

**BOARD MEETING AGENDA
SPECIAL MEETING OF THE BOARD OF DIRECTORS OF
CITRUS HEIGHTS WATER DISTRICT (CHWD)
NOVEMBER 8, 2017 beginning at 6:30 PM**



**RUSCH PARK COMMUNITY CENTER – SUNRISE/PATIO ROOM
7801 AUBURN BOULEVARD, CITRUS HEIGHTS, CA**

****Please Note Change in Location for this Meeting****

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.

CALL TO ORDER:

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

ROLL CALL OF DIRECTORS:

PLEDGE OF ALLEGIENCE:

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: (A/I)

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.

None.

PUBLIC HEARING:

PH-1. Discussion and Possible Action to Approve the 2018 Budget (A)

- a. Conduct Public Hearing on 2018 Operating Budget, Capital Improvement Budget, and Transfers to Designated Reserves.
- b. Consider adoption of Resolution 13-2017 Establishing Fiscal Year 2018 Budget.

PH-2. 2018 Water Rates and Miscellaneous Charges and Fees (A)

- a. Conduct Public Hearing on 2018 Water Rates and Miscellaneous Charges and Fees.

- b. Consider adoption of Resolution 14-2017 Establishing Water Rates and Miscellaneous Charges and Fees for Fiscal Year 2018.

PH-3. 2018 Capacity Charges (A)

- a. Conduct Public Hearing on 2018 Capacity Charges.
- b. Consider adoption of Resolution 15-2017 Establishing Capacity Charges for Fiscal Year 2018.

BUSINESS:

None.

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

None.

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

None.

MANAGEMENT SERVICES REPORTS (I):

None.

CORRESPONDENCE:

None.

CLOSED SESSION:

None.

FUTURE CHWD BOARD OF DIRECTORS MEETING DATES:

November, 15, 2017	6:30 PM	Regular Meeting
December 20, 2017	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 54955.



Hilary M. Straus, General Manager/Secretary

Dated: November 2, 2017

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS NOVEMBER 08, 2017 SPECIAL MEETING

SUBJECT : DISCUSSION AND POSSIBLE ACTION TO APPROVE THE 2018 BUDGET
 STATUS : Action Item
 REPORT DATE : November 01, 2017
 PREPARED BY : Susan K. Sohal, Administrative Services Manager

OBJECTIVE:

Conduct a Public Hearing for the proposed Operating and Capital Improvement Budgets, and Transfers to Designated Reserves for 2018, and consider adoption of a resolution establishing the Fiscal Year 2018 Operating and Capital Improvement Budgets, and Transfers to Designated Reserves.

SUMMARY:

This report presents the proposed Operating and Capital Improvement Budgets, and Transfers to Designated Reserves for 2018. Accompanying this report is a copy of a proposed resolution, Resolution 13-2017, establishing the Fiscal Year 2018 Operating and Capital Improvement Budgets, and Transfers to Designated Reserves, which includes a summary of these budgets in the following amounts:

2018 Operating Budget:	\$ 12,156,588
2018 Capital Improvement appropriations:	
New Capital Projects Request for 2018:	\$ 4,871,993
Previously-Approved Projects Carried Over from 2017:	<u>\$ 1,753,766</u>
Total 2017 Capital Improvements Requests:	\$ 6,625,759
2018 Transfers to Designated Reserves:	\$ 1,762,000

Budget information and rate options have been reviewed by the Board of Directors at three public meetings, including at an August 30, 2017 Budget Study Session, a September 13, 2017 Board meeting and this Public Hearing on November 08, 2017. Moreover, the proposed 2018 CHWD budget, rate program and the District’s work program were presented to eleven neighborhood associations throughout Citrus Heights and Orangevale, to two service clubs within Citrus Heights, and to the Citrus Heights City Council.

2018 Operating Budget

The 2018 Operating Budget was prepared with the goal of supporting the District’s mission of providing a dependable supply of safe, quality water delivered in an efficient, responsive and affordable manner. Moreover, the proposed 2018 Operating Budget incorporates Strategic Planning goals and objectives identified by the Board, with input from leadership staff, at the Board’s Strategic Planning Session held on June 01, 2017. District staff recommends the proposed 2018 Operating Budget as it reflects a balance between maintaining high-quality water service and keeping costs in check.

The 2018 budget continues the practice of estimating the amount of staff time to be spent working on capital improvement projects and allocating the estimated salary and benefit costs to the Capital Improvement

Budget. This allocation gives a more accurate picture of the true cost of both day-to-day operations and capital improvements. The 2018 proposed budget allocates \$550,000 of staff salary and benefits to capital projects.

Highlights of proposed 2018 expenditures are summarized below.

Operating Budget

- An 8% aggregate increase of treated water cost from San Juan Water District due to a projected 9% rate increase and anticipated increase in consumption. The projected quantity of water estimated to be purchased is 12,500 AF, which is greater than the projected 2017 total water purchased.
- \$1.61 million increase in Professional Services, including many Strategic Planning items, for the planning of the Project 2030 Study, Water Meter Replacement Program, Aquifer Storage Recovery (ASR) Study, District policy review/update, rebuild of the rate model, review of the CEQA process for CIP's, review of easements, LAFCo and annexations, website redesign, Water Supply Agreement, and Intertie Agreement updates.
- \$185,840 increase in Employee Retirement Benefits for the OPEB Unfunded Actuarial Liability (UAL) payment as part of a 20 year payoff and CalPERS UAL payment as part of 15 year payoff.
- \$46,615 increase in annual permit fees by the State Water Control Resources Board.
- \$35,000 increase in Election Expense for the 2018 elections for placing a District election on the Sacramento and Placer County ballots.

Capital Improvements Budget

New Capital Projects Request for 2018:	\$ 4,871,992
Previously-Approved Projects Carried Over from 2017:	<u>\$ 1,753,766</u>
Total 2018 Capital Improvements Requests:	\$ 6,970,759

Highlights of proposed 2018 Capital Projects are summarized below:

- Replacement of annual aging customer water services budgeted at \$850,000.
- Five water main replacement or installation projects, scheduled to start design in 2018 with construction targeted for 2019 at a total cost of \$2.03 million.
- Equipment replacements and new equipment totaling \$567,000 for 2018, including carryover amount of Upgrades/Replacements to the Document Management System and Server Upgrades from 2017 for \$387,000.
- Groundwater Well property acquisition carryover of \$770,000
- Groundwater Well No. 7, with design scheduled to start in 2018 at a total cost of \$257,500

Designated Reserves Transfers:

- Reflects a transfer of \$100,000 to replenish the Rate Stabilization Reserve in 2018. Note – \$66,000 in 2019 is proposed to be transferred to complete the replenishment of the Reserve due to the 2015 drawdown of \$366,000 as a result of the drought.
- Accrual of the Water Efficiency Reserve of \$50,000.
- Accrual of the Water Supply Reserve of \$1,150,000.
- Maintain transfer of \$300,000 into the Water Meter Replacement Reserve for accrual of funds toward Meter Replacements at the end of their useful life, projected to start in 2025.

Total Operating and Capital Budgets for 2018:

Total New Funding Requirements for 2018 Budgets: \$18.79 million
(Operating Budget + CIP Budget + Transfers to Designated Reserves)
(\$12.16 million + \$4.87 million + \$1.76 million = \$18.78 million)

Previously Approved CIP Budget Carryover: \$ 1.75 million
(2017 Projects carried forward to 2018)

Total Budget for 2018: \$20.54 million

RECOMMENDATION:

1. Conduct a Public Hearing on the proposed Budget for 2018, and Transfers to Designated Reserves; and
2. Adopt Resolution 13-2017, establishing the Fiscal Year 2018 Budget, and Transfers to Designated Reserves.

ACTION:

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

ATTACHMENTS:

1. 2018 Proposed Total Budget Summary
2. Resolution 13-2017, establishing the Fiscal Year 2018 Operating (Exhibit A) and Capital Improvement Budgets (Exhibit B), and Transfers to Designated Reserves (Exhibit C)

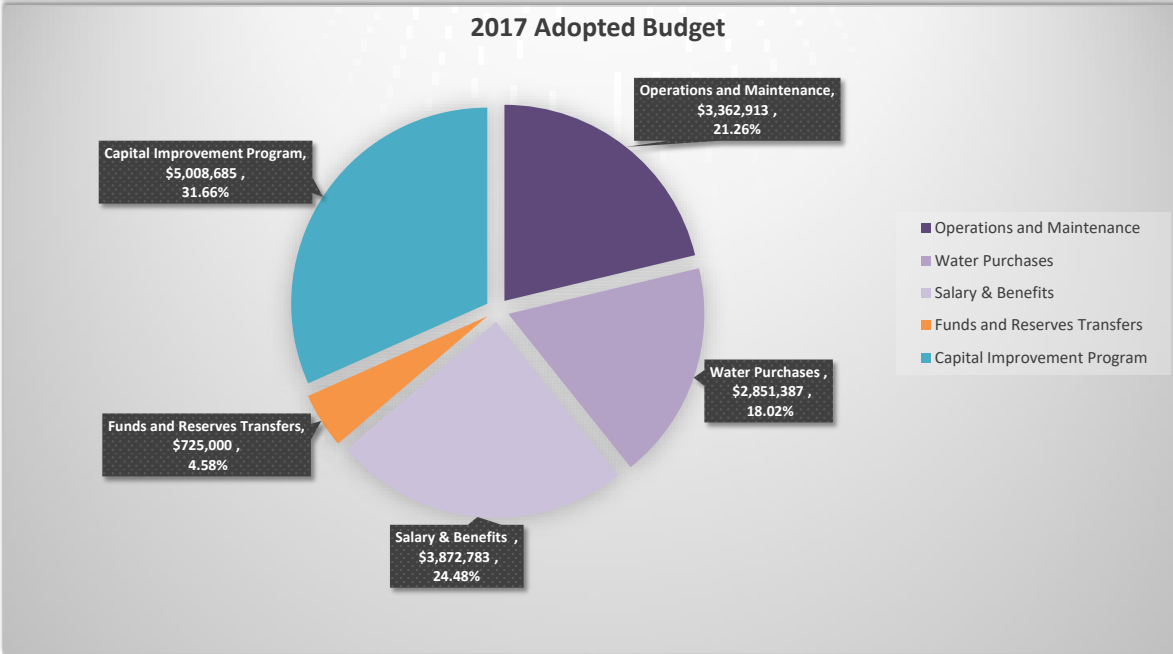
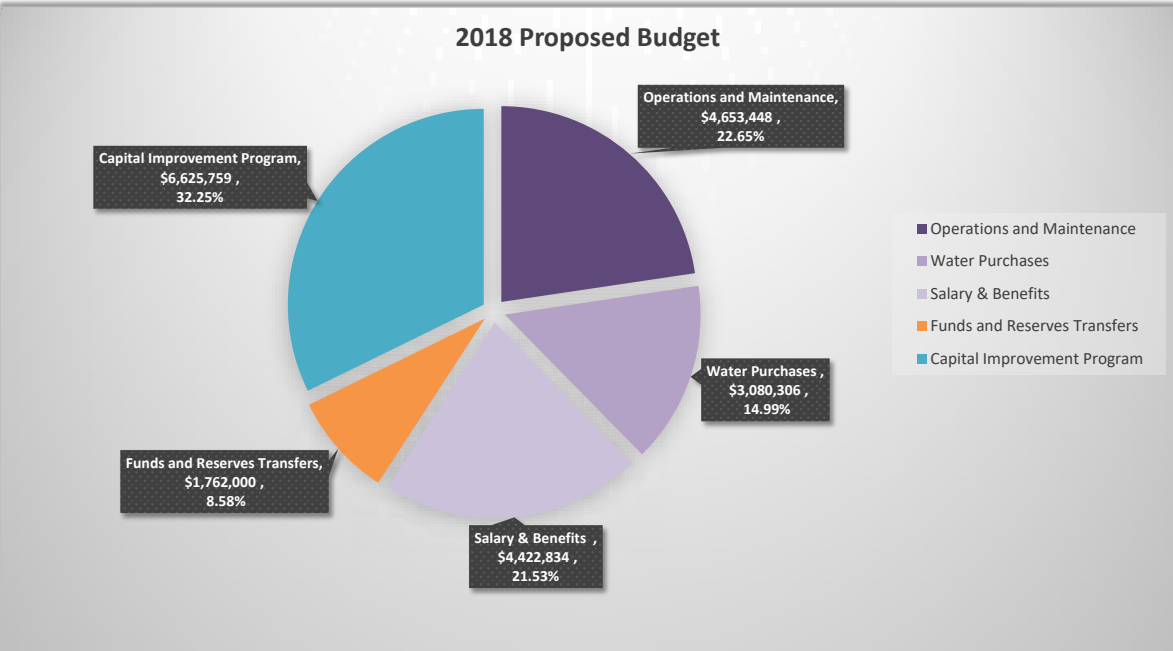
Attachment 1

2018 Proposed Total Budget Summary

**CITRUS HEIGHTS WATER DISTRICT
2018 PROPOSED BUDGET SUMMARY**

Proposed: November 08, 2017

<i>Expense Category</i>	<i>2016 Budget</i>	<i>2016 Actual</i>	<i>2017 Budget</i>	<i>2017 Projected</i>	<i>2018 Proposed Budget</i>	<i>% Change 2017 vs. 2018</i>
Operations and Maintenance	\$ 3,097,032	\$ 2,625,528	\$ 3,362,913	\$ 2,811,461	\$ 4,653,448	38.38%
Water Purchases	\$ 2,387,701	\$ 2,190,061	\$ 2,851,387	\$ 2,737,020	\$ 3,080,306	8.03%
Salary & Benefits	\$ 3,597,333	\$ 3,429,887	\$ 3,872,783	\$ 3,785,539	\$ 4,422,834	14.20%
Funds and Reserves Transfers	\$ 100,000	\$ 100,000	\$ 725,000	\$ 725,000	\$ 1,762,000	143.03%
Capital Improvement Program	\$ 1,960,664	\$ 1,960,664	\$ 5,008,685	\$ 5,008,685	\$ 6,625,759	32.29%
	\$ 11,142,730	\$ 10,306,141	\$ 15,820,767	\$ 15,067,705	\$ 20,544,347	29.86%



Attachment 2

Resolution 13-2017, establishing the Fiscal Year 2018
Operating and Capital Improvement Budgets

CITRUS HEIGHTS WATER DISTRICT
RESOLUTION NO. 13-2017

RESOLUTION ESTABLISHING
FISCAL YEAR 2018 BUDGET
FOR CITRUS HEIGHTS WATER DISTRICT

WHEREAS, CITRUS HEIGHTS WATER DISTRICT has identified the costs of operating the District, providing capital improvements to the infrastructure of the District, and transfers to designated reserves for the Fiscal Year beginning January 1, 2018; and

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

Operating Budget: \$12,156,588; Capital Improvement Budget: \$6,970,759; and Transfers to Designated Reserves: \$1,762,000; and

WHEREAS, a noticed Public Hearing was held on November 08, 2017 for the purpose of receiving public comment on the proposed Fiscal Year 2018 Operating and Capital Improvement Budgets.

THEREFORE BE IT RESOLVED the Fiscal Year 2018 Operating (Exhibit A), Capital Improvement (Exhibit B) Budgets, and Transfers to Designated Reserves (Exhibit C), accompanying this resolution and incorporated herein as part of this Resolution, are hereby adopted.

PASSED AND ADOPTED by the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT, this 08th day of November, 2017, by the following vote, to-wit:

AYES: Directors: Sheehan, Riehle, Dains
NOES: Directors: None
ABSTAIN: Directors: None
ABSENT: Directors: None

S E A L

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

ATTEST:

HILARY M. STRAUS, Secretary

CITRUS HEIGHTS WATER DISTRICT
2018 PROPOSED OPERATING BUDGET SUMMARY

Proposed: November 08, 2017

<u>Revenue Category</u>	<i>2016 Budget</i>	<i>2016 Actual</i>	<i>2017 Budget</i>	<i>2017 Projected</i>	<i>2018 Proposed Budget</i>	<i>% Change 2017 vs. 2018</i>
Rate Revenue	\$ 12,190,257	\$ 11,749,505	\$ 12,840,995	\$ 14,877,902	\$ 14,952,292	16.44%
Fees and Penalties	\$ 273,007	\$ 603,774	\$ 338,215	\$ 450,000	\$ 456,000	34.83%
Grants/Other	\$ 120,510	\$ 766,848	\$ 120,509	\$ 319,746	\$ 120,000	-0.42%
	<u>\$ 12,583,774</u>	<u>\$ 13,120,127</u>	<u>\$ 13,299,719</u>	<u>\$ 15,647,648</u>	<u>\$ 15,528,292</u>	<u>16.76%</u>

<u>Expense Category</u>	<i>2016 Budget</i>	<i>2016 Actual</i>	<i>2017 Budget</i>	<i>2017 Projected</i>	<i>2018 Proposed Budget</i>	<i>% Change 2017 vs. 2018</i>
Operations and Maintenance	\$ 3,097,032	\$ 2,625,528	\$ 3,362,913	\$ 2,811,461	\$ 4,653,448	38.38%
Water Purchases	\$ 2,387,701	\$ 2,190,061	\$ 2,851,387	\$ 2,737,020	\$ 3,080,306	8.03%
Salary & Benefits	\$ 3,597,333	\$ 3,429,887	\$ 3,872,783	\$ 3,785,539	\$ 4,422,834	14.20%
	\$ 9,082,066	\$ 8,245,477	\$ 10,087,082	\$ 9,334,020	\$ 12,156,588	20.52%
Net Contribution To Reserves	\$ 3,501,708	\$ 4,874,651	\$ 3,212,637	\$ 6,313,628	\$ 3,371,704	

CITRUS HEIGHTS WATER DISTRICT
2018 PROPOSED OPERATING BUDGET SUMMARY
Proposed: November 08, 2017

<i>Account</i>	<i>Description</i>	<i>2016 Budget</i>	<i>2016 Actual</i>	<i>2017 Budget</i>	<i>2017 Projected</i>	<i>2018 Proposed Budget</i>	<i>\$ Change</i>
<i>Customer Service & Administration</i>							
	DIRECTORS MEETING COMPENSATION	20,300	14,790	20,010	20,000	20,700	690
	RETIREE HEALTH CARE BENEFIT	43,547	89,307	49,300	49,300	50,533	1,233
	CONTRACT SERVICES - OFFICE REPAIRS / MAINT	2,000	1,982	4,000	7,468	15,000	11,000
	MAINTENANCE AGREEMENTS - SOFTWARE	134,332	139,471	129,632	129,046	135,931	6,300
	EQUIPMENT RENTAL & MAINT - OFFICE & BUILDING EQUIPMENT	14,366	11,190	14,142	14,017	20,382	6,240
	JANITORIAL	11,100	12,811	16,505	16,318	16,505	-
	BANK FEES	71,000	90,099	70,000	68,145	72,880	2,880
	OFFICE EXPENSE	15,000	14,652	17,000	16,620	17,000	-
	SMALL OFFICE EQUIPMENT	2,000	48,297	8,000	7,935	8,000	-
	DUES & SUBSCRIPTIONS	112,210	96,639	132,135	127,212	143,129	10,994
	POSTAGE	103,000	130,211	119,000	116,789	119,000	-
	PRINTING	7,700	2,863	14,000	13,954	17,700	3,700
	TELEPHONE - LOCAL / LONG DISTANCE	12,500	25,422	22,700	21,483	22,700	-
	UTILITIES	19,700	20,289	20,700	20,555	32,300	11,600
	INSURANCE - LIABILITY & COMPREHENSIVE	75,300	81,897	75,000	80,204	85,000	10,000
	LEGAL & AUDIT	78,900	81,375	94,000	94,000	326,000	232,000
	CONTINUED EDUCATION	45,780	45,150	71,420	71,420	102,990	31,570
	PROFESSIONAL / CONTRACT SERVICES - OFFICE LABOR	130,000	52,788	15,000	25,000	20,000	5,000
	PROFESSIONAL / CONTRACT SERVICES - BILL PRINT/MAIL	27,600	30,027	30,000	30,000	30,000	-
	PROFESSIONAL / CONTRACT SERVICES - FINANCIAL	5,000	25,042	45,000	18,300	81,000	36,000
	PROFESSIONAL / CONTRACT SERVICES - OTHER	133,460	141,024	121,760	121,760	301,300	179,540
	ELECTION EXPENSE	29,000	1,669	-	250	35,500	35,500
	PUBLICATION NOTICES	1,500	672	1,500	1,417	1,500	-
	OFFICE MISC - MEETING ACCOMODATIONS	2,000	1,834	7,000	7,000	9,500	2,500
	OFFICE MISC - OTHER	2,200	2,242	2,200	2,200	2,200	-
	COMPUTER SOFTWARE	3,700	1,150	3,700	3,700	3,700	-
	BAD DEBT EXPENSE	-	5,580	5,000	2,538	5,000	-
	OFFICE MISC - DISTRICT EVENTS	5,110	6,291	5,690	5,690	10,830	5,140
	OFFICE MISC - MILESTONE EVENTS	5,100	7,083	5,500	5,500	6,500	1,000
<i>Debt Service</i>							
	DEBT SERVICE - COP SERIES 2010	571,200	100,359	567,400	567,400	568,000	600
	DEBT SERVICE - COP SERIES 2012	169,063	89,074	171,338	171,338	167,936	(3,402)

<i>Account</i>	<i>Description</i>	<i>2016 Budget</i>	<i>2016 Actual</i>	<i>2017 Budget</i>	<i>2017 Projected</i>	<i>2018 Proposed Budget</i>	<i>\$ Change</i>
<i>Pumping and Well Maintenance</i>							
	POWER TO WELLS	244,904	150,571	203,684	158,949	149,418	(54,266)
	WELLS - REPAIR / MAINTENANCE	22,000	8,322	24,700	11,041	26,000	1,300
<i>Salary & Benefits</i>							
	INSURANCE - DISABILITY & LIFE	28,300	27,747	34,726	34,815	35,369	643
	INSURANCE - WORKER'S COMPENSATION	54,319	59,148	54,319	60,000	63,000	8,681
	EMPLOYEE BENEFIT - VISION INSURANCE	5,100	10,398	9,036	8,948	9,789	753
	EMPLOYEE BENEFIT - DENTAL INSURANCE	43,200	45,924	37,200	37,217	48,000	10,800
	EMPLOYEE BENEFIT - HEALTH INSURANCE	375,272	342,484	389,720	392,378	417,756	28,036
	EMPLOYEE BENEFIT - RETIREMENT	422,544	456,926	590,705	590,274	778,741	188,036
	EMPLOYEE BENEFIT - SOCIAL SECURITY	153,444	153,429	180,205	180,637	201,249	21,044
	EMPLOYEE BENEFIT - MEDICARE	35,886	38,644	42,145	42,145	47,066	4,922
	EMPLOYEE BENEFIT - UNEMPLOYMENT INSURANCE	7,875	8,189	8,400	8,400	8,400	-
	EMPLOYEE BENEFIT - HEALTH INSURANCE REIMBURSEMENT	26,000	24,974	30,000	30,000	30,000	-
	EMPLOYEE SALARY AND BENEFITS - ALLOCATION TO CAPITAL PROJECTS	(339,867)	(397,240)	(550,000)	(550,000)	(550,000)	-
	SALARY - MANAGERS (4 positions)	676,194	654,996	590,584	\$578,676	638,839	48,255
	SALARY - ADMINISTRATION & CUSTOMER SERVICE (7 authorized positions)	501,000	434,485	564,901	564,901	668,757	103,856
	SALARY - FIELD / O&M (17 authorized positions)	1,118,893	1,169,781	1,288,979	1,243,979	1,383,946	94,967
	STANDBY DUTY	17,940	17,475	17,940	17,940	17,940	-
	SALARY -WATER DEMAND MANAGEMENT (2 authorized positions)	156,088	165,433	187,091	187,091	250,977	63,886
	SALARY - ENGINEERING (4 positions)	315,145	217,094	408,740	358,138	373,005	(35,735)
<i>Transmission and Distribution</i>							
	COOPERATIVE TRANSMISSION PIPELINE MAINTENANCE	5,000	-	5,000	-	5,000	-
	WATER QUALITY ANALYSIS	41,000	25,883	24,532	24,471	32,732	8,200
	FIELD MISCELLANEOUS - DUMP FEES	1,000	1,245	4,000	3,956	4,000	-
	FIELD MISCELLANEOUS - OTHER	1,000	123	1,000	1,026	1,000	-
	SMALL TOOLS - FIELD	23,400	33,980	40,000	39,753	50,000	10,000
	SUPPLIES - FIELD	19,000	22,886	25,000	9,895	25,000	-
	MATERIALS	6,000	288,911	20,000	69,920	20,000	-
	ROADBASE	20,000	32,135	25,000	14,998	35,000	10,000
	CONTRACT SERVICES - CONCRETE	8,000	1,947	8,000	8,000	8,000	-
	CONTRACT SERVICES - MISC FIELD / O&M	30,000	36,388	38,000	29,184	43,000	5,000
	CONTRACT SERVICES - PAVING	9,000	38,976	9,000	8,086	20,000	11,000
	MAINTENANCE AGREEMENTS - EQUIPMENT	6,700	5,530	10,200	12,725	14,892	4,692
	REPAIR - FLEET EQUIPMENT	40,000	79,759	55,000	41,975	55,000	-
	REPAIR - TOOLS AND EQUIPMENT	12,000	18,910	15,000	11,545	15,000	-
	GAS AND OIL	51,000	36,397	51,000	49,727	51,000	-

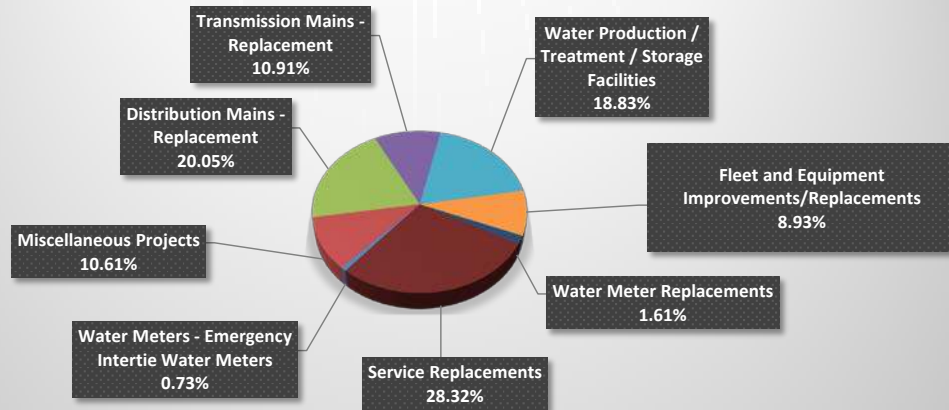
<i>Account</i>	<i>Description</i>	<i>2016 Budget</i>	<i>2016 Actual</i>	<i>2017 Budget</i>	<i>2017 Projected</i>	<i>2018 Proposed Budget</i>	<i>\$ Change</i>
	EQUIPMENT RENTAL - FIELD	3,000	6,536	10,000	6,681	10,000	-
	PERMIT FEE - AIR QUALITY / HAZ MAT	5,700	2,723	6,200	6,983	6,400	200
	PERMIT FEE - STATE WATER RESOURCES CONTROL BOARD (SWRCB)	14,000	6,618	28,000	52,791	74,615	46,615
	PERMIT FEE - ENCROACHMENT PERMITS	44,000	41,088	44,000	34,098	44,000	-
	TELEPHONE - WIRELESS	16,800	14,235	18,240	17,883	18,600	360
	TELEPHONE - ANSWERING SERVICE	2,400	2,617	2,500	2,458	2,500	-
	PROFESSIONAL / CONTRACT SERVICES - ENGINEERING	20,000	5,340	220,000	26,752	570,000	350,000
	PROFESSIONAL / CONTRACT SERVICES - TEMPORARY LABOR	50,000	77,452	50,000	15,236	50,000	-
	PROFESSIONAL / CONTRACT SERVICES - WELLS	10,000	-	20,000	-	145,000	125,000
	PROFESSIONAL /CONTRACT SERVICES - METER READING	108,960	105,326	112,320	112,320	112,320	-
	<i>Water Demand Management</i>						
	WATER DEMAND MANAGEMENT - POSTAGE	14,000	5,264	5,000	5,000	5,000	-
	WATER DEMAND MANAGEMENT - PRINTING	25,000	10,502	21,000	17,000	21,000	-
	WATER DEMAND MANAGEMENT - MATERIALS AND SUPPLIES	11,500	9,406	14,500	9,592	20,100	5,600
	WATER DEMAND MANAGEMENT - CONTRACT SERVICES	367,000	166,704	359,800	160,683	528,050	168,250
	WATER DEMAND MANAGEMENT - OTHER	8,000	3,799	13,925	9,328	22,425	8,500
	WATER DEMAND MANAGEMENT - INCENTIVE PROGRAMS	3,000	14,675	19,680	2,850	19,680	-
	<i>Water Purchases</i>						
	PURCHASED WATER	2,387,701	2,190,061	2,851,387	2,737,020	3,080,306	228,919
	Grand Total	9,082,066	8,245,476	10,098,990	9,334,020	12,156,588	2,057,598

**Citrus Heights Water District
2018 CAPITAL PROJECTS BUDGET SUMMARY**

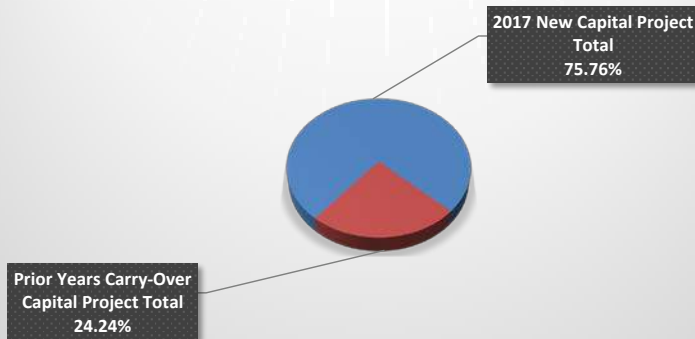
Proposed: November 08, 2017

<i>Category</i>	<i>2017 Adopted Budget</i>	<i>2018 Proposed Budget</i>	<i>Total Project Budget</i>
Distribution Mains - Replacement	87,836	1,249,433	1,328,793
Fleet and Equipment Improvements/Replacements	861,500	567,000	592,000
Miscellaneous Projects	250,000	653,000	703,000
Transmission Mains - Replacement	146,936	575,959	722,895
Water Meters - Emergency Intertie Water Meters	41,995	48,327	48,327
Water Production / Treatment / Storage Facilities	1,005,000	1,127,500	1,247,500
Water Meter Replacements	100,000	107,000	107,000
Service Replacements	923,000	1,876,243	1,876,243
Grand Total	\$ 3,416,266	\$ 6,204,462	\$ 6,625,758

CHWD 2018 Type of Capital Improvement Project by Expense



Type of Funding for Capital Project



CITRUS HEIGHTS WATER DISTRICT
2018 CAPITAL PROJECTS BUDGET - SUMMARY BY PROJECT

Proposed: November 08, 2017

Project Number	Name	2017 Adopted Budget	2017 Estimated Expense	2018 Proposed Budget	2019 Projected Expense	% Complete	Total Project Budget	2017 vs 2018 Budget Variance (\$)	Variance (%)
C15-109	Blossom Hill Way 6" x 10" Interconnection w/ RV	22,015	-	25,477	-	0%	25,477	3,462	15.73%
C15-110	Crestmont Avenue 6" Interconnection w/ RV	19,980	-	22,850	-	0%	22,850	2,870	14.37%
C15-104	Technology Hardware and Software Improvements/Replacements	250,000	-	250,000	-	0%	250,000	-	0.00%
C15-132	Circuit Dr/Graham Cir - Mariposa Av to west/ Circuit Dr to Circuit Dr	46,936	46,936	575,959	-	0%	622,895	575,959	1227.12%
C16-131	Wind Way 8-Inch and Longwood Way 6-Inch Water Main Replacements	22,004	22,004	349,837	-	50%	371,841	349,837	1589.90%
C16-134	Auburn Blvd - Rusch Park to Placer County Line	8,477	-	8,477	157,880	0%	8,477	-	0.00%
C17-004	Annual Technology Hardware and Software Improvements/Replacements	162,000	25,000	137,000	-	15%	162,000	-	0.00%
C17-100	24-Inch Reline - Oak Ave at C-Bar-C Park south to Arcade Creek	100,000	100,000	-	100,000	29%	100,000	-	0.00%
C17-101	Pleasant View Dr - Oak Av to Poppyfield Wy	39,101	39,101	521,010	-	93%	560,111	521,010	0.00%
C17-102	Michigan Dr - Sunrise Bl to west	18,255	18,255	266,767	-	94%	285,022	266,767	0.00%
C17-103	Operations Building Remodel	175,000	50,000	125,000	1,700,000	71%	175,000	-	0.00%
C17-104	Groundwater Well Property Acquisition	890,000	120,000	770,000	-	0%	890,000	-	0.00%
C18-005	Annual Facilities Improvement	75,000	75,000	125,000	-	100%	125,000	50,000	100.00%
C18-003	Annual Fleet and Field Operations Equipment Improvements/Replacements	287,500	287,500	145,000	-	19%	145,000	(142,500)	-49.57%
C18-004	Annual Technology Hardware and Software Improvements/Replacements	162,000	50,000	35,000	-	0%	35,000	(127,000)	-78.40%
C18-010	Water Main Pipeline Replacements	23,000	23,000	64,890	-	100%	64,890	41,890	182.13%
C18-011	Water Valve Replacements	70,000	70,000	144,200	-	100%	144,200	74,200	106.00%
C18-012	Water Service Connections (New and Replacements)	800,000	800,000	850,000	-	73%	850,000	50,000	6.25%
C18-013	Water Meter Replacements	100,000	50,000	107,000	-	100%	107,000	7,000	7.00%
C18-014	Fire Hydrants - Replacements / Upgrades / Infill / New	30,000	30,000	154,500	-	100%	154,500	124,500	415.00%
C18-020	Groundwater Well Improvements	115,000	48,900	100,000	-	100%	100,000	(15,000)	-13.04%
C18-101	Stock Ranch Residential Service Replacements	-	-	662,653	-	0%	662,653	662,653	0.00%
C18-102	Thunderhead Circle	-	-	57,407	608,435	0%	57,407	57,407	0.00%
C18-103	Cologne Way	-	-	27,511	214,873	0%	27,511	27,511	0.00%
C18-104	Quiet Oak Lane	-	-	10,445	106,464	0%	10,445	10,445	0.00%
C18-105	Old Auburn Road - Daffodil Way & Wooddale Way	-	-	7,979	77,763	0%	7,979	7,979	0.00%
C18-106	Groundwater Well #7	-	-	257,500	424,360	0%	257,500	257,500	0.00%
C18-040	Other City Partnership Opportunities	-	-	300,000	-	0%	300,000	-	0.00%
C18-041	Other Miscellaneous Infrastructure Projects	-	-	103,000	-	0%	103,000	-	0.00%
Totals		3,416,266	1,855,696	6,204,462	3,389,775	54.32%	6,625,758	2,806,492	82.15%

Summary	Total Budget
Prior Years Carry-Over Capital Project Total	1,753,766
Prior Years Projects Additional Cost Approval/(Savings)	1,719,907
2017 New Capital Project Total	3,152,085
2018 Capital Project Total Budget Request	4,871,992
Total CIP Budget	\$ 6,625,759

**TRANSFERS OF DESIGNATED RESERVES
FY 2018**

	Transfers to Reserves
Rate Stabilization Fund	\$ 100,000
Water Supply Reserve	\$ 1,150,000
Water Efficiency Reserve	\$ 50,000
Water Meter Replacement Reserve	\$ 300,000
Employment-Related Benefits Reserve	\$ 160,000
	<u><u>\$ 1,760,000</u></u>

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS NOVEMBER 08, 2017 SPECIAL MEETING

SUBJECT : 2018 WATER RATES, MISCELLANEOUS CHARGES AND FEES
 STATUS : Action Item
 REPORT DATE : November 01, 2017
 PREPARED BY : Susan K. Sohal, Administrative Services Manager

OBJECTIVE:

Conduct a Public Hearing for the proposed Water Rates and Miscellaneous Charges and Fees for 2018, and consider adopting the accompanying resolution establishing Water Rates and Miscellaneous Charges and Fees for Citrus Heights Water District for 2018.

BACKGROUND AND ANALYSIS:

This report presents the proposed Water Rates and Miscellaneous Charges and Fees for 2018, except for Capacity Fees that will be considered in a separate Public Hearing following the Public Hearing on water rates. Accompanying this report is a proposed resolution adopting water rates, charges and fees for 2018.

Notice of this Public Hearing was mailed to all District property owners on September 22, 2017 as part of the required Proposition 218 notification. Notice was posted on the District's web site, and posted on the public notice board at the entrance to the District Office.

The Board conducted a budget and rate study session on August 30, 2017. At that study session, the Board considered a number of rate options and corresponding operating and capital impacts based upon an assessment of the District's Long-term Financial Plan (Rate Model). The Board provided additional direction to staff on September 13, 2017 to distribute a Proposition 218 Notice which included the maximum rates that the Board would consider at a public hearing on November 08, 2017.

The maximum rate adjustment to be considered by the Board on November 08th is based on a financial assessment whereby future annual increases, including the 2018 rate increase being considered by the Board on November 08th, will enable the District to plan for operational budgetary increases and complete needed Capital Improvement projects without the need to incur additional debt in the near future.

As of the date of this report, the District has received 21 written protests from property owners (Attachment 2). Directors have been provided with copies of the written protests along with their agenda packets for this Board meeting. Any additional written protests received before the time of Public Hearing will be presented to Directors at the Public Hearing.

2018 Schedule of Water Rates, Fees and Charges

A schedule comparing current 2017 rates with the proposed 2018 Water Rates, Fees and Charges to be considered by the Board accompanies this report (Attachment 1). Significant elements of the 2018 water rate schedule are as follows:

- Increases to bi-monthly service charges in 2018 for a typical single-family residential customer are

\$3.36 (or \$1.68 per month) based on a monthly consumption of 20 units of water. Costs for other customer classifications and meter sizes will increase between \$1.42 and \$16.04 bi-monthly for meter sizes from 1½-inch to 4-inch, respectively.

- Consumption charges are proposed to increase from \$0.9871 cents to \$1.0187 per 100-cubic-foot-unit of water (748 gallons); a net increase of 3.16 cents per 100-cubic-foot-unit of water.
- Other charges such as Wheeling Water Charges, Construction Meters, and Fire Sprinkler Charges are proposed to increase consistent with the overall rate increase.
- Adjustments to other charges and fees are based on staff analysis of the staff time, equipment, materials and other costs involved in providing the specified services.

The following additional information accompanies this report:

- A copy of the District’s Public Hearing Notice of projected water rate increases required by Proposition 218.

RECOMMENDATION:

1. Conduct the Public Hearing on the proposed Water Rates and Miscellaneous Charges and Fees for 2018; and
2. Adopt Resolution No. 14-2017 Establishing Water Rates and Miscellaneous Charges and Fees for Citrus Heights Water District for 2018.

ACTION:

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

ATTACHMENTS:

1. Resolution No. 14-2017 Water Rates and Miscellaneous Charges and Fees
2. 2018 Proposed Water Rates
3. Customer Protest Letters
4. CHWD Proposition 218 Notice

Attachment 1

Resolution 14-2017, Water Rates, Miscellaneous
Charges and Fees

CITRUS HEIGHTS WATER DISTRICT
RESOLUTION NO. 14-2017

RESOLUTION ADOPTING
WATER RATES AND MISCELLANEOUS CHARGES AND FEES FOR
CITRUS HEIGHTS WATER DISTRICT FOR 2018

WHEREAS, upon motion duly moved, seconded, and carried, the following water rates and miscellaneous charges and fees were adopted for the fiscal year 2018:

<u>Type of Charge</u>	<u>Applied Basis or Frequency</u>	<u>2018 Adopted</u>
<u>Charges for Metered Rate Customer Accounts</u>		
<i>Service Charge, Domestic, Commercial & Irrigation Meters</i>		
¾-inch meter	bi-monthly, per meter	\$48.94
1-inch meter	bi-monthly, per meter	\$74.46
1½-inch meter	bi-monthly, per meter	\$91.48
2-inch meter	bi-monthly, per meter	\$176.55
3-inch meter	bi-monthly, per meter	\$278.65
4-inch meter	bi-monthly, per meter	\$550.93
<i>Service Charge, Combination Meters</i>		
Low flow bypass meter	bi-monthly, per meter	\$0.00
4-inch meter	bi-monthly, per meter	\$176.55
6-inch meter	bi-monthly, per meter	\$278.65
8-inch meter	bi-monthly, per meter	\$550.93
10-inch meter	bi-monthly, per meter	\$1,342.17
<u>Public Agencies with Mutual Assistance Agreements</u>		
<u>(SJUSD, SRPD, SCD) (Multiplier = 0.50)</u>		
<i>Service Charge, Domestic, Commercial & Irrigation Meters</i>		
¾-inch meter	bi-monthly, per meter	\$24.46
1-inch meter	bi-monthly, per meter	\$37.23
1½-inch meter	bi-monthly, per meter	\$45.74
2-inch meter	bi-monthly, per meter	\$88.27
3-inch meter	bi-monthly, per meter	\$139.32
4-inch meter	bi-monthly, per meter	\$275.46
<i>Service Charge, Combination Meters</i>		
Low flow bypass meter	bi-monthly, per meter	\$0.00
4-inch meter	bi-monthly, per meter	\$88.27
6-inch meter	bi-monthly, per meter	\$139.32
8-inch meter	bi-monthly, per meter	\$275.46
10-inch meter	bi-monthly, per meter	\$671.08

Other Service Charges

Service Charge, Construction Meters

Type of Charge	Applied Basis or Frequency	2018 Adopted
2½-inch and 3-inch meters	bi-monthly, per meter	\$278.65
<i>Service Charge, North Ridge Country Club Meter</i>		
(multiplier = 3.00, not annexed)	bi-monthly, per meter	\$223.39
<i>Service Charge, Mount Vernon Memorial Park (multiplier = 2.31, based upon property annexed)</i>		
Low flow bypass meter	bi-monthly, per meter	\$0.00
8-inch Combination meter	bi-monthly, per meter	\$1,272.64
<hr/>		
<u>Usage Charges for Water Consumed</u>	<i>1 unit = 100 cubic feet = 748 gallons</i>	
<i>Domestic, Commercial, Irrigation, Combination</i>		
All meter sizes	per unit	\$1.0167
<i>Construction Meters</i>	per unit, for all units bi-monthly	\$3.0400
<i>North Ridge Country Club Meter</i>	per unit, for all units bi-monthly	\$3.0400
<i>Mount Vernon Memorial Park (2.31 multiplier)</i>	per unit, for all units bi-monthly	\$2.3400
<i>Unannexed property (surplus water only)</i>	multiplier times annexed rate, applied to service charge and commodity charge	3
<hr/>		
Wheeling Water Charge (unless otherwise adopted by mutual aid agreement)		
	per acre-foot to Cal-American WC	\$57.88
	per acre-foot to Carmichael WD	\$57.88
	per acre-foot to Fair Oaks WD	\$57.88
	per acre-foot to Orangevale WD	\$3.94
	per acre-foot to City of Roseville	\$57.88
	per acre-foot to Sac. Suburban WD	\$57.88
	per acre-foot to San Juan WD	\$3.94

Commercial Fire Sprinkler Service Charges

Type of Charge	Applied Basis or Frequency	2018 Adopted
4-inch and smaller	per service, bimonthly	\$77.78
6-inch	per service, bimonthly	\$100.89
6-inch; one-half shared	per service, bimonthly	\$50.44
6-inch; one-third shared	per service, bimonthly	\$33.62
8-inch	per service, bimonthly	\$122.88
8-inch; one-half shared	per service, bimonthly	\$61.43
10-inch	per service, bimonthly	\$165.64
12-inch	per service, bimonthly	\$219.46
Construction Water Charges		
Construction Water Charges	minimum charge	\$226.71
Schedule A - Projects	per lot	\$155.89
Schedule B - Trenches, Excavations & Grading	per 100 cubic yards	\$42.09
Schedule C - Tank Trucks	per 1,000 gallons	\$6.98
Schedule D - Metered Use	meter rate	-----
Schedule E - Non-Profit	per day	\$47.35
Plan Check Charges		
Plan Check Charges	minimum charge + per connection	\$1,023.00
	per connection	\$21.88
Easement/Quitclaim		
Easement/Quitclaim	per easement/quitclaim	\$669.00
Inspection Charges		
Minimum	min. + per connect. + per main tie-in	\$1,058.00
Plus per connection	per connection	\$190.88
Plus per main tie-in	per main tie-in	\$1,014.00
AC pipe disposal charge	per foot, 4 feet minimum (\$200 min.)	\$51.00
Hydrostatic pressure test	each	\$276.00
Backflow Prevention Assembly Testing Charge for New Development		
Backflow Prevention Assembly Testing Charge for New Development	per assembly	\$72.00
Bacteriological water test sampling	minimum	\$317.00
Additional Bacteriological water sample	additional samples after minimum	\$79.00
Chlorination & Flushing	per project	\$184.00
Weekend/After Hours	per hour (4 hr. minimum)	\$127.00
Holiday	per hour (4 hr. minimum)	\$162.00
Water Service Installation Charges		
¾-inch services w/meter	per service	\$4,220.00
1-inch service w/meter	per service	\$4,347.00
Meter set charge:		
⅝ inch x ¾ inch	per meter	\$401.00
¾ inch	per meter	\$463.00

Type of Charge	Applied Basis or Frequency	2018 Adopted
1 inch	per meter	\$580.00
1½ inch	per meter	\$842.00
2 inch	per meter	\$1,008.00
>2 inch	actual cost	
Backflow prevention assembly installation charge		
¾ inch	each	\$3,119.00
1 inch	each	\$3,318.00
1½ inch	each	\$3,854.00
2 inch	each	\$4,090.00
>2 inch	actual cost	

Other Charges and Fees

Inclusion / Annexation Fee	per gross acre, ½ acre or greater minimum to ½ acre	\$1,449.00 \$724.50
Agenda-By-Mail Charge (e-mail delivery free)	per packet	\$24.00
Agenda-By-Mail Charge (e-mail delivery free)	per year	\$149.00
Standby Service Charge	per hour, 1 hour minimum	\$102.00
Returned Check Fee	per check	\$29.00
Late Payment Penalty	5% of overdue account balance	5.00%
Turn-off Notice Service Charge	per occurrence	\$23.00
Missed Appointment/No-Show Fee	per occurrence	\$49.00
Disconnect / Reconnect Service Charge	per occurrence	\$104.00
Meter Re-Read / Maintenance Charge	per occurrence	\$39.00
Customer Account Deposit	per account	\$225.00
Construction Meter Deposit	per meter	\$1,775.00
Copy Charge	per page	\$0.10
Backflow Prevention Assembly Testing Charge	per assembly bimonthly	\$10.00
Backflow Prevention Assembly Re-testing Charge	per test	\$65.00
Fire Flow Certification Letter	per letter	\$27.00
Fire Flow Modeling	per modeling	\$345.00
Fire Flow Modeling & Certification Letter	per modeling plus letter	\$372.00
Recording of Lien	per occurrence	\$53.00
Release of Lien	per occurrence	\$66.00
Tamper Charge	per occurrence	\$104.00
Water Conservation Violation Charge (1)	first occurrence	\$50.00
Water Conservation Violation Charge (2)	second occurrence	\$75.00
Water Conservation Violation Charge (3)	third occurrence	\$100.00

PASSED AND ADOPTED by the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT, this 08th day of November 2017, by the following vote, to-wit:

AYES: Directors: Sheehan, Riehle, Dains
NOES: Directors: None
ABSTAIN: Directors: None
ABSENT: Directors: None

S E A L

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

ATTEST:

HILARY M. STRAUS, Secretary

Attachment 2

2018 Water Rates, Miscellaneous Charges and Fees

CITRUS HEIGHTS WATER DISTRICT
2018 PROPOSED WATER RATES, FEES AND CHARGES
Proposed -- November 08, 2018

Type of Charge	Applied Basis or Frequency	2017 Adopted	2018 Proposed	Bi-monthly \$ Change
<u>Charges for Metered Rate Customer Accounts</u>				
<i>Service Charge, Domestic, Commercial & Irrigation Meters</i>				
¾-inch meter	bi-monthly, per meter	\$47.52	\$48.94	\$1.42
1-inch meter	bi-monthly, per meter	\$72.30	\$74.46	\$2.16
1½-inch meter	bi-monthly, per meter	\$88.82	\$91.48	\$2.66
2-inch meter	bi-monthly, per meter	\$171.41	\$176.55	\$5.14
3-inch meter	bi-monthly, per meter	\$270.54	\$278.65	\$8.11
4-inch meter	bi-monthly, per meter	\$534.89	\$550.93	\$16.04
<i>Service Charge, Combination Meters</i>				
Low flow bypass meter	bi-monthly, per meter	\$0.00	\$0.00	\$0.00
4-inch meter	bi-monthly, per meter	\$171.41	\$176.55	\$5.14
6-inch meter	bi-monthly, per meter	\$270.54	\$278.65	\$8.11
8-inch meter	bi-monthly, per meter	\$534.89	\$550.93	\$16.04
10-inch meter	bi-monthly, per meter	\$1,303.08	\$1,342.17	\$39.09
<u>Public Agencies with Mutual Assistance Agreements (SJUSD, SRPD, SCD) (Multiplier = 0.50)</u>				
<i>Service Charge, Domestic, Commercial & Irrigation Meters</i>				
¾-inch meter	bi-monthly, per meter	\$23.75	\$24.46	\$0.71
1-inch meter	bi-monthly, per meter	\$36.15	\$37.23	\$1.08
1½-inch meter	bi-monthly, per meter	\$44.41	\$45.74	\$1.33
2-inch meter	bi-monthly, per meter	\$85.70	\$88.27	\$2.57
3-inch meter	bi-monthly, per meter	\$135.27	\$139.32	\$4.05
4-inch meter	bi-monthly, per meter	\$267.44	\$275.46	\$8.02
<i>Service Charge, Combination Meters</i>				
Low flow bypass meter	bi-monthly, per meter	\$0.00	\$0.00	\$0.00
4-inch meter	bi-monthly, per meter	\$85.70	\$88.27	\$2.57
6-inch meter	bi-monthly, per meter	\$135.27	\$139.32	\$4.05
8-inch meter	bi-monthly, per meter	\$267.44	\$275.46	\$8.02
10-inch meter	bi-monthly, per meter	\$651.54	\$671.08	\$19.54
<u>Other Service Charges</u>				
<i>Service Charge, Construction Meters</i>				
2½-inch and 3-inch meters	bi-monthly, per meter	\$270.54	\$278.65	\$8.11
<i>Service Charge, North Ridge Country Club Meter (multiplier = 3.00, not annexed)</i>				
	bi-monthly, per meter	\$216.89	\$223.39	\$6.50
<i>Service Charge, Mount Vernon Memorial Park (multiplier = 2.31, based upon property annexed)</i>				
Low flow bypass meter	bi-monthly, per meter	\$0.00	\$0.00	\$0.00
8-inch Combination meter	bi-monthly, per meter	\$1,235.58	\$1,272.64	\$37.06
<hr/>				
<i><u>Usage Charges for Water Consumed</u></i>		<i>1 unit = 100 cubic feet = 748 gallons</i>		
<i>Domestic, Commercial, Irrigation, Combination</i>				
All meter sizes	per unit	\$0.9871	\$1.0167	\$0.0296
<i>Construction Meters</i>				
	per unit, for all units bi-monthly	\$2.9600	\$3.0400	\$0.0800
<i>North Ridge Country Club Meter</i>				
	per unit, for all units bi-monthly	\$2.9600	\$3.0400	\$0.0800
<i>Mount Vernon Memorial Park (2.31 multiplier)</i>				
	per unit, for all units bi-monthly	\$2.2800	\$2.3400	\$0.0600
<i>Unannexed property (surplus water only)</i>		multiplier times annexed rate, applied to service charge and commodity charge		3 -----
<hr/>				
Wheeling Water Charge				

CITRUS HEIGHTS WATER DISTRICT
2018 PROPOSED WATER RATES, FEES AND CHARGES
Proposed -- November 08, 2018

Type of Charge	Applied Basis or Frequency	2017 Adopted	2018 Proposed	Bi-monthly \$ Change	
(unless otherwise adopted by mutual aid agreement)					
	per acre-foot to Cal-American WC	\$56.20	\$57.88	\$1.68	
	per acre-foot to Carmichael WD	\$56.20	\$57.88	\$1.68	
	per acre-foot to Fair Oaks WD	\$56.20	\$57.88	\$1.68	
	per acre-foot to Orangevale WD	\$3.83	\$3.94	\$0.11	
	per acre-foot to City of Roseville	\$56.20	\$57.88	\$1.68	
	per acre-foot to Sac. Suburban WD	\$56.20	\$57.88	\$1.68	
	per acre-foot to San Juan WD	\$3.83	\$3.94	\$0.11	
Commercial Fire Sprinkler Service Charges					
	4-inch and smaller	per service, bimonthly	\$75.52	\$77.78	\$2.26
	6-inch	per service, bimonthly	\$97.96	\$100.89	\$2.93
	6-inch; one-half shared	per service, bimonthly	\$48.98	\$50.44	\$1.46
	6-inch; one-third shared	per service, bimonthly	\$32.65	\$33.62	\$0.97
	8-inch	per service, bimonthly	\$119.31	\$122.88	\$3.57
	8-inch; one-half shared	per service, bimonthly	\$59.65	\$61.43	\$1.78
	10-inch	per service, bimonthly	\$160.82	\$165.64	\$4.82
	12-inch	per service, bimonthly	\$213.07	\$219.46	\$6.39
Construction Water Charges					
	minimum charge	\$220.11	\$226.71	\$6.60	
	Schedule A - Projects	per lot	\$151.35	\$155.89	\$4.54
	Schedule B - Trenches, Excavations & Grading	per 100 cubic yards	\$40.87	\$42.09	\$1.22
	Schedule C - Tank Trucks	per 1,000 gallons	\$6.78	\$6.98	\$0.20
	Schedule D - Metered Use	meter rate	-----	-----	-----
	Schedule E - Non-Profit	per day	\$45.98	\$47.35	\$1.37
Plan Check Charges					
	minimum charge + per connection	\$975.00	\$1,023.00	\$48.00	
	per connection	\$21.24	\$21.88	\$0.64	
Easement/Quitclaim					
	per easement/quitclaim	\$649.00	\$669.00	\$0.00	
Inspection Charges					
	Minimum	min. + per connect. + per main tie-in	\$1,007.00	\$1,058.00	\$51.00
	Plus per connection	per connection	\$185.32	\$190.88	\$5.56
	Plus per main tie-in	per main tie-in	\$1,001.00	\$1,014.00	\$13.00
	AC pipe disposal charge	per foot, 4 feet minimum (\$200 min.)	\$52.00	\$51.00	(\$1.00)
	Hydrostatic pressure test	each	\$273.00	\$276.00	\$3.00
Backflow Prevention Assembly Testing Charge for New Development					
	per assembly	\$80.00	\$72.00	(\$8.00)	
	Bacteriological water test sampling	minimum	\$302.00	\$317.00	\$15.00
	Additional Bacteriological water sample	additional samples after minimum	\$75.00	\$79.00	\$4.00
	Chlorination & Flushing	per project	\$183.00	\$184.00	\$1.00
	Weekend/After Hours	per hour (4 hr. minimum)	\$124.00	\$127.00	\$3.00
	Holiday	per hour (4 hr. minimum)	\$157.00	\$162.00	\$5.00
Water Service Installation Charges					
	¾-inch services w/meter	per service	\$4,092.00	\$4,220.00	\$128.00
	1-inch service w/meter	per service	\$4,219.00	\$4,347.00	\$128.00
Meter set charge:					
	⅝ inch x ¾ inch	per meter	\$416.00	\$401.00	(\$15.00)
	¾ inch	per meter	\$471.00	\$463.00	(\$8.00)
	1 inch	per meter	\$576.00	\$580.00	\$4.00
	1½ inch	per meter	\$810.00	\$842.00	\$32.00
	2 inch	per meter	\$958.00	\$1,008.00	\$50.00
	>2 inch	actual cost			
Backflow prevention assembly installation charge					
	¾ inch	each	\$3,036.00	\$3,119.00	\$83.00
	1 inch	each	\$3,230.00	\$3,318.00	\$88.00
	1½ inch	each	\$3,750.00	\$3,854.00	\$104.00

CITRUS HEIGHTS WATER DISTRICT
2018 PROPOSED WATER RATES, FEES AND CHARGES
Proposed -- November 08, 2018

Type of Charge	Applied Basis or Frequency	2017 Adopted	2018 Proposed	Bi-monthly \$ Change
2 inch	each	\$3,980.00	\$4,090.00	\$110.00
>2 inch	actual cost			
Capacity Fees				
Residential- Multi-Family:				
Townhomes/Condos/Duplexes w/¾-inch max.	per service + non-residential uses	\$4,343.00	\$4,235.00	(\$108.00)
Townhomes/Condos/Duplexes w/1-inch max.				
Fire Sprinklers w/1-inch max.	per service + non-residential uses	\$6,948.00	\$6,776.00	(\$172.00)
Residential- Single Family:				
0 - 2.499 acres with 1-inch max.	per service	\$6,948.00	\$6,776.00	(\$172.00)
2.500 - 4.999 acres with 1¼-inch max.	per service	\$7,817.00	\$7,623.00	(\$194.00)
5.00 - 7.500 acres with 1½-inch max.	per service	\$8,685.00	\$8,470.00	(\$215.00)
Over 7.500 acres with 2-inch max.	per service	\$17,370.00	\$16,708.00	(\$662.00)
Nonresidential Users:				
Based on service size, including, but not limited to, commercial, industrial, irrigation, commercial swimming pools, and clubhouse applications:				
⅜ inch	per service	\$2,606.00	\$2,541.00	(\$65.00)
¾ inch	per service	\$4,343.00	\$4,235.00	(\$108.00)
1 inch	per service	\$6,948.00	\$6,776.00	(\$172.00)
1¼ inch	per service	\$7,817.00	\$7,623.00	(\$194.00)
1½ inch	per service	\$8,685.00	\$8,470.00	(\$215.00)
2 inch	per service	\$17,370.00	\$16,940.00	(\$430.00)
3 inch	per service	\$27,792.00	\$27,104.00	(\$688.00)
4 inch	per service	\$55,584.00	\$54,208.00	(\$1,376.00)
6 inch	per service	\$217,125.00	\$211,750.00	(\$5,375.00)
8 inch	per service	\$416,880.00	\$406,560.00	(\$10,320.00)
10 inch	per service	\$660,060.00	\$643,720.00	(\$16,340.00)
12 inch	per service	\$868,500.00	\$847,000.00	(\$21,500.00)
Other Charges and Fees				
Inclusion / Annexation Fee	per gross acre, ½ acre or greater minimum to ½ acre	\$1,486.00 \$743.00	\$1,449.00 \$724.50	(\$37.00) (\$18.50)
Agenda-By-Mail Charge (e-mail delivery free)	per packet	\$24.00	\$24.00	\$0.00
Agenda-By-Mail Charge (e-mail delivery free)	per year	\$183.00	\$149.00	(\$34.00)
Standby Service Charge	per hour, 1 hour minimum	\$96.00	\$102.00	\$6.00
Returned Check Fee	per check	\$26.00	\$29.00	\$3.00
Late Payment Penalty	5% of overdue account balance	5.00%	5.00%	
Turn-off Notice Service Charge	per occurrence	\$23.00	\$23.00	\$0.00
Missed Appointment/No-Show Fee	per occurrence	\$49.00	\$49.00	\$0.00
Disconnect / Reconnect Service Charge	per occurrence	\$98.00	\$104.00	\$6.00
Meter Re-Read / Maintenance Charge	per occurrence	\$41.00	\$39.00	(\$2.00)
Customer Account Deposit	per account	\$225.00	\$225.00	\$0.00
Construction Meter Deposit	per meter	\$1,770.00	\$1,775.00	\$5.00
Copy Charge	per page	\$0.10	\$0.10	\$0.00
Backflow Prevention Assembly Testing Charge	per assembly bimonthly	\$12.50	\$10.00	(\$2.50)
Backflow Prevention Assembly Re-testing Charge	per test	\$78.00	\$65.00	\$80.00
Fire Flow Certification Letter	per letter	\$23.00	\$27.00	\$4.00
Fire Flow Modeling	per modeling	\$333.00	\$345.00	\$12.00
Fire Flow Modeling & Certification Letter	per modeling plus letter	\$355.00	\$372.00	\$17.00
<u>Recording of Lien</u>	<u>per occurrence</u>	<u>\$0.00</u>	<u>\$53.00</u>	<u>NEW</u>
<u>Release of Lien</u>	<u>per occurrence</u>	<u>\$0.00</u>	<u>\$66.00</u>	<u>NEW</u>
Tamper Charge	per occurrence	\$98.00	\$104.00	\$6.00
Water Conservation Violation Charge (1)	first occurrence	\$50.00	\$50.00	\$0.00
Water Conservation Violation Charge (2)	second occurrence	\$75.00	\$75.00	\$0.00
Water Conservation Violation Charge (3)	third occurrence	\$100.00	\$100.00	\$0.00

Attachment 3

2018 Protest Letters

from: Valeriy Yevchenko, Property owner at
7967 and 7969 San Cosme Dr Citrus Heights CA 95610



To: District Secretary
Citrus Heights Water District

Letter of Protest

Dear Secretary

I am writing this letter to protest the decision about raising the water rates / charges in 2017, 2018 or 2019.

You are raising water rates too often. Please do not do that.

Thank you!

Sincerely, Valeriy Yevchenko

10/06/2017

October 4, 2017

District Secretary
Citrus Heights Water District
P.O. Box 286
Citrus Heights, CA 95611-0286



Acct # 15941-0014056

RE: Protest of Proposed 2018 Rate Increase

Dear Ms. Straus,

I am the property owner of the ¼ acre single family dwelling located at 6514 Elza Court in Citrus Heights. My Assessor's Parcel Number is 243-0560-011-0000.

I am writing to protest the proposed 2018 rate increase for single family dwellings. The district has increased rates a number of times in the last several years. Based on the rate comparison, the rates have been increasing at significant rates since 2007. Based on the information in the Notice of Public Hearing there are a number of proposed projects between now and 2030. The implication is that rates will increase either every year or every other year. I feel our rates are sufficient for the services we receive.

I suspect that the reason the district decided not to put a bond measure on the upcoming ballot is that they have a good idea that the majority of Citrus Heights residents would vote the bond measure down. The district is trying to get around that by requesting a rate increase with the city, knowing that relatively few will either write or show up in person to protest the increase, thus getting the increase more easily than by going directly to the people.

I would like to be on record as proposed to the rate increase.

Sincerely,

Barry Jackier
Jackier Family Trust

District Secretary
Citrus Heights Water District
PO 286
Citrus Heights, Ca 95611-0286
September 26, 2017



Acct # 04480-0003980

Account Number: 04480-0003980

Dear CHWD:

I am very confused by your desire to increase rates for our district. When there was a "drought" a couple of years ago, all levels of state and local government agencies strongly suggested consumers reduce our water intake. Some districts even threatened "water police" and fines by driving through the local areas to search for drainage in the streets and sidewalks. Some districts even went so far as to suggest neighbors report on their neighbors.

The end result was that consumers used less water. CONSUMERS DID WHAT YOU WANTED. What was our reward for reducing water usage? Raising rates! What did many districts do, raise the water rates BECAUSE THEIR REVENUES WERE DOWN. Economics should have told you this was going to happen.

When a business has a revenue shortage, they reduce their expenses and search for new revenues through more clients. How do you reduce your expenses. One suggestion is to reduce staff and salaries for staff. Has this been done? Another may be to merge with other water districts, thereby reducing staff and salaries, while increasing revenues. Has this been considered? Unfortunately, government agencies do not follow the principles used by private enterprises.

I understand you have a monopoly. I also understand the districts needs to update equipment. Is now the time?

As a consumer, all I want is for there to be water for daily needs. As a retiree and former President of a private company, I need these questions and many more answered. I AM AGAINST INCREASING WATER RATES!!

Thank you.

A handwritten signature in black ink, appearing to read "Allen P. Kane".

Allen P. Kane
5936 Kifisia Way
Fair Oaks, Ca 95628

OCT 9 2017

Acct. # 05962-0030708

Sept 28, 2017

Dear CH,

I am writing to protest the water increase. I am the owner of 7515 Wachtel Way, Citrus Heights, CA 95620.

Best,
Christina Preston

10/11 17410

Allan A. Sebanc
105 Stonepine Road
Hillsborough, CA 94010
Phn: 650-342-7807
Fax: 650-342-7838
beval@comcast.net



October 2, 2017

District Secretary
Citrus Heights Water District
P.O. Box 286
Citrus Heights, CA 95611-0286

Re: Proposed Rate Increase

To Whom It May Concern,

Please consider this letter, my Written Protest to the proposed rate increase.

I am the owner of the property at 6240 San Juan Ave, Citrus Heights. To date I have not seen the wise use of funds and the proper planning in the past to take care of today's issues. I have no guarantee or confidence that a rate increase will help with the specific needs in the future. I suspect funds would be spent in areas not a concern to property owners. Every government department (State wide) targets the "Property Owners". We are the only stable taxpaying entity, and because of that, we are targeted by all communities that have not managed their budgets and want MORE money.

No, I do not support the increase!

Sincerely,

A handwritten signature in cursive that reads "Allan A. Sebanc".

Allan A. Sebanc,
Owner

October 2, 2017

OCT - 4 2017

District Secretary
Citrus Heights Water District
P.O. 286
Citrus Heights, CA 95611-0286

David Fitzgerald
7512 Skyline Court
Citrus Heights, CA 95610
Assessor's Parcel #: 243-0233-012-0000

To Whom It May Concern,

I oppose/protest the proposed rate increase in which a Public Hearing will take place on November 8, 2017.



David X. Fitzgerald

LI04 01306

Oct 1, 2017

Secretary
Citrus Hts. Water Dist.

OCT - 4 2017

Dear folks;

I'm 90 years old & my
S.S.I. - check is only \$34⁰⁰ a
month. Need I say more.

Everything is going up in price.
It becomes a real problem for
us seniors on a fixed income.

Please reconsider raising
your prices.

Sincerely,

Martina Shonnell
7536 Van Maren Ln
Cit Hts. Ca 95621.

District Secretary
Citrus Heights Water District
PO Box 286
Citrus Heights, CA 95611-0286

OCT - 2 2017

September 29, 2017

This letter is in protest to the proposed water rate increase. I feel the rate increase is unfair to those on fixed income and lower income families.

There have been so many rate increases and now another one? This is unacceptable to me. Enough is enough.


Gwendolyn Spiers

SPIERS LIVING TRUST
Jeffrey Spiers
Gwendolyn Spiers
7113 Palm Ave
Fair Oaks, CA 95628

Parcel #239-0193-021-0000

John Cigelske
193 Starkey Way
Folsom, CA 95630
PH: (916) 983-9069

District Secretary
Citrus Heights Water District
PO 286
Citrus Heights, CA 95611-0286

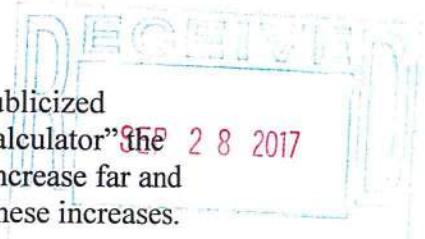
September 28th, 2017

LID 00385

Dear Sirs:

RE: 7645 Garden Gate Dr. PARCEL: 20401810120000

I protest your proposed water rate increase because it is well above the publicized inflation rate for the 12 months ended August 2016. Per "US Inflation Calculator" the latest inflation rate is 1.9%. Consumers cannot continue to support rate increase far and above the inflation factor. Those of us on Social Security cannot afford these increases.



I understand the need to maintain your infrastructure but you need to keep these and other expenses in check so retirees aren't held hostage to basic needs.

John Cigelske
Property Owner

SEPTEMBER 27, 2017

WILLIAM JAMES AND CAROL JEAN COY, TRUSTEES OF THE COY REVOCABLE TRUST

10031 BASELINE ROAD

ELVERTA, CALIFORNIA 95626

01507



DISTRICT SECRETARY

CITRUS HEIGHTS WATER DISTRICT

P.O. BOX 286

CITRUS HEIGHTS, CALIFORNIA 95611-0286

RE: THE PROPOSED RATE INCREASE

DEAR DISTRICT SECRETARY,

MY HUSBAND AND I ARE TRUSTEES OF THE COY REVOCABLE TRUST THAT OWNS A DUPLEX LOCATED IN CITRUS HEIGHTS, AT 7039 AND 7040 AMSTERDAM DRIVE. THE PARCEL NUMBER IS 204-0402-001-000. WE ARE TAKING THIS OPPORTUNITY TO STRONGLY PROTEST THE RATE INCREASE AS WE FEEL IT IS UNJUSTIFIED AND PUTS EVEN GREATER HARDSHIPS ON THE PEOPLE OF YOUR COMMUNITY. WE BOTH FEEL THAT WE PAY OUR FAIR SHARE FOR CITRUS HEIGHTS WATER AND YOUR METERS MAKE SURE OF THAT. THIS YEAR'S ABUNDENT RAINFALL HAS GUARANTEED THAT THERE SHOULD NOT BE A WATER SHORTAGE AND OUR TENENTS HAVE HELPED BY NOT WATERING THEIR LAWNS AND CONSERVING WATER. WITH ALL SAID, A RATE INCREASE AT THIS TIME IS NOT WARRANTED SINCE BY YOUR OWN ADMISSION THE PROJECT WILL NOT BEGIN UNTIL 2030.

RESPECTIVELY,

A handwritten signature in black ink that reads "William James Coy".

WILLIAM JAMES COY, TRUSTEE OF THE COY REVOCABLE TRUST

A handwritten signature in black ink that reads "Carol Jean Coy".

CAROL JEAN COY, TRUSTEE OF THE COY REVOCABLE TRUST

Brenda J. Barrios
7944 Alma Mesa Way
Citrus Heights, CA 95610



September 26, 2017

District Secretary
Citrus Heights Water District
P. O. Box 286
Citrus Heights, CA 95611-0286

Dear District Secretary:

I oppose yet another rate increase.

Very truly yours,

A handwritten signature in blue ink that reads "Brenda J. Barrios". The signature is fluid and cursive.

Brenda J. Barrios

October 9, 2017

District Secretary
Citrus heights Water District
P.O. Box 286
Citrus Heights, CA 95611-0286

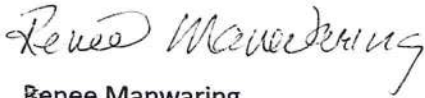
OCT 16 2017

Dear Sir or Madam:

I am writing to protest the proposed water rate increase. During the drought we were told that there would be a one-time rate increase because of the drought. The drought is over. How about a rate decrease? Evidently the rate increase during the drought had more to do with the salary increases of the district managers than it did the drought.

We have had rate increases every year for several years. The district managers need to stop treating the property owners like an ATM machine and learn to better manage the money and resources they have.

Thank you for reading this,



Renee Manwaring
Residential customer
6404 Aspen Ranch Court
Citrus Heights, Ca 95621
Parcel Number: 243-0580-016-0000

NO RATE increase!

Joanne C Coyne-Ellis
6504 Inmanway Ct
Changewater, Ca 95662

Parcel # 261-0130-013-0000



I strongly opposed another rate increase
for C.H. water district. You just increased
the rate in January 2017.

Joanne Coyne Ellis



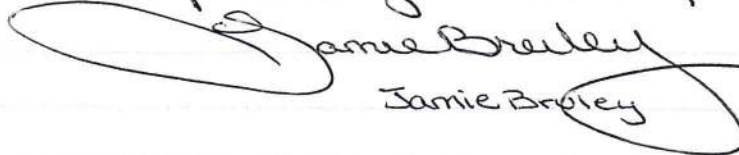
Attn: District Secretary for Citrus Heights Water District,

I am writing to Protest the proposed water rate increase. Citrus Heights Water District just raised rates on all of us not to long ago & the service fees us Customers like myself are already charged are Extremely Outrageous. For my small family of 3 we pay more in service fees than we use water. How is that even fair?

For Example our last bill on a 1" meter we paid \$72.30 just as a service charge. Our Actual water usage charge was \$30.60. This was also during peak summer (7/24 - 9/25). Absolutely ridiculous. Before all these increases our typical bill would be around \$70. we are now being pushed over \$100.

For a single income household with disability income that doesn't pay much, these increases take away from other needs.

Stop Raising Our Rates,



Jamie Broley

10-23-17

Parcel # 204-0461-017-0000

7565 Cherry Glen Ave.

6389 Aspen Ranch Ct
Citrus Heights, CA
95621

OCT 25 2017

Acct 18467-0016906

Re: Citrus Heights Rate
Increase (Proposed)

Oct 25, 2017

Acct # 18467-0016906

I protest the proposed rate increase on the VERY HIGH SERVICE CHARGE.

Citrus Heights Water District charges too much for a service charge - \$72.30 bi-monthly, and now you want to increase it again. Water usage rates remain low. You need a low-income discount on the Service Charge. Every other public utility have discounts for low income, but you. Why is this?

Many of your low income customers are on social security and they haven't had a "cost of living" raise for 3 years.

It's a hardship for many.

Beryl Turner - Weeks
(916) 726-5354

OCTOBER 24,2017

JOANNE C. COYNE-ELLIS

6504 INVERRARY CT

ORANGEVALE,CA 95662

PARCEL# 261-0130-013-0000

OCT 26 2017

03285-0003003

I AM OPPOSING THIS RATE HIKE FOR THE CH WATR DISTRICT .

SINCERELY,

Joanne C Coyne-Ellis

0

I am placing my request
not to raise the taxes.

DONNA CASTLE
7761 Spring Valley Ave
Citrus Heights, 95610

OCT 23 2017

Acct # 07079-
0006337



**CITRUS
HEIGHTS
WATER
DISTRICT**

P.O. Box 286
Citrus Heights, CA
95611-0286

Street Address

6230 Sylvan Road
Citrus Heights, CA
95610-5610

Office Hours

M-Th: 8:00 am – 5:30 pm
Closed on Friday, Holidays

24-Hour Phone:

(916) 725-6873

Fax: (916) 725-0345

Web: www.chwd.org

Email: custserv@chwd.org

Directors

Caryl F. Sheehan,
President

Raymond A. Riehle,
Vice President

Allen B. Dains,
Director

Hilary M. Straus
General Manager/Secretary

Susan K. Sohal,
Administrative Services
Manager/Treasurer

Alberto Preciado,
Senior Accountant/Assessor/
Collector

7545 Maple Ave
I protest the rate increase

PRSR STD
US POSTAGE
PAID
SACRAMENTO CA
PERMIT NO. 1890

Thank you
Nicholas Twiford

Postal Customer and Water Consumer in Citrus Heights Water District

NICHOLAS TWIFORD
~~NICHOLAS TWIFORD~~
PO BOX 107
CITRUS HEIGHTS CA 95611-0107



Acct. #
03505-003374



2
1
13511

10/31/2017

District Secretary
Citrus Heights Water District
P O Box 286
Citrus Hts, CA 95611



Re: Proposed Water Rate Increase
Property location: 7233 Quailwood Way, Citrus Hts, CA 95610
Assessor's Parcel Number: 257-0330-020-0000

PLEASE DO NOT INCREASE MY RATES.

Thank you,

Ruthie Johnson

Ruthie Johnson
7233 Quailwood Way
Citrus Hts, CA 95610

10/16/17

To Whom It May Concern:

I do hereby protest the
proposed rate increase!

Rates are already too high!!
This is just another excuse to
knickel & dime homeowners.

Sincerely,

Lisa Blount

7717 WoodChuck Way
Citrus Heights, CA

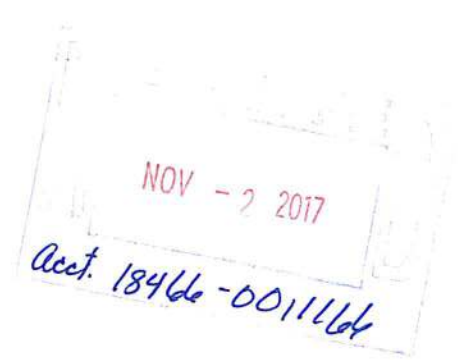
95610-2539

October 30, 2017

Citrus Heights Water District

P.O. Box 286

Citrus Heights, CA 95611-0286



Greg Scheeler

6385 Aspen Ranch Court

Citrus Heights, CA 95621

916-722-8650

Re: Rate Increase

I see that once again, Citrus Heights Water District is seeking a rate increase. I do not support any further rate increases. There have been rate increases in the last few years, and my water bill has increased significantly.

Attempts need to be made to improve the efficiency of the CHWD organization and the reduce the number of employees and benefit costs.

No more rate increases!

Greg Scheeler

Attachment 4

CHWD Proposition 218 Notice



P.O. Box 286
Citrus Heights, CA
95611-0286



Street Address
6230 Sylvan Road
Citrus Heights, CA
95610-5610

Office Hours
M-Th: 8:00 am – 5:30 pm
Closed on Friday, Holidays

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Susan K. Sohal,
Administrative Services
Manager/Treasurer

Alberto Preciado,
Senior Accountant/Assessor/
Collector

Postal Customer and Water Consumer in Citrus Heights Water District

How to protest the proposed rate increase

All owners and tenants of property receiving CHWD water service are invited to attend a Public Hearing on Wednesday, November 8, 2017 and comment on the proposed rate increase. Proposition 218 allows property owners to file a written protest before or during the public hearing. If written protests are presented by a majority of the affected parcels, a rate increase will not be approved. Only one written protest per identified parcel or property will be counted to determine whether there is a majority protest. Protests must be received in writing prior to the close of the Public Hearing to be considered. Electronic delivery of protests by fax or e-mail will not be accepted.

The written protest must be signed by a property owner(s) or customer of record, and must include a description of the affected property, including address and/or Assessor's Parcel Number.

Written protests can be mailed to:

District Secretary
Citrus Heights Water District
P.O. 286
Citrus Heights, CA 95611-0286

Written protests may also be hand-delivered to Citrus Heights Water District officials or staff at the District Administration Office by 5:30 PM on Wednesday, November 8, 2017, or until the close of the Public Hearing on the night of the meeting, Wednesday, November 8, 2017, at the Board of Directors meeting location at the Rusch Park Community Center—Sunrise/Patio Room, 7801 Auburn Boulevard, Citrus Heights, California.

The CHWD Administration Office is located at 6230 Sylvan Road, Citrus Heights, CA 95610. Office Hours are Monday through Thursday, 8 AM to 5:30 PM. For the latest information from CHWD, and the proposed rate increase, please visit our website, chwd.org. Be sure to follow us on Facebook at <https://www.facebook.com/citrusheightswaterdistrict>.

CITRUS HEIGHTS WATER DISTRICT



Notice of Public Hearing on Proposed Water Rate Adjustments

Thank you for your continued support of the Citrus Heights Water District (CHWD or District). We commit to **balancing current needs with planning tomorrow's water system. Our commitment to you continues through responsive customer service, capital improvements, water efficiency programs, and legislative advocacy and monitoring to protect the interests of our customers. In addition, we are planning for long-term reliability of our water supply through infrastructure replacements and expanded access to groundwater resources. We invite you to stay up to date by monitoring our WaterLine newsletter, Facebook page, and visiting our website, chwd.org.**

PUBLIC HEARING: Wednesday, November 8, 2017 6:30 PM	HEARING LOCATION: Rusch Park Community Center, Sunrise Patio Room 7801 Auburn Boulevard, Citrus Heights, California
--	--

The Citrus Heights Water District Board of Directors will hold a Public Hearing on Wednesday, November 8, 2017, at 6:30 PM, to consider the adoption of a rate increase of bi-monthly service charges and usage charges for water consumed.

We strive to maximize value provided to our customers and keep our overhead low. With your help, we maintain and upgrade the facilities that deliver safe and reliable drinking water to over 19,900 service connections.

CHWD balances your daily needs with long-range planning. We are planning for three critical system improvements:

- 1) replacing aging water mains,
- 2) replacing aging water meters,
- 3) expanding groundwater supply.

CHWD will request a rate increase for 2018 to ensure that the District can balance short-term demands and long-term needs. Paying as we go and maintaining contingency funding, instead of using bond financing, will save costs to our customers over time, and mitigate large and unexpected expenses in the future. Gradual rate increases also avoid dependence on debt financing.

Keeping our Promise to You

Highlights from this past year include:



Over 100 Households were assisted with water efficiency home audits and classes



207 water rebates for water efficient clothes washers and low-flow toilets issued from September 2016 to August 2017



3,170 feet of water mains installed or replaced in 2017

1,992 water system installations and repairs were provided from September 2016 to August 2017

PROJECT 2030 WATER MAIN REPLACEMENT

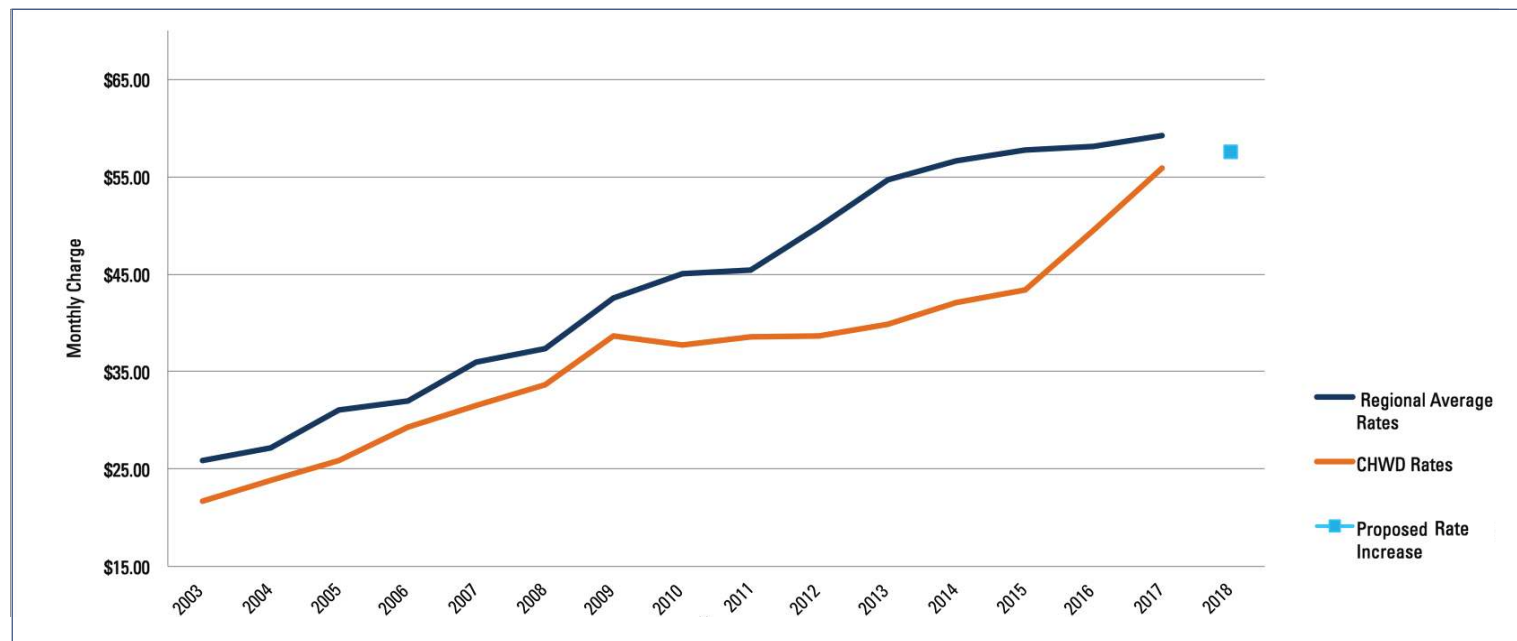


We currently operate and maintain over 250 miles of pipelines that convey water throughout the District's 12 square-mile service area. Many water mains date back from the early 1960s through the early 1980s when extensive residential and commercial development occurred throughout the area. We must embark on an extensive water main replacement program as these facilities reach the end of their expected lifespan beginning in 2030. Our proactive replacement planning effort - Project 2030 - will reduce potential threats of catastrophic failure, service disruption, and long-term expenses associated with an aging water system.

Regional Rate Comparison

Below the Regional Average

CHWD has a proven record of providing quality service at low rates. Even with the proposed rate increase, CHWD customers will continue to pay water rates below the Sacramento regional average.



Groundwater Wells

A substantial portion of our budget is spent on purchasing treated surface water from Folsom Lake via the San Juan Water District wholesale agency. Diversifying our water supply will ensure consistent, flexible, and affordable water, especially since costs associated with purchased water are increasing significantly and are projected to increase further in the next four years. Over the next decade, we seek to invest in groundwater resources by planning to add four new groundwater producing wells to our supply system, increasing our total number of wells to ten.



METER REPLACEMENT PROGRAM

The majority of water meters within our system were installed in the early 2000s. By 2020, we will begin replacing the oldest meters to ensure reliability and compatibility with current technology. Modern water meters will better serve our customers by providing real-time data to help manage water usage. In 2018, we will undertake a Water Meter Replacement Study to evaluate the most efficient, cost-effective method of incorporating new meters into our system. To reduce cost, we are partnering with other water agencies to plan for and to implement the next generation of water meters.

Summary of Rates

Below is a summary of the proposed changes to the bi-monthly customer service charges and usage charges for water consumed.

TYPE OF CHARGE	APPLIED BASIS OR FREQUENCY	2017 ADOPTED	2018 PROPOSED	\$ BI-MONTHLY CHANGE
Charges for Metered Rate Customer Accounts				
Service Charge, Domestic, Commercial & Irrigation Meters				
¾-inch meter	bi-monthly, per meter	\$ 47.52	\$ 48.94	\$ 1.42
1-inch meter	bi-monthly, per meter	\$ 72.30	\$ 74.46	\$ 2.16
1½-inch meter	bi-monthly, per meter	\$ 88.82	\$ 91.48	\$ 2.66
2-inch meter	bi-monthly, per meter	\$ 171.41	\$ 176.55	\$ 5.14
3-inch meter	bi-monthly, per meter	\$ 270.54	\$ 278.65	\$ 8.11
4-inch meter	bi-monthly, per meter	\$ 534.89	\$ 550.93	\$ 16.04
Service Charge, Combination Meters				
Low flow bypass meter	bi-monthly, per meter	\$ 0.00	\$ 0.00	\$ 0.00
4-inch meter	bi-monthly, per meter	\$ 171.41	\$ 176.55	\$ 5.14
6-inch meter	bi-monthly, per meter	\$ 270.54	\$ 278.65	\$ 8.11
8-inch meter	bi-monthly, per meter	\$ 534.89	\$ 550.93	\$ 16.04
10-inch meter	bi-monthly, per meter	\$ 1,303.08	\$ 1,342.17	\$ 39.09
Usage Charges for Water Consumed (1 unit = 100 cubic feet = 748 gallons)				
Domestic, Commercial, Irrigation & Combination Meter				
All meter sizes	per unit	\$ 0.9871	\$ 1.0167	\$ 0.0296
Commercial Fire Sprinkler Service Charges				
4-inch and smaller	per service, bimonthly	\$ 75.52	\$ 77.78	\$ 2.26
6-inch	per service, bimonthly	\$ 97.96	\$ 100.89	\$ 2.93
6-inch; one-half shared	per service, bimonthly	\$ 48.98	\$ 50.44	\$ 1.46
6-inch; one-third shared	per service, bimonthly	\$ 32.65	\$ 33.62	\$ 0.97
8-inch	per service, bimonthly	\$ 119.31	\$ 122.88	\$ 3.57
8-inch; one-half shared	per service, bimonthly	\$ 59.65	\$ 61.43	\$ 1.78
10-inch	per service, bimonthly	\$ 160.82	\$ 165.64	\$ 4.82
12-inch	per service, bimonthly	\$ 213.07	\$ 219.46	\$ 6.39

What does it mean for me?

The proposed rate increase, based on average consumption for a family of four in a single family home with a one-inch water meter, is about \$1.68 per month.

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS NOVEMBER 08, 2017 SPECIAL MEETING

SUBJECT : 2017 CAPACITY CHARGES
STATUS : Action Item
REPORT DATE : November 01, 2017
PREPARED BY : Susan K. Sohal, Administrative Services Manager

OBJECTIVE:

Conduct a Public Hearing on the proposed Capacity Charges for 2018, and consider adoption of a resolution establishing Capacity Charges for Citrus Heights Water District for 2018.

BACKGROUND AND ANALYSIS:

This report presents the proposed Capacity Charges for 2018. Accompanying this report is a proposed resolution, Resolution 14-2017, adopting Capacity Charges for CHWD for 2018. The resolution includes a schedule of Capacity Charges.

Capacity charges are a method for ensuring that new connections, reconnections or enlarged connections to the District's water system are assessed for their equitable share of capacity in the existing facilities and assets of the District. The District uses a "System Buy-In Methodology" which recognizes the current value of providing the capacity needed to serve additional users, based on the replacement cost of the assets of the District less depreciation.

Proposed Capacity Charges for 2018 were calculated in accordance with District Policy No. 7500, Capacity Charges. Although these Capacity Charges will be adopted as a separate Board action, once adopted, they will be incorporated in the schedule of CHWD Water Rates and Miscellaneous Charges and Fees for 2018.

RECOMMENDATION:

1. Conduct the Public Hearing on the proposed Capacity Charges for 2018; and
2. Adopt Resolution No. 14-2017 Adopting Capacity Charges for Citrus Heights Water District for 2018.

ACTION:

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

CITRUS HEIGHTS WATER DISTRICT
RESOLUTION NO. 14-2017

RESOLUTION ADOPTING CAPACITY CHARGES
FOR CITRUS HEIGHTS WATER DISTRICT FOR 2018

WHEREAS, upon motion duly moved, seconded, and carried, the following Capacity Charges were adopted for the year 2018:

<u>Type of Charge</u>	<u>Applied Basis or Frequency</u>	<u>2018 Adopted</u>
<u>Capacity Fees</u>		
Residential- Multi-Family:		
Townhomes/Condos/Duplexes w/¾-inch max.	per service + non-residential uses	\$4,235.00
Townhomes/Condos/Duplexes w/1-inch max.		
Fire Sprinklers w/1-inch max.	per service + non-residential uses	\$6,776.00
Residential- Single Family:		
0 - 2.499 acres with 1-inch max.	per service	\$6,776.00
2.500 - 4.999 acres with 1¼-inch max.	per service	\$7,623.00
5.00 - 7.500 acres with 1½-inch max.	per service	\$8,470.00
Over 7.500 acres with 2-inch max.	per service	\$16,708.00
Nonresidential Users:		
Based on service size, including, but not limited to, commercial, industrial, irrigation, commercial swimming pools, and clubhouse applications:		
⅝ inch	per service	\$2,541.00
¾ inch	per service	\$4,235.00
1 inch	per service	\$6,776.00
1¼ inch	per service	\$7,623.00
1½ inch	per service	\$8,470.00
2 inch	per service	\$16,940.00
3 inch	per service	\$27,104.00
4 inch	per service	\$54,208.00
6 inch	per service	\$211,750.00
8 inch	per service	\$406,560.00
10 inch	per service	\$643,720.00
12 inch	per service	\$847,000.00

PASSED AND ADOPTED by the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT, this 08th day of November 2017, by the following vote, to-wit:

AYES: Directors: Sheehan, Riehle, Sheehan
 NOES: Directors: None
 ABSTAIN: Directors: None
 ABSENT: Directors: None

S E A L

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

ATTEST:

HILARY M. STRAUS, Secretary