



Notice of Public Hearing on Proposed Water Rate Adjustments Beginning in 2025

Protecting Our Future: Getting Ahead of Catastrophic Failure

Replacing pipes before they fail prevents emergency outages, expensive after-hours repairs, and unnecessary property damage. With 250 miles of pipelines—the majority installed between 1960 and 1985—the District has to plan carefully and take steps to protect the water system. Planning ahead means the District can take the most efficient and cost-effective approach. It also means less of a chance of sinkholes or other issues that come with catastrophic failures.

Getting ahead of catastrophic failure is just one of the many ways the District is working to protect its customers. We demonstrate our commitment to you with responsive customer service, capital improvements, infrastructure maintenance, water efficiency programs, and advocacy on your behalf with local, regional, state, and federal interests. Through careful planning and timely investments, the District continues to keep customers' *water rates below average for our region*.

Thank you for your continued support of the Citrus Heights Water District (CHWD). To maintain reliable and affordable water service, and reinvestment in the water system, the District is proposing a rate adjustment for 2025. Rate adjustments let the District balance short-term demands and long-term needs.

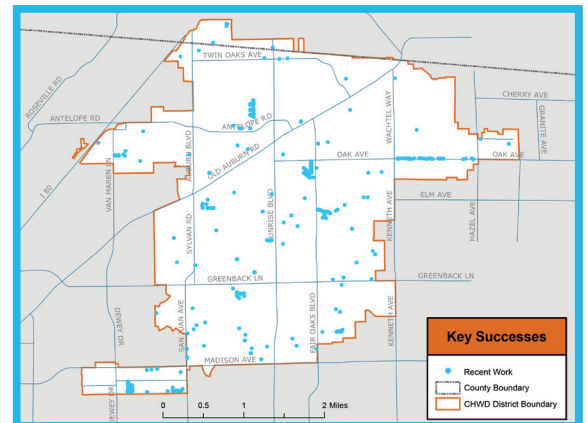
Public Hearing: Tuesday, December 10, 2024 at 6:00 p.m.

Hearing Location: Citrus Heights Community Center, South Flex Rooms - 6300 Fountain Square Drive, Citrus Heights, California

The Citrus Heights Water District Board of Directors will hold a Public Hearing on Tuesday, December 10, 2024, at 6:00 p.m. to consider the adoption of rate adjustments as described in detail in this notice.

Key Successes in the Past Year:

- 479 water service connections installed or replaced
- 5,763 feet of water mains installed or replaced
- 64 water valves and 25 fire hydrants installed or replaced
- 503 water meters installed or replaced
- Hosted 106 people at FREE WaterSmart classes
- Completed 56 FREE irrigation audits and installed 40 FREE smart controllers



CHWD's Priority Projects

PROJECT 2030 WATER MAIN REPLACEMENT



Our water is only as reliable as the pipes that deliver it to our customers. Today, CHWD operates and maintains over 250 miles of pipeline. The District's service area urbanized mostly between 1960-1985 with water mains largely installed by private developers. The pipelines that were installed during this period are near the end of their expected lifespan and CHWD must plan now to replace them.



Just because water mains are underground does not make them any less important. The life span of a water main is approximately 70 years. CHWD must substantially increase its annual replacement of aging water mains above its current annual level of \$2 million per year to nearly \$8 million per year beginning in 2030 and beyond for many decades to ensure long term water reliability.

To help prioritize water main replacements, CHWD is conducting field inspections of the District's transmission (large diameter) water mains. This condition assessment process is a proactive and planned approach which will identify which water mains to replace first.

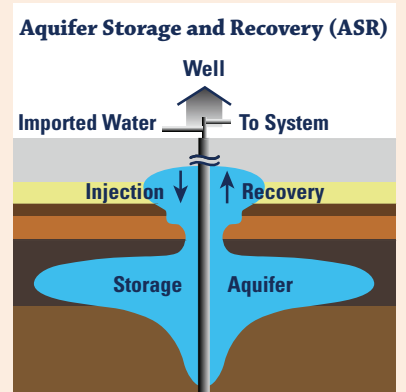


To learn more about Project 2030, **scan the QR code or visit chwd.org/project2030**.

Groundwater Expansion & Reinvestment

Groundwater is an important component of CHWD's water supply during a normal year, and even more during drought periods.

The District has four active wells, two wells in reserve, and is developing two additional wells to better meet the demands of our customers. The new wells will be the first CHWD wells equipped with Aquifer Storage and Recovery (ASR) technology that allows excess surface water in wet periods to be injected into the ground and stored, then later extracted in dry periods to meet the water supply needs of CHWD's customers.



Through our commitment to advocate on your behalf with regional, State, and Federal interests, CHWD secured \$6.6 million in Federal and State grant funding for its groundwater expansion program. These high-capacity groundwater wells will be capable of delivering more than 1,000 gallons of drinking water per minute each.

There are very few opportunities for non-ratepayer funding, and CHWD continues to be aggressive in identifying and applying for grants and other non-ratepayer funding opportunities.

METER REPLACEMENT PROGRAM

ACCURACY + EFFICIENCY + TECHNOLOGY

The District became fully metered in December 2006 and began metered billing in January 2008 as a result of Federal and State regulations. CHWD's first generation of meters are approaching the end of their lifespan.

In 2022, a consortium of 12 local agencies, led by CHWD, completed a study to review new meter technologies and determine the best path forward for meter testing and replacement. The study recommended the District develop an annual meter testing program to verify the accuracy and condition of its meters. The District completed its first year of meter testing in 2023. The meters for this year's testing have been selected, and the District's Operations staff will be removing and replacing them in the coming months in preparation for the testing. The District will use the testing data to better inform future meter purchasing decisions. On a parallel track, CHWD is continuing its work with regional partners to plan for future cooperative purchasing opportunities to reduce cost.

Project 2030 Update

PROJECT 2030 WATER MAIN REPLACEMENT



2024-2029

- Identify top priority areas for water main replacement.
- Conduct pre-design analysis on key water mains.
- Coordinate water main replacements with road and utility work.
- Continue condition assessment of water mains.



2030-2080

- Replace water mains in priority areas.
- Continue condition assessment of water mains.
- Use new data to target replacement priorities.



Visit chwd.org/project2030 or scan the QR code to watch our Fall 2024 WaterLine Update.

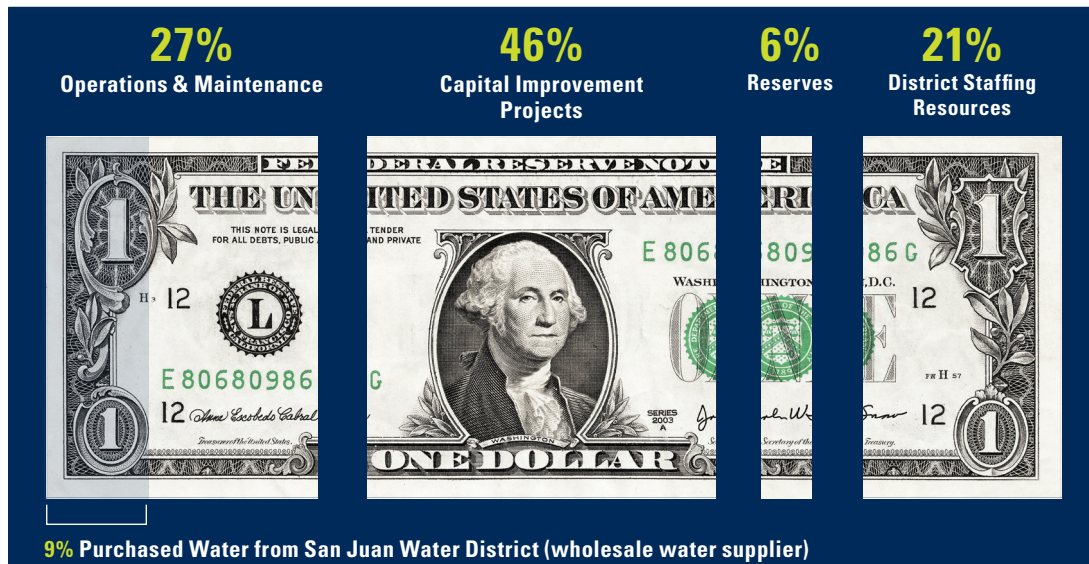


The Cost of Delivering Safe Water

The District's 2025 annual budget continues to prioritize Capital Improvement Projects, with 46% invested into the water system to maintain infrastructure, increase capacity, and ensure reliable delivery of water to our customers.

Operations and maintenance costs are 27% of CHWD's expenses, including the San Juan Water District wholesale cost, which is CHWD's single largest outbound expense (projected at \$3.1 million in 2025).

To ensure long-term reliability, CHWD's contribution to its designated reserves is 6% for 2025. The remaining 21% of expenses fund the District's staffing resources.



Summary of Rates

Below is a summary of the proposed changes to the usage charges, customer service charges, and Project 2030 dedicated charges. The customer service and Project 2030 dedicated charges are billed **bi-monthly and per meter**.

TYPE OF CHARGE	CURRENT USAGE CHARGE	2025 PROPOSED USAGE CHARGE
Usage Charges for Water Consumed (1 unit = 100 cubic feet = 748 gallons)		
Domestic, Commercial, Irrigation & Combination Meter		
All customers	\$ 1.60	\$ 1.35

TYPE OF CHARGE	CURRENT PROJECT 2030 DEDICATED CHARGE	CURRENT SERVICE CHARGE	2025 PROPOSED PROJECT 2030 DEDICATED CHARGE	2025 PROPOSED SERVICE CHARGE
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Charges for Metered Rate Customer Accounts

Service Charge, Domestic, Commercial & Irrigation Meters				
3/4-inch meter	\$ 4.20	\$ 55.71	\$ 6.90	\$ 72.77
1-inch meter	\$ 10.50	\$ 101.28	\$ 17.25	\$ 120.05
1½-inch meter	\$ 21.00	\$ 177.23	\$ 34.50	\$ 198.85
2-inch meter	\$ 33.59	\$ 268.37	\$ 55.20	\$ 293.41
3-inch meter	\$ 73.48	\$ 556.98	\$ 120.75	\$ 592.85
4-inch meter	\$ 132.30	\$ 982.30	\$ 217.35	\$ 1,034.13

Service Charge, Combination Meters				
4-inch meter	\$ 33.59	\$ 268.37	\$ 55.20	\$ 293.41
6-inch meter	\$ 73.48	\$ 556.98	\$ 120.75	\$ 592.85
8-inch meter	\$ 132.26	\$ 982.30	\$ 217.35	\$ 1,034.13
10-inch meter	\$ 440.86	\$ 3,215.23	\$ 724.50	\$ 3,350.85

The above rates may be modified with a 30-day written notice based on changes to the wholesale water rates charged by the San Juan Water District.



Rebates & Programs

The District offers a variety of rebates and programs to help CHWD's customers save money.

Ultra-Low Flush (ULF) Toilet Rebate



CHWD offers a \$75 rebate on a new ULF toilet from CHWD's water efficiency program.

Pressure Reducing Valve (PRV) Rebate



Rebates are available if you install a PRV on your service connection and pass the on-site inspection by a CHWD representative.

High-Efficiency Clothes Washer Rebate



CHWD now offers a \$50 rebate for an Energy Star washer and a \$75 rebate for a washer on the EPA's "Most Efficient" list.



For information on rebates, visit chwd.org/rebates.

How To Protest The Proposed Rate Adjustments

All property owners receiving CHWD water service and customers of record are invited to attend the Public Hearing on Tuesday, December 10, 2024, at 6:00 p.m. at the Citrus Heights Community Center, South Flex Rooms, 6300 Fountain Square Drive, Citrus Heights, California to comment on the proposed rate adjustment that would take effect on January 1, 2025. Proposition 218 allows property owners or customers to file a written protest before or during the Public Hearing. Only one written protest per identified parcel or property will be counted to determine whether there is a majority protest. If written protests are presented by a majority of the affected parcels, a rate adjustment will not be approved. 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(s), 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. Box 286, Citrus Heights, CA 95611-0286**

Written protests may also be hand-delivered to CHWD officials or staff at the District Administration Office by 5:30 p.m. on Tuesday, December 10, 2024, or until the close of the Public Hearing on the night of the Board of Directors meeting, Tuesday, December 10, 2024, at 6:00 p.m. at the Citrus Heights Community Center, South Flex Rooms, 6300 Fountain Square Drive, Citrus Heights, California. Pursuant to California Government Code 53759, challenges to any new, increased, or extended fees or charges are subject to a 120-day statute of limitations.

The CHWD Administration Office is located at 6230 Sylvan Road, Citrus Heights, CA 95610. Office hours are Monday through Thursday, 8 a.m. to 5:30 p.m. For the latest information from CHWD about the proposed rate adjustment, please visit our website: chwd.org/rates.



6230 Sylvan Road
Citrus Heights, CA
95610-5610



Postal Customer and Water Consumer in Citrus Heights Water District

CITRUS HEIGHTS WATER DISTRICT

Did You Know?

CHWD rates, even with the proposed adjustment, are **below the regional average.**

CHWD received **\$6.6M** in Federal and State **grants** to help build two new wells.

One unit of water on your bill is equal to **748 gallons.** The proposed cost for that is **\$1.35.**

1 unit on your bill =

5-hour shower



OR

10 full baths



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