

**REGULAR MEETING AGENDA OF THE
CUSTOMER ADVISORY COMMITTEE OF
CITRUS HEIGHTS WATER DISTRICT (CHWD)
TUESDAY, JUNE 11, 2019 beginning at 6:30 PM**



**CITRUS HEIGHTS COMMUNITY CENTER
6300 FOUNTAIN SQUARE DRIVE, CITRUS HEIGHTS, CA**

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.

Customer Advisory Committee meetings are video recorded, and available for web streaming at www.chwd.org and www.youtube.com.

CALL TO ORDER:

ROLL CALL OF COMMITTEE MEMBERS:

PLEDGE OF ALLEGIANCE:

PUBLIC COMMENT:

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

REVIEW AND REORDERING OF THE AGENDA:

Agenda items may be moved to accommodate those in attendance wishing to address that item. Please inform staff at (916) 725-6873 or at cac@chwd.org, if you feel that you may need an accommodation.

(A) Action Item

(D) Discussion Item

(I) Information Item

BUSINESS:

B-1. Approval of Meeting #6 Summary Including Member Questions and District Answers – March 19, 2019 (A)

B-2. Review and Identify Top Spending and Funding Alternative (A)
Review and Discuss Top Two Spending and Funding Alternatives and Select Top Alternative for Recommendation to the Board of Directors.

B-3. Implementation Plan Introduction (I/D)
Receive a report on the purpose and scope of the Implementation Plan.

COMMITTEE MEMBERS' AND FACILITATOR REPORTS:

- C-1. Facilitator's Report (I)
- C-2. Committee Members' Reports (I)

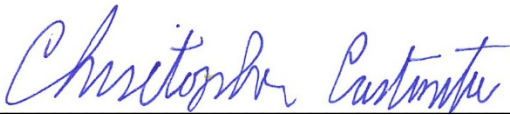
FUTURE CHWD COMMUNITY ADVISORY COMMITTEE MEETING DATES:

September 10, 2019 6:30 PM Regular Meeting

ADJOURNMENT:

CERTIFICATION:

I do hereby declare and certify that this agenda for this Regular Meeting of the Customer Advisory Committee 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 and the Citrus Heights Community Center, 6300 Fountain Square Drive, Citrus Heights, CA 95610 at least 72 hours prior to the regular meeting in accordance with Government Code Section 54954.2.



Christopher Castruita, Management Services
Supervisor/Chief Board Clerk

Dated: June 5, 2019



PROJECT 2030 WATER MAIN REPLACEMENT



Customer Advisory Committee Meeting #6 Summary

Tuesday, March 19, 2019, 6:30-9:30 pm

INTRODUCTION

Richard Moses, Vice Chair of the Customer Advisory Committee (CAC), called the meeting to order at 6:32 p.m. After welcoming the members of the CAC, he turned the meeting over to Laura Mason-Smith, the CAC meeting facilitator, who reviewed with the CAC the **Meeting Agenda**:

1. Introductions
2. Public Comment
3. Approve minutes of February 26, 2019 CAC Meeting #5
4. Identify the top two Spending/Funding Alternative recommendations for market research
 - Background information and general considerations
 - Working group assessment and identification of their initial top two Spending/Funding Alternatives
 - Whole group discussion and final identification of the top two Spending/Funding Alternatives for market research
5. Research Primer
6. Public Comment
7. Next Steps
8. Close

Laura reiterated that meeting materials are provided electronically to the CAC members in advance of and following their meetings and are posted on the CHWD website, [Customer Advisory Committee Section](#). In addition, meeting summaries that provide an overview of each of the CAC meetings as well as a video of the meetings are posted to the website to be available to the CAC members and the general public.



Customer Advisory Committee Meeting #6 Summary

Tuesday, March 19, 2019, 6:30-9:30 pm

ATTENDEES

CAC Members:

Kimberly Berg	Commercial Representative
Julie Beyers	Residential Representative
Ray Bohlke	Residential Representative
Deborah Cartwright	Residential Representative
Patti Catalano	Residential Representative
Katherine Cooley	Institutional Representative
Suzanne Guthrie	Residential Representative
Andrew Johnson	Residential Alternate
Doug MacTaggart	Residential Representative
James Monteton	Residential Representative
Richard Moore	Residential Representative
Richard Moses	Residential Representative and CAC Vice Chair
Mike Nishimura	Commercial Representative
Aimee Pfaff	Residential Representative
Chris Ralston	Institutional Representative
Ray Riehle	CHWD Director

Unable to attend were:

Wes Ervin	Commercial Representative
Michael Goble	Residential Representative
Bren Martinez	Residential Representative
Dave Mitchell	Institutional Representative
Jenna Moser	Residential Representative and CAC Chair
David Paige	Residential Representative
Peg Pinard	Residential Representative
Cyndi Price	Institutional Representative
Javed Siddiqui	Residential Representative
Noe Villa	Institutional Representative

CHWD Staff:

Chris Castruita	Management Services Supervisor/Chief Board Clerk
Tamar Dawson	Assistant Engineer
Paul Dietrich	Project Manager
David Gordon	Operations Manager
Madeline Henry	Management Services Specialist/Deputy Board Clerk
Rex Meurer	Water Efficiency Supervisor
Jeff Ott	Principal IT Analyst
Missy Pieri	Engineering Manager/District Engineer
Alberto Preciado	Accounting Supervisor/Assessor/Controller
Susan Sohal	Administrative Services Manager
Hilary Straus	General Manager

Consultants:

Andrew MacDonald	Harris & Associates
Steve Winchester	Harris & Associates
Roger Kohne	Harris & Associates
Habib Isaac	Raftelis Financial Consultants, Inc.
Charles Hester	Godbe Research
Laura Mason-Smith	Mason-Smith Success Strategies



PROJECT 2030 WATER MAIN REPLACEMENT



Customer Advisory Committee Meeting #6 Summary

Tuesday, March 19, 2019, 6:30-9:30 pm

PUBLIC COMMENT

There was no public comment.

APPROVAL OF FEBRUARY 26, 2019, CAC MEETING #5 MINUTES

The minutes of the February 26, 2019, CAC Meeting #5 were unanimously approved without comments or changes.

SPENDING AND FUNDING ALTERNATIVES ASSESSMENT

Background Information

Project 2030 Manager Missy Pieri reviewed the 2019 CAC Meeting Schedule, progress to date, and the topics for the upcoming CAC meetings ([please see the CHWD Website section on Project 2030 CAC Meeting #6 for the slide presentation detail](#)).

Top 5 Spending/Funding Alternatives and Additional Considerations

Andrew MacDonald and Habib Isaac reviewed the Top 5 Alternatives selected by the CAC at the February 26, 2019 Meeting #5 and provided additional information related to the Alternatives for CAC consideration:

- System replacement levels by decade
- Spending/Funding overview
- Prefunding overview and components
- Proposition 218 requirements
- Historical data and projections

Assessment of the 5 Spending/Funding Alternatives

CAC members moved into four table groups to utilize both hard-copy and computer based information and analyses to assess each of the remaining 5 Spending/Funding Alternatives. After extensive discussion, CAC members identified their initial individual Top 2 Alternatives, and table spokespeople then reported out on the results of their table-group discussions and assessments.

Each CAC voting member then cast their votes for their final Top 2 Spending/Funding Alternatives which will move forward for market research. At CAC Meeting #7, the market researchers will report on the research results.

Spending/Funding Alternatives Moving Forward For Market Research



PROJECT 2030 WATER MAIN REPLACEMENT



Customer Advisory Committee Meeting #6 Summary

Tuesday, March 19, 2019, 6:30-9:30 pm

Alt #	Funding Description	Project Cost-- 2018 \$ Millions	Annual Spending 2018 \$ Millions	% of System Replaced by 2080 (50 years starting in 2030)	Total Votes
5.4	Prefunding, with Debt	390	7.8	72%	11
6.4	Prefunding, with Debt	480	9.6	89%	8

RESEARCH PRIMER

Charles Hester, with Godbe Research, provided an informative overview of the market research process related to the two potential Spending/Funding Alternatives. A question and answer period also occurred after the overview to answer any CAC questions.

CAC PROCESS AND LOGISTICS OVERVIEW

The CAC reviewed the updated schedule of 2019 CAC meetings ([see the CAC Document Library on the website for the schedule graphic](#)). These after-dinner meetings and the high-level topics anticipated for each of the meetings are shown below.

Workshop #7: June 11, 2019, 6:30-9:15 pm, Citrus Heights Community Center

- Review Market Research Results
- Develop Final Recommendation to the Board
- Review Implementation Plan Process

Workshop #8: September 10, 2019, 6:30-9:15 pm, Citrus Heights Community Center

- Review Implementation Plan
- Review Final Board Recommendation

CAC MEMBER CLOSING COMMENTS



Customer Advisory Committee Meeting #6 Summary

Tuesday, March 19, 2019, 6:30-9:30 pm

The CAC members indicated what they were taking away from the Meeting as:

1. It's been really interesting to see the collaboration and how everyone has participated.
2. At our next meeting, it will be really interesting to see the research results.
3. This process has been so empowering for the CAC members.
4. I really appreciate this well-thought-out process.
5. It's been great to have such effective resources for our team's work.
6. I've really appreciated hearing other teams' thoughts too.
7. Looking back at the numbers, I'm comfortable with where the process is going.
8. It will be interesting to see the survey results.
9. I've been so happy to be armed with good information to be able to combat any resistance to this process in the community; now I will have good information to share.
10. I am so happy to be part of this process and learn from others.
11. It's so interesting to see and hear each other's reasoning.
12. I'm really looking forward to our next meeting.
13. Our CAC member votes seemed to align.
14. Any time there is a rate increase, people may not understand, but there are so many of us involved that I think there is a better chance for productive results.
15. I have LOVED this process, and I've learned a lot.
16. I came in not liking debt, but I learned that responsible debt gives the District flexibility, and I'm very comfortable with responsible debt now.
17. I've learned so much, and it's been an exciting and interesting process.
18. It's interesting to learn what goes into doing effective market research.
19. Through this process, we are being educated for life!
20. I am thankful for the thoughtfulness of this process and anxious for the survey results.
21. I appreciate everyone's participation and thank the staff for their preparation/assistance.
22. I've learned a lot from everyone, and I think we've done a very good job.

PUBLIC COMMENTS

None

CLOSE

CAC Vice Chair Richard Moses thanked the CAC members, District staff, and consultants for their participation and adjourned the meeting at 8:59 pm.



PROJECT 2030
WATER MAIN REPLACEMENT



Customer Advisory Committee Meeting #6 Summary

Tuesday, March 19, 2019, 6:30-9:30 pm

APPROVED:

CHRISTOPHER CASTRUITA
Deputy Secretary
Citrus Heights Water District

JENNA MOSER, Chair
Customer Advisory Committee
Citrus Heights Water District

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO CUSTOMER ADVISORY COMMITTEE OF CITRUS HEIGHTS WATER DISTRICT JUNE 11, 2019 MEETING

SUBJECT : REVIEW AND IDENTIFY THE TOP SPENDING AND FUNDING ALTERNATIVE
STATUS : Action Item
REPORT DATE : June 4, 2019
PREPARED BY : Missy Pieri, Engineering Manager/District Engineer

OBJECTIVE:

Review and Discuss Top Two Spending and Funding Alternatives and Select Top Alternative for Recommendation to the Board of Directors.

BACKGROUND AND ANALYSIS:

Introduction and Background

At the October 18, 2017 Board Meeting, the Citrus Heights Water District (CHWD) Board of Directors approved the Professional Services Agreement with Harris & Associates for the Project 2030 Water Main Replacement Study (Study).

The building blocks of the Study include:

- Asset Inventory
- Water Demand Forecast
- Water Main Replacement and Costs
- Water Main Replacement Phasing Plan
- Funding Strategy/Rate Options Analysis
- Implementation Plan
- Market Research on the final 2 options.

At Customer Advisory Committee (CAC) Meeting #2, held on August 28, 2018, the Project Team provided a briefing on the Water Demand Forecast, summarized in Technical Memorandum No. 1: Water Demand Forecast. This memo considers key assumptions such as population change, land development, legislative/regulatory mandates and other factors that could impact future District-wide water usage. The water demands will be used to determine future water main sizes that are proposed to be replaced and will assist in the prioritization of water main replacements.

At CAC Meeting #3, held on December 11, 2018, the Project Team provided a briefing on the Infrastructure Challenges, summarized in Technical Memorandum No. 2: Infrastructure Challenges (Technical Memo No. 2) and Water Main Assessment summarized in Technical Memorandum No. 3: Water Main Assessment (Technical Memo No. 3).

Technical Memo No. 2 identifies the infrastructure challenges, water supply challenges, and regulatory challenges that will likely impact the replacement of water mains beginning in 2030 and beyond.

Technical Memo No. 3 summarizes the key assumptions and methodology used to create the water main assessment and replacement cost estimates. This information will serve as the foundation for developing water main replacement phasing options and associated funding strategies.

At the CAC Meeting #4, held on February 5, 2019, the Project Team provided a briefing on the Spending and Funding Options, summarized in Technical Memorandum No. 4: Spending and Funding Options (Technical Memo No. 4).

Technical Memo No. 4 identifies various Spending and Funding Options and analyzes twenty-one (21) unique Spending and Funding Alternatives (Alternatives). The key considerations used to evaluate each Alternative include, but are not limited to, the amount of water main replaced, revenue adjustments and fluctuations, and pipe survival probability/relative risk.

At the February 5 Meeting, staff reviewed each of the 21 unique Alternatives along with key considerations for each Alternative with the CAC, and requested feedback on both Technical Memo No. 4 and the Alternatives presented.

At the CAC Meeting #5, held on February 26, 2019, the Project Team provided a brief background and reviewed previously presented information including the 21 unique Alternatives. Key considerations of each Alternative were also reviewed. CAC members were broken into smaller groups to discuss the Alternatives in greater detail. Access to the financial models were provided through the use of computers with preloaded dashboards to better visualize and compare the data discussed in Technical Memo No. 4. Each small group had access to (rotating) members of the Project Team. Each group selected their top Alternatives and briefly reported back to the full CAC their reasoning/priorities and resulting top Alternatives. The CAC workshop facilitator gathered and provided a visual summary of the small group selections. Finally, individual voting was used to gain consensus on the top Alternatives to move forward to the next CAC Meeting scheduled in March. The top Alternatives including the results of the individual voting are summarized in Table 1.

Table 1
Voting Results of Top Alternatives

Alternative #	Funding Description	For More Info., See TM # 4, Page Number	Project Cost—2018 \$ (Millions)	Annual Spending 2018 \$ (Millions)	% of System Replaced by 2080 (50 years starting in 2030)	Total Votes
4.4	Prefunding, with Debt	19	320	6.4	59	10
5.2	Prefunding, No Debt	21	390	7.8	72	9
5.4	Prefunding, with Debt	23	390	7.8	72	12
6.4	Prefunding, with Debt	27	480	9.6	89	10
7.4	Prefunding, with Debt	31	510	10.2	94	6

At the CAC Meeting #6, held on March 19, 2019, the Project Team facilitated the review of the top five Alternatives. The Project Team provided a brief background and presented additional information on the top five Alternatives, including Key Considerations of each Alternative. CAC members broke into small groups to discuss the five Alternatives in greater detail. Access to the financial models were provided through the use of computers with preloaded dashboards to better visualize and compare the data. Each group selected their top two Alternatives and gave brief reports on each small group’s reasoning/priorities

and resulting top Alternatives. The CAC workshop facilitator gathered and provided a visual summary of the small group selections. Finally, individual voting was used to select the top two Alternatives to move forward for Market Research Testing.

The CAC also received an overview of the Market Research Testing process and schedule, and feedback was requested.

June 11, 2019 CAC Meeting #7 Goals

At the CAC Meeting #7, to be held on June 11, 2019, the Project Team will facilitate the review of the top two Alternatives and present the results of the Market Research Testing of the top two Alternatives. CAC members will be broken into smaller groups to discuss the two Alternatives in greater detail. Each group will report-out from the small group discussion. Next, each CAC member will be given electronic voting equipment, along with directions on how to use the device. Finally, the electronic voting devices will be used to select the top Alternative to move forward to develop the Implementation and Phasing Plan. The Project Team will highlight the key steps to the Implementation Plan.

Next Steps

At the CAC Meeting #8, in September, the Project Team will review the top Alternative to be recommended to the Board of Directors. A phasing and implementation plan will also be provided specific to the top Alternative.

RECOMMENDATION:

Select Top Alternative for further development of Phasing and Implementation Plan at the September 10, 2019 CAC Meeting #8.
