resources is the responsible entity. For the small portion of the District’s service area located in Placer County, the management of stormwater is within the purview of Placer County and the City of Roseville (Placer County, rev. 2018).

<sup>16</sup> <https://www.citrusheights.net/415/Stormwater-Program>

No treatment facilities are within CHWD’s service area, and therefore, stormwater is not considered a viable option for beneficial use at this time. Opportunities for development of stormwater as a supply source will be monitored and evaluated for feasibility.

### 3.3.2. WASTEWATER COLLECTION, TREATMENT, AND DISPOSAL

The Sacramento Area Sewer District (SASD)<sup>17</sup> conducts wastewater collection, treatment, and disposal for the CHWD service area. Wastewater is collected and conveyed approximately 25 miles southwest, near Elk Grove, to the regional wastewater treatment plant.

The regional wastewater treatment plant serves most of the entire Sacramento metropolitan area. The treatment plant receives and treats approximately 115–130 million gallons per day (mgd) of wastewater. The current capacity of the plant to treat dry weather flows is approximately 181 mgd. The treatment plant produces a disinfected secondary effluent that is discharged into the Sacramento River below Freeport. The principal treatment processes are primary sedimentation, pure-oxygen activated sludge, secondary sedimentation, and chlorination/de-chlorination. There are no recycled water facilities within the CHWD service area.

Estimated wastewater generation is based on the SASD unit wastewater generation factor of 310 gpd per equivalent dwelling unit (SASD, 2010). Estimated wastewater collected within the CHWD service area is presented in **Table 3-3**. No wastewater is treated or discharged within the CHWD service area.

**TABLE 3-3. 2025 AMOUNT OF WASTEWATER COLLECTED WITHIN SERVICE AREA (VALUES IN ACRE-FEET)**

Wastewater Collection Agency	Wastewater Volume Metered or Estimated?	Volume Collected in Service Area <sup>1</sup>	Wastewater Receiving Entity	Treatment Plant Name	Is WWTP Located within Service Area?
Sacramento Area Sewer District	Estimated	6,300	Sacramento Area Sewer District	EchoWater	No

<sup>1</sup>Volume estimated based on estimated SRCSD unit factor of 85 gpcc

### 3.3.3. RECYCLED WATER SYSTEM DESCRIPTION

CHWD does not use recycled water nor is recycled water available in the District’s service area. Accordingly, this subsection presents the required information per the DWR requirements.

<sup>17</sup> SASD merged with Sacramento Regional County Sanitation District (SRCSD) in 2024; the combined agency operates as SacSewer.

### POTENTIAL, CURRENT, AND PROJECTED RECYCLED WATER USES

Recycled water is currently not, nor has been, a supply option for the District. Due to this fact, DWR reporting Tables 6-4 and 6-5 are not presented in this UWMP.

### ACTIONS TO ENCOURAGE AND OPTIMIZE FUTURE RECYCLED WATER USE

SASD developed a recycled water opportunities plan in 2007 (Recycled Water Plan). The Recycled Water Plan divided its service area into specific opportunity areas. Each opportunity area was evaluated for recycled water use potential based on many factors such as demand, supply availability, infrastructure requirements, local support, costs, and others. The process utilized a Water Recycling Advisory Committee that provided a broad stakeholder view and input to the process. The Committee consisted of representatives from cities, water agencies, environmental groups, the State, and business groups. CHWD was represented on the Committee by the Regional Water Authority.

The CHWD service area is located in the Target Area 3 opportunity area identified in the Recycled Water Plan. Based on the analysis and alternative screening procedures, no potential recycled water applications were identified in the CHWD service area. One of the main reasons for the findings is relatively small potential demands that would require extensive infrastructure development, including a new local treatment plant to provide a supply source. **Table 3-4** summarizes these planning efforts.

The SRCSD Recycled Water Plan concluded there were no viable opportunities for recycled water use from SRCSD in the CHWD service area. However, in the future, basic planning assumptions may change or new issues arise that could result in the identification and development of feasible recycled water programs. CHWD will continue to monitor its water resources issues and identify recycled water programs should the opportunity arise.

Future recycled water use will be part of a regional solution that involves the many entities involved in the SRCSD Water Recycling Opportunities Study. Incentives and methods to encourage recycled water use will depend on SRCSD and its regional partners identifying and developing a recycled water program for the north area of Sacramento County. Potential recycled water supply could also come from remediated groundwater if a plume is detected in the service area. CHWD will continue to follow recycled water use issues and will provide input as necessary. When a feasible program is identified through cooperation with the regional efforts, CHWD may develop incentives and methods to encourage recycled water use within its service area. **Table 3-4** lists the current methods and programs to encourage recycled water use as zero as there is no recycled water supply.

**TABLE 3-4. METHODS TO EXPAND FUTURE RECYCLED WATER USE**

Name of Action	Description	Planned Implementation Year	Expected Increase in Recycled Water Use
SASD Water Recycling Opportunities Study	A periodically updated regional study that investigates feasible water recycling opportunities throughout the region	Ongoing	None at this time for CHWD service area

The City of Roseville to the north also produces recycled water at both the Pleasant Grove and Dry Creek wastewater treatment plants. However, the City’s water resource strategy anticipates the City will utilize all of its recycled water for its own long-term supply requirements.

**3.3.4. DESALINATED WATER OPPORTUNITIES**

CHWD does not foresee any desalinated water opportunities to provide additional supply. The service area is not located near any sea or brackish water supply sources, and there are no known brackish groundwater supplies nearby. Future issues and opportunities may provide for CHWD, through SJWD or another agency, to exchange water supplies with another agency that does have desalination opportunities. CHWD will continue to monitor potential opportunities and develop programs and alternatives as identified.

**3.3.5. WATER EXCHANGE AND TRANSFERS**

CHWD receives all of its surface water from its wholesale agency, SJWD. CHWD does not own rights or contracts to additional surface water supplies that it could transfer or exchange. In 2018, CHWD (through SJWD) participated in the American River Water Transfer, a regional groundwater substitution that reduced CHWD’s surface water supply entitlement. The District participated in another water transfer in 2022 as well.

It is noted that CHWD could participate in a conjunctive use program through SJWD that could result in future transfer and exchange opportunities. At this time, CHWD does not anticipate any transfer or exchanges for the planning period for this UWMP.

**3.3.6. FUTURE WATER PROJECTS**

CHWD plans to construct an additional four wells over the next 10 years to provide additional dry-year supplies. The District plans to maintain groundwater production capacity equivalent to at least 5,000 AFY from its well system. However, groundwater production could increase up to the full well capacities in successive dry-year scenarios. Well site availability could impact the number of wells constructed or the construction implementation schedule. The District continues to monitor its service area for potential well sites and obtains the land as available. The District actively evaluates its needs for new wells and will update the number or timing of new wells as appropriate. Future supply projects are summarized in **Table 3-5**.

**TABLE 3-5. EXPECTED FUTURE WATER SUPPLY PROJECTS OR PROGRAMS**

Name of Future Project or Program	Joint Project with Other Suppliers	Planned Year of Implementation	Planned for Use in Year Types	Expected Increase in Water Supply
Well #7	No	2026	All Year Types	1,200 gpm
Well #8	No	2028	All Year Types	1,500 gpm
Well #9	No	2030+	All Year Types	1,000 gpm
Well #10	No	2030+	All Year Types	1,000 gpm

### 3.4. SUMMARY OF EXISTING AND PLANNED SOURCES OF SUPPLY

Existing supplies for CHWD include both purchased water and groundwater. Groundwater is currently used to augment purchased water supplies. Planned sources of supply include new groundwater production facilities as stated above. The increased groundwater production capabilities will allow CHWD greater flexibility with respect to meeting customer demands under different scenarios.

CHWD’s 2025 supplies, by type, are presented in **Table 3-6**, while **Table 3-7** presents projected supplies that are “reasonably available” in five-year increments through 2050. As the SJWD WSA provides CHWD sufficient supply to meet its needs, SJWD supply is set equal to projected demands minus groundwater usage. Groundwater usage from “maintenance” pumping during normal years is assumed to be approximately 900 AFY.

**TABLE 3-6. 2025 WATER SUPPLIES**

Water Supply	Additional Detail on Water Supply	Actual Volume (AF)	Water Quality
Purchased or Imported Water	SJWD	10,354	Drinking Water
Groundwater (not desalinated)	CHWD	673	Drinking Water
<b>Total</b>		<b>11,027</b>	

**TABLE 3-7. PROJECTED WATER SUPPLIES (REASONABLY AVAILABLE SUPPLY)**

Water Supply	Additional Detail on Water Supply	2030	2035	2040	2045	2050
Purchased or Imported Water	SJWD	11,054	11,374	11,691	12,006	12,322
Groundwater (not desalinated)	CHWD	900	900	900	900	900
<b>Total</b>		<b>11,954</b>	<b>12,274</b>	<b>12,591</b>	<b>12,906</b>	<b>13,222</b>

### 3.5. CLIMATE CHANGE EFFECTS

The American River Basin (Basin) region conducted a climate change study in partnership with local water purveyors and the United States Bureau of Reclamation (USBR). The purpose of the American River Basin Study (ARBS or Study) was to develop data tools and analyses, identify supply-demand imbalances, and climate change adaptation strategies specific to the Basin. Under the “new normal” of a changing climate, the ARBS aims to improve the resolution of regional climate change data and to develop regionally-specific mitigation and adaptation strategies. More detail regarding the ARBS can be found at <https://www.pcwa.net/planning/arbs>. CHWD participated in the American River Basin Study as a member of the RWA. More information on the findings from the ARBS are provided in the following subsections.

#### 3.5.1. PROJECTED FUTURE CONDITIONS

Analysis of projected future climate conditions in the American River Basin and development of climate scenarios for the ARBS were based on an ensemble of bias-corrected and spatially downscaled climate projections.<sup>18</sup> This ensemble has been used by the California Water Commission and DWR as the primary source of climate projection information in several recent studies, including the Water Storage Investment Program (WSIP) and California’s Fourth Climate Change Assessment (Pierce et al., 2018). Projected future climate conditions were evaluated and characterized based on the ensemble of downscaled climate projections.

Hydrology scenarios were used to develop streamflow inputs to CalSim 3.0, which was then used to evaluate changes in water supplies, demands, and management throughout the Central Valley Project (CVP) and State Water Project (SWP), including the Study Area. Demands for each water purveyor largely relied upon water purveyors’ information provided

<sup>18</sup> Climate projections were developed using Global Climate Models from the Coupled Model Intercomparison Project Phase 5 (CMIP5) and downscaled using Localized Constructed Analogs (LOCA) method projected and coupled with two future emission scenarios (RCP 4.5 and RCP 8.5) available from Dr. David Pierce at the Scripps Institution of Oceanography.

in the Regional Drought Contingency Plan/Regional Water Reliability Plan (RWA, 2017/2019) and 2015 UWMPs.

### 3.5.2. TEMPERATURE

Surface air temperatures are projected to increase steadily, with average summer temperatures increasing by approximately 7.2 degrees Fahrenheit (°F) by the end of the 21st century, and winter temperatures increasing by 4.9°F. Projections of daily maximum and minimum temperatures suggest similar warming trends during all seasons, with maximum temperatures projected to increase as much as 7.3°F during the summer months.

### 3.5.3. PRECIPITATION

Annual precipitation projections show no significant trend in the median of change over the 21st century. Many of the available general circulation model (GCM) projections show change in precipitation, but there is no consistency in the magnitude and direction of projected change between models. Approximately half of the projections indicate a minor increase in annual precipitation and half indicate a minor decrease, highlighting the large uncertainty in future precipitation over this region. Although lacking a clear trend in projected annual precipitation, by the end of the 21st century the average fall and spring precipitation is expected to decrease, with winter and summer precipitation increasing. Increasing variability is also projected in winter and fall precipitation. **Table 3-8** displays the projected (2070-2099) change in precipitation and temperature compared to 1980-2009 averages.

**TABLE 3-8. PROJECTED CHANGE IN PRECIPITATION AND TEMPERATURE OVER THE AMERICAN RIVER BASIN STUDY AREA BETWEEN 1980-2009 AND 2070-2099**

Season	Percent Change in Basin-Averaged Annual Mean Precipitation (%)	Change in Basin-Averaged Annual Mean Air Temperature (°F)	Change in Annual Mean of Daily Maximum Air Temperature (°F)	Change in Annual Mean of Daily Minimum Air Temperature (°F)
Fall	-6.0	5.8	6.1	5.5
Winter	4.7	4.9	5.0	4.8
Spring	-11.9	5.8	6.3	5.1
Summer	10.4	7.2	7.3	7.0

### 3.5.4. SNOWPACK

Snow water equivalent (SWE) is a key indicator of water supplies in this region, where runoff is largely influenced by snowmelt. The increasing variability in precipitation, combined with increases in surface air temperatures, are key drivers in projections of a reduction in annual average SWE. Average SWE is forecasted to decrease by 50-85% across all climate scenarios and future time periods. In addition, areas that accumulate snow above Folsom Reservoir are

also projected to have up to a 12-inch decrease in maximum snowpack by end of the century.

### 3.5.5. EVAPOTRANSPIRATION

Potential evapotranspiration (PET) serves as a key indicator of landscape water demands, including consumptive use by evaporation and transpiration from bare soil, water surfaces, native vegetation, and crops. Average annual PET is expected to increase 1.2 to 6.2 inches across all climate scenarios and future time periods. PET is strongly correlated with air temperature and thus expected to increase more under the hot scenarios (HD, HW) than under the warm scenarios (WD, WW).

### 3.5.6. RUNOFF

Watershed runoff is a direct indicator of local water supply available, as well as to statewide CVP-SWP system. Climate change projections indicate a pronounced shift in the distribution of runoff from May and June to earlier in the season (December to March), implying a transition in precipitation from snow to rainfall and/or earlier snowmelt and increasing the amount of runoff during the winter months. Peak runoff is expected to shift by more than a month earlier by mid to late century (**Figure 3-2**). Spring runoff will decrease due to reduced winter snowpack.

Similar to the precipitation scenarios, there is large uncertainty in projected runoff where the 'wet' scenarios suggest an increase in annual runoff and the 'dry' scenarios suggest a decrease in annual runoff. The projected changes in basin-wide runoff range from an increase of 486 thousand acre-feet (TAF) under the warm-wet scenario to a decrease of 203 TAF under the hot-dry scenario by the end of the century.

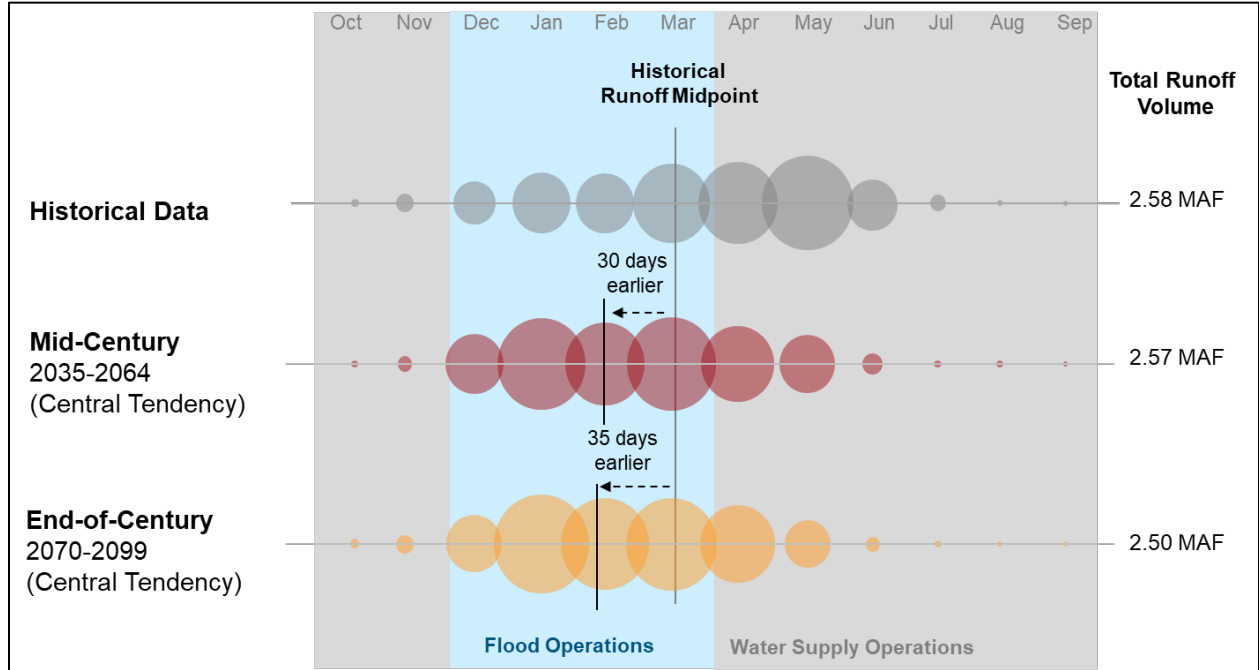


FIGURE 3-2. DISTRIBUTION OF AVERAGE MONTHLY RUNOFF FOR HISTORICAL RECORD (1922-2015) AND FUTURE PROJECTIONS UNDER CENTRAL TENDENCY CLIMATE SCENARIO<sup>19</sup>

**Table 3-9** lists the change in annual climatic and hydrologic indicators between historical baseline observations (1915 to 2015) and projected future conditions for the ARBS area.

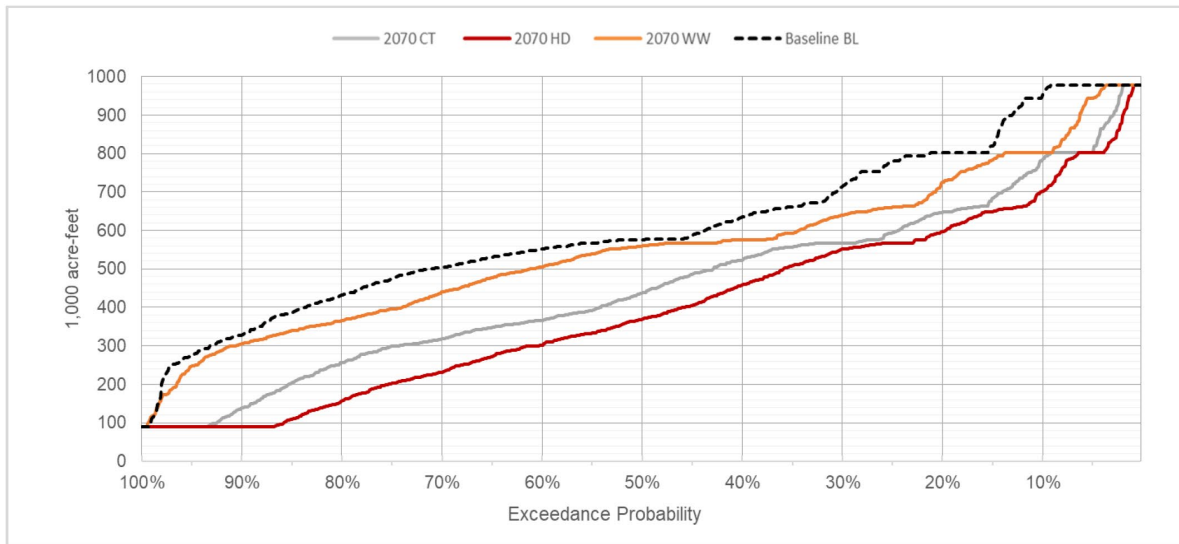
<sup>19</sup>Figure provided by Sacramento Regional Water Authority.

**TABLE 3-9. CHANGE IN HYDROLOGIC INDICATORS BETWEEN HISTORICAL OBSERVATIONS AND PROJECTED FUTURE HYDROLOGY**

Time Period	Climate Scenario	Precip (in)	T <sub>avg</sub> (°F)	T <sub>max</sub> (°F)	T <sub>min</sub> (°F)	PET (in)	SWE ave (in)	SWE max (in)	Runoff (TAF)
1915-2015	Historical Observations	38.2	54.8	67.8	35.6	42.8	1.5	5.7	1,458
2040-2069	Warm-Wet	1.9	4	6.2	1.6	1.6	-0.7	-2.3	701
	Central Tendency	0.1	5	8.1	2.1	2.7	-0.9	-2.8	-2
	Hot-Dry	-2.8	6.2	10.4	2.7	3.7	-1.1	-3.4	-206
2055-2084	Warm-Wet	3.8	4.7	7.4	2	2	-0.8	-2.5	199
	Central Tendency	-1.1	6.3	11.1	2.6	4.1	-1.08	-3.5	-93
	Hot-Dry	-3.4	7.9	13.3	3.7	5	-1.2	-3.8	-185
2070-2099	Warm-Wet	7	5.4	8.3	2.5	1.8	-0.9	-2.9	486
	Central Tendency	-0.6	6.5	11	2.8	3.9	-1	-3.3	-54
	Hot-Dry	-4.6	8.9	15.7	4.1	6.2	-1.3	-4.3	-203

### 3.5.7. WATER SUPPLY RELIABILITY

Changing climate conditions in the Sierra Nevada Mountains affect the volume of water stored in the snowpack and the timing of runoff entering Folsom Reservoir. Consequently, they can also affect the critical role of Folsom Reservoir in the CVP Operations. Reliance on Folsom Reservoir is expected to increase commensurate with the impact of sea level rise on salinity in the Sacramento–San Joaquin Bay Delta (Delta). Modeling of these factors has illustrated that, without operational adjustments, Folsom Reservoir is projected to have lower end of conservation season (end of September) storage levels and approach “dead pool” more often under most future climate scenarios (see **Figure 3-3**). Similarly, increased early season runoff would increase flood risks along the Lower American River, leaving less water in the upper watershed available during water supply operations.



Key:  
 Baseline BL = Historic Conditions, 2070 CT = Central Tendency 2070 Climate Scenario, HD = Hot-Dry 2070 Climate Scenario, WW = Warm-Wet 2070 Climate Scenario

FIGURE 3-3. EXCEEDANCE PLOT OF FOLSOM RESERVOIR STORAGE (END OF SEPTEMBER) UNDER FUTURE CLIMATE CHANGE<sup>20</sup>

Under the 2070 level of development, the ARBS projects a supply–demand imbalance of 63 to 78 TAF/year in the Upper Basin (or Foothills Area) without further conservation or management actions. In the Lower Basin, groundwater extraction is expected to increase by 62 to 155 TAF/year to offset the projected imbalance, which would affect groundwater sustainability.

Based on the water supply and demand imbalance results, the region’s water supply reliability has vulnerabilities. The ARBS assessed several adaptation portfolios for addressing the range of vulnerabilities and future supply–demand imbalances for the Study Area for regional benefits. Portfolios analyzed were:

1. Foundational Institutions
2. No Assurances for Long-term CVP Water Contract
3. Alder Creek Storage and Conservation Project
4. Sacramento River Diversion Project
5. Federally Recognized Groundwater Bank (North and South Basin)
6. Folsom Dam Raise with Groundwater Banking (South Basin)
7. Modified Flow Management Standard

The seven formulated adaptation portfolios were quantitatively evaluated using CalSim 3.0 to alleviate supply–demand imbalances and benefits to the region. The Study’s intent was not

<sup>20</sup>Figure provided by Sacramento Regional Water Authority.

focused on water-supplier’s portfolio, but rather how the region could plan to increase regional reliability. The precise composition, scale, operations, partnerships, funding, and governance to advance these project concepts will require further evaluations and coordination among American River Basin interests, including the USBR, DWR, and the State Water Resources Control Board (SWRCB).

While climate change does have an impact on the basin, impacts are largely seen closer to the end of the century, and not within the timeline of this UWMP. Through proactive adaptation management actions, the Study highlights ways for the region to alleviate climate change impacts by the end of century; therefore, in consideration of the timeline of this UWMP, CHWD does not reflect any climate change impacts in supply and demand scenarios within this Plan.

### 3.6. REGULATORY CONDITIONS AND PROJECT DEVELOPMENT

Regulatory conditions and projects that may directly/indirectly impact District supplies include:

- Bay-Delta Plan Update
- SWRCB Mandatory Conservation Orders

It is anticipated that effects from these regulatory conditions and projects could impact the amount of supply available to the District, although the magnitude of such impacts is not yet fully known.

#### 3.6.1. BAY-DELTA PLAN UPDATE

The Bay-Delta Water Quality Control Plan Update (Plan) is a pending SWRCB action that could implicate water supplies that connect to the Delta. Although the Plan has not yet been adopted, the various proposed SWRCB actions could impact each urban water purveyor’s water supply reliability. The Healthy Rivers and Landscapes Program (HRLP) is an alternative to the Plan and provides opportunities for urban purveyors to meet the Plan’s species and water quality objectives through coordinated regional management activities. In addition, the Plan has numerous post-adoption water management activities, such as cold-water storage and management, that are to-be-determined as the Plan is implemented. These to-be-determined management actions could impact how water supplies are made available to each urban purveyor. Finally, the Plan appears to exempt some tributaries and other geographical areas from strict adherence to the Plan or HRLP program that would not affect long-term urban water planning projections.

The water supply reliability projections described in this UWMP update reflect characterizations of water supplies and demands as they exist based upon reasonably available information. Although the Plan, HRLP, and post-Plan water management adjustments could change UWMP water supply reliability projections, the water supply implications are not yet suitable for analytical integration into the current water supply

reliability projections for this UWMP iteration. Once the Plan or HRLP is adopted, and post-adoption implementation actions become better known, the projections for urban water supply reliability can be reasonably calculated. We anticipate that the 2027 through 2030 iterations of Annual Assessments will guide urban purveyors in assessing near term impacts of the Plan on water supply reliability and generate useful information that can be incorporated into the next UWMP update in 2030.

### 3.6.2. SWRCB MANDATORY CONSERVATION ORDERS

In response to recent droughts, the SWRCB has previously issued curtailment orders on some surface water rights, affecting the availability of supplies utilized under such rights. These curtailment orders require cessation of surface water diversions for identified water rights, based on watershed hydrologic parameters as well as priority dates of these surface water rights. These curtailment orders do not affect previous surface water diversions to storage. That is, there are no constraints associated with curtailment orders for accessing previously stored surface water.

As the SJWD provides surface water supplies to the District, there is potential that future hydrologic conditions require reduction or cessation of surface water diversions. However, these curtailment orders do not affect stored water, which make a substantial portion of supplies available to the District. It is anticipated that any reduction in surface water supplies to the District can be mitigated with groundwater production and/or demand management measures, including enactment of the District’s Water Shortage Contingency Plan.

### 3.7. OTHER LOCALLY APPLICABLE CRITERIA

USBR implements the Central Valley Project Municipal and Industrial Water Shortage Policy for applicable Central Valley Project (CVP) Municipal and Industrial (M&I) conditions, including procedures for determining available CVP supplies during shortage conditions and for evaluating public health and safety needs and historical use. Under the CVP M&I Water Shortage Policy, M&I allocations may be reduced below full historical use during shortage conditions. In progressively more severe shortages, M&I contractors may receive reduced allocations measured as a percentage of historical use, and in the most severe conditions may be limited to public health and safety needs. The policy generally protects M&I public health and safety needs by reducing agricultural water service contractor allocations first, before limiting M&I deliveries to public health and safety quantities.

CHWD and SJWD participate in the Water Forum Agreement 2050 through the San Juan Water District Consortium Purveyor Specific Agreement, which includes CHWD, Fair Oaks Water District, Orange Vale Water Company, SJWD, and a portion of the City of Folsom. Under that agreement, “driest years” or “conference years” occur when projected March through November unimpaired inflow to Folsom Reservoir is less than 400,000 AF. In those years, SJWD reduces surface-water diversions for use within the wholesale service area and the SJWD Consortium participates with other stakeholders to address how available water should be

managed when supplies may be insufficient to meet both purveyor demands and expected Lower American River flow needs.

### 3.8. WATER QUALITY

The drinking water quality of the District’s system must comply with the Safe Drinking Water Act (SDWA), which is composed of primary and secondary drinking water standards. Compliance with primary drinking water standards is regulated by the U.S. Environmental Protection Agency (EPA). Compliance with both primary and secondary standards is required by the State Water Resources Control Board, Division of Drinking Water (DDW).

**Table 3-10** below shows the most recent water quality report issued for the service area demonstrating compliance with water quality regulatory standards.

**TABLE 3-10. CHWD POTABLE WATER QUALITY**

Water Quality Standard	Public Health Goal	Maximum Contamination Level	Surface Water		Groundwater	
			Range	Average	Range	Average
<b>Primary Standards</b>						
Arsenic (ppb)	0.004	10	ND	ND	ND – 2.6	ND
Barium (ppm)	2	1	ND	ND	ND – 0.14	ND
Fluoride (ppm)	1	2.0	ND	ND	0.11 – 0.18	0.15
Hexavalent Chromium (ppb)	0.02	10	ND	ND	1.4 – 3	2.13
Nitrate as N (ppm)	10	10	ND	ND	1.4 – 4.1	3.0
Uranium (pCi/L)	0.43	20	NR	n/a	ND – 2	ND
Chlorine Residuals (ppm)	4	4	0.14 – 1.12	0.72	ND – 1.7	ND
TTHMs – Distribution System (ppm)	n/a	80	38 - 61	53.3	0.27 – 1.54	0.8
HAA5 – Distribution System (ppb)	n/a	60	19 - 62	44	ND – 49	44
Disinfection By-Product Precursors (ppm)	n/a	2	1.32 – 1.9	1.61	ND – 44	38
Turbidity (% of samples)	n/a	≤0.3 NTU	100%		NR	n/a
<b>Secondary Standards</b>						
Total Dissolved Solids (ppm)	n/a	1,000	31	31	240 – 310	267.5
Specific Conductance (µS/cm)	n/a	1,600	45	45	300 – 420	352.5
Chloride (ppm)	n/a	500	2.6	2.6	18 – 21	18.8
Sulfate (ppm)	n/a	500	5.3	5.3	8.2 – 18	14.1
<b>Lead and Copper</b>						
Lead (ppb)	0.2	15	ND – 26		ND	
Copper (ppm)	0.3	1.3	ND – 0.5		ND – 0.32	
<b>Federal Unregulated Contaminates</b>						
Bicarbonate (HCO <sub>3</sub> ) (ppm)	n/a	none	15 – 33	24	110 – 160	132.5
Total Hardness (ppm)	n/a	none	17	17	100 – 170	137.5
Sodium (ppm)	n/a	none	2.2	2.2	17 – 21	19.3
Calcium (ppm)	n/a	none	4.6	4.6	23 – 37	30.5
Magnesium (ppm)	n/a	none	1.4	1.4	11 – 19	15
Legend: ND = Analyzed; Not Detected      NTU = Nephelometric Turbidity Unit      PCi/L = Picocuries per Liter n/a = Not Applicable                              PPM = Parts per Million                              PPB = Parts per Billion TT = Treatment Technique						

# CHAPTER 4

## WATER USE

Developing a thorough understanding of water use enables the District to reliably and cost-effectively manage its water supplies to continue to meet customer needs. This chapter characterizes CHWD’s current and forecasted retail customer water needs, examining how various factors such as seasons, land use classifications, and differing hydrologic conditions impact water use.

A thorough analysis of the District’s past and current water use enables realistic water use predictions to be made for the future that consider anticipated growth, new regulations, changing climate conditions, and trends in customer water use behaviors. After individually analyzing each water use sector, information can be aggregated into a comprehensive projection of customer water use that becomes the foundation for integration with the District’s water supplies (see Chapter 3) to assess long-term water system reliability (see Chapter 5).

### 4.1. CURRENT CUSTOMER WATER USE

As described in Chapter 2, CHWD serves potable water to approximately 20,450 customer connections. Under normal circumstances, customers are served potable water derived from surface and groundwater sources (see Chapter 3). Information about the District’s current customers, their recent and expected water use trends, and CHWD’s on-going demand management efforts targeting these customers provide a foundational basis for this UWMP’s water use forecast through 2050.

Furthermore, annual records of actual water use are the basis for determining the District’s compliance with its urban water use objective, which has been reported annually to the State beginning in January of 2024.

#### 4.1.1. CUSTOMER WATER USE: 2021 TO 2024

Recent customer water use data can help the District understand water use trends, effects of temporary use restrictions imposed during the most recent prolonged drought and recovery from such temporary restrictions, effects of long-term demand management measures, and other pertinent water use factors relevant to its forecast of future water use. Additionally, the District is required to quantify past customer water use pursuant to CWC §10631(d)(1). **Table 4-1** below presents the District’s past customer potable water use by customer classification for 2021 through 2024 in AF.

**TABLE 4-1. POTABLE CUSTOMER USE: 2021-2024 (VALUES IN ACRE-FEET)**

	Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Single-Family Residential	2021	211	331	376	326	608	1,030	741	1,121	1,100	623	629	344	<b>7,441</b>
	2022	276	314	410	330	479	856	555	1,258	618	822	712	285	<b>6,915</b>
	2023	342	309	224	327	475	556	787	1,189	607	907	599	286	<b>6,608</b>
	2024	388	310	177	384	320	709	1,015	879	931	1,043	432	465	<b>7,051</b>
Multi-Family Residential	2021	122	145	230	52	211	269	197	299	332	94	270	77	<b>2,296</b>
	2022	135	135	223	61	235	171	190	291	201	220	278	51	<b>2,190</b>
	2023	227	78	110	136	250	77	230	284	210	254	245	58	<b>2,159</b>
	2024	231	74	112	161	140	179	359	113	257	273	167	174	<b>2,240</b>
Commercial	2021	32	56	66	44	68	176	68	206	134	94	97	63	<b>1,103</b>
	2022	41	63	75	54	69	132	56	193	61	149	103	44	<b>1,040</b>
	2023	67	45	31	93	90	70	91	183	71	184	80	50	<b>1,058</b>
	2024	81	39	36	69	46	109	139	125	114	184	70	90	<b>1,103</b>
Industrial	2021	10	11	9	7	33	31	77	33	84	14	49	10	<b>368</b>
	2022	10	10	22	8	34	26	59	34	76	24	48	8	<b>358</b>
	2023	22	12	18	11	32	13	52	33	60	32	37	11	<b>332</b>
	2024	22	11	11	11	31	16	70	18	74	31	57	18	<b>371</b>
Gov.	2021	2	1	4	3	28	38	47	39	56	17	23	1	<b>258</b>
	2022	3	1	4	1	23	35	39	55	41	22	16	10	<b>250</b>
	2023	7	1	12	1	20	24	44	62	43	43	24	1	<b>282</b>
	2024	5	1	3	1	15	27	56	46	57	44	28	2	<b>285</b>
Other	2021	0	0	1	16	2	3	4	3	3	4	2	1	<b>39</b>
	2022	1	1	1	2	1	5	3	5	3	3	2	2	<b>29</b>
	2023	1	1	1	0	1	4	3	5	3	5	2	1	<b>25</b>
	2024	0	0	0	1	0	3	1	7	2	5	1	2	<b>24</b>
Total Metered Deliveries	2021	378	543	686	448	950	1,546	1,135	1,700	1,710	845	1,069	495	<b>11,506</b>
	2022	467	522	735	457	841	1,225	902	1,836	999	1,241	1,159	400	<b>10,782</b>
	2023	665	446	395	568	867	745	1,207	1,756	994	1,425	988	406	<b>10,464</b>
	2024	728	434	339	627	553	1,043	1,640	1,187	1,435	1,582	755	751	<b>11,074</b>

Note: Values presented are from bi-monthly customer meter readings. “Other” water uses include construction water, fire systems, temporary meters, and other authorized uses.

### 4.1.2. CUSTOMER USE IN 2025

Customers served by the District are metered at their connection to the potable water distribution system. As of January 1, 2024, for each customer account, the District is required to collect and submit metered delivery values to the State Water Resources Control Board (SWRCB) on a monthly basis, summarized annually in an auto-generated Clearinghouse

Annual Inventory Report (CAIR Report). This data was formerly submitted as part of CHWD’s annual reporting to the SWRCB Division of Drinking Water. The 2025 actual customer use presented in **Table 4-2** represents the summarized delivery to all the District’s potable customers during calendar year 2025. It does not, however, include the distribution system losses inherent in a pressurized water delivery system that occur during the District’s efforts to treat, store, and route the water throughout the extensive distribution system to each customer’s connection.

**TABLE 4-2. POTABLE CUSTOMER WATER USE: 2025 ACTUAL USE (VALUES IN ACRE-FEET)**

Use Category	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Single-Family Residential	597	319	275	403	316	777	1,029	764	985	726	516	351	<b>7,058</b>
Multi-family Residential	284	144	126	155	132	208	348	110	299	182	171	147	<b>2,306</b>
Commercial/Institutional	101	44	51	56	49	89	128	79	124	91	75	48	<b>936</b>
Industrial	34	10	20	12	38	15	80	13	83	14	41	9	<b>368</b>
Landscape Irrigation	19	9	7	14	19	49	99	70	91	58	19	16	<b>471</b>
Other	0	0	0	1	0	3	2	5	1	5	0	1	<b>19</b>
<b>Total</b>	<b>1,035</b>	<b>526</b>	<b>480</b>	<b>641</b>	<b>554</b>	<b>1,141</b>	<b>1,686</b>	<b>1,041</b>	<b>1,583</b>	<b>1,076</b>	<b>824</b>	<b>572</b>	<b>11,158</b>

Note: Values presented are from bi-monthly customer meter readings.

### 4.1.3. EXISTING DISTRIBUTION SYSTEM LOSSES

Distribution system water losses (also known as “real losses”) are the physical water losses from the water distribution system up to the point of delivery to the customer’s system (e.g., up to the residential water meter).

Since 2016, the District has been required to quantify its distribution system losses using the American Water Works Association (AWWA) Method. An electronic copy of the audit in Excel format is to be submitted to the DWR by January 1 of each year for the estimated system losses, using DWR’s online submittal tool pursuant to Code of Regulations §638.5.<sup>21</sup> The District’s submittals for the last 5 years are shown in **Table 4-3**. The 2025 estimate has not been officially submitted to DWR as of the drafting of this UWMP but is estimated to be approximately 203 AF over the year, or about 1.8% of the water entering the District’s distribution system.

**TABLE 4-3. DISTRIBUTION SYSTEM LOSS: 2021 THROUGH 2025 (VALUES IN ACRE-FEET)**

	2021	2022	2023	2024	2025 <sup>1</sup>
Real Water Loss	256	426	42	76	203
% of Total Supply	2.1%	3.7%	0.4%	0.7%	1.8%

<sup>1</sup>As the 2025 AWWA Water Loss Audit is not finalized, the value reported uses average Real Loss as a percentage of total customer deliveries to estimate 2025 values.

<sup>21</sup> Historical reports submitted to the State of California can be accessed at, <https://wuedata.water.ca.gov/>

As can be anticipated given the dynamic functions of a pressurized potable water distribution system, the estimated annual distribution system loss as a percentage of water entering the system will vary year-to-year and month to month.

### 4.1.4. WATER LOSS CONTROL STANDARD

The CWC §10608.34 required the State Water Resources Control Board (SWRCB) to develop water loss control and performance standards (Real Water Loss Standards) applicable to urban retail water suppliers. The Real Water Loss Standard for the District was developed utilizing information submitted as part CHWD’s annual water loss reporting to the State, specifically for the period 2017 through 2020. The resulting Real Water Loss Standard is 9.3 gallons per (active and inactive) service connection per day. The resulting Real Water Loss Standard as an average percent of total water supplied is 1.8%. Using the information from the same period, the average “apparent” water loss averaged 2.8% (of total water supplied). The total water loss estimate as a percentage of total water supplied, for purposes of projecting future requirements is approximately 5%. This loss estimate is applied to total production for purposes of forecasting efficient water use through 2050.

The District’s recent performance with the Water Loss Control Standard is included in Appendix B.

## 4.2. COMPLIANCE WITH WATER USE TARGETS AND OBJECTIVES

This section examines CHWD’s derivation and compliance with state-mandated water use targets and objectives. The Water Conservation Act of 2009, also known as SBX7-7, introduced water conservation targets that served as a valuable measure of progress through 2020. Urban water retailers were tasked with achieving a 10% reduction in per capita water from a baseline period<sup>22</sup> use by December 31, 2015, and a 20% reduction by December 31, 2020, and show the 20% reduction was achieved in this 2025 UWMP.

The District’s 2020 gallons per capita per day (GPCD) target was established in the 2015 UWMP as 229 GPCD, derived as the “gross water use” divided by the population during a defined baseline period, and reduced pursuant to one of four methods defined under CWC §10608.20(b). The District’s calculation of their 2020 actual GPCD used the same methodology.

“Gross water” was defined as the total “Potable Water” entering the District’s distribution system, representing both the customer deliveries and the distribution system losses. This value, divided by the District’s estimated population in 2020, resulted in a compliance value of

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<sup>22</sup> The District’s baseline period for calculating its SBX7-7 target is 1995 through 2004.

175 GPCD. Because this value was less than the District’s established target, the District was determined to be in compliance with CWC §10608.24(b).

### 4.3. DEMAND MANAGEMENT MEASURES

Pursuant to CWC §10631(e), the District needs to provide a narrative discussion of the water demand management measures it has implemented, is currently implementing, and plans to implement. The historic and on-going measures can help the District understand the effectiveness of managing existing customer uses so as to help guide refinements, emphasis, or augmentation that will help CHWD position to best meet its water use objective.

To date, the District’s overall water management efforts have resulted in significant and long-term water conservation savings. During recent droughts, the District’s residents showed tremendous ability to temporarily reduce water usage and many of the efforts have had long-term viability, providing on-going savings well into the future.

The District’s demand management measures are highlighted in this subsection.

#### 4.3.1. FOUNDATIONAL DEMAND MANAGEMENT MEASURES

This subsection describes the foundational demand management measures (DMMs) that underpin the District’s operations and customer deliveries. These particular DMMs represent adopted ordinances, policies, and long-standing budgeted conservation programs.

##### WATER WASTE PREVENTION ORDINANCES

CHWD prohibits water waste and requires water to be used for beneficial purposes under normal conditions and throughout all water shortages stages in CHWD’s WSCP. The WSCP includes graduated penalties for waste and/or unreasonable use. Restrictions on waste include:

- Runoff from landscape watering or irrigation is prohibited
- Free-flowing hoses for all uses are prohibited
- Pools, spas, ponds, and fountains are required to use recirculated water
- Washing streets, parking lots, driveways, sidewalks, or buildings is prohibited (except for health and sanitary purposes)

In addition, CHWD utilizes a “Report Water Waste” link on their website<sup>23</sup> which facilitates the identification of water waste and promotes active urban conservation. This feature allows CHWD to better respond to potential waste through proactive management.

CHWD has implemented this DMM over the last five years and anticipates actively implementing this DMM for the planning horizon (2025–2050).

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<sup>23</sup> [chwd.org](http://chwd.org)

### METERING

The USBR contract in which the SJWD operates requires all water connections using USBR contract water to be metered by 2025, including CHWD customers. As such, The District began implementing a meter replacement program in 1997. As of December 2006, CHWD's customers are fully metered. There are no un-metered customer connections in which the CHWD provides water.

CHWD is currently exploring a Meter Replacement Program Advanced Planning Study. The meters currently being considered for potential installation in the future will allow customers to track their water use through real-time measurements..

This DMM is active and ongoing. CHWD has implemented this DMM over the planning period and anticipates actively implementing this DMM for the planning horizon (2025-2050).

### CONSERVATION PRICING

CHWD employs a bi-monthly fixed meter charge and a volumetric rate for all domestic, commercial, and irrigation customers' water use. The volumetric rate promotes conservation as the customer is charged based on the quantity of water used. The District also maintains the ability to employ a "Water Shortage Rate Structure" at various drought stages. The "Water Shortage Rate Structure" serves to re-coup revenues associated with decreased deliveries and encourage conservation.

The District does not evaluate this DMM for water savings as it provides indirect benefits to the District's other, quantifiable DMMs.

CHWD has employed conservation pricing over the past five years and anticipates actively implementing this DMM for the planning horizon (2025-2050).

### PUBLIC EDUCATION AND OUTREACH

The District is committed to public education and outreach. CHWD offers a series of free water educational workshops to the public. The WaterSmart Workshops present tips and tools to assist residents in increasing their water efficiency. Past classes are archived and accessible at CHWD's website. CHWD also uses a Community Garden to present water efficient garden practices and encourage active community involvement through a volunteer program. Updates on District activity and materials regarding public education and outreach are provided to customers through the District's newsletter titled, "Waterline." The newsletter is delivered to customers through direct mail, e-blasts, and archives are available through the District's website.

The District also partners with local schools within its service area to promote water awareness and education among students. One example is the annual poster contest hosted in partnership with neighboring water agencies. Presentations center around the water cycle, water treatment, and other water conservation-related material.

As part of its water conservation and efficiency efforts, CHWD also implements a public information program through active participation in the RWA Regional Water Efficiency Program. In collaboration with several water provider members and other wastewater, stormwater, and energy partners, RWA formed the Water Efficiency Program (WEP, or Program) in 2001 to bring cost effectiveness through economies of scale to public education and outreach activities. The WEP operates on an average annual budget of \$610,000 and is supplemented by grant funding. Grants are an important funding resource for the Program. Since 2003, the Program has been awarded \$19.9 million in grant funding for public outreach and education as well as a variety of rebate programs, fixture direct install programs, system water loss, individualized customer usage reports, large landscape budgets, and more. Of those funds, \$6.7 million was awarded between 2021 and 2025.

The main function of the WEP is to develop and distribute public outreach messages to customers in the region by collaborating with its water supplier members. The Program distributes these messages on a regional scale through regional media and advertising buys and was honored with the United States Environmental Protection Agency WaterSense Partner of the Year award in 2021 along with three Public Relations Society of America (PRSA), California Capital Chapter awards in 2023/2024 for WEP's public outreach and school education programs. From 2021-2025, the WEP created a series of public outreach campaigns. Below is a summary of each campaign and highlighted achievements.

2021 was a year for nimble messaging and maximum flexibility to adapt outreach to the rapidly changing conditions. RWA's WEP began 2021 with a focus on household leaks and then transitioned to the fourth year of an award-winning outreach campaign focused on tackling the landscape overwatering problem by encouraging residents to check soil moisture before turning on sprinklers (Check & Save). With the sudden emergence of drought in May 2021, the program introduced new creative and tools for WEP participants. The goal: Help provide consistent and actionable tips region-wide while providing flexibility for RWA members to customize materials to reflect their unique water supply situation and call to action.

As the drought grew more serious through late 2021 and into 2022, the WEP updated messaging again and ramped up outreach, asking residents to reduce lawn watering while continuing to water trees (Stress Your Lawn, Save Your Trees), understanding that lawns can handle less water but that drought-stressed trees can be lost forever. This messaging supported the Governor's request for water suppliers to voluntarily reduce water use by 15 percent. Additionally, the WEP continued to partner with the Sacramento Tree Foundation to help educate residents and businesses on how to maintain and expand the region's healthy tree canopy and included a series of co-branded educational videos and materials.

After the drought subsided in 2023, the WEP launched a new multi-year outreach program aimed at encouraging water efficiency during a non-drought year. Research indicates that public engagement in water conservation tends to surge during drought periods, such as 2022, but declines during non-drought years, like 2023. Consequently, garnering attention

and motivating action becomes more challenging during non-drought periods. To tackle this challenge, the 2023 outreach program focused on two main messages:

- **SUMMER STRONG**—focused on promoting water-wise best practices outdoors. A Summer Strong yard is tough enough to muscle through the Sacramento region's hottest days and still look its best. The campaign featured eye-catching graphics to promote efficient tree watering, adding low-water and native plants, checking soil moisture, using weather-based sprinkler timers, and watering early to minimize evaporation.
- **SUDS WOULD BE DUDS WITHOUT H2O**—With clean, reliable water essential to great beer (and to the success of local breweries), the WEP launched a pilot project to partner with local craft brewers, aiming to educate patrons about the importance of water to beer and how to preserve this natural resource. Initial partners included Jack Rabbit Brewing Company and Red Bus Brewing Company, which committed to distributing Be Water Smart materials to their customers. This campaign featured the development of a rebate program to upgrade brewing equipment to be more water efficient and the distribution of coasters, koozies and stickers with water savings messages.

In 2024, the WEP enhanced its existing Summer Strong campaign with the Summer Strong Yard Champs promotion, spotlighting Sacramento-area residents who transformed their landscapes into water-efficient yards. Homeowners nominated yards featuring low-water plants and efficient irrigation systems for a chance to be featured on regional billboards. Nearly 50 nominations were reviewed, with winners receiving professional photoshoots. Featured yards included a mix of DIY and professionally designed landscapes, all showcasing water-saving practices like low-water and native plants, drip irrigation, and rainwater capture, inspiring others to adopt similar approaches. In 2025, the Summer Strong campaign added a new mascot, Jack LaPlant, an animated plant figure that carried on all the same water savings tips but with refreshed visuals to draw in a new audience. In 2024, the WEP expanded its successful pilot project, Suds Would be Duds without H2O, with local craft breweries to raise awareness about water's role in craft beer production and to promote water efficiency. The campaign visited 52 breweries across the Sacramento region. Around 20 breweries are considered active partners, including six of the top craft breweries in the area. Promotional materials, including 10,500 coasters and 7,200 stickers, were distributed by these partners and included water-saving tips and a link to their BeWaterSmart.Info website to access rebates. Additionally, two breweries, Urban Roots Brewery & Smokehouse and Solid Ground Brewing participated in WEP's commercial indoor rebate program. Each brewery received \$15,000 to upgrade or add equipment that reduced water used for chilling and sanitizing processes.

Both campaigns, Summer Strong and Suds Would be Duds without H2O, were continued through the end of 2025 and were implemented through both paid advertising buys and earned media from public service announcements (PSAs) and aired in English and Spanish.

Every year the campaigns' messaging can be heard on local radio stations such as Capital Public Radio and online through Google, Facebook, and YouTube advertisements. For clarification below, impressions represent how many times an ad was seen.

From 2021-2025, the WEP public outreach campaigns produced:

- Television Advertising  
3,926 television advertisements  
23,212,700 impressions
- Streaming Video Advertising (Comcast, EyeQ, Hearst, Paramount Plus, & Premion)  
3,532,621 advertisements  
3,532,621 impressions
- Radio Advertising  
5,273 radio advertisements  
19,994,200 impressions
- Digital Advertising (Facebook, Google Display Network & Spotify)  
29,472,602 million impressions  
297,870 clicks
- Billboard advertising  
2,037,102 digital advertisements  
62,807,653 impressions
- Public Service Announcements (Television and Radio)  
24,248,000 impressions  
\$683,400 in value had they been purchased as advertising
- Facebook  
60 posts per year

The Program continues to utilize the public outreach website, BeWaterSmart.Info, and the “Be Water Smart” brand to reach customers throughout the region. The website, which completed a major redesign and upgrade in 2025, contains customer-specific (enter your address) local water supplier information on rebates and services, general top ways to save for residents and businesses, an interactive watering guidelines and water waste reporting tool, a water-wise plant and gardening database, recent press releases, the Sacramento Smart Irrigation Scheduler tool, and more. Between 2021 and 2025, the website averaged 37,000 unique visitors per year.

For more targeted outreach, the Program distributed quarterly e-newsletters to enrolled residents. The e-newsletters are filled with water savings tips, upcoming events, and region specific articles. They are usually timed around changes in the weather to help signal the need for residents to adjust their irrigation systems, such as daylight savings coupled with a

message to dial back/reduce sprinkler systems run times. The e-newsletter reaches 9,361 households.

The WEP selects two public events each year to attend as an opportunity for the public to interact with local water efficiency staff. This provides an opportunity for the region to communicate its messages in person. From 2023–2024, WEP attended ECOS Earth Day (April) and the Farm-to-Fork Festival (September).<sup>24</sup> In 2025, the WEP opted to attend the Sacramento Republic Brew Festival (June) instead of the Farm-to-Fork Festival to elevate the existing partnership with Sacramento Republic FC. At these events, the Be Water Smart team provided water-wise tips, encouraged visitors to sign the pledge banner, collected e-mails for those who wish to sign up for the e-newsletter list, as well as identified a customer's water supplier and connected them with rebates and services. Additionally, WEP, in coordination with participating local water suppliers, hosts an annual Mulch Mayhem event (May) in which customers can pick up a truck load of free mulch from selected locations throughout the region.<sup>25</sup> Combined, these in person events are attended by thousands of people each year throughout the region.

The Program provides a variety of “give-a-way” items to customers at in person public events and through direct mail requests from the BeWaterSmart.Info website. From 2021–2025, WEP has distributed thousands of leak detection tablets, moisture meters, garden gloves, and drink koozies to customers to encourage the water savings practices described in our public outreach campaigns and brewery partnerships.

The Program is also highly active in communicating to local media outlets. Between 2021 and 2025, RWA issued 23 press releases on WEP activities and regionally significant news and participated in 17 radio public affairs interviews airing on 18 stations across the Sacramento region's major commercial radio networks. The RWA and the WEP were mentioned in dozens of news articles published by local and regional media outlets both within and outside of the Sacramento region during the same time frame.

Finally, the WEP partners with professional sports teams in the region to expand the Be Water Smart advertising to new and captive audiences. WEP partnered with the Sacramento River Cats (local Triple – A affiliate of the San Francisco Giants) in 2021, which included long-standing water savings advertisements on all bathroom stall doors. The partnership also included 30-second Check & Save spots broadcast on KMAX Channel 31 during each Saturday game and multiple 30-second radio spots broadcast during every game via their streaming radio coverage. The total attendance for regular season games was 342,861. In addition, 24 special events at Sutter Health Park drew 66,300 people in 2021. In 2023, RWEP launched a new partnership with Sacramento Republic FC (local USL professional soccer team), displaying water-wise messages at games to promote “Summer Strong” yards. The

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<sup>24</sup>No public events were attended in 2021 and 2022 due to the COVID pandemic.

<sup>25</sup>The 2021 Mulch Mayhem event was held in September due to the COVID pandemic.

partnership continued through 2025 and included the following activities: a 30-second LED ad, messaging on water refill stations, and giveaways booths at events/games.

To support public outreach messaging and promote water savings tips, the Program also coordinated several regional rebate programs, which were partially or fully funded by state, federal, and private foundation grants. A variety of high efficiency rebate options were provided including toilets, clothes washers, and irrigation efficiencies (full summary in **Table 4-4**). Additionally, from August 2023 – November 2025, RWA managed a regional direct installation program, in which a contractor was hired to replace old high use fixtures in multifamily and commercial/institutional properties in disadvantaged communities in the region. Collectively these rebates and direct installations will produce an estimated lifetime (10 years) savings of 7.4 billion gallons of water and 7.9 million kilowatt hours of energy.

**TABLE 4-4. REGIONAL REBATES AND INSTALLATIONS FROM 2021-2025**

Rebate/Installation Type	2021	2022	2023	2024	2025	Lifetime Water Savings 2021-25 (AF)	Lifetime Energy Savings 2021-25 (kWh)**
High Efficiency Clothes Washer Rebates	359	256	307	321	298	229.2	79,309
High Efficiency Toilet Rebates	767	1,275	602	423	326	422.0	145,990
Smart Irrigation Controller Rebates	686	1,049	3,051	556	464	3,652.6	1,264,024
Irrigation Efficiencies Rebates*	5,941	7,153	13,327	11,160	10,321	16,170.6	5,595,912
Turf Replacement Rebates (sq ft)	153,880	239,645	135,607	300,152	266,840	1,244.7	430,711
Toilet Direct Installation	n/a	n/a	584	2,183	1,688	435.5	150,671
Showerhead Direct Installation	n/a	n/a	562	1,766	1,532	605.2	209,475
Faucet Aerators Direct Installation	n/a	n/a	884	3,215	2,343	63.2	21,850
Urinal Direct Installations	n/a	n/a	n/a	19	40	4.0	1,348
<b>Total Water Savings</b>						<b>22,826.7</b>	<b>7,899,291</b>

\*Includes: pressure regulator equipment, pipe and pipe fittings, drop or low volume equipment, and sprinkler heads or nozzles.

\*\*Regional average of 346 kWh per AF

kWh = kilowatt-hour

AF = acre-feet

n/a = no funding available

Lifetime = 10 years

In addition to public outreach, the Program also coordinates regional school education activities. The RWA-sponsored water efficiency exhibits (\$500,000 sponsorship) opened for viewing in 2021 at the new SMUD Museum of Science and Curiosity (MOSAC) in downtown Sacramento, reflecting years of input by RWA Water Efficiency Program Manager, Amy Talbot, who helped shape the exhibits. The exhibits teach visitors to become a “Home Water Detective,” create their own mix tape from water conserving sounds in “Drop a Beat” and learn about local “Water Champions. MOSAC currently welcomes around 150,000 visitors a year from all over the region.

Since 2012<sup>26</sup>, the Program has hosted the Water Spots Video Contest for high school and middle school students. The WEP provides a new contest theme each year and provides the region’s teacher and students with relevant facts and images to help them develop 30 second video PSAs. The contest themes for 2022 and 2023 were “When in Drought...take action to reduce water use” and “Do Your Part to Be Water Smart” respectively. Students submit their videos to WEP who hosts a panel of local celebrities including Monica Woods from ABC 10 to decide on a first, second and third place winner. The top 10 scoring videos are then posted online for public voting to select a “people’s choice” winner as well. Both teachers and student receive cash prizes, and the winning videos are played at Raley Field during River Cats games and in select movie theaters throughout the region (Example: Century Blue Oaks theatre in Rocklin and Century Laguna 16 in Elk Grove). The winning PSAs are incorporated into the WEP’s media activities as well. The 2022 Grand Prize winner video “Doing Your Part” appeared 2,619 times in theatres and delivered 49,000 impressions. The 2023 Grand Prize winner video “Saving Water” appeared 2,149 times in theatres and delivered 47,000 impressions. Students from about a dozen area schools submitted a total of 54 videos total for the 2022 and 2023 contests.

In late 2023, WEP sunset the Water Spots Video Contest and launched a new school education program, Drip Drop, Hip Hop, in collaboration with NorCal School of the Arts (NorCal Arts), which brings together the worlds of art and sustainability to empower children, families, and communities in the Sacramento region. Funded by a \$300,000 grant from the Capital Region Creative Corps and California Arts Council, Drip Drop, Hip Hop educates students and families about water efficiency through a two-person play and arts-integrated lesson plan. The program is free of charge for primarily Title I schools and community venues in Sacramento, Placer, and El Dorado counties plus the City of West Sacramento. The children receive a shower timer with water-efficiency tips with each classroom visit. Additionally, in 2024 the program developed a 30-second television and radio Public Service Announcement (PSA) showcasing local children spreading the water efficiency message to a broader audience in both English and Spanish. In 2024, the PSA was broadcast 1,205 times in 7 television outlets for a total of 5.6 million impressions for an added value of \$124,250 and 567 times in 17 radio outlets for a total of 1.2 million impressions and an added value of \$45,290. As of the end of 2025, the Drip Drop Hip Hop reached 13,232 students through 509 classroom

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<sup>26</sup>The program did not host a Water Spots Video Contest in 2021 due to the COVID pandemic.

performances and additional community events in Sacramento, Placer, and El Dorado counties. Teachers reported increased water conservation knowledge and that students shared the information with their families.

Implementation of this DMM is active and ongoing. CHWD plans to continue to develop information and activities aimed at public education and outreach.

### **PROGRAMS TO ASSESS AND MANAGE DISTRIBUTION SYSTEM REAL LOSS**

The District maintains information specific to the distribution system, including age of infrastructure and performance, to inform the Capital Improvement Program (CIP). The CIP is the primary program to assess and manage distribution system real loss, and budget allocations consistently reflect the District's commitment thereto. Recent budget allocations aimed at addressing distribution system real loss include water main pipeline, valve, and meter replacements.

Additionally, CHWD conducts annual Distribution System Water Audits (consistent with AWWA M36 methodology using software analysis) to characterize water system loss. The audits use detailed internal records and allow CHWD to assess and report distribution system water loss on an annual basis. Results from the audits inform the CIP by identifying the need for addressing distribution system real loss. Copies of CHWD's recent validated water audits are available through the DWR Water Use Efficiency Data (WUEdata) Portal.<sup>27</sup>

### **WATER CONSERVATION PROGRAM COORDINATION AND STAFFING SUPPORT**

In addition to the public outreach presented above, the District also employs an active Water Conservation/Efficiency Program (Efficiency Program). The Efficiency Program is supported by a diverse team of staff who coordinate with the Board of Directors regarding projected water supply and conservation stages to be implemented. Goals and objectives of the Efficiency Program include:

- Implementation of the District's conservation program
- Track and monitor State and Federal legislation that may impact conservation efforts
- Work with RWA Water Efficiency Program Advisory Committee to develop and implement beneficial water efficiency programs

In addition, the District has established and maintains a Water Efficiency Reserve (Efficiency Reserve). The Efficiency Reserve aims to provide funds for use in a water supply shortage, water supply interruption, government mandates (Federal, State, Regional, and Local), and other programmatic needs and can be used to fund additional staff as well as other efforts.

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<sup>27</sup> DWR WUE data Portal: <https://wuedata.water.ca.gov/>

### 4.3.2. RECENT DMM ACTIVITIES

CHWD has continued to aggressively promote and implement water conservation actions with great success. Prior to the recent droughts, the District reached remarkable on-going conservation levels through the attentive actions of its citizens. Highlights of the District’s recent actions and conservation measures include:

- Free Smart Irrigation Controller Program – 271 controllers provided
- Pressure Reducing Valve Rebates – 103 rebates
- Ultra-Low Flush Toilet Rebates – 296 rebates
- High-Efficiency Clothes Washer Rebates – 100 rebates
- Home Water Audits – 378 audits
- Poster Contest – various

More information on the District’s DMMs can be found at, <https://chwd.org/>.

### 4.3.3. PLANNED DMM ACTIVITIES

In addition to ongoing water conservation commitments, the District will continue to evaluate the need for additional programs and actions necessary to achieve water use objectives in compliance with CWC §10609.20. Resources will be dedicated in the District’s budget for demand management activities which will help comply with these future water use objectives. Special consideration will be taken regarding changing urban water use patterns in the service area as well as the configuration of anticipated new residential customers to ensure use remains efficient.

## 4.4. FORECASTING CUSTOMER WATER USE

Forecasting future water demands begins with an understanding existing customer demands and trends, recognizing the additional customers expected through growth, and considering the factors that will influence the water use of both existing and new customer well into the future – especially factors that directly affect the efficiency of water use.

Pursuant to CWC §10610.4(c), an urban water supplier “shall be required to develop water management plans to actively pursue the efficient use of available supplies.” One challenge from this directive is reflecting how the pursuit of efficient use is best represented in the forecast water uses that are the cornerstone of good planning. As required, the future water uses of both existing customers and those added over the 25-year planning horizon should reflect the “efficient use” of water.

### 4.4.1. REPRESENTATIVE CURRENT WATER USE

**Table 4-1, Table 4-2, and Table 4-3** provided the actual monthly customer water use for 2021 through 2025 for potable customers. From this information, an estimate of the representative “current” water use by existing customers has been developed. Knowing that actual use by

existing customers varies slightly year-to-year based on a variety of factors (e.g., total rainfall and the timing of spring rain events impacting when landscape irrigation may begin), the recent data provides a basis for estimating current water use.

This representative water use for current conditions provides the foundation for estimating the future needs of these existing customers. **Table 4-5** provides the representative monthly and annual current water use, including distribution system losses.

**TABLE 4-5. REPRESENTATIVE CURRENT RETAIL CUSTOMER WATER USE (VALUES IN ACRE-FEET)**

Use Category	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Single-Family Residential	600	320	270	400	320	780	1,030	760	990	730	520	350	<b>7,070</b>
Multi-family Residential	280	140	130	150	130	210	350	110	300	180	170	150	<b>2,300</b>
Commercial/Institutional	100	40	50	60	50	90	130	80	120	90	80	50	<b>940</b>
Industrial	30	10	20	10	40	10	80	10	80	10	40	10	<b>350</b>
Landscape Irrigation	18	9	9	9	18	45	90	63	81	54	18	18	<b>432</b>
Other	0	0	0	0	0	0	0	10	0	10	0	0	<b>20</b>
<b>Total</b>	<b>1,028</b>	<b>519</b>	<b>479</b>	<b>629</b>	<b>558</b>	<b>1,135</b>	<b>1,680</b>	<b>1,033</b>	<b>1,571</b>	<b>1,074</b>	<b>828</b>	<b>578</b>	<b>11,112</b>

Note: The demands presented in this table are derived from 2025 actual deliveries with minor modifications.

#### 4.4.2. FACTORS AFFECTING FUTURE CUSTOMER USE

There are several factors that affect the forecast of future customer use, ranging from State and local landscape regulations, building code requirements, and other water-use mandates, to changes in the types of housing products being offered. These factors are incorporated into determining appropriate per-dwelling unit or per customer connection water demand values for use in forecasting future water needs. Relevant characteristics of the factors are described here.

#### WATER CONSERVATION OBJECTIVES

In 2009, Governor Arnold Schwarzenegger signed Senate Bill No. 7 (SBX7-7), which established a statewide goal of achieving a 20 percent reduction in urban per capita water use by 2020 for urban retail water suppliers.<sup>28</sup> As presented previously, the District has met and maintained this mandated target.

Furthermore, the efforts undertaken by the District and its customers to meet these targets, as well as efforts throughout the State by other urban retail suppliers, have changed the availability and use of appliances, fixtures, landscapes, and other water using features, through changes or additions to ordinances and/or through a continuing “conservation ethic.”

<sup>28</sup>CWC §10608.20

In response to the recent multi-year drought conditions, then Governor Brown issued Executive Order B-37-16 in May 2016 entitled “Making Water Conservation a California Way of Life.” In May 2018, Governor Brown signed into law SB 606 and AB 1668, which imposed additional statutory requirements beyond the 20 percent by 2020 target reflected in the 2009 legislation (also known as “Urban Water Use Objectives”). This has resulted in continued efforts by the District to increase water use efficiency and ultimately to reduce water demands of existing water users and continue to influence the expected demands of future water users.

### PROHIBITION ON NON-FUNCTIONAL TURF

In 2023, the Legislature determined that the use of treated, potable drinking water for irrigating decorative or aesthetic landscaping that serves no recreational or public use is inefficient and inconsistent with state water conservation and climate resilience objectives.<sup>29</sup> Under CWC §10608.12(u), “nonfunctional turf” (NFT) is defined as “any turf that is not functional turf, and includes turf located within street rights-of-way and parking lots.” Per CWC §10608.12(m), “functional turf” is defined as “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”. The NFT definition explicitly excludes cemeteries, parks, sports fields, and lawns that are regularly used for recreation or community gathering.<sup>30</sup>

The prohibition on NFT applies primarily to commercial, industrial, institutional, and municipal properties, as well as common areas maintained by homeowners’ associations and common interest developments<sup>31</sup>. Potable water may continue to be used to maintain the health of trees and other perennial, non-turf landscaping, and where irrigation is necessary to address immediate public health or safety concerns. For example, potable irrigation may be allowed where discontinuation would compromise fire prevention or fuel reduction efforts, dust control, or other measures needed to protect human health and safety.

Implementation of the NFT provisions is phased over several years and may be enforced at the local level by public water systems, cities, and/or counties.<sup>32</sup> Non-compliance of the NFT provisions may result in civil penalties imposed on property owners, or other locally defined enforcement actions.

Initial compliance begins in 2026, with progressively broader property categories subject to the prohibition through 2030 and beyond, including later deadlines for properties located in

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<sup>29</sup> In 2025 provisions of Assembly Bill 1572 were codified into the California Water Code.

<sup>30</sup> CWC §10608.12

<sup>31</sup> Per Civil Code §4100, common interest developments are defined as community apartment projects, condominium projects, planned developments, and stock cooperatives.

<sup>32</sup> CWC §10608.14

disadvantaged communities.<sup>33</sup> In 2026, public water systems are required to update local ordinances and customer policies to reflect the new restrictions.

The following timeline outlines the dates set forth by the CWC and corresponding requirements:

- **By January 1, 2027:** Public water systems must update local ordinances, regulations, or policies to reflect NFT requirements and must notify customers.
- **Beginning January 1, 2027:** State properties owned or leased by the Department of General Services will no longer be allowed to irrigate NFT with potable water. In addition, all potable irrigation of NFT will be prohibited for local governments, public agencies, public water systems<sup>34</sup>, as well as municipal and institutional properties. Revised water systems ordinances and customer communications must be in effect statewide.
- **Beginning January 1, 2028:** All potable irrigation of NFT will be prohibited statewide for all other commercial and industrial properties.
- **Beginning January 1, 2029:** All potable irrigation of NFT will be prohibited for multifamily residential properties, excluding disadvantaged communities. This limitation also applies to common areas of homeowners' associations and similar entities.
- **June 30, 2030:** Commercial, industrial, and institutional property owners with more than 5,000 square feet of irrigated area must begin certifying compliance to the State Water Resources Control Board. Certification is required every three years thereafter (through 2039).
- **June 30, 2031:** Owners of HOA and common-interest development properties with more than 5,000 square feet of irrigated common area must begin certifying compliance. Certification is required every three years thereafter (through 2040).

### REQUIREMENTS IN CALIFORNIA BUILDING CODE

Beginning in January 2010, the California Building Standards Commission adopted the statewide mandatory Green Building Standards Code (hereafter the "CAL Green Code") requiring the installation of water-efficient indoor and outdoor infrastructure for all new projects after January 1, 2011. The CAL Green Code was incorporated as Part 11 into Title 24 of the California Code of Regulations and was revised in 2013 and in 2016 to address changes to the State's Model Water Efficient Landscape Ordinance ("MWELO") adopted during the

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<sup>33</sup> Per CWC 10608.12 (l), "disadvantaged community" means a community with an annual median household income that is less than 80 percent of the statewide annual median household income.

<sup>34</sup> Per CWC §10608.14(a)(5), properties owned by public agencies, local governments, and public water systems located in a disadvantaged community have an implementation date beginning January 1, 2031.

drought.<sup>35</sup> Revisions to the CAL Green Code in 2019 modified sections to direct users to MWELo regulations contained in other regulatory sections.<sup>36</sup>

The CAL Green Code applies to the planning, design, operation, construction, use, and occupancy of every newly constructed or remodeled building or structure. All new residential and non-residential customers must meet the water use requirements of the CAL Green Code as well as the outdoor requirements described by MWELo. The CAL Green Code's requirements generally manifest through: (1) installation of plumbing fixtures and fittings that meet the 20 percent reduced flow rate specified in the CAL Green Code, or (2) by demonstrating a 20 percent reduction in water use from the building "water use baseline."<sup>56</sup> Future customers are expected to satisfy one of these two requirements through the use of appliances and fixtures such as high-efficiency toilets, faucet aerators, on-demand water heaters, or other fixtures as well as Energy Star and California Energy Commission-approved appliances.

### **CALIFORNIA MODEL WATER EFFICIENT LANDSCAPE ORDINANCE AND COUNTY ORDINANCE**

The Water Conservation in Landscaping Act was enacted in 2006, and has since been revised and expanded multiple times by DWR resulting in today's MWELo.<sup>57</sup> In response to Governor Brown's executive order dated April 1, 2015, (EO B-29-15), DWR updated the MWELo and the California Water Commission approved the adoption and incorporation of the updated State standards for MWELo on July 15, 2015. MWELo requires a retail water supplier or a county to adopt the provisions of the MWELo or to enact its own provisions equal to or more restrictive than the MWELo provisions.<sup>37</sup>

The changes included a reduction to 55 percent of reference evapotranspiration rates for the maximum amount of water that may be applied to residential landscapes, and non-residential projects to 45 percent, which effectively reduces the landscape area that can be planted with high water use plants, such a turf. For residential projects, the allowable maximum coverage of high-water use plants is reduced to 25% of the landscaped area (down from 33%). The newly updated MWELo also now applies to new construction with a landscape area greater than 500 square feet (the prior MWELo only applied to landscapes greater than 2,500 square feet).<sup>38</sup>

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<sup>35</sup>The 2016 Triennial Code Adoption Cycle consisted primarily of the MWELo updates adopted in response to the drought. Indoor infrastructure changes were limited to some minor non-residential fixture changes and changes to the voluntary Tier 1 and Tier 2 requirements. Additionally, the Code was updated to match the new Title 20 Appliance Efficiency Regulations.

<sup>36</sup>The 2019 updated sections to direct CAL Green code users to Title 23 of the California Code of Regulations to allow Title 23 to be the sole location of MWELo requirements.

<sup>37</sup>The City has incorporated the State's MWELo requirements and includes a Water Efficiency Application Form that must be submitted with any new project brought before the City's Planning Department.

<sup>38</sup> CCR Title 23, Div. 2, Ch. 27, Sec. 490.1.

### METERING, VOLUMETRIC PRICING, AND WATER BUDGETS

CWC §525 requires water purveyors to install meters on all new service connections after January 1, 1992. CWC §527 requires water purveyors to charge for water based upon the actual volume of water delivered if a meter has been installed. This action alone is not expected to substantially reduce water use. However, it is anticipated that the retail billing system will encourage and help maintain reasonable use (e.g., through implementation of a tiered rate structure and/or water budgets), so that individual customer water demands are reasonably not expected to increase over time.

### 4.4.3. CUSTOMER WATER USE FORECAST

The following subsections detail the assumptions used to forecast customer water use and gross water needs for CHWD's water service area, separated into the needs of (a) existing potable water use customers, and (b) new potable water use customers.

#### EXISTING CUSTOMER FUTURE WATER USE

To be conservative and assure the analysis of water system reliability is adequate (see Chapter 5), the District is maintaining the annual "current" customer demand as shown in **Table 4-5** (above), a total annual customer demand of about 11,112 AF, with a production need of just about 11,640 AF when considering system losses.

While these existing customers may undertake a variety of conservation measures – actively through decisions to modify a behavior or a water use, or passively through the purchase of appliances and fixtures that simply use less water – they may also maintain their use as-is. Holding the current use as a constant for all existing customers into the future will provide a conservative number that can be re-evaluated prior to the 2025 UWMP and compliance with urban water use objectives.<sup>39</sup>

#### NEW CUSTOMER FUTURE WATER USE

As detailed in Chapter 2, the District anticipates continued growth with an associated increased demand placed upon the District's water supplies. Forecasting the needs of these future customers is dependent upon the type and number of customers and the unit water demand factors associated with each customer type.

For this UWMP, two distinct customer classifications are anticipated: (1) residential, and (2) non-residential. Residential customers will include both single-family dwelling units built under a variety of densities and multi-family residential dwelling units. Non-residential uses are expected to include a blend of commercial, institutional, industrial, and active landscapes, such as parks, in ratios similar to the District's current residential-to-non-residential customers.

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<sup>39</sup> Per CWC §10609.20, urban water suppliers shall calculate a water use objective composed of, among other factors, aggregated efficient indoor water use based upon State derived standards.

Values developed for each distinct land use are based on several sources of information, details of which are provided in the following subsections.

**NEW RESIDENTIAL CUSTOMER WATER USE**

**Table 2-3** summarized the District’s anticipated new residential growth over the UWMP planning horizon. This growth provides the basis for the estimated future customer water needs, as the non-residential customers will be a ratio of the new residential customers.

**Table 4-6** presents the relevant residential growth information from **Table 2-3**.

**TABLE 4-6. ANTICIPATED NEW RESIDENTIAL UNITS THROUGH 2050 (FROM TABLE 2-3)**

Planned Development Name	Dwelling Unit Potential
Expected Infill Projects - Residential	52
Sunrise Tomorrow - Residential	2,220
<b>Total</b>	<b>2,272</b>

In addition to the new developments characterized above, the District anticipates new residential demands associated with the construction of Accessory Dwelling Units (ADUs) within the service area over the planning horizon. ADUs are residential structures constructed on parcels that currently have homes and are usually smaller in overall construction footprint. Based on recent forecasts, the District estimates a total of 1,500 ADUs being provided service within this 2025 UWMP’s planning horizon. Accordingly, these additional units are incorporated into the demand projections.

The District anticipates these new residential elements will be built in accordance with all applicable building codes including the Cal Green Code discussed previously, and relevant local ordinances.

Distinct demand factors are provided for the following residential uses:

- Indoor Residential Use – this category identifies the generally anticipated water use for single-family and multi-family dwelling units.
- Outdoor Residential Use – this category addresses the landscape water demands commonly anticipated for the two primary dwelling unit types.

For purposes of this UWMP, residential unit water demand factors are described as “the acre-feet of water use annually per dwelling unit” – or AF/dwelling unit (“AF/du”).

Residential unit factors for new customers were obtained from the recently completed Master Plan Technical Memorandum (draft dated 2025) and incorporated into these demand projections. For planning purposes, the per capita water use associated with residential customers is 149 gallons per capita per day.

**NEW NON-RESIDENTIAL CUSTOMER WATER USE**

Also as described in Chapter 2, the District anticipates several acres of non-residential uses to be developed in the future associated with known development projects. Non-residential per-connection demand factors were also estimated for purposes of forecasting the water needs of these anticipated commercial, institutional, industrial, and irrigated landscape customers. **Table 4-7** presents non-residential growth information from **Table 2-3** and is used to develop demand projections presented in the following subsection.

**TABLE 4-7. ANTICIPATED NEW NON-RESIDENTIAL AREA (FROM TABLE 2-3)**

Planned Development Name	Acres
Expected Infill Projects – Commercial	26.18
Sunrise Tomorrow - Commercial	39.72
<b>Total</b>	<b>65.90</b>

For purposes of this 2025 UWMP, the demand factor for new, non-residential customers was obtained from the District’s Master Plan, where an average of 1,400 gallons day per acre was utilized.

The resulting forecast future use of existing and new non-residential customers is provided below in **Table 4-8**.

**4.4.4. SUMMARY OF FORECAST WATER USE**

Based upon the estimated water use of the existing and new customers, the District anticipates a minor increase in potable water use over the planning horizon. **Table 4-8** presents the resulting customer water use forecast. Although the forecast is presented on an annual basis in 5-year increments through 2050, the monthly pattern is expected to mimic the current monthly pattern detailed in prior tables. This characterization is important when evaluating the District’s water service reliability as detailed in Chapter 5.

**TABLE 4-8. FORECAST FUTURE WATER USE (VALUES IN ACRE-FEET PER YEAR)**

	Water Use Sector	2030	2035	2040	2045	2050
Existing	SFR	7,070	7,070	7,070	7,070	7,070
	MFR	2,300	2,300	2,300	2,300	2,300
	Com./Inst.	940	940	940	940	940
	Industrial	350	350	350	350	350
	Landscape Irrigation	432	432	432	432	432
	Other	20	20	20	20	20
New	Residential	280	550	817	1,083	1,349
	Com./Inst.	36	72	108	143	179
Total	Residential	9,650	9,920	10,187	10,453	10,719
	Com./Inst.	976	1,012	1,048	1,083	1,119
	Industrial	350	350	350	350	350
	Landscape Irrigation	432	432	432	432	432
	Other	20	20	20	20	20
	Loss	526	540	554	568	582
<b>Total</b>		<b>11,954</b>	<b>12,274</b>	<b>12,591</b>	<b>12,906</b>	<b>13,222</b>

As previously stated, the demands associated with “Existing” customer water use presented in **Table 4-8** assumes a 10% reduction for the Landscape Irrigation demands associated with CWC §§10608.14. No new Landscape Irrigation demands are incorporated as the District does not anticipate new connections associated with functional turf.

#### 4.4.5. DRY YEAR ADJUSTMENTS

The demand forecasts presented in the prior subsection represent expected water needs under normal hydrologic conditions. To credibly forecast potential maximum future water use, the forecasted normal-year water uses must be modified to reflect anticipated increases in demand during drier conditions.

Conservative modifications to the forecasted normal year water use to more likely reflect use conditions during drier and dry years are warranted to help adequately address water service reliability in Chapter 5. For purposes of this UWMP, the following adjustment is made:

Single dry year: Landscape irrigation needs would increase to reflect the generalized earlier start of the landscape irrigation season due to limited rainfall in the single driest year. Since this increase only applies to the outdoor portion of a customer’s forecast use, an adjustment factor of 5% is applied to the total normal-year forecasts to conservatively reflect the expected increase in demand for water for landscaping.

Multiple dry years: During multiple dry years, demands are also expected to increase similar to the single dry year. For multiple dry year conditions, the single dry year increase of 5% is held in each of the subsequent years. This is representative of an “unconstrained demand” as should be represented when evaluating whether Water Shortage Contingency Plan actions may be warranted.<sup>40</sup>

## 4.5. PROJECTING DISADVANTAGED COMMUNITY WATER USE

Legislation requires the District to project water demands for low-income housing needs. Although the CHWD service area does not match the City of Citrus Heights boundary, CHWD’s service area encompasses about two-thirds of the geographic area of the City of Citrus Heights. This analysis assumes the City’s housing element is representative of the CHWD service area as approximately 70 percent of CHWD’s service area is within the City’s boundary.

Per California Health and Safety Code §50079.5, a lower income household has an income below 80 percent of area median income, adjusted for family size. For purposes of this UWMP, annual median income was derived from the American Community Survey for 2024 (most recent) and determined to be about \$91,000 for the City.<sup>41</sup> Therefore, 80% of this is estimated to be about \$72,800 per year. According to the detailed data, approximately 40% of the households earn at or below this 80-percentile income.

For purposes of estimating the future water needs, 40% of the total single-family and multi-family connections are presumed to represent disadvantaged households. Applying this condition to the forecast water use for the entire City results in the estimate provided in **Table 4-9**.

**TABLE 4-9. ESTIMATED LOW-INCOME WATER USE FORECAST**

	2030	2035	2040	2045	2050
Total Potable Use	11,954	12,274	12,591	12,906	13,222
Low Income Use	3,598	3,699	3,799	3,898	3,997
% of Total Potable	30.1%	30.1%	30.2%	30.2%	30.2%

<sup>40</sup> CWC §10632(a)(2) states water suppliers should use “unconstrained demand” when performing their annual water supply and demand assessment.

<sup>41</sup> This data is from the Household Income, American Community Survey 1-year estimates for 2024 (most recent). <https://censusreporter.org/profiles/16000US0613588-citrus-heights-ca/>

# CHAPTER 5

## WATER SERVICE RELIABILITY

This chapter provides the District’s water service reliability findings as required under CWC §10635.

Assessing water service reliability is the fundamental purpose for the District in preparing its 2025 UWMP. Water service reliability reflects the District’s ability to meet the water needs of its customers under varying conditions throughout the planning horizon to 2050. The District’s 2025 UWMP considers the reliability of meeting customer water use by analyzing anticipated hydrological variability, regulatory variability, climate conditions, and other factors that impact the District’s water supply and its customer water use. The reliability assessment looks beyond past experience and considers what could be reasonably expected in the future. This chapter synthesizes the details embedded in Chapters 3 and 4 and provides a rational basis for future decision-making related to supply management, demand management, and project development. This chapter presents the reliability findings of the Five-Year Drought Risk Assessment as well as Long-Term Service Reliability.

This analysis confirms the District has reliable water supplies available for its entire service area through 2050.

### 5.1. FIVE YEAR DROUGHT RISK ASSESSMENT

The Drought Risk Assessment requires a methodical assessment of water supplies and water uses under an assumed drought period that lasts five consecutive years.

The District maintains sufficient water supplies to meet current and projected customer demands under extended dry conditions. The District’s supply portfolio consists primarily of purchased surface water supplemented by groundwater production, which provides operational flexibility during both single dry year and multiple dry year conditions.

For purposes of this assessment, water demands during the five-consecutive-year drought period reflect dry-year demand conditions, consistent with the District’s drought planning assumptions described in Chapter 4. Groundwater production is assumed to be approximately 900 – 1,150 acre-feet per year during all years of the analysis, with purchased water supplies adjusted to meet the remaining demand. Surface water availability is directly tied to the reliability of SJWD supplies from the American River watershed and Folsom Reservoir. Information regarding historical inflow and storage for Folsom Reservoir indicate that the recent 5-year period from 2012 through 2016 provides the basis for the surface water

supply characterization incorporated into this DRA as this represents the driest 5-year sequence since 1901. For this period, average surface water deliveries from SJWD to the District was 11,400 AF, with groundwater making up the remaining portion of District supplies.

**Table 5-1** presents the District’s five-year drought risk assessment for the period 2026 through 2030. Based on the historical conditions, total available supply is sufficient to meet projected dry-year demands in each year of the analysis.

**TABLE 5-1. FIVE YEAR DROUGHT RISK ASSESSMENT (ACRE-FEET)**

	2026	2027	2028	2029	2030
Surface Water	11,400	11,400	11,400	11,400	11,400
Groundwater	874	944	1,013	1,083	1,152
Total Supply	12,274	12,344	12,413	12,483	12,552
Demand	12,274	12,344	12,413	12,483	12,552
Difference	0	0	0	0	0

As shown in the table, total projected water use increases over the five-year period, reflecting anticipated growth in municipal demands. Available water supplies are assumed to be sufficient to meet these demands through a combination of purchased water and groundwater production.

The District does not project a supply shortfall during the five-consecutive-year drought period. This demonstrates that, with implementation of planned water management strategies and demand reductions, the District can maintain reliable water service under extended dry conditions.

## 5.2. LONG TERM SERVICE RELIABILITY

The Urban Water Management Planning Act directs urban water purveyors to analyze water supply reliability in a normal, single dry, and five consecutive dry years over a 20-year planning horizon. The 2025 UWMP Guidebook recommends extending that period to twenty-five (25) years to provide a guiding document for future land use and water supply planning through the next UWMP cycle. The following subsections describe the long-term water service reliability for the District through a 25-year planning horizon.

### 5.2.1. LONG TERM SERVICE RELIABILITY

The District’s long-term service reliability reflects the recommended 25-year planning horizon anticipating a normal, single dry, and five consecutive dry years from 2025 through 2050.

#### NORMAL AND SINGLE DRY CONDITIONS 2030–2050

The District’s projected water supplies under normal and single dry year conditions are based on the hydrologic, regulatory, and institutional assumptions described in previous sections. As

shown in **Table 5-2**, the District has sufficient water supplies to meet projected customer demands through 2050 under both normal and single dry year conditions.

Projected demands under single dry year conditions reflect increased water use associated with hotter and drier conditions, particularly for outdoor irrigation. For purposes of this analysis, landscape irrigation demands are assumed to increase by approximately 5 percent during single dry year conditions relative to normal year conditions. This results in higher total system demand during dry years.

Groundwater production is assumed to be approximately 900 acre-feet per year under normal conditions, with purchased surface water supplies adjusted to meet the remaining demand. Conversely, groundwater production is assumed to be increased to approximately 3,000 acre-feet per year under the single dry year condition, with purchased surface water supplies adjusted to meet the remaining demand (up to assumed 11,400 AF).

As shown in **Table 5-2**, total available supply is sufficient to meet projected demands in each planning year under both normal and single dry year conditions, and no supply shortfalls are anticipated.

**TABLE 5-2. NORMAL AND SINGLE DRY YEAR WATER SUPPLY AND DEMAND THROUGH 2050 (ACRE-FEET PER YEAR)**

Normal Year	2030	2035	2040	2045	2050
Surface Water	11,054	11,374	11,691	12,006	12,322
Groundwater	900	900	900	900	900
Total Supply	11,954	12,274	12,591	12,906	13,222
Demand	11,954	12,274	12,591	12,906	13,222
Difference	0	0	0	0	0
Single Dry Year	2030	2035	2040	2045	2050
Surface Water	9,552	9,888	10,221	10,552	10,883
Groundwater	3,000	3,000	3,000	3,000	3,000
Total Supply	12,552	12,888	13,221	13,552	13,883
Demand	12,552	12,888	13,221	13,552	13,883
Difference	0	0	0	0	0

**FIVE CONSECUTIVE DRY YEARS 2030-2050**

The Districts surface water supplies experience constraints in dry years; however, these constraints are manageable, and the supplies are considered reliable. Although the District has sufficient supplies to meet its five consecutive dry year demands, additional regulatory constraints, such as drought emergency declarations by the Governor or State-ordered curtailment of the District’s water rights, could affect supply availability. To the extent that such conditions can be reasonably projected, the District has considered potential regulatory

and operational constraints and has determined that the supply estimates presented herein appropriately reflect expected conditions during multiple dry years.

The District also assumes that water demand during a dry-year would remain unconstrained, causing a slight increase in the actual water need of the District’s customers. This characterization of water demand provides a conservative estimate of demand conditions in a five-year drought scenario. Comparing the District’s supply availability with the slightly increased demand conditions, the District has sufficient supplies to meet five consecutive dry year conditions through 2050.

**Table 5-3** below shows the annual water supply and demand conditions in five consecutive dry years from 2030 through 2050. Actual supply and demand conditions experienced during a multi-year drought could vary from the representations presented here and as described in detail in Chapter 3 and Chapter 4.

**TABLE 5-3. FIVE CONSECUTIVE DRY YEARS WATER SUPPLY AND DEMAND THROUGH 2050 (ACRE-Feet PER YEAR)**

		2030	2035	2040	2045	2050
Year 1	Supply	12,552	12,955	13,221	13,552	13,883
	Demand	12,552	12,955	13,221	13,552	13,883
	Difference	0	0	0	0	0
Year 2	Supply	12,619	12,955	13,287	13,618	13,950
	Demand	12,619	12,955	13,287	13,618	13,950
	Difference	0	0	0	0	0
Year 3	Supply	12,687	13,021	13,353	13,684	14,016
	Demand	12,687	13,021	13,353	13,684	14,016
	Difference	0	0	0	0	0
Year 4	Supply	12,754	13,088	13,419	13,751	14,082
	Demand	12,754	13,088	13,419	13,751	14,082
	Difference	0	0	0	0	0
Year 5	Supply	12,821	13,154	13,485	13,817	14,149
	Demand	12,821	13,154	13,485	13,817	14,149
	Difference	0	0	0	0	0

### 5.3. ANNUAL RELIABILITY ASSESSMENT

Each year, the District considers current supply and demand conditions and performs an annual water supply and demand assessment (Annual Assessment) pursuant to CWC §10632.1 to evaluate real time circumstances, which may differ from the projected DRA scenario. This assessment evaluates current water supply and use for a 12-month forecast

from July through the following June. Procedures for conducting the Annual Assessment are contained in the District's Water Shortage Contingency Plan. The District has conducted the assessment as required by the CWC and will continue to provide a reliability assessment for current conditions regarding supplies and expected demands.

#### **5.4. WATER SERVICE RELIABILITY SUMMARY**

The District's water supply portfolio is capable of meeting the water uses in its service area in normal, single dry, and five consecutive dry years from 2025 through 2050.

# CHAPTER 6

## WATER SHORTAGE CONTINGENCY PLAN

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This Water Shortage Contingency Plan (WSCP) presents Citrus Heights Water District’s (District or CHWD) approach for identifying and mitigating various water shortage conditions, pursuant to California Water Code (CWC) §10632. This WSCP is included in the District’s 2025 UWMP, although the WSCP can be amended, as needed, without the requirement to amend the UWMP. It is noted that the CWC does not exclude the District from taking actions not specifically contained in its WSCP in response to supply shortage conditions.

This WSCP applies to any shortage condition identified or incurred by the District, including shortages identified by the Annual Water Supply and Demand Assessment (Annual Assessment). Further, the WSCP shortage levels are also applicable to catastrophic interruption in supplies, including but not limited to, an earthquake, a regional power outage, and other emergency events.

### 6.1. LEGAL AUTHORITIES

The District has the legal authority to implement and enforce its WSCP. California Constitution Article X, Section 2 and CWC section 100 provide that water must be put to beneficial use, the waste or unreasonable use or unreasonable method of use of water shall be prevented, and the conservation of water is to be exercised with a view of the reasonable and beneficial use thereof in the interest of the people and the public welfare. Sections of CWC Chapter 3 commencing with Section 350 of Division 1, provide the authority for the governing body of a water agency to declare a water shortage and to adopt and enforce water conservation restrictions. (CWC §§ 350- 359, 375-378.0.)

If necessary, the District shall declare a water shortage emergency in accordance with CWC Chapter 3 of Division 1. Once having declared a water shortage, the District is provided with broad powers to implement and enforce regulations and restrictions for managing a water shortage. For example, CWC section 375(b) grants the District with the authority to set prices to encourage water conservation.

Under California law, including CWC Chapters 3.3 and 3.5 of Division 1, Parts 2.55 and 2.6 of Division 6, Division 13, and Article X, section 2 of the California Constitution, the District is authorized to implement the water shortage actions outlined in this WSCP. In water shortage cases, shortage response actions to be implemented will be at the discretion of the District

and will be based on an assessment of the supply shortage, customer response, and need for demand reductions as outlined in this WSCP.

CHWD is organized under the Irrigation District Law (CWC §§ 20500–29978) and is authorized to do any act necessary to furnish sufficient water in the district for any beneficial use (CWC § 22075), and is therefore granted the authority to enforce its rules and regulations. As a public entity, the District is authorized to “adopt and enforce a water conservation program to reduce the quantity of water used by those persons for the purpose of conserving the water supplies of the public entity” (CWC § 375). For the ordinance or resolution regarding the adoption of a conservation plan, the ordinance/resolution is made effective upon adoption (CWC § 376).

The aforementioned powers derived from CHWD’s organizing statutes are in addition to general powers granted to water distributors in CWC section 350–359. CWC section 350 authorizes the governing body of a distributor of a public water supply to declare a water shortage emergency whenever it finds and determines that the ordinary demands and requirements of water consumers cannot be satisfied without depleting the water supply of the distributor to the extent there would be insufficient water for human consumption, sanitation, and fire protection. Upon a finding of such an emergency condition, the distributor can adopt such regulations and restrictions on the delivery and consumption of water as will conserve the water supply for the greatest public benefit, with particular regard to domestic use, sanitation, and fire protection (CWC § 353). The regulations and restrictions remain in force and effect until the supply of water available for distribution within such area has been replenished or augmented, and restrictions may include the right to deny new service connections and discontinue service for willful violations (CWC § 355 and § 356). The District will vote to adopt its UWMP and WSCP as stated in Resolutions No. 03–2021 and No. 04–2021, respectively. The two Resolutions authorize the implementation and enforcement of this WSCP, which is included in the 2025 UWMP.

It is noted that upon proclamation by the Governor of a state of emergency under the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code) based on drought conditions, the state will defer to implementation of locally adopted water shortage contingency plans to the extent practicable.

CHWD will also coordinate with the City of Citrus Heights, as well as the counties of Sacramento and Placer for the possible proclamation of a “local emergency” under California Government Code, California Emergency Services Act (Article 2, Section 8558).

## 6.2. WATER SUPPLY RELIABILITY ANALYSIS

CHWD’s water supply consists of surface water purchased from San Juan Water District (SJWD) and locally produced groundwater from its own wells. Both supply sources can be impacted by climate factors, catastrophic events, and regulatory measures. The District

evaluates its overall water supply reliability through its Urban Water Management Plan, as well as through other regional and San Juan Water District planning efforts. The following summarizes the District’s current understanding of its supply reliability.

SJWD holds a pre-1914 appropriative water right of 26,400 acre-feet per year (AFY) and an appropriative water right of 6,600 AFY both from the American River. The senior water right status prompted the U.S. Department of the Interior, Bureau of Reclamation (USBR) to enter into an agreement with SJWD upon construction of Folsom Reservoir, setting the District’s maximum diversion under its water rights to 33,000 AFY at a rate of 75 cubic feet per second. SJWD also has the following contractual water entitlements: (1) a Central Valley Project (CVP) water supply contract for 24,200 AFY; and (2) a water supply contract with Placer County Water Agency (PCWA) for 25,000 AFY. SJWD has an existing Warren Act Contract with USBR to wheel non-CVP water supply through federal facilities, such as Folsom Reservoir and the intake facilities that connect to the District’s water treatment plant (WTP).

The District’s groundwater supplies are projected to be available for pumping during drought periods or when surface water availability is limited. The groundwater supply, the North American Subbasin, is sustainably managed by all the region’s pumpers in coordination with the region’s groundwater sustainability agencies. The District does not currently project any groundwater shortages during a drought lasting up to five years. However, the ability to pump groundwater may be limited by regulatory or legal requirements, including under the Sustainable Groundwater Management Act (SGMA). The District will address these restrictions as they materialize and modify its water shortage supply strategy as necessary.

CHWD’s current strategy to address supply shortages includes both demand reductions and increasing groundwater pumping depending on the declared shortage, as described below.

### **6.3. ANNUAL WATER SUPPLY AND DEMAND ASSESSMENT PROCEDURES**

The District conducts an annual analysis of supply and demand projections to help inform water resources management decisions for the coming year. The analysis incorporates numerous data sources used as evaluation criteria to project probable demands and supply availability for the coming year. Sources the District will consider include:

- Projected weather conditions
  - Precipitation versus historical on a monthly basis
- Projected Unconstrained Demand
  - Production versus historic on a monthly basis
  - New customer growth
  - Identify artificially supplied water features separate from swimming pools and parks

- Water Use Objective tracking
- Projected Supply Availability
  - SJWD supply projections
  - Groundwater production capacity

The general procedure is listed below. The District may modify this process based on available data, significant events, process restrictions, or other external factors that may impact the process.

1. Compile existing weather data to characterize past 12 months' conditions. Considering recent conditions and available forecasts, identify the projected dry year scenario available supply from:
  - SJWD-provided supply availability
  - CHWD groundwater well current capacity
2. Estimate unconstrained District demands based on recent and representative customer use data. Development of unconstrained demand will incorporate recent use patterns (unit factors for each customer type) and anticipated customer growth.
3. Identify and incorporate any applicable constraints (infrastructure, regulatory, etc.) regarding receiving wholesaler supply or groundwater production.
4. Compare projected wholesaler supplies and available groundwater production facilities with anticipated District demands.
5. Develop, analyze, and propose water resource management strategies to address the projected demand to supply comparison, including reference to the water shortage stages identified in this WSCP.
6. Present to Board of Directors for approval of Annual Water Supply and Demand Assessment (and resulting Conservation Stage Declaration, if applicable).

The general proposed timeline is as follows:

- Begin assessment by District staff – March/April
- Present assessment to Board of Directors – June
- Submit to State per CWC §10632.1 – No later than July 1

## 6.4. WATER SHORTAGE STAGES

The following subsections and tables present information on the District's supply scenarios, including Normal Water Supply and the six standard water shortage stages. Results from the annual Water Supply and Demand Assessment are used to declare a respective shortage stage. The District's Water Conservation Program, including the water shortage stages and

associated response actions described in this section, was adopted by the Board of Directors through Ordinance No. 01-2021 (June 16, 2021).

No provisions of this WSCP shall apply to fire hydrants, fire mains, fire sprinkler lines, or other equipment used solely for fire protection purposes. Nor shall any provisions apply to any hospital, health care or convalescent facility, or any other type of facility where the health and welfare would be affected by restrictions on water used, nor shall it apply to veterinary hospitals. Such facilities are encouraged to conserve water to the extent possible. However, this WSCP does apply to the outdoor grounds, yards, and parking areas of these facilities.

#### 6.4.1. NORMAL WATER SUPPLY

The District’s water supply and distribution system is able to meet all the water demands of its customers in the immediate future. Regulations for Normal Water Supply apply to all stages and include the following:

- Water shall be used for beneficial purposes only; all unnecessary and wasteful uses of water are prohibited.
- Water shall be confined to the customer’s property and shall not be allowed to run off to adjoining properties or to the roadside ditch or gutter. Care shall be taken not to water past the point of saturation.
- Free-flowing hoses for all uses are prohibited. Automatic shut-off devices shall be attached to any hose or filling apparatus in use.
- Leaking customer pipes or faulty sprinklers shall be repaired within five working days or less if warranted by the severity of the problem.
- All pools, spas, and ornamental fountains/ponds shall be equipped with a recirculation pump and shall be constructed to be leak-proof.
- Washing streets, parking lots, driveways, sidewalks, or buildings, is prohibited except as necessary for health, esthetic, or sanitary purposes.
- Customers are encouraged to take advantage of the District’s water conservation programs and rebates.

**Table 6-1** through **Table 6-6** show a summary of the staged response actions.

**TABLE 6-1. WSCP ACTIONS TO REDUCE CUSTOMER USE – STAGE 1**

<b>Water Alert: Savings up to 10%</b>
<p>Actions include regulations from Normal stage plus those listed below. When implemented as a whole program, these actions together are expected to eliminate up to a 10 percent gap between supplies and demands.</p>
<p>Customers - Actions to Reduce Demand up to 10 Percent</p> <ul style="list-style-type: none"> <li>• Reduce total water use by 10%. Contact the District for tips and techniques to reduce indoor and outdoor water use.</li> <li>• Pool draining and refilling shall be allowed only for health, maintenance, or structural considerations.</li> <li>• Users of construction meters and fire hydrant meters will be monitored for efficient water use.</li> </ul>
<p>District Actions</p> <ul style="list-style-type: none"> <li>• Leak repair receives higher priority.</li> <li>• Increase drought awareness through additional public outreach measures that notify public and customers of declared stage, requirements, and available conservation program support.</li> <li>• Standard rates in effect.</li> <li>• Increased monitoring of customer use.</li> <li>• Accelerate infrastructure repairs and improvements.</li> <li>• Increase groundwater pumping as available.</li> </ul>

**TABLE 6-2. WSCP ACTIONS TO REDUCE CUSTOMER USE – STAGE 2**

<b>Moderate Shortage: Savings up to 20%</b>
<p>Actions include regulations from Stage 1 plus those listed below. When implemented as a whole program, these actions together are expected to eliminate up to a 20 percent gap between supplies and demands.</p>
<p>Customers - Actions to Reduce Demand up to 20 Percent</p> <ul style="list-style-type: none"> <li>• Leaking customer pipes or faulty sprinklers shall be repaired within two working days or less if warranted by the severity of the problem.</li> <li>• Reduce total water use by 20%. Contact the District for tips and techniques to reduce indoor and outdoor water use.</li> <li>• Requested to only irrigate three times per week.</li> <li>• Application of potable water to outdoor landscapes during and within 12 hours after measurable rainfall is prohibited.</li> </ul>
<p>District Actions</p> <ul style="list-style-type: none"> <li>• Communicate mandatory reduction targets to customers.</li> <li>• Provisions of the Water Shortage Rate Structure may be implemented by the Board of Directors.</li> <li>• Decrease system flushing frequency.</li> <li>• Increase groundwater pumping as available.</li> </ul>

**TABLE 6-3. WSCP ACTIONS TO REDUCE CUSTOMER USE – STAGE 3**

Severe Shortage: Savings up to 30%
<p>Actions include regulations from preceding stages plus those listed below. When implemented as a whole program, these actions together are expected to eliminate up to a 30 percent gap between supplies and demands</p>
<p>Customers - Actions to Reduce Demand up to 30 Percent</p> <ul style="list-style-type: none"> <li>• Leaking customer pipes or faulty sprinklers shall be repaired within 24 hours or less if warranted by the severity of the problem.</li> <li>• Special Water Feature Distinction - All pools, spas, and ornamental fountains/ponds shall be equipped with a recirculation pump and shall be constructed to be leak-proof. No potable water from the District’s system shall be used to fill or refill swimming pools, artificial lakes, ponds, or streams. Water use for ornamental ponds and fountains is prohibited.</li> <li>• Reduce total water use by 30%. Contact the District for tips and techniques to reduce indoor and outdoor water use.</li> <li>• Irrigation shall be limited to two days per week. The days of the week when outdoor water will be permitted shall be set based on the last digit of the street address. Odd addresses, streetscapes, and medians shall limit watering to Tuesdays and Saturdays; even addresses shall limit watering to Wednesdays and Sundays. No irrigation is permitted on Mondays, Thursdays, or Fridays. Irrigation should be limited to the minimal amount of water necessary to keep plants and trees alive.</li> <li>• Application of potable water to outdoor landscapes during and within 48 hours after measurable rainfall is prohibited.</li> <li>• Use of reclaimed water for construction purposes is encouraged.</li> <li>• Flushing of sewers or fire hydrants is prohibited except in case of emergency and for essential operations or unless specifically authorized by the District.</li> <li>• Installation of new turf, lawn, and/or landscaping is prohibited.</li> <li>• Restaurants shall serve water only upon request.</li> </ul>
<p>District Actions</p> <ul style="list-style-type: none"> <li>• Communicate mandatory reduction targets to all customers.</li> <li>• Provision of the Water Shortage Rate Structure may be implemented by the Board of Directors.</li> <li>• Increase groundwater pumping to the maximum feasible level to help avoid a Stage 4 supply shortage.</li> <li>• Suspend commitments for new water service connections unless all requirements of the Department of Water Resources Model Water Efficient Landscape Ordinance (MWELO) are met and landscape plans are approved by the appropriate city or county building department.</li> <li>• Apply all Stage 3 landscape restrictions to any landscape authorized for new service connections.</li> </ul>

**TABLE 6-4. WSCP ACTIONS TO REDUCE CUSTOMER USE – STAGE 4**

<b>Critical Shortage: Savings up to 40%</b>
<p>Actions include regulations from preceding stages plus those listed below. When implemented as a whole program, these actions together are expected to eliminate up to a 40 percent gap between supplies and demands.</p>
<p>Customers - Actions to Reduce Demand up to 40 Percent</p> <ul style="list-style-type: none"> <li>• Water for flow testing and construction purposes from water agency fire hydrants and blowoffs is prohibited.</li> <li>• Reduce total water use by 40%. Contact the District for tips and techniques to reduce indoor and outdoor water use.</li> <li>• Irrigation is allowed only once per week. Odd addresses, streetscapes, and medians shall limit watering to Tuesdays; even addresses shall limit watering to Thursdays.</li> </ul>
<p>District Actions</p> <ul style="list-style-type: none"> <li>• Communicate mandatory reduction targets to customers.</li> <li>• Provisions of the Water Shortage Rate Structure may be implemented by the Board of Directors.</li> <li>• Increase groundwater pumping as much as possible to avoid Stage 5 supply shortage condition.</li> <li>• New connections to the District’s water distribution system will not be allowed.</li> </ul>

**TABLE 6-5. WSCP ACTIONS TO REDUCE CUSTOMER USE – STAGE 5**

<b>Shortage Crisis: Savings up to 50%</b>
<p>Actions include regulations from preceding stages plus those listed below. When implemented as a whole program, these actions together are expected to eliminate up to a 50 percent gap between supplies and demands.</p>
<p>Customers - Actions to Reduce Demand up to 50 Percent</p> <ul style="list-style-type: none"> <li>• Leaking customer pipes or faulty sprinklers shall be repaired immediately. Water service will be suspended until repairs are made.</li> <li>• Reduce total water use by more than 50%. Contact the District for tips and techniques to reduce indoor and outdoor water use.</li> <li>• Landscape and pasture irrigation is prohibited.</li> <li>• Use of construction meters and fire hydrants is prohibited except in case of emergency and for essential operations or unless specifically authorized by the District.</li> <li>• No potable water from the District’s system shall be used for construction purposes including but not limited to dust control, compaction, or trench jetting.</li> <li>• Automobiles or equipment shall be washed only at commercial establishments that use recycled or reclaimed water.</li> </ul>
<p>District Actions</p> <ul style="list-style-type: none"> <li>• Communicate mandatory reduction targets to customers.</li> <li>• Provisions of the Water Shortage Rate Structure may be implemented by the Board of Directors.</li> <li>• Increase groundwater pumping as much as possible to avoid Stage 6 supply shortage condition.</li> </ul>

**TABLE 6-6. WSCP ACTIONS TO REDUCE CUSTOMER USE – STAGE 6**

Emergency Shortage: Savings greater than 50%
<p>Actions include regulations from preceding stages plus those listed below. Actions will be identified to address each specific shortage situation to eliminate the gap between supplies and demands.</p>
<p>Customers - Actions to Reduce Demand greater than 50 Percent</p> <ul style="list-style-type: none"> <li>• Health and safety use of water only.</li> </ul>
<p>District Actions</p> <ul style="list-style-type: none"> <li>• Communicate mandatory reduction targets to customers.</li> <li>• Provisions of the Water Shortage Rate Structure may be implemented by the Board of Directors.</li> <li>• Other actions as identified specific to the shortage condition.</li> <li>• Declare Water Shortage Emergency in accordance with Section 350 of Division 1, Chapter 3 Water Shortage Emergencies of the California Water Code.</li> </ul>

### 6.4.2. ENFORCEMENT AND VARIANCES

Enforcement measures for all stages, including Normal Water Supply, are presented below. The following enforcement measures and variance procedures are consistent with and authorized by Ordinance No. 01-2021, which adopted the District’s Water Conservation Program, Mandatory Water Conservation Stage Regulations, and Enforcement Measures.

- A. Upon initial observation by District personnel or authorized designee of a violation of any of the regulations enumerated in this Water Shortage Contingency Plan, the violator shall be informed of the District’s current Water Conservation Stage Regulations, shall be provided with appropriate water conservation information, and offered a free Water Efficiency Review. If no contact is made, a Courtesy Notice will be left at the premises informing the customer of the observed violation. The customer will be informed of the consequences of further violations, including potential penalties as set forth in the District’s miscellaneous charges and fees.
- B. Upon a second observation by District personnel or authorized designee of a violation of any of the regulations enumerated in this Water Shortage Contingency Plan, a Notice of Violation will be issued and left at the premises informing the customer of the violation and the consequences of further violations. A penalty will be applied to the customer’s account for noncompliance with the Mandatory Conservation Stage Regulations, pursuant to the District’s miscellaneous charges and fees. The customer’s water service will be terminated (at District’s discretion) until the violation is corrected. Prior to a scheduled water service termination, the customer may choose to pay the penalty fee and correct the violation as specified in the required time frame designated by the current Stage Declaration.
- C. Upon a third observation by District personnel or authorized designee of a violation of any of the regulations enumerated in this Water Shortage Contingency Plan, a Notice of

Violation will be issued and left at the premises informing the customer of the violation and the consequences of further violations. A penalty will be applied to the customer's account for noncompliance of the Mandatory Water Conservation Stage Regulations, pursuant to the District's miscellaneous charges and fees. The customer's water service will be terminated (at District's discretion) until the violation is corrected. Prior to a scheduled water service termination, the customer may choose to pay the penalty fee and correct the violation as specified in the required time frame designated by the current Stage Declaration.

- D. Upon a fourth observation by District personnel or authorized designee of a violation of any of the regulations enumerated in this Water Shortage Contingency Plan, a Notice of Violation will be issued and left at the premises informing the customer of the violation and the consequences of further violations. A penalty will be applied to the customer's account for noncompliance of the Mandatory Water Conservation Stage Regulations, pursuant to the District's miscellaneous charges and fees. The customer's water service will be terminated (at District's discretion) until the violation is corrected. Prior to a scheduled water service termination, the customer may choose to pay the penalty fee and correct the violation as specified in the required time frame designated by the current Stage Declaration.
- E. Customers for whom these Mandatory Water Conservation Stage Regulations may present an undue hardship may request a variance from the District. Variance requests shall be submitted to the Water Efficiency Coordinator and shall accurately describe the reason for noncompliance with specific requirements in the Mandatory Water Conservation Stage Regulations. A variance request will be approved or denied in writing by the District's General Manager or the Board of Directors.
- F. Violation notices from other than the current calendar year shall be considered null and void when applying the enforcement provision of the Mandatory Water Conservation Stage Regulations.

### 6.4.3. COMMUNICATION PROTOCOLS

Communication protocols for the WSCP include public outreach and notification to entities within the District upon a change in stage declaration. Information shall include the appropriate shortage response actions for the declared stage. Such communication will be delivered by direct mail, District website, and media outlets. Other regional agencies, including SJWD and RWA, will be notified of the identified shortage.

CHWD will also coordinate with the City of Citrus Heights and the counties of Placer and Sacramento, to declare a local emergency with respect to anticipated water supplies and demands in the event conditions necessitate.

### 6.4.4. FINANCIAL CONSEQUENCES OF WSCP

The District understands the potential for decreased revenues and increased costs during prolonged water shortage conditions and enforcement of excessive residential water use during a drought (compliance with Chapter 3.3, Division 1 of the CWC). The decreased revenues can be expected due to a reduction in water sales. 2025 volumetric sales were approximately 30 percent of total revenue. Assuming a reduction in sales commensurate with the particular WSCP stage declaration, a decrease in total revenues in the range of 2 – 12 percent may be expected.

Additional monitoring, public outreach, and enforcement is expected to increase total costs to the District in declaring a water shortage. These additional efforts are prioritized for current staff, and other normal work efforts and projects would be delayed or reassigned. If conditions warrant, the District will seek assistance through additional staffing for third-party service providers. These costs depend on the level of support and will be evaluated on a case-by-case basis.

The District maintains a Water Efficiency Reserve (Efficiency Reserve) for purposes including water efficiency projects, drought response, and water loss programs. When required, budget allocations to the Efficiency Reserve are provided annually. The target amount of \$200,000 is to be maintained for the Efficiency Reserve per the District's Budget Policy (§6280.00). In addition to the Efficiency Reserve, the District may enact a range of management and financial resources depending on the specific situation that include:

- Water Shortage Rate Structure enactment (Stage 3 and higher)
- Capital project deferment
- Operational and maintenance expense deferment
- Increased revenues from penalties
- Others as identified

In addition, the District employs a volumetric rate structure aimed at incentivizing efficient use and may rely on the "Water Shortage Rate Structure" pursuant to this WSCP if warranted.

### 6.4.5. MONITORING AND REPORTING

The District anticipates the ability to monitor customer use through real-time metering. Data collected from the real-time meters allows tracking of water demands during a declared shortage stage. The ability to track performance metrics allows refinement and enhancement of the WSCP by providing valuable data, including information on customer use and system loss. The real-time monitoring offers insight regarding the efficacy of a declared shortage stage and associated shortage response actions.

Reporting on the implementation of the WSCP is conducted by District staff. Specifically, at a regularly scheduled Board meeting, District staff will update the Board (and public) with information on the Water Efficiency Program, including information on the performance of the declared shortage stage.

The District will report on the implementation of this WSCP as specifically required by the State, as applicable.

### 6.4.6. RESPONSE ACTION ESTIMATES

The following table presents the individual estimated demand savings of each response action. Actual savings will likely vary greatly based on external influences, shortage stage level, and general customer understanding of drought severity. It is assumed the savings estimates are not additive, but when implemented together as a program with all the actions in each respective stage, they will eliminate the supply to demand shortage gap.

**TABLE 6-7. SHORTAGE RESPONSE ACTION MEASURE ESTIMATES**

Stage	Shortage Response Actions	Potential Shortage Gap Reduction
1	Customer – Asked to reduce total water use by 10%	Up to 10%
1+	Customer – Pool draining and refilling shall be allowed only for health, maintenance, or structural considerations	0-1%
1+	Customer – Users of construction meters and fire hydrant meters will be monitored for efficient water use	0-2%
1+	District – Leak repairs receive higher priority	0-3%
1+	District – Increase drought awareness through additional public outreach measures that notify public and customers of declared stage, requirements, and available conservation program support	3-5%
1+	District – Increased monitoring of customer use	0-3%
1+	District – Accelerate infrastructure repairs and improvements	0-5%
1+	District – Increase groundwater pumping as available	Up to full gap shortage
2	Customer –Reduce total water use by 20%	Up to 20%
2	Customer – Leaking pipes or faulty sprinklers shall be repaired within two working days or less if warranted by the severity of the problem	0-1%
2	Customer – Requested to only irrigate three times per week	3-5%
2+	Customer – Application of potable water to outdoor landscape during and within 12 hours after measurable rainfall prohibited	0-2%
2+	District – Provisions of the Water Shortage Rate Structure may be implemented by the Board of Directors	5-7%
2+	District – Decrease system flushing frequency	1-3%
3	Customer – Reduce total water use by 30%	Up to 30%
3+	Customer – Leaking pipes or faulty sprinklers shall be repaired within 24 hours or less if warranted by the severity of the problem	0-1%
3+	Customer – All pools, spas, and ornamental fountains/ponds shall be equipped with a recirculation pump and shall be constructed to	0-2%

## Chapter 6 – Water Shortage Contingency Plan

Stage	Shortage Response Actions	Potential Shortage Gap Reduction
	be leak-proof. No potable water from the District’s system shall be used to fill or refill swimming pools, artificial lakes, ponds, or streams. Water use for ornamental ponds and fountains is prohibited	
3	Customer – Irrigation shall be limited to two days per week. Irrigation should be limited to minimal the amount of water necessary to keep plants and trees alive	5-20%
3+	Customer – Application of potable water to outdoor landscapes during and within 48 hours after measurable rainfall is prohibited	1-4%
3+	Customer – Use of reclaimed water for construction purposes is encouraged	0-1%
3+	Customer – Flushing of sewers or fire hydrants is prohibited except in case of emergency and for essential operations or unless specifically authorized by the District	0-2%
3+	Customer – Installation of new turf, lawn, and/or landscape is prohibited	0-3%
3+	Customer – Restaurants shall serve water only upon request	0-1%
3+	District – Provisions of the Water Shortage Rate Structure may be implemented by the Board of Directors	10-15%
3+	District – No commitments will be made to provide service for new water service connections unless the DWR MWEL0 is followed and the plans have been approved by the appropriate building department(s)	3-6%
4	Customer – Reduce total water use by 40%	Up to 40%
4+	Customer – Water for flow testing and construction purposes from fire hydrants and blow-offs is prohibited	0-1%
4	Customer – Irrigation is allowed only once per week	20-30%
4+	District – New connections to the District water distribution system will not be allowed	0-3%
5	Customer – Reduce total water use more than by 50%	Up to 50%
5+	Customer – Leaking customer pipes or faulty sprinklers shall be repaired immediately. Water service will be suspended until repairs are made	0-1%
5+	Customer – Landscape and pasture irrigation is prohibited	25-40%
5+	Customer – Use of construction meters and fire hydrants is prohibited except in case of emergency and for essential operations or unless specifically authorized by the District	1-3%

Stage	Shortage Response Actions	Potential Shortage Gap Reduction
5+	Customer – No potable water from the District’s system shall be used for construction purposes including but not limited to dust control, compaction, or trench jetting	0-2%
5+	Customer – Automobiles or equipment shall be washed only at commercial establishments that use recycled or reclaimed water	0-1%
6	Customer – Health and safety use of water only	Up to 50%
6	District – Communicate mandatory reduction targets to customers	2-4%
6	District – Other actions as identified specific to the shortage condition	Varies
6	District – Declare Water Shortage Emergency in accordance with Section 350 of Division 1, Chapter 3 Water Shortage Emergencies of the California Water Code	Varies

### 6.4.7. WSCP REFINEMENT PROCEDURES

The District’s WSCP is an adaptive plan that allows for active refinement to particular shortage conditions. The general procedures for refinement are presented below.

1. For each shortage response action, compare expected results with actual shortage response and identify any shortfall or over-achievement.
2. Revise expected reduction for a specific shortage response action based on updated information.
3. Assess the aggregate expected reductions (from revised shortage response actions) for each shortage stage.
4. Revise stage declaration or modify stage shortage response actions to balance demands with supplies.

The procedures presented above will be relied upon during all shortage stage declarations, ensuring an adaptive WSCP, capable of being relied upon under various circumstances, is produced.

### 6.4.8. WATER SHORTAGE CONTINGENCY PLAN ADOPTION, SUBMITTAL, AND AVAILABILITY

The WSCP (including subsequent updates) shall be adopted in accordance with the CWC and standard District procedures, including requirements for public participation (public hearing), and approval by the Board. Upon adoption, the WSCP will be submitted to DWR no later than 30 days after and made available for inspection at the District Office and website.

Further, the WSCP will be provided to the City of Citrus Heights and the counties of Placer and Sacramento no later than 30 days after the submission to DWR.

#### **6.4.9. SEISMIC RISK ASSESSMENT AND MITIGATION PLAN**

CWC §10632.5 requires urban water suppliers to include a seismic risk assessment and mitigation plan as part of their Urban Water Management Plan. This requirement may be met by submitting the most recently adopted Local Hazard Mitigation Plan or Multi-Jurisdictional Hazard Mitigation Plan prepared under the federal Disaster Mitigation Act of 2000, provided the plan addresses seismic hazards relevant to the supplier's service area.

CHWD satisfies this requirement by submitting the Sacramento County Multi-Jurisdictional Local Hazard Mitigation Plan. Sacramento County, together with the Cities of Sacramento, Citrus Heights, Elk Grove, Folsom, Galt, Isleton, and Rancho Cordova, as well as numerous special districts, completed an update to the countywide LHMP in 2021. The 2021 plan includes a comprehensive assessment of earthquake hazards and liquefaction potential within Sacramento County, including the CHWD service area.

According to the hazard assessment in the 2021 LHMP, earthquake probability within the CHWD service area is categorized as occasional, while liquefaction potential is considered unlikely. The overall significance of both hazards is rated as low, indicating minimal projected impacts on District facilities and infrastructure. Communities with a FEMA-approved LHMP remain eligible for FEMA pre- and post-disaster mitigation grant funding and benefit from reduced flood insurance premiums through the National Flood Insurance Program Community Rating System.

Sacramento County has initiated a new LHMP update process, beginning in late 2025, to develop the 2026 Multi-Jurisdictional LHMP. This update will include revised hazard identification, updated risk assessments, and a reprioritization of mitigation actions and projects for all participating jurisdictions. Once adopted, CHWD will incorporate the 2026 LHMP into its planning documents and will submit the most recent adopted version to satisfy CWC §10632.5.

The District will continue to monitor seismic hazard information and incorporate mitigation actions identified in the LHMP into its capital improvement planning, asset management, and emergency response procedures.

A copy of the District's recent LHMP annex is included as Attachment C.

# **APPENDIX A**

## **NOTIFICATION LETTERS**

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# **APPENDIX B**

## **DWR SUBMITTAL TABLES**

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Copies of the DWR Submittal Tables are included on the following pages.

# **APPENDIX C**

## **LOCAL HAZARD MITIGATION PLAN**

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## **ATTACHMENT 2**

Resolution 11-2026  
Resolution Adopting the Water Shortage  
Contingency Plan

CITRUS HEIGHTS WATER DISTRICT  
RESOLUTION NO. 11-2026

RESOLUTION ADOPTING THE WATER SHORTAGE CONTINGENCY PLAN

WHEREAS, The California Urban Water Management Planning Act, (Wat. Code §10610, et seq. (the Act)), mandates that every urban supplier of water providing water for municipal purposes to more than 3,000 customers or supplying more than 3,000 acre feet of water annually, prepare and adopt, in accordance with prescribed requirements, a Water Shortage Contingency Plan (WSCP) as part of its Urban Water Management Plan (UWMP); and

WHEREAS, the Act specifies the requirements and procedures for adopting such WSCPs; and

WHEREAS, urban water suppliers are required to adopt and electronically submit their WSCPs to the California Department of Water Resources (DWR) by July 1, 2026; and

WHEREAS, pursuant to the Act, “urban water supplier” means a supplier, either publicly or privately owned, providing water for municipal purposes either directly or indirectly to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually; and

WHEREAS, Citrus Heights Water District (CHWD) meets the definition of an urban water supplier for purposes of the Act and is required to prepare and adopt a WSCP as part of its 2025 UWMP; and

WHEREAS, CHWD has prepared a WSCP in accordance with the Act, and in accordance with applicable legal requirements, has undertaken certain coordination, notice, public involvement, public comment, and other procedures in relation to its WSCP; and

WHEREAS, in accordance with the Act, CHWD has prepared its WSCP with its own staff, with the assistance of consulting professionals, and in cooperation with other governmental agencies, and has utilized and relied upon industry standards and the expertise of industry professionals in preparing its WSCP, and has also utilized DWR’s Urban Water Management Plan Guidebook 2025, including its related appendices, in preparing its WSCP; and

WHEREAS, in accordance with applicable law, including Water Code section 10642, and Government Code section 6066 and 7290 et seq., a Notice of a Public Hearing regarding CHWD’s WSCP was published within the jurisdiction of CHWD on June 5, 2026 and June 12, 2026; and

WHEREAS, in accordance with applicable law, including but not limited to Water Code section 10642, a public hearing was held on June 23, 2026 at 6:30 p.m., or soon thereafter, at Phone Call In: (669) 444-9171, Phone Meeting ID: 849 4562 2335, <https://chwd-org.zoom.us/j/84945622335>, in order to provide members of the public and other interested entities with the opportunity to be heard in connection with proposed adoption of the WSCP and issues related thereto; and

WHEREAS, pursuant to said public hearing on CHWD’s WSCP, CHWD, among other things, encouraged the active involvement of diverse social, cultural, and economic members of

the community within CHWD's service area with regard to the WSCP, and encouraged community input regarding CHWD's WSCP; and

WHEREAS, the CHWD Board of Directors has reviewed and considered the purposes and requirements of the Act, the contents of the WSCP, and the documentation contained in the administrative record in support of the WSCP, and has determined that the factual analyses and conclusions set forth in the WSCP are legally sufficient; and

WHEREAS, the CHWD Board of Directors desires to adopt the WSCP and to incorporate it as part of its 2025 UWMP prior to July 1, 2026 in order to comply with the Act.

WHEREAS, Section 10652 of the California Water Code provides that the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) (CEQA) does not apply to the preparation and adoption of a WSCP as part of Plan pursuant to California Water Code section 10632.

NOW THEREFORE BE IT RESOLVED, the CHWD Board of Directors hereby resolves as follows:

1. The Water Shortage Contingency Plan (WSCP) is hereby adopted as amended by changes incorporated by the CHWD Board of Directors as a result of input received (if any) at the public hearing and ordered filed with the Secretary of the CHWD Board of Directors and shall be incorporated into CHWD's 2025 UWMP;
2. The General Manager or designee is hereby authorized and directed to include a copy of this Resolution in CHWD's WSCP and/or in CHWD's 2025 UWMP;
3. The General Manager or designee is hereby authorized and directed, in accordance with Water Code sections 10621(d) and 10644(a)(2), to electronically submit a copy of the WSCP, as part of its 2025 UWMP, to DWR no later than July 1, 2026;
4. The General Manager or designee is hereby authorized and directed, in accordance with Water Code section 10644(a)(1), to submit a copy of the WSCP, as part of its 2025 UWMP, to the California State Library, and to any city or county within which CHWD provides water supplies no later than thirty (30) days after this adoption date;
5. The General Manager or designee is hereby authorized and directed, in accordance with Water Code sections 10632(c) and 10645(b), to make the WSCP available to CHWD's customers and to the county and cities within which CHWD provides water supplies no later than thirty (30) days after adoption, and further to make the WSCP available for public review at CHWD's office during normal business hours and on its website at [www.chwd.org](http://www.chwd.org) no later than thirty (30) days after filing a copy of the WSCP, as part of its 2025 UWMP, with DWR;
6. The General Manager or designee is hereby authorized and directed to implement the WSCP in accordance with the Act and to provide recommendations to the CHWD Board of Directors regarding the necessary budgets, procedures, rules, regulations, or further actions to carry out the effective and equitable implementation of the WSCP.
7. The CHWD Board of Directors finds and determines that this resolution is not subject to CEQA pursuant to Water Code Section 10652 because CEQA does not apply to the

preparation and adoption of a WSCP or to the implementation of the actions taken pursuant to such plans. Because this resolution comprises the CHWD Board of Directors' adoption of its WSCP and involves its implementation, no CEQA review is required.

8. Pursuant to CEQA, CHWD directs staff to file a Notice of Exemption with the Office of the Sacramento County Clerk within five (5) working days of adoption of this resolution.

9. The document and materials that constitute the record of proceedings on which this resolution and the above findings have been based are located at 6230 Sylvan Road, Citrus Heights, CA 95610. The custodian for these records is the Chief Board Clerk.

PASSED AND ADOPTED by the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT this 23<sup>rd</sup> day of June, 2026, by the following vote, to wit:

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

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

ATTEST:

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KAYLEIGH SHEPARD, Deputy Board Clerk  
Citrus Heights Water District

## **ATTACHMENT 3**

Resolution 12-2026  
Resolution Adopting the 2025 Urban Water  
Management Plan

CITRUS HEIGHTS WATER DISTRICT  
RESOLUTION NO. 12-2026

RESOLUTION ADOPTING THE 2025 URBAN WATER MANAGEMENT PLAN

WHEREAS, The California Urban Water Management Planning Act, (Wat. Code § 10610, et seq.) (the Act), mandates that every urban supplier of water providing water for municipal purposes to more than 3,000 customers or supplying more than 3,000 acre feet of water annually, prepare, and adopt an Urban Water Management Plan (Plan); and

WHEREAS, the Act generally requires that said Plan be updated and adopted at least once every five years on or before July 1, in years ending in six and one; and

WHEREAS, urban water suppliers are required to update and electronically submit their 2025 Plans to the California Department of Water Resources (DWR) by July 1, 2026; and

WHEREAS, pursuant to Water Conservation Act of 2009, also referred to as SB X7-7 (Wat. Code § 10608 et seq.), an “urban retail water supplier” is defined as a water supplier that directly provides potable municipal water to more than 3,000 end users or that supplies more than 3,000 acre feet of potable water annually at retail for municipal purposes,

WHEREAS, Citrus Heights Water District (CHWD) meets the definition of an urban retail water supplier for purposes of the Act and SB X7-7 because it directly provides potable municipal water to more than 3,000 end users; and

WHEREAS, CHWD has prepared a 2025 Plan in accordance with the Act and SB X7-7, and in accordance with applicable legal requirements, has undertaken certain coordination, notice, public involvement, public comment, and other procedures in relation to its 2025 Plan; and

WHEREAS, in accordance with the Act and SB X7-7, CHWD has prepared its 2025 Plan with its own staff, with the assistance of consulting professionals, and in cooperation with other governmental agencies, and has utilized and relied upon industry standards and the expertise of industry professionals in preparing its 2025 Plan, and has also utilized DWR’s Urban Water Management Plan Guidebook 2025, including its related appendices, in preparing its 2025 Plan; and

WHEREAS, in accordance with applicable law, including Water Code sections 10608.26 and 10642, and Government Code section 6066 and 7290 et seq, a Notice of a Public Hearing regarding CHWD’s 2025 Plan was published within the jurisdiction of CHWD on June 5, 2026 and June 12, 2026; and

WHEREAS, in accordance with applicable law, including but not limited to Water Code section 10642, a public hearing was held on June 23, 2026 at 6:30 p.m., or soon thereafter, at Phone Call In: (669) 444-9171, Phone Meeting ID: 849 4562 2335, <https://chwd-org.zoom.us/j/84945622335>, in order to provide members of the public and other interested entities with the opportunity to be heard in connection with proposed adoption of the 2025 Plan and issues related thereto; and

WHEREAS, pursuant to said public hearing on CHWD's 2025 Plan, CHWD, among other things, encouraged the active involvement of diverse social, cultural, and economic members of the community within CHWD's service area with regard to the 2025 Plan and encouraged community input regarding CHWD's 2025 Plan; and

WHEREAS, the CHWD Board of Directors has reviewed and considered the purposes and requirements of the Act and SB X7-7, the contents of the 2025 Plan, and the documentation contained in the administrative record in support of the 2025 Plan, and has determined that the factual analyses and conclusions set forth in the 2025 Plan are legally sufficient; and

WHEREAS, the CHWD Board of Directors desires to adopt the 2025 Plan prior to July 1, 2026 in order to comply with the Act and SB X7-7; and

WHEREAS, Section 10652 of the California Water Code provides that the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) (CEQA) does not apply to the preparation and adoption of the 2025 Plan pursuant to this part.

NOW THEREFORE BE IT RESOLVED, the CHWD Board of Directors hereby resolves as follows:

1. The CHWD's 2025 Plan is hereby adopted as amended by changes incorporated by the Board of Directors as a result of input received (if any) at the public hearing and ordered filed with the Secretary of the Board of Directors.

2. The General Manager or designee is hereby authorized and directed to include a copy of this Resolution in CHWD's 2025 Plan.

3. The General Manager or designee is hereby authorized and directed, in accordance with Water Code sections 10621(d) and 10644(a)(2), to electronically submit a copy of the 2025 Plan to the DWR no later than July 1, 2026.

4. The General Manager or designee is hereby authorized and directed, in accordance with Water Code section 10644(a)(1), to submit a copy of the 2025 Plan to the California State Library, and any city or county within which CHWD provides water supplies no later than thirty (30) days after this adoption date.

5. The General Manager or designee is hereby authorized and directed, in accordance with Water Code section 10645(a), to make the 2025 Plan available for public review at the CHWD's offices during normal business hours or on the CHWD website no later than thirty (30) days after filing a copy of the Plan with DWR.

6. The General Manager or designee is hereby authorized and directed, in accordance with Water Code Section 10635(c), to provide that portion of the 2025 Plan prepared pursuant to Water Code Section 10635(a)-(b) to any city or county within which CHWD provides water supplies no later than sixty (60) days after submitting a copy of the Plan with DWR.

7. The General Manager or designee is hereby authorized and directed to implement the 2025 Plan in accordance with the Act and SB X7-7 and to provide recommendations to the

Board of Directors regarding the necessary budgets, procedures, rules, regulations, or further actions to carry out the effective and equitable implementation of the 2025 Plan.

8. The CHWD Board of Directors finds and determines that this resolution is not subject to CEQA pursuant to Water Code Section 10652 because CEQA does not apply to the preparation and adoption, including addenda thereto, of an urban water management. Because this resolution comprises the CHWD Board of Director's adoption of its Addendum to the 2025 Plan, no CEQA review is required.

9. The document and materials that constitute the record of proceedings on which this resolution and the above findings have been based are located at 6230 Sylvan Road, Citrus Heights, CA 95610. The custodian for these records is the Chief Board Clerk.

PASSED AND ADOPTED by the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT this 23<sup>rd</sup> day of June, 2026, by the following vote, to wit:

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

---

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

ATTEST:

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KAYLEIGH SHEPARD, Deputy Board Clerk  
Citrus Heights Water District

# CITRUS HEIGHTS WATER DISTRICT

## DISTRICT STAFF REPORT TO BOARD OF DIRECTORS JUNE 23, 2026 REGULAR MEETING

Subject:	Annual Comprehensive Financial Report (ACFR) For Year Ended December 31, 2025
Status:	Action Item
Report Date:	June 11, 2026
Prepared By:	Annie Liu, Director of Administrative Services Ben Strange, Accounting Manager

### **OBJECTIVE:**

Consider a motion to receive and file the following:

- Citrus Heights Water District’s (District) Annual Comprehensive Financial Report for the Year Ended December 31, 2025 (Attachment 1); and
- Report on Internal Controls and Required Communications (Attachment 2).

### **BACKGROUND AND ANALYSIS:**

Accompanying this report for the Board’s review is the District’s Annual Comprehensive Financial Report (ACFR) for the year ended December 31, 2025.

In prior years, the District had issued Basic Financial Statements (BFS), which include the Independent Auditor’s Report, the Management’s Discussion and Analysis, and the District’s financial statements. For the sixth year, District staff, with the assistance of the District’s auditors, Lance, Soll & Lunghard, LLP (LSL), prepared the District’s ACFR in accordance with guidelines established by the Government Finance Officers Association (GFOA). The ACFR includes information for a two fiscal period but is only dated for the audited fiscal period. The focus of the ACFR is the audited fiscal year. The immediately preceding year information is included for comparative purposes. Heather Flores, CPA, of LSL, will be available at the June Board meeting to present and answer questions related to the District’s financial records and reporting.

The GFOA established the Certificate of Achievement for Excellence in Financial Reporting Program (COA Program) in 1945 to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles and to prepare annual comprehensive financial reports in the interest of providing greater transparency and disclosure. Staff submitted its 2024 ACFR for consideration for the Certificate of Achievement and received the award in April 2026. Staff intends to submit the District’s 2025 ACFR to the GFOA Certificate of Achievement (COA) Program for consideration for a COA. The additional

effort required to prepare an ACFR helps to raise the District's financial statements to the next level in terms of financial reporting, transparency, and accountability.

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

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

Some key highlights from the 2025 ACFR and related work include:

- Unqualified audit opinion – the District's auditors, LSL issued an unqualified opinion on the District's financial statements.
- Ending net position of \$111,505,468 – the District's net position increased by \$11.5 million or 11% over 2024.

Upon the Board's receipt and file of this ACFR, Finance Staff will submit the ACFR to the State Controller's Office, Sacramento County, Placer County, State Water Resources Control Board, Association of California Water Agencies (ACWA) and Debt Counsel in compliance with statute.

**RECOMMENDATION:**

Receive and File the District's Annual Comprehensive Financial Statements for the Year Ended December 31, 2025.

**ATTACHMENTS:**

- 1) Annual Comprehensive Financial Statements for the Years Ended December 31, 2025.
- 2) Report on Internal Controls and Required Communications for the Year Ended December 31, 2025.

**ACTION:**

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

# **ATTACHMENT 1**

Annual Comprehensive Financial Report for the  
Year Ended December 31, 2025



**CITRUS  
HEIGHTS  
WATER  
DISTRICT**



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITRUS HEIGHTS WATER DISTRICT  
CITRUS HEIGHTS, CALIFORNIA

Prepared by  
Citrus Heights Water District  
Administrative Services Department

**FISCAL YEARS ENDING**  
**DECEMBER 31, 2025 AND 2024**



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**CITRUS  
HEIGHTS**  

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**WATER  
DISTRICT**



# **INTRODUCTORY SECTION**



May 28, 2026

Honorable Members of the Board of Directors and Citizens of the City of Citrus Heights:

We are pleased to present the Citrus Heights Water District's ("District" or "CHWD") ninth Annual Comprehensive Financial Report ("ACFR") for the fiscal years ending December 31, 2025 and 2024. This report has been prepared by District staff in accordance with Generally Accepted Accounting Principles ("GAAP") and audited in conformity with generally accepted auditing standards by an independent firm of certified public accountants.

The ACFR presents an overview of the District's financial condition, outlines the services it provides, and highlights capital improvement projects and current initiatives reflected in the Basic Financial Statements. Additional financial and demographic trend data can be found in the statistical section at the end of the report.

District management is responsible for the accuracy, completeness, and fairness of the information presented, including all disclosures. To the best of our knowledge and belief, the information and data included in this report is accurate in all material respects and is presented in a manner that fairly reflects the District's financial position and operations. All necessary disclosures have been included to support the Board's understanding of the District's financial condition.

The District's financial statements were audited by LSL, LLP (LSL), an independent certified public accounting firm. The purpose of the audit is to provide reasonable assurance that the District's financial statements for the fiscal year ended December 31, 2025, are free from material misstatement. The audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; evaluating the accounting principles used and significant estimates made by management; and assessing the overall presentation of the financial statements. Based on the audit, the independent auditors concluded that there was a reasonable basis for issuing an unmodified opinion that the District's financial statements are fairly presented in accordance with generally accepted accounting principles (GAAP). The Independent Auditors' Report appears as the first component of the financial section of this report.

In accordance with GAAP, management is required to provide a narrative introduction, overview, and analysis of the financial statements in the Management's Discussion and Analysis (MD&A) section. This letter of transmittal is intended to supplement the MD&A and should be read in conjunction with it. The MD&A follows the Independent Auditors' Report.

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

Established in 1920 as the Citrus Heights Irrigation District, the District initially encompassed slightly more than 4.7 square miles and provided service to approximately 225 agricultural properties/farms. At present, CHWD serves water to an estimated population of 87,000 within approximately 13-square-mile miles.

The District achieves its mission through a dedicated and skilled workforce empowered to conduct its business with a strong commitment to customer needs and well-being. Employees consistently perform their duties with the District’s mission in mind: “to furnish a dependable supply of safe, quality water delivered to its customers in an efficient, responsive, and affordable manner.”

### ***Governance and Organizational Structure***

CHWD is a special district established under the laws of the State of California. It is governed by a three-member Board of Directors, each elected to four-year terms by voters residing within the District’s service area. Since 2020, Board elections have been conducted “By-District,” meaning only voters living within a Board member’s respective district may vote for that seat.

As of 2025, CHWD employs approximately 40 full-time equivalent staff across four departments: Administrative Services, Public Affairs, Engineering, and Operations. The General Manager and District General Counsel are appointed by and report directly to the Board of Directors, while all other employees report to the General Manager or their designee.

### ***Water Supply***

In 2025, approximately 96 % of the District’s water supply was purchased from the San Juan Water District (SJWD) and distributed to over 20,000 residential and commercial service connections. The District also maintains six groundwater wells and approximately 253 miles of pipeline infrastructure. Groundwater has been part of CHWD’s supply portfolio since 1943.

### ***Accounting and Budget Structure***

CHWD operates as an enterprise fund with a fiscal year running from January 1 through December 31. Under GAAP, local governments are required to use proprietary-type funds, including enterprise funds, to account for business-type activities similar to those conducted in the private sector. Enterprise funds are intended for operations that are financed primarily through user charges. Consistent with this framework, CHWD’s operations are fully funded through customer charges for water service and groundwater basin management.

CHWD management is responsible for establishing and maintaining an internal control framework designed to safeguard District assets from loss, theft, or misuse. This framework also ensures that reliable accounting data is collected and maintained to support the preparation of financial statements in accordance with GAAP. The District’s internal controls are designed to provide reasonable assurance that these objectives are achieved. Reasonable assurance recognizes that the cost of a control should not outweigh its expected benefits, and that management must apply judgment and estimates in evaluating those costs and benefits.

CHWD’s Board adopts an annual budget prior to the start of each fiscal year. The budget establishes the framework for financial reporting and operational oversight, supports accountability for enterprise operations and capital improvement projects, and authorizes planned expenditures. The budget is prepared using the accrual basis of accounting and aligns with the presentation format used in CHWD’s ACFR.

As part of the annual budget process, CHWD updates its long-term Financial Model to evaluate projected revenues, operating expenses, and capital improvement needs. In addition, beginning in FY2018, the Board approved an accelerated repayment strategy for the District's unfunded actuarial liabilities, reducing amortization periods to 20 years for other post-employment benefits (OPEB) and 15 years for pension liabilities. This accelerated funding approach is expected to reduce long-term costs and generate savings for CHWD customers compared with the prior, longer amortization schedules.

## **Financial Policies**

CHWD's financial policies establish the framework for the District's financial management and guide both operational and long-term strategic decision-making. These policies promote transparency and accountability by enabling the Board of Directors and community stakeholders to evaluate how effectively the District manages its financial resources and responsibilities. The policies are reviewed annually and updated as needed to reflect minor procedural revisions or significant changes in financial priorities as directed by the Board of Directors.

- Investment Policy – The Board has adopted an Investment Policy that complies with state law, CHWD ordinances and resolutions, and prudent investment management standards, including the “prudent person” rule. The primary objectives of the policy are, in order of priority, safety, liquidity, and yield. The investment policy is reviewed and readopted annually. Since 2022, District funds have been invested in a variety of authorized securities consistent with the Investment Policy, including participation in the California Asset Management Program (CAMP) and the State of California's Local Agency Investment Fund (LAIF).
- Reserve Policies – As of 2025, the District maintains 10 reserve accounts supported by formal reserve policies designed to sustain ongoing operations and fund capital improvement programs. These reserves are designated for the maintenance, repair, replacement, and improvement of water system infrastructure. Maintaining adequate reserve levels, together with sound financial policies, provides the District with the flexibility to respond to unexpected expenditures and revenue fluctuations.

## **Audit and Financial Reporting**

State Law and bond covenants require CHWD to obtain an annual audit of its financial statements by an independent Certified Public Accountant. The accounting firm LSL conducted the District's annual audit, and its unmodified Independent Auditors' Report is included in the Financial Section of this report.

## **Risk Management**

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

## Economic Condition, Outlook and Major Initiatives

CHWD is primarily in a residential community, with some commercial enterprises within its boundaries. Because the District's service area is largely built out, significant revenue growth from new development is not anticipated. Instead, the District projects modest but steady revenue growth of approximately 0.5% annually, driven by small infill residential and commercial projects within existing District boundaries.

CHWD operates as an enterprise fund, meaning the full cost of delivering water service and protecting groundwater resources is supported by customer rates and fees rather than tax revenue. As a result, the District's operating revenues are derived primarily from water sales and bi-monthly service charges.

Although overall water demand has remained relatively stable over time, usage declined significantly following the statewide drought mandates implemented in 2013. Since then, consumption has continued to trend downward, resulting in an overall reduction of approximately 27% between 2013 and 2023. While water usage experienced a modest increase in 2024, it declined again in 2025. This sustained reduction in demand created a disconnect between projected and actual water sales, underscoring the need for a new rate study and a comprehensive rebuild of the District's financial model.

CHWD and its wholesale water supplier, San Juan Water District (SJWD), continue to adapt operations in response to evolving regulatory requirements. The ongoing and anticipated impacts of these regulations — including increased operational and compliance costs — remain a significant challenge for the District. In addition, CHWD is expected to experience further increases in wholesale water costs in 2026, as outlined in SJWD's Wholesale Water Rate Study Report issued in January 2024.

As of January 1, 2026, CHWD's water rates include a uniform commodity charge of \$1.38 per unit of water and a monthly fixed charge of \$72.63 for a 1-inch water meter. The average CHWD customer bill remains below the regional Sacramento average.

The District continues to invest in maintaining and improving its aging infrastructure systemwide. In 2025, Operations crews completed 387 service repairs and replacements, replaced 34 water valves, and installed or replaced 22 fire hydrants and 255 water meters. The team also conducted 41 irrigation audits and installed 16 smart controllers to support water efficiency efforts. In addition, the Engineering Department completed the design, installation, and inspection of 2,879 linear feet of water mains ranging from 6 to 18 inches in diameter, along with 24 valves and 90 water services.

Annual Capital Projects include ongoing infrastructure replacements such as water mains, water services, and fire hydrants, as well as fleet vehicle replacements due to maintenance needs or obsolescence. Capital projects scheduled for 2025 total \$18.3 million, including approximately \$8.2 million for the completion of construction on the District's seventh groundwater well (Well #7) and the design and construction of its eighth groundwater well (Well #8). Over the past several years, the District has secured approximately \$6.6 million in grant funding to support construction of these two new wells. However, due to delays in the grant reimbursement process, the District had received only a limited portion of the funding as of December 31, 2025, with \$4.5 million remaining in grant receivables.

The Facility Modernization and Expansion (FME) Capital Project began in 2024, continued through 2025, and is expected to remain ongoing. As of year-end 2025, project spending totaled \$2.54 million.

## Long-Term Financial Planning

Citrus Heights Water District utilizes several planning strategies when considering long-term financial forecasts.

- **Strategic Plan** – Strategic planning establishes a long-term vision and clear mission that guide an organization’s direction, priorities, and commitments. Since 2016, CHWD has conducted an annual strategic planning workshop that brings together the Board of Directors, management, and at-large customers to review the District’s mission and core values and translate them into actionable priorities through the Annual Work Program.

The Annual Work Program outlines three-year goals and one-year objectives that reflect the District’s commitment to water-use efficiency, responsible water supply management, completion of capital improvement projects, and continuous organizational improvement. Together, the Strategic Plan and Annual Work Program serve as the foundation for the District’s priority-based budgeting process.

- **Project 2030 Water Main Replacement Plan** – Identified through the strategic planning process, this initiative serves as a key strategy for engaging customers in long-term water main replacement planning and funding efforts. The plan is designed to educate customers on the challenges and opportunities associated with maintaining a reliable water system, highlight current actions being taken to ensure water supply reliability, and prepare the community for the replacement of aging infrastructure.
- **Capital Improvement Plan** – The Strategic Plan provides the foundation for the Capital Improvement Plan, which outlines project schedules and projected costs for production and water supply facilities identified in the 1999 Facilities Master Plan. The Capital Improvement Plan serves as both a ten-year forecast and a long-term capital reinvestment strategy. The District is currently in the final stages of completing an updated water system and facilities master plan.
- **10-Year Financial Planning Model** – The District develops and evaluates 10-year financial projections to support long-term operational and capital planning, funding strategies, and rate-setting analyses, including Prop 218 and wheeling rates.
- **Annual Budget** – The annual budget is a foundational component of the District’s financial planning process. Each year during the second and third quarters, District Finance staff develop a draft budget based on analysis from the Financial Planning Model and revenue and expenditure requests submitted by CHWD departments. The proposed budget is then presented to the Board of Directors for review and adoption prior to the start of the next fiscal year. The annual budget includes projected revenues, operating expenditures, and capital expenditures, and is developed using a priority-based budgeting approach.

- **Water Meter Replacement Program**– As CHWD’s first generation of meters reaches the end of its service life, the District partnered with a consortium of 11 agencies to complete a Meter Replacement Program Study. The study evaluated collaboration opportunities and developed both short- and long-term strategies to help each agency efficiently manage future meter replacements. Building on this effort, the District is now working with the Regional Water Authority to explore a regional purchasing program aimed at achieving economies of scale in the procurement of meters, parts, and related materials.

## Awards and Acknowledgements

The Government Finance Officers Association (GFOA) of the United States and Canada awarded the Citrus Heights Water District a Certificate of Achievement for Excellence in Financial Reporting for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended December 31, 2024. This marks the eighth consecutive year the District has received this prestigious recognition.

The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting. To earn this award, a governmental agency must publish an ACFR that is well organized, easy to read, and fully compliant with generally accepted accounting principles (GAAP) and all applicable legal requirements.

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

Preparation of this report was made possible through the collaborative efforts of the District’s Finance staff, with valuable support from departmental directors, managers, and supervisors throughout CHWD. We sincerely appreciate the dedication, professionalism, and contributions of all CHWD staff involved in the preparation of the Annual Comprehensive Financial Report (ACFR). Special recognition is extended to Accounting Manager Ben Strange and Senior Accountant Megan Selling for their exceptional commitment and tireless efforts in preparing this report. We also thank the CHWD Board of Directors for its continued guidance and support in the planning and implementation of the District’s fiscal policies.

Respectfully submitted,



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Hilary M. Straus  
General Manager/Secretary



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Annie Y. Liu  
Director of Administrative Services/  
Treasurer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

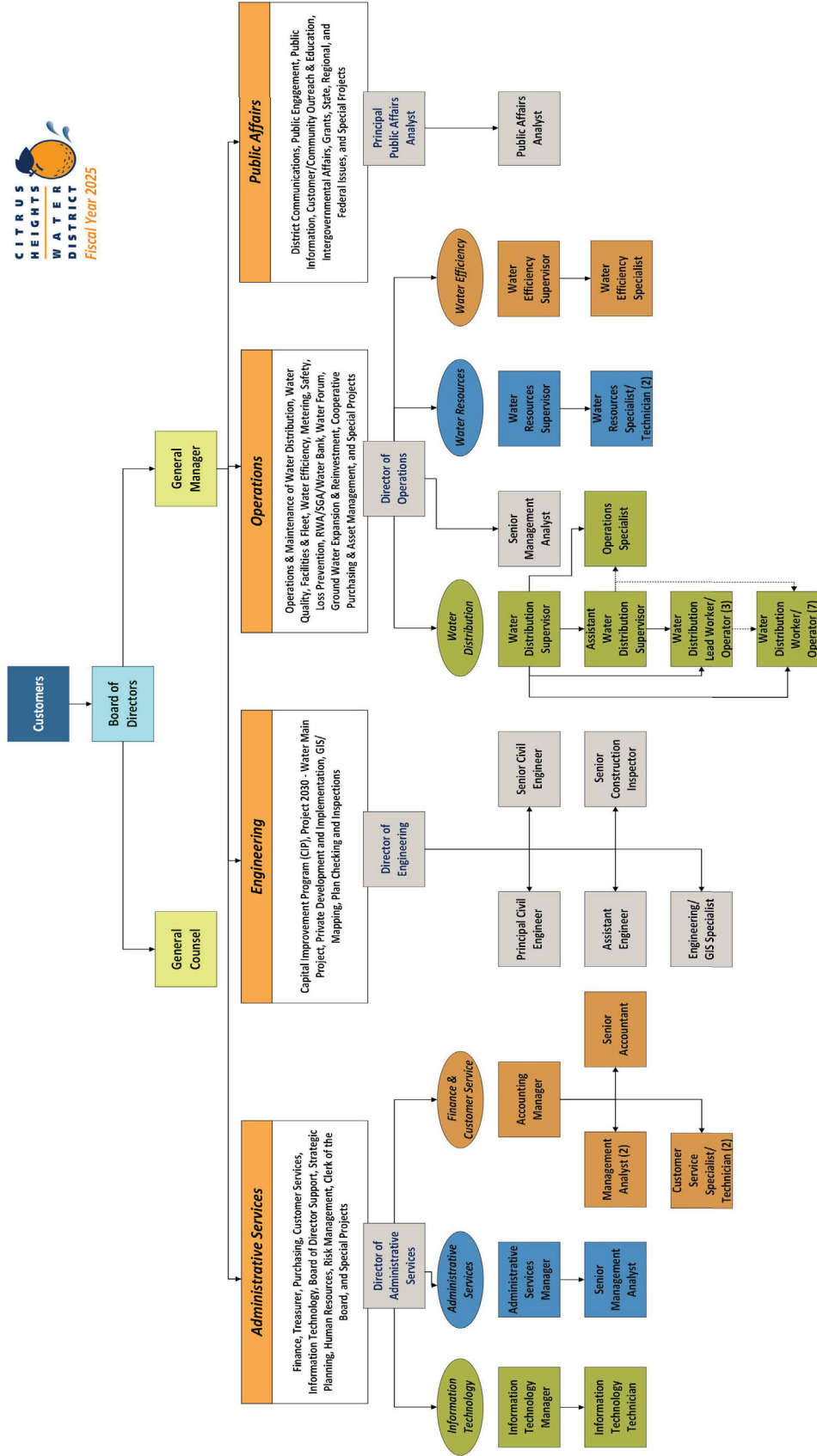
**Citrus Heights Water District  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

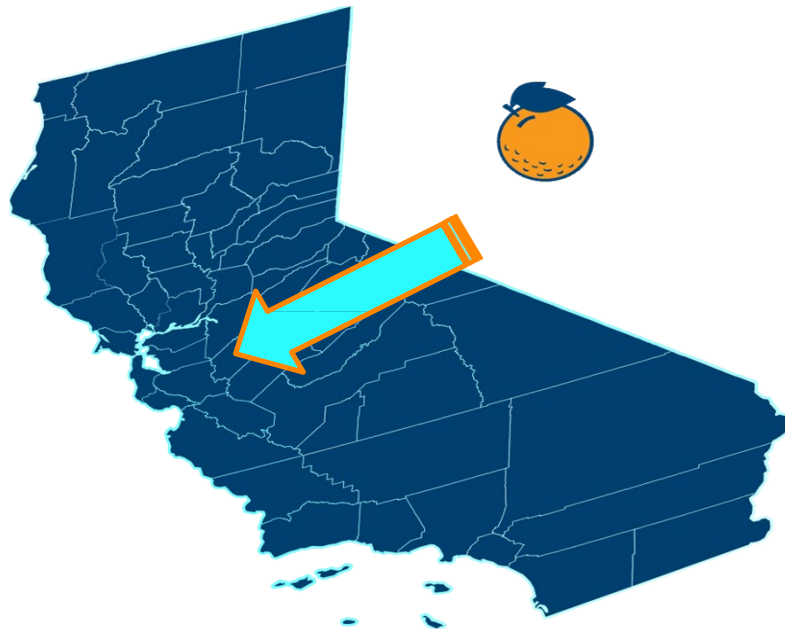
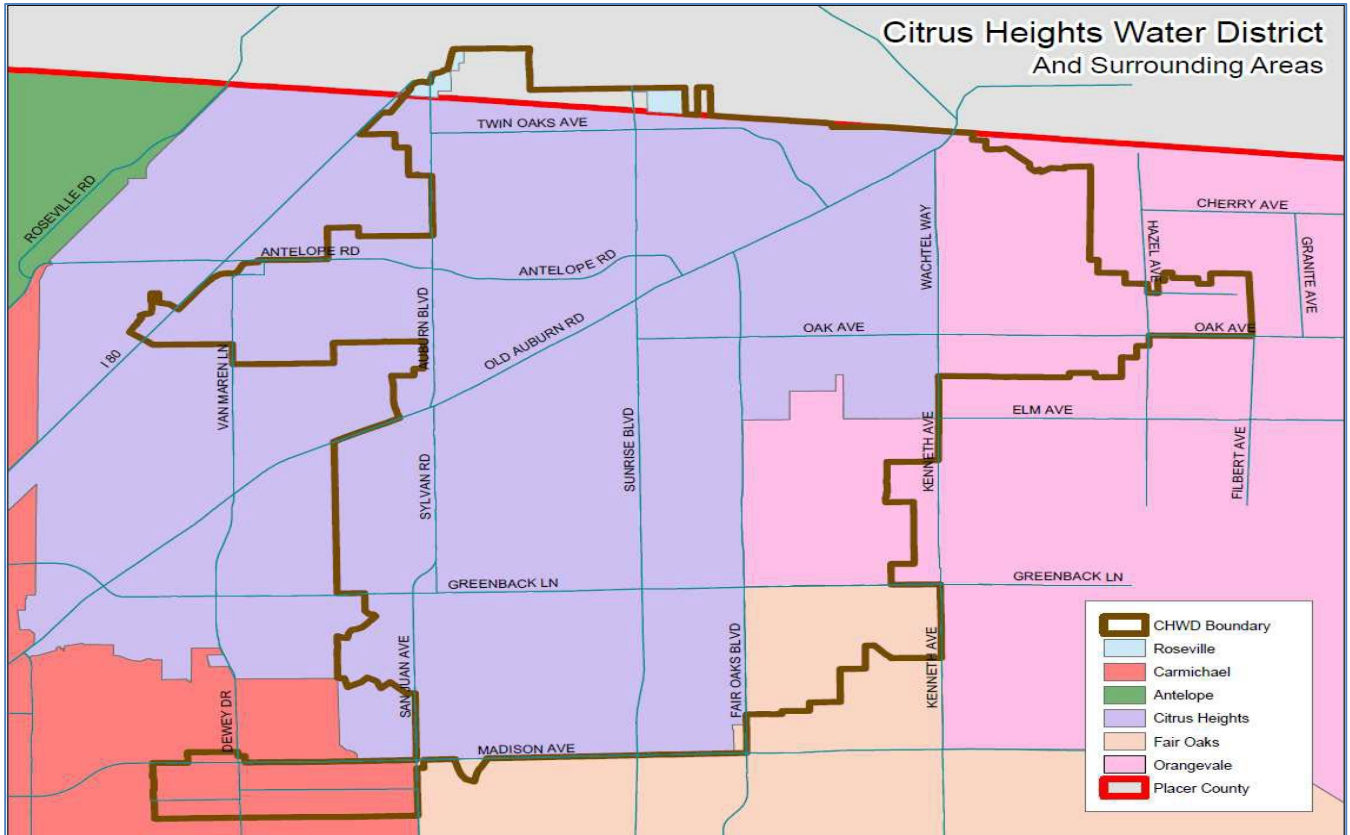
December 31, 2024

*Christopher P. Morrill*

Executive Director/CEO



Service Area Map with Cities Served



## Board of Directors and Principal Officers

### Board of Directors

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

### Executive Staff

General Manager	Hilary M. Straus
Director of Engineering	Melissa Pieri
Director of Finance and Administrative Services	Annie Liu
Director of Operations	Todd Jordan

### Appointed Officers

Secretary	Hilary M. Straus
Treasurer	Annie Liu
Assessor Collector	Ben Strange

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**CITRUS  
HEIGHTS**  

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**WATER  
DISTRICT**



## **FINANCIAL SECTION**

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# **INDEPENDENT AUDITORS' REPORT**



## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the Citrus Heights Water District (the "District"), as of and for the years ended December 31, 2025, and 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District, as of December 31, 2025 and 2024, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

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



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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, and the State Controller's Minimum Audit Standards for California Special Districts, we:

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

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

### ***Required Supplementary Information***

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



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

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

***LSL, LLP***

Sacramento, California  
May 28, 2026



## MANAGEMENT'S DISCUSSION AND ANALYSIS

**CITRUS HEIGHTS WATER DISTRICT**  
Management's Discussion and Analysis  
For the Year Ending December 31, 2025

The following Management's Discussion and Analysis (MD&A) provides an analytical overview of the Citrus Heights Water District's (District) financial position and operating results for the fiscal year ended December 31, 2025. Readers are encouraged to consider the information presented in conjunction with the accompanying financial statements, related notes, and additional information included in the introductory section of this report.

**FINANCIAL HIGHLIGHTS**

- ❖ At the close of fiscal year 2025, the District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$111,505,468. Approximately 67 percent of the District's net position, or \$75,165,231, is invested in capital assets, including the water transmission and distribution system, water production facilities, land, buildings, and equipment.

Unrestricted net position increased to \$36,340,237 from \$31,830,873 at the end of fiscal year 2024. This increase was primarily attributable to the continued implementation of the main water replacement charge, which supports water main infrastructure improvements, as well as a significant rise in interest income. Additionally, the District recognized \$4,545,958 in reimbursement grant revenue during 2025. However, due to delays in reimbursement processing, only \$61,215, or approximately 1.4 percent, had been received as of year-end 2025.

- ❖ Capital improvement spending in 2025 increased by \$5,432,747 compared to 2024, primarily due to continued progress on the two-well construction project and starting of the Facilities Modernization & Expansion project.
- ❖ The District's operating revenues for 2025 totaled \$28,566,269, representing an increase of 27.9% from \$22,334,518 in 2024. This growth was primarily driven by higher water rates and increased water consumption during 2025. In addition, the District recognized \$4,545,958 in reimbursement grant revenue during the year.

In 2025, water sales to customers accounted for 78% of total operating revenues, or \$23,592,163. While water sales revenue increased in 2025, grant reimbursements represented approximately 15% of total operating revenues for the year.

- ❖ At the end of 2025, the District's total net long-term liabilities were \$8,097,965, including the 2012 Revenue Refunding Bonds, pension liability, SBITA liability, other postemployment benefits (OPEB) liability, and compensated absences. In accordance with GASB Statement No. 68, the District recorded a pension liability of \$5,125,787. GASB Statement No. 75 required the recognition of an OPEB liability of \$1,374,476. Bond-related debt decreased by \$123,370 during 2025 as a result of continued principal payments.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report includes the District's basic financial statements: the Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, Statement of Cash Flows, and the accompanying Notes to the Basic Financial Statements. Supplementary information is also provided to support further analysis and understanding of the District's financial condition and operations.

**CITRUS HEIGHTS WATER DISTRICT**  
Management's Discussion and Analysis  
For the Year Ending December 31, 2025

Together, these financial statements present both short-term and long-term information about the District's overall financial health. The Notes to the financial statements provide additional detail and explanation of the data presented in the statements. Required supplementary information, while not part of the basic financial statements, is included in accordance with Governmental Accounting Standards Board (GASB) requirements to provide additional operational, economic, and historical context.

The District's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental entities, using the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recognized when incurred. Depreciation expense is reported in the Statement of Revenues, Expenses, and Changes in Net

Position. All assets and liabilities associated with District operations are included in the Statement of Net Position, which presents the District's financial position on a full-accrual, historical cost basis and provides information regarding the nature and amount of resources and obligations at fiscal year-end.

**FINANCIAL ANALYSIS OF THE DISTRICT**

***Statement of Net Position / Balance Sheet***

The following table summarizes assets, deferred outflows, liabilities, deferred inflows, and net position on December 31, 2025, 2024, and 2023:

	FY 2025	FY 2024	FY 2023	% Increase (Decrease)	
				FY 2024	FY 2023
				vs FY 2025	vs FY 2024
Current assets	\$ 44,144,372	\$ 39,167,650	\$ 34,242,135	12.7%	14.4%
Capital assets, net	76,606,409	69,491,913	67,806,524	10.2%	2.5%
<b>Total Assets</b>	<b>120,750,781</b>	<b>108,659,563</b>	<b>102,048,659</b>	<b>11.1%</b>	<b>6.5%</b>
<b>Deferred Outflows</b>	<b>2,014,262</b>	<b>2,327,611</b>	<b>3,044,829</b>	<b>-13.5%</b>	<b>-23.6%</b>
Current liabilities	2,071,918	1,568,386	1,638,707	32.1%	-4.3%
Non-current liabilities	8,097,965	9,001,315	9,230,514	-10.0%	-2.5%
<b>Total Liabilities</b>	<b>10,169,883</b>	<b>10,569,701</b>	<b>10,869,221</b>	<b>-3.8%</b>	<b>-2.8%</b>
<b>Deferred Inflows</b>	<b>1,089,692</b>	<b>460,785</b>	<b>857,276</b>	<b>136.5%</b>	<b>-46.3%</b>
<b>Net Position</b>					
Net investment in capital assets	75,165,231	68,136,232	66,242,874	10.3%	2.9%
Unrestricted	36,340,237	31,820,456	27,124,117	14.2%	17.3%
<b>Total Net Position</b>	<b>\$ 111,505,468</b>	<b>\$ 99,956,688</b>	<b>\$ 93,366,991</b>	<b>11.6%</b>	<b>7.1%</b>

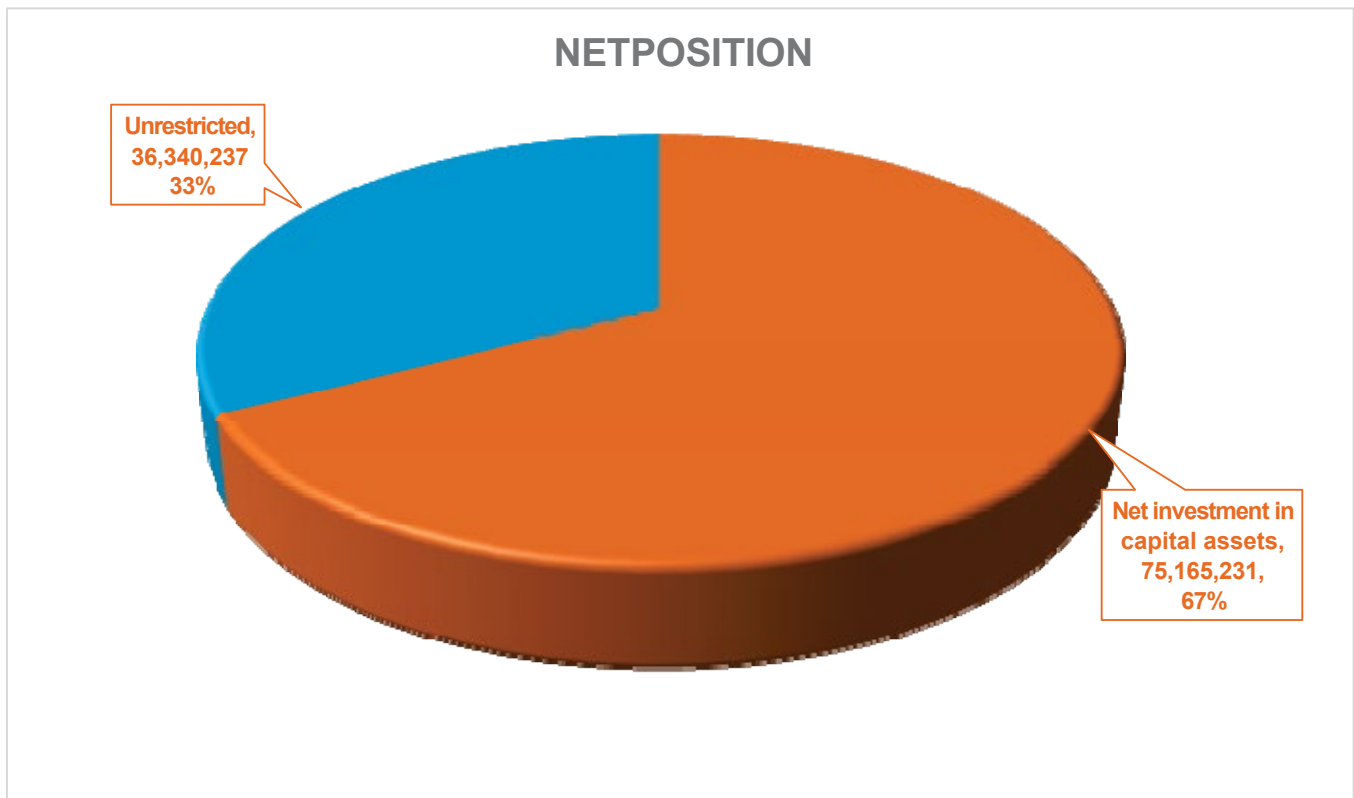
**CITRUS HEIGHTS WATER DISTRICT**  
Management's Discussion and Analysis  
For the Year Ending December 31, 2025

The District's total net position increased steadily over the three-year period, rising from \$93.37 million in 2023 to \$99.96 million in 2024, and reaching \$111.51 million in 2025. Total assets also continued to grow, increasing by \$6.61 million, or 6.5%, in 2024 compared to 2023, and by \$12.10 million, or 10.2%, in 2025 compared to 2024.

Deferred outflows decreased by approximately \$0.31 million, while deferred inflows increased by approximately \$0.63 million in 2025 compared to 2024. These changes were primarily driven by updates to actuarial assumptions, including changes in the expected return on pension plan investments, which affected the calculation of the pension liability.

In 2025, total liabilities decreased by \$0.40 million, or 3.8%, compared to 2024, representing only a modest change. Non-current liabilities declined by approximately \$0.90 million, or 10%, from the prior year. Overall, liability levels over the past three years have remained relatively stable, especially when compared to the more significant fluctuations observed in 2021 and 2022.

Over the three-year period, net position increased by \$18.14 million, or 19.4%, driven by a combination of net income growth and increased capital contributions.



***Changes in Net Position***

Net position increased by \$11.55 million, or 11.6%, compared with the prior year. Operating revenues exceeded operating expenses by \$9.57 million, accounting for 82.9% of the increase in net position. In addition, nonoperating investment income contributed \$1.76 million, representing approximately 15.3% of the overall increase in net position.

**CITRUS HEIGHTS WATER DISTRICT**  
**Management's Discussion and Analysis**  
**For the Year Ending December 31, 2025**

Total operating revenues increased by \$6.23 million, or 27.9%, in 2025 compared with 2024. The majority of the increase was attributable to the recognition of \$4.55 million in accrued grant revenues. Operating revenues also benefited from an approximately \$1.97 million increase in water sales, primarily driven by higher water rates and increased water consumption. Nonoperating investment income continued to positively impact the growth in net position in 2025, increasing by approximately \$0.5 million compared with 2024. The increase was primarily attributable to the performance of long-term investments, including unrealized earnings accrued prior to maturity.

In 2025, operating expenses increased by \$1.96 million, or 11.5%, from the prior year. The increase was largely attributable to higher personnel costs, a 5% increase in purchased water costs from San Juan Water District, and additional professional support services associated with ongoing planning and preparation efforts for Project 2030. The District also experienced increased costs for parts and materials as construction and infrastructure-related expenses continued to rise.

The following table summarizes the changes in net position for the fiscal years ended December 31, 2025, 2024, and 2023:

	2025	2024	2023	% Increase (Decrease)	
				FY 2024	FY 2023
				vs FY 2025	vs FY 2024
<b>Operating Revenues:</b>					
Water Sales	\$ 23,592,163	\$ 21,621,835	\$ 19,915,090	9.1%	8.6%
Connection and Other Fees	428,148	712,683	216,934	597.9%	228.5%
Grant Revenues	4,545,958				
<b>Total Operating Revenues</b>	<b>28,566,269</b>	<b>22,334,518</b>	<b>20,132,024</b>	<b>27.9%</b>	<b>10.9%</b>
<b>Operating Expenses:</b>					
Customer service admin/general	6,792,723	6,248,835	5,706,961	8.7%	9.5%
Water purchases	3,116,737	2,982,507	2,858,841	4.5%	4.3%
Transmission and distribution	4,478,595	3,896,342	2,796,502	14.9%	39.3%
Pumping & well maintenance	1,080,808	742,415	842,529	45.6%	-11.9%
Water efficiency (conservation)	663,088	487,975	697,684	35.9%	-30.1%
Depreciation & amortization	2,865,696	2,676,870	2,668,321	7.1%	0.3%
<b>Total Operating Expenses</b>	<b>18,997,647</b>	<b>17,034,944</b>	<b>15,570,838</b>	<b>11.5%</b>	<b>9.4%</b>
<b>Operating income</b>	<b>9,568,622</b>	<b>5,299,574</b>	<b>4,561,186</b>	<b>80.6%</b>	<b>16.2%</b>
<b>Nonoperating Revenues (Expenses)</b>					
Investment Income	1,761,275	1,260,199	1,438,634	39.8%	-12.4%
Miscellaneous income	32,866	3,273	19,395	904.2%	-83.1%
Interest Expense	(43,712)	(39,106)	(50,767)	11.8%	-23.0%
Gain (loss) on disposal of capital assets	18,903	2,603	21,674	626.2%	-88.0%
<b>Total Nonoperating Revenues (Expenses)</b>	<b>1,769,332</b>	<b>1,226,969</b>	<b>1,428,936</b>	<b>44.2%</b>	<b>-14.1%</b>
<b>Net Income before Capital Contributions</b>	<b>11,337,954</b>	<b>6,526,543</b>	<b>5,990,122</b>	<b>73.7%</b>	<b>9.0%</b>
<b>Capital Contributions</b>					
Contributed Assets	210,826	63,154	243,443	233.8%	-74.1%
<b>Total Capital Contributions</b>	<b>210,826</b>	<b>63,154</b>	<b>243,443</b>	<b>233.8%</b>	<b>-74.1%</b>
<b>Change in Net Position</b>	<b>11,548,780</b>	<b>6,589,697</b>	<b>6,233,564</b>	<b>75.3%</b>	<b>5.7%</b>
Net position, beginning of year	99,956,688	93,366,991	87,133,426	7.1%	7.2%
<b>Net Position, End of Year</b>	<b>\$ 111,505,468</b>	<b>\$ 99,956,688</b>	<b>\$ 93,366,991</b>	<b>11.6%</b>	<b>7.1%</b>

**CITRUS HEIGHTS WATER DISTRICT**  
Management's Discussion and Analysis  
For the Year Ending December 31, 2025

***Capital Assets***

As of December 31, 2025, 2024 and 2023, the District's investment in capital assets, net of related debt, was \$75.16 million, \$68.14 million, and \$66.24 million, respectively. This includes the water transmission and distribution system (underground pipelines, water services, water meters, fire hydrants, and other components), water production facilities (groundwater wells), land, buildings, and both mobile and fixed equipment.

Capital asset additions increased to \$10.41 million in 2025. While the ongoing replacement of aging pipelines and water service connections throughout the District's system continued to account for a significant portion of these additions, the majority of the increase was driven by continued progress on the two-well construction project and the initiation of the Facilities Modernization & Expansion project.

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

***Debt Administration***

The District continues to meet its debt obligations related to the 2012 Revenue Refunding Bonds. Through scheduled debt service payments, principal outstanding was reduced by \$110,000 during 2025 and by \$105,000 during 2024. As of year-end 2025, total outstanding bond debt was approximately \$1.10 million. Additional information regarding the District's debt obligations is provided in Note 5, Long Term Liabilities, in the notes to the basic financial statements.

Subscription liabilities were first recognized in 2023 following implementation of GASB 96. An initial subscription liability of \$106,700 was recorded at that time. As of December 31, 2024, the District's total subscription liability had increased to \$229,453.

Total compensated absences, including both current and long-term portions, represent earned leave payable to employees upon termination or retirement. At the end of 2025, this liability totaled approximately \$0.58 million, remaining relatively consistent with prior years.

The District's net other post-employment benefits (OPEB) liability increased by \$106,341 in 2025 compared to 2024, primarily due to differences between expected and actual cost experience, as well as changes in actuarial assumptions. Additional information regarding changes in the District's net OPEB liability is provided in Note 9, Postemployment Health Care Benefits, in the notes to the basic financial statements.

**ECONOMIC FACTORS AND FUTURE BUDGET CONSIDERATIONS**

**Focus on Long-Range Planning**

CHWD has a long-standing commitment to proactively planning for and managing its long-term capital, operational, and financial needs. This emphasis on long-range planning is demonstrated through initiatives such as its water main master planning efforts; the 1999 Master Plan focused on water main replacement; the Project 2030 Water Main Replacement Program; the Water Meter Replacement Study and consortium-based Meter Replacement Asset Management Program; the maintenance of a rolling 10-year financial forecast to guide annual budgeting; and the use of Strategic Planning—with three-year goals and one-year objectives—to align organizational priorities with the annual budget process.

**CITRUS HEIGHTS WATER DISTRICT**  
Management's Discussion and Analysis  
For the Year Ending December 31, 2025

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

Given the significant one-time and ongoing capital and asset management expenditures anticipated, CHWD has developed and maintains a 10-year financial forecast model. Updated regularly with actual revenue and expenditure data, the Financial Model serves as a key tool for policy development, operational and capital planning, and long-term financial decision-making as the District evaluates budgetary, operational, and capital investment options.

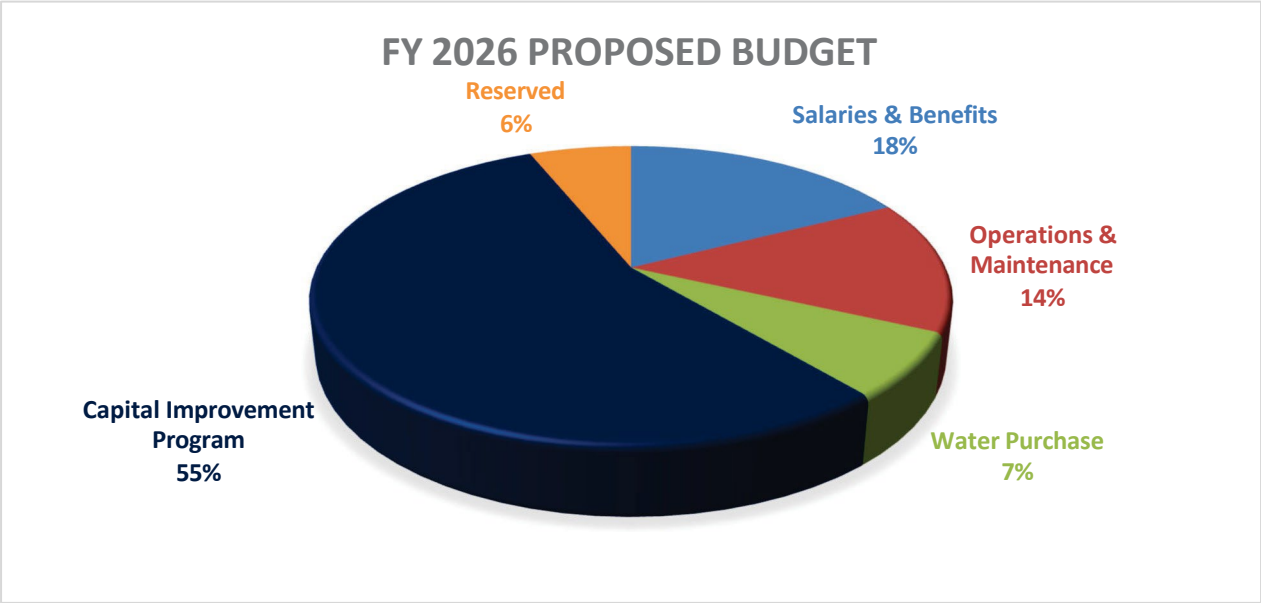
**Reserve Policies and Special Funding**

Each year, CHWD aims to allocate a portion of its net revenue to both designated and undesignated reserves. Maintaining reserve funds helps stabilize expenses, minimize reliance on debt financing, and preserve financial flexibility. By taking a proactive approach to reserves, CHWD is better positioned to efficiently implement its Capital Improvement Program.

**2026 Adopted Budget**

The District continued to exercise fiscal discipline in managing operational expenditures. The adopted FY2026 budget reflects an overall increase of \$1.56 million, or 8.0%, in operations and maintenance expenses. Key components of the FY2026 budget include:

- ❖ Maintaining current service levels and programs for District customers.
- ❖ Updating the Water Master Plan, which was last revised in 1999.
- ❖ Funding strategic planning initiatives and special projects identified by the Board as priorities for 2026.
- ❖ Expanding work efforts and related costs associated with preparation of the Project 2030 Water Main Replacement Plan.
- ❖ Strengthening reserves, including an additional \$0.50 million transfer to the Water Supply Reserve to support the District's long-term water supply investments.



**CITRUS HEIGHTS WATER DISTRICT**  
**Management's Discussion and Analysis**  
**For the Year Ending December 31, 2025**

A FY2026 Operating Budget Summary is included below to provide an overview of the District's operating budget.

**CITRUS HEIGHTS WATER DISTRICT 2026 ADOPTED BUDGET**

	2024 Actual	2025 Estimated	2026 Adopted
<u>Revenues</u>			
Water Sales	\$ 18,583,311	\$ 21,787,740	\$ 23,138,948
Connection and Other Fees	236,324	434,953	443,469
Project 2030 Dedicated Charge	1,331,779	2,142,903	2,260,833
Grant Revenue	-	4,500,000	1,500,000
Other Resources	-	-	13,000,000
Investment and Other Income	279,098	1,100,000	1,000,000
<b>Total Revenues</b>	<b>20,430,512</b>	<b>29,965,596</b>	<b>41,343,250</b>
<u>Expenses</u>			
Salaries and Benefits	6,395,696	6,828,041	8,220,715
Water Purchases	2,845,767	3,127,035	3,283,400
Other Operating & Maintenance Costs	3,603,266	4,387,971	6,749,687
Debt Service	61,786	174,338	170,788
Transfers to Reserves	1,731,779	2,400,000	2,900,000
<b>Total Expenses</b>	<b>14,638,294</b>	<b>16,917,385</b>	<b>21,324,590</b>
Operating Income before Capital Outlay	5,792,218	13,048,211	20,018,660
Capital Outlay	2,288,321	12,123,966	25,843,756

Total capital improvement expenditures budgeted for FY2026 are \$25.84 million, compared with \$18.34 million in FY2025. This total includes \$5.77 million in carryover projects from prior years. Major capital investments planned for FY2026 include:

- ❖ Approximately \$5.13 million to complete construction of the District's two wells.
- ❖ Approximately \$6.46 million for ongoing Water Main Projects and annual operations-related capital improvement projects.
- ❖ Approximately \$12.98 million for continued implementation of Project 2030, the District's Facilities Modernization and Expansion (FME) initiative, will continue through 2026 and 2027.

The District has been awarded \$6.64 million in State and Federal grant funding to support construction of the two wells and recognized \$4.56 million in grant reimbursement revenue during the fiscal year. Although opportunities for non-ratepayer funding remain limited, the District continues to actively pursue outside funding sources whenever feasible.

A FY2026 Capital Improvement Budget Summary is included at the conclusion of this Management's Discussion and Analysis to provide an overview of the District's capital improvement budget.

**CITRUS HEIGHTS WATER DISTRICT**  
**Management's Discussion and Analysis**  
**For the Year Ending December 31, 2025**

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

Project Title	2025	2025 Carried	Additional in 2026	2026
	Revised Budget	Budget to 2026	Requested Budget	Requested Budget
Auburn Blvd-Rusch Park Placer	664,989	250,000		250,000
Well #7 Design & Construction (Ella)	4,283,277	500,000		500,000
SACOG AC Overlay Phase 1	55,000			
Well #8 Highland Well	4,101,787	2,901,787	2,229,213	5,131,000
Fleet & Field Operations Eqpm	106,834			
Annual Water Main Pipeline Rep	31,500			
Water Service Connections	407,000			
Minnesota Drive	500,000			
Fair Oaks Blvd at Leafcrest Wy	400,000			
Menke Way	103,000	103,000		103,000
Annual Facilities Improvements	112,000	112,000		112,000
Annual Water Main Pipeline Rep	53,000	33,000		33,000
Annual Valve Replacements	135,000	50,000		50,000
Annual Water Service Connections	1,510,000	500,000		500,000
Annual Water Meter Replacement	130,000			
Annual Fire Hydrants Repl, Upg	175,000	50,000		50,000
Annual Groundwater Wel Improve	200,000	50,000		50,000
Annual Other City Partnerships	100,000			
Misc Infrastructure Projects	100,000			
Greenback Lane from Birdcage to Burich	900,000	770,000	400,000	1,170,000
Greenback - Sunrise Blvd to Bi	100,000	45,000	833,000	878,000
Donnawood	100,000	48,000	457,000	505,000
Facilities Modernization & Expansion Project (6230 Sylvan Road)	50,000		3,000,000	3,000,000
ERP System	500,000	350,000		350,000
SCADA Upgrade	120,000		120,000	120,000
Facilities Modernization & Expansion Project (7803 Madison Ave)	2,950,000		9,982,756	9,982,756
Sayonara Drive	451,000	6,000		6,000
<b>Total Ongoing Projects</b>	<b>\$ 18,339,387</b>	<b>\$ 5,768,787</b>	<b>\$ 17,021,969</b>	<b>\$ 22,790,756</b>
Annual Fleet & Field Operations Equipment			150,000	150,000
Annual Technology Hardware & Software			100,000	100,000
Annual Facilities Improvements			50,000	50,000
Annual Water Main Pipeline Replacement (Small)			53,000	53,000
Annual Valve Replacements			135,000	135,000
Annual Water Service connections			1,510,000	1,510,000
Annual Water Meter Replacement			130,000	130,000
Annual Fire Hydrants - Repl, Upgrades, Lnfill, New			175,000	175,000
Annual Groundwater well Improvements			200,000	200,000
Other City Partnerships			100,000	100,000
Misc Infrastructure Projects			100,000	100,000
<b>Total New Annual Projects</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,703,000</b>	<b>\$ 2,703,000</b>
Dove and Be Lazy Court			350,000	350,000
<b>Total New Projects</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 350,000</b>	<b>\$ 350,000</b>
<b>FY 2026 Totals</b>	<b>\$ 18,339,387</b>	<b>\$ 5,768,787</b>	<b>\$ 20,074,969</b>	<b>\$ 25,843,756</b>

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**CITRUS  
HEIGHTS**  

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**WATER  
DISTRICT**



## **BASIC FINANCIAL STATEMENTS**

	<u>2025</u>	<u>2024</u>
<b>Assets:</b>		
Current assets:		
Cash and investments (Note 2)	\$ 33,622,570	\$ 33,780,703
Receivables:		
Accounts receivable, net	4,023,148	3,566,811
Accrued interest receivable	386,393	281,188
Grants Receivable	4,484,002	-
Inventories	784,336	803,134
Prepaid expenses and other deposits	843,923	735,814
<b>Total Current Assets</b>	<b><u>44,144,372</u></b>	<b><u>39,167,650</u></b>
Noncurrent:		
Non-depreciable/amortizable capital assets (Note 3)	11,391,033	7,122,794
Depreciable/amortizable capital assets, net (Note 3)	65,215,376	62,369,119
<b>Total Noncurrent Assets</b>	<b><u>76,606,409</u></b>	<b><u>69,491,913</u></b>
<b>Total Assets</b>	<b><u>120,750,781</u></b>	<b><u>108,659,563</u></b>
<b>Deferred Outflows of Resources:</b>		
Pension related (Noted 9)	1,530,838	1,918,709
OPEB related (Note 10)	483,424	408,902
<b>Total Deferred Outflows of Resources</b>	<b><u>2,014,262</u></b>	<b><u>2,327,611</u></b>
<b>Liabilities:</b>		
Current:		
Accounts payable	907,600	576,761
Retentions payable	171,841	-
Accrued payroll	113,182	234,701
Accrued interest payable	29,609	28,057
Deposits payable	434,071	431,877
Due to other governments	-	740
Compensated absences (Note 8)	203,618	174,273
Long-term debt (Note 5)	211,997	121,977
<b>Total Current Liabilities</b>	<b><u>2,071,918</u></b>	<b><u>1,568,386</u></b>
Noncurrent:		
Compensated absences (Note 8)	377,132	385,316
Long-term debt (Note 5)	1,220,570	1,269,911
Net pension liability (Note 9)	5,125,787	6,077,953
Net OPEB liability (Note 10)	1,374,476	1,268,135
<b>Total Noncurrent Liabilities</b>	<b><u>8,097,965</u></b>	<b><u>9,001,315</u></b>
<b>Total Liabilities</b>	<b><u>10,169,883</u></b>	<b><u>10,569,701</u></b>
<b>Deferred Inflows of Resources:</b>		
Deferred amount from refunding debt	8,611	9,936
Pension related (Note 9)	762,180	73,188
OPEB related (Note 10)	318,901	377,661
<b>Total Deferred Inflows of Resources</b>	<b><u>1,089,692</u></b>	<b><u>460,785</u></b>
<b>Net Position:</b>		
Net investment in capital assets	74,993,390	68,090,089
Unrestricted	36,512,078	31,866,599
<b>Total Net Position</b>	<b><u>\$ 111,505,468</u></b>	<b><u>\$ 99,956,688</u></b>

See Notes to Financial Statements.



**CITRUS HEIGHTS WATER DISTRICT**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**For the Years Ended December 31, 2025 and 2024**

	<b>2025</b>	<b>2024</b>
<b>Operating Revenues:</b>		
Water sales	\$ 23,592,163	\$ 21,621,835
Connection and other fees	<u>4,974,106</u>	<u>712,683</u>
<b>Total Operating Revenues</b>	<b><u>28,566,269</u></b>	<b><u>22,334,518</u></b>
 <b>Operating Expenses:</b>		
Customer service, administration and general	6,792,723	6,248,835
Water purchases	3,116,737	2,982,507
Transmission and distribution	4,478,595	3,896,342
Pumping and well maintenance	1,069,921	742,415
Conservation	663,088	487,975
Depreciation and amortization	<u>2,876,583</u>	<u>2,676,870</u>
<b>Total Operating Expenses</b>	<b><u>18,997,647</u></b>	<b><u>17,034,944</u></b>
 Operating Income (Loss)	<u>9,568,622</u>	<u>5,299,574</u>
 <b>Nonoperating Revenues (Expenses):</b>		
Investment income	1,761,275	1,260,199
Miscellaneous income	32,866	3,273
Interest expense	(43,712)	(39,106)
Gain (loss) on disposal of capital assets	<u>18,903</u>	<u>2,603</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<b><u>1,769,332</u></b>	<b><u>1,226,969</u></b>
 Income (Loss) Before Capital Contributions	11,337,954	6,526,543
 Contributions	<u>210,826</u>	<u>63,154</u>
 Changes in Net Position	11,548,780	6,589,697
 <b>Net Position:</b>		
Beginning of Fiscal Year	99,956,688	93,366,991
<b>End of Fiscal Year</b>	<b><u>\$ 111,505,468</u></b>	<b><u>\$ 99,956,688</u></b>



**CITRUS HEIGHTS WATER DISTRICT**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2025 and 2024**

	<b>2025</b>	<b>2024</b>
<b>Cash Flows from Operating Activities</b>		
Cash receipts from customers	\$ 23,660,250	\$ 22,126,256
Cash paid to suppliers for goods and services	(15,216,448)	(14,255,386)
Cash paid to employees for services	(665,690)	(276,286)
Receipts from miscellaneous operating and non operating income	-	4,013
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>7,778,112</b>	<b>7,598,597</b>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Acquisition and construction of capital assets	(9,352,919)	(4,326,123)
Cash receipts from sales of capital assets	18,903	10,539
Principal payments on long-term debt	(201,444)	(129,375)
Interest payments on long-term debt	(56,855)	(54,091)
<b>Net Cash Provided by (Used for) Capital Financing Activities</b>	<b>(9,592,315)</b>	<b>(4,499,050)</b>
<b>Cash Flows from Investing Activities:</b>		
Interest earnings	1,656,070	1,246,106
<b>Net Cash Provided by (Used for) Investing Activities</b>	<b>1,656,070</b>	<b>1,246,106</b>
<b>Net Cash Flows</b>	(158,133)	4,345,653
Cash and cash equivalents-beginning	33,780,703	29,435,050
<b>Cash and cash equivalents-ending</b>	<b>\$ 33,622,570</b>	<b>\$ 33,780,703</b>



**CITRUS HEIGHTS WATER DISTRICT**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2025 and 2024**

	<b>2025</b>	<b>2024</b>
<b>Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities</b>		
Operating income (loss)	\$ 9,568,622	\$ 5,299,574
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation/amortization expense	2,876,583	2,676,870
(Increase) decrease in accounts receivable	(456,337)	(272,065)
(Increase) decrease in grants receivable	(4,484,742)	-
(Increase) decrease in inventory	18,799	(136,792)
(Increase) decrease in prepaid expenses and other assets	(108,109)	(156,910)
Increase (decrease) in accounts payable	330,838	(90,845)
Increase (decrease) in accrued payroll	(121,519)	27,326
Increase (decrease) in deposits payable	2,194	63,803
Increase (decrease) in compensated absences	21,161	(79,273)
Increase (decrease) in net pension liability	124,697	193,921
Increase (decrease) in net OPEB liability	(26,941)	69,715
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>\$ 7,778,112</b>	<b>\$ 7,598,597</b>
<b>Supplemental Disclosure of Non-Cash Activities</b>		
Receipt of contributed assets	\$ 210,826	\$ 63,154
Acquisition of right-to-use assets through subscription and leasing arrangements	306,417	12,942
Proceeds from issuance of subscription and leasing arrangements	234,280	11,977
Amortization of bond premiums	1,325	8,636
Amortization of deferred charges on refundings	14,695	13,371

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## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

## NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: The District was established on October 25, 1920 as an irrigation district under Division 11 of the Act of Legislature of the State of California. The District constructs and maintains waterworks and supplies domestic water in an area of approximately 12 square miles to over 20,000 connections in Sacramento and Placer counties with an estimated population of 87,000. The District is governed by a Board of Directors consisting of three directors elected by residents of the District. The accompanying basic financial statements present the District and its component unit. The component unit discussed below is included in the District's reporting entity because of the significance of its operational and financial relationship with the District.

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

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

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

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

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

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

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

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

**NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

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

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

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

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

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

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

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

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

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

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

Description	Useful Life
Pipeline and infrastructure	20-40 years
Equipment and machinery	5-10 years
Subscriptions	10 years
Right-to-use leased equipment	5-10 years
Buildings	15-40 years
Well improvements	40 years
Donated pipelines	40 years
Improvements	40 years

**NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Depreciation and amortization expense aggregated to \$2,876,583 and \$2,676,870 for the years ended December 31, 2025 and 2024, respectively, and is included with depreciation and amortization expense.

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

Subscription-Based Information Technology Arrangements:

The District is a subscriber for a noncancellable subscription of information technology services. The District recognizes subscription liability and an intangible right-to-use subscription asset (subscription asset) in the financial statements. The District recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a subscription, the District initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to subscriptions include how the District determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The District uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

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

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

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

**NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

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

New GASB Pronouncements Effective during Fiscal Year

The following Government Accounting Standards Board (GASB) pronouncements were effective for the fiscal year ended December 30, 2025:

1. *GASB Statement No. 101, Compensated Absences*

The requirements of this Statement will improve financial reporting by implementing a unified recognition and measurement model that will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. Establishing the unified model will result in consistent application to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. This Statement will also result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences.

2. *GASB Statement No. 102, Certain Risk Disclosures*

The GASB issued Statement No. 102, “Certain Risk Disclosures” in December 2023. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints that are essential to their analyses for making decisions or assessing accountability. The implementation of this Statement does not have an impact on the County’s financial statements for the fiscal year ended December 31, 2025.

**NOTE 2: CASH AND INVESTMENTS**

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

	2025	2024
Cash and investments	<u>\$ 33,622,570</u>	<u>\$ 33,780,703</u>

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

	2025	2024
Cash on Hand	\$ 850	\$ 850
Deposits with financial institutions	2,792,454	4,432,414
Investments	30,829,266	29,347,439
Total cash and investments	<u>\$ 33,622,570</u>	<u>\$ 33,780,703</u>

**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

Investment Policy: California statutes authorize districts to invest idle, surplus, or reserve funds in a variety of credit instruments as provided for in the California Government Code, Section 53600. The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by the bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy. During the year ended December 31, 2025, the District's permissible investments included the following instruments:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer
Securities of the U.S. Government	5 Years	100%	100%
Registered State Warrants, Treasury Notes, or Bonds of the State of California or other states in the United States	5 Years	25%	10%
Bonds, Notes, Warrants, or Other Evidences of Indebtedness of any Local Agency within the State of California	5 Years	25%	10%
Securities of U.S. Government Agencies and Instruments	5 Years	100%	35%
Commercial Paper	270 Days	25%	5%
Corporate or Medium-Term Notes	5 Years	30%	5%
Bonds of Supranationals (IBRD, IFC, IADB)	5 Years	30%	5%
Mortgage pass-Through and Asset-Backed Securities	5 Years	20%	5%
Non-Negotiable Certificates of Deposit	1 Year	10%	5%
Negotiable Certificates of Deposit	1 Year	10%	5%
Money Market Mutual Funds	2(A) 7 Eligible	20%	20%
LAIF	N/A	Max Permitted by State Treasurer	Max Permitted by State Treasurer
Collateralized Bank Deposits	N/A	100%	50%
Bankers' Acceptances	180 Days	25%	5%
Joint Powers Authority Pool	N/A	N/A	N/A

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

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

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

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

**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

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

The following is a summary of the fair value hierarchy of the fair value of investments of the District as of December 31, 2025:

	Total
<b>Investments Measured at Amortized Cost:</b>	
Cash on Hand	\$ 850
Deposits with financial institutions	2,792,454
Money Market Mutual Fund	854,393
<b>Cash in banks and on hand</b>	<b>3,647,697</b>
<b>Investments held at Fair Value</b>	
U.S. Treasury obligations	8,787,732
U.S. agency securities	8,592,644
Asset backed securities	168,466
Commercial paper	2,628,782
Municipal investments	1,338,159
Non-US government securities	2,190,528
Currency	2,182
<b>Investments not subject to Fair Value Hierarchy</b>	
California Local Agency Investment Fund (LAIF)	58,441
California Asset Management Program (CAMP)	6,207,939
<b>Total Cash and Investments</b>	<b>\$ 33,622,570</b>

The following is a summary of the fair value hierarchy of the fair value of investments of the District as of December 31, 2024:

	Total
<b>Investments Measured at Amortized Cost:</b>	
Cash on Hand	\$ 850
Deposits with financial institutions	4,432,414
Money Market Mutual Fund	223,281
<b>Cash in banks and on hand</b>	<b>4,656,545</b>
<b>Investments held at Fair Value</b>	
U.S. Treasury obligations	6,563,873
U.S. agency securities	9,076,355
Asset backed securities	1,308,201
Commercial paper	2,753,014
Municipal investments	1,286,504
Non-US government securities	2,136,096
Currency	428
<b>Investments not subject to Fair Value Hierarchy</b>	
California Local Agency Investment Fund (LAIF)	55,918
California Asset Management Program (CAMP)	5,943,769
<b>Total Cash and Investments</b>	<b>\$ 33,780,703</b>

**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments, and by timing cash flows from maturities so that a portion of the portfolio is maturing, or coming close to maturity, evenly over time, as necessary to provide the cash flow and liquidity needed for operations. Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity for fiscal year ended December 31, 2025:

Investment Type	Total	Remaining Maturity (in Months)		
		12 Months or Less	13 to 36 Months	37 to 60 Months
U.S. Treasury obligations	\$ 8,787,732	\$ 350,101	\$ 5,359,021	\$ 3,078,610
U.S. agency securities	8,592,644	3,259,930	3,283,094	2,049,620
Asset backed securities	168,466	-	168,466	-
Commercial paper	2,628,782	703,997	1,465,453	459,332
Municipal investments	1,338,159	143,251	1,194,908	-
Money market mutual funds	854,393	854,393	-	-
Non-US government securities	2,190,528	-	1,225,633	964,895
Currency	2,182	2,182	-	-
Local Agency Investment Fund	58,441	58,441	-	-
California Asset Management Program	6,207,939	6,207,939	-	-
<b>Total</b>	<b>\$ 30,829,266</b>	<b>\$ 11,580,234</b>	<b>\$ 12,696,575</b>	<b>\$ 6,552,457</b>

The following is a summary of the District's investments by maturity as of December 31, 2024:

Investment Type	Total	Remaining Maturity (in Months)		
		12 Months or Less	13 to 36 Months	37 to 60 Months
U.S. Treasury obligations	\$ 6,563,873	\$ 1,094,812	\$ 2,292,911	\$ 3,176,150
U.S. agency securities	9,076,355	1,947,883	5,090,614	2,037,858
Asset backed securities	1,308,201	598,918	508,381	200,902
Commercial paper	2,753,014	704,982	1,601,790	446,242
Municipal investments	1,286,504	-	1,108,446	178,058
Money market mutual funds	223,281	223,281	-	-
Non-US government securities	2,136,096	-	-	2,136,096
Currency	428	428	-	-
Local Agency Investment Fund	55,918	55,918	-	-
California Asset Management Program	5,943,769	5,943,769	-	-
<b>Total</b>	<b>\$ 29,347,439</b>	<b>\$ 10,569,991</b>	<b>\$ 10,602,142</b>	<b>\$ 8,175,306</b>

**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

**Credit Risk:** Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of year-end for each investment type for the year ended December 31, 2025.

Investment Type	Total	Minimum Legal Rating	Moody's Rating as of Fiscal Year End			
			Aaa	Aa	A	Exempt or Not Rated
U.S. Treasury obligations	\$ 8,787,732	N/A	\$ -	\$ 8,787,732	\$ -	\$ -
U.S. agency securities	8,592,643	N/A	-	8,592,643	-	-
Asset backed securities	168,466	A	168,466	-	-	-
Commercial paper	2,628,782	A	-	1,562,053	1,066,729	-
Municipal investments	1,338,160	Aa	-	579,938	-	758,222
Money market mutual funds	854,393	Aaa	854,393	-	-	-
Non-US government securities	2,190,528	N/A	-	-	-	2,190,528
Currency	2,182	N/A	-	-	-	2,182
Local Agency Investment Fund	58,441	N/A	-	-	-	58,441
California Asset Management Program	6,207,939	N/A	-	-	-	6,207,939
<b>Total</b>	<b>\$ 30,829,266</b>		<b>\$ 1,022,859</b>	<b>\$ 19,522,366</b>	<b>\$ 1,066,729</b>	<b>\$ 9,217,312</b>

The following is a summary of the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of year-end for each investment type for the year ended December 31, 2024.

Investment Type	Total	Minimum Legal Rating	Moody's Rating as of Fiscal Year End			
			Aaa	Aa	A	Exempt or Not Rated
U.S. Treasury obligations	\$ 6,563,873	N/A	\$ -	\$ -	\$ -	\$ 6,563,873
U.S. agency securities	9,076,355	N/A	-	-	-	9,076,355
Asset backed securities	1,308,201	A	1,308,201	-	-	-
Commercial paper	2,753,014	A	251,358	551,133	1,144,391	806,132
Municipal investments	1,286,504	Aa	496,904	603,306	186,294	-
Money market mutual funds	223,281	Aaa	223,281	-	-	-
Non-US government securities	2,136,096	N/A	-	-	-	2,136,096
Currency	428	N/A	-	-	-	428
Local Agency Investment Fund	55,918	N/A	-	-	-	55,918
California Asset Management Program	5,943,769	N/A	-	-	-	5,943,769
<b>Total</b>	<b>\$ 29,347,439</b>		<b>\$ 2,279,744</b>	<b>\$ 1,154,439</b>	<b>\$ 1,330,685</b>	<b>\$ 24,582,571</b>

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

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

**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

Investment in LAIF: The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The District reports its investment in LAIF at the fair value amount provided by LAIF. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. At December 31, 2025 and 2024, these investments matured in an average of 244 and 217 days, respectively.

**NOTE 3: CAPITAL ASSETS**

Capital asset activity for the years ended December 31, 2025 and 2024 are as follows:

	Balance December 31, 2024	Additions	Deletions	Transfers	Balance December 31, 2025
<b>Business-Type Activities:</b>					
Capital assets not being depreciated:					
Land	\$ 2,309,097	\$ -	\$ -	\$ -	\$ 2,309,097
Right of ways	26,080	-	-	-	26,080
Construction in Progress	4,787,617	10,148,075	(654,254)	(5,225,582)	9,055,856
Total capital assets not being depreciated/amortized	<u>7,122,794</u>	<u>10,148,075</u>	<u>(654,254)</u>	<u>(5,225,582)</u>	<u>11,391,033</u>
Capital assets being depreciated/amortized:					
Improvements	1,493,024	-	-	93,012	1,586,036
Pipelines and infrastructure	72,864,658	239,363	(280,225)	4,623,525	77,447,321
Equipment and machinery	5,550,094	-	(109,862)	316,476	5,756,708
Buildings and improvements	4,281,371	-	-	21,180	4,302,551
Well improvements	8,062,746	-	-	171,389	8,234,135
Donated Pipelines	21,834,152	-	-	-	21,834,152
Subscription	119,642	253,306	-	-	372,948
Leases	-	53,111	(19,722)	-	33,389
Total capital assets, being depreciated/amortized	<u>114,205,687</u>	<u>545,780</u>	<u>(409,809)</u>	<u>5,225,582</u>	<u>119,567,240</u>
Less accumulated depreciation/amortization for:					
Improvements	(226,960)	(36,905)	-	-	(263,865)
Pipelines and infrastructure	(30,417,839)	(1,700,835)	231,703	-	(31,886,971)
Equipment and machinery	(3,777,289)	(320,187)	109,862	-	(3,987,614)
Buildings and improvements	(1,549,918)	(102,591)	-	-	(1,652,509)
Well improvements	(2,987,293)	(201,552)	-	-	(3,188,845)
Donated Pipelines	(12,841,543)	(404,465)	-	-	(13,246,008)
Subscription	(35,726)	(78,364)	-	-	(114,090)
Leases	-	(31,684)	19,722	-	(11,962)
Total accumulated depreciation/amortization	<u>(51,836,568)</u>	<u>(2,876,583)</u>	<u>361,287</u>	<u>-</u>	<u>(54,351,864)</u>
Total capital assets being depreciated/amortized, net	<u>62,369,119</u>	<u>(2,330,803)</u>	<u>(48,522)</u>	<u>5,225,582</u>	<u>65,215,376</u>
Capital assets, net	<u>\$ 69,491,913</u>	<u>\$ 7,817,272</u>	<u>\$ (702,776)</u>	<u>\$ -</u>	<u>\$ 76,606,409</u>
	Balance December 31, 2023	Additions	Deletions	Transfers	Balance December 31, 2024
<b>Business-Type Activities:</b>					
Capital assets not being depreciated:					
Land	\$ 2,309,097	\$ -	\$ -	\$ -	\$ 2,309,097
Right of ways	26,080	-	-	-	26,080
Construction in Progress	2,555,476	4,248,543	-	(2,016,402)	4,787,617
Total capital assets not being depreciated	<u>4,890,653</u>	<u>4,248,543</u>	<u>-</u>	<u>(2,016,402)</u>	<u>7,122,794</u>
Capital assets being depreciated:					
Improvements	1,378,114	114,910	-	-	1,493,024
Pipelines and infrastructure	71,654,756	-	(14,345)	1,224,247	72,864,658
Equipment and machinery	4,929,201	6,743	(178,005)	792,155	5,550,094
Buildings and improvements	4,281,371	-	-	-	4,281,371
Well improvements	8,062,746	-	-	-	8,062,746
Donated Pipelines	21,834,152	-	-	-	21,834,152
Subscriptions	106,700	12,942	-	-	119,642
Total capital assets, being depreciated	<u>112,247,040</u>	<u>134,595</u>	<u>(192,350)</u>	<u>2,016,402</u>	<u>114,205,687</u>
Less accumulated depreciation for:					
Improvements	(192,881)	(34,079)	-	-	(226,960)
Pipelines and infrastructure	(28,756,998)	(1,671,249)	10,408	-	(30,417,839)
Equipment and machinery	(3,700,835)	(237,517)	161,063	-	(3,777,289)
Buildings and improvements	(1,447,340)	(102,578)	-	-	(1,549,918)
Well improvements	(2,786,098)	(201,195)	-	-	(2,987,293)
Donated Pipelines	(12,425,825)	(415,718)	-	-	(12,841,543)
Subscriptions	(21,192)	(14,534)	-	-	(35,726)
Total accumulated depreciation	<u>(49,331,169)</u>	<u>(2,676,870)</u>	<u>171,471</u>	<u>-</u>	<u>(51,836,568)</u>
Total capital assets being depreciated, net	<u>62,915,871</u>	<u>(2,542,275)</u>	<u>(20,879)</u>	<u>2,016,402</u>	<u>62,369,119</u>
Capital assets, net	<u>\$ 67,806,524</u>	<u>\$ 1,706,268</u>	<u>\$ (20,879)</u>	<u>\$ -</u>	<u>\$ 69,491,913</u>

**NOTE 3: CAPITAL ASSETS (CONTINUED)**

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

**NOTE 4: LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

**A. Leases Payable**

As of December 31, 2025, the District had three active leases. The leases have payments that range from \$2,425 to \$4,198 and interest rates that range from 0.4760% to 3.0590%. As of December 31, 2025, the total combined value of the lease liability is \$21,213. The combined value of the right to use asset, as of December 31, 2025 of \$33,389 with accumulated amortization of \$11,962 is included within the Lease Class activities table found below. The leases had no Variable Payments and no Other Payments, not included in the Lease Liability, within the Fiscal Year.

Amount of right-to-use lease asset by lease type for the years ended December 31, 2025 and 2024:

Lease Type	Amount of Leased Capital Assets	2025 Accumulated Amortization	2024 Accumulated Amortization
Equipment lease	\$ 33,389	\$ 11,962	\$ -

Right-to-use lease principal and interest requirements to maturity:

Fiscal Year Ending December 31,	Principal	Interest
2026	\$ 6,650	\$ 542
2027	4,003	390
2028	4,127	265
2029	4,256	137
2030	2,177	19
Total	\$ 21,213	\$ 1,353

**B. Subscription-Based Information Technology Arrangements**

As of December 31, 2025 and 2024, the District had two active subscriptions. The subscription has payments that range from \$13,575 to \$77,869 and interest rates that range from 1.0850% to 1.0850%. As of December 31, 2025 and 2024, the total combined value of the subscription liability is \$229,453 and \$86,617, respectively. The combined value of the right to use asset, as of December 31, 2025 and 2024 of \$372,948 and \$119,642, respectively with accumulated amortization of \$114,090 and \$35,726 respectively is included within the Subscription Class activities table found below. The subscriptions had no Variable Payments and no Other Payments, not included in the Subscription Liability, within the Fiscal Year.

**NOTE 4: LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS  
(CONTINUED)**

Amount of subscription asset by subscription type for the years ended December 31, 2025 and 2024:

Subscription Type	Amount of SBITA Capital Assets	2025 Accumulated Amortization	2024 Accumulated Amortization
Software as a service	\$ 372,948	\$ 114,090	\$ 35,726

Subscription principal and interest requirements to maturity:

Fiscal Year Ending December 31,	Subscription Principal	Interest
2026	\$ 90,347	\$ 4,397
2027	94,368	3,574
2028	29,587	1,654
2029	15,151	422
Total	\$ 229,453	\$ 10,047

**NOTE 5: LONG-TERM LIABILITIES**

Long-term liabilities consist of the following:

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

Changes in the District's long-term liabilities during the years ended December 31, 2025 and 2024 was as follows:

	Balance December 31, 2024	Additions	Retirements	Balance December 31, 2025	Current Portion
2012 Revenue Refunding Bonds					
3-5.25% due 2-1-33	\$ 1,205,000	-	\$ 110,000	\$ 1,095,000	\$ 115,000
Unamortized premium on 2012 Bonds	100,271	-	13,370	86,901	-
Subscription	86,617	234,280	91,444	229,453	90,347
Leases	-	30,572	9,359	21,213	6,650
Total Long-Term Liabilities	\$ 1,391,888	\$ 264,852	\$ 224,173	\$ 1,432,567	\$ 211,997

	Balance December 31, 2023	Additions	Retirements	Balance December 31, 2024	Current Portion
2012 Revenue Refunding Bonds					
3-5.25% due 2-1-33	\$ 1,315,000	-	\$ 110,000	\$ 1,205,000	\$ 110,000
Unamortized premium on 2012 Bonds	113,641	-	13,370	100,271	-
Subscription *	85,379	11,977	10,739	86,617	11,977
Total Long-Term Liabilities	\$ 1,514,020	\$ 11,977	\$ 134,109	\$ 1,391,888	\$ 121,977

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

**NOTE 5: LONG-TERM LIABILITIES (CONTINUED)**

The annual requirements to amortize the outstanding debt related to the 2012 Revenue Refunding Bonds as of December 31, 2025 are as follows:

Fiscal Year Ending December 31,	2012 Revenue Refunding Bonds		
	Principal	Interest	Total
2026	\$ 115,000	\$ 57,488	\$ 172,488
2027	120,000	54,188	174,188
2028	130,000	45,150	175,150
2029	130,000	38,325	168,325
2030	140,000	31,500	171,500
2031-2033	460,000	49,087	509,087
Total	<u>\$ 1,095,000</u>	<u>\$ 275,738</u>	<u>\$ 1,370,738</u>

**Pledged Revenue:** The District pledged future water system revenues, net of specified expenses, to repay the 2012 Revenue Refunding Bonds in an original amount of \$2,275,000. Proceeds of the Revenue Refunding Bonds were used to refund the 2003 Certificates of Participation to finance capital improvements to the District's water system. The Revenue Refunding Bonds are payable solely from water customer net revenues and are payable through February 2033. Annual principal and interest payments on the Bonds are expected to require less than 80% of net revenues. Total principal and interest remaining to be paid on the Revenue Refunding Bonds was \$1,370,738 and \$1,541,526 at December 31, 2025 and 2024, respectively.

Total principal and interest paid on all debt payable from net revenues was \$168,407 and \$174,088 and the total water system net revenues were \$8,196,828 and \$7,605,419 for the years ended December 31, 2025 and 2024, respectively. At December 31, 2025 and 2024, the District's net revenues were 4,867% and 5,600% of debt service payments, respectively.

**Events of Default:** The 2012 Revenue Refunding Bonds from direct borrowings related to business-type activities, contain events of default that declare the principal of all of the 2012 bonds then outstanding and the interest accrued thereon to be due and payable immediately as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the District to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the District; or if any court or competent jurisdiction shall assume custody or control of the District. There were no such events occurred during the fiscal year ended December 31, 2025.

#### NOTE 6: ARBITRAGE REBATE LIABILITY

Section 148(f) of the Internal Revenue Code requires issuers of tax-exempt state and local bonds to remit to the federal government amounts equal to (a) the excess of the actual amounts earned on all “Nonpurpose Investments” allocable to “Gross Proceeds” of an issue of municipal obligations less the amount that would have been earned if the investments bore a rate equal to the amount that would have been earned if the investments bore a rate equal to the yield on the issue, plus (b) all income attributable to the excess. Issuers must make rebate payments at least once every five years and upon final retirement or redemption of the bonds. There was no arbitrage liability at December 31, 2025 and 2024.

#### NOTE 7: NET POSITION

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

The designations are for the following:

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

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

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

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

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

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

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

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

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

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

**NOTE 8: COMPENSATED ABSENCES**

The following is a summary of changes in the District's compensated absences for the year ended December 31, 2025 and 2024:

	December 31, 2024	Net Change	December 31, 2025	Current Portion
District Total	\$ 559,589	\$ 21,161	\$ 580,750	\$ 203,618

	December 31, 2023	Net Change	December 31, 2024	Current Portion
District Total	\$ 638,863	\$ (79,274)	\$ 559,589	\$ 174,273

**NOTE 9: DEFINED BENEFIT PENSION PLAN**

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

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

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

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

Below is a summary of the deferred outflows of resources, net pension liabilities, and deferred inflows of resources by Plan for the year ended December 31, 2025 and 2024:

As of December 31, 2025	Deferred Outflows of Resources	Net Pension Liability/ Propotionate Share of Net Pension Liability	Deferred Inflows of Resources
Miscellaneous	\$ 1,530,838	\$ 5,125,787	\$ 762,180

As of December 31, 2024	Deferred Outflows of Resources	Net Pension Liability/ Propotionate Share of Net Pension Liability	Deferred Inflows of Resources
Miscellaneous	\$ 1,918,709	\$ 6,077,953	\$ 73,188

**NOTE 9: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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

The Plans’ provisions and benefits in effect at December 31, 2025, are summarized as follows:

	<u>Miscellaneous Tier 1</u>	<u>Miscellaneous Tier 2</u>	<u>Miscellaneous PEPRA</u>
Hire date	Prior to January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.0% @ 55	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 63	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.43% to 2.42%	1.43% to 2.42%	1.0% to 2.5%
Required employee contribution rates	6.9%	6.9%	7.8%
Required employer contribution rates	12.5%	11.9%	7.9%

Beginning in fiscal year 2017, CalPERS collects employer contributions for the cost-sharing plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund. The dollar amounts are billed on a monthly basis. The District’s required contribution for the unfunded liability was \$726,576 in fiscal year 2025.

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

For the year ended December 31, 2025 and 2024 the District’s contributions to the Plan were as follows:

<u>As of December 31, 2025</u>	<u>Miscellaneous</u>		
	<u>Tier 1</u>	<u>Tier 2</u>	<u>PEPRA</u>
Contributions - employer	\$ 541,914	\$ 8,335	\$ 2,797

<u>As of December 31, 2024</u>	<u>Miscellaneous</u>		
	<u>Tier 1</u>	<u>Tier 2</u>	<u>PEPRA</u>
Contributions - employer	\$ 524,378	\$ 8,065	\$ 2,706

**NOTE 9: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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

As of December 31, 2025, the District reported \$5,125,787 in net pension liabilities for its proportionate shares of the net pension liability of the Plan.

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2025, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024 rolled forward to June 30, 2025 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2025 and 2024 was as follows:

As of December 31, 2025	Miscellaneous
Proportion - June 30, 2024	0.05012%
Proportion - June 30, 2025	0.05011%
Change - Increase (Decrease)	<u>-0.00001%</u>

As of December 31, 2024	Miscellaneous
Proportion - June 30, 2023	0.04963%
Proportion - June 30, 2024	0.05012%
Change - Increase (Decrease)	<u>0.00049%</u>

For the year ended December 31, 2025 and 2024, the District recognized pension expense of \$994,820 and \$277,926, respectively. At December 31, 2025 and 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

As of December 31, 2025	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 870,123	\$ -
Differences between actual and expected experience	614,192	-
Changes in assumptions	-	-
Changes in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	16,642	34,096
Net differences between projected and actual earnings on plan investments	29,881	34,508
	<u>693,576</u>	<u>693,576</u>
Total	<u>\$ 1,530,838</u>	<u>\$ 762,180</u>

**NOTE 9: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

As of December 31, 2024	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 770,256	\$ -
Differences between actual and expected experience	525,495	20,504
Changes in assumptions	156,216	-
Changes in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	70,360	-
Net differences between projected and actual earnings on plan investments	46,482	52,684
	349,900	-
Total	\$ 1,918,709	\$ 73,188

The \$870,123 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal year ended December 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ 636,373
2027	(154,597)
2028	(318,474)
2029	(264,767)
2030	-
Thereafter	-
Total	\$ (101,465)

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

For December 31, 2025	Miscellaneous
1% Decrease	5.90%
Net Pension Liability	\$ 9,108,813
Current Discount Rate	6.90%
Net Pension Liability/(Asset)	\$ 5,125,787
1% Increase	7.90%
Net Pension Liability/(Asset)	\$ 1,847,799
For December 31, 2024	Miscellaneous
1% Decrease	5.90%
Net Pension Liability	\$ 9,837,787
Current Discount Rate	6.90%
Net Pension Liability/(Asset)	\$ 6,077,953
1% Increase	7.90%
Net Pension Liability/(Asset)	\$ 2,983,056

**NOTE 9: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

Actuarial Assumptions – For the measurement period ended June 30, 2025, the total pension liabilities were determined by rolling forward the June 30, 2024 total pension liability based on the following actuarial methods and assumptions:

	Miscellaneous
Valuation Date	June 30, 2024
Measurement Date	June 30, 2025
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Amortization	
Discount Rate	6.90%
Inflation	2.30%
Projected Salary Increase	Varies by Entry Age and Service
Mortality(1)	Derived using CalPers Membership Data for all Funds
The above actuarial assumptions were based upon the following experience study periods:	
Investment Rate of Return	2025 6.90%
Post Retirement Benefit Increase	Contract COLA up to 2.00% until PPPA(2) floor on purchasing power applies

<sup>1</sup> CalPERS developed the mortality table used based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale MP-2021. For more details on this table, please refer to the 2025 experience study report.

<sup>2</sup> Purchasing Power Protection Allowance (PPPA) is a benefit designed to restore the original purchasing power of CalPERS retirees to a predetermined limit.

All other actuarial assumptions used in the June 30, 2024 valuation were based on the results of a December 2025 actuarial experience study. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability for the Plan was 6.90%. The projection of cash flows used to determine the discount rate for the Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

**NOTE 9: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

Asset Class	Assumed Asset Allocation	Real Return <sup>1, 2</sup>
Global equity-cap-weighted	30.00%	4.54%
Global equity-non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

<sup>1</sup> An expected inflation of 2.30% used for this period.

<sup>2</sup> Figures are based on the 2021 Asset Liability Management study.

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

**NOTE 10: POSTEMPLOYMENT HEALTH CARE BENEFITS**

**A. General Information about the District’s Other Postemployment Benefit (OPEB) Plan**

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

Benefits Provided – The following is a summary of Plan benefits by employee group as of December 31, 2025:

	Hired before January 31, 2019		
	Retired from District between June 3, 1992 and March 19, 1996	Retired from District after March 19, 1996	Hired After January 30, 2019
20+ Years of Service	Health insurance provided to employee at District expense	Maximum monthly reimbursement of \$430.00 to retiree, spouse/dependents.	
25+ Years of Service	Health insurance provided to retiree, and spouse/dependents at the time of retirement. If no spouse/dependents, or if retiree does not wish to cover spouse/dependents, retiree may select benefit of 30+ years of service.	Maximum monthly reimbursement of \$481.00 to retiree, spouse/dependents.	Employees hired after January 30, 2019 are not eligible to receive any benefit under the OPEB plan.
30+ Years of Service	Health, dental, vision insurance provided at District expense for retiree. Health and dental insurance provided at District expense for spouse/dependents at time of retirement.	Maximum monthly reimbursement of \$539.00 to retiree, spouse/dependents.	

**NOTE 10: POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)**

For the year ended December 31, 2025, the District’s contributions to the OPEB Plan were \$170,524.

Employees Covered by Benefit Terms – Membership in the OPEB Plan consisted of the following at the census date of December 31, 2024:

Inactive Employees or Beneficiaries Currently Receiving Benefits	13
Inactive Employees Entitled to but not yet Receiving Benefits	-
Active Employees	<u>20</u>
Total	<u><u>33</u></u>

**B. Net OPEB Liability**

Actuarial Methods and Assumptions – The District’s net OPEB liability was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated December 31, 2024 to determine the total OPEB liability as of December 31, 2025, based on the following actuarial methods and assumptions:

	<u>Actuarial Assumptions</u>
Valuation Date	December 31, 2024
Measurement Date	December 31, 2024
Actuarial Cost Method	Entry - Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.08%
Inflation	2.30%
Payroll Growth	2.80%
Healthcare Trend	7.90%, trending down to 4.04%
Mortality Rate	CalPers OPEB Assumption Model, dated November 17, 2021

The underlying mortality assumptions were based on the CalPERS OPEB Assumption Model, dated November 17, 2021, and all other actuarial assumptions used in the December 31, 2024 valuation were based on the results of a December 31, 2024 actuarial experience study for the period January 1, 2024 to December 31, 2024.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return Year</u>
Global Equity	49.00%	6.90%
Fixed Income	23.00%	4.10%
TIPS	5.00%	3.90%
Commodities	3.00%	4.60%
REITs	20.00%	6.30%
Total	<u><u>100.00%</u></u>	

**NOTE 10: POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)**

Discount Rate – The discount rate used to measure the total OPEB liability was 6.08%. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**C. Changes in Net OPEB Liability**

The changes in the net OPEB liability are as follows :

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balance at December 31, 2024	\$ 1,905,612	\$ 637,477	\$ 1,268,135
Changes Recognized for the Measurement Period:			
Service Cost	43,431	-	43,431
Interest on the total OPEB liability	112,836	-	112,836
Changes in benefit terms	-	-	-
Difference between expected and actual experience	85,168	-	85,168
Changes in assumptions	79,628	-	79,628
Contributions from the employer*	-	170,524	(170,524)
Net investment income	-	44,509	(44,509)
Administrative Expenses	-	(311)	311
Benefit payments and refunds	(53,572)	(53,572)	-
Other changes	-	-	-
Net changes	267,491	161,150	106,341
Balance at December 31, 2025	\$ 2,173,103	\$ 798,627	\$ 1,374,476

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balance at December 31, 2023	\$ 1,809,212	\$ 570,891	\$ 1,238,321
Changes Recognized for the Measurement Period:			
Service Cost	42,248	-	42,248
Interest on the total OPEB liability	107,097	-	107,097
Changes in benefit terms	-	-	-
Difference between expected and actual experience	1,027	-	1,027
Changes in assumptions	-	-	-
Contributions from the employer*	-	53,972	(53,972)
Net investment income	-	66,878	(66,878)
Administrative Expenses	-	(292)	292
Benefit payments and refunds	(53,972)	(53,972)	-
Other changes	-	-	-
Net changes	96,400	66,586	29,814
Balance at December 31, 2024	\$ 1,905,612	\$ 637,477	\$ 1,268,135

**NOTE 10: POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)**

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates – The following presents the net OPEB liability of the District, as well as what the District’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.08%) or 1- percentage-point higher (7.08%) than the current discount rate:

**Plan's Net OPEB Liability - 2025**

Discount Rate -1% (5.08%)	Current Discount Rate (6.08%)	Discount Rate1% (7.08%)
\$ 1,725,323	\$ 1,374,476	\$ 1,089,243

**Plan's Net OPEB Liability - 2024**

Discount Rate -1% (4.87%)	Current Discount Rate (5.87%)	Discount Rate1% (6.87%)
\$ 1,578,301	\$ 1,268,135	\$ 1,015,997

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

**Plan's Net OPEB Liability - 2025**

Health Care Cost Trend Rate -1%	Health Care Cost Trend Rates	Health Care Cost Trend Rate +1%
\$ 1,059,587	\$ 1,374,476	\$ 1,770,857

**Plan's Net OPEB Liability - 2024**

Health Care Cost Trend Rate -1%	Health Care Cost Trend Rates	Health Care Cost Trend Rate +1%
\$ 970,153	\$ 1,268,135	\$ 1,647,269

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

For the year ended December 31, 2025 and 2024, the District recognized OPEB expense of \$147,028 and \$123,283, respectively. At December 31, 2025 and 2024, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

As of December 31, 2025	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 85,329	\$ 146,373
Changes in assumptions	217,350	172,528
Net difference between projected and actual earnings on OPEB plan investments	6,780	-
Employer contributions made subsequent to the measurement date	173,965	-
Total	\$ 483,424	\$ 318,901

**NOTE 10: POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)**

As of December 31, 2024	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 16,138	\$ 171,710
Changes in assumptions	195,423	205,951
Net difference between projected and actual earnings on OPEB plan investments	26,821	-
Employer contributions made subsequent to the measurement date	170,520	-
Total	\$ 408,902	\$ 377,661

The \$173,965 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as pension expense as follows:

Year Ended December 31,	Annual Amortization
2026	\$ 23,854
2027	27,608
2028	(232)
2029	(29,482)
2030	(31,190)
Thereafter	\$ (9,442)

**NOTE 11: COMMITMENTS AND CONTINGENCIES**

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

The District's capital project commitments as of December 31, 2025 are as follows:

Project	Spent-to-Date	Remaining Commitment
Ella Well	\$ 755,825	\$ 554
Highland	2,662,537	1,445,358
FME-Madison	571,367	88,601
FME-Sylvan	60,690	1,044,492
Water System Master Plan	409,490	67,295

The District has no capital project commitments as of December 31, 2024.

**NOTE 12: ECONOMIC DEPENDENCY**

During 2025 and 2024, the District purchased 96.77% and 94.01%, respectively, of its water supply from the San Juan Water District (SJWD). Total purchases for the year ended December 31, 2025 and 2024 was \$3,116,737 and \$2,982,507, respectively. In addition, the District owns water transmission capacity entitlements through the cooperative transmission pipeline project owned and operated by SJWD.

**NOTE 13: INSURANCE**

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

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

Type of Coverage (Deductible)	ACWA/JPIA	Deductible
General and Auto Liability (Includes Public Officials)	\$55,000,000	None
Cyber Liability	3,000,000	None
Property Damage*	150,000,000	\$5,000-\$100,000
Crime	100,000	1,000
Workers Comensation Liability	4,000,000	None

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

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## **REQUIRED SUPPLEMENTARY INFORMATION**



**CITRUS HEIGHTS WATER DISTRICT**  
**Cost Sharing Multiple-Employer Plan**  
**Schedule of Proportionate Share of the Net Pension Liability**  
**As of December 31, for the Last Ten Years**

<i>Measurement Date</i>	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>
Plan Proportion of the Net Pension Liability	0.04802%	0.04717%	0.04565%	0.04500%
Plan Proportionate Share of the Net Pension Liability	\$ 4,155,588	\$ 4,677,711	\$ 4,399,273	\$ 4,611,042
Plan Covered Payroll	\$ 2,270,540	\$ 2,606,536	\$ 2,941,557	\$ 3,442,952
Plan Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	183.02%	179.46%	149.56%	133.93%
<b>The Pension Plan's (PERF-C) Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	78.85%	74.42%	77.74%	78.21%

**Notes to Schedule:**

Benefit Changes: There were no changes to the benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees by granting Two Years Additional Service Credit to members retiring during a specified period (also known as "Golden Handshakes").

Changes of Assumptions: There were no assumption changes in 2025. Effective with the June 30, 2024 valuation date.



**CITRUS HEIGHTS WATER DISTRICT**  
**Cost Sharing Multiple-Employer Plan**  
**Schedule of Proportionate Share of the Net Pension Liability**  
**As of December 31, for the Last Ten Years-Continued**

	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2024</u>	<u>6/30/2025</u>
	0.04483%	0.04318%	0.04961%	0.04963%	0.05012%	0.05011%
\$	4,877,315	\$ 2,335,284	\$ 5,730,637	\$ 6,191,187	\$ 6,077,953	\$ 5,125,787
\$	3,399,842	\$ 3,513,707	\$ 1,605,786	\$ 1,776,124	\$ 4,355,031	\$ 5,251,138
	143.46%	66.46%	356.87%	348.58%	139.56%	97.61%
	77.89%	89.82%	76.90%	76.31%	78.19%	82.63%



**CITRUS HEIGHTS WATER DISTRICT**  
**Cost Sharing Multiple-Employer Plan**  
**Schedule of Proportionate Plan Contributions**  
**As of December 31, for the Last Ten Years**

	2016	2017	2018	2019	2020
Actuarially Determined Contribution	\$ 504,996	\$ 584,230	\$ 650,169	\$ 649,707	\$ 695,780
Contribution in Relation to the Actuarially Determined Contribution	(505,031)	(584,230)	(650,169)	(699,672)	(695,780)
Contribution Deficiency (Excess)	\$ (35)	\$ -	\$ -	\$ (49,965)	\$ -
 Covered Payroll	 \$ 2,362,614	 \$ 4,244,825	 \$ 4,913,731	 \$ 5,121,318	 \$ 3,399,842
Contributions as a Percentage of Covered Payroll	21.38%	13.76%	13.23%	13.66%	20.47%

**Note to Schedule:**

Valuation Date: June 30, 2024

Methods and assumptions used to determine contribution rates:

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

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

Asset valuation method                      The Actuarial Value of Assets is set equal to the Fair Value of Assets. Asset values include accounts receivable.

Inflation    2.30%  
Payroll Growth                                      2.75%  
Projected Salary Increases                      Varies by Entry Age and Service  
Investment Rate of Return                      6.90% (net of pension plan investment and administrative expenses, includes inflation)  
Retirement Age                                    All other actuarial assumptions used in the June 30, 2023 valuation use the results of the 2021 CalPERS Experience Study and Review of Actuarial Assumptions, including updates to salary increases, mortality, and retirement rates, as a basis. Employers should refer to CalPERS' Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025, to obtain the required supplementary information for proper financial reporting.

Mortality    CalPERS developed the mortality table used based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale MP-2016. For more details on this table, please refer to the 2021 experience study report.



**CITRUS HEIGHTS WATER DISTRICT**  
**Cost Sharing Multiple-Employer Plan**  
**Schedule of Proportionate Plan Contributions**  
**As of December 31, for the Last Ten Years-Continued**

<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 909,262	\$ 816,336	\$ 815,884	\$ 1,035,826	\$ 994,484
<u>(909,262)</u>	<u>(816,336)</u>	<u>(815,884)</u>	<u>(1,035,826)</u>	<u>(994,484)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,237,486	\$ 1,605,786	\$ 1,776,124	\$ 4,355,031	\$ 5,251,138
28.09%	50.84%	45.94%	23.78%	18.94%



CITRUS HEIGHTS WATER DISTRICT  
 Schedule of Changes in the Net OPEB Liability and Related Ratios  
 As of December 31, for the Last Ten Years

Measurement Date	<u>12/31/2018</u>	<u>12/31/2019</u>	<u>12/31/2020</u>
<b>Total OPEB Liability</b>			
Service cost	\$ 25,905	\$ 26,682	\$ 37,106
Interest on the total OPEB liability	83,640	87,918	96,977
Change in benefit terms	-	-	-
Differences between expected and actual experiences	-	41,338	(17,427)
Changes in assumptions	-	23,239	-
Benefit payments	(41,228)	(42,527)	(46,768)
<b>Net change in total OPEB liability</b>	<b>68,317</b>	<b>136,650</b>	<b>69,888</b>
<b>Total OPEB liability - beginning</b>	<b>1,332,951</b>	<b>1,401,268</b>	<b>1,537,918</b>
<b>Total OPEB liability - ending (a)</b>	<b>1,401,268</b>	<b>1,537,918</b>	<b>1,607,806</b>
 <b>Plan Fiduciary Net Position</b>			
Contribution - employer	41,228	122,527	128,540
Net investment income	-	(1,658)	24,089
Benefit payments	(41,228)	(42,527)	(46,768)
Other miscellaneous income/(expense)	-	-	-
Administrative expense	-	(6)	(83)
<b>Net change in plan fiduciary net position</b>	<b>-</b>	<b>78,336</b>	<b>105,778</b>
<b>Plan fiduciary net position - beginning</b>	<b>-</b>	<b>-</b>	<b>78,336</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>-</b>	<b>78,336</b>	<b>184,114</b>
 <b>Net OPEB Liability - ending (a) - (b)</b>	<b>\$ 1,401,268</b>	<b>\$ 1,459,582</b>	<b>\$ 1,423,692</b>
 <b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	0.00%	5.09%	11.45%
 <b>Covered Payroll</b>	\$ 3,278,242	\$ 3,658,217	\$ 3,677,546
 <b>Net OPEB liability as a percentage of covered-employee payroll</b>	42.74%	39.90%	38.71%

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



CITRUS HEIGHTS WATER DISTRICT  
 Schedule of Changes in the Net OPEB Liability and Related Ratios  
 As of December 31, for the Last Ten Years- Continued

<u>12/31/2021</u>	<u>12/31/2022</u>	<u>12/31/2023</u>	<u>12/31/2024</u>	<u>12/31/2025</u>
\$ 47,435	\$ 50,011	\$ 44,622	\$ 42,248	\$ 43,431
102,103	114,224	122,099	107,097	112,836
(572)	-	-	-	-
(1,841)	(1,948)	(207,360)	1,027	85,168
364,838	(130,213)	(158,406)	-	79,628
(43,184)	(46,036)	(54,366)	(53,972)	(53,572)
<b>468,779</b>	<b>(13,962)</b>	<b>(253,411)</b>	<b>96,400</b>	<b>267,491</b>
<b>1,607,806</b>	<b>2,076,585</b>	<b>2,062,623</b>	<b>1,809,212</b>	<b>1,905,612</b>
<b>2,076,585</b>	<b>2,062,623</b>	<b>1,809,212</b>	<b>1,905,612</b>	<b>2,173,103</b>
145,837	189,734	189,666	53,972	170,524
39,073	40,575	(97,111)	66,878	44,509
(43,184)	(46,036)	(54,366)	(53,972)	(53,572)
23,195	-	-	-	-
(127)	(216)	(263)	(292)	(311)
<b>164,794</b>	<b>184,057</b>	<b>37,926</b>	<b>66,586</b>	<b>161,150</b>
<b>184,114</b>	<b>348,908</b>	<b>532,965</b>	<b>570,891</b>	<b>637,477</b>
<b>348,908</b>	<b>532,965</b>	<b>570,891</b>	<b>637,477</b>	<b>798,627</b>
<b>\$ 1,727,677</b>	<b>\$ 1,529,658</b>	<b>\$ 1,238,321</b>	<b>\$ 1,268,135</b>	<b>\$ 1,374,476</b>
16.80%	25.84%	31.55%	33.45%	36.75%
\$ 2,984,239	\$ 2,854,866	\$ 2,740,450	\$ 2,531,097	\$ 2,548,793
57.89%	53.58%	45.19%	50.10%	53.93%

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

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

**Notes to Schedule:**

Methods and assumptions used to determine contribution rates:

Valuation Date	December 31, 2024
Actuarial Cost Method	Entry Age Normal, Level Percentage of Salary
Amortization Method	Level percent of pay
Amortization Period	20 years
Asset Valuation Method	n/a
Discount Rate	6.08%
General Inflation	2.30%
Salary Increases	2.80%
Medical Trend	7.90% for 2025, decreasing to an ultimate rate of 4.90% in 2078
Mortality	Based on CalPERS Tables
Mortality Improvement	Mortality projected fully generational with Scale MP-18



<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 158,425	\$ 189,666	\$ 170,924	\$ 170,520	\$ 155,732
(189,734)	(140,592)	(175,938)	(191,619)	(170,524)
<u>\$ (31,309)</u>	<u>\$ 49,074</u>	<u>\$ (5,014)</u>	<u>\$ (21,099)</u>	<u>\$ (14,792)</u>
\$ 2,984,239	\$ 2,854,866	\$ 2,740,450	\$ 2,531,097	\$ 2,548,793
6.36%	4.92%	6.42%	7.57%	6.69%

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## STATISTICAL SECTION

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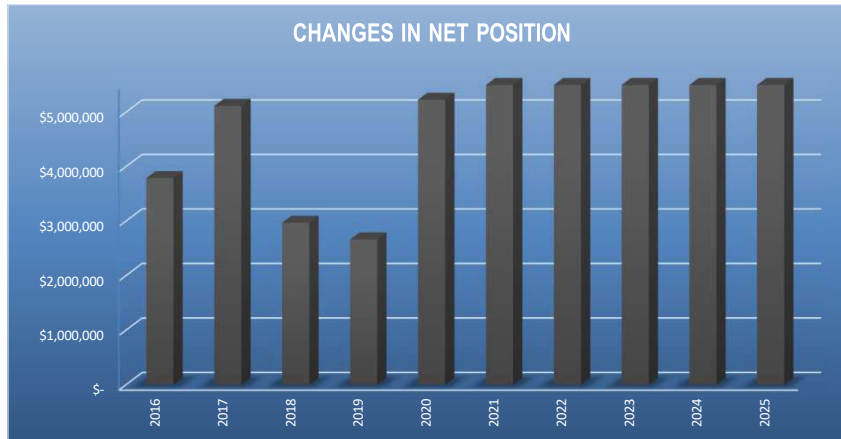
This section of the Citrus Heights Water District's (District) annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall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

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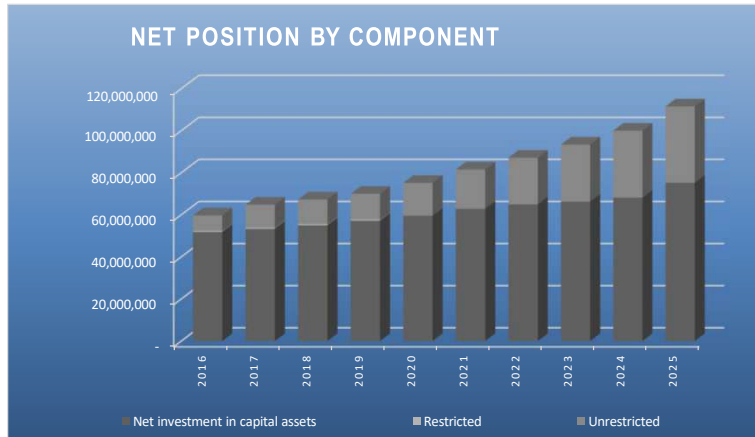
## **FINANCIAL TRENDS**

	2016	2017	2018	2019
<b>Changes in net position:</b>				
Operating revenues (see Schedule 2)	\$ 12,325,057	\$ 14,043,049	\$ 14,375,044	\$ 15,340,476
Operating expenses (see Schedule 3)	(7,043,963)	(7,534,381)	(9,531,439)	(11,230,314)
Depreciation and amortization	(2,203,170)	(2,345,281)	(2,388,634)	(2,435,900)
<b>Operating income(loss)</b>	<b>3,077,924</b>	<b>4,163,387</b>	<b>2,454,971</b>	<b>1,674,262</b>
<b>Non-operating revenues(expenses)</b>				
Investment income	38,313	63,531	159,437	214,962
Miscellaneous income	68,203	77,074	107,546	69,322
Groundwater transfers and sales	-	1,058,793	347,583	38,316
Interest expense	(155,214)	(145,911)	(147,540)	(124,346)
(Loss) gain on disposal of capital assets	(137,567)	(155,343)	(164,842)	(105,755)
<b>Total non-operating revenues(expenses), net</b>	<b>(186,265)</b>	<b>898,144</b>	<b>302,184</b>	<b>92,499</b>
<b>Net income before capital contributions</b>	<b>2,891,659</b>	<b>5,061,531</b>	<b>2,757,155</b>	<b>1,766,761</b>
<b>Capital Contributions</b>				
Grant Revenues	715	-	-	-
Capital contributions	896,688	55,813	213,121	898,084
<b>Changes in net position</b>	<b>\$ 3,789,062</b>	<b>\$ 5,117,344</b>	<b>\$ 2,970,276</b>	<b>\$ 2,664,845</b>
<b>Net position by component:</b>				
Prior Year adjustment	\$ -	\$ -	\$ -	\$ -
Net investment in capital assets	51,801,433	53,350,420	55,029,058	57,193,152
Restricted	533,796	535,733	541,475	542,660
Unrestricted	7,316,512	10,882,932	11,717,632	12,217,198
<b>Total net position</b>	<b>\$ 59,651,741</b>	<b>\$ 64,769,085</b>	<b>\$ 67,288,165</b>	<b>\$ 69,953,010</b>

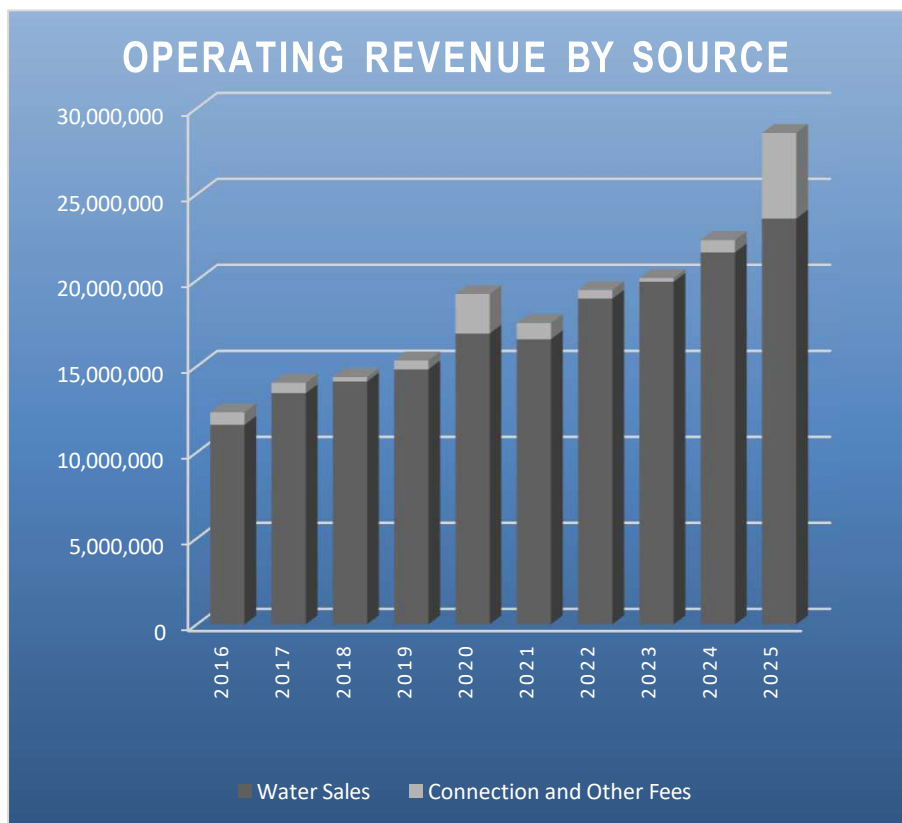


Source: District Administrative Services Department

2020	2021	2022	2023	2024	2025	
\$ 19,203,757	\$ 17,517,961	\$ 19,433,754	\$ 20,132,024	\$ 22,334,518	\$ 28,566,269	<b>Changes in net position:</b>
(11,787,520)	(10,994,641)	(11,599,450)	(12,902,517)	(14,358,074)	(16,131,951)	Operating revenues (see Schedule 2)
(2,469,339)	(2,485,902)	(2,594,333)	(2,668,321)	(2,676,870)	(2,865,696)	Operating expenses (see Schedule 3)
						Depreciation and amortization
<b>4,946,898</b>	<b>4,037,418</b>	<b>5,239,971</b>	<b>4,561,186</b>	<b>5,299,574</b>	<b>9,568,622</b>	<b>Operating income(loss)</b>
						<b>Non-operating revenues(expenses)</b>
116,981	(343)	(30,997)	1,438,634	1,260,199	1,761,275	Investment income
42,989	42,759	47,610	19,395	3,273	32,866	Miscellaneous income
-	-	-	-	-	-	Groundwater transfers and sales
(95,741)	(74,734)	(69,691)	(50,767)	(39,106)	(43,712)	Interest expense
(73,310)	(115,032)	(39,333)	21,674	2,603	18,903	(Loss) gain on disposal of capital assets
<b>(9,081)</b>	<b>(147,350)</b>	<b>(92,411)</b>	<b>1,428,936</b>	<b>1,226,969</b>	<b>1,769,332</b>	<b>Total non-operating revenues(expenses), net</b>
<b>4,937,817</b>	<b>3,890,068</b>	<b>5,147,560</b>	<b>5,990,122</b>	<b>6,526,543</b>	<b>11,337,954</b>	<b>Net income before capital contributions</b>
						<b>Capital Contributions</b>
290,182	2,474,459	440,679	243,443	63,154	210,826	Grant Revenues
						Capital contributions
<b>\$ 5,227,999</b>	<b>\$ 6,364,527</b>	<b>\$ 5,588,239</b>	<b>\$ 6,233,565</b>	<b>\$ 6,589,697</b>	<b>\$ 11,548,780</b>	<b>Changes in net position</b>
						<b>Net position by component:</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Prior Year adjustment
59,531,355	62,822,494	64,942,772	66,242,874	68,136,232	75,184,165	Net investment in capital assets
-	-	-	-	-	-	Restricted
15,649,654	18,723,042	22,191,003	27,124,117	31,820,456	36,321,303	Unrestricted
<b>\$ 75,181,009</b>	<b>\$ 81,545,536</b>	<b>\$ 87,133,775</b>	<b>\$ 93,366,991</b>	<b>\$ 99,956,688</b>	<b>\$ 111,505,468</b>	<b>Total net position</b>

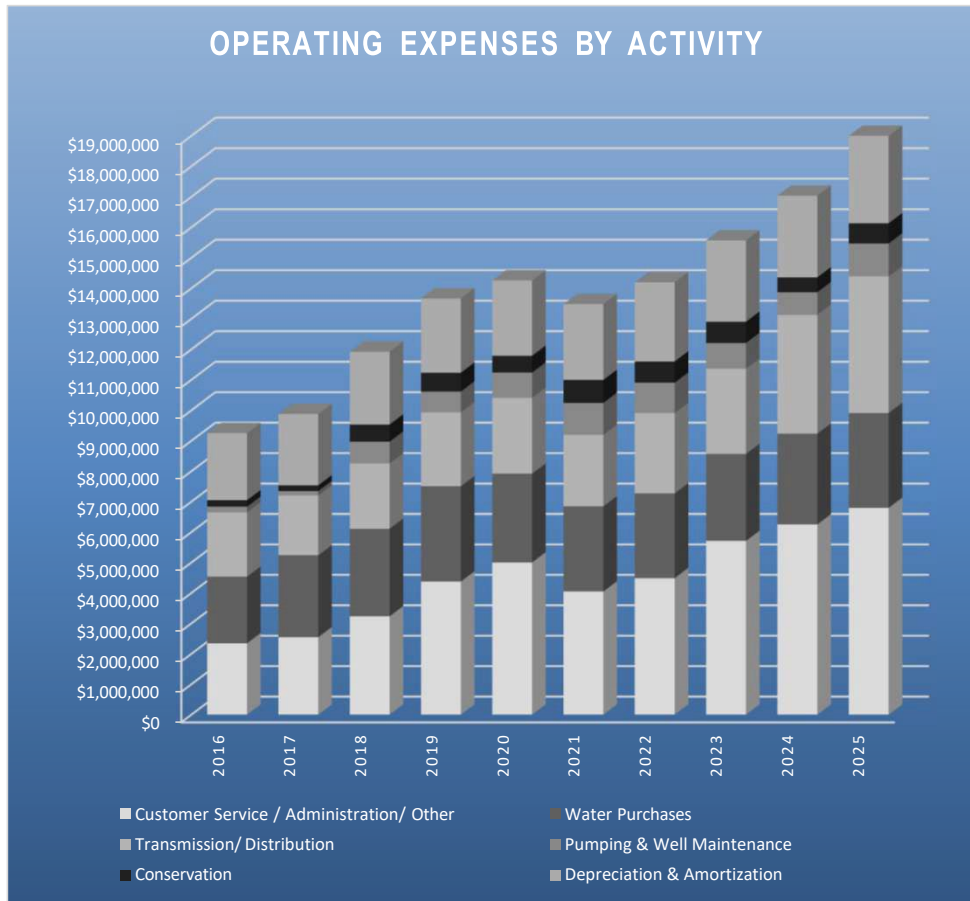


Fiscal Year	Water Sales	Connection and Other Fees	Total Operating Revenue
2016	11,602,622	722,435	12,325,057
2017	13,448,691	594,358	14,043,049
2018	14,119,865	255,179	14,375,044
2019	14,823,207	517,269	15,340,476
2020	16,908,986	2,294,771	19,203,757
2021	16,579,945	938,016	17,517,961
2022	18,934,457	499,297	19,433,754
2023	19,915,090	216,934	20,132,024
2024	21,621,835	712,683	22,334,518
2025	23,592,163	4,974,106	28,566,269



**Source:** District Administrative Services Department

Fiscal Year	Customer Service / Administration/ Other	Water Purchases	Transmission/ Distribution	Pumping & Well Maintenance	Conservation	Depreciation & Amortization	Total Operating Expenses
2016	2,342,957	2,190,061	2,114,019	184,776	212,150	2,203,170	9,247,133
2017	2,543,736	2,692,482	1,963,750	145,077	189,336	2,345,281	9,879,662
2018	3,228,919	2,878,799	2,142,451	717,562	563,708	2,388,634	11,920,073
2019	4,371,420	3,131,903	2,425,827	683,432	617,732	2,435,900	13,666,214
2020	4,999,639	2,917,535	2,490,474	826,804	553,068	2,469,339	14,256,859
2021	4,044,426	2,798,201	2,350,969	1,047,987	753,058	2,485,902	13,480,543
2022	4,481,946	2,785,929	2,637,991	996,949	696,635	2,594,333	14,193,783
2023	5,706,961	2,858,841	2,796,502	842,529	697,684	2,668,321	15,570,838
2024	6,248,835	2,982,507	3,896,342	742,415	487,975	2,676,870	17,034,944
2025	6,792,723	3,116,737	4,478,595	1,080,808	663,088	2,865,696	18,997,647

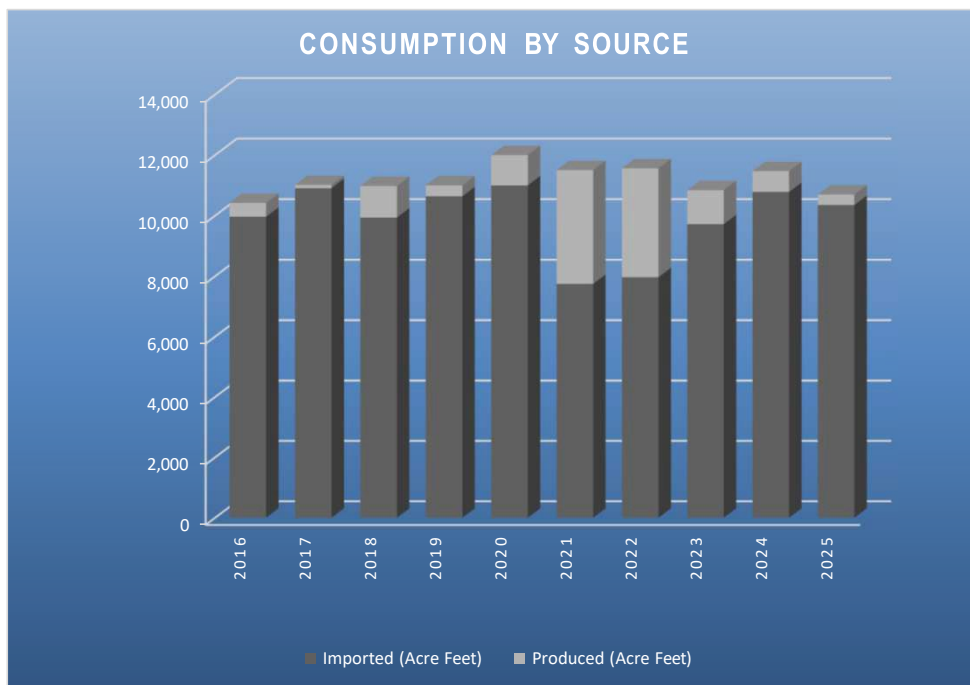


**Source:** District Administrative Services Department

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## **REVENUE CAPACITY**

Fiscal Year	Consumption (Acre Feet)	Water Supply		% Water Imported
		Imported (Acre Feet)	Produced (Acre Feet)	
2016	10,422.44	9,964.89	457.55	95.61%
2017	11,014.52	10,909.88	104.64	99.05%
2018	10,981.66	9,940.53	1,041.13	90.52%
2019	11,001.23	10,642.14	359.09	96.74%
2020	12,003.53	11,001.81	1,001.72	91.65%
2021	11,505.25	7,749.12	3,756.13	67.35%
2022	11,565.65	7,968.36	3,597.29	68.90%
2023	10,843.34	9,718.92	1,124.42	89.63%
2024	11,470.19	10,783.46	686.73	94.01%
2025	10,700.37	10,354.28	346.09	96.77%



**Source:** District Operations Department

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Flat Rate Accounts (Bimonthly) <sup>(1)</sup></b>										
Single Dwelling	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Duplex Dwelling (per duplex side)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Condominium Dwelling	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Apartments/Mobile Homes	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Irrigation Rate	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Metered Accounts <sup>(2)</sup></b>										
<b><u>Consumption (per unit ccf)</u></b>										
Tier 1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Tier 2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Tier 3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Per Unit CCF (No tiers)	\$ 0.8735	\$ 0.9871	\$ 1.0167	\$ 1.0674	\$ 1.1800	\$ 1.1800	\$ 1.1900	\$ 1.4300	\$ 1.6000	\$ 1.3500
<b><u>Service Charge (bimonthly)</u></b>										
Commercial/Domestic 3/4"	\$ 42.05	\$ 47.52	\$ 48.94	\$ 51.38	\$ 57.54	\$ 57.54	\$ 56.08	\$ 60.35	\$ 55.71	\$ 72.77
Commercial/Domestic 1"	63.98	72.30	74.46	78.18	87.29	87.29	91.33	94.69	101.28	120.05
Commercial/Domestic 1-1/2"	78.60	88.82	91.48	96.05	136.86	136.86	150.08	151.92	177.23	198.85
Commercial/Domestic 2"	151.69	171.41	176.55	185.37	196.35	196.35	220.58	220.60	268.37	293.41
Commercial/Domestic 3"	239.42	270.54	278.65	292.58	384.74	384.74	443.82	438.07	556.98	592.85
Commercial/Domestic 4"	473.35	534.89	550.93	578.47	662.36	662.36	773.14	758.81	982.30	1,034.13
Irrigation 3/4"	42.05	47.52	48.94	51.38	57.54	57.54	56.08	60.35	55.71	72.77
Irrigation 1"	63.98	72.30	74.46	78.18	87.29	87.29	91.33	94.69	101.28	120.05
Irrigation 1-1/2"	78.60	88.82	91.48	96.05	136.86	136.86	150.08	151.92	177.23	198.85
Irrigation 2"	151.69	171.41	176.55	185.37	196.35	196.35	220.58	220.60	268.37	293.41
Irrigation 3"	239.42	270.54	278.65	292.58	384.74	384.74	443.82	438.07	556.98	592.85
Irrigation 4"	473.35	534.89	550.93	578.47	662.36	662.36	773.14	758.81	982.30	1,034.13

**Notes:**

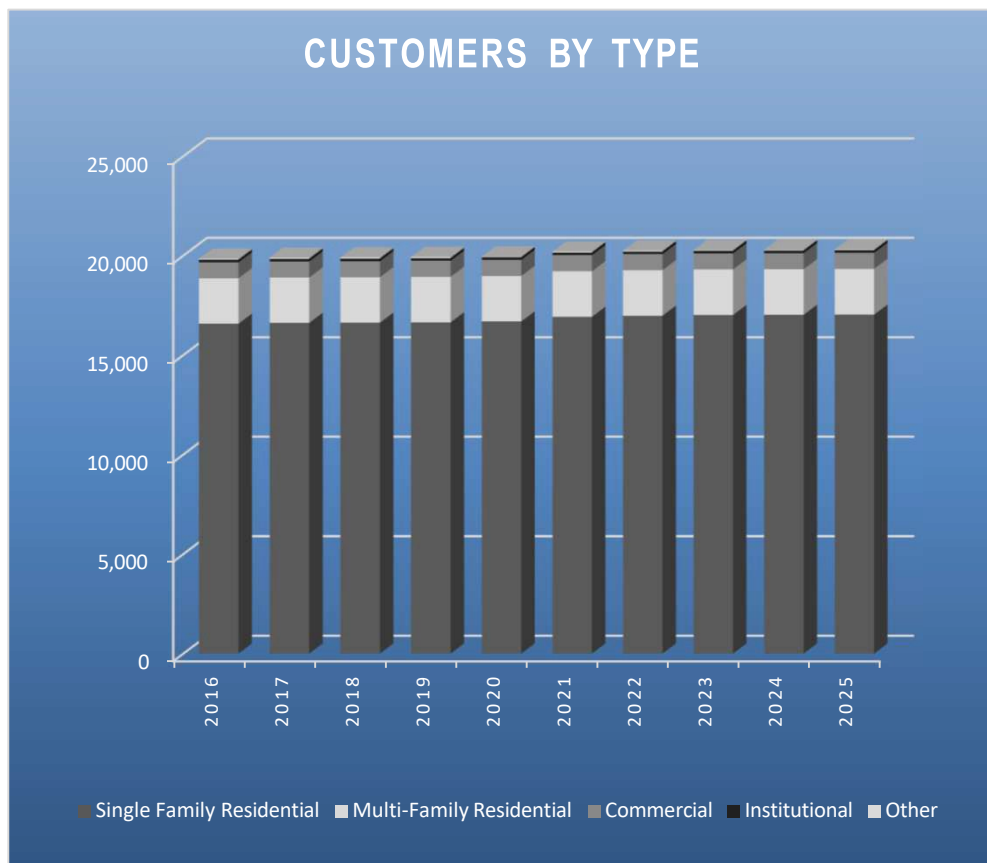
(1) The District completed the migration of Flat-Rate customers to meters in Fiscal Year 2012, and the Flat-Rate was eliminated for Fiscal Year 2013.

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

**Source:**

District Administrative Services Department

Fiscal Year	Single Family Residential	Multi-Family Residential	Commercial	Institutional	Other	Total
2016	16,576	2,283	802	131	59	19,851
2017	16,615	2,284	807	132	64	19,902
2018	16,627	2,284	807	132	61	19,911
2019	16,645	2,286	810	132	64	19,937
2020	16,691	2,288	809	132	38	19,958
2021	16,922	2,289	812	133	45	20,201
2022	16,978	2,289	807	133	44	20,251
2023	17,013	2,291	809	133	43	20,289
2024	17,023	2,291	809	133	45	20,301
2025	17,033	2,298	810	133	43	20,317



Source: District Administrative Services Department  
District Water Efficiency Department

Customer	2025	
	Billed Units (ccf's)	Percentage of Total
San Juan Unified School Distri	116,196	2.49%
Sunrise Recreation Park Dist	86,421	1.85%
JMK Investments	71,657	1.54%
JRK Investors	51,834	1.11%
Mt Vernon Memorial Park	41,075	0.88%
Conference Claimants Endowment	28,659	0.61%
Wedgewood Commons Apts LLC	26,991	0.58%
Salishan Apartments	25,204	0.54%
City of Citrus Heights	22,928	0.49%
Vertus Properties Inc.	22,571	0.48%
<b>Total Billed Units: Principal customers</b>	<b>493,536</b>	<b>10.59%</b>
<b>Total Billed Units</b>	<b>4,661,397</b>	<b>100.00%</b>

Customer	2015	
	Billed Units (ccf's)	Percentage of Total
JMK Investments	72,708	1.80%
JRK Investors	50,276	1.25%
Sunrise Recreation Park Dist	45,112	1.12%
San Juan Unified School Distri	44,560	1.11%
Conference Claimants Endowment	31,515	0.78%
Salishan Apartments	28,782	0.71%
Mt Vernon Memorial Park	24,458	0.61%
City of Citrus Heights	24,340	0.60%
Wedgewood Commons Apts LLC	23,511	0.58%
Vertus Properties Inc	22,274	0.55%
<b>Total Billed Units: Principal customers</b>	<b>367,536</b>	<b>9.12%</b>
<b>Total Billed Units</b>	<b>4,031,366</b>	<b>100.00%</b>

**Source:**  
 District Administrative Services Department

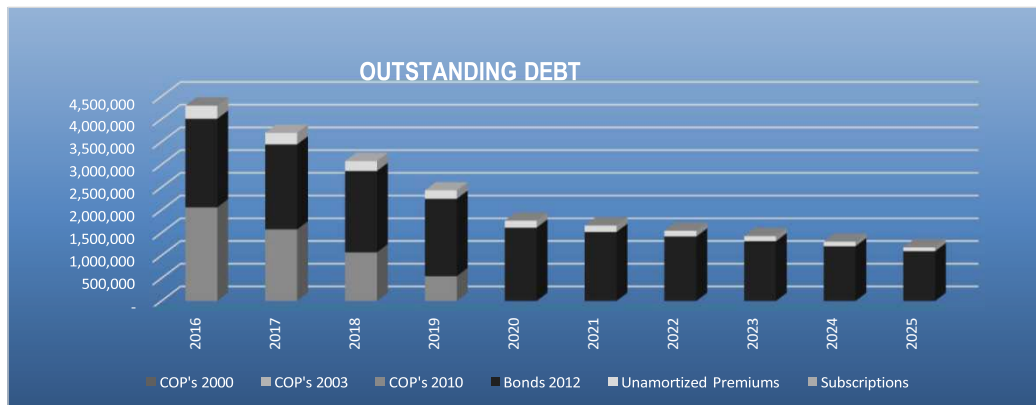
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## **DEBT CAPACITY**

Fiscal Year	Certificates of Participation 2000 <sup>(1)</sup>	Certificates of Participation 2003 <sup>(2)</sup>	Certificates of Participation 2010 <sup>(3)</sup>	Refunding Revenue Bonds 2012 <sup>(4)</sup>	Unamortized Premiums	Subscriptions	Total		
							Total Debt	No. of Connections <sup>(5)</sup>	Debt Per Capita (Rounded) <sup>(5)</sup>
2016	-	-	2,060,000	1,950,000	287,666	-	4,297,666	19,851	216.50
2017	-	-	1,575,000	1,870,000	252,847	-	3,697,847	19,902	185.80
2018	-	-	1,070,000	1,790,000	218,027	-	3,078,027	19,911	154.59
2019	-	-	545,000	1,705,000	183,208	-	2,433,208	19,937	122.04
2020	-	-	-	1,615,000	153,751	-	1,768,751	19,958	88.62
2021	-	-	-	1,520,000	140,381	-	1,660,381	20,201	82.19
2022	-	-	-	1,420,000	127,011	-	1,547,011	20,251	76.39
2023	-	-	-	1,315,000	113,641	85,379	1,514,020	20,289	74.62
2024	-	-	-	1,205,000	100,271	86,617	1,391,888	20,301	68.56
2025	-	-	-	1,095,000	86,901	229,453	1,411,354	20,317	69.47

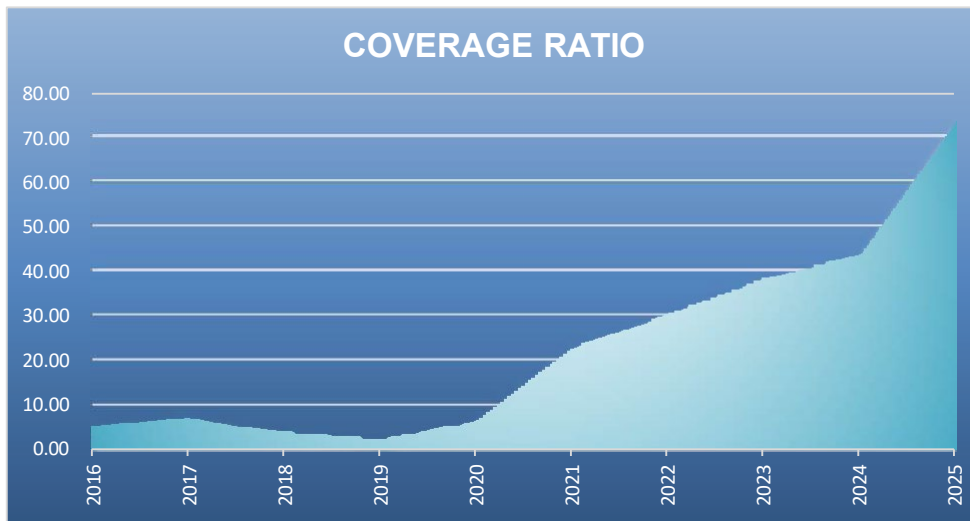
**Notes:**

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



Source: District Administrative Services Department

Fiscal Year	Net Revenues	Operating Expenses	Net Available Revenues	Debt Service			Coverage Ratio
				Principal	Interest	Total	
2016	13,190,694	(9,247,133)	3,943,561	520,000	155,214	675,214	5.84
2017	15,087,104	(9,879,662)	5,207,442	545,000	145,911	690,911	7.54
2018	15,037,889	(11,920,073)	3,117,816	565,000	147,540	712,540	4.38
2019	15,557,321	(13,666,214)	1,891,107	585,000	124,346	709,346	2.67
2020	19,290,417	(14,256,859)	5,033,558	635,000	95,741	730,741	6.89
2021	17,445,345	(13,480,543)	3,964,802	95,000	74,734	169,734	23.36
2022	19,411,034	(14,193,783)	5,217,251	100,000	69,691	169,691	30.75
2023	21,611,727	(15,570,838)	6,040,889	105,000	50,767	155,767	38.78
2024	23,600,593	(17,034,944)	6,565,649	110,000	39,106	149,106	44.03
2025	30,379,313	(18,997,647)	11,381,666	110,000	43,712	153,712	74.05



Source: District Administrative Services Department

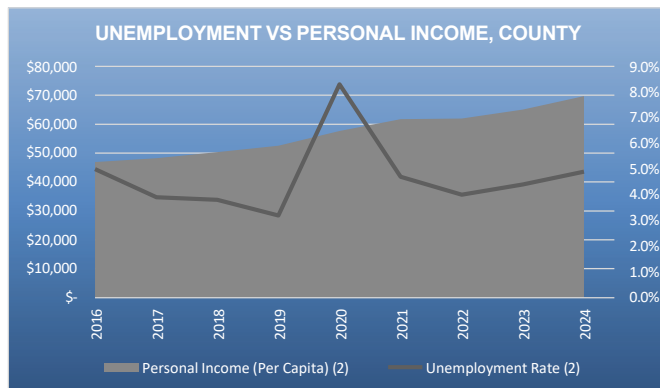
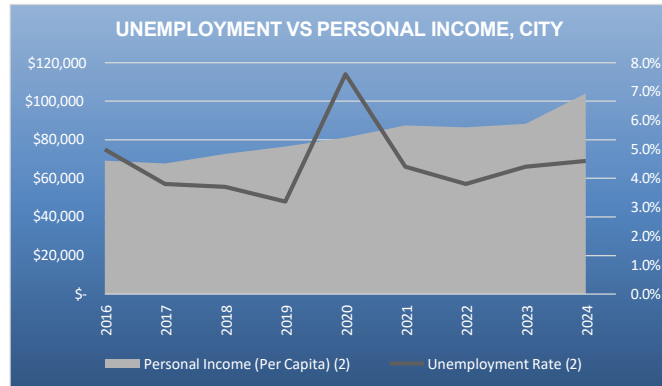
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## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

Fiscal Year	Total Number of Connections	City of Citrus Heights <sup>(1)</sup>				County of Sacramento <sup>(1)</sup>			
		Population <sup>(2)</sup>	Unemployment Rate <sup>(2)</sup>	Personal Income (thousands of dollars) <sup>(2)</sup>	Personal Income (Per Capita) <sup>(2)</sup>	Population <sup>(2)</sup>	Unemployment Rate <sup>(2)</sup>	Personal Income (thousands of dollars) <sup>(2)</sup>	Personal Income (Per Capita) <sup>(2)</sup>
2016	19,851	87,380	5.0%	6,043,288	69,161	1,527,967	5.0%	71,627,441	46,878
2017	19,902	87,931	3.8%	5,952,753	67,698	1,547,198	3.9%	74,690,008	48,274
2018	19,911	87,910	3.7%	6,388,859	72,675	1,561,413	3.8%	78,526,608	50,292
2019	19,937	87,796	3.2%	6,710,775	76,436	1,576,171	3.2%	82,829,648	52,551
2020	19,958	87,583	7.6%	7,102,719	81,097	1,586,566	8.3%	91,419,845	57,621
2021	20,201	87,404	4.4%	7,640,071	87,411	1,588,810	4.7%	98,112,318	61,752
2022	20,251	87,708	3.8%	7,581,480	86,440	1,584,380	4.0%	98,175,817	61,965
2023	20,289	86,239	4.4%	7,614,214	88,292	1,584,288	4.4%	103,143,749	65,104
2024	20,301	86,909	4.6%	9,042,534	104,046	1,611,231	4.9%	112,291,560	69,693
2025	20,317	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

**Notes:** (1) Demographic and economic statistics are provided for the City of Citrus Heights (City) and the County of Sacramento (County) because these statistics are not separately available for the District's service area. As the District is primarily comprised of some areas of the City, and unincorporated areas of the County, the District believes that data from the City and the County is representative of the conditions and experience of

(2) Data is not yet available for Fiscal Year 2025.



**Sources:** U.S. Bureau of Economic Analysis  
 U.S. Bureau of Labor Statistics  
 U.S. Census Bureau  
 State of California Employment Development Department

2025			
Employer	Employees	Rank	Percentage of Employment
State of California	118,130	1	16.82%
UC Davis Health	16,617	2	1.94%
County of Sacramento	13,653	3	1.80%
Kaiser Permanente	12,624	4	2.37%
United States Government	10,699	5	1.05%
Sutter Health	10,129	6	1.52%
Dignity Health	7,353	7	1.44%
San Juan Unified School District	5,499	8	0.72%
City of Sacramento	5,029	9	0.71%
Apple	5,000	10	0.78%
<u>Total</u>	<u>204,733</u>		<u>29.15%</u>
Total County Employment	702,500		100.00%

2016			
Employer	Employees	Rank	Percentage of Employment
State of California	73,676	1	11.39%
Sacramento County			
UC Davis Health	9,706	2	1.50%
Sutter Health	8,817	3	1.36%
Kaiser Permanente	6,464	4	1.00%
Dignity Health	6,286	5	0.97%
Intel Corporation	6,200	6	0.96%
Raley's Inc./Bel Air	3,289	7	0.51%
Apple Inc.	2,500	8	0.39%
VSP Global	2,415	9	0.37%
Health Net of California	2,299	10	0.36%
<u>Total</u>	<u>121,652</u>		<u>18.79%</u>
Total County Employment	647,067		100.00%

**Notes:**

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

**Source:**

Sacramento Business Journal  
Sacramento County Annual Comprehensive Financial Report

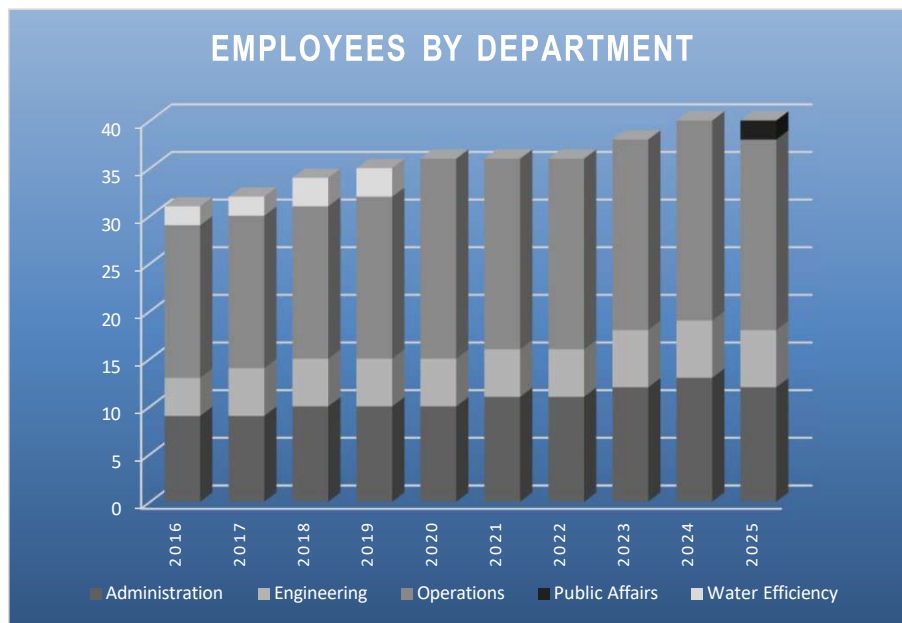
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## **OPERATING INFORMATION**

Department	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Administration	9	9	10	10	10	11	11	12	13	12
Engineering	4	5	5	5	5	5	5	6	6	6
Operations	16	16	16	17	21	20	20	20	21	20
Water Efficiency	2	2	3	3	0	0	0	0	0	0
Public Affairs	0	0	0	0	0	0	0	0	0	2
<b>Total</b>	<b>31</b>	<b>32</b>	<b>34</b>	<b>35</b>	<b>36</b>	<b>36</b>	<b>36</b>	<b>38</b>	<b>40</b>	<b>40</b>

**Notes:**

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



**Source:** District Administrative Services Department

Fiscal Year	Total Connections	Total Annual Demand (Acre Feet)	Pipeline (mi)	Wells	Meters	Hydrants
2015	19,785	9,973.47	245.56	4	19,594	2,087
2016	19,851	10,422.44	248.19	5	19,789	2,133
2017	19,902	11,014.52	249.31	6	19,912	2,160
2018	19,911	10,981.66	249.97	6	20,007	2,181
2019	19,937	11,001.23	250.26	6	20,043	2,368
2020	19,958	12,003.53	251.97	6	20,060	2,373
2021	20,201	11,505.25	252.57	6	20,282	2,367
2022	20,251	11,565.65	253.74	6	20,300	2,170
2023	20,289	10,843.34	254.91	6	20,329	2,190
2024	20,301	11,470.19	253.65	6	20,361	2,176
2025	20,317	10,700.37	253.15	6	20,379	2,168

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

## **ATTACHMENT 2**

Report on Internal Control and Required  
Communications for the Year Ended  
December 31, 2025



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Citrus Heights Water District (the "District"), as of and for the year ended December 31, 2025, and 2024 the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 28, 2026.

### Report on Internal Control over Financial Reporting

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

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

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

### Report on Compliance and Other Matters

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



To the Honorable Members of the Board of Directors  
Citrus Heights Water District

**Purpose of This Report**

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

*LSL, LLP*

Sacramento, California  
May 28, 2026