

PROJECT 2030
WATER MAIN REPLACEMENT



Customer Advisory Committee Meeting 6

MARCH 19, 2019

PROJECT 2030

WATER MAIN REPLACEMENT



CITRUS
HEIGHTS
WATER
DISTRICT

PROJECT 2030

WATER MAIN REPLACEMENT



CITRUS
HEIGHTS
WATER
DISTRICT

PLEDGE OF ALLEGIANCE

MEETING AGENDA

Public Comment

Approve Meeting #5 Summary

Review of Top 5 Alternatives

Activity to Select Top 2 Alternatives

Market Research Introduction

Public Comment

Preview of CAC Meeting #7 on June 11th, 2019

Meeting Take Away's

PROJECT 2030

WATER MAIN REPLACEMENT



CITRUS
HEIGHTS
WATER
DISTRICT

PUBLIC COMMENT



PUBLIC COMMENT





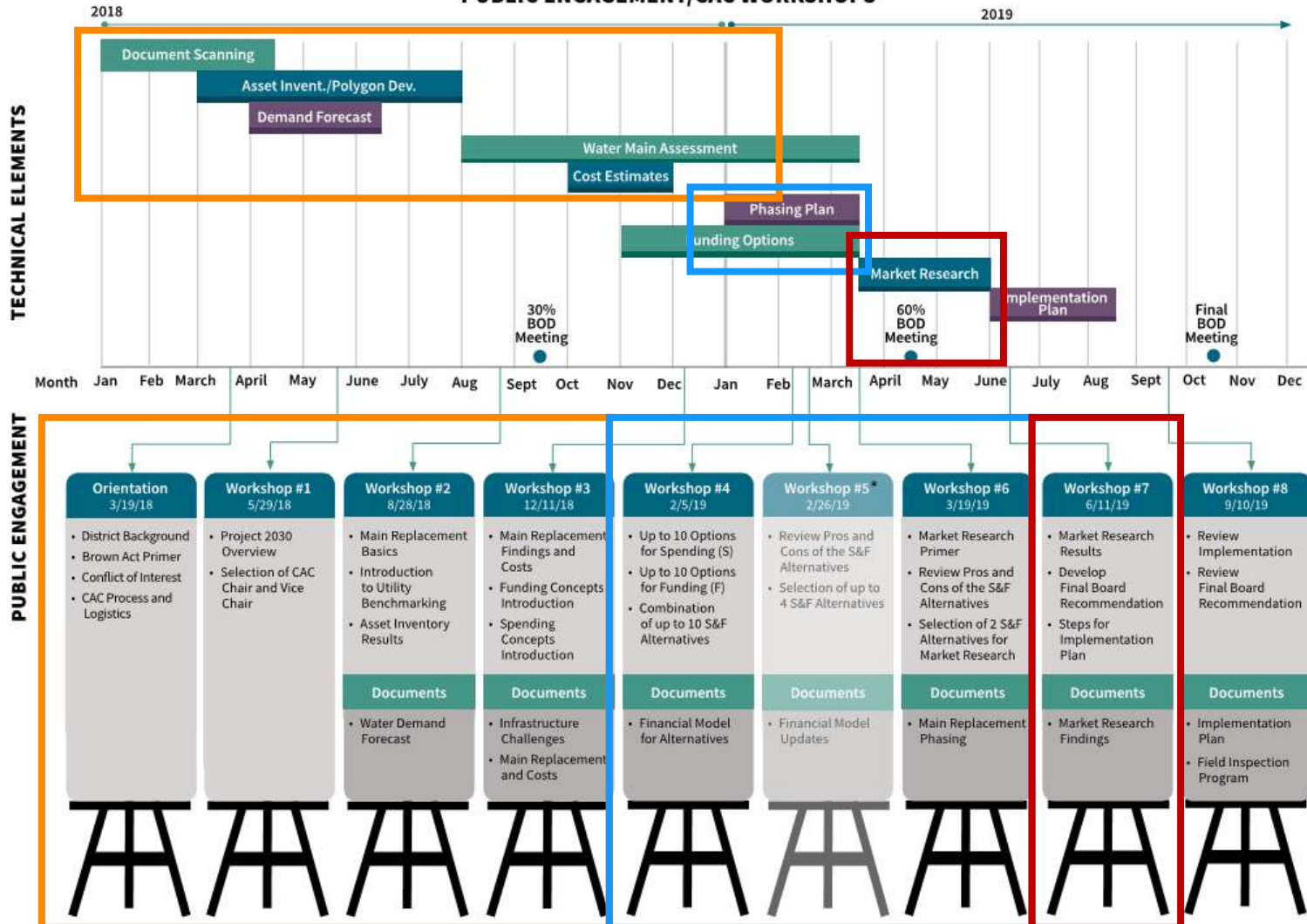
APPROVE MEETING #5 SUMMARY – FEBRUARY 25, 2019



WHERE WE ARE & WHERE WE ARE GOING



2030 WATER MAIN REPLACEMENT PROJECT PUBLIC ENGAGEMENT/CAC WORKSHOPS



* if needed



PROJECT 2030 SCOPE





REVIEW OF TOP 5 ALTERNATIVES



TOP 5 ALTERNATIVES SELECTED FROM THE FEBRUARY 25th CAC MEETING

Alt	Funding Description	Cost 2018\$ (million)	Annual Spending (million)	Pre- Funding (million)	System Replaced by 2080	Total Votes
4.4	Prefunding, with Debt	\$320	\$6.4	\$16.0	59%	10
5.2	Prefunding, No Debt	\$390	\$7.8	\$29.0	72%	9
5.4	Prefunding, with Debt	\$390	\$7.8	\$22.5	72%	12
6.4	Prefunding, with Debt	\$480	\$9.6	\$29.4	89%	10
7.4	Prefunding, with Debt	\$510	\$10.2	\$19.2	94%	6



SYSTEM REPLACEMENT BY DECADE

Alt	Funding Description	System Replaced by 2040	System Replaced by 2050	System Replaced by 2060	System Replaced by 2070	System Replaced by 2080
4.4	Prefunding, with Debt	12%	24%	36%	47%	59%
5.2	Prefunding, No Debt	14%	29%	43%	58%	72%
5.4	Prefunding, with Debt	14%	29%	43%	58%	72%
6.4	Prefunding, with Debt	18%	36%	53%	71%	89%
7.4	Prefunding, with Debt	19%	38%	57%	76%	94%

SPENDING AND FUNDING

Alternatives	PAYGO	Prefunding	Debt
4.4 \$320M; \$6.4M / Yr	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
5.2 \$390M; \$7.8M / Yr	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5.4 \$390M; \$7.8M / Yr	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
6.4 \$480M; \$9.6M / Yr	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
7.4 \$510M; \$10.2M / Yr	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

- 5 Remaining Alternatives
- All alternatives have prefunding



PREFUNDING COMPONENT

Alternatives	Prefunding	Annualized
4.4 \$320M; \$6.4M / Yr	\$16M	\$1.6M
5.2 \$390M; \$7.8M / Yr	\$29M	\$2.9M
5.4 \$390M; \$7.8M / Yr	\$22.5M	\$2.25M
6.4 \$480M; \$9.6M / Yr	\$29.4M	\$2.94M
7.4 \$510M; \$10.2M / Yr	\$19.2M	\$1.92M

- Isolate Prefunding from other District revenue requirements
- Set amount to generate over 1st 10 years



PROPOSITION 218

- Charge must be tied to cost of service
 - Reserves, required coverage for debt compliance, and net income targets are all considered part of costs
- Charge shall be used for the sole purpose identified
 - A 2030 Project reserve may be established for Prefunding
- Charge on any parcel shall not exceed the proportional cost of service attributable to the parcel
 - How should cost be recovered?
 - Fixed cost vs Variable cost
 - Surcharge by meter size as a separate line item on bill
 - Size of meter reflects demand placed on the system



PREFUNDING AS SURCHARGE

Alternatives	Annualized	Fixed Monthly (1")	Fixed Monthly 3% Index (1")
4.4 \$320M; \$6.4M / Yr	\$1.6M	\$5.88	\$5.13 - \$6.69
5.2 \$390M; \$7.8M / Yr	\$2.9M	\$10.66	\$9.30 - \$12.13
5.4 \$390M; \$7.8M / Yr	\$2.25M	\$8.27	\$7.21 - \$9.41
6.4 \$480M; \$9.6M / Yr	\$2.94M	\$10.81	\$9.43 - \$12.30
7.4 \$510M; \$10.2M / Yr	\$1.92M	\$7.06	\$6.16 - \$8.03

- Assumes an annual rate adjustment of ~3.7% to existing rates
- Project 2030 surcharge could be separate line item on customer bill
- Continues throughout project period
- First 10 years relates to prefunding



TABLE GROUP ACTIVITY

PROJECT 2030

WATER MAIN REPLACEMENT



CITRUS
HEIGHTS
WATER
DISTRICT

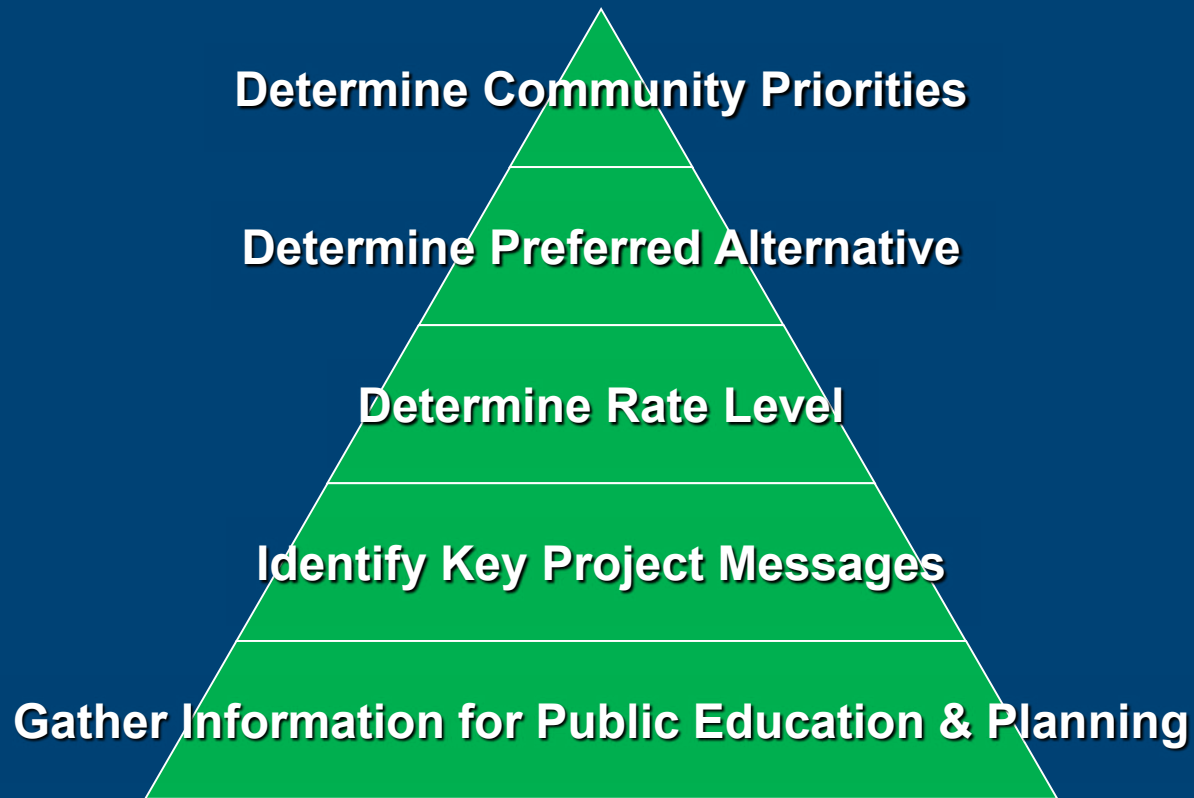
BREAK



SURVEY METHODOLOGY OVERVIEW AND OUTLINE



WHY CONDUCT POLLING





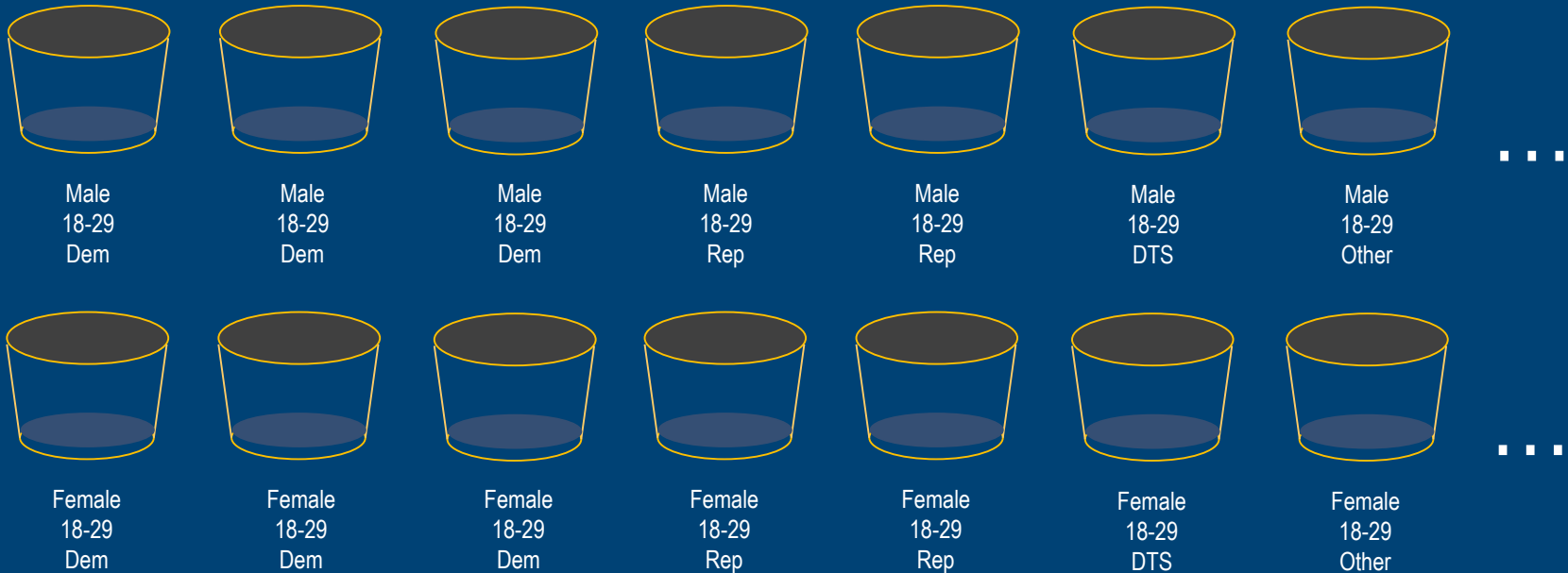
SURVEY METHODOLOGY

- Random Cluster Sample ensures accurate demographic and geographic representation.
- Multiple Contact Methods include landline, cell, text and email contacts within cluster sample. Third-party matches are employed to improve the contact info.
- Unique ID Codes for Each Voter prevent duplicate surveys from being completed by any respondent.
- 500 Completed Interviews results in a margin of error of +4.35%
- 15-Minute Questionnaire allows for thorough understanding of respondent priorities, attitudes and willingness to support the District's proposal.



RANDOM CLUSTER SAMPLING EXPLAINED

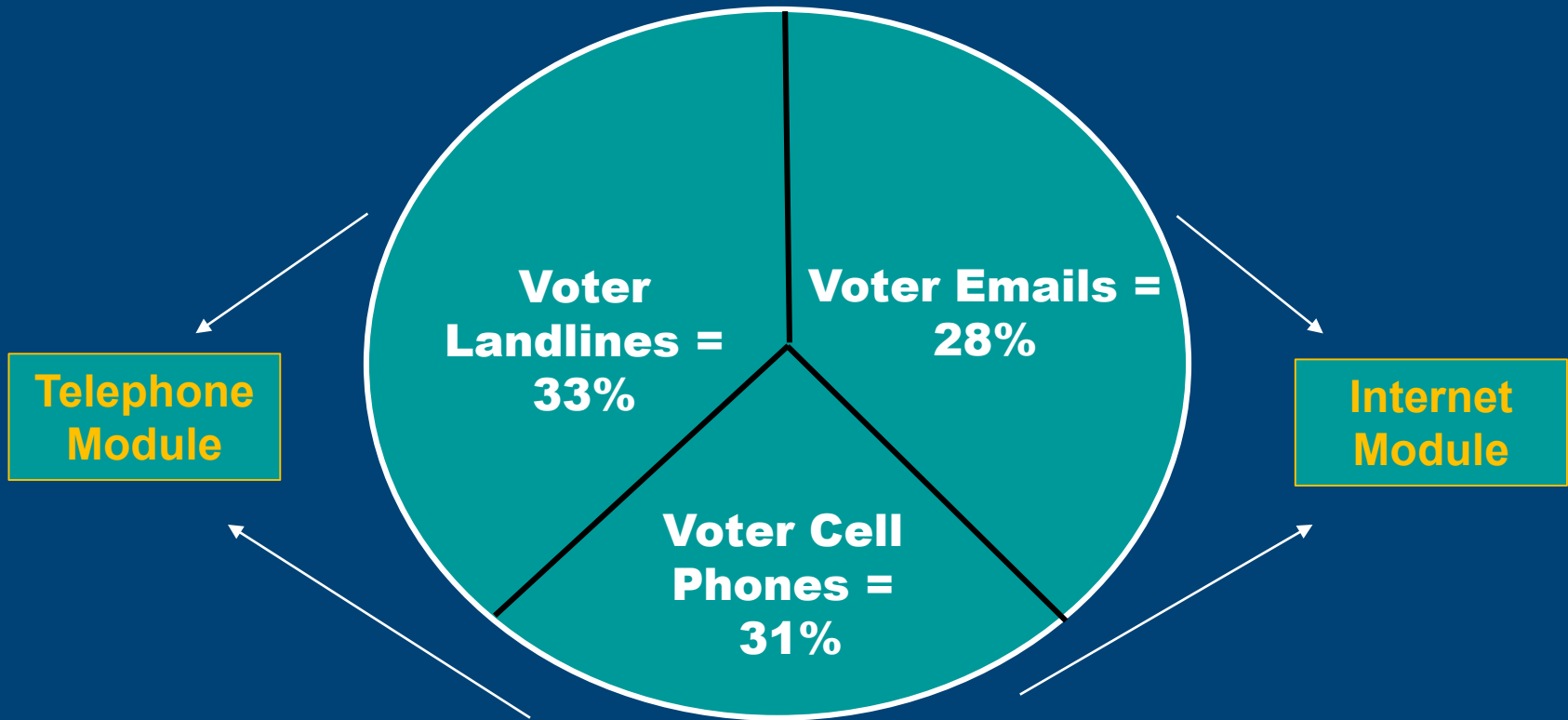
Random cluster sample is accomplished by sampling voters by specific strings of demographic characteristics into proportional numbers of “clusters” or “buckets”. While interviewing, a least one completed interview is required per cluster or bucket.



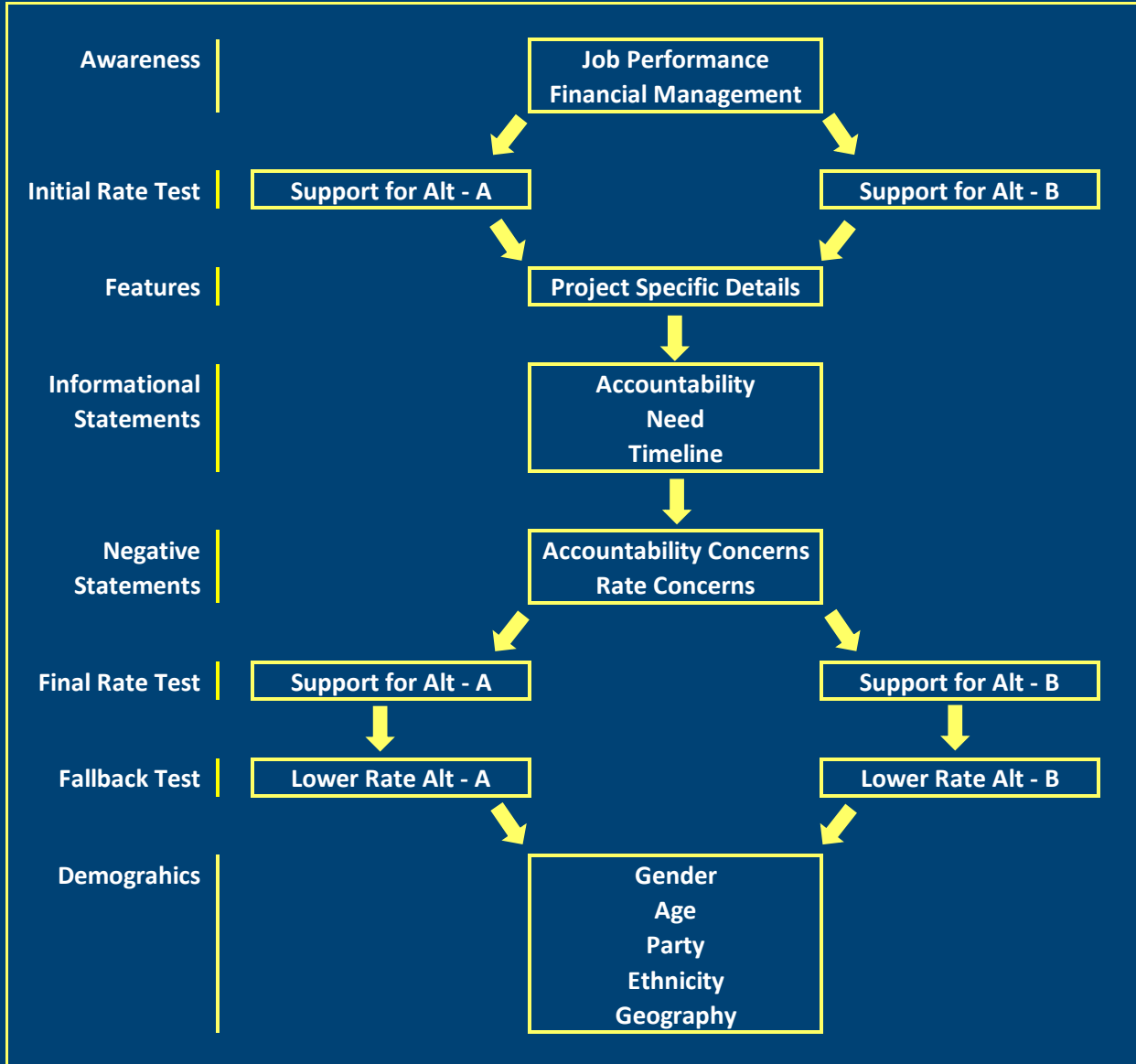


HOW TO CONDUCT A REPRESENTATIVE VOTER POLLING PROCESS

Base contact information for voters in the Citrus Heights Water District used for multiple contact methods (35,194 total voters).

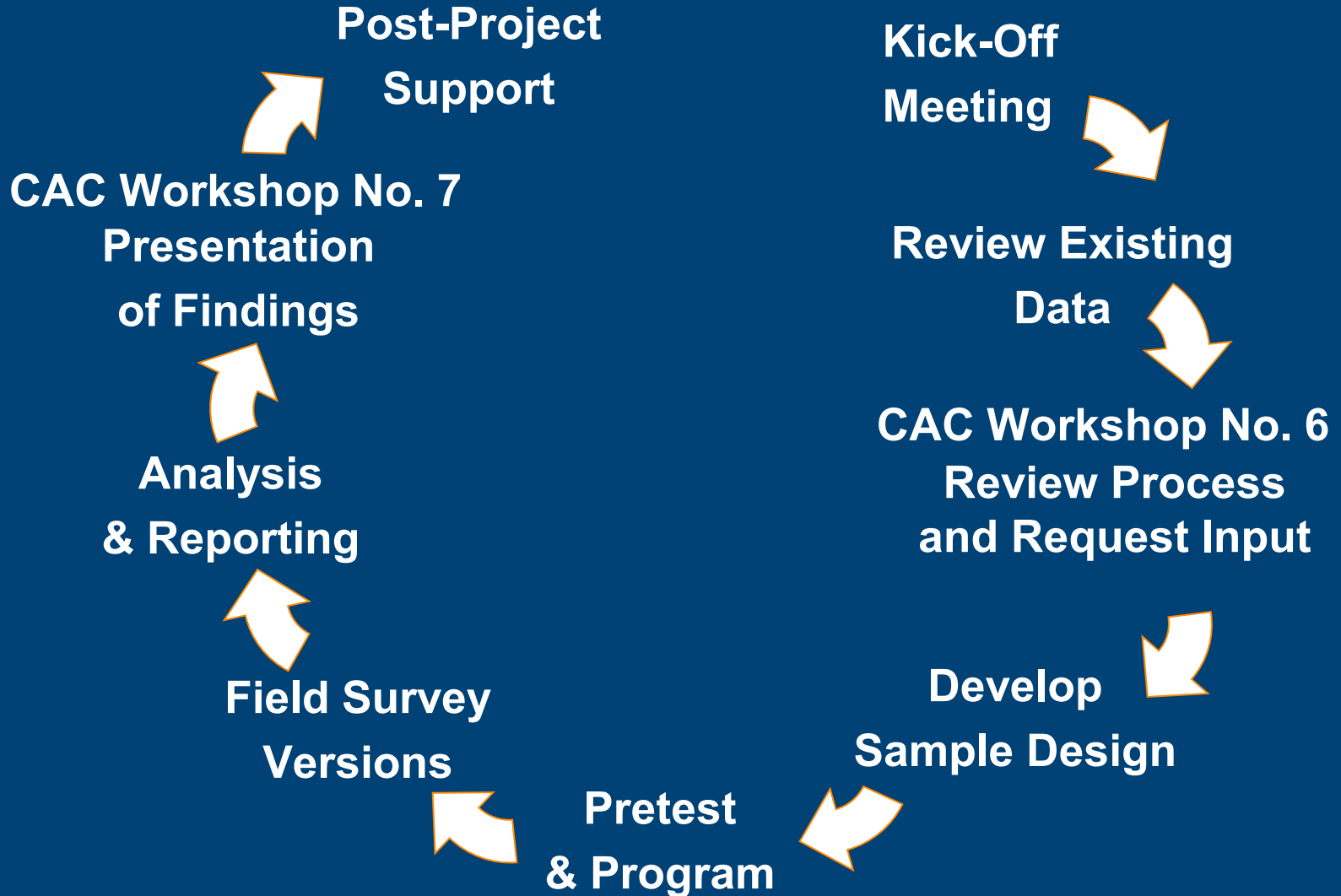


QUESTIONNAIRE FLOW CHART





Survey Research Process





QUESTIONS AND ANSWERS

PROJECT 2030

WATER MAIN REPLACEMENT



CITRUS
HEIGHTS
WATER
DISTRICT

PUBLIC COMMENT

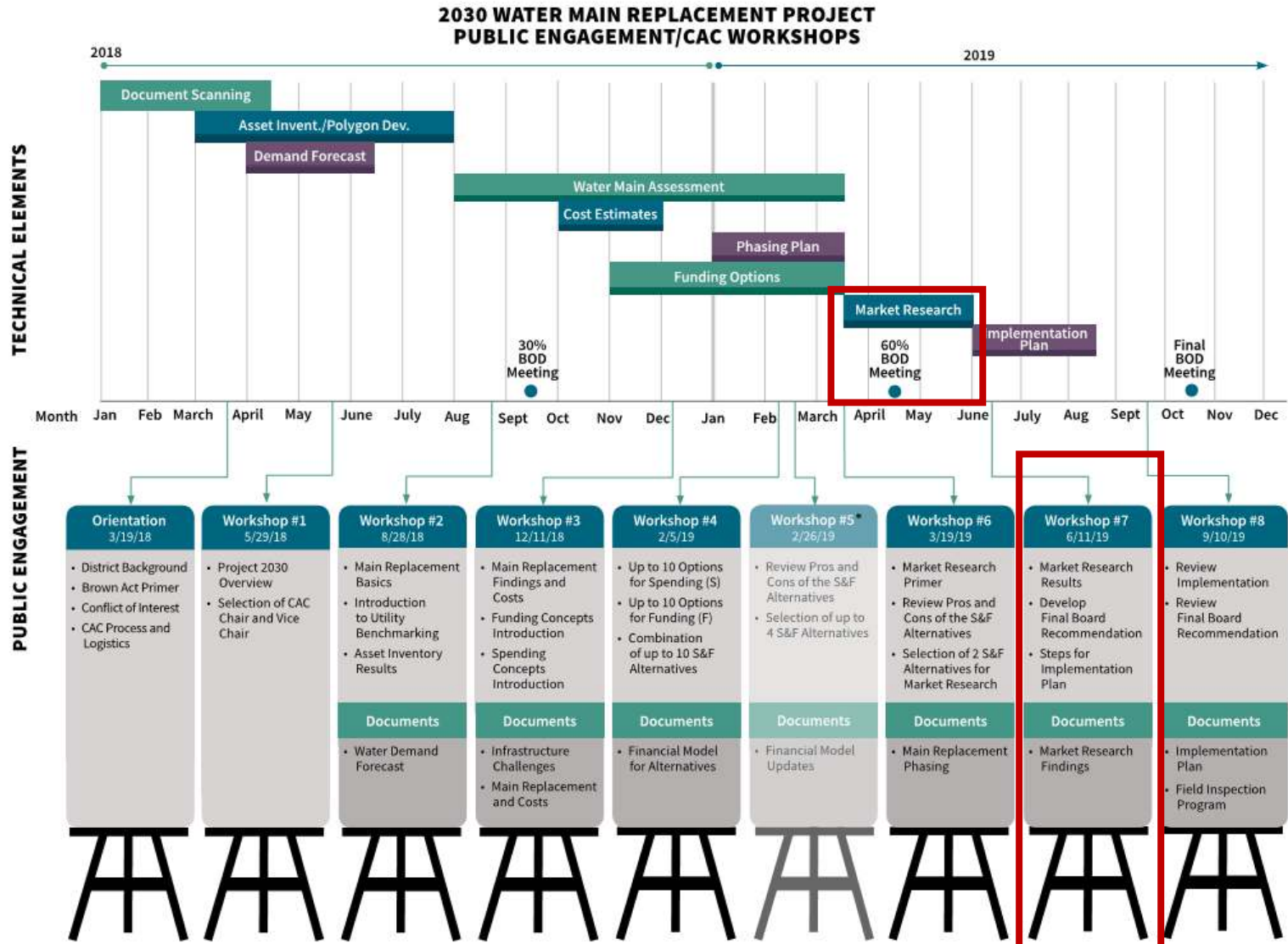


PUBLIC COMMENT



TOPICS FOR MEETING 7

- Review of Market Research Results
- Review and Development of Board Recommendation
- Introduction to Implementation Planning



* if needed



Next Meeting: Tuesday, June 11th, 2019

Time: 6:30 pm – 9:15 pm

Location: Citrus Heights Community Center, Hall C



VISIT THE CAC WEBPAGE

**[chwd.org/customer-
advisory-committee/](https://chwd.org/customer-advisory-committee/)**



PARTICIPANT TAKE- AWAY'S

PROJECT 2030

WATER MAIN REPLACEMENT



CITRUS
HEIGHTS
WATER
DISTRICT

CLOSING