

**BOARD MEETING AGENDA  
SPECIAL MEETING OF THE BOARD OF DIRECTORS OF  
CITRUS HEIGHTS WATER DISTRICT (CHWD)  
DECEMBER 5, 2018 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

**BUSINESS:**

B-1. 2019 Operating and Capital Improvements Budgets (A)

- a. Conduct Public Hearing on 2019 Operating and Capital Improvement Budgets.
- b. Consider adoption of Resolution 17-2018 Establishing Fiscal Year 2019 Operating and Capital Improvement Budgets.

B-2. Water Rates and Miscellaneous Charges and Fees Effective 2019 (A)

- a. Conduct Public Hearing on Water Rates and Miscellaneous Charges and Fees Effective 2019.
- b. Consider adoption of Resolution 18-2018 Establishing Water Rates and Miscellaneous Charges and Fees Effective Fiscal Year 2019.

B-3. Capacity Charges Effective 2019 (A)

- a. Conduct Public Hearing on 2019 Capacity Charges.
- b. Consider adoption of Resolution 19-2018 Establishing Capacity Charges Effective Fiscal Year 2019.

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

December 19, 2018    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 24 hours prior to the regular meeting in accordance with Government Code Section 54956.



\_\_\_\_\_  
Christopher Castruita, Chief Board Clerk

Dated: November 29, 2018

# CITRUS HEIGHTS WATER DISTRICT

## DISTRICT STAFF REPORT TO BOARD OF DIRECTORS DECEMBER 05, 2018 SPECIAL MEETING

SUBJECT : DISCUSSION AND POSSIBLE ACTION TO APPROVE THE 2019 BUDGET  
 STATUS : Action Item  
 REPORT DATE : November 20, 2018  
 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 2019, and consider adoption of a resolution establishing the Fiscal Year 2019 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 2019. Accompanying this report is a copy of a proposed resolution, Resolution 17-2018, establishing the Fiscal Year 2019 Operating and Capital Improvement Budgets, and Transfers to Designated Reserves, which includes a summary of these budgets in the following amounts:

|  |               |
|--|---------------|
| 2019 Operating Budget:                               | \$ 13,073,299 |
| 2019 Capital Improvement appropriations:             |               |
| New Capital Projects Request for 2019:               | \$ 2,996,669  |
| Previously-Approved Projects Carried Over from 2018: | \$ 1,381,441  |
| Total 2019 Capital Improvements Requests:            | \$ 4,378,110  |
| 2019 Transfers to Designated Reserves:               | \$ 666,000    |

Budget information and rate options have been reviewed by the Board of Directors at three public meetings, including at an September 05, 2018 Budget Study Session, a September 19, 2018 Board meeting and this Public Hearing on December 05, 2018. Moreover, the proposed 2019 CHWD budget, rate program and the District's work program were presented to ten neighborhood associations throughout Citrus Heights and Orangevale, and to two service clubs within Citrus Heights.

### **2019 Operating Budget**

The 2019 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 2019 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 July 07, 2018. District staff recommends the proposed 2019 Operating Budget as it reflects a balance between maintaining high-quality water service and keeping costs in check.

The 2019 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 2019 proposed budget allocates \$550,000 of staff salary and benefits to capital projects.

Highlights of proposed 2019 expenditures are summarized below.

### **Operating & Maintenance Budget**

- \$13.07 million, increase of 7.5%, or \$917,000 from the 2018 budget.
- \$364,341 or 11.83% total increase in cost of treated water from San Juan Water District. The growth in costs includes the wholesale water rate increase of 9%, and an increase of projected water use, estimated to be 12,500 AF as compared to 12,000 AF in 2018.
- \$1.89 million in Professional Services, including many Strategic Planning and Special Project items, including the Project 2030 Study, Water Meter Replacement Program, ASR Study, organizational development, District policy review/updates, review of easements, annexations, website redesign and water supply agreement.
- \$376,652 increase in Salary and Benefits, which includes: Accelerated payoffs of the CalPERS pension Unfunded Actuarial Liability (UAL) and the OPEB UAL; 35% increase in the CalPERS employer contribution rate (due to factors such as the lowering of the assumed rate of return on CalPERS' portfolio); 25% increase in Health Insurance (due to factors such as increased plan costs (staff is currently researching provider and plan options)); 4.5%, for merit and cost of living adjustments; and, 1.35% increase is attributable to the addition of the proposed Senior Management Services Specialist position.

### **Capital Improvements Budget**

2019 Capital Improvement appropriations:

|  |                     |
|--|---------------------|
| New Capital Projects Request for 2019:               | \$ 2,996,669        |
| Previously-Approved Projects Carried Over from 2018: | <u>\$ 1,381,441</u> |
| Total 2019 Capital Improvements Requests:            | \$ 4,378,110        |

Project highlights include:

- Replacement of aging customer water services budgeted at \$957,700 to include replacements within the Stock Ranch subdivision.
- Replacement, upgrades and new fire hydrants for \$159,150.
- Six water main replacements or installation projects, scheduled to start in 2019. Projected cost of \$665,350 with completion targeted for 2020.
- Operations equipment replacements and new equipment totaling \$295,000.

- Groundwater Well continued property acquisition carryover allocating \$460,000.

### **Designated Reserves Transfers**

The proposed 2019 budget meets all policy targets for fund balances in the District's designated reserves in addition to the reserve transfers noted below from the Operating Fund.

- \$66,000 transfer to complete the replenishment of the Rate Stabilization Reserve to bring the fund back to its policy target of \$1million. \$366,000 was drawn down from the fund in 2015 due to the drought.
- \$400,000 transfer to the Water Supply Reserve based upon projected revenue.
- \$200,000 transfer to the Water Meter Replacement Reserves for accrual of funds toward Meter Replacements at the end of their useful life, projected to start in 2025.

### **Total Operating, Capital and designated Reserved Transfers Budgets for 2019:**

Total Funding Requirements for 2019 Budgets:

| Operating Budget | CIP Budget     | Transfers to Reserves | Total          |
|------------------|----------------|-----------------------|----------------|
| \$13.07 million  | \$4.38 million | \$666,000             | \$18.3 million |

### **RECOMMENDATION:**

1. Conduct a Public Hearing on the proposed Budget for 2019, and Transfers to Designated Reserves; and
2. Adopt Resolution 17-2018, establishing the Fiscal Year 2019 Budget, and Transfers to Designated Reserves.

### **ATTACHMENTS:**

1. 2019 Proposed Total Budget Summary
2. Resolution 17-2018, establishing the Fiscal Year 2019 Operating (Exhibit A) and Capital Improvement Budgets (Exhibit B), and Transfers to Designated Reserves (Exhibit C)

### **ACTION:**

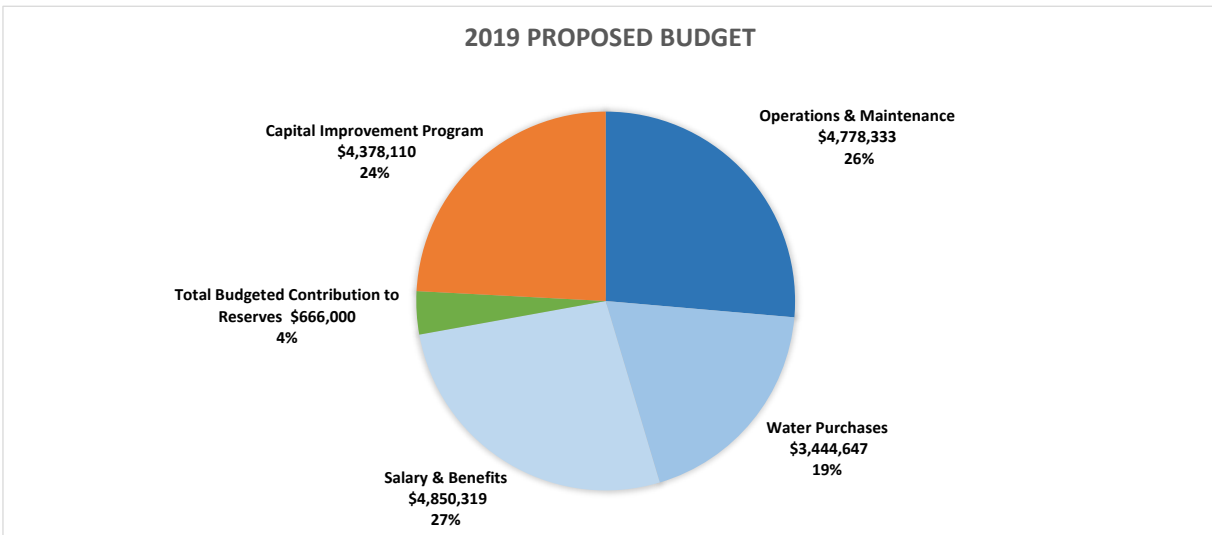
Moved by Director \_\_\_\_\_, Seconded by Director \_\_\_\_\_, Carried \_\_\_\_\_

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## **Attachment 1**

### **2019 Proposed Total Budget Summary**

|  | 2016 Actual          | 2017 Actual   | 2018 Adopted Budget | 2018 Projected | 2019 Proposed Budget |
|--|----------------------|---------------|---------------------|----------------|----------------------|
| <b>Beginning Fund Balance</b>  | <b>\$ 13,258,717</b> |               |                     |                |                      |
| <b>Revenues</b>  |                      |               |                     |                |                      |
| <i>Rate Revenue</i>  | \$ 11,608,202        | \$ 13,450,282 | \$ 14,260,000       | \$ 14,200,000  | \$ 14,910,000        |
| <i>Collections Fees &amp; Penalties</i>                                | \$ 695,909           | \$ 556,023    | \$ 406,000          | \$ 500,000     | \$ 450,000           |
| <i>Grants/ Misc</i>  | \$ 1,063,413         | \$ 1,258,855  | \$ 161,000          | \$ 400,000     | \$ 150,000           |
| <i>Total Revenue</i>   | \$ 13,367,524        | \$ 15,265,160 | \$ 14,827,000       | \$ 15,100,000  | \$ 15,510,000        |
| <b>Operating &amp; Maintenance Budget</b>                              |                      |               |                     |                |                      |
| <i>Operations &amp; Maintenance</i>                                    | \$ 1,978,192         | \$ 2,375,998  | \$ 4,601,716        | \$ 2,690,679   | \$ 4,778,333         |
| <i>Water Purchases</i>   | \$ 2,190,061         | \$ 2,692,482  | \$ 3,080,306        | \$ 3,279,886   | \$ 3,444,647         |
| <i>Salary &amp; Benefits</i>   | \$ 3,071,341         | \$ 3,965,555  | \$ 4,473,367        | \$ 4,223,039   | \$ 4,850,319         |
| <i>Total Expense</i>   | \$ 7,239,594         | \$ 9,034,034  | \$ 12,155,390       | \$ 10,193,605  | \$ 13,073,299        |
| <b>Net Contribution to/(Use) of Reserves</b>                           | \$ 6,127,930         | \$ 6,231,126  | \$ 2,671,610        | \$ 4,906,395   | \$ 2,436,701         |
| <b>Contribution to Reserves Budget</b>                                 |                      |               |                     |                |                      |
| <i>Total Budgeted Contribution to Reserves</i>                         | \$ 1,000,000         | \$ 575,000    | \$ 1,760,000        | \$ 1,760,000   | \$ 666,000           |
| <i>Net Contribution to Capital Improvement Reserve</i>                 | \$ 5,127,930         | \$ 5,656,126  | \$ 911,610          | \$ 3,146,395   | \$ 1,770,701         |
| <b>Capital Improvement Program Budget</b>                              |                      |               |                     |                |                      |
| <i>Capital Improvement Program Budget (Funded through CIP Reserve)</i> | \$ 2,090,087         | \$ 3,419,838  | \$ 6,204,462        | \$ 2,666,192   | \$ 4,378,110         |
| <b>Ending Fund Balance</b>   | <b>\$ 11,854,257</b> |               |                     |                |                      |
| <b>Fund Balance Policy Target</b>                                      | <b>\$ 11,851,559</b> |               |                     |                |                      |
| <b>Policy Target Surplus/(Deficit)</b>                                 | <b>\$ 2,698</b>      |               |                     |                |                      |



## **Attachment 1**

Resolution 17-2018, 2019 Operating and Maintenance Budget



CITRUS HEIGHTS WATER DISTRICT  
RESOLUTION NO. 17-2018

RESOLUTION ESTABLISHING  
FISCAL YEAR 2019 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, 2019; 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: \$13,073,299; Capital Improvement Budget: \$4,378,110; and Transfers to Designated Reserves: \$666,000; and

WHEREAS, a noticed Public Hearing was held on December 5, 2018 for the purpose of receiving public comment on the proposed Fiscal Year 2019 Operating and Capital Improvement Budgets.

THEREFORE BE IT RESOLVED the Fiscal Year 2019 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 05<sup>th</sup> day of December, 2018, by the following vote, to-wit:

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

S E A L

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RAYMOND RIEHLE, President  
Board of Directors  
Citrus Heights Water District

ATTEST:

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HILARY M. STRAUS, Secretary

# **EXHIBIT A**

## **2019 Operating Budget**

**CITRUS HEIGHTS WATER DISTRICT**  
**2019 OPERATING BUDGET SUMMARY**

| Title                               | 2017 Budget<br>(Adopted) | 2017 Actual | 2018 Budget<br>(Adopted) | 2018<br>Projected | 2019<br>Budget<br>(Proposed) |
|-------------------------------------|--------------------------|-------------|--------------------------|-------------------|------------------------------|
| COP Debt - Current                  | 565,000                  | 565,000     | 585,000                  | 757,500           | 610,000                      |
| Purchased Water                     | 2,851,387                | 2,692,482   | 3,080,306                | 3,279,886         | 3,444,647                    |
| Labor Reg                           | 3,058,234                | 2,916,871   | 3,333,464                | 3,071,870         | 3,510,868                    |
| Labor Taxes                         | 222,350                  | 211,466     | 248,315                  | 240,518           | 273,184                      |
| Labor Workers Comp                  | 54,319                   | 16,059      | 63,000                   | 37,769            | 80,900                       |
| Labor External                      | 85,010                   | 47,864      | 115,700                  | 14,144            | 108,740                      |
| Benefits Med/Den/Vis                | 426,920                  | 431,384     | 465,756                  | 537,704           | 584,668                      |
| Benefits LTD/Life/EAP               | 43,762                   | 29,894      | 45,158                   | 48,079            | 57,175                       |
| Benefits CalPERS                    | 201,950                  | 232,017     | 243,172                  | 215,514           | 329,925                      |
| Benefits Other                      | 30,000                   | 31,340      | 30,000                   | 30,659            | 30,350                       |
| Benefit Retiree Expenses            | 49,300                   | 137,000     | 50,533                   | 43,290            | 52,554                       |
| Benefit Unemployment Insurance      | 8,400                    | 6,904       | 8,400                    | 8,620             | 9,240                        |
| Benefit UAL Pension                 | 388,755                  | 382,002     | 433,569                  | 382,358           | 389,055                      |
| Benefit UAL OPEB                    | -                        | -           | 102,000                  | 80,000            | 82,400                       |
| Capitalized Labor & Benefits Contra | (550,000)                | (474,642)   | (550,000)                | (473,343)         | (550,000)                    |
| Fees & Charges                      | 119,385                  | 91,188      | 158,055                  | 108,538           | 191,095                      |
| Regulatory Compliance/Permits       | 34,200                   | 123,569     | 81,015                   | 38,562            | 85,065                       |
| District Events & Recognition       | 21,190                   | 15,355      | 38,330                   | 28,110            | 64,840                       |
| Maintenance/Licensing               | 129,632                  | 136,139     | 135,932                  | 62,416            | 147,110                      |
| Equipment Maintenance               | 80,200                   | 59,058      | 88,542                   | 83,322            | 103,125                      |
| Professional Development            | 71,420                   | 57,473      | 99,290                   | 59,524            | 114,819                      |
| Department Admin                    | 47,200                   | 44,066      | 16,000                   | 66,880            | 23,200                       |
| Dues and Subscriptions              | 132,135                  | 141,778     | 146,629                  | 109,785           | 159,942                      |
| Gas & Oil                           | 51,000                   | 42,070      | 51,000                   | 59,091            | 56,100                       |
| General Supplies                    | 31,500                   | 22,557      | 58,500                   | 38,618            | 62,200                       |
| Insurance - Auto/Prop/Liab          | 75,000                   | 140,751     | 85,000                   | 36,912            | 89,250                       |
| Leasing/Equipment Rental            | 10,000                   | 13,753      | 22,060                   | 21,198            | 27,060                       |
| Other Agency Cost Reimbursement     | 5,000                    | 4,891       | 5,000                    | 5,000             | 5,000                        |
| Parts and Materials                 | 45,000                   | 197,973     | 55,000                   | 238,540           | 55,000                       |
| Postage/Shipping/Freight            | 124,000                  | 131,575     | 124,000                  | 137,283           | 169,100                      |
| Rebates & Incentives                | 19,680                   | 11,855      | 19,680                   | 11,657            | 29,680                       |
| Telecom/Network                     | 40,940                   | 38,380      | 41,300                   | 40,107            | 45,500                       |
| Tools & Equipment                   | 51,700                   | 44,462      | 61,700                   | 57,356            | 110,050                      |
| Utilities                           | 224,384                  | 131,382     | 181,718                  | 123,121           | 156,890                      |
| Bad Debt Expense                    | 5,000                    | 1,592       | 5,000                    | -                 | 5,000                        |
| Support Services                    | 1,040,799                | 594,287     | 1,936,129                | 936,320           | 1,899,992                    |
| Legal Services                      | 94,000                   | 207,557     | 300,000                  | 153,923           | 300,000                      |
| Printing Services                   | 36,500                   | 15,768      | 40,200                   | 9,850             | 36,950                       |
| Capitalize G&A Contra               | -                        | (277,087)   | -                        | (309,280)         | -                            |
| Equipment CIP Contra Acct           | -                        | (396,316)   | -                        | (320,425)         | -                            |
| Interest Expense                    | 173,738                  | 169,059     | 150,936                  | 122,625           | 122,625                      |
|                                     | 10,098,990               | 9,034,034   | 12,155,390               | 10,193,605        | 13,073,299                   |

## **EXHIBIT B**

### **2019 Capital Improvement Budget**

CITRUS HEIGHTS WATER DISTRICT  
2018 CAPITAL PROJECTS BUDGET - SUMMARY BY PROJECT  
Proposed: December 05, 2018

| Project Number                                    | Description   | 2018 Adopted Budget | 2018 Projected Expense | 2019 Projected Expense | 2020 Projected Expense | Proposed Project Budget | Project Budget Amendment Request |
|---|---|---------------------|------------------------|------------------------|------------------------|-------------------------|----------------------------------|
| C15-109   | Blossom Hill Way 6" x 10" Interconnection w/ RV                   | 25,477              | -                      | 27,777                 | -                      | 27,777                  | 2,300                            |
| C15-110   | Crestmont Avenue 6" Interconnection w/ RV                         | 22,850              | -                      | 24,288                 | -                      | 24,288                  | 1,438                            |
| C15-104   | Technology Hardware and Software Improvements/Replacements        | 250,000             | -                      | -                      | 250,000                | -                       | (250,000)                        |
| C16-134   | Auburn Blvd - Rusch Park to Placer County Line                    | 8,477               | -                      | 10,000                 | 157,000                | 10,000                  | 1,523                            |
| C17-101   | Pleasant View Dr - Oak Av to Poppyfield Wy                        | 521,010             | 521,010                | 180,890                | -                      | 701,900                 | 180,890                          |
| C17-103   | Operations Building Remodel                                       | 125,000             | -                      | 50,000                 | -                      | 50,000                  | (75,000)                         |
| C17-104   | Groundwater Well Property Acquisition (# 7, 8, 9 & 10)            | 890,000             | 430,000                | 460,000                | -                      | 890,000                 | -                                |
| C18-102   | Thunderhead Circle  | 57,407              | -                      | 157,407                | -                      | 157,407                 | 100,000                          |
| C18-103   | Cologne Way   | 27,511              | 27,511                 | 192,960                | -                      | 220,471                 | 192,960                          |
| C18-104   | Quiet Oak Lane  | 10,445              | -                      | 127,654                | -                      | 127,654                 | 117,209                          |
| C18-105   | Old Auburn Road - Daffodil Way & Wooddale Way                     | 7,979               | -                      | 150,465                | -                      | 150,465                 | 142,486                          |
| <b>Encumbered Projects Total</b>                  |   | <b>1,946,157</b>    | <b>978,521</b>         | <b>1,381,441</b>       | <b>664,500</b>         | <b>2,359,962</b>        | <b>413,805</b>                   |
| C19-005   | Annual Facilities Improvement                                     | 125,000             | 125,000                | 140,000                |                        | 140,000                 |                                  |
| C19-003   | Annual Fleet Improvements/Replacements                            | 145,000             | 145,000                | 295,000                |                        | 295,000                 |                                  |
| C19-004   | Annual Technology Hardware and Software Improvements/Replacements | 125,000             | 125,000                | 10,000                 |                        | 10,000                  |                                  |
| C19-010   | Annual Water Main Pipeline Replacements                           | 64,890              | 64,890                 | 66,843                 |                        | 66,843                  |                                  |
| C19-011   | Annual Water Valve Installations/Replacements                     | 144,200             | 91,281                 | 148,540                |                        | 148,540                 |                                  |
| C19-012   | Annual Water Service Connections (Replacements)                   | 850,000             | 850,000                | 957,700                |                        | 957,700                 |                                  |
| C19-013   | Annual Water Meter Replacements                                   | 107,000             | 107,000                | 129,086                |                        | 129,086                 |                                  |
| C19-014   | Annual Fire Hydrants - Replacements / Upgrades / Infill / New     | 154,500             | 154,500                | 159,150                |                        | 159,150                 |                                  |
| C19-020   | Annual Groundwater Well Improvements                              | 100,000             | 75,000                 | 175,000                |                        | 175,000                 |                                  |
| C19-040   | Annual Other City Partnership Opportunities                       | 300,000             | 100,000                | 100,000                |                        | 100,000                 |                                  |
| C19-041   | Annual Other Miscellaneous Infrastructure Projects                | 103,000             | 30,000                 | 50,000                 | -                      | 80,000                  |                                  |
| <b>2019 New Annual Capital Total <sup>1</sup></b> |   | <b>1,815,590</b>    | <b>1,737,671</b>       | <b>2,081,319</b>       | <b>-</b>               | <b>2,081,319</b>        | <b>-</b>                         |
| C19-101   | Robie Way 8" Main Replacement Project                             |                     |                        | 26,846                 | 233,669                | 26,846                  |                                  |
| C19-102   | Patton Avenue - Watson Way to North                               |                     |                        | 67,679                 |                        | 67,679                  |                                  |
| C19-103   | Watson Way - Sherlock Way to Well Site                            |                     |                        | 406,401                |                        | 406,401                 |                                  |
| C19-104   | Admiral Avenue Water Main Replacement                             |                     |                        | 30,310                 | 261,129                | 30,310                  |                                  |
| C19-105   | Whyte Avenue and Langley Avenue Water Main Replacement Project    |                     |                        | 83,235                 | 659,420                | 83,235                  |                                  |
| C19-106   | Wells Avenue 8-inch (San Juan to Wells)                           |                     |                        | 22,460                 | 188,202                | 22,460                  |                                  |
| C19-107   | Rowan Way 8" & 6" Water Main at Grady Drive                       |                     |                        | 28,419                 | 120,500                | 28,419                  |                                  |
| C19-108   | 6230 Sylvan Road - East Wall                                      |                     |                        | 250,000                | -                      | 250,000                 |                                  |
| <b>2019 New Projects Total Budget</b>             |   | <b>-</b>            | <b>-</b>               | <b>915,350</b>         | <b>1,462,920</b>       | <b>915,350</b>          |                                  |
| <b>Totals</b>                                     |   | <b>3,761,747</b>    | <b>978,521</b>         | <b>4,378,110</b>       | <b>1,957,051</b>       | <b>5,356,631</b>        | <b>413,805</b>                   |

| Summary   | Total Budget        |
|---|---------------------|
| Prior Years Carry-Over Capital Project Total      | 1,946,157           |
| Plus:   |                     |
| Prior Years Projects Amendment Approval/(Savings) | 413,805             |
| 2019 New Annual Capital Project Total             | 2,081,319           |
| 2019 New Capital Project Total                    | 915,350             |
| <b>2019 Capital Project Total Budget Request</b>  | <b>3,410,474</b>    |
| <b>Total CIP Budget</b>                           | <b>\$ 5,356,631</b> |

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

## **EXHIBIT C**

### **2019 Transfers to Designated Reserves**

**CITRUS HEIGHTS WATER DISTRICT**  
**2019 RESERVE TRANSFER BUDGET SUMMARY**

| Reserves Transfers              | 2016 Acutal  | 2017 Actual | 2018 Adopted | 2019 Proposed |
|---------------------------------|--------------|-------------|--------------|---------------|
| Rate Stabilization Reserve      | 100,000      | 100,000     | 100,000      | 66,000        |
| Water Efficiency Reserve        | 75,000       | 75,000      | 50,000       | -             |
| Water Supply Reserve            | 100,000      | 100,000     | 1,150,000    | 400,000       |
| Water Meter Replacement Reserve | 725,000      | 300,000     | 300,000      | 200,000       |
| Total                           | \$ 1,000,000 | \$ 575,000  | \$ 1,760,000 | \$ 666,000    |

# CITRUS HEIGHTS WATER DISTRICT

## DISTRICT STAFF REPORT TO BOARD OF DIRECTORS DECEMBER 5, 2018 SPECIAL MEETING

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|             |  |
|-------------|--|
| SUBJECT     | : WATER RATES, MISCELLANEOUS CHARGES AND FEES EFFECTIVE 2019 |
| STATUS      | : Action Item  |
| REPORT DATE | : November 20, 2018  |
| PREPARED BY | : Susan K. Sohal, Administrative Services Manager            |

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### **OBJECTIVE:**

Conduct a Public Hearing for the proposed Water Rates and Miscellaneous Charges and Fees effective 2019, and consider adopting the accompanying resolution establishing Water Rates and Miscellaneous Charges and Fees for Citrus Heights Water District effective 2019.

### **BACKGROUND AND ANALYSIS:**

This report presents the proposed Water Rates and Miscellaneous Charges and Fees effective 2019, 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 effective 2019.

Notice of this Public Hearing was mailed to all District property owners on October 21, 2018 as part of the required Proposition 218 notification (Attachment 4). 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 September 05, 2018. 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 19, 2018 to distribute a Proposition 218 Notice which included the maximum rates that the Board would consider at a public hearing on December 05, 2018.

The maximum rate adjustment to be considered by the Board on December 05 is based on a financial assessment whereby future annual increases, including the 2019 rate increase being considered by the Board on December 05, 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 12 written protests from property owners (Attachment 3). Directors have been provided with copies of the written protests included 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.

### **2019 Schedule of Water Rates, Fees and Charges**

A schedule comparing current 2018 rates with the proposed 2019 Water Rates, Fees and Charges to be considered by the Board accompanies this report (Attachment 1). Significant elements of the water rate schedule effective 2019 are as follows:



- Increases to bi-monthly service charges in 2019 for a typical single-family residential customer are \$5.76 (or \$2.88 per month) based on a monthly consumption of 20 units of water. Costs for other customer classifications and meter sizes will increase between \$2.44 and \$24.54 bi-monthly for meter sizes from 1½-inch to 4-inch, respectively.
- Consumption charges are proposed to increase from \$1.0187 cents to \$1.0674 per 100-cubic-foot-unit of water (748 gallons), a net increase of 4.87 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 effective 2019; and
2. Adopt Resolution No. 18-2018 Establishing Water Rates and Miscellaneous Charges and Fees for Citrus Heights Water District effective 2019 (Attachment 2).

**ACTION:**

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

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**ATTACHMENTS:**

1. Proposed Water Rates effective 2019
2. Resolution No. 18-2018 Water Rates and Miscellaneous Charges and Fees
3. Customer Protest Letters
4. CHWD Proposition 218 Notice

## **Attachment 1**

**Water Rates, Miscellaneous Charges and Fees Effective 2019**

**CITRUS HEIGHTS WATER DISTRICT**  
**WATER RATES, FEES AND CHARGES EFFECTIVE 2019**  
Proposed -- December 05, 2018

| Type of Charge   | Applied Basis or Frequency  | 2018<br>Adopted | 2019<br>Proposed | Bi-monthly<br>\$ Change |
|--|---|-----------------|------------------|-------------------------|
| <b><u>Charges for Metered Rate Customer Accounts</u></b>   |   |                 |                  |                         |
| <i>Service Charge, Domestic, Commercial &amp; Irrigation Meters</i>                                    |   |                 |                  |                         |
| ¾-inch meter   | bi-monthly, per meter   | \$48.94         | \$51.38          | \$2.44                  |
| 1-inch meter   | bi-monthly, per meter   | \$74.46         | \$78.18          | \$3.72                  |
| 1½-inch meter  | bi-monthly, per meter   | \$91.48         | \$96.05          | \$4.57                  |
| 2-inch meter   | bi-monthly, per meter   | \$176.55        | \$185.37         | \$8.82                  |
| 3-inch meter   | bi-monthly, per meter   | \$278.65        | \$292.58         | \$13.93                 |
| 4-inch meter   | bi-monthly, per meter   | \$550.93        | \$578.47         | \$27.54                 |
| <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   | \$176.55        | \$185.37         | \$8.82                  |
| 6-inch meter   | bi-monthly, per meter   | \$278.65        | \$292.58         | \$13.93                 |
| 8-inch meter   | bi-monthly, per meter   | \$550.93        | \$578.47         | \$27.54                 |
| 10-inch meter  | bi-monthly, per meter   | \$1,342.17      | \$1,409.27       | \$67.10                 |
| <b><u>Other Service Charges</u></b>  |   |                 |                  |                         |
| <i>Service Charge, Construction Meters</i>   |   |                 |                  |                         |
| 2½-inch and 3-inch meters  | bi-monthly, per meter   | \$278.65        | \$292.58         | \$13.93                 |
| <i>Service Charge, North Ridge Country Club Meter<br/>(multiplier = 3.00, not annexed)</i>             |   |                 |                  |                         |
|  | bi-monthly, per meter   | \$223.39        | \$234.55         | \$11.16                 |
| <i>Service Charge, Mount Vernon Memorial Park<br/>(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   | \$1,272.64      | \$1,336.27       | \$63.63                 |
| <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        | \$1.0674         | \$0.0507                |
| <i>Construction Meters</i>   |   |                 |                  |                         |
|  | per unit, for all units bi-monthly  | \$3.0488        | \$3.2012         | \$0.1524                |
| <i>North Ridge Country Club Meter</i>  |   |                 |                  |                         |
|  | per unit, for all units bi-monthly  | \$3.0400        | \$3.1920         | \$0.1520                |
| <i>Mount Vernon Memorial Park (2.31 multiplier)</i>  |   |                 |                  |                         |
|  | per unit, for all units bi-monthly  | \$2.3400        | \$2.4570         | \$0.1170                |
| <i>Unannexed property (surplus water only)</i>   |   |                 |                  |                         |
|  | multiplier times annexed rate, applied to service charge and commodity charge | 3               | 3                | -----                   |

**CITRUS HEIGHTS WATER DISTRICT**  
**WATER RATES, FEES AND CHARGES EFFECTIVE 2019**  
Proposed -- December 05, 2018

| Type of Charge   | Applied Basis or Frequency            | 2018<br>Adopted | 2019<br>Proposed | Bi-monthly<br>\$ Change |
|--|---------------------------------------|-----------------|------------------|-------------------------|
| <b>Wheeling Water Charge</b>                           |                                       |                 |                  |                         |
| (unless otherwise adopted by mutual aid agreement)     |                                       |                 |                  |                         |
|  | per acre-foot to Cal-American WC      | \$57.88         | \$60.77          | \$2.89                  |
|  | per acre-foot to Carmichael WD        | \$57.88         | \$60.77          | \$2.89                  |
|  | per acre-foot to Fair Oaks WD         | \$57.88         | \$60.77          | \$2.89                  |
|  | per acre-foot to Orangevale WD        | \$3.94          | \$4.13           | \$0.19                  |
|  | per acre-foot to City of Roseville    | \$57.88         | \$60.77          | \$6.05                  |
|  | per acre-foot to Sac. Suburban WD     | \$57.88         | \$60.77          | \$2.89                  |
|  | per acre-foot to San Juan WD          | \$3.94          | \$4.13           | \$0.19                  |
| <b>Commercial Fire Sprinkler Service Charges</b>       |                                       |                 |                  |                         |
| 4-inch and smaller                                     | per service, bimonthly                | \$77.78         | \$81.66          | \$3.88                  |
| 6-inch   | per service, bimonthly                | \$100.89        | \$105.93         | \$5.04                  |
| 6-inch; one-half shared                                | per service, bimonthly                | \$50.44         | \$52.96          | \$2.52                  |
| 6-inch; one-third shared                               | per service, bimonthly                | \$33.62         | \$35.30          | \$1.68                  |
| 8-inch   | per service, bimonthly                | \$122.88        | \$129.02         | \$6.14                  |
| 8-inch; one-half shared                                | per service, bimonthly                | \$61.43         | \$64.50          | \$3.07                  |
| 10-inch  | per service, bimonthly                | \$165.64        | \$173.92         | \$8.28                  |
| 12-inch  | per service, bimonthly                | \$219.46        | \$230.43         | \$10.97                 |
| <b>Construction Water Charges</b>                      |                                       |                 |                  |                         |
| minimum charge   |                                       | \$226.71        | \$238.04         | \$11.33                 |
| Schedule A - Projects                                  | per lot                               | \$155.89        | \$163.68         | \$7.79                  |
| Schedule B - Trenches, Excavations & Grading           | per 100 cubic yards                   | \$42.09         | \$44.19          | \$2.10                  |
| Schedule C - Tank Trucks                               | per 1,000 gallons                     | \$6.98          | \$7.32           | \$0.34                  |
| Schedule D - Metered Use                               | meter rate                            | -----           |                  | -----                   |
| Schedule E - Non-Profit                                | per day                               | \$47.35         | \$49.71          | \$2.36                  |
| <b>Plan Check Charges</b>                              |                                       |                 |                  |                         |
|  | minimum charge + per connection       | \$1,023.00      | \$1,088.00       | \$65.00                 |
|  | per connection                        | \$21.88         | \$22.54          | \$0.66                  |
| Easement/Quitclaim                                     | per easement/quitclaim                | \$669.00        | \$688.00         | \$19.00                 |
| <b>Inspection Charges</b>                              |                                       |                 |                  |                         |
| Minimum  | min. + per connect. + per main tie-in | \$1,058.00      | \$1,138.00       | \$80.00                 |
| Plus per connection                                    | per connection                        | \$190.88        | \$196.61         | \$5.73                  |
| Plus per main tie-in                                   | per main tie-in                       | \$1,014.00      | \$1,092.00       | \$78.00                 |
| AC pipe disposal charge                                | per foot, 4 feet minimum (\$200 min.) | \$51.00         | \$52.00          | \$1.00                  |
| Hydrostatic pressure test                              | each                                  | \$276.00        | \$298.00         | \$22.00                 |
| <b>Backflow Prevention Assembly Testing Charge for</b> |                                       |                 |                  |                         |
| <b>New Development</b>                                 |                                       |                 |                  |                         |
|  | per assembly                          | \$72.00         | \$79.00          | \$7.00                  |
| Bacteriological water test sampling                    | minimum                               | \$317.00        | \$1,014.00       | \$697.00                |
| Additional Bacteriological water sample                | additional samples after minimum      | \$79.00         | \$61.00          | (\$18.00)               |

**CITRUS HEIGHTS WATER DISTRICT**  
**WATER RATES, FEES AND CHARGES EFFECTIVE 2019**  
Proposed -- December 05, 2018

| <b>Type of Charge</b>                            | <b>Applied Basis or Frequency</b>  | <b>2018<br/>Adopted</b> | <b>2019<br/>Proposed</b> | <b>Bi-monthly<br/>\$ Change</b> |
|--|------------------------------------|-------------------------|--------------------------|---------------------------------|
| Chlorination & Flushing                          | per project                        | \$184.00                | \$397.00                 | \$213.00                        |
| Weekend/After Hours                              | per hour (4 hr. minimum)           | \$127.00                | \$135.00                 | \$8.00                          |
| Holiday  | per hour (4 hr. minimum)           | \$162.00                | \$171.00                 | \$9.00                          |
| <b><u>Water Service Installation Charges</u></b> |                                    |                         |                          |                                 |
| ¾-inch services w/meter                          | per service                        | \$4,220.00              | \$4,592.00               | \$372.00                        |
|  | per service                        | \$4,347.00              | \$4,592.00               | \$245.00                        |
| 1¼-inch & larger service w/meter                 | actual cost, with minimum charge   | \$4,265.00              | \$4,720.00               | \$455.00                        |
| Service abandonments/relocations                 | actual cost                        |                         |                          |                                 |
| Meter set charge:                                |                                    |                         |                          |                                 |
| ⅝ inch x ¾ inch                                  | per meter                          | \$401.00                | \$425.00                 | \$24.00                         |
| ¾ inch   | per meter                          | \$463.00                | \$483.00                 | \$20.00                         |
| 1 inch   | per meter                          | \$580.00                | \$520.00                 | (\$60.00)                       |
| 1½ inch  | per meter                          | \$842.00                | \$828.00                 | (\$14.00)                       |
| 2 inch   | per meter                          | \$1,008.00              | \$982.00                 | (\$26.00)                       |
| >2 inch  | actual cost                        |                         |                          |                                 |
| Backflow prevention assembly installation charge |                                    |                         |                          |                                 |
| ¾ inch   | each                               | \$3,119.00              | \$3,221.00               | \$102.00                        |
| 1 inch   | each                               | \$3,318.00              | \$3,419.00               | \$101.00                        |
| 1½ inch  | each                               | \$3,854.00              | \$3,996.00               | \$142.00                        |
| 2 inch   | each                               | \$4,090.00              | \$4,192.00               | \$102.00                        |
| >2 inch  | actual cost                        |                         |                          |                                 |
| <b><u>Capacity Fees</u></b>                      |                                    |                         |                          |                                 |
| Residential- Multi-Family:                       |                                    |                         |                          |                                 |
| Townhomes/Condos/Duplexes w/¾-inch max.          | per service + non-residential uses | \$4,235.00              | \$4,235.00               | \$0.00                          |
| Townhomes/Condos/Duplexes w/1-inch max.          |                                    |                         |                          |                                 |
| Fire Sprinklers w/1-inch max.                    | per service + non-residential uses | \$6,776.00              | \$6,776.00               | \$0.00                          |
| Residential- Single Family:                      |                                    |                         |                          |                                 |

**CITRUS HEIGHTS WATER DISTRICT**  
**WATER RATES, FEES AND CHARGES EFFECTIVE 2019**  
Proposed -- December 05, 2018

| <b>Type of Charge</b>  | <b>Applied Basis or Frequency</b> | <b>2018<br/>Adopted</b> | <b>2019<br/>Proposed</b> | <b>Bi-monthly<br/>\$ Change</b> |
|--|-----------------------------------|-------------------------|--------------------------|---------------------------------|
| 0 - 2.499 acres with 1-inch max.   | per service                       | \$6,776.00              | \$6,776.00               | \$0.00                          |
| 2.500 - 4.999 acres with 1¼-inch max.  | per service                       | \$7,623.00              | \$7,623.00               | \$0.00                          |
| 5.00 - 7.500 acres with 1½-inch max.   | per service                       | \$8,470.00              | \$8,470.00               | \$0.00                          |
| Over 7.500 acres with 2-inch max.  | per service                       | \$16,708.00             | \$16,708.00              | \$0.00                          |
| 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              | \$2,541.00               | \$0.00                          |
| ¾ inch   | per service                       | \$4,235.00              | \$4,235.00               | \$0.00                          |
| 1 inch   | per service                       | \$6,776.00              | \$6,776.00               | \$0.00                          |
| 1¼ inch  | per service                       | \$7,623.00              | \$7,623.00               | \$0.00                          |
| 1½ inch  | per service                       | \$8,470.00              | \$8,470.00               | \$0.00                          |
| 2 inch   | per service                       | \$16,940.00             | \$16,940.00              | \$0.00                          |
| 3 inch   | per service                       | \$27,104.00             | \$27,104.00              | \$0.00                          |
| 4 inch   | per service                       | \$54,208.00             | \$54,208.00              | \$0.00                          |
| 6 inch   | per service                       | \$211,750.00            | \$211,750.00             | \$0.00                          |
| 8 inch   | per service                       | \$406,560.00            | \$406,560.00             | \$0.00                          |
| 10 inch  | per service                       | \$643,720.00            | \$643,720.00             | \$0.00                          |
| 12 inch  | per service                       | \$847,000.00            | \$847,000.00             | \$0.00                          |
| <b><u>Other Charges and Fees</u></b>   |                                   |                         |                          |                                 |
| Inclusion / Annexation Fee   | per gross acre, ½ acre or greater | \$1,449.00              | \$1,449.00               | \$0.00                          |
|  | minimum to ½ acre                 | \$724.50                | \$724.50                 | \$0.00                          |
| 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                          | \$149.00                | \$149.00                 | \$0.00                          |
| Standby Service Charge   | per hour, 1 hour minimum          | \$102.00                | \$110.00                 | \$8.00                          |
| Returned Payment Fee   | per check                         | \$29.00                 | \$30.00                  | \$1.00                          |
| Late Payment Penalty   | 5% of overdue account balance     | 5.00%                   | 5.00%                    |                                 |
| Turn-off Notice Service Charge   | per occurrence                    | \$23.00                 | \$24.00                  | \$1.00                          |
| Missed Appointment/No-Show Fee   | per occurrence                    | \$49.00                 | \$49.00                  | \$0.00                          |
| Disconnect / Reconnect Service Charge  | per occurrence                    | \$104.00                | \$111.00                 | \$7.00                          |
| Meter Re-Read / Maintenance Charge   | per occurrence                    | \$39.00                 | \$41.00                  | \$2.00                          |
| Customer Account Deposit   | per account                       | \$225.00                | \$225.00                 | \$0.00                          |
| Construction Meter Deposit   | per meter                         | \$1,775.00              | \$1,778.00               | \$3.00                          |
| Copy Charge  | per page                          | \$0.10                  | \$0.10                   | \$0.00                          |
| Backflow Prevention Assembly Testing Charge  | per assembly bimonthly            | \$10.00                 | \$11.00                  | \$1.00                          |
| Backflow Prevention Assembly Re-testing Charge   | per test                          | \$65.00                 | \$71.00                  | \$6.00                          |
| Fire Flow Certification Letter   | per letter                        | \$27.00                 | \$27.00                  | \$0.00                          |
| Fire Flow Modeling   | per modeling                      | \$345.00                | \$345.00                 | \$0.00                          |
| Fire Flow Modeling & Certification Letter  | per modeling plus letter          | \$372.00                | \$372.00                 | \$0.00                          |
| Recording of Lien  | per occurrence                    | \$53.00                 | \$57.00                  | \$4.00                          |
| Release of Lien  | per occurrence                    | \$66.00                 | \$70.00                  | \$4.00                          |
| Tamper Charge  | per occurrence                    | \$104.00                | \$111.00                 | \$7.00                          |
| 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 2**

### **Resolution 18-2018, Water Rates, Miscellaneous Charges and Fees**

CITRUS HEIGHTS WATER DISTRICT  
RESOLUTION NO. 18-2018

RESOLUTION ADOPTING  
WATER RATES AND MISCELLANEOUS CHARGES AND FEES FOR  
CITRUS HEIGHTS WATER DISTRICT EFFECTIVE 2019

WHEREAS, upon motion duly moved, seconded, and carried, the following water rates and miscellaneous charges and fees were adopted effective fiscal year 2019:

| Type of Charge  | Applied Basis or Frequency | 2019<br>Adopted |
|---|----------------------------|-----------------|
| <b><u>Charges for Metered Rate Customer Accounts</u></b>            |                            |                 |
| <i>Service Charge, Domestic, Commercial &amp; 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      |
| <b><u>Public Agencies with Mutual Assistance Agreements</u></b>     |                            |                 |
| <b><u>(SJUSD, SRPD, SCD) (Multiplier = 0.50)</u></b>                |                            |                 |
| <i>Service Charge, Domestic, Commercial &amp; 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        |
| <b><u>Other Service Charges</u></b>                                 |                            |                 |
| <i>Service Charge, Construction Meters</i>                          |                            |                 |



| Type of Charge   | Applied Basis or Frequency  | 2019<br>Adopted |
|--|---|-----------------|
| 2½-inch and 3-inch meters                                | bi-monthly, per meter   | \$278.65        |
| <i>Service Charge, North Ridge Country Club</i>          |   |                 |
| <i>Meter</i>   |   |                 |
| <i>(multiplier = 3.00, not annexed)</i>                  | bi-monthly, per meter   | \$223.39        |
| <i>Service Charge, Mount Vernon Memorial Park</i>        |   |                 |
| <i>(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><i>Usage Charges for Water Consumed</i></u>           | <i>1 unit = 100 cubic feet = 748 gallons</i>  |                 |
| <i>Domestic, Commercial,<br/>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<br/>multiplier)</i>  | per unit, for all units bi-monthly  | \$2.3400        |
| <i>Unannexed property (surplus water only)</i>           | multiplier times annexed rate,<br>applied to service charge and<br>commodity charge | 3               |
| <hr/>  |   |                 |
| Wheeling Water Charge                                    |   |                 |
| (unless otherwise adopted by mutual aid<br>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          |

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Commercial Fire Sprinkler Service Charges

| Type of Charge  | Applied Basis or Frequency            | 2019<br>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                                      | 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  | minimum charge + per connection       | \$1,023.00      |
|   | per connection                        | \$21.88         |
| Easement/Quitclaim  | per easement/quitclaim                | \$669.00        |
| Inspection Charges  |                                       |                 |
|   | min. + per connect. + per main tie-in |                 |
| Minimum   |                                       | \$1,058.00      |
| Plus per connection   | per connection                        | \$190.88        |
| Plus per main tie-in  | per main tie-in                       | \$1,014.00      |
|   | per foot, 4 feet minimum (\$200 min.) |                 |
| AC pipe disposal charge   |                                       | \$51.00         |
| Hydrostatic pressure test                                       | each                                  | \$276.00        |
| 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        |
|   |                                       |                 |
| <b><u>Water Service Installation Charges</u></b>                |                                       |                 |
| 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        |

| <b>Type of Charge</b>                            | <b>Applied Basis or Frequency</b> | <b>2019<br/>Adopted</b> |
|--|-----------------------------------|-------------------------|
| 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 | \$1,449.00 |
|  | minimum to ½ acre                 | \$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 05th day of December 2018, by the following vote, to-wit:

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

S E A L

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RAYMOND RIEHLE, President  
Board of Directors  
Citrus Heights Water District

ATTEST:

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HILARY M. STRAUS, Secretary

## **Attachment 3**

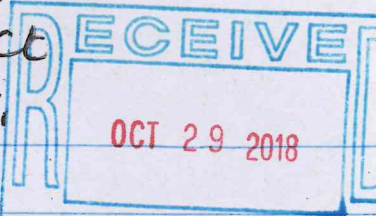
### **2019 Protest Letters**

BERYL TURNER-WEEKS

6389 Aspen Ranch Ct

Citrus Heights,

CA 95621



Lot 18467

Oct 28, 2018

District Secretary

Citrus Heights Water District

Citrus Heights, CA. 95611

Re: Protest to the Proposed Rate (Increase)  
Adjustment

I hereby PROTEST the proposed Service Charge increase. This is not an adjustment. An adjustment implies that the fee could be adjusted down, not up.

You are the only utility company with such a high Service Charge. You are also the only Utility Company that doesn't give discounts or credits to low income property owners. Gas, electric, sewer & telephone all give discounts to low income persons.

Over the past few years, you have

Done ✓



your office is open,  
reduced the number of days ~~to~~ to  
4 from 5, AND now outsource your  
Billing to Southern California (Pasadena)  
so you should be saving money.  
You have a monopoly. We can't get  
water from anywhere else.

By this letter, I am requesting  
a discount on my bi-monthly  
service charge. For those of us  
seniors living on low incomes, this  
increasing charge is a hardship.  
For the last 4 years my social  
security income has not increased  
one penny.

Please give this letter your  
full consideration.

Regards,

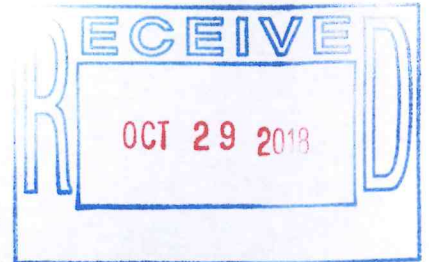
Beryl Turner-Weeks

(916) 726-5354

Acct # 18467-0016906

LID# 07254

Attn: Citrus Heights Water District



This letter is to notify you of my protest against the proposed rate adjustment in 2019. Please note that our residence, 8270 Scarlet Oak Cir. Citrus Heights, 95610, is against the rate adjustment. Thank you.

Kevin and Kimberly Fontana

8270 Scarlet Oak Cir.

Citrus Heights, CA 95610

*Kim Fontana*  
10/25/2018

*Done*



LID# 03495

October 25, 2018



Dear District Secretary,

I am opposed to the rate increase that is scheduled for January 2019. My water bill has gone up every single year, even though my house hold has been using less water. Currently there is no way to lower my bill. We use about \$8 of metered water every 2 months, but with the current \$74.46 service charge, my bill is always over \$83. In the last 15 years my water bill has increased 240%, and now you want to increase it again.

You said water meters would increase savings. Customers used less water, so you added a base rate service charge. You said you needed to raise rates to cover pipe replacement. You said you needed to raise the base rate to install new water meters. Now you say you need to raise rates again to cover new meters and pipe replacement. Is there ever an end to your increases?

Yes, Citrus Heights water rates are lower than Southern California's, but I don't live in Southern California. I am considered low income on my other utilities, but you don't offer a low income discount. I can guarantee you that my income has not increased 240% like my water bill has in the last 15 years!

Sincerely,

April Fear

8064 McClung Dr

Citrus heights, CA 95610

Done ✓

LID# 02420

District Secretary,  
Citrus Heights Water District  
P.O.Box 286  
Citrus Heights Ca 95611



10/24/2018

Dear Sir/Madam

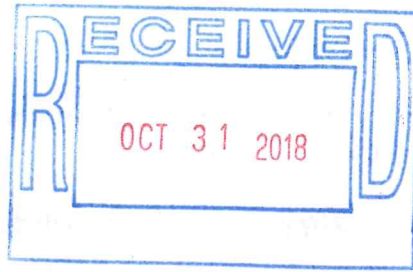
My husband and I object strenuously to any further increase to our water bill. Since you people installed water meters on our property, every year has seen nothing but increases. We used to pay \$30-\$40 bi-monthly but now it's sometimes over \$200. It's outrageous! We are retired and on a fixed income with no comparable increases in social security benefits. No matter how much revenue is generated by your increases in taxes it's never enough. You people only think up new scams to extract money from the people - and all promises of temporary increases never result in a reduction. Please register our protest to this new proposed rate adjustment (translated tax increase). Our property is located at : 7019 Jenner Ct, Citrus Heights, Ca 95610. This is a 2-story, single family dwelling. Parcel #257-0160-022-0000

Thank you for your consideration,

Tania and Stephen Curry

Done ✓

LID# 05178



David W. Meigel  
8341 Crestshire Circle  
Orangevale, CA 95662

October 28, 2018

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

Re; 2018 Proposed Rate Increase

To Whom It May Concern,

I am writing in opposition to the proposed rate increase being considered at the December 5, 2018 CHWD Public Hearing.

Over the past years, residents have been subject to various forms of both threats and incentives to reduce their water consumption. This includes directives allowing watering of lawns to even/odd numbered days, or in some cases only 2 to 3 days a week, regardless of whether this is done manually or by programmed automatic sprinkler/irrigation systems. Other restrictions include not being allowed to wash your car in your own driveway, or use garden hoses to wash off driveways/walkways.

Many residents have gone to the extra expense of re-landscaping their yards in such a way as to use less water, or in a few cases, no water at all. All of these efforts have been made to comply with the political and utility pleas to *use less water* due to recent historically low water level availability. We have tried to comply – spending thousands of dollars in the process – so as to use less water, and now CHWD wants to jack up our rates again.

It doesn't take much thinking to discover the real reason why this action is being considered: With people either being coerced into or voluntarily using less water, the revenue from customers is DROPPING because they are using less water. CHWD is losing money because of this. In order to make up for the loss of revenue, CHWD needs to raise the rates on those customers who have agreed (in whatever capacity) to use less water.

The rate increase is nothing more than a punishment for doing exactly what we were told to do (use less water) because CHWD needs to recoup their losses from our compliance with demands to do so.

In the worst-case scenario, if a customer were able to go "off the grid" and not use any district-supplied water, I firmly believe CHWD would find a way to charge them (fine?) for NOT using any water, simply because CHWD needs money from those living in their district in order to stay in business.

Done ✓



I urge the district to NOT adopt this proposed rate hike. REWARD the people for using less water. Don't charge them MORE for the LESS water they are using.

A description of my property, as required by your notice, is provided below.



David W. Meigel

**Property Information:**

Single family home with attached garage

8341 Crestshire Circle

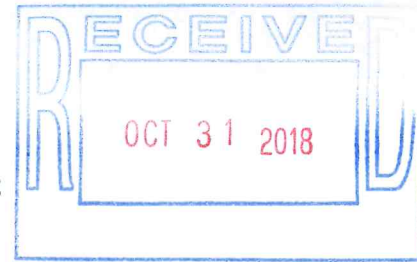
Orangevale, CA 95662

Parcel # 261-0590-041-0000

Cc: file

LID# 01673

Bruce King  
5723 Hoffman Lane  
Fair Oaks, CA 95628



Oct. 30, 2018

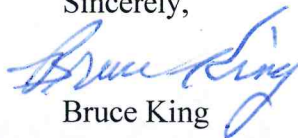
District Secretary  
Citrus Heights Water District  
P.O. Box 286  
Citrus Heights, CA 95611-0286

I am the owner of the property listed above.

I am protesting any rate increase. It is inflationary  
and only causes more rate increases.  
We must all learn to live within an allocated budget.

Think of it this way, the power company charges your office more, so you want to raise  
your rates. Oh yes, and they will tell you that they want a rate increase because their  
phone bill went up. Where does it stop?

Sincerely,

  
Bruce King

*Dave ✓*

10-30-18

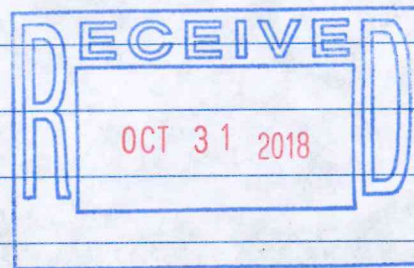
Citrus Heights Water District,

I am protesting the proposed  
water rate adjustment.  
Many of us are on fixed  
incomes and this increase  
is not good for us low  
income people.

Sincerely,

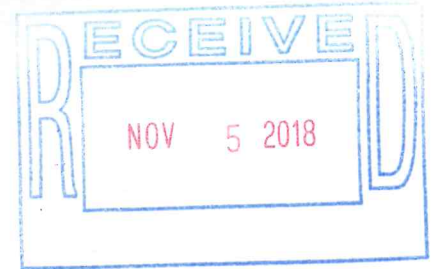
Patricia Albrecht  
8228 Moss Oak Ave  
Citrus Heights, CA 95610

LID# 07754



Done ✓

LID# 12028



October 29, 2018

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

Dear District Secretary,

My family has been residing at 8339 Northvale Way, Citrus Heights, CA 95610 for over 30 years.

We are protesting the proposed water rate increase that would take effect on January 1, 2019.

Thank you for your consideration.

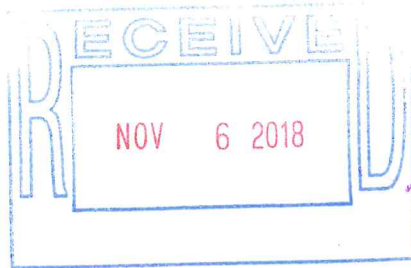
Yours Sincerely,

Myron Cole  
Myron Cole and family

Done ✓



November 3, 2018



LID# 15809

District Secretary

Citrus Heights Water District

P.O. 286

Citrus Heights, CA 95611-0286

Luchia 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 December 5, 2017.

Luchia Fitzgerald

Done ✓



LID# 00048

11/7/18

Randal Ricks and Diane Ricks protest the proposed rate adjustment that would take effect January 1, 2019.

**Our home address is:**

7596 Linden Ave  
Citrus Heights, CA 95610

Parcel # 204-0020-037-0000

Meter # 47618598

CHWD acct # 00048-0000043



'Thank You.

Randy /Diane Ricks

*Randy Ricks* 11/7/18

*Done ✓*

LID# 06146

11-19-18

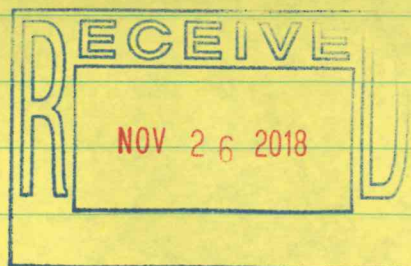
District Secretary,

I have lived on my small parcel of land for 24 years. I have installed 2 toilet's that are water friendly. I have a washing machine that only fills according to the clothes "water saving". My front yard has a drip system & runs twice a week for 15 mins.

I am a single women, nurse by trade. I use my washing machine once a week my dishwasher once a week & shower 3 days in a week. The water dept. already laid new pipe down oak & put me on a ~~meter~~ meter. I just paid \$80.56 for this month's water for # 06146-0065458. I have done all I can to conserve water.

I don't want to pay more money. I objected to the proposed rate increase.

Rae Anne Barrett  
8645 La Puente Way  
Orangevale, Ca. 95662



Done ✓

LID# 16554

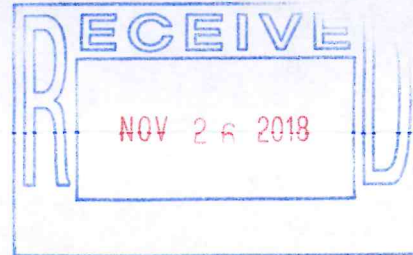
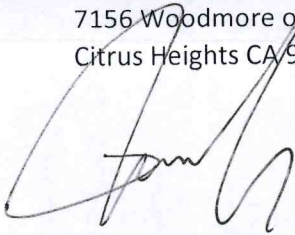
To Citrus Heights Water District,

I, the owner of 7156 Woodmore oaks drive Citrus Heights CA 95610 **PROTEST (AGAINST)** the proposed rate adjustment for 2019

Additionally, please do all required repairs at night time when it does not affect residents. This is the first house I had my water turned off during the day time. I live in CA for 15 years.

Thank you

Ivan Haroshka  
7156 Woodmore oaks drive  
Citrus Heights CA 95610



16554-  
0036065

Dave ✓



## **Attachment 4**

### **CHWD Proposition 218 Notice**

# CITRUS HEIGHTS WATER DISTRICT

## DISTRICT STAFF REPORT TO BOARD OF DIRECTORS DECEMBER 5, 2018 SPECIAL MEETING

SUBJECT : CAPACITY CHARGES EFFECTIVE 2019  
 STATUS : Action Item  
 REPORT DATE : November 20, 2018  
 PREPARED BY : Susan K. Sohal, Administrative Services Manager

### **OBJECTIVE:**

Conduct a Public Hearing on the proposed Capacity Charges effective 2019, and consider adoption of a resolution establishing Capacity Charges for Citrus Heights Water District effective 2019.

### **BACKGROUND AND ANALYSIS:**

This report presents the proposed Capacity Charges effective 2019. Accompanying this report is a proposed resolution, Resolution 19-2018, adopting Capacity Charges for CHWD effective 2019. 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 2019 are calculated in accordance with District Policy No. 7500, Capacity Charges. No increase will be proposed in the Capacity Charges as staff is working to develop a Capacity charges model as part of the overall Financial Model. 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 effective 2019.

### **RECOMMENDATION:**

1. Conduct the Public Hearing on the proposed Capacity Charges effective 2019; and
2. Adopt Resolution No. 19-2018 Adopting Capacity Charges for Citrus Heights Water District effective 2019.

### **ACTION:**

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

CITRUS HEIGHTS WATER DISTRICT  
RESOLUTION NO. 19-2018

RESOLUTION ADOPTING CAPACITY CHARGES  
FOR CITRUS HEIGHTS WATER DISTRICT EFFECTIVE 2019

WHEREAS, upon motion duly moved, seconded, and carried, the following Capacity Charges were adopted effective 2019:

| Type of Charge   | Applied Basis or Frequency         | 2019 Adopted |
|--|------------------------------------|--------------|
| <b><u>Capacity Fees</u></b>  |                                    |              |
| Residential- Multi-Family:   |                                    |              |
| Townhomes/Condos/Duplexes w/ $\frac{3}{4}$ -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 $1\frac{1}{4}$ -inch max.   | per service                        | \$7,623.00   |
| 5.00 - 7.500 acres with $1\frac{1}{2}$ -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: |                                    |              |
| $\frac{5}{8}$ inch   | per service                        | \$2,541.00   |
| $\frac{3}{4}$ inch   | per service                        | \$4,235.00   |
| 1 inch   | per service                        | \$6,776.00   |
| $1\frac{1}{4}$ inch  | per service                        | \$7,623.00   |
| $1\frac{1}{2}$ 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 5th day of December 2018, by the following vote, to-wit:

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

S E A L

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RAYMOND RIEHLE, President  
Board of Directors  
Citrus Heights Water District

ATTEST:

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HILARY M. STRAUS, Secretary