

**RESPONSE TO SACRAMENTO LAFCO
MUNICIPAL SERVICE REVIEW
WORKSHEET AND QUESTIONNAIRE**



**C I T R U S
H E I G H T S**

**W A T E R
D I S T R I C T**

March 17, 2011

Summary of District Information	
Population	66,500
Area Served	Portions of: Citrus Heights, Orangevale, Fair Oaks, Carmichael, Roseville & Placer Co
Number of Connections	19,561
Number of Water Meters	19,550
Percent of Connections Metered	99.9%
Fluoridate Water	No
Water Supply Source(s)	
% groundwater	10% groundwater (2010)
% surface water	90% surface water (2010)
Total Annual Water Consumption	4,469,486,364 Gallons (2010) 13,716.35 Acre feet (2010)
Average Monthly Consumption	1,143.03 Acre feet/month (2010)
Average Demand (Gallons per Minute-gpm)	Average Demand = 8,504 gpm (2010)
Average Peak Demand-gpm	Ave. Peak Demand = 15,430 gpm (2010)
Average Use per Meter/connection	25.46 units/connection/month
Miles of Distribution Lines	256 miles
Average Age	31 years
Miles of Transmission Lines	15 miles
Average Age	26 years
Number of Wells	5 groundwater wells
Average Age	14 years
Number of Storage Tanks	No storage tanks; storage provided by San Juan Water District
Average Age	
Total Storage Capacity	
Water Treatment Facilities	Disinfection treatment for wells only; surface water is treated by San Juan WD
Average Water Pressure	80 psi
Average Revenue per Meter/Customer	\$496.35/connection (2010)
Debt Service per Customer	\$42.53/connection (2010)
Annual Revenue	\$11.03 million (2010)
10-year average rate increases	10.83% (2001-2010)
Annual Surcharge Revenue	Not applicable
Annual Operation and Maintenance Costs	\$2.49 million (2010)
Annual Average Capital Costs	\$2.89 million/yr (2000-2009)
Annual Miles of Pipeline Replacement	0.68 miles (planned, 2011-2020)
Average Annual Operating Reserve	\$202,093 (2001-2010)
Annual Number of Leaks per Mile	0.17 leaks per mile (2001-2010)
Average Surplus Production Capacity	Not applicable
Compliance with CDPH Standards	Yes

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
1112 I Street, Suite #100, Sacramento, California 95814
(916) 874-6458

MUNICIPAL SERVICE REVIEW WORKSHEET
AND QUESTIONNAIRE
DISTRICT PROFILE

Date:

Agency Name:

Citrus Heights Water District

Date Established:

October 25, 1920

Address:

6230 Sylvan Rd., Citrus Heights, CA 95610

Website:

www.chwd.org

Telephone:

(916) 725-6873

FAX: (916) 725-0345

Administrator Name:

Robert A. Churchill

Title:

General Manager

Name of Contact:

Robert A. Churchill
General Manager

David B. Kane
Asst. General Manager

Contact's E-mail Address:

rchurch@chwd.org

dkane@chwd.org

Agency's Principal Act:

Irrigation District Act, State Water Code, Division 11

Services Provided:

Municipal Water Services

Latent Powers:

Irrigation, Drainage, Electric Power, Recreational
Facilities

Governing Body:

Board of Directors (3)

Total Number of Employees:

28, All Unrepresented

Acreage/ sq. Miles within Agency:

7,782 acres/12.2 square miles

Total Population within Agency:

66,500

Total Registered Voters within Agency:

Sacramento County: 30,790
Placer County: 450
Total: 31,240

INTRODUCTION

Background Information

The Citrus Heights Water District is an Independent Special District of the State of California.

- **Mission:** It is the mission of the Citrus Heights Water District to furnish a dependable supply of safe, quality water delivered to its customers in an efficient, responsive, and affordable manner.
- **Setting:** Map of Citrus Heights Water District Service Area attached as Exhibit A.

History

Citrus Heights Water District formally came into existence as Citrus Heights Irrigation District on October 25th, 1920, the last of three such Districts formed in northeast Sacramento County. The District was organized under the State Water Code Irrigation District Act. It encompassed slightly more than 4.7 square miles (3,028 acres) in northeast Sacramento County at its inception and served approximately 225 farms. Additional history is attached as Exhibit B.

Services Provided

Citrus Heights Water District provides municipal water service to residential, commercial, institutional and irrigation customers within its service area.

Management and Staffing Structure

Management Structure

General Manager: Appointed by and reports to the District's Board of Directors.

Department Managers (3): Appointed by and report to the General Manager to manage the District's three departments: Operations and Water Quality; Administration and Water Demand Management; and Project Management and Engineering.

The General Manager and three Department Managers are the only District positions that are classified as exempt under the Fair Labor Standards Act.

Employment Structure

A total of 24 non-exempt employees report to the three Department Managers to carry out the water system operations, water quality, administration, water demand management, project management and engineering functions for the District. Appointment of all District employees is performed in accordance with District Human Resources Policies under the authority of the General Manager, with the exception of the General Manager's position which is appointed by and serves under contract at the pleasure of the Board of Directors.

The District employs 28 full time positions.

The District does not typically budget for or employ part-time, seasonal or temporary employees. Temporary employees are employed occasionally to fill vacancies in authorized District positions created by resignations and terminations, extended medical leaves of absence and other similar situations.

A Citrus Heights Water District organization chart is attached as Exhibit C.

- The type and purpose of contracts and consultants.

The District utilizes a variety of contractual and consulting services to support its mission and the delivery of services. Examples include, but are not limited to, the following types of services:

- Legal Counsel services
- Engineering Design services
- Architectural Design services
- Construction services
- Water Quality Sampling and Testing services
- Information Technology services
- Financial Advisory and Investment services
- Financial Auditing services
- Public Information and Outreach services
- Customer Billing and Mailing services
- Customer Payment Processing services
- Water Meter Reading services

The District leverages its small workforce through the use of contractual and consulting services where these services can be more efficiently and cost-effectively be provided by contractors, vendors and consultants.

- Describe purchasing process and competitive bidding practices.

The District's purchasing and competitive bidding practices are designed to assist the District in obtaining the best value in supplies, materials, equipment, operating and maintenance services, consultant services, and public works projects from various suppliers, contractors, and consultants. District Fiscal Management Policy No. 6500, Purchasing and Procurement, is attached as Exhibit D.

- Please feel free to mention any awards or recognition the agency has received.

The District has received numerous President's Special Recognition Awards from the Association of California Water Agencies – Joint Powers Insurance Authority (ACWA-JPIA) for excellence in workplace safety and low incidence of claims under ACWA-JPIA insurance programs. In the past three years, two District employees have received an H.R. LaBounty Safety Award from ACWA-JPIA for their contributions to workplace safety.

The District was featured in the Summer 2010 edition of the *Energy & Infrastructure* magazine with a focus on the District's successful Technology Improvement Program. The District

continues to receive wide recognition for this program and has served as a model for a number of other public agencies throughout California for using information technology to improve service and increase operating efficiency.

The District, along with many other stakeholders of the Sacramento Water Forum, received the Association of California Water Agencies' Clair A. Hill Water Agency Award for Excellence in 2000 for its contributions to the development of the Water Forum Agreement. The District has been a stakeholder and supporter of the Water Forum Agreement and the Water Forum Successor Effort for more than 15 years.

Most importantly, the District and its employees routinely receive letters, emails and telephone calls from its customers commending the service they receive from the District. This recognition from customers is a yardstick by which the District measures its success in fulfilling its mission.

- Describe ongoing training and personnel policies.

The District develops, maintains and enforces a comprehensive set of human resources policies that are designed to promote an effective, efficient and well-trained workforce and to ensure compliance with state and federal laws. These policies most recently underwent a complete review and updating in 2008. The 75 individual policies cover all aspects of human resources management and administration including: Employment; Employee Compensation and Payroll Practices; Employee Benefits and Services; Standards of Conduct and Employee Discipline; Training and Development; Safety and Health; and Separation and Retirement. The District has opted not to furnish a copy of the District's 160+ pages of human resources policies as a part of this MSR response. However, the District will be pleased to provide copies of any or all of its policies to LAFCo upon request.

A series of policies specifically directed to employee training and development, employee orientation, performance evaluation and promotional opportunities encourages a high level of professionalism and skill among District employees. The District staff includes 22 employees who possess a Water Distribution Operator Certification from the State Department of Water Resources (DWR), 12 employees who possess a DWR-issued Water Treatment Operator Certification, 2 employees certified as Cross Connection Specialists and two employees certified as Water Conservation Practitioners. Funds are budgeted annually to provide ongoing in-service training to maintain and enhance job knowledge and skills. An Education Assistance Program is provided to support employees who wish to pursue college education or professional/technical training on their own time to enhance their job skills.

The District's workforce averages more than 15 years of District service per employee, which speaks to the success of the District's policy of attracting, training and keeping great employees.

- Are salaries, pay scales, and benefits comparable/ competitive with regional and industry standards?

In keeping with its policy of attracting, training and keeping great employees, the District offers salaries and benefits that are comparable and competitive with regional and industry standards. The District conducts a Salary Survey every three years to review the salaries of District personnel as they compare to the regional marketplace for similar work functions. Based upon these comparisons, recommendations are presented to the District's Board of Directors for any needed adjustments to align District salaries to the marketplace consistent with District policy. District policy expresses a specific goal of setting the maximum salary for each salary range at the 75th percentile of the best matches of salaries in the regional marketplace. The most recent Salary Survey and adjustments to the salary schedule based on Survey results was completed in 2009.

The District also offers a package of employee benefits that are comparable to and competitive with other water utilities and public agencies in the region. These include: CalPERS pension benefits; health, dental and vision insurance; life insurance; short- and long-term disability insurance; paid vacation leave, sick leave and holidays; education assistance program and others. Exempt employees are afforded management leave benefits.

- Describe pension system and practices.

District employees are members of the California Public Employees' Retirement System (CalPERS) and receive pension benefits in accordance with CalPERS requirements and regulations. The District's CalPERS retirement plan is the "Miscellaneous 2% at 55" plan based on a Final Average Compensation Period of 12 months. The District does not offer the CalPERS health insurance benefit. The CalPERS pension system requires a contribution by both the employer and the employee based on a percentage of each employee's salary as determined by CalPERS. The District pays both the employer contribution and the employee contribution to CalPERS.

- Describe financial reporting and auditing practices.

The District prepares a comprehensive set of financial reports on a monthly basis for review and acceptance by the Board of Directors. These reports include:

- Assessor/Collector's Report on accounts receivable, accrued revenue and adjustments, including a detailed accounts receivable analysis ;
- Treasurer's Report on receipts, disbursements, cash and investments and allocations to District funds and reserve accounts;
- Operations Budget and Capital Improvement Budget analyses showing current month and year-to-date expenditures and account balances;
- List of all warrants (checks) issued by the District for the month including a description of the expense for which the warrant was issued;
- Summary of all purchase/credit card (Cal-Card) expenditures by user and expense category;
- Summary of all training, conference and seminar expenses for Directors and District employees.

The District retains the services of an independent financial auditor to assist in preparing the District's annual financial statements and to audit the financial statements in accordance with government accounting standards. The auditor is appointed by, and reports to, the District Board of Directors, but works directly with District staff in performing the annual audit. The annual audit is presented to the Board of Directors in April of each year, within 120 days of the end of the District's fiscal year that runs from January 1 to December 31. The Board of Directors' policy is to retain the same auditor for not more than five consecutive years of service to maintain the highest level of objectivity and impartiality. The District has engaged the services of a new auditor for its FY 2010 audit after a five-year engagement with its previous auditor.

The District makes copies of budget summary information, financial audit reports and other financial information available for public review on its website and at the District Office.

- Is organization structure similar with like service providers?

The District believes that its organization structure is typical of public water agencies. The organization is divided into the following three logical functional units of Operations and Water Quality; Administration and Water Demand Management; and Project Management and Engineering.

- Operations and Water Quality. Responsible for operating, maintaining and repairing the District's water transmission and distribution system, monitoring and maintaining water quality to meet or exceed all state and federal standards, and operating District groundwater wells.
- Administration and Water Demand Management. Responsible for financial management, human resources, customer service, information systems, water meter reading and maintenance, and water use efficiency and conservation.
- Project Management and Engineering. Responsible for preparing and administering plans and specifications for system improvements, inspecting construction by District contractors and private developers, and preparing and maintaining water system maps and the geographic information system (GIS).

Municipal Service Review Information and Determinations

1. Growth and Population Projections (This provides the public with a "snapshot" of your community.)

Type of Information to be provided:

- Please provide growth rate and population projections.

Since the time of the District's most recent MSR in 2005, the growth in terms of the number of water service connections has been 1.7% over the five years, with a total of 332

connections added since 2005. The current number of service connections is approximately 19,550. Most of this growth occurred during the years 2005-07. The District's growth rate since 2008 has been near zero with the effects of the economic downturn bringing construction of new homes and commercial buildings to a standstill. Precise population figures for the District's service area are not available, but best estimates place the population at about 66,500, 1,200 more than estimated in the District's 2005 MSR.

Based on historical trends, the District could reasonably expect its growth rate to continue at about one-quarter of one percent for the foreseeable future. At this rate of growth, the District's number of service connections will grow by about 1,000 to 20,550 service connections by 2030, and the population will reach 69,400 by the year 2030. In light of the current economic conditions and building activity in the District's service area, growth rates below these projections appear likely in the near term.

- What is the current level of demand for services?

The demand for water service by District customers for 2010 was 13,725 acre-feet (AF) of water, based on actual water consumption data through December 2010. Demand for the previous year, 2009, was about 14,900 AF.

- What is the projected demand for services?

The projected 2011 demand for water service by District customers is 14,840 AF. Based on an estimated growth rate of 0.25% annually, the projected 2030 demand for water service is estimated to be about 15,560 AF. However, it is important to note that demand for water service can vary greatly depending upon seasonal rainfall and other climatic conditions as well as other factors.

- What is the current and projected water supply?

Current and projected surface and groundwater supplies are believed adequate to meet District demands. The District shares in a current surface water supply of 82,300 AF annually available to San Juan Water District (SJWD). Current total demand from the water agencies that receive treated water from SJWD is about 55,000 AF annually.

CHWD also has groundwater supply available from its five groundwater wells. The groundwater supply available from these wells during typical non-drought years is estimated at 1,144 AF annually. Exhibit E presents a summary of groundwater pumping scenarios for the District's five groundwater wells under various conditions.

- Please provide any other information relevant to planning for future growth or changing demographics.

The Citrus Heights Water District service area is completely surrounded by service areas served by other water purveyors. Therefore, growth in the number of water service connections and water demands will occur entirely within the District's current service area

boundaries. Since there is very little undeveloped land within the District's service area, this means that growth will occur primarily by infill or redevelopment of existing properties.

Statewide water efficiency requirements imposed as a result of the state legislature's November 2009 water legislation (20% statewide reduction in water consumption by 2020, among others) may affect future water demands.

LAFCo MSR Determination

LAFCo to Complete

2. Facilities and Programs

A. Facilities

Summary of Facilities

NAME	LOCATION	SIZE (Acres)	AMENITIES/SPECIAL FEATURES	DESCRIPTION
District Office and Corporation Yard	6230 Sylvan Rd., Citrus Heights		10,226 sf of office and shop facilities, Board meeting room, storage for equipment and materials, emergency generator	District headquarters. Customer service, office and shop facilities to support District operations.
Sylvan Well	6230 Sylvan Rd, Citrus Heights		Not applicable	Groundwater well with wellhead treatment system for production of potable water for District customers.
Sunrise Well	7251 Canelo Hills Rd, Citrus Heights		Not applicable	Groundwater well with wellhead treatment system for production of potable water for District customers.
Palm Well	7349 Palm Av, Fair Oaks		Not applicable	Groundwater well with wellhead treatment system for production of potable water for District customers.
Mitchell Farms Well	12625 Fair Oaks Bl, Citrus Heights		Not applicable	Groundwater well with wellhead treatment system for production of potable water for District customers.
Bonita Well	7117 Bonita Wy, Citrus Heights		1,632 sf of indoor storage area	Groundwater well with wellhead treatment system for production of potable water for District customers.

(Attach additional page if necessary)

A Facilities Map is attached as Exhibit F.

Present and Planned Capacity of Public Facilities

- What is the current and projected service capacity?

The theoretical existing service capacity is approximately 22,560 acre-feet of water annually. Aside from the hydraulic limitations to service capacity, service capacity limitations are also a factor of the amount of water treatment plant capacity available from the San Juan Water District that supplies Citrus Heights Water District's treated surface water supply. This capacity exceeds anticipated demands at least through the year 2030. The District's service capacity is projected to remain at this level indefinitely.

- What is the level of adequacy of services and facilities to serve current and future population?

The District's level of services and facilities is more than adequate to serve current and future demands. There are no known inadequacies that would render the District unable to fulfill its mission to its customers.

- What Performance Measures are used by the District to determine service adequacy?

The primary performance measures used by the District to determine service adequacy are: water quality; water supply; and water pressure. The District continuously meets or exceeds all State of California and federal regulations and standards in regard to all three performance measures.

- Demonstrate the District's ability to meet water quality standards.

A demonstration of the District's ability to meet water quality standards is its ongoing record of meeting or exceeding all State of California and federal regulations and standards related to water quality. A copy of the District's 2009 Consumer Confidence Report, published by the San Juan Family of Water Agencies, provides verification of the District's performance in regard to water quality. This document is attached as Exhibit G. A Report on the District's Water Quality Relative to Public Health Goals is also attached as Exhibit H.

- Describe District's water supply sources and conjunctive use efforts.
(Percent groundwater/percent surface water)

The District's primary source of water supply is surface water from Folsom Reservoir. Surface water is treated to drinking water standards by San Juan Water District and delivered to Citrus Heights Water District. One other source of water supply for CHWD is the five groundwater wells owned and operated by CHWD. In 2010, surface water accounted for 88.6 percent of the District's total water supply and groundwater accounted for 11.4 percent. These percentages vary from year to year, but surface water typically accounts for 85 to 95 percent of the District's total water supply annually.

The District participates in region-wide conjunctive use efforts as a member of the Sacramento Groundwater Authority and as a Water Forum Agreement signatory. As a water agency with access to both surface water and groundwater, the District is in a key position to be able to vary its water supply sources in response to hydrologic conditions. In general, in years where surface water is in short supply the District will produce more groundwater to preserve surface water supplies; and in years of adequate surface water the District will produce less groundwater to promote recharge of the underground water aquifer. The District's practice is to run each of its five groundwater wells for one week at a time on a continuous five-week cycle to ensure that each well is in a continual state of readiness for emergencies or unplanned disruptions of surface water supplies.

- Describe water pressure and fire flows.

The District's water pressures generally vary within a range of 70 pounds per square inch (psi) to 110 psi. Since nearly all the District's water pressure is created by the hydraulic head from the higher elevation of the point of delivery in Granite Bay near Folsom Reservoir, variances in water pressure result primarily from the elevation within the District's service area (areas of lower elevation have higher pressures and vice versa) and seasonal demand. When peak water use occurs, generally on very hot summer days, the system-wide water pressure goes down. The District has the ability to use its groundwater wells to boost system pressures. However, the need to use groundwater wells for this purpose rarely arises since hydraulic head generally provides more than adequate water pressure even under high demand conditions.

The District meets or exceeds all fire flow requirements throughout its service area.

- Describe water leaks and interruptions.

The District experiences minimal water service interruptions. When a water leak repair requires a water pipeline to be taken out of service, customers served by the water pipeline are notified in advance of the outage as is reasonably practical by District field crews going door-to-door. The exception to this is emergency situations where there is a need to immediately take a pipeline out of service to reduce a threat to public safety or property. The District maintains a supply of bottled water to distribute to customers in situations where the service outage will be more than a few hours. Once repaired, the pipeline may be disinfected if there has been a loss in pressure that may have compromised the water quality in the pipe.

- Describe compliance with the Water Forum Agreement.

The District has pursued compliance with the Water Forum Agreement in good faith since the Agreement was signed in 2000. The only aspect in which the District has failed to achieve full compliance is in meeting the conservation element requirements of the Agreement. A significant step toward compliance was achieved in January 2008 when the District began billing all customers for metered water consumption. The District staffs and conducts a robust water demand management program in an effort to promote water conservation and efficiency and to achieve the Best Management Practices of the California Urban Water Conservation Council (CUWCC). The District also participates in and contributes to the Regional Water Efficiency Program conducted through the Regional Water Authority.

- Describe drought preparedness and emergency plans.

The District has a schedule of water conservation stages, adopted by resolution of the Board of Directors (Exhibit I), that identifies various levels of water supply conditions and sets forth mandatory requirements within each stage. A water conservation stage is declared by the District's Board of Directors based upon prevailing water supply conditions at the time of declaration. District staff includes a water conservation coordinator position that is responsible for enforcement of mandatory requirements such as repair of leaking customer

pipes and working with customers to encourage efficient water usage. A common set of water conservation stages and mandatory requirements has been adopted by all of the water agencies within the San Juan Water District (SJWD) service area.

The District has entered into a Water Shortage Agreement with SJWD that identifies water supply conditions under which CHWD will operate its groundwater wells to supplement water supply for the benefit of all SJWD wholesale and retail customers (Fair Oaks Water District (FOWD), Orange Vale Water Company (OVWC), SJWD's retail service area (SJWD-Retail), and a portion of the City of Folsom north of the Lower American River identified as the Ashland area (Folsom-Ashland) that is served by SJWD). SJWD compensates CHWD annually by an amount specified in the agreement for maintaining its groundwater wells in a state of readiness for drought and emergency situations.

The District has a formal Emergency Response Plan that sets forth its procedures for responding to various emergency events. District staff members have received, and are continuing to receive, formal training in the California Standardized Emergency Management Procedures (SEMS), the Incident Command System (ICS) and the National Incident Management System (NIMS). The District is also participating in emergency response planning with the SJWD and the other water agencies within the SJWD service area. The District is signatory to the Water Agency Response Network (WARN) statewide mutual aid agreement, and is in the process of developing or updating specific mutual aid agreements with neighboring water agencies in the surrounding region.

Infrastructure Needs or Deficiencies/Capital Improvement Program

Provide the following information for wells, distribution lines, transmission lines, storage facilities, treatment facilities, and any other related infrastructure:

- Describe the District's Capital Improvement Program, as applicable.

The District has a 10-year capital improvement program (CIP) that serves as a planning tool for forecasting required infrastructure projects and other capital expenditures into the future. The CIP identifies specific projects along with an estimated cost for each, and identifies the present-value cost of these projects. Projects are grouped into categories for planning purposes (e.g., Transmission Mains – New, Transmission Mains – Replacement, etc). The CIP is updated annually to reflect projects completed in the past years as well as new or revised projects within the planning horizon. The District's current 10-year CIP for 2011-2020 identifies a total of about \$26.9 million in projects. A summary of the District's 10-year CIP is included as Exhibit J.

- Describe deferred maintenance.

The District conducts an ongoing preventive maintenance program with a goal of minimizing deferred maintenance. Operation, maintenance and inspection of valves, fire hydrants and other distribution system components is conducted on prescribed periodic intervals and tracked using the District's computerized maintenance management system (CMMS). The District does not have a significant backlog of deferred maintenance.

- Describe policies and practices for depreciation and replacement of infrastructure.

The Board of Directors has established a Depreciation Reserve for the purpose of setting aside funds over an extended period of time to replace or rehabilitate capital facilities at the end of their useful life. The past practice of the Board has been to fund this Reserve in an amount equal to one-half of the District's annual depreciation expense as identified in its annual audited financial statements. The Board transfers funds from this Reserve to pay for capital replacement or rehabilitation projects as they occur.

- How will new or upgraded infrastructure and deferred maintenance be financed?

For the foreseeable future, new or upgraded infrastructure and any deferred maintenance will be financed on a pay-as-you-go basis through water rate revenues and/or reserves. The Board of Directors has supported establishing water rates that will provide for the cost of ongoing operations and forecasted annual capital expenditures. The District currently has two debt financing issuances outstanding, monies that were borrowed in 2000 (refinanced in 2010) and 2003 primarily to fund the installation of water meters for all District customers to meet a January 2008 completion deadline imposed by the U.S. Bureau of Reclamation. The outstanding debt is currently \$7.44 million, with annual debt service of about \$767,000. At this time, the District has no plans to do any additional financing within its current financial planning horizon.

- List infrastructure deficiencies, if any; indicate if deficiencies have resulted in permit or other regulatory violations; if necessary, explain how deficiencies will be addressed.

The District has no deficiencies that are considered serious enough to jeopardize water quality or water service to customers, and no deficiencies have resulted in permit or other regulatory violations. The most critical deficiency in the District's system is the presence of about 5 miles of old steel water main where leaks have occurred from time to time. The District has about 265 miles of pipeline in its transmission and distribution system, so the old steel water mains represent less than 2 percent of the pipe in the District's system. The District has been systematically replacing this old steel water main as part of its capital improvement program, and expects to have the old steel pipe entirely replaced by 2020.

Provide evidence of compliance with applicable regulatory standards.

As evidence of compliance with applicable regulatory standards, the District is including the following reports with this response:

CHWD 2009 California Department of Public Health (CDPH) Water System
Annual Report – Exhibit K

2009 Consumer Confidence Report published by the San Juan Family of Water
Agencies – Exhibit G

B. Programs

Describe water meters, water conservation efforts, urban groundwater management planning efforts, public education and outreach, and any other applicable program

Summary of Programs

PROGRAM NAME	LOCATION(S)	SIZE	DESCRIPTION
Water meter retrofit	District-wide	Total of 19,500+ water meters	Completed in 2007; billing on metered consumption began January 2008
Water demand management program	Program covers entire District service area	\$260,473 operating budget for 2011	Water efficiency and conservation activities, water waste enforcement, education, rebate and incentive programs
Groundwater management planning	Sacramento region north of the Lower American River	Approx. \$21,000 to support Sacramento Groundwater Authority for 2011	Regional effort to manage, protect and sustain the groundwater basin
Public education and outreach	Program covers entire District service area		Efforts include twice-annual customer newsletter, District website, participation in community events, speakers for local clubs and organizations

(Attach additional page if necessary)

LAFCo Determination

LAFCo to Complete

3. **Financial Information**

Budget (Please attach current budget.)

A summary of CHWD's Operating Budget and Capital Projects Budget for 2011 are included as Exhibit L.

Revenue

- Describe all revenue sources (i.e., property taxes, special taxes, service charges, fees, rentals, assessments, grants, etc.).

Bi-monthly service charges are assessed for all active metered water accounts, based on water meter size.

Commodity charges are assessed for water consumed, based on a cost per unit of water consumed.

Wheeling water charges are assessed for water conveyed through the District's water system for use by other water agencies outside of the District.

Bimonthly fire sprinkler service charges are assessed based on size of service.

Bimonthly backflow prevention assembly monitoring charges are assessed on a per-assembly basis.

Charges for services such as plan check, inspection, water service installation and other related services as requested by private developers and builders are assessed based on the cost of providing the services.

Capacity fees are assessed for new connections to the District water system, based on the size of the service connection. Capacity fees are determined using the "system buy-in method" that recognizes the current value of providing the capacity necessary in the District water system to serve additional users. The net equity investment in the water system is divided by the number of equivalent customers to determine the capacity fee (the buy-in charge).

Miscellaneous fees for services such as new account applications, printing and mailing of Board meeting agendas, fire flow certification and modeling, and others as requested are assessed based on the cost of providing the services.

Late payment penalties and other service charges related to delinquent accounts and disconnection/reconnection of water service are assessed based on the cost of servicing the delinquent account.

Rates, Fees, Charges, and Assessments

- Describe rate setting methodology.

The District uses a cost-of-service approach to rate setting. Rate setting also takes into consideration Best Management Practice 11 (BMP 11) of the California Urban Water Conservation Council (CUWCC) that prescribes the setting the commodity cost of water for customers at a level such that 70 percent of the District's revenues will come from the sale of water and 30 percent from fixed service charges.

The District utilizes computerized rate/revenue modeling to serve as a framework for forecasting the District's revenue needs over a period of years. The District conducts a public workshop annually for rate setting and budget development for the coming year, and mails a notification of proposed rate adjustments to all property owners in accordance with Proposition 218. A formal Public Hearing is conducted by the Board of Directors prior to adoption of water rates, charges and fees and the operating and capital improvement budgets for the coming year.

- Explain constraints associated with agency's ability to generate revenue. What options are available – special assessments/ special taxes/ increases in sales tax/impact fees/grants, etc.?

The District generates approximately 90 percent of its annual revenue through bi-monthly service charges and commodity charges for water served to customers. The authority to adjust these charges is vested in the Board of Directors by the Water Code. The Board of Directors' ability to adjust these charges is constrained by the provisions of Proposition 218, under which a property owners within the District can avert a proposed rate adjustment by a majority written protest. The District can and does establish other charges and fees for the services that it provides as described in the earlier Revenue Sources section. The District reviews these charges and fees annually for possible adjustment to ensure that the District is recovering the cost of providing these services from the customers who receive them.

- Please provide a comparison of rates and charges with similar service providers.

The District annually compares its rates and charges with those of other water agencies in the region. The most recent comparison performed near the end of 2010 shows that the District's cost of water service for the typical average customer (based on the District's adopted 2011 water rates) is 15 percent below the average cost charged by the 19 water agencies in the greater Sacramento area.

Expenditures

- Describe the agency's service levels compared to industry standards and measurements.

The District provides a high level of service when compared against industry standards established by the American Water Works Association (AWWA) for the most critical service level factors: water quality and water pressure. The District serves high-quality water at ample water pressure throughout the water distribution system, has a low incidence of service outages, provides prompt and attentive customer service, and delivers this service at water rates that are below regional and state-wide averages.

- Describe the cost of service compared to industry standards and measurements.

As mentioned previously in this document, the most recent comparison performed near the end of 2010 shows that the District's cost of water service for the typical average customer (based on the District's adopted 2011 water rates) is 15 percent below the average cost charged by the 19 water agencies in the greater Sacramento area.

Assets, Liabilities, Debt, Equity, and Reserves

- Provide the Book Value of Assets.

The District's Book Value of Assets, expressed as total net assets in its audited financial statements, is \$41,566,213 as of December 31, 2009.

- Provide a list of equipment, land, and other fixed assets.

A list of equipment, land and other fixed assets compiled for property insurance purposes is attached as Exhibit M.

- Provide a summary of long term debt and liabilities.

Long-term debt and liabilities for the District are as follows:

CHWD Revenue Refunding Certificates of Participation, Series 2010
(Refunding of Series 2000 COPs)

Principal amount of debt outstanding as of 12/31/2010: \$4,670,000
Maturity date: October 1, 2020

SJWD/CHWD Revenue Certificates of Participation, Series 2003
Principal amount of debt outstanding as of 12/31/2010: \$2,770,000
Maturity date: February 1, 2033

Total-long term debt and liabilities as of 12/31/2010: \$7,440,000

- Explain the agency's bond rating; discuss reason for rating. Discuss amount and use of existing debt. Describe proposed financing and debt requirements.

CHWD's bond rating, issued by Standard & Poor's, is AA. Reasons cited by Standard & Poor's for this rating include: CHWD's strong financial performance, debt service coverage and liquidity; CHWD's stable, primarily built-out residential customer base; and CHWD's demonstrated willingness to adjust rates as necessary. Existing debt, as discussed previously in this document, is \$7,440,000. The proceeds for this debt were used primarily to finance the installation of water meters for all CHWD customers. A small portion of the debt was used to help fund installation of a new groundwater well in 2001-02. CHWD currently has no future debt financing under consideration

- Describe policies and procedures for investment practices.

CHWD's investment practices are governed by federal and State law and by the District's own investment policy. A copy of the District Fiscal Management Policy No. 6300, Investment of District Funds, is attached as Exhibit N to this report. The policy is reviewed, modified as necessary and re-adopted annually.

- Describe policies and procedures for establishing and maintaining reserves/retained earnings.

CHWD has established the following fiscal reserves by policy:

Operating Fund: Source of funds to pay for ongoing operation of the CHWD, funded annually in an amount equal to the approved Operating Budget of the CHWD.

Operating Reserve: Serves as a depository for funds collected in advance for the following fiscal year and for other monies not specifically allocated to other funds and reserves, and provides for unanticipated operating expenses or economic shortfalls.

Rate Stabilization Reserve: Provides funds for use to ensure financial and customer rate stability due to extraordinary fluctuations in operating or capital expenditures, changes to billing methods, disasters, major water system failures and other similar events. The Board of Directors has set a target to fund this Reserve in the amount of \$1 million, and this level had been achieved prior to 2008 when \$800,000 was used to offset the one-time cash flow effect of switching from pay-in-advance flat-rate billing to pay-in-arrears metered billing. The level of the Rate Stabilization Reserve has been gradually restored from its low of \$200,000 at the end of 2008 to its current level of \$800,000 at the end of 2010.

Depreciation Reserve: Source of funds designated to replace or rehabilitate capital facilities at the end of their useful life. In practice, CHWD adds to this fund in an amount of one-half (50 percent) of the current audit's annual depreciation amount on CHWD capital facilities. The level of the Depreciation Reserve was \$3.93 million at the end of 2010.

Capital Improvement Reserve: Source of funds designated for use in evaluating, designing and constructing new capital facilities to benefit CHWD customers. Funding in this Reserve varies in proportion to the level of new capital facilities planned for construction over the planning period for the CHWD's Capital Improvement Program. This Reserve currently remains in a deficit state as a result of significant expenditures for the water meter retrofit program and new groundwater wells over the years 1999-2009. The Reserve reached a deficit of -\$2.9 million at the end of 2009. CHWD's strategy is to gradually rebuild this Reserve through water rate revenues to eliminate the deficit over the next several years. The level of the Capital Improvement Reserve was -\$2.0 million at the end of 2010

Transmission Pipeline Project Fund: This fund was established as a source of funds to pay for the District's share of the cost of constructing the 72-inch Cooperative Transmission Pipeline (CTP). The pipeline project was completed in 1997, and the fund balance has been zero following the reconciliation of all project costs in 1998.

Connection Fund: Serves as a depository for Capacity Fees paid in conjunction with development or redevelopment, and provides a source of funds designated for use in evaluating, designing and constructing new capital facilities to benefit District customers. The balance of monies accrued in this fund during the course of the year is transferred annually to the Capital Improvement Reserve to pay for new capital facilities. The level of the Connection Fund was \$5,894 at the end of 2010.

Fleet Equipment Reserve: Source of funds for replacing the District's fleet equipment at the end of its useful life. Funds are typically transferred annually to this reserve from the Depreciation Reserve, currently in the amount of \$100,000 per year. The level of the fund varies depending on the amount and cost of equipment being replaced during a given year. The level of the Fleet Equipment Reserve was \$405,716 at the end of 2010.

Employment-Related Benefits Reserve: Source of funds for paying the cost of employment-related benefits for existing and retired District employees, including: health insurance benefits for employees; payment of accrued leave balances such as sick leave, annual leave and others upon retirement or separation of employment from the District; payments to employees under the District's Recognition, Rewards and Accountability Program; and defraying the future cost of other employment-related benefits for District employees.

A summary of fund and reserve balances for the District beginning from 1996 through 2010 is included as Exhibit O.

Summary of Revenue Sources and Expenditures

The information requested in the Summary of Revenue Sources and Summary of Expenditures tables below does not match the financial information presented in CHWD's audited financial statements. The amounts shown in the tables below are drawn from a variety of CHWD financial reports in order to identify the sources of revenue and expenditure categories in a manner that matches as closely as possible the table formats provided by LAFCo for this report. While the amounts may not match those presented in CHWD's audited financial statements, they are a fair representation of revenue sources and expenditures by CHWD for the years shown. CHWD is on a January-December fiscal year, so the dates shown at the top of each table are the fiscal year ending December 31 for the year shown.

Summary of Revenue Sources

Fiscal Year	2007	2008	2009	2010	Projected 2011
Charges for Service	8,515,982	8,317,796	9,623,864	9,709,047	9,487,917
Property Taxes	-	-	-	-	-
Interest	255,856	113,579	52,652	31,195	40,000
Rental Income	-	-	-	-	-
HPTR	-	-	-	-	-
In-Lieu Fees	-	-	-	-	-
State & Federal Grants	527,408	376,476	30,672	21,863	-
Grants	-	-	-	-	-
Miscellaneous	1,348,624	368,718	410,681	1,266,258	1,224,408
Fund Balance Available	-	-	-	-	-
Total	10,647,870	9,176,569	10,117,869	11,028,363	10,752,325

Summary of Expenditures

Fiscal Year	2007	2008	2009	2010	Projected 2011
Salaries & Wages	1,704,197	1,814,756	1,911,091	1,899,653	1,828,062
Services & Supplies	4,581,506	5,429,822	6,647,548	6,287,147	5,050,365
Long-Term Debt	828,332	832,245	829,486	831,937	767,206
Capital Improvements ¹	1,894,616	3,994,225	851,271	763,058	2,466,766
Equipment	182,537	59,446	36,504	44,598	63,500
Contingency	-	-	-	-	-
Total	9,191,188	12,130,494	10,275,900	9,826,393	10,175,899

1. Sources of Funding: Revenues from water rates and charges; proceeds from debt financing and grant funds.

Summary of Financial and Operational Information

	2009/10
Population	66,500
Area Served	12.16 sq. mi.
Developed Real Estate	90% (est.)
Undeveloped Real Estate	10% (est.)
Service Standard Ratios ¹	2,357/1 (est. population served per employee
Full Time Employees	28
Average Part-Time Employees	0
Total Annual Budget	\$8.95 million
Per Capita Spending	\$135.54
Total Annual Administrative Costs ²	\$1.59 million
% Annual Administrative Costs to Total	17.8%
Estimated Deferred Maintenance	0
Average Capital Improvements (5 Years)	\$3.02 million/yr
Reserve Amount ³	\$6.67 million
Operational Cost per Employee	\$319,487
Average Property Tax Rate	Not applicable

1. CHWD Service Area Population is estimated.
2. Includes costs for customer service, billing and support.
3. Total CHWD Funds and Reserves as of 12/31/10

LAFCo Determination

LAFCo to Complete

4. Status of and Opportunities for Innovation and Shared Facilities

- a) Describe existing and/or potential shared facilities, infrastructure, and staff. Describe any joint power agreements or other agreements for sharing resources with other agencies.

Water Forum. The District is a signatory to the Water Forum Agreement (WFA), another example of diverse interests working together. As a stakeholder in the Water Forum Successor Effort, the District undertakes activities to support the two co-equal objectives of the Water Forum: To provide a reliable and safe water supply for the region's economic health and planned development to the year 2030; and to preserve the fishery, wildlife, recreational and aesthetic values of the lower American River.

San Juan Family of Agencies. The District's treated water service from San Juan Water District is another example of shared facilities. Essentially, five agencies (CHWD, FOWD, OVWC, SJWD-Retail and Folsom-Ashland) share the water treatment facilities and staff provided by SJWD, paying proportionately for the cost of treated water produced. The San Juan Family of Agencies has an Executive Committee composed of representatives from all Family agencies. This Committee meets monthly to work on mutual goals, address mutual concerns and share information among the agencies.

Cooperative Transmission Pipeline (CTP). The District shares water transmission capacity in the CTP, a \$22 million transmission main that was constructed through the combined efforts of the five water agencies (CHWD, FOWD, OVWC, SJWD and Northridge Water District, now a part of Sacramento Suburban Water District). The District's overall capacity entitlement is 20.08 percent of the CTP. The pipeline is operated and maintained under an agreement with the San Juan Water District. It runs roughly east to west for approximately 5.4 miles, beginning at the San Juan Water District water treatment facility in Granite Bay and ending at its connection to a Sacramento Suburban Water District water transmission main on Oak Avenue in Citrus Heights near C-Bar-C Park.

Regional Water Authority (RWA). The RWA, a joint powers authority composed of most of the region's water purveyors, is a prime example of how many water agencies in the Sacramento region are working together for the benefit of all their customers. The District has completed two new groundwater wells in the past three years and is in the process of developing a third well to be constructed by 2013. These wells are part of a much larger conjunctive use project involving many water purveyors in the region and being coordinated by the RWA and performed in part with State grant funds. "Conjunctive use" is basically the coordinated use of both surface water and groundwater supplies to help meet the needs of all water users in the region. This conjunctive use project is part of an overall plan to implement a regional conjunctive use program.

Sacramento Groundwater Authority (SGA). The District is also involved in the SGA, a joint powers authority whose purpose is to help manage the groundwater basin in Sacramento County north of the American River. Effective management of the groundwater basin is a component of regional conjunctive use efforts described in the RWA section above.

- b) Describe existing and/or potential joint use planning.

The response to Item 4.a. above describes the existing and potential joint use planning now underway by the District.

- c) Describe existing and/or potential duplication with existing or planned facilities or services with other agencies.

The District is not aware of any existing or potential duplication of facilities or services with other agencies. The District does not now possess or have plans to build any facilities that might duplicate those of other agencies; and the services it provides do not duplicate or overlap those provided by other agencies.

- d) Describe availability of any excess capacity to serve customers or other agencies.

The District has rights to water transmission capacity in excess of current needs in the Cooperative Transmission Pipeline (CTP). However, the extra capacity provided by this pipeline is designated for future growth within the District; and also to provide redundancy to the District's primary 42-inch transmission main that brings surface water from San Juan Water District's water treatment plant into the District's distribution system.

- e) Describe any economies of scale in shared purchasing power, and any other cost-sharing opportunities that can be implemented by joint use or sharing resources.

The District avails itself of opportunities for shared purchasing power, particularly in "piggybacking" on State of California purchasing contracts for goods and services such as vehicles, computer equipment and telecommunications equipment and services.

Where possible and practical, the District shares in the costs of efforts such as regional planning studies (e.g., the Regional Water Master Plan and the Integrated Regional Water Management Plan) and programs (e.g., the Regional Water Authority's Water Efficiency Program) that provide economies of scale for the District and other participants.

- f) Describe any duplication (overlap), or gaps in services or boundaries.

The District is not aware of any duplication (overlap) or gaps in its services or boundaries.

- g) Describe ongoing cost avoidance practices. (For example, if you hire contract vs. in-house employees, is the bidding process cost effective and efficient)?

The District continually seeks ways to control, reduce or avoid costs in providing its services. The District makes extensive use of contractual and vendor-provided services to supplement its own work force where it is cost-effective to do so. Examples of contractual services currently or recently used by the District includes: water meter reading; bill printing and mailing; collection of customer payments (lockbox service); facility janitorial services; landscape maintenance; engineering design and studies; construction inspection; construction of capital improvement projects; information system planning and maintenance; and many others. Through the effective

use of contractual services, the District has been able to control its costs and limit the growth of its workforce. The District workforce was 26 employees in 1996; 15 years later in 2011, the workforce is 28 employees. The positions added since 1996 are directly related to the additional work involved in administering and maintaining a fully-metered water system.

The District uses computer technology to enhance its ability to serve its customers while increasing efficiency. A fully-integrated financial/customer information and billing system (FIS/CIS), a geographic information system (GIS), and computerized maintenance management system (CMMS) give District staff a powerful set of tools to increase productivity in the office and while at worksites throughout the service area via laptop computers and wireless connectivity.

The District's written purchasing and procurement policy defines a variety of purchasing categories and levels, and sets forth the requirements and procedures for purchasing. The District believes that its formal bidding process is both cost-effective and efficient, and typically results in the specified level of goods and/or services at a fair and competitive cost.

h) Describe any opportunities to reduce overhead and operational costs.

The responses to previous questions under this Section 4 provide a number of examples of the District's ongoing efforts to control or reduce overhead and operational costs. The District has only 28 employees operating from a single office/corporation yard site serving a customer base of more than 19,500 accounts, operating and maintaining a 265-mile underground water distribution and groundwater well system, and providing uninterrupted service of high-quality water to its customers around the clock, 365 days a year. The District is committed to exploring and implementing available opportunities to reduce overhead and operational costs, and has reduced its operating budget in the past two budget years. The District's level of customer satisfaction and reasonable water service rates speak for themselves in this regard.

i) Describe any opportunities to reduce duplication of infrastructure with other agencies.

Future opportunities to reduce or avoid duplication of infrastructure may include:

- Shared groundwater well(s) with other water agencies.
- Shared water storage (reservoir) facilities with other water agencies.

There are no formal plans now in place for such facilities, but the possible future consideration of such facilities exists, particularly in light of regional conjunctive use efforts.

j) Identify any areas outside agency boundary which could be efficiently served by existing or proposed agency facilities.

The District is not aware of any areas outside of its boundary that could be efficiently served by existing or proposed agency facilities.

k) Identify any areas within agency boundary which could be more efficiently served by another agency.

The District is not aware of any areas within its boundary that could be more efficiently served by another agency.

l) Are your service plans compatible with those of other local agencies?

The District believes that there is nothing in its current or future plans for water service that is not compatible with plans of other local agencies. The District maintains close contact with all of the water agencies in the region, particularly with those whose boundaries adjoin the District's service area. Organizations such as the Regional Water Authority, the San Juan Water District Executive Committee, the Water Forum, the Sacramento Area Water Works Association, the Sacramento Groundwater Authority and others provide many opportunities for exchange of information among water agencies. Although it is difficult to envision what types of incompatibilities might exist, any change in service plans that might potentially affect other agencies would, as a matter of course, be discussed with those agencies in advance.

m) Please list any professional and industry memberships.

One or more District Directors and/or employees are members of, or participate in, the following professional and industry organizations:

- Association of California Water Agencies (ACWA)
- Association of California Water Agencies – Joint Powers Insurance Authority (ACWA-JPIA)
- American Water Works Association (AWWA)
- AWWA Research Foundation (AWWARF)
- Sacramento Area Water Works Association (SAWWA)
- Water Education Foundation (WEF)
- Regional Water Authority (RWA)
- Sacramento Groundwater Authority (SGA)
- American Society of Civil Engineers (ASCE)
- Citrus Heights Chamber of Commerce

LAFCo Determination

LAFCo to Complete

5. **Accountability for Community Service Needs, including Governmental Structure and Operational Efficiencies**

a) Explain the composition of the agency's governing board.

- Number of Directors: 3
- Nature/ Length of Terms: 4-year terms, staggered 2 years apart
- Is governing body landowner or population based? Per California Irrigation District Code, the District is divided into three geographic Divisions of equivalent population. Directors qualify by geographic Division but are elected at large by the voters of the District as a whole.
- Are Directors elected or appointed? Elected.
- Are elections or appointments at large or by district? Per California Irrigation District Code, the District is divided into three geographic Divisions of equivalent population. Directors qualify by geographic Division but are elected at large by the voters of the District as a whole.

b) Explain compensation and benefits provided to the governing board, including any benefits that continue after term of service.

Directors are compensated in the amount of \$145.00 per day, not exceeding ten days in any calendar month, for sitting on the Board or acting under its orders. The amount of compensation per day is set by Ordinance of the Board, and can only be modified by action of the Board at a Regular Meeting in Open Session. Also by Ordinance, Directors are entitled to receive actual and necessary expenses when acting under the orders of the Board, subject to policies and procedures for expenses adopted by Board of Directors. Directors do not receive any benefits during or after service.

c) Where and how frequently does the governing board meet?

The Board of Directors holds one Regular Meeting per month, currently scheduled on the second Tuesday of each month beginning at 6:30 p.m. Other Special Meetings are scheduled as needed, typically not more than three or four per year.

d) Describe rules, procedures, and programs for public notification of agency operations, meetings, programs, etc.

The District meets or exceeds all Ralph M. Brown Act requirements for public notification of meetings.

- How is public participation encouraged? In addition to posting of Regular Meeting agendas a minimum of 72 hours in advance of the meeting on the District's outside bulletin

board, agendas are sent to a mailing list that includes other public agencies in the region. Distribution is available to anyone by request free of charge by electronic mail, and copies of Board meeting agendas and minutes are posted on the District's web site, www.chwd.org. Public participation is also encouraged by notification of public hearings and workshops in the District's WaterLine customer newsletters, and public hearing notices published in the Sacramento Bee.

- Are meetings accessible to the public, i.e., evening meetings, adequate meeting space, etc.? All Regular Meetings and most Special Meetings are held in the evenings, and are conducted at the District Office. The meeting room for the Board, while small, is more than adequate for most meetings. The room has a partition wall that can be removed to accommodate larger numbers of people. The maximum capacity for a public meeting is approximately 40 people, including Directors and staff.

e) Describe public education/outreach efforts, (i.e., newsletters, bill inserts, website, etc.)

The District uses a variety of public outreach methods to communicate with its customers. The District publishes a newsletter twice a year, the WaterLine, which is delivered to all postal addresses within the District's service area, as well as to property owners that reside outside of the District. The newsletter is considered one of the District's primary tools for providing information about water conservation programs, water quality, water rates, upcoming capital improvement projects and other news.

The District also delivers a federally-mandated Consumer Confidence Report (CCR) to its customers once a year. The CCR is published jointly by the San Juan Family of Water Agencies, the five primary retail water agencies that receive water from SJWD. It summarizes the most recent testing of constituents in the drinking water, and includes test results for surface water from the San Juan Water District treatment plant and for groundwater from Citrus Heights Water District's own groundwater wells.

The District annually mails a "Proposition 218" notice to every property owner of record in the District. This notice informs owners about proposed adjustments to water rates and charges for the coming year, and provides a method by which property owners may formally protest proposed adjustments. The notice also advises owners about the Public Hearing date for adoption of water rates, charges and fees for the coming year.

The District maintains its own web site, www.chwd.org, as another information and communication resource for its customers. The web site is a source for: agendas of upcoming District Board of Directors meetings and minutes of past meetings; water billing and payment option information; information about District finances; water conservation tips and ultra-low-flush toilet rebate information; water quality data; on-line versions of the District's current and past WaterLine newsletters; and much more. The site includes an e-mail contact feature so that customers can communicate directly via e-mail with the Board of Directors or key District staff members.

The District uses bill inserts and a printed message block on customer billing statements as another means of disseminating public information, including notices of upcoming public

hearings, water conservation tips, information about bill payment options and other messages.

The District also participates in community events, such as the annual Citrus Heights Sunday FunDay and the U.S. Bureau of Reclamation's WET Festival, with a "spin the wheel" booth game to help the District deliver its water conservation and water quality messages in a fun and entertaining manner.

- f) Describe level of public participation, and ways that staff and Directors are accessible to the public.

Ongoing public attendance at Board of Directors meetings is minimal. The annual Public Hearing for budgets and water rates generally draws a number of customers, but it is typical for no members of the public to be present at other Board meetings.

The District prides itself on its accessibility to its customers. A Commitment of the District is that telephone callers to the District during regular operating hours always get their call answered by a real, live employee, not an automated system. Customers with questions or concerns are encouraged to attend Board meetings, and written communications from customers to the District generally always receive a written response or telephone follow-up. Because of small public attendance at Board meetings, members of the public that do attend generally have the opportunity for a direct dialogue with Directors. Involvement by Directors in a wide variety of local and regional activities helps to enhance their accessibility.

District employees have frequent direct interaction with the public both at the District office and at customer's homes and businesses through programs such as free water conservation audits and water efficiency rebate programs. Participation at widely-attended public events during the year such as the Citrus Heights Sunday FunDay provide another way for the public to access information about the District.

- g) Describe ability of public to access information and agency reports.

The District strongly supports any customer or member of the public reviewing any public information or reports maintained by the District. The District maintains a wide variety of information on its web site, such as key District policies and regulations, financial information such as audited financial statements, agendas and minutes of Board of Directors meetings, and much more.

- h) Describe any opportunities to eliminate service islands, peninsulas and other illogical service areas.

The District has no "service islands" within its service area. The District has one "peninsula" in the southwest corner of its service area. It is a small rectangular section (about one-half square mile in size) of the northeastern corner of the unincorporated Fair Oaks and Carmichael communities. It is connected to the main portion of the District's service area at the intersection of Madison Avenue and San Juan Avenue, but is nearly surrounded on all four sides by four other water agencies. Although its geographic connection to the rest of the District's service area is tenuous, the customers in this area receive the same high level of service as all other

District customers. There is no known interest demonstrated by any of the customers in this “peninsula” to be served by another water agency. There are significant physical and hydraulic constraints that would have to be overcome for any of the four surrounding water agencies to serve water to this area.

LAFCo Determination

LAFCo to Complete

6. Issues, Concerns and Opportunities

Please provide information regarding any issues, concern, or opportunities related to operations (financial, managerial, legal, organizational, etc.)

- Compliance with Environmental Justice requirements

CHWD is not aware of any issues, concern or opportunities related to compliance with Environmental Justice requirements.

- Compliance with regulatory reporting requirements

CHWD routinely complies with all local, State and federal regulatory reporting requirements. CHWD is not aware of any issues, concern or opportunities related to compliance with regulatory reporting requirements.

- Compliance with regulatory agencies and public health and safety issues.

CHWD routinely complies with all local, State and federal regulatory agencies and meets or exceeds all US Environmental Protection Agency and California Department of Public Health water quality and operational standards. CHWD is not aware of any issues, concern or opportunities related to compliance with regulatory agencies and public health and safety issues.

LAFCo Determination

To be completed by LAFCo

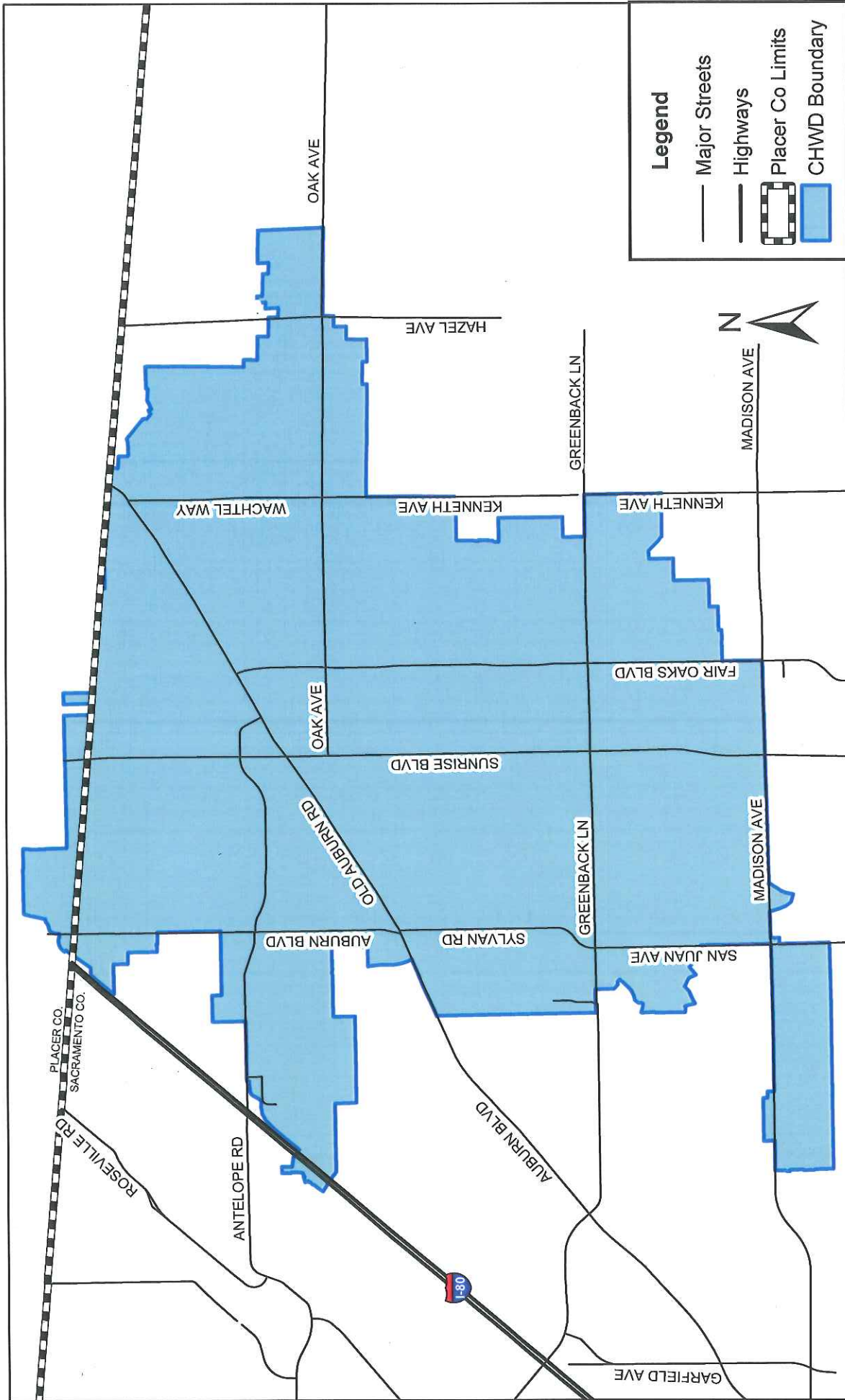
List of Exhibits

Exhibit A	Map of CHWD Service Area
Exhibit B	CHWD History
Exhibit C	CHWD Organization Chart
Exhibit D	CHWD Fiscal Management Policy No. 6500, Purchasing and Procurement
Exhibit E	CHWD Groundwater Pumping Scenarios
Exhibit F	CHWD Facilities Map
Exhibit G	2009 Consumer Confidence Report
Exhibit H	Report on the District's Water Quality Relative to Public Health Goals
Exhibit I	CHWD Resolution No. 06-2007, Water Conservation Stages
Exhibit J	CHWD 10-Year Capital Improvement Program Summary
Exhibit K	2009 California Department of Public Health Water System Annual Report
Exhibit L	CHWD Operating Budget and Capital Improvement Budget for 2011
Exhibit M	CHWD Fixed Assets List
Exhibit N	CHWD Fiscal Management Policy No. 6300, Investment of District Funds
Exhibit O	CHWD Summary of Fund and Reserve Balances, 1996-2010

Citrus Heights Water District
2010 Sacramento LAFCo Municipal Service Review Worksheet

Exhibit A

Map of CHWD Service Area



Legend

- Major Streets
- Highways
- Placer Co Limits
- CHWD Boundary



**CHWD SERVICE AREA
EXHIBIT A**



Citrus Heights Water District
2010 Sacramento LAFCo Municipal Service Review Worksheet

Exhibit B

CHWD History

THE HISTORY OF CITRUS HEIGHTS WATER DISTRICT

Presented to the
San Juan High School Alumni Association
January 30, 2005

by
Robert A. "Bob" Churchill
SJHS Class of 1969

The Beginning

Both San Juan High School and Citrus Heights Water District can trace their roots back to the early 1900's as a fledgling community furthered its need for both education and water supply.

Citrus Heights Irrigation District formally came into existence on October 25th, 1920, the last of three such Districts formed in northeast Sacramento County. Carmichael Irrigation District was formed in 1916 followed by Fair Oaks Irrigation District in 1917. The District was organized under the State Water Code Irrigation District Act and encompassed slightly more than 4.7 square miles (3,028 acres) in northeast Sacramento County at its inception and served approximately 225 farms.

As stories go, a young attorney named William Sitton, working for the Law Firm of Elliott and Atkinson as proponents for the formation of the District, was tasked with posting election notices on poles throughout the District. Bill continued on as the District's attorney until his passing in 1989.

The first official meeting of the District came the day after formation, on October 26, 1920 at San Juan Union High School. Chris Dundee, John Odgers and R. Lauppe served as the District's founding Directors until such time as a formal election could be held.

In February of 1921, the first election of Board members took place with 112 votes being cast.

Initially, the newly formed District leased the existing pipe system of the Citrus Heights Water Takers Association. In July 1921 a bond election approved, by an 89-1 vote, \$262,000 for construction of additional pipe facilities. Resulting bids for this construction considered the use of redwood, fir and steel pipes with soil-proofed steel pipe being the approved choice.

Water was initially delivered to the District via a 24-inch pipeline in Oak Avenue with additional water being delivered on an interim basis through the Fair Oaks Irrigation District system.

In 1921, the general expenses of the District were \$8,356 with total expenses of \$44,355.

In the early days of the District:

- San Juan Avenue used to be known as Sierra Avenue
- A portion of Mariposa Avenue used to be known as Citrus Avenue
- A portion of Madison Avenue used to be known as Olive Avenue
- Portions of Palm Avenue used to be known as Highland Avenue and Mariposa Avenue
- Hazel Avenue north of Oak Avenue was called Columbian Avenue
- Wachtel Way was called Ennenga Avenue
- Twin Oaks Avenue was called Oak Avenue

The District's water supply was purchased from the North Fork Ditch Company with diversion of American River water near Auburn.

Water supply availability and water conservation, as it is today, was of concern to the new District. In 1924 water supplies were limited by the North Fork Ditch Company. As early as 1926, the Board of Directors engaged in discussions regarding placing meters on small tracts of land. In January of 1927, L.K. Jordan, manager of the North Fork Ditch Company made a presentation to the Board of Directors and urged that users irrigate at night to balance the flow throughout the 24 hours during the peak irrigation season.

In 1929, the Board Meeting location was changed to the Citrus Heights Community Clubhouse. The rental fee was \$5 per meeting.

The 1930s

In September of 1930 the District had grown to 240 homes and businesses.

The cost of purchasing a surface water supply for the District in 1930 was \$11,300.

The domestic water rate was set at \$12.00 per year for all occupied homes and businesses for 1931.

In 1932 two sirens were purchased for use in warning water users when water is to be shut off.

The District opposed actions by Sacramento County to hire a dogcatcher and require that dogs be licensed.

The depression took its toll on many of the District's customers with many landowners losing their land, some to the District through tax sales. In 1933, the District itself defaulted on payment of its bonded indebtedness and accepted loans from the Reconstruction Finance Corporation. In 1937, a refunding bond issue was approved by a vote of 275-1. With the District's refinancing plan, domestic water rates doubled in 1937 to \$24.00 per year.

In 1934 a shortage of water was again of concern when the North Fork Ditch Company announced an anticipated shortage in the American River from mid-July to mid-September.

District meetings were moved to the office of District Secretary Floyd Locher in 1935.

In May of 1936 a plan for consolidation of Citrus Heights, Fair Oaks and Carmichael Irrigation Districts was considered and declined by the Board of Directors.

By 1937, the District had grown to approximately 430 domestic accounts.

The 1940s

On December 14, 1941, seven days after the events at Pearl Harbor, the sirens ceased to wail for the water district when the Directors made them available to the Air Raid Warning Service to warn of World War II air raids. Also in support of the war effort, Victory Taxes were deducted from salaries in 1943.

In the 1940s, the District began discussions regarding securing a water supply from the proposed Folsom Dam Project to allow for growth of the District as many landowners had been denied annexation to the District due to a lack of water supply. In 1940 the Board of Directors wrote to Governor Earl Warren to express their support for a high level dam at Folsom rather than a low level dam.

In 1942, District meetings were moved to the office of District Assessor-Collector Mamie Morisett on Twin Oaks Avenue.

Also in 1942 petitions were received from the customers requesting that the Board of Directors be increased from three to five. No action was taken on this request.

In 1943, the District's first groundwater well was completed at the corner of San Juan Avenue and Palm Avenue on Sacramento Sierra Railroad right-of-way that had been acquired by the District. Additional wells followed on Patton Avenue in 1946, Watson Way in 1948 and Wells Avenue in 1949.

In August of 1945 public concerns regarding water pressure and the use of surplus funds caused the "Peoples Committee of Nine" to request the resignation of all three District Directors. A public meeting was held at San Juan High School with many present suggesting that the Board increase charges to provide additional funds for an augmented water supply. One Director resigned as he moved from the District. He was replaced by Sidney Peterson who has the distinction as serving the longest time on the Citrus Heights Board of Directors, 31 years from 1945 until 1976.

By 1946, the budget increased to \$43,412 including \$2,000 for an office building. Annual water rates increased to \$36 per year for the approximately 800 homes in the District.

In 1947 the District received notification from the California Department of Public Health directing the need for treatment of the water supply and suggesting that chlorination be provided.

In 1948, the District constructed its first office building on Sylvan Road just to the west of the San Juan High School shops. The District continues to operate from that site today.

By 1948 construction was underway on the Folsom Dam but it was tangled by differences in plans, opinions, authorizations and interests in debating whether it should be a U.S. Army Corps of Engineers 355,000 acre-foot earthen flood control dam or a U.S. Bureau of Reclamation one million acre-foot concrete multi-purpose facility. With the leadership of California Representative Clair Engle, President Harry S. Truman signed legislation in October 1949 specifying a 1 million acre-foot reservoir at Folsom and work on the dam resumed.

The 1950s

In 1951, the Directors of Citrus Heights Irrigation District, Fair Oaks Water District and Orange Vale Water Company formed the San Juan Water Districts Association. This Association and ensuing discussions, negotiations and two-thirds vote of the people ultimately led to the 1954 creation of the San Juan Suburban Water District as the first Community Services District in the State of California. Citrus Heights Irrigation District Director Sidney Peterson was selected serve on the first San Juan Suburban Water District Board of Directors, a position that he held until 1976.

Our surface water supply is now provided by San Juan Water District resultant from its acquisition of the North Fork Ditch Company water rights and facilities and additional contracts with the U.S. Bureau of Reclamation.

By 1955 the District's territory had only increased by 255 acres since 1921 to 3,283 acres. The annual budget exceeded \$100,000 for the first time in 1957 at \$117,059. Water rates were \$42.00 per year and the cost of purchasing water from San Juan Suburban Water District was \$23,180.

Citing the need for additional water delivery capacity to provide for the needs of a growing District, coupled with the outdated 1920s vintage main water delivery pipeline along Oak Avenue, a 1956 bond issue in the amount of \$750,000 was approved by a vote of 516-25 for construction of the District's 42-inch transmission pipeline. The construction of this pipeline was completed in 1958 and remains in service today as one of the District's primary surface water delivery facilities.

During the 1950's the District's number of groundwater wells increased from four to seven with wells on Mariposa Avenue (1954), Wildwood Way (1959) and Navion Drive (1959).

The 1960s

In July of 1961 a committee was appointed to discuss the feasibility of water meters although no action was forthcoming.

Howard Nye was selected as the District's first full-time Manager in 1963 and began lending his expertise and knowledge to a rapidly developing District, which grew by 75% in territory and 300% in customers during his 23-year tenure.

In the mid-1960s the District received proposals for the incorporation of the City of Orangevale and the creation of the City of San Juan for discussion.

The 1970's

The face of the community changed dramatically in 1970 with the construction of Sunrise Mall.

The first meters for billing purposes were installed at the Mall and a meter rate schedule adopted in late 1971. By 1976 there were 57 water meters on commercial accounts in the District.

In 1973, a new water treatment plant for San Juan Water District was approved to comply with stricter federal and State water quality standards. The plant was completed in 1979 and named in honor of long-time Citrus Heights and San Juan Director Sidney Peterson.

By 1974, the District had grown to 5,339 acres with an annual budget of \$528,575 and an annual water rate of \$48.00 per dwelling.

In 1975 the District constructed its new administration building, designed by San Juan Alumnus and Architect Nick Tomich. Nick's brother Fred has served on the Board of Directors of Orange Vale Water Company for over fifty years. The 1948 office building was converted to the District's field operations building.

The 1976-1977 drought forever changed the District's focus on conservation and water management including the need for policies and patrols.

In a little over 5 years, from 1975 to 1980, the District grew to 7,161 acres (a 34% increase) in territory and its budget doubled to \$1,106,600. Water rates were set at \$54.00 per dwelling, a rate that would remain in effect for 11 years.

The 1980's

Growth continued at steady pace throughout the 1980s and, although the District's budget doubled again by the end of the decade to \$2,277,600, water rates increased by only 20%.

In 1984 the 1958 42-inch water transmission main was determined to be incapable of delivering the District's peak hourly demand requirements during the summer months.

In 1988, the District purchased its first desktop PC at a whopping cost of \$7,880.

The 1990s

The decade of the 1990s began with a core District staff of 16 regular employees.

Approximately \$1 million in surplus bond funds was received from San Juan Suburban Water District to install additional wells in the District. The original Palm Avenue Well was retired and replaced on the same site in 1991 followed by the new Sylvan Road Well, also in 1991 and the new Sunrise School Well in 1992.

In 1991 a new storage building was constructed at the Sylvan Road site with Architect Nick Tomich once again providing his expertise.

In the spring of 1992, the District began publishing its biannual newsletter "Waterline" as a way to communicate more efficiently with its customers.

In 1992 the U.S. Congress passed the Central Valley Project Improvement Act requiring all water agencies receiving federal water to install water meters on all customer accounts. Initially the District had until 2005 to complete the installation of meters on all of its service connections. An extension was granted and the District is on target to meet the new deadline of January 1, 2008.

The District began its meter retrofit efforts in 1998 with the older un-metered commercial accounts and then tackled the governmental and institutional accounts (schools, parks, and cemetery) followed by the multi-family apartments and mobile home parks.

In 1994 the District changed its name from Citrus Heights Irrigation District to Citrus Heights Water District to better reflect the business of the District.

In 1995 construction of the San Juan Water District Cooperative Transmission Pipeline began. This \$32 million 78-inch and 72-inch pipeline project contains capacity for five area water agencies. It begins at the San Juan Water District treatment plant and storage reservoir near Folsom Dam and ends at C-Bar-C Park on Oak Avenue. This pipeline provides a much-needed alternate source of high-volume water delivery to the District plus capacity for growth. The District purchased approximately 26% of the capacity in this pipeline at a cost of \$5.6 million.

In the mid-1990s the District joined with other area water agencies and representatives other government, commerce and environmental interests in crafting the Sacramento Area Water Forum Agreement. This noteworthy Agreement, seven years in negotiating, was executed in 2000 and has as its core objectives "Preservation of the fishery, wildlife, recreational and aesthetic value of the Lower American River and providing a reliable and safe water supply for the region's economic health and planned development through to the year 2030."

Citing the desire to bring government closer to the people and to provide for better coordination of infrastructure planning and construction activities, Citrus Heights Water District provided financial support to the Citrus Heights incorporation effort, contributing in a small way to Citrus Heights cityhood in 1997. That effort has been fruitful for the District in accessing grant funds for fire protection improvements and in the close coordination of project planning efforts with the city and fire agency.

In 1998 and again in 2000 the voters rejected ballot measures to increase Board of Directors from three to five members by 60% to 40% margins.

The 2000s

The District survived the Y2K phenomenon with no issues.

The District has recently completed a Technology Improvements Implementation Plan linking the District's finance, billing, customer service, mapping and maintenance functions. Customer service requests are now transmitted wirelessly from the office to workers in the field.

The District also participated in the Regional Water Authority's Proposition 13 Grant Application through the Department of Water Resources. Seven local water agencies are receiving approximately \$22 million to construct water production, treatment and conveyance facilities to address water shortage conditions locally, regionally and statewide. The District's share of this Grant is \$1,000,000 which equates to 50% of the cost of two new groundwater wells. Construction on the first of these wells will begin this spring with the Mitchell Farms Well at the east end of the Sunrise Golf Course.

At the beginning of this year, 15,385 or 80% of the District's 19,302 service connections are metered. 2,514 customers are being billed on metered rates including all commercial, government & institutional, multi-family apartment complexes and mobile home parks and 448 residential customers that have voluntarily converted to metered rates.

Today

The District today has grown to over 12 square miles (7,800 acres) in territory serving a population of over 65,000 in five communities to include approximately 2/3 of the City of Citrus Heights and portions of Fair Oaks, Orangevale, Carmichael, and Roseville.

The staff has stabilized at 25 full-time regular employees with 21 employees certified as water distribution operators, 7 certified as water treatment operators and 2 certified as water conservation specialists.

The District 2005 Operating Budget is \$6,745,194 and its Capital Improvement Budget is 3,172,220. Included in the Operating Budget is \$1,610,291 for purchase of surface water from San Juan Water District.

The 2005 water rate for a single family home on one-half acre or less is \$310. This rate is approximately 17% below the average water rate of \$373 annually in the Sacramento region.

Future

Continuing to prepare the District for emergencies or the next drought is very important. The District is looking for sites (from ½ to 1 acre) to place additional wells.

The District will continue to replace aging pipelines and services as part of its capital replacement program. The District has approximately 250 miles of underground water mains, 3 miles of which are 50 year old steel pipes in need of replacement.

As the District looks toward the future it anticipates increased use of technology to manage its business processes with the intent to fulfill its mission of “furnishing a dependable supply of safe, quality water delivered to its customers in an efficient, responsive and affordable manner.”

Visit our website at www.chwd.org

Citrus Heights Water District
2010 Sacramento LAFCo Municipal Service Review Worksheet

Exhibit C

CHWD Organization Chart

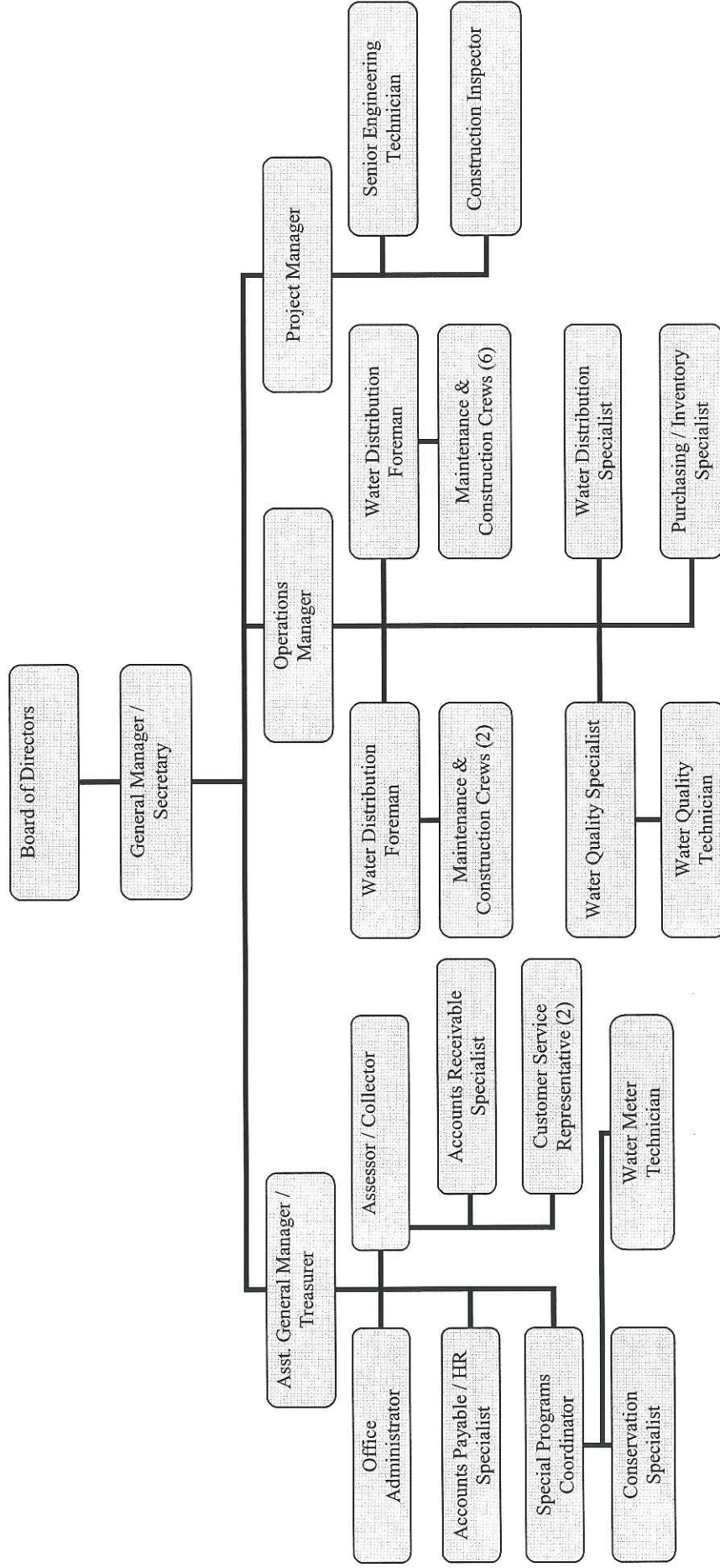


**CITRUS
HEIGHTS
WATER
DISTRICT**

CITRUS HEIGHTS WATER DISTRICT Organization Chart

DATE ADOPTED : JULY 24, 1995
DATE AMENDED : NOVEMBER 12, 2008
AMENDMENTS : (1) NOVEMBER 7, 1995; (2) JANUARY 10, 1997; (3) JANUARY 1, 1998; (4) OCTOBER 6, 1998; (5) MARCH 16, 1999;
(6) APRIL 6, 2001; (7) OCTOBER 7, 2003; (8) MAY 10, 2005; (9) NOVEMBER 14, 2006; (10) DECEMBER 11, 2007

Attachment 1030.A1



Total Authorized Positions: 29 employees

Citrus Heights Water District
2010 Sacramento LAFCo Municipal Service Review Worksheet

Exhibit D

**CHWD Fiscal Management Policy No. 6500,
Purchasing and Procurement**

CITRUS HEIGHTS WATER DISTRICT
POLICIES AND PROCEDURES MANUAL

POLICY TYPE : FISCAL MANAGEMENT
POLICY TITLE : PURCHASING AND PROCUREMENT
POLICY NUMBER : 6500
DATE ADOPTED : JUNE 2, 1995
DATE AMENDED : MARCH 9, 2010
AMENDMENTS : (1) JULY 16, 1996

6500.00 INTRODUCTION

The District has a responsibility to acquire the best value in supplies, materials, equipment, operating and maintenance services, consultant services, and public works projects from various suppliers, contractors, and consultants.

This policies and procedures section is to provide guidance and instructions to employees involved in the purchasing and procurement process.

6500.01 OBJECTIVES OF PURCHASING AND PROCUREMENT POLICY

This Purchasing and Procurement Policy has been developed to achieve the following objectives:

- Standardize the procedures by which the District conducts business with its suppliers, contractors, and consultants.
- Ensure impartiality and competition in purchasing and procurement transactions whenever possible.
- Establish purchasing and procurement authorization procedures, delegation of authority, and accountability.
- Implement effective documentation, processing, accounting, reporting, and audit trail systems to support purchasing and procurement activities.
- Maximize effective use of the District's financial and personnel resources.

6500.02 PERSONNEL STANDARDS OF CONDUCT

All personnel engaging in purchasing and procurement activities on behalf of the District shall employ the following standard practices:

- Consider, first, the interests and needs of the District in all transactions.
- Carry out the established policies of the District.
- Buy without prejudice and seek to obtain the maximum value for each expenditure of public funds.
- Subscribe to and work for honesty and truth in purchasing and procurement, and

denounce all forms of commercial bribery.

No District employee involved in purchasing shall maintain a financial interest or have any personal beneficial interest, directly or indirectly, in any contract or purchase of supplies, materials, equipment, services, or public works projects used by or furnished to the District.

6500.10 PURCHASING CATEGORIES

District purchases typically are within the following six categories:

1. General Purchases
2. Consultant Services
3. Public Works Projects
4. Petty Cash Purchases
5. Emergency Purchases
6. Single Source Purchases

When considering purchases or procurements in any categories except emergency purchases, the District's current Operating Budget should be reviewed to assure compliance with anticipated expenditures and income.

6500.11 GENERAL PURCHASES

This category consists of the following general purchase classifications:

- Supplies including office and field supplies, fuels, etc.
- Material including water-works materials, trench backfill material, etc.
- Equipment including office equipment, vehicles, tools, etc.
- Operating and Maintenance Services including service contracts and agreements, equipment repairs, etc.

6500.12 CONSULTANT SERVICES

This category includes specialized professional services including, but not limited to, engineers, architects, attorneys/legal counsel, auditors, management consultants, financial consultants, technical consultants, and short-term personal services of less than 30 days.

Individual members of the Board of Directors are authorized to directly consult with the District's attorneys/legal counsel.

6500.13 PUBLIC WORKS PROJECTS

This category comprises expenditures for public works projects that are typically related to capital improvements by independent contractors to the District's water distribution system, groundwater production facilities, and administrative/corporation yard facilities. Said contractors are to be considered for selection when a specific improvement project exceeds the available personnel, equipment, and technical expertise of the District.

Payment of the prevailing wage for construction labor classifications as determined by the State of California is required of contractors providing public works project construction for the District.

A 10 percent bid security is required for sealed competitive bids.

6500.13 PETTY CASH PURCHASES

This category is composed of small, day-to-day, over-the-counter purchases made on behalf of the District using Petty Cash. A Petty Cash fund of not-to-exceed \$200 shall be maintained and controlled by the District Treasurer.

6500.15 EMERGENCY PURCHASES

This category constitutes purchases required during times of duress when the requirements for competitive purchasing and procurement can be waived. In such cases where purchases are made outside of normal procedures, records must be maintained to indicate the vendor, types, quantities, and disposition of items purchased or services procured. If possible, informal or facsimile quotations should be obtained and documented. The Incident Commander shall have the authority to issue purchase orders and make purchases/procurements during emergency conditions.

A report and full accounting of expenditures shall be provided to the Board of Directors whenever emergency purchases and procurements are made.

The District shall solicit, maintain, and periodically update, a listing of labor, equipment, and overhead rates and charges of local public works contractors that could typically be contracted to provide service to the District during emergency conditions.

6500.16 SINGLE-SOURCE PURCHASES

This category makes allowances for the infrequent, but sometimes necessary, purchase from a supplier that is the only acceptable vendor able to furnish a certain product or service. Inasmuch as single-source purchases are an exception to competition, care must be exercised and consideration given to the following:

- Is there a lack of responsible competition for the product or service?
- Does the vendor possess exclusive and/or predominant capabilities?
- Is the product or service unique and easily established as one-of-a-kind?
- Are there patented or proprietary rights that fully demonstrate a superior patented feature not obtainable from similar products, or a product or service available from only one source rather than dealers and retailers from which competition could be encouraged?
- Can the District's requirements be modified so that competitive products or services may be used without sacrificing product quality and vendor responsiveness?

6500.20 PURCHASING LEVELS AND PROCEDURES

The following table specifies the various purchasing categories and the required quotation or bidding/proposal procedures for individual purchases:

Category	Procedure		
	Informal Quotations	Written Quotations	Formal Bids/Proposals
General: Supplies, materials, equipment, O&M services	Less than \$10,000	\$10,000 - \$25,000	Greater than \$25,000
Authority:	General Manager or designee	General Manager	Board of Directors
Consultant Services	None	Less than \$25,000	Greater than \$25,000
Authority:	General Manager or designee	General Manager	Board of Directors
Public Works Projects	None	Less than \$25,000	Greater than \$25,000
Authority:	General Manager or designee	General Manager	Board of Directors
Petty Cash	Less than \$200	None	None
Authority:	General Manager or designee		
Emergency	Less than \$25,000	Greater than-\$25,000	None
Authority:	General Manager or designee	General Manager or designee	
Single Source	Less than \$10,000	Greater than \$10,000	None
Authority:	General Manager or designee	Board of Directors	

6500.21 INFORMAL QUOTATIONS

Informal quotations for smaller purchases as specified in Section 6500.20 are to be obtained and documented. When practical, verbal or telephonic quotations should be solicited from prospective vendors. The solicitation of competitive quotations is practical when the savings to be realized exceed the cost of obtaining the quotations. A minimum of three quotations is preferred. A file documenting informal quotations shall be created and maintained.

6500.22 WRITTEN QUOTATIONS

Written quotations for mid-range purchases as specified in Section 6500.20 are to be obtained and documented. Written documentation must be from the vendor and may be submitted by mail, by facsimile, or in person. A minimum of three quotations is required. A file documenting written quotations shall be created and maintained.

6500.23 FORMAL BIDS/PROPOSALS

Formal bids or proposals for substantial expenditures as specified in Section 6500.20 are to be obtained and documented.

Sealed competitive bids shall be advertised and requested for substantial general purchases and public works projects. Request for proposals (RFP's) shall be requested for those substantial consultant services.

Prior to the solicitation of bids and proposals, the purchase cost estimate, specifications, and Invitation to Bid/Request for Proposals must be approved by the Board of Directors.

Public notices inviting sealed bids or proposals shall be published at least once in the legal notice section of a newspaper of general circulation in Sacramento County, with the first publication occurring at least ten days before the date of opening the bids or proposals. Notices shall include, as a minimum, the following information:

1. General description of the item(s) to be purchased or service requested.
2. Location where specifications and bid forms may be obtained.
3. Location and deadline for submission of sealed bids/proposals.
4. Time and place assigned for opening of sealed bids/proposals.

A list of qualified suppliers, contractors, and/or consultants shall be compiled by the General Manager for the solicitation of bids/proposals and shall be submitted for approval to the Board of Directors with the Invitation to Bid/Request for Proposals. This list shall be used as a mailing list for solicitation and shall be of sufficient length to ensure that enough qualified suppliers, contractors, and/or consultants are solicited to assure adequate competition.

Sealed bids/proposals shall be publicly opened under the direction of the General Manager and reviewed by staff for completeness. The preliminary selection of the successful bidder will be determined by the General Manager and reported in writing to the Board of Directors for consideration of acceptance. Selection of other than the lowest bidder, rejection of any or all bids, and any exceptions to competition must be included in the report.

Upon acceptance of a bid or proposal by the Board of Directors, the Board of Directors authorizes the General Manager to execute a contract, in duplicate, on behalf of the District subject to receipt of all items required in the specifications including, but not limited to insurance and worker's compensation certificates, performance and material bonds, etc.

All bids/proposals shall be retained by the District and filed for future reference, generally with the project file.

6500.30

CHANGE ORDERS

Additions, deletions, and/or amendments to a contracted project plans and/or specifications may occur requiring the necessity of issuing a change order(s). The Board of Directors authorizes the General Manager to negotiate and approve change order(s) not to exceed 20% of the base contract amount limited to an aggregate total of \$5,000. Change order(s) of 20% and/or \$5,000, whichever is less, require the approval of the Board of Directors.

Upon approval of a contract a contingency fund for change orders on a case by case basis may be established by the Board of Directors.

6500.50

PURCHASING CYCLE

Regardless of the type of item or service being acquired, each transaction proceeds through the following nine distinct stages in varying degrees:

1. Assessment and determination of need
2. Research and/or development of specifications
3. Estimation of anticipated cost
4. Solicitation and evaluation of quotations, bids, or proposals
5. Selection and approval of purchase
6. Award of contract or order
7. Delivery and Inspection
8. Receipt of invoice, reconciliation with delivery ticket, verification of pricing by purchasing coordinator/agent
9. Payment

6500.80

PURCHASE ORDERS

Purchase orders may be necessary from time to time to facilitate purchase of required products or services. The District's officers (Directors, Secretary, Assessor/Collector, and Treasurer), and the General Manager are authorized to execute purchase orders on behalf of the District.

6500.90

PURCHASING/PROCUREMENT AUTHORITY

Purchasing and procurement authority not heretofore specifically designated is hereby retained by the Board of Directors.

The General Manager, at his or her discretion, may designate District personnel to serve as the purchasing coordinators/agents for the purpose of soliciting informal and/or written quotations per Sections 6500.21 and 6500.22 respectively.

Citrus Heights Water District
2010 Sacramento LAFCo Municipal Service Review Worksheet

Exhibit E

CHWD Groundwater Pumping Scenarios

A Spreadsheet

CITRUS HEIGHTS WATER DISTRICT
SUMMARY OF GROUNDWATER PUMPING SCENARIOS
31-Jan-11

CITRUS HEIGHTS WATER DISTRICT WELL										5 wells	
		Palm	Sylvan	Sunrise	Mitchell	Bonita			Total All		
GPM:		1,210	1,550	895	800	2,000			6,455		
MGD:		1.74	2.23	1.29	1.15	2.88			9.30		
Days		Groundwater Production AF MG	Groundwater Production AF MG	Groundwater Production AF MG	Groundwater Production AF MG	Groundwater Production AF MG			Groundwater Production AF MG		
B	Minimum Baseline 5 Day Rotation	214	281	154	141	354	115	1,144	373		
C	Drought Apr-Oct 5 Days + Baseline	727	918	522	470	1,176	383	3,813	1,243		
D	Drought Apr-Oct 7 Days + Baseline	1,224	1,555	890	799	1,998	651	6,466	2,108		
E	Maximum 7 Day All except top GPM	1,930	2,473	1,428	1,276	0	0	7,107	2,316		
F	Maximum 7 Day All	1,930	2,473	1,428	1,276	3,191	1,040	10,298	3,356		

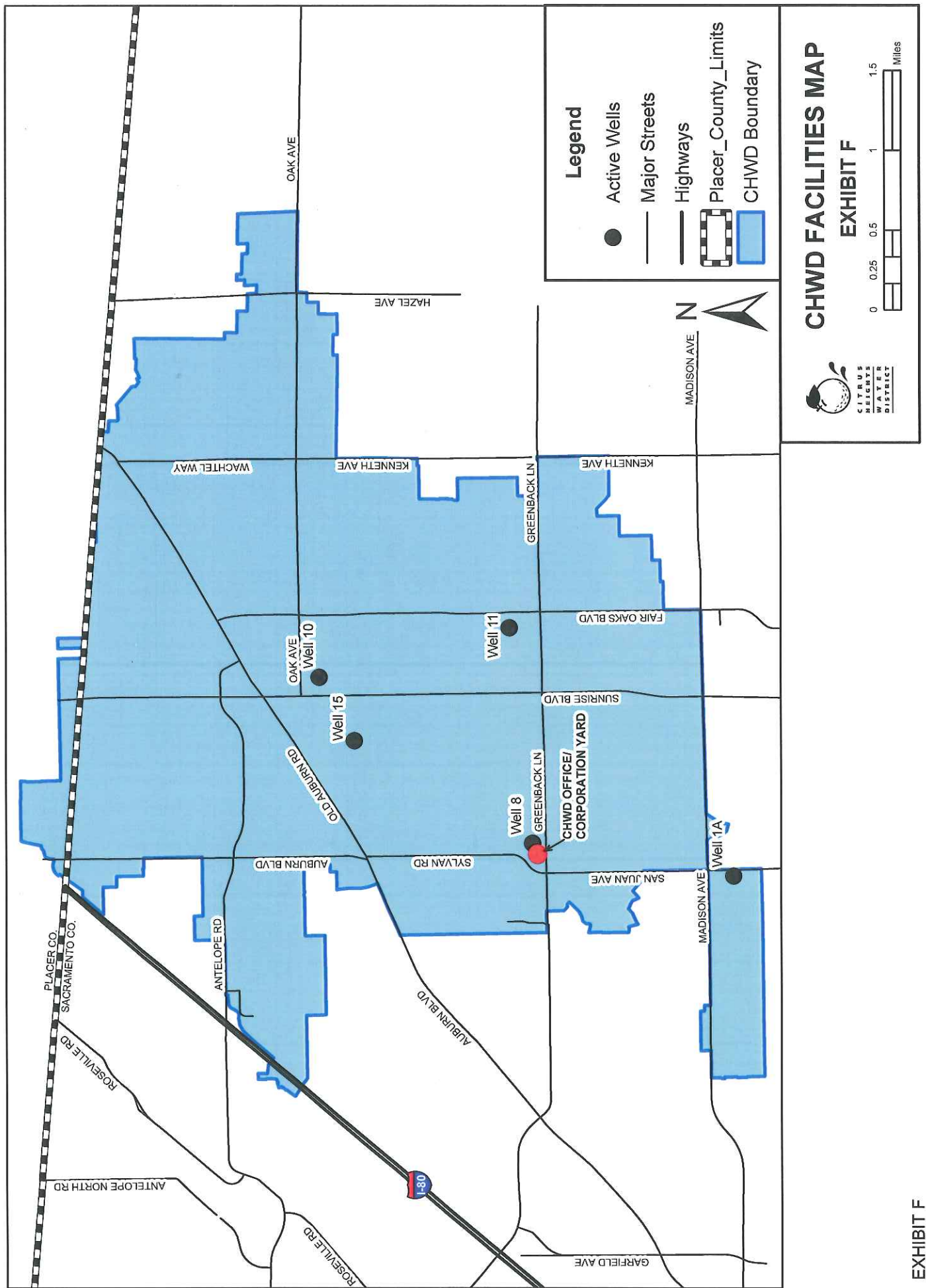
April through October

Full Year

Citrus Heights Water District
2010 Sacramento LAFCo Municipal Service Review Worksheet

Exhibit F

CHWD Facilities Map



Citrus Heights Water District
2010 Sacramento LAFCo Municipal Service Review Worksheet

Exhibit G

2009 Consumer Confidence Report

2009 Consumer Confidence Report



Published by the San Juan Family of Water Agencies

San Juan Water District • Citrus Heights Water District • Fair Oaks Water District • Orange Vale Water Company

The United States Environmental Protection Agency (USEPA) and the State Department of Public Health (Department) have established strict quality standards for drinking water. These standards are designed to protect consumers from waterborne disease organisms and harmful chemicals. Each year, USEPA requires public water systems to provide their consumers with a report containing information about drinking water quality and compliance with the standards. This Consumer Confidence Report (CCR) summarizes the most recent testing of your drinking water and includes a comparison of detectable constituents in your drinking water to those standards.

This year's CCR concludes, once again, that your drinking water meets all federal and state drinking water standards. The San Juan Family of Water Agencies (Agencies) is committed to ensuring the delivery of a reliable, high-quality water supply at a reasonable cost to all consumers. The Agencies consist of four water providers: San Juan Water District, Citrus Heights Water District, Fair Oaks Water District, and Orange Vale Water Company. Together, they serve northeastern Sacramento County and portions of south Placer County, including Granite Bay.

What's In Your Water?

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally-occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity.

Contaminants that may be present in the source water include:

- Microbial contaminants, such as viruses and bacteria, that may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife.
- Inorganic contaminants, such as salts and metals, that can be naturally-occurring or result from urban stormwater runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming.
- Pesticides and herbicides that may come from a variety of sources such as agriculture, urban stormwater runoff, and residential uses.

- Organic chemical contaminants, including synthetic and volatile organic chemicals, that are by-products of industrial processes and petroleum production, and can also come from gas stations, urban stormwater runoff, agricultural application, and septic systems.
- Radioactive contaminants, that can be naturally-occurring or be the result of oil and gas production and mining activities.

In order to ensure that tap water is safe to drink, the U.S. Environmental Protection Agency (USEPA) and the State Department of Public Health (Department) prescribe regulations that limit the amount of certain contaminants in water provided by public water systems. Department regulations also establish limits for contaminants in bottled water that provide the same protection for public health.

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the USEPA's Safe Drinking Water Hotline (1-800-426-4791).

Where Does Your Water Come From?

Water from the Agencies comes from two sources: treated surface water and groundwater. San Juan Water District diverts and treats surface water from Folsom Lake. This treated water is then distributed to the Agencies. Orange Vale Water Company and San Juan Water District receive 100 percent of their supply from treated surface water. If you are a consumer of Citrus Heights or Fair Oaks water districts, your water is a mixture of treated surface water from San Juan Water District and groundwater from local wells.

SJWD – 100% surface water

OVWC – 100% surface water

CHWD – 85% surface water, 15% groundwater

FOWD – 90.9% surface water, 9.1% groundwater

Source water assessments have been conducted for all the water sources to enable the Agencies to understand the activities that have the greatest potential for contaminating the drinking water supplies. The groundwater sources were assessed in 2002 and the surface water source was evaluated in 2001. A new well for Citrus Heights Water District was assessed in 2008. These assessments were conducted in accordance with Department guidelines and copies of the complete assessments are available for review at the respective agency offices.

San Juan Water District conducted the evaluation of the Folsom Lake source. It was found to be most vulnerable to potential contamination from the Folsom Lake State Recreation Area facilities, high-density housing and associated activities such as sewer and septic systems and fertilizer, pesticide and herbicide application, as well as illegal activities and dumping. The source water is typically treated using conventional filtration and disinfection that is designed to remove many contaminants. During summer months the source water quality is so good that the water can be treated more efficiently using direct filtration and disinfection. Again this year, your water meets all federal and state drinking water standards.

Citrus Heights and Fair Oaks water districts conducted assessments of their local groundwater wells. It was found that all the wells are vulnerable to commercial urban activities, such as active and historic gas stations, dry cleaners, leaking underground storage tanks, and sewer collection systems, none of which are associated with any detected contaminants.

Although Orange Vale Water Company does not currently utilize available local groundwater, assessments found that wells within their service area would be most vulnerable to rural grazing activities.

How to Read the CCR

Find your water supplier along the top of the chart. You will need to look at both San Juan surface water and the groundwater supplies if you receive water from Citrus Heights or Fair Oaks water districts. If you don't know who your water supplier is, we would be happy to help you. Please call San Juan Water District at 791-0115. You can then compare the levels of your water supply to the federal and state standards.

Key to Abbreviations

PPB	parts per billion or micrograms per liter ($\mu\text{g/L}$)
PPM	parts per million or milligrams per liter (mg/L)
MFL	million fibers per liter ($>10\mu\text{m}$ long)
NTU	nephelometric turbidity units
$\mu\text{S/CM}$	microsiemens per centimeter
pCi/L	picocuries per liter
ND	not detected
NR	not required
N/A	not applicable

Water Quality Definitions

Maximum Contaminant Level (MCL) — The highest level of a contaminant that is allowed in drinking water. Primary MCLs are set as close to the PHGs (or MCLGs) as is economically and technologically feasible. Secondary MCLs are set to protect the odor, taste, and appearance of drinking water.

Primary Drinking Water Standard (PDWS) — MCLs and MRDLs for contaminants that affect health along with their monitoring and reporting requirements, and water treatment requirements.

Public Health Goal (PHG) — The level of a contaminant in drinking water below which there is no known or expected risk to health. PHGs are set by the California Environmental Protection Agency.

Treatment Technique (TT) — A required process intended to reduce the level of a contaminant in drinking water.

Maximum Contaminant Level Goal (MCLG) — The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs are set by the U.S. Environmental Protection Agency.

Regulatory Action Level (AL) — The concentration of a contaminant which, if exceeded, triggers treatment or other requirements that a water system must follow.

Maximum Residual Disinfectant Level (MRDL) — The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.

Notification Level (NL) — Health-based advisory level set by the Department for constituents with no MCL. This is not an enforceable standard, although requirements and recommendations may apply if detected above this level.

Maximum Residual Disinfectant Level Goal (MRDLG) — The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.

Important Information About Radon

Radon is a radioactive gas that you can't see, taste or smell. It is found throughout the United States. Radon can move up through the ground and into a home through cracks and holes in the foundation. Radon can build up to high levels in all types of homes. Radon can also get into indoor air when released from tap water from showering, washing dishes, and other household activities. Compared to radon entering the home through soil, radon entering the home through tap water will, in most cases, be a small source of radon in indoor air. Radon is a known human carcinogen. Breathing air containing radon can lead to lung cancer. Drinking water containing radon may cause increased risk of stomach cancer. If you are concerned about radon in your home, test the air in your home. Testing is inexpensive and easy. Fix your home if the level of radon in your air is 4 picocuries per liter of air (pCi/L) or higher. There are simple ways to fix a radon problem that aren't too costly. For additional information, call the California Radon Program (1-800-745-7236) or call EPA's Radon Hotline at (1-800-SOS-RADON).

A Note For Sensitive Populations

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. USEPA/Centers for Disease Control (CDC) guidelines on appropriate means to lessen the risk of infection by *Cryptosporidium* and other microbial contaminants are available from the Safe Drinking Water Hotline (1-800-426-4791).

San Juan Family of Water Agencies – 2009 Table of Detected Constituents

DETECTED PRIMARY DRINKING WATER CONSTITUENTS regulated to protect your health

CONSTITUENT	UNITS	PHG or (MCLG) or (MRODLG)	MCL or (MRODL)	San Juan Surface Water Including Orange Vale Water Company			Citrus Heights Groundwater			Fair Oaks Groundwater			MAJOR SOURCES
				RANGE	AVERAGE	YEAR SAMPLED	RANGE	AVERAGE	YEAR SAMPLED	RANGE	AVERAGE	YEAR SAMPLED	
Arsenic	PPB	0.004	10	ND	ND	2009	ND - 3.3	ND	2007,2008,2009	2.2 - 2.9	2.6	2006, 2009	Erosion of natural deposits
Barium	PPM	2	1	ND	ND	2009	ND - 0.1	ND	2007,2008,2009	ND	ND	2006, 2009	Erosion of natural deposits
Fluoride	PPM	1	2.0	ND	ND	2009	0.11 - 0.26	0.17	2007,2008,2009	0.1	0.1	2006, 2009	Erosion of natural deposits
Nitrate (as nitrate)	PPM	45	45	ND	ND	2009	5 - 16	8.4	2009	ND - 2.5	ND	2007, 2009	Runoff and leaching from fertilizer use; leaching from septic tanks and sewage; erosion of natural deposits
Asbestos	MFL	7	7	ND - 0.2	ND	2006	ND	ND	2005,2009	ND	ND	2008, 2009	Erosion of natural deposits
Chlorine Residual - distribution system	PPM	[4]	[4]	0.13 - 1.53 (0.71 - 1.12)	0.78 (0.85)	2009	0.28 - 1.3	0.65	2009	0.26 - 1.18	0.68	2009	Drinking water disinfectant added for treatment
Total Trihalomethanes - distribution system	PPB	NONE	80	26 - 53 (28 - 53)	37 (40)	2009	ND - 60	24	2009	14 - 51	33.0	2009	By-product of drinking water disinfection
Haloacetic Acids - distribution system	PPB	NONE	60	12 - 29 (20 - 41)	21 (29)	2009	ND - 27	12.5	2009	8 - 38	24	2009	By-product of drinking water disinfection
Control of Disinfection By-Product Precursors (TOC) (raw water) (b)	PPM	NONE	TT = 2	1.4 - 1.7	1.5	2009	NR	N/A	N/A	NR	N/A	N/A	Various natural and manmade sources
CONSTITUENT	UNITS	PHG OR (MCLG)	MCL	LEVEL FOUND		YEAR SAMPLED	LEVEL FOUND		YEAR SAMPLED	LEVEL FOUND		YEAR SAMPLED	MAJOR SOURCES
Turbidity (b)	NTU	NONE	TT = 1 NTU	0.024		2009	NR		N/A	NR		N/A	Soil runoff
	% Samples	NONE	TT = ≤0.3 NTU	99.996		2009	NR		N/A	NR		N/A	
CONSTITUENT	UNITS	PHG OR (MCLG)	MCL	HIGHEST MONTHLY RESULT	# MONTHS WITH POSITIVE SAMPLE	YEAR SAMPLED	HIGHEST MONTHLY RESULT	# MONTHS WITH POSITIVE SAMPLE	YEAR SAMPLED	HIGHEST MONTHLY RESULT	# MONTHS WITH POSITIVE SAMPLE	YEAR SAMPLED	MAJOR SOURCES
Total Coliform Bacteria	% Samples	(0)	>5% monthly samples positive	0 (0)	0 (0)	2009	1.30%	1	2009	0	0	2009	Naturally present in the environment

DETECTED SECONDARY DRINKING WATER CONSTITUENTS regulated for aesthetic qualities

CONSTITUENT	UNITS	PHG or (MCLG)	MCL	San Juan Surface Water Including Orange Vale Water Company			Citrus Heights Groundwater			Fair Oaks Groundwater			MAJOR SOURCES
				RANGE	AVERAGE	YEAR SAMPLED	RANGE	AVERAGE	YEAR SAMPLED	RANGE	AVERAGE	YEAR SAMPLED	
Color	UNITS	NONE	15	ND	ND	2009	ND - 15	3	2007,2008,2009	ND	ND	2006, 2009	Naturally-occurring organic materials
Odor	UNITS	NONE	3	ND - 2	1.33	2009	ND - 1	ND	2007,2008,2009	1	1	2006, 2009	Naturally-occurring organic materials
Manganese	PPB	NONE	50	ND	ND	2009	ND - 30	ND	2007,2008,2009	ND	ND	2006, 2009	Leaching from natural deposits
Chloride	PPM	NONE	500	2.1 - 3.1	2.7	2009	14 - 19	15.6	2007,2008,2009	2.6 - 23	6.8	2006, 2009	Runoff/leaching from natural deposits
Specific Conductance	µS/CM	NONE	1,600	66.8 - 85	75.3	2009	260 - 330	292	2007,2008,2009	120 - 550	228	2006, 2009	Substances that form ions when in water
Sulfate	PPM	NONE	500	5.3 - 6.7	6.2	2009	6.2 - 11	8.9	2007,2008,2009	3.8 - 28	10.8	2006, 2009	Runoff/leaching from natural deposits
Turbidity	NTU	NONE	5	0.017 - 0.024	0.02	2009	0.12 - 3.8	1	2007,2008,2009	0.22 - 0.64	0.39	2006, 2009	Soil runoff
Total Dissolved Solids	PPM	NONE	1,000	41 - 54	47	2009	190 - 280	224	2007,2008,2009	100 - 400	180	2006, 2009	Runoff/leaching from natural deposits

DETECTED UNREGULATED DRINKING WATER CONSTITUENTS (c)

CONSTITUENT	UNITS	PHG or (MCLG)	NL	San Juan Surface Water Including Orange Vale Water Company			Citrus Heights Groundwater			Fair Oaks Groundwater			MAJOR SOURCES
				RANGE	AVERAGE	YEAR SAMPLED	RANGE	AVERAGE	YEAR SAMPLED	RANGE	AVERAGE	YEAR SAMPLED	
Hardness	PPM	NONE	NONE	26 - 34	29	2009	90 - 160	115.2	2007,2008,2009	48 - 210	89	2006, 2009	Hardness is the sum of polyvalent cations present in the water, generally naturally occurring magnesium and calcium.
Sodium	PPM	NONE	NONE	1.8 - 2.7	2.2	2009	13 - 24	18.2	2007,2008,2009	4.9 - 32	11.5	2006, 2009	Naturally occurring salt in the water
Calcium	PPM	NONE	NONE	8.2 - 10	8.8	2009	22 - 35	25.6	2007,2008,2009	12 - 43	20.1	2006, 2009	Erosion of natural deposits
Magnesium	PPM	NONE	NONE	1.3 - 2.2	1.7	2009	8.4 - 17	12.3	2007,2008,2009	4.4 - 25	9.4	2006, 2009	Erosion of natural deposits
Hexavalent Chromium	PPB	NONE	NONE	ND	ND	2009	ND - 2	1.1	2006	ND	ND	2003	Erosion of natural deposits
Radon 222	pCi/L	NONE	NONE	ND	ND	2006	165 - 304	231	2009	114 - 333	215	2005	Erosion of natural deposits

(a) – Data for OVWC Distribution System is shown in parenthesis.

(b) – Only surface water sources must comply with PDWS for Control of Disinfection By-Product Precursors and turbidity.

(c) – Unregulated contaminant monitoring helps determine where certain contaminants occur and whether they need to be regulated.

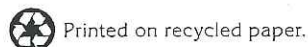
The State allows us to monitor for some contaminants less than once per year because the concentrations of these contaminants do not change frequently.

Some of our data, though representative, are more than one year old.



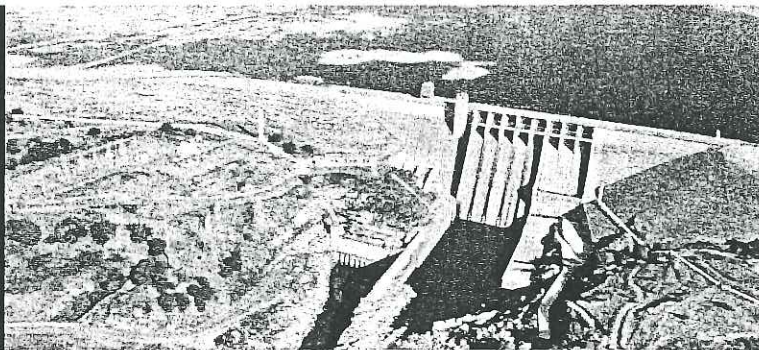
2009 Consumer Confidence Report
Published by the
San Juan Family of Water Agencies
P.O. Box 2157
Granite Bay, CA 95746

*Este informe contiene información
muy importante sobre su agua
potable. Tradúzcalo o hable con
alguien que lo entienda bien.*



PRSRT STD
US POSTAGE
PAID
SACRAMENTO, CA
PERMIT #1890

Once again, your drinking
water continues to meet
all state and federal
drinking water standards.



Contact Us If you have any questions about this report or your water supply, please contact your local water provider. Each of the member agencies holds monthly board meetings that are open to the public as indicated below.



San Juan Water District

Contact Person:
Bill Sadler
(916) 791-1715
bsadler@sjwd.org
www.sjwd.org

Board Meetings:
2nd Wednesday
every month 7:00 p.m.
9935 Auburn-Folsom Road
Granite Bay



Citrus Heights Water District

Contact Person:
Brian Hensley
(916) 725-6873
bhensley@chwd.org
www.chwd.org

Board Meetings:
2nd Tuesday
every month 6:30 p.m.
6230 Sylvan Road
Citrus Heights



Fair Oaks Water District

Contact Person:
Michael Nisenboym, P.E.
(916) 967-5723
mnisenboym@fowd.com
www.fowd.com

Board Meetings:
2nd Monday
every month 6:30 p.m.
10326 Fair Oaks Boulevard
Fair Oaks



Orange Vale Water Company

Contact Person:
John Wingerter
(916) 988-1693
jwingerter@orangevalewater.com

Board Meetings:
1st Tuesday
every month 6:00 p.m.
9031 Central Avenue
Orangevale

Learn more about your water at www.sjwd.org

Citrus Heights Water District
2010 Sacramento LAFCo Municipal Service Review Worksheet

Exhibit H

Report on the District's Water Quality Relative to Public Health Goals

CITRUS HEIGHTS WATER DISTRICT
REPORT ON THE DISTRICT'S WATER QUALITY
RELATIVE TO PUBLIC HEALTH GOALS

March 5, 2010

Background:

Provisions of the California Health and Safety Code, Section 116470 (b), specify that public water systems serving more than 10,000 service connections such as Citrus Heights Water District (CHWD) (19,550 connections) must prepare a special report by July 1, 2010 and every three years thereafter, that gives information on the detection of any constituents above the Public Health Goals (PHG) published by the State Office of Environmental Health Hazard Assessment (OEHHA) which is part of Cal EPA. This report must be provided and made available at a public hearing of the District on or prior to said date. The law also requires that where OEHHA has not adopted a PHG for a constituent, the water suppliers are to use the Maximum Contaminant Level Goals (MCLGs) adopted by United States Environmental Protection Agency (USEPA). Only constituents which have a California primary drinking water standard and for which either a PHG or MCLG has been set are to be addressed. Attached is a table of all detected regulated constituents with the Maximum Contaminant Levels (MCLs) and PHGs or MCLGs (Attachment 1) along with Section 116470 of the California Health and Safety Code (Attachment 2).

These reports are unique to California. They are required in addition to the extensive public reporting of water quality information that California water utilities have been doing for many years and in addition to the federally mandated annual Consumer Confidence Reports/Water Quality Reports.

There are a few constituents that are routinely detected in water systems at levels usually well below the drinking water standards for which no PHG nor MCLG has yet been adopted by OEHHA or USEPA. These will be addressed in a future required report after a PHG has been adopted.

The law specifies what information is to be provided in the report (Section 116470 (b)). The purpose of the legislative requirement is to give water system customers access to information on levels of contaminants even below the enforceable mandatory MCLs. Included is the numerical public health risk associated with the MCL and the PHG or MCLG, the category or type of risk to health that could be associated with each constituent, the best treatment technology available that could be used to reduce the constituent level, and an estimate of the cost to install that treatment if it is appropriate and feasible.

What Are PHGs?

PHGs are set by OEHHA and are based solely on public health risk considerations. None of the practical risk-management factors that are considered by the USEPA or the California Department of Public Health (CDPH) in setting drinking water standards (MCLs) are considered

in setting the PHGs. These factors include analytical detection capability, treatment technology available, benefits, and costs. The PHGs are not enforceable and are not required to be met by any public water system. MCLGs are the federal equivalent to PHGs.

Water Quality Data Considered:

All of the water quality data collected for the CHWD water system in 2007, 2008 and 2009 for purposes of determining compliance with drinking water standards was considered. This data was summarized in CHWD's 2007, 2008 and 2009 Annual Water Quality Reports, which were mailed to all District customers during May/June of those years.

Guidelines Followed:

The Association of California Water Agencies (ACWA) formed a workgroup, which prepared guidelines for water utilities to use in preparing these newly required Public Health Goal reports. The ACWA guidelines were used in the preparation of this report. No guidance was available from state regulatory agencies.

Best Available Treatment Technology and Cost Estimates:

Both the USEPA and CDPH adopt Best Available Technologies (BATs), which are the best known methods of reducing contaminant levels to the MCL. Costs can be estimated for such technologies. However, since many PHGs and all MCLGs are set much lower than the MCL, it is not always possible or feasible to determine what treatment is needed to further reduce a constituent downward to or near the PHG or MCLG, many of which are set at zero. Estimating the costs to reduce a constituent to zero is difficult, if not impossible, because it is not possible to verify by analytical means that the level has been lowered to zero. In some cases, installing treatment to try and further reduce very low levels of one constituent may have adverse effects on other aspects of water quality.

Constituents Detected that Exceed a PHG or a MCLG:

The following is a discussion of constituents that were detected in one or more of CHWD's drinking water sources at levels above the PHG, or if no PHG, above the MCLG during the years 2007-2009. Only those detected at levels above the PHG or MCLG in one or more samples are discussed in this report.

Coliform Bacteria:

For the period 2007 - 2009, the District collected between 76 and 95 samples each month for coliform analysis. One sample tested positive for coliform bacteria in 2008 and one in 2009. The check samples were negative and follow-up actions were taken. A maximum of 1.3% of the samples taken in any one month were positive.

The MCL for coliform is 5% positive samples of all samples per month and the MCLG is zero. The reason for the coliform drinking water standard is to minimize the possibility of the water

containing pathogens, which are organisms that cause waterborne disease. Because coliform is only a surrogate indicator of the potential presence of pathogens, it is not possible to state a specific numerical health risk. While USEPA normally sets MCLGs “at a level where no known or anticipated adverse effects on persons would occur”, they indicate that they cannot do so with coliforms.

Coliform bacteria are indicator organisms that are common in nature and are not generally considered harmful. They are used in water quality sampling because of the ease in monitoring and analysis. If a positive sample is found, it indicates a potential problem that needs to be investigated and follow-up sampling that needs to be done. It is not at all unusual for a system to have an occasional positive coliform sample. It is difficult, if not impossible; to assure that a system will never get a positive sample.

CHWD adds chlorine at its groundwater sources to assure that the water served is microbiologically safe. Similarly, San Juan Water District (SJWD), the wholesale agency from which CHWD purchases its treated surface water supply, also utilizes chlorine as a disinfectant. The chlorine residual levels are carefully controlled to provide the best health protection without either causing the water to have undesirable taste and odor or increasing the disinfection byproduct level. This careful balance of treatment processes is essential to continue supplying District customers with safe drinking water.

Other equally important measures that have been implemented include: an effective cross-connection control program, routine flushing of dead ends, maintenance of a disinfectant residual throughout the distribution system and maintaining positive pressures in the distribution system. The CHWD system already utilizes all of the steps described by CDPH as “best available technology” for coliform bacteria in Section 64447, Title 22,CCR.

Arsenic:

Arsenic is a naturally occurring element found throughout the earth’s crust.

The PHG for arsenic is 0.004 ug/L and the MCL is 10 ug/L. Low levels of arsenic have been found in CHWD’s groundwater sources up to 3.3 ug/L from 2004-2006. The average was below detectable levels. The levels were below the MCL at all times. No action is required.

The health risks associated with arsenic are that some people who drink water containing arsenic in excess of the MCL over many years may experience skin damage or circulatory problems and may have an increased risk of getting cancer. The numerical health risk for carcinogenicity at the 10 ug/L MCL is 1- 2x10⁻⁴ (1-2 in 10,000) and 1x10⁻⁶ (1 in 1 million) at the PHG.

The BATs for arsenic removal at the 95% level are reverse osmosis, ion exchange, activated alumina, and modified coagulation and filtration. The least expensive BAT for arsenic removal in groundwater is an ion exchange method that would increase treatment costs by approximately \$175-225 per acre-foot (AF) of treated water.

This cost would more than double CHWD's cost to produce groundwater (\$99/AF from 1996 – 2008). CHWD's surface water source from SJWD (2009 purchase cost of \$136.48/AF) does not contain arsenic. CHWD's water supply utilization for 2009 was 86% surface water (12,786 AF) and 14% groundwater (2,120 AF).

Radium:

Radium occurs in water through the erosion of natural deposits.

The PHG for radium-226 is 0.05 pCi/L and 0.019 pCi/L for radium-228. The MCL for combined radium is 5 pCi/L. CHWD has detected radium-226 as high as 0.187 pCi/L and radium-228 as high as 0.758 pCi/L in groundwater sources from 2008-2009. The average was below reportable detection levels. All results were below the MCL, therefore no action is required.

The health risk category for radium is carcinogenicity (cancer). The numerical health risks for the PHG's are both 1×10^{-6} (1 in 1 million). The numerical health risk for the radium-226 MCL is 1×10^{-4} (1 in 10,000) and for the radium-228 MCL is 3×10^{-4} (3 in 10,000).

The BATs for radium removal are lime softening, reverse osmosis and ion exchange. The least expensive BAT for radium in groundwater is an ion exchange method that would increase treatment costs by approximately \$175-225 per AF of treated water.

Recommendations for further actions:

The drinking water quality of the Citrus Heights Water District meets all State of California, Department of Public Health and USEPA drinking water standards set to protect public health. To further reduce the levels of the constituents identified in this report that are already significantly below the health-based Maximum Contaminant Levels established to provide "safe drinking water" would require additional costly treatment processes. The effectiveness of the treatment processes to provide any significant reductions in constituent levels at these already low values is uncertain. The health protection benefits of these further hypothetical reductions are not at all clear and may not be quantifiable. Therefore, no action is proposed.

Attachment 1

Table of detected regulated constituents California MCLs and PHG's and Federal MCLG's

Constituent	Health Risk Category	California MCL	CA PHG (MCLG)	District level
Coliform bacteria	NA	5% in any month	zero	1.3 % in a single month
Arsenic	Carcinogenicity	10 ug/L	0.004 ug/L	0 – 3.3 ug/L
Radium 226	Carcinogenicity	5 pCi/L	0.05 pCi/L	< 0.187 pCi/L
Radium 228	Carcinogenicity	5 pCi/L	0.019 pCi/L	< 0.758 pCi/L

Section 116470. Consumer Confidence Report

- (a) As a condition of its operating permit, every public water system shall annually prepare a consumer confidence report and mail or deliver a copy of that report to each customer, other than an occupant, as defined in Section 799.28 of the Civil Code, of a recreational vehicle park. A public water system in a recreational vehicle park with occupants as defined in Section 799.28 of the Civil Code shall prominently display on a bulletin board at the entrance to or in the office of the park, and make available upon request, a copy of the report. The report shall include all of the following information:
 - (1) The source of the water purveyed by the public water system.
 - (2) A brief and plainly worded definition of the terms "maximum contaminant level," "primary drinking water standard," and "public health goal."
 - (3) If any regulated contaminant is detected in public drinking water supplied by the system during the past year, the report shall include all of the following information:
 - (A) The level of the contaminant found in the drinking water, and the corresponding public health goal and primary drinking water standard for that contaminant.
 - (B) Any violations of the primary drinking water standard that have occurred as a result of the presence of the contaminant in the drinking water and a brief and plainly worded statement of health concerns that resulted in the regulation of that contaminant.
 - (C) The public water system's address and phone number to enable customers to obtain further information concerning contaminants and potential health effects.
 - (4) Information on the levels of unregulated contaminants, if any, for which monitoring is required pursuant to state or federal law or regulation.
 - (5) Disclosure of any variances or exemptions from primary drinking water standards granted to the system and the basis therefore.
- (b) On or before July 1, 2010, and every three years thereafter, public water systems serving more than 10,000 service connections that detect one or more contaminants in drinking water that exceed the applicable public health goal, shall prepare a brief written report in plain language that does all of the following:
 - (1) Identifies each contaminant detected in drinking water that exceeds the applicable public health goal.
 - (2) Discloses the numerical public health risk, determined by the office, associated with the maximum contaminant level for each contaminant identified in paragraph (1) and the numerical public health risk determined by the office associated with the public health goal for that contaminant.

- (3) Identifies the category of risk to public health, including, but not limited to, carcinogenic, mutagenic, teratogenic, and acute toxicity, associated with exposure to the contaminant in drinking water, and includes a brief plainly worded description of these terms.
- (4) Describes the best available technology, if any is then available on a commercial basis, to remove the contaminant or reduce the concentration of the contaminant. The public water system may, solely at its own discretion, briefly describe actions that have been taken on its own, or by other entities, to prevent the introduction of the contaminant into drinking water supplies.
- (5) Estimates the aggregate cost and the cost per customer of utilizing the technology described in paragraph (4), if any, to reduce the concentration of that contaminant in drinking water to a level at or below the public health goal.
- (6) Briefly describes what action, if any, the local water purveyor intends to take to reduce the concentration of the contaminant in public drinking water supplies and the basis for that decision.
- (c) Public water systems required to prepare a report pursuant to subdivision (b) shall hold a public hearing for the purpose of accepting and responding to public comment on the report. Public water systems may hold the public hearing as part of any regularly scheduled meeting.
- (d) The department shall not require a public water system to take any action to reduce or eliminate any exceedance of a public health goal.
- (e) Enforcement of this section does not require the department to amend a public water system's operating permit.
- (f) Pending adoption of a public health goal by the Office of Environmental Health Hazard Assessment pursuant to subdivision (c) of Section 116365, and in lieu thereof, public water systems shall use the national maximum contaminant level goal adopted by the United States Environmental Protection Agency for the corresponding contaminant for purposes of complying with the notice and hearing requirements of this section.
- (g) This section is intended to provide an alternative form for the federally required consumer confidence report as authorized by 42 U.S.C. Section 300g-3(c)

Citrus Heights Water District
2010 Sacramento LAFCo Municipal Service Review Worksheet

Exhibit I

**CHWD Resolution No. 06-2007,
Water Conservation Stages**

CITRUS HEIGHTS WATER DISTRICT
RESOLUTION NO. 06-2007

RESOLUTION ADOPTING MANDATORY REQUIREMENTS –
WATER CONSERVATION STAGES 1 TO 5

WHEREAS, the Citrus Heights Water District 2005 Urban Water Management Plan states that the District shall have a water conservation program that includes a series of five water conservation stages for purposes of identifying water supply conditions and mandatory requirements for water use and conservation within each stage; and

WHEREAS, the Citrus Heights Water District prepared and made available for public review a draft Mandatory Requirements – Water Conservation Stages 1-5 document and a properly noticed public hearing regarding said document has been conducted by the Board of Directors on April 10, 2007; and

WHEREAS, the Citrus Heights Water District has developed these Mandatory Requirements – Water Conservation Stages 1-5 cooperatively with the San Juan Water District, the Fair Oaks Water District and the Orange Vale Water Company, and it is the intent of these agencies to adopt an identical series of water conservation stages and mandatory requirements to establish consistency of water conservation practices among these agencies; and

WHEREAS, it is the intent of the Board of Directors that these Mandatory Requirements – Water Conservation Stages 1-5 supersede and replace the existing Citrus Heights Water District Ordinance No. 2-91, An Ordinance Establishing a Water Conservation Program Within Citrus Heights Water District.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of Citrus Heights Water District as follows:

1. The Citrus Heights Water District Mandatory Requirements – Water Conservation Stages 1-5 is hereby adopted and made a part of this Resolution; and Citrus Heights Water District Ordinance No. 2-91, An Ordinance Establishing a Water Conservation Program Within Citrus Heights Water District is hereby rescinded.
2. The District Secretary is hereby directed to publish this Resolution in accordance with the requirements of Section 376 of the California Water Code, and that said publication may be performed cooperatively with the other agencies that have adopted these same Water Conservation Stages.

PASSED AND ADOPTED by the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT this 10^h day of April, 2007, by the following vote, to wit:

AYES: Directors: Dains, Dion, Rose
NOES: Directors: None
ABSTAIN: Directors: None
ABSENT: Directors: None

SEAL



ATTEST:

Robert A. Churchill

ROBERT A. CHURCHILL, Secretary

A handwritten signature in cursive script, appearing to read "Charles T. Rose".

CHARLES T. ROSE, President
Board of Directors
Citrus Heights Water District



CITRUS HEIGHTS WATER DISTRICT

MANDATORY REQUIREMENTS – WATER CONSERVATION STAGES 1 – 5:

WATER CONSERVATION STAGE DECLARATION

Upon declaration or amendment by the Board of Directors of a specific Stage in effect, the following mandatory water conservation requirements shall be in effect.

The declaration of Short-Term Stage 4 or Stage 5 water conservation requirements may be declared by the agency's General Manager or his/her designee and subject to ratification by the agency's Board of Directors in a regular or special session. A short-term declaration is for water shortage conditions expected for a duration of 45 days or less.

STAGE 1 – NORMAL WATER SUPPLY

1. Water shall be used for beneficial purposes only; all unnecessary and wasteful uses of water are prohibited.
2. Water shall be confined to the customer's property and shall not be allowed to run-off to adjoining properties or to the roadside ditch or gutter. Care shall be taken not to water past the point of saturation.
3. Free-flowing hoses for all uses are prohibited. Automatic shut-off devices shall be attached on any hose or filling apparatus in use.
4. Leaking customer pipes or faulty sprinklers shall be repaired within five (5) working days or less if warranted by the severity of the problem.
5. All pools, spas, and ornamental fountains/ponds shall be equipped with a recirculation pump and shall be constructed to be leak-proof. Pool draining and refilling shall be allowed only for health, maintenance, or structural considerations.
6. Washing streets, parking lots, driveways, sidewalks, or buildings, except as necessary for health, esthetic or sanitary purposes, is prohibited.
7. Customers are encouraged to take advantage of the water agency's conservation programs and rebates.



CITRUS HEIGHTS WATER DISTRICT
Mandatory Requirements – Water Conservation Stages 1 - 5

STAGE 2 – WATER ALERT

1. Water shall be used for beneficial purposes only; all unnecessary and wasteful uses of water are prohibited.
2. Water shall be confined to the customer's property and shall not be allowed to run-off to adjoining properties or to the roadside ditch or gutter. Care shall be taken not to water past the point of saturation.
3. Free-flowing hoses for all uses are prohibited. Automatic shut-off devices shall be attached on any hose or filling apparatus in use.
4. Leaking customer pipes or faulty sprinklers shall be repaired within five (5) working days or less if warranted by the severity of the problem.
5. All pools, spas, and ornamental fountains/ponds shall be equipped with a recirculation pump and shall be constructed to be leak-proof. Pool draining and refilling shall be allowed only for health, maintenance, or structural considerations.
6. Washing streets, parking lots, driveways, sidewalks, or buildings, except as necessary for health, esthetic or sanitary purposes, is prohibited.
7. Customers are encouraged to take advantage of the water agency's conservation programs and rebates.
8. Reduce landscape and pasture irrigation by 5 – 10%. Customers with "smart" irrigation timers or controllers are asked to set their controllers to achieve 90 to 95% of the evapotranspiration (ET) rate. Drip irrigation systems are excluded from this requirement.
9. Reduce indoor water use by 5 – 10%. Contact your water provider for tips and techniques to reduce indoor water use.
10. Users of construction meters and fire hydrant meters will be monitored for efficient water use.



CITRUS HEIGHTS WATER DISTRICT
Mandatory Requirements – Water Conservation Stages 1 - 5

STAGE 3 – WATER WARNING

1. Water shall be used for beneficial purposes only; all unnecessary and wasteful uses of water are prohibited.
2. Water shall be confined to the customer's property and shall not be allowed to run-off to adjoining properties or to the roadside ditch or gutter. Care shall be taken not to water past the point of saturation.
3. Free-flowing hoses for all uses are prohibited. Automatic shut-off devices shall be attached on any hose or filling apparatus in use.
4. Leaking customer pipes or faulty sprinklers shall be repaired within two (2) working days or less if warranted by the severity of the problem.
5. All pools, spas, and ornamental fountains/ponds shall be equipped with a recirculation pump and shall be constructed to be leak-proof. Pool draining and refilling shall be allowed only for health, maintenance, or structural considerations.
6. Washing streets, parking lots, driveways, sidewalks, or buildings, except as necessary for health, esthetic or sanitary purposes, is prohibited.
7. Customers are encouraged to take advantage of the water agency's conservation programs and rebates.
8. Reduce landscape and pasture irrigation by 11 – 25%. Customers with "smart" irrigation timers or controllers are asked to set their controllers to achieve 75 to 89% of the evapotranspiration (ET) rate. Drip irrigation systems are excluded from this requirement.
9. Reduce indoor water use by 11 – 25%. Contact your water provider for tips and techniques to reduce indoor water use.
10. Restaurants shall serve water only upon request.
11. Users of construction meters and fire hydrant meters will be monitored for efficient water use.



CITRUS HEIGHTS WATER DISTRICT

Mandatory Requirements – Water Conservation Stages 1 - 5

STAGE 4 – WATER CRISIS: SHORT-TERM

The declaration of Short-Term Stage 4 water conservation requirements may be declared by the agency's General Manager or his/her designee and subject to ratification by the agency's Board of Directors in a regular or special session. A short-term declaration is for water shortage conditions expected for a duration of 45 days or less.

1. Water shall be used for beneficial purposes only; all unnecessary and wasteful uses of water are prohibited.
2. Water shall be confined to the customer's property and shall not be allowed to run-off to adjoining properties or to the roadside ditch or gutter. Care shall be taken not to water past the point of saturation.
3. Free-flowing hoses for all uses are prohibited. Automatic shut-off devices shall be attached on any hose or filling apparatus in use.
4. Leaking customer pipes or faulty sprinklers shall be repaired within 24 hours or less if warranted by the severity of the problem.
5. All pools, spas, and ornamental fountains/ponds shall be equipped with a recirculation pump and shall be constructed to be leak-proof. No potable water from the District's system shall be used to fill or refill swimming pools, artificial lakes, ponds or streams. Water use for ornamental ponds and fountains is prohibited.
6. Washing streets, parking lots, driveways, sidewalks, or buildings, except as necessary for health or sanitary purposes, is prohibited.
7. Customers are encouraged to take advantage of the water agency's conservation programs and rebates.
8. Reduce landscape and pasture irrigation by 26 – 50%. Customers with "smart" irrigation timers or controllers are asked to set their controllers to achieve 50 to 74% of the evapotranspiration (ET) rate. Drip irrigation systems are NOT excluded from this requirement.
9. Reduce indoor water use by 26 - 50%. Contact your water provider for tips and techniques to reduce indoor water use.
10. Restaurants shall serve water only upon request.
11. Flushing of sewers or fire hydrants is prohibited except in case of emergency and for essential operations.



CITRUS HEIGHTS WATER DISTRICT
Mandatory Requirements – Water Conservation Stages 1 - 5

STAGE 4 – WATER CRISIS: SHORT-TERM continued

12. Users of construction meters and fire hydrant meters will be monitored for efficient water use. Use of reclaimed water for construction purposes is encouraged.
13. Installation of new turf or landscaping is prohibited.



CITRUS HEIGHTS WATER DISTRICT
Mandatory Requirements – Water Conservation Stages 1 - 5

STAGE 4 – WATER CRISIS: LONG-TERM

The declaration of Long-Term Stage 4 water conservation requirements will be by the agency's Board of Directors in a regular or special session. A long-term declaration is for water shortage conditions expected for a duration of more than 45 days.

1. Water shall be used for beneficial purposes only; all unnecessary and wasteful uses of water are prohibited.
2. Water shall be confined to the customer's property and shall not be allowed to run-off to adjoining properties or to the roadside ditch or gutter. Care shall be taken not to water past the point of saturation.
3. Free-flowing hoses for all uses are prohibited. Automatic shut-off devices shall be attached on any hose or filling apparatus in use.
4. Leaking customer pipes or faulty sprinklers shall be repaired within 24 hours or less if warranted by the severity of the problem.
5. All pools, spas, and ornamental fountains/ponds shall be equipped with a recirculation pump and shall be constructed to be leak-proof. No potable water from the District's system shall be used to fill or refill swimming pools, artificial lakes, ponds or streams. Water use for ornamental ponds and fountains is prohibited.
6. Washing streets, parking lots, driveways, sidewalks, or buildings, except as necessary for health or sanitary purposes, is prohibited.
7. Customers are encouraged to take advantage of the water agency's conservation programs and rebates.
8. Reduce landscape and pasture irrigation by 26 – 50%. Customers with "smart" irrigation timers or controllers are asked to set their controllers to achieve 50 to 74% of the evapotranspiration (ET) rate. Drip irrigation systems are NOT excluded from this requirement.
9. Reduce indoor water use by 26 - 50%. Contact your water provider for tips and techniques to reduce indoor water use.
10. Restaurants shall serve water only upon request.
11. Flushing of sewers or fire hydrants is prohibited except in case of emergency and for essential operations.



CITRUS HEIGHTS WATER DISTRICT
Mandatory Requirements – Water Conservation Stages 1 - 5

STAGE 4 – WATER CRISIS: LONG-TERM continued

12. Water for flow testing and construction purposes from water agency fire hydrants and blow-offs is prohibited. Use of reclaimed water for construction purposes is encouraged.
13. Installation of new turf or landscaping is prohibited.
14. Water Crisis/Emergency tiered pricing will be implemented.
15. No commitments will be made to provide service for new water service connections.



CITRUS HEIGHTS WATER DISTRICT
Mandatory Requirements – Water Conservation Stages 1 - 5

STAGE 5 – WATER EMERGENCY: SHORT-TERM

The declaration of Short-Term Stage 5 water conservation requirements may be declared by the agency's General Manager or his/her designee and subject to ratification by the agency's Board of Directors in a regular or special session. A short-term declaration is for water shortage conditions expected for a duration of 45 days or less.

1. Water shall be used for beneficial purposes only; all unnecessary and wasteful uses of water are prohibited.
2. Landscape and pasture irrigation is prohibited.
3. Free-flowing hoses for all uses are prohibited. Automatic shut-off devices shall be attached on any hose or filling apparatus in use.
4. Leaking customer pipes or faulty sprinklers shall be repaired immediately. Water service will be suspended until repairs are made.
5. All pools, spas, and ornamental fountains/ponds shall be equipped with a recirculation pump and shall be constructed to be leak-proof. No potable water from the District's system shall be used to fill or refill swimming pools, artificial lakes, ponds or streams. Water use for ornamental ponds and fountains is prohibited.
6. Washing streets, parking lots, driveways, sidewalks, or buildings, except as necessary for health or sanitary purposes, is prohibited.
7. Customers are encouraged to take advantage of the water agency's conservation programs and rebates.
8. Reduce indoor water use by more than 50%. Contact your water provider for tips and techniques to reduce indoor water use.
9. Restaurants shall serve water only upon request.
10. Water for flow testing and construction purposes from water agency fire hydrants and blow-offs is prohibited. No potable water from the District's system shall be used for construction purposes including but not limited to dust control, compaction, or trench jetting. Use of reclaimed water for construction purposes is encouraged.
11. Flushing of sewers or fire hydrants is prohibited except in case of emergency and for essential operations.
12. Installation of new turf or landscaping is prohibited.



CITRUS HEIGHTS WATER DISTRICT
Mandatory Requirements – Water Conservation Stages 1 - 5

STAGE 5 – WATER EMERGENCY: SHORT-TERM continued

13. Automobiles or equipment shall be washed only at commercial establishments that use recycled or reclaimed water.



CITRUS HEIGHTS WATER DISTRICT

Mandatory Requirements – Water Conservation Stages 1 - 5

STAGE 5 – WATER EMERGENCY: LONG-TERM

The declaration of Long-Term Stage 5 water conservation requirements will be by the agency's Board of Directors in a regular or special session. A long-term declaration is for water shortage conditions expected for a duration of more than 45 days.

1. Water shall be used for beneficial purposes only; all unnecessary and wasteful uses of water are prohibited.
2. Landscape and pasture irrigation is prohibited.
3. Free-flowing hoses for all uses are prohibited. Automatic shut-off devices shall be attached on any hose or filling apparatus in use.
4. Leaking customer pipes shall be repaired immediately. Water service will be suspended until repairs are made.
5. All pools, spas, and ornamental fountains/ponds shall be equipped with a recirculation pump and shall be constructed to be leak-proof. No potable water from the District's system shall be used to fill or refill swimming pools, artificial lakes, ponds or streams. Water use for commercial and multi-family residential ornamental ponds and fountains is prohibited.
6. Washing streets, parking lots, driveways, sidewalks, or buildings, except as necessary for health or sanitary purposes, is prohibited.
7. Customers are encouraged to take advantage of the water agency's conservation programs and rebates.
8. Reduce indoor water use by more than 50%.
9. Restaurants shall serve water only upon request.
10. Water for flow testing and construction purposes from water agency fire hydrants and blow-offs is prohibited. No potable water from the District's system shall be used for construction purposes including but not limited to dust control, compaction, or trench jetting. Use of reclaimed water for construction purposes is encouraged.
11. Flushing of sewers or fire hydrants is prohibited except in case of emergency and for essential operations.
12. Installation of new turf or landscaping is prohibited.



CITRUS HEIGHTS WATER DISTRICT
Mandatory Requirements – Water Conservation Stages 1 - 5

STAGE 5 – WATER EMERGENCY: LONG-TERM continued

13. Automobiles or equipment shall be washed only at commercial establishments that use recycled or reclaimed water.
14. New connections to the District water distribution system will not be allowed.
15. Water Crisis/Emergency tiered pricing will be implemented.
16. No commitments will be made to provide service for new water service connections.

Citrus Heights Water District
2010 Sacramento LAFCo Municipal Service Review Worksheet

Exhibit J

CHWD 10-Year Capital Improvement Program Summary

Summary of Capital Improvement Projects by Year

Capital Improvement Project Categories	2011 Projected	2012 Projected	2013 Projected	2014 Projected	2015 Projected	2016 Projected	2017 Projected	2018 Projected	2019 Projected	2020 Projected	Total
Transmission Mains -- New	\$ 73,098	\$ 459,173	\$ 779,520	\$ 248,496	\$ 352,044	\$ 310,464	\$ 395,456	\$ 678,132	\$ 2,369,472	\$ 2,535,624	\$ 3,296,383
Distribution Mains - New Construction	\$ 27,840	\$ 59,940	\$ 156,925	\$ 106,243	\$ 19,642	\$ 123,480	\$ 87,024	\$ 104,832	\$ 4,133	\$ 72,240	\$ 685,926
Water Meters	\$ 60,912	\$ 119,880	\$ 99,760	\$ 137,640	\$ 113,520	\$ 190,400	\$ 164,280	\$ 173,160	\$ 141,040	\$ 190,920	\$ 1,059,552
Transmission Mains -- Replacement/Rehabilitation	\$ 1,279,479	\$ 373,248	\$ 643,104	\$ 543,864	\$ 206,237	\$ 635,040	\$ 335,664	\$ 334,152	\$ 236,160	\$ 368,424	\$ 4,350,788
Distribution Mains - Replacement	\$ 270,840	\$ 383,616	\$ 436,160	\$ 466,538	\$ 368,676	\$ 702,828	\$ 464,128	\$ 340,704	\$ 121,229	\$ 199,382	\$ 3,433,490
Fire Hydrants - Replacement	\$ 40,704	\$ 47,736	\$ 55,216	\$ 63,240	\$ 67,320	\$ 71,400	\$ 75,480	\$ 79,560	\$ 83,640	\$ 87,720	\$ 500,656
Facilities	\$ 44,108	\$ 346,680	\$ 53,360	\$ 26,040	\$ 27,720	\$ 29,400	\$ 31,080	\$ 32,760	\$ 34,440	\$ 36,120	\$ 591,148
Miscellaneous CIP - Tech/Equip/WS	\$ 658,545	\$ 691,200	\$ 672,800	\$ 793,600	\$ 765,600	\$ 812,000	\$ 858,400	\$ 904,800	\$ 951,200	\$ 997,600	\$ 6,156,945
Distribution System Controls (SCADA)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ 2,455,526	\$ 2,481,473	\$ 2,896,845	\$ 2,385,661	\$ 1,920,759	\$ 2,875,012	\$ 2,411,512	\$ 2,648,100	\$ 3,941,314	\$ 4,488,030	\$ 20,074,888
Water Production/Treatment/Storage Facilities	\$ -	\$ 200,152	\$ 2,784,000	\$ -	\$ -	\$ 259,000	\$ 3,552,000	\$ -	\$ -	\$ 318,200	\$ 6,795,152
Total	\$ 2,455,526	\$ 2,681,625	\$ 5,680,845	\$ 2,385,661	\$ 1,920,759	\$ 3,134,012	\$ 5,963,512	\$ 2,648,100	\$ 3,941,314	\$ 4,806,230	\$ 26,870,040

Citrus Heights Water District
Transmission Mains -- New

	Location	Pave./ Native	Diameter (Inches)	Length (Feet)	Est. Const. Year	Est. Cost (\$/ft)	Est. Current \$	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Summary:							\$ 5,556,818	\$ 73,098	\$ 459,173	\$ 779,520	\$ 248,496	\$ 352,044	\$ 310,464	\$ 395,456	\$ 678,132	\$ 2,369,472	\$ 2,535,624
Total Transmission CIP					16160												
Facilities:																	
	Fair Wy - south of Kensington Dr	P	12	150	2011	\$ 288	\$ 73,098	\$ 73,098	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Pratt Av - Auburn Bl to east	N	18	820	2012	\$ 378	\$ 236,160	\$ -	\$ 255,053	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Mariposa Av - Pratt to Sycamore	P	18	500	2012	\$ 378	\$ 189,000	\$ -	\$ 204,120	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Mesa Verde HS - Carriage Dr to Cessna Dr	N	12	1500	2013	\$ 192	\$ 288,000	\$ -	\$ -	\$ 334,080	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	SJHS west to Sylvan Rd	N	24	1000	2013	\$ 384	\$ 384,000	\$ -	\$ -	\$ 445,440	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Park Dr - Mariposa Av to west	N	12	650	2014	\$ 192	\$ 124,800	\$ -	\$ -	\$ -	\$ 154,752	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	San Juan Av - @ Chesline Dr	P	12	300	2014	\$ 252	\$ 75,600	\$ -	\$ -	\$ -	\$ 93,744	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Dewey Dr - south of Admiral Av	P	12	150	2015	\$ 252	\$ 37,800	\$ -	\$ -	\$ -	\$ -	\$ 49,896	\$ -	\$ -	\$ -	\$ -	\$ -
	Ensign St - Dewey Dr to Admiral Av	P	12	700	2015	\$ 252	\$ 176,400	\$ -	\$ -	\$ -	\$ -	\$ 232,848	\$ -	\$ -	\$ -	\$ -	\$ -
	Blossom Hill Dr - Sandringham Wy to south	P	10	250	2015	\$ 210	\$ 52,500	\$ -	\$ -	\$ -	\$ -	\$ 69,300	\$ -	\$ -	\$ -	\$ -	\$ -
	Fair Oaks Bl - Sunrise East Wy to south	P	12	880	2016	\$ 252	\$ 221,760	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 310,464	\$ -	\$ -	\$ -	\$ -
	Old Auburn Rd - Coral Oak Wy to west	N	16	580	2017	\$ 256	\$ 148,480	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 219,750	\$ -	\$ -	\$ -
	Old Auburn Rd - Robert Creek Ct to west	N	14	280	2017	\$ 224	\$ 62,720	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92,826	\$ -	\$ -	\$ -
	Poplar Av to west	N	14	250	2017	\$ 224	\$ 56,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,880	\$ -	\$ -	\$ -
	Old Auburn Rd - Sunrise Bl to Soquel Wy	P	18	900	2018	\$ 378	\$ 340,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 530,712	\$ -	\$ -
	Sunrise Bl - Old Auburn Rd south to 24"	P	18	250	2018	\$ 378	\$ 94,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 147,420	\$ -	\$ -
	Carriage Dr - Auburn Bl to Lauppe Ln	P	24	4300	2019	\$ 504	\$ 1,444,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,369,472	\$ -
	Lauppe Ln - Antelope Rd to Carriage Dr	P	24	1350	2020	\$ 504	\$ 453,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 780,192
	Wachtel Wy - Oak Av north to 42"	P	36	1350	2020	\$ 756	\$ 1,020,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,755,432

* Assume building same amount each year

[illegible]

Location	Quantity (Ea.)	Est. Cost (\$/unit)	Est. Const. Year	Estimate																					
				2011	2012	2013	2014	2015	2016	2017	2018	2019	2020												
Summary:																									
Total Water Meters				\$	1,059,912	\$	60,912	\$	119,880	\$	99,760	\$	137,640	\$	113,520	\$	190,400	\$	164,280	\$	173,160	\$	141,040	\$	190,920

[illegible][illegible]

Citrus Heights Water District
Transmission Mains -- Replacement/Rehabilitation

	Location	Pave./ Native	Diameter (Inches)	Length (Feet.)	Est. Cost (\$/ft)	Est. Const. Year	Est. Current \$	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Summary:							\$ 4,617,119	\$1,279,479	\$ 373,248	\$ 643,104	\$ 543,864	\$ 206,237	\$ 635,040	\$ 335,664	\$ 334,152	\$ 236,160	\$ 368,424
Total Transmission Replacement/Rehabilitation CIP							15100										
Facilities:																	
	Auburn Bl - Cedar Dr to Linden Av	P	12	3020	\$310	2011	\$	936,759	\$	-	\$	-	\$	-	\$	-	\$
	Mariposa Av - Greenback Ln to Limerick Wy	P	12	1360	\$252	2011	\$	342,720	\$	-	\$	-	\$	-	\$	-	\$
	Wonder St to north	N	12	500	\$192	2012	\$	96,000	\$	-	\$	-	\$	-	\$	-	\$
	Bard Wy - Auburn Bl to Holly Dr	N	12	1300	\$192	2012	\$	249,600	\$	-	\$	-	\$	-	\$	-	\$
	Mariposa Av - Greenback Ln to SIHS no. P/L	P	24	1100	\$504	2013	\$	554,400	\$	-	\$	-	\$	-	\$	-	\$
	Circuit Dr - Mariposa Av to west	P	12	750	\$252	2014	\$	189,000	\$	-	\$	-	\$	-	\$	-	\$
	Park Dr - Syhan Rd to east	N	12	1300	\$192	2014	\$	249,600	\$	-	\$	-	\$	-	\$	-	\$
	Admiral Av - Dewey Dr to Ensign St	P	12	620	\$252	2015	\$	156,240	\$	-	\$	-	\$	-	\$	-	\$
	Palm Av - San Juan Av to west of Dove	P	12	1650	\$252	2016	\$	415,800	\$	-	\$	-	\$	-	\$	-	\$
	Mariposa Av - Chula Vista Dr to Well Site	P	12	150	\$252	2016	\$	37,800	\$	-	\$	-	\$	-	\$	-	\$
	Mariposa Av - Limerick Wy to Farmgate Wy	P	12	900	\$252	2017	\$	226,800	\$	-	\$	-	\$	-	\$	-	\$
	Mariposa Av - Eastgate Av to Skycrest Sch	P	12	850	\$252	2018	\$	214,200	\$	-	\$	-	\$	-	\$	-	\$
	Mariposa Av - Skycrest School to west	N	12	750	\$192	2019	\$	144,000	\$	-	\$	-	\$	-	\$	-	\$
	Sunrise Bl - Oak Av to south	P	12	850	\$252	2020	\$	214,200	\$	-	\$	-	\$	-	\$	-	\$

Distribution Mains - Replacement/Rehabilitation

|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

[illegible][illegible]

Citrus Heights Water District
Water Production/Treatment/Storage Facilities

	Quantity (ea)	Location	Est. Cost (\$M)	Est. Const. Year	Est. Current \$	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Summary:															
Total Water Production/Treatment/Storage Facil CIP	18				\$ 18,371,326	\$ -	\$ 200,152	\$ 2,784,000	\$ -	\$ -	\$ 259,000	\$ 3,552,000	\$ -	\$ -	\$ 318,200
Facilities:															
Water Production -- Construction															
#13 To Be Determined	1		\$2,400,000	2013	\$ 2,400,000	\$ -	\$ -	\$ 2,784,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
#14 To Be Determined	1		\$2,400,000	2017	\$ 2,400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,552,000	\$ -	\$ -	\$ -
#15 To Be Determined*	1		\$2,400,000	2021	\$ 2,400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
#16 To Be Determined*	1		\$2,400,000	2025	\$ 2,400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
#17 To Be Determined*	1		\$2,400,000	2029	\$ 2,400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
#18 To Be Determined*	1		\$2,400,000	2033	\$ 2,400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
#19 To Be Determined*	1		\$2,400,000	2036	\$ 2,400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Production -- Design															
#13 Design Prior Year To Construction	1		\$185,326	2012	\$ -	\$ -	\$ 200,152	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
#14 Design Prior Year To Construction	1		\$185,000	2016	\$ 185,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 259,000	\$ -	\$ -	\$ -	\$ -
#15 Design Prior Year To Construction	1		\$185,000	2020	\$ 185,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 318,200
#16 Design Prior Year To Construction*	1		\$185,000	2024	\$ 185,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
#16 Design Prior Year To Construction*	1		\$185,000	2028	\$ 185,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
#18 Design Prior Year To Construction*	1		\$185,000	2032	\$ 185,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
#19 Design Prior Year To Construction*	1		\$185,000	2036	\$ 185,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Water Treatment

No projects scheduled at this time

Other Well Improvements

No projects scheduled at this time

* Beyond 2020 Plan horizon

Citrus Heights Water District
Miscellaneous Projects

	Quantity (ea)	Location	Est. Cost (\$/lf)	Est. Const. Year	Est. Current \$	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Summary:															
Facilities	13		\$21,108	2011	\$	\$578,108	\$44,108	\$346,680	\$53,360	\$26,040	\$27,720	\$29,400	\$31,080	\$32,760	\$36,120
Miscellaneous CIP - Tech/Equip/WS	36		\$39,000	2011	\$	\$6,098,545	\$658,545	\$691,200	\$793,600	\$765,600	\$812,000	\$858,400	\$904,800	\$951,200	\$997,600
SCADA*	0		\$21,000	2012	\$	-	\$	-	\$	-	\$	-	\$	-	\$
Facilities:															
Facilities	1	Annual Improvements	\$5,108	2011	\$	\$578,108	\$5,108	\$	\$	\$	\$	\$	\$	\$	\$
	1	Building Equipment Upgrades	\$39,000	2011	\$	\$39,000	\$39,000	\$	\$	\$	\$	\$	\$	\$	\$
	1	Annual Improvements	\$21,000	2012	\$	\$21,000	\$	\$22,680	\$	\$	\$	\$	\$	\$	\$
	1	Admin. Building & Entry/Security Improvements	\$300,000	2012	\$	\$300,000	\$	\$324,000	\$	\$	\$	\$	\$	\$	\$
	1	Schuman Lane Improvements	\$25,000	2013	\$	\$25,000	\$	\$29,000	\$	\$	\$	\$	\$	\$	\$
	1	Annual Improvements	\$21,000	2013	\$	\$21,000	\$	\$24,360	\$	\$	\$	\$	\$	\$	\$
	1	Annual Improvements	\$21,000	2014	\$	\$21,000	\$	\$	\$26,040	\$	\$	\$	\$	\$	\$
	1	Annual Improvements	\$21,000	2015	\$	\$21,000	\$	\$	\$	\$27,720	\$	\$	\$	\$	\$
	1	Annual Improvements	\$21,000	2016	\$	\$21,000	\$	\$	\$	\$	\$29,400	\$	\$	\$	\$
	1	Annual Improvements	\$21,000	2017	\$	\$21,000	\$	\$	\$	\$	\$	\$31,080	\$	\$	\$
	1	Annual Improvements	\$21,000	2018	\$	\$21,000	\$	\$	\$	\$	\$	\$	\$32,760	\$	\$
	1	Annual Improvements	\$21,000	2019	\$	\$21,000	\$	\$	\$	\$	\$	\$	\$	\$34,440	\$
	1	Annual Improvements	\$21,000	2020	\$	\$21,000	\$	\$	\$	\$	\$	\$	\$	\$	\$36,120
Miscellaneous CIP - Tech/Equip/WS															
Technology Improvements (replacement)	1		\$3,600	2011	\$	\$3,600	\$3,600	\$	\$	\$	\$	\$	\$	\$	\$
Technology Improvements (replacement)	1		\$60,000	2012	\$	\$60,000	\$	\$64,800	\$	\$	\$	\$	\$	\$	\$
Technology Improvements (replacement)	1		\$60,000	2014	\$	\$60,000	\$	\$	\$74,400	\$	\$	\$	\$	\$	\$
Field Operations Equipment (replacement)	1		\$72,000	2011	\$	\$80,500	\$80,500	\$	\$	\$	\$	\$	\$	\$	\$
Field Operations Equipment (replacement)	1		\$10,000	2012	\$	\$10,000	\$	\$10,800	\$	\$	\$	\$	\$	\$	\$
Field Operations Equipment (replacement)	1		\$10,000	2013	\$	\$10,000	\$	\$11,600	\$	\$	\$	\$	\$	\$	\$
Field Operations Equipment (replacement)	1		\$10,000	2014	\$	\$10,000	\$	\$	\$12,400	\$	\$	\$	\$	\$	\$
Field Operations Equipment (replacement)	1		\$10,000	2015	\$	\$10,000	\$	\$	\$	\$13,200	\$	\$	\$	\$	\$
Field Operations Equipment (replacement)	1		\$10,000	2016	\$	\$10,000	\$	\$	\$	\$	\$14,000	\$	\$	\$	\$
Field Operations Equipment (replacement)	1		\$10,000	2017	\$	\$10,000	\$	\$	\$	\$	\$	\$14,800	\$	\$	\$
Field Operations Equipment (replacement)	1		\$10,000	2018	\$	\$10,000	\$	\$	\$	\$	\$	\$	\$15,600	\$	\$
Field Operations Equipment (replacement)	1		\$10,000	2019	\$	\$10,000	\$	\$	\$	\$	\$	\$	\$	\$16,400	\$
Field Operations Equipment (replacement)	1		\$10,000	2020	\$	\$10,000	\$	\$	\$	\$	\$	\$	\$	\$	\$17,200
Water Service Connections (new and replacement)	1		\$347,352	2011	\$	\$347,352	\$347,352	\$	\$	\$	\$	\$	\$	\$	\$
Water Service Connections (new and replacement)	1		\$350,000	2012	\$	\$350,000	\$	\$378,000	\$	\$	\$	\$	\$	\$	\$
Water Service Connections (new and replacement)	1		\$350,000	2013	\$	\$350,000	\$	\$	\$	\$	\$	\$	\$	\$	\$
Water Service Connections (new and replacement)	1		\$350,000	2014	\$	\$350,000	\$	\$406,000	\$	\$	\$	\$	\$	\$	\$
Water Service Connections (new and replacement)	1		\$350,000	2015	\$	\$350,000	\$	\$	\$434,000	\$	\$	\$	\$	\$	\$
Water Service Connections (new and replacement)	1		\$350,000	2016	\$	\$350,000	\$	\$	\$	\$462,000	\$	\$	\$	\$	\$
Water Service Connections (new and replacement)	1		\$350,000	2017	\$	\$350,000	\$	\$	\$	\$	\$490,000	\$	\$	\$	\$
Water Service Connections (new and replacement)	1		\$350,000	2018	\$	\$350,000	\$	\$	\$	\$	\$	\$518,000	\$	\$	\$
Water Service Connections (new and replacement)	1		\$350,000	2019	\$	\$350,000	\$	\$	\$	\$	\$	\$	\$546,000	\$	\$
Water Service Connections (new and replacement)	1		\$350,000	2020	\$	\$350,000	\$	\$	\$	\$	\$	\$	\$	\$574,000	\$
Main Pipeline Replacements	1		\$4,179	2011	\$	\$4,179	\$4,179	\$	\$	\$	\$	\$	\$	\$	\$602,000
Valve Replacements	1		\$3,930	2011	\$	\$3,930	\$3,930	\$	\$	\$	\$	\$	\$	\$	\$

Citrus Heights Water District
Miscellaneous Projects

	Quantity (ea)	Location	Est. Cost (\$/lf)	Est. Const. Year	Est. Current \$	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Salaries - Project Mgmt & Design (non-project specific)	1		\$233,738	2011	\$	\$ 218,984	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries - Project Mgmt & Design (non-project specific)	1		\$234,000	2012	\$	\$ -	\$ 237,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries - Project Mgmt & Design (non-project specific)	1		\$234,000	2013	\$	\$ -	\$ -	\$ 255,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries - Project Mgmt & Design (non-project specific)	1		\$234,000	2014	\$	\$ -	\$ -	\$ -	\$ 272,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries - Project Mgmt & Design (non-project specific)	1		\$234,000	2015	\$	\$ -	\$ -	\$ -	\$ -	\$ 290,400	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries - Project Mgmt & Design (non-project specific)	1		\$234,000	2016	\$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 308,000	\$ -	\$ -	\$ -	\$ -
Salaries - Project Mgmt & Design (non-project specific)	1		\$234,000	2017	\$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 325,600	\$ -	\$ -	\$ -
Salaries - Project Mgmt & Design (non-project specific)	1		\$234,000	2018	\$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 343,200	\$ -	\$ -
Salaries - Project Mgmt & Design (non-project specific)	1		\$234,000	2019	\$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 360,800	\$ -
Salaries - Project Mgmt & Design (non-project specific)	1		\$234,000	2020	\$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 378,400
Distribution System Controls (SCADA)															
Interties Connections (2021-2030)*					\$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Corporation Yard (2021-2030)*					\$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

* Beyond 2020 Plan horizon

Citrus Heights Water District
22010 Sacramento LAFCo Municipal Service Review Worksheet

Exhibit K

2009 California Department of Public Health Water System Annual Report

Public Water System 2009 Annual Report

ver. 0.018

The California Department of Public Health (CDPH) requests your cooperation in completing the **Public Water System 2009 Annual Report** which focuses on critical areas of our Drinking Water Program: Emergency Contacts, Drought and Conservation, and Water Consumption for the year ending December 31, 2009. The information you submit will be used by the department, other state agencies, and the environmental community to assess and plan water strategies for the future.

Instructions on using this form

Answer those questions that are relevant to your water system making sure to identify yourself as the person completing the report

When you have answered all the questions, save your completed report to your local hard drive

Start an email to drinc@cdph.ca.gov

Enter the subject line **2009 Annual Report for** and your public water system **number**. It should look like **2009 Annual Report for CA3413345**. Visit <http://drinc.ca.gov:8080/DWW> to find your water system number.

Attach the completed 2009 Annual Report file that you saved to the email

Attach all other document files requested in the form to the email

Send the email

The following files are requested:

- a Bacteriological Site Sampling Plan, if changes have been made in 2009
- a Backflow Prevention Device Test Schedule, if testing was not performed as required
- a listing and description of Cross-connection Incidents if they have not been submitted to the CDPH Drinking Water Program
- any new Groundwater Treatment Plant Operations Plan placed into effect in 2009
- a Groundwater Treatment Plan Operations Plan, if changes were made to it in 2009
- any new Surface Water Treatment Plant Operations Plan placed into effect in 2009
- a Surface Water Treatment Plant Operations Plan, if changes were made to it in 2009
- an Emergency Disinfection Plan, if changes were made to it in 2009
- an Emergency Response Plan, if changes were made to it in 2009
- an Emergency Notifications Plan
- a list of State Certified Operators working at your water system

It may be necessary to send your document attachment files separate from the Annual Report file due to the number and size of the files. In this case, email the attachments in a separate email but make sure that the subject line contains your public water system number. Upon receipt by us, an acknowledgement email will be sent to you, and that completes the process.

If for any reason you are unable to complete and email this report, please print-out and mail this completed form and attachments to:

Public Water System 2009 Annual Report
CDPH Division of Drinking Water and Environmental Management
POB 997377 MS 7400
Sacramento CA 95899-7377

Water System Detail Information

Public Water System (PWS) name:

PWS Number:

Principal city served:

Mailing Address:

Physical Location:

Web Site Address:

Name of the person completing this report:

Telephone number:

Email address:

Public Water System Contacts

Manager / Superintendent / Public Works Director (person who is legally responsible for ensuring that the PWS maintains compliance with the Safe Drinking Water Act, and/or person to which Enforcement Letters and Correspondence would be addressed such as Board of Directors, General Manager, or CEO)

Title:

Name:

Business Phone:

Cell Phone:

Fax Number:

Email Address:

Primary Contact (designated Operator-in-Charge)

Title:

Name: John J. Townsel

Business Phone: 916-725-6873

Cell Phone: 916-599-3307

Fax Number: 916-725-0345

Email Address: jtownsel@chwd.org

Billing Contact (person who receives and processes invoices and payments)

Title: AR Specialist

Name: Deborah G. Burns

Business Phone: 916-725-6873

Cell Phone:

Fax Number: 916-725-0345

Email Address: dburns@chwd.org

Mailing address if different than the PWS mailing address:

Water Quality Contact (Person responsible for receiving water quality email updates from the Department's Drinking Water Program)

Title: Water Quality Specialist

Name: Brian M. Hensley

Business Phone: 916-725-6873

Cell Phone: 916-599-3594

Fax Number: 916-725-0345

Email Address: bhensley@chwd.org

Consumer Data

Population (permanent) served by your system:
(From the latest US Census Bureau or Department of Finance)

68,950

Seasonal Maximum Daily, if applicable:

This next section is for non-community water systems with less than 1000 active connections.

Does your system serve 25 or more people per day at least 60 days out of the year?

☐ Yes ☐ No

Does your system serve 25 or more of the same people for more than 6 months out of the year?

☐ Yes ☐ No

If 'Yes', what was the number of persons served on the 60th highest day of 2009?

How many year-round residents does your system serve, if any?

Does your system operate all year?

☐ Yes ☐ No

If 'No', give normal Open and Close dates:

Number of Service Connections as of December 31, 2009

Residential

Number of metered residential service connections:

18,402

Number of flat rate residential service connections:

25

Total number of residential service connections:

18,427

Commercial

Number of metered commercial service connections:

786

Number of flat rate commercial service connections:

136

Total number of commercial service connections:

922

Industrial

Number of metered industrial service connections:

0

Number of flat rate industrial service connections:

0

Total number of industrial service connections:

0

Agricultural

Number of metered agricultural service connections:

360

Number of flat rate agricultural service connections:

1

Total number of agricultural service connections:

361

Source Data

Inactive sources are not approved as sources of supply and must be physically disconnected or otherwise isolated so that only an intentional act by an operator can place the source in service.

Groundwater wells

Number of approved active groundwater (GW) wells:

4

Number of groundwater wells added in 2009:

1

Number of groundwater wells inactivated in 2009:

0

Number of groundwater wells abandoned or destroyed in 2009:

0

Surface water

Number of approved active raw surface water (SW) sources:

0

Number of raw surface water sources added in 2009:

0

Number of raw surface water sources inactivated in 2009:

0

Number of raw surface water sources abandoned or destroyed in 2009:

0

Purchased water connections

Number of active purchased groundwater (GW) connections:

0

Number of purchased groundwater connections added in 2009:

0

Number of purchased groundwater connections inactivated in 2009:

Number of purchased groundwater connections abandoned or destroyed in 2009:

Surface water connections

Number of approved active purchased surface water connections:

Number of purchased surface water connections added in 2009:

Number of purchased surface water connections inactivated in 2009:

Number of purchased surface water connections abandoned or destroyed in 2009:

Standby wells

Number of approved standby wells:

Number of standby wells added in 2009:

Number of standby wells inactivated in 2009:

Number of standby wells abandoned or destroyed in 2009:

Emergency interconnections

Number of approved emergency interconnections (interties):

Number of Emergency Interconnections added in 2009:

Number of emergency interconnections inactivated in 2009:

Number of emergency interconnections abandoned or destroyed in 2009:

For each standby source used in 2009, list (fill out sheet3 if necessary):

Name of source	Number days in operation	Reason for use	Was public notified?
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Finished Water Produced, Purchased, or Sold

The **Maximum Day** is the day during 2009 with the highest total water usage. Once this day has been identified, complete the section below indicating how much of the water on that day was from each source. Only report **Maximum Day** if it is actually measured or determined from production records. It should not be the average day demand during the maximum month of production.

The **Maximum Month** is the month during 2009 with the highest total water usage. Indicate the month in the section below for each source and the amount that was supplied.

For questions below asking for amounts of water produced, purchased, or sold, please select units of measure:

☐ Gallons ☐ Million Gallons ☒ Acre-feet (AF) ☐ 100 cubic feet

Groundwater

Date in 2009 maximum amount of groundwater was produced:

Amount of groundwater produced in the Maximum Day:

Month in 2009 maximum groundwater was produced:

Amount of groundwater produced in the Maximum Month:

251.60

Total amount of groundwater produced in 2009:

2119.58

Surface water

Date in 2009 maximum amount of surface water was produced:

Amount of surface water produced in the Maximum Day:

Month in 2009 maximum surface water was produced:

Amount of surface water produced in the Maximum Month:

Total amount of surface water produced in 2009:

Purchased water

Date in 2009 maximum amount of water was purchased:

Amount of water purchased in the Maximum Day:

Month in 2009 maximum amount of water was purchased:

July

Amount of water purchased in the Maximum Month:

1889.59

Total amount of water purchased in 2009:

12,780.57

Sold water

Date in 2009 maximum amount of water was sold:

Amount of water sold in the Maximum Day:

Month in 2009 maximum amount of water was sold:

Amount of water sold in the Maximum Month:

Total amount of water sold in 2009:

For water purchased or sold in 2009, list (fill out sheet4 if necessary):

Name of Public Water System	Indication water purchased from, sold to, or both
California American Water Service	Sold to
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>

Water Quality

Has your system conducted monitoring for nitrate during 2009 from each source?

☒ Yes ☐ No

Regulations require a minimum of annual sampling for nitrate. If any nitrate result is greater than or equal to 1/2 the MCL of 45 mg/L (i.e., a result of at least 23 mg/L nitrate), quarterly monitoring must be initiated. If there were any sources that were not monitored because they were offline during 2008, you must contact the CDPH Drinking Water Program to avoid an enforcement action.

When was your bacteriological site sampling plan last updated?

The coliform monitoring regulations require that an updated sample-siting plan be submitted at least every 10 years, and at any time the plan no longer ensures representative monitoring of the system (Section 64422 of Title 22, California Code of Regulations). Please attach a copy of this siting plan if it is in electronic format (eg: PDF) and was changed in 2009.

Please note that if there is a system pressure loss to less than 5 psi, special bacteriological samples are required from the affected area. Also, you must notify the CDPH Drinking Water Program immediately.

Is your 2009 Consumer Confidence Report (CCR) on the Internet?

☒ Yes ☐ No ☐ N/A

Date 2009 CCR was or will be posted on the Internet:

06/01/2010

If your 2009 CCR has not yet been distributed, indicate the date it will be distributed:

06/01/2010

A 2009 Consumer Confidence Report (CCR) must be distributed to your customers by July 1, 2010, reporting the quality of water delivered during the 2009 (Section 116470 of the Health and Safety Code). A copy of the 2009 CCR must be submitted to the CDPH Drinking Water Program by October 1, 2010 (Section 64483(c) of Title 22 California Code of Regulations).

Chemical Additives

Pursuant to Section 64590, Title 22 of the California Code of Regulations, all chemicals or products, including chlorine, added directly to the drinking water as part of a treatment process must meet the ANSI/NSF Standard 60. If you are not sure whether a chemical you are using meets this standard, contact the manufacturer or distributor of the chemical.

Please enter information about each chemical used by your water system including the following information (fill out sheet5 if necessary).

Chemical name	Manufacturer's name	Purpose for use of chemical	If chemical meets ANSI/NSF Standard 60
Calcium Hypochlorite	PPG	Disinfection	Yes

Cross-connection Control Program

All backflow prevention devices must be tested annually. If any were not tested in 2009, please attach a time schedule stating when the devices will be tested in 2010.

Backflow prevention assemblies on service connections at the meter

Total number of backflow prevention assemblies on service connections at the meter:

652

Number of backflow prevention assemblies on service connections at the meter installed in 2009:

30

Number of backflow prevention assemblies on service connections at the meter tested in 2009:

652

Number of backflow prevention assemblies on service connections at the meter failed in 2009:

19

Number of backflow prevention assemblies on service connections at the meter repaired or replaced in 2009:

19

Backflow devices on-site in lieu of at the meter

Total number of backflow devices on-site in lieu of at the meter:

Number of backflow devices on-site in lieu of at the meter installed in 2009:

Number of backflow devices on-site in lieu of at the meter tested in 2009:

Number of backflow devices on-site in lieu of at the meter failed in 2009:

Number of backflow devices on-site in lieu of at the meter repaired or replaced in 2009:

Air gap backflow assemblies

Total number of air gap backflow assemblies:

Number of air gap backflow assemblies installed in 2009:

Number of air gap backflow assemblies tested in 2009:

Number of air gap backflow assemblies failed in 2009:

Number of air gap backflow assemblies repaired or replaced in 2009:

Name of designated Cross-connection Control Program Coordinator:

Brian M. Hensley

Certification Number:

809

Business Phone:

916-725-6873

Email Address:

bhensley@chwd.org

Describe certification or training received:

AWWA Cross-Connection Specialist

Date of last cross-connection control survey completed on the water system:

12/01/2009

Please list any incidents of cross-connection including the following information (fill out sheet6 if necessary):

Description of event

Was the report submitted to
the CDPH Drinking Water
Program (Yes/No)

Please attach non-submitted cross-connection incident reports:

Recycled Water

This next section is for **Large Water Systems Only**, which are those systems with 1000 active connections or greater.

Agricultural sites

Total number of approved agricultural irrigation sites:

--

Number of agricultural irrigation sites approved in 2009:

--

Number of agricultural irrigation sites proposed for 2010:

--

Landscape irrigation sites

Total number of approved landscape irrigation sites:

--

Number of landscape irrigation sites approved in 2009:

--

Number of landscape irrigation sites proposed for 2010:

--

Industrial sites

Total number of approved industrial sites:

--

Number of industrial sites approved in 2009:

--

Number of industrial sites proposed for 2010:

--

Dual-plumbed (In-building) sites

Total number of approved dual-plumbed (In-building) sites:

--

Number of dual-plumbed (In-building) sites approved in 2009:

--

Number of dual-plumbed (In-building) sites proposed for 2010:

--

Dual-plumbed (Single-family lot) sites

Total number of approved dual-plumbed (Single-family lot) sites:

--

Number of dual-plumbed (Single-family lot) sites approved in 2009:

Number of dual-plumbed (Single-family lot) sites proposed for 2010:

Cooling towers

Total number of approved cooling tower sites:

Number of cooling tower sites approved in 2009:

Number of cooling tower sites proposed for 2010:

Other

Total number of any other approved sites:

Number of any other sites approved in 2009:

Number of any other sites proposed for 2010:

Please list specific recycled water use sites within your system:

Name of Recycled Water Coordinator:

Title:

Business Phone:

Email Address:

How many inspections of recycled water use sites were conducted in 2009?

How many pressure/shutdown tests were performed in 2009?

Do all of your recycled water uses sites have an on-site supervisor?

☐ Yes ☐ No

How many recycled water use sites do not have an on-site supervisor?

System Operation -Treatment

Please attach any new Groundwater Treatment Plant Operation Plan:

Date of current Groundwater Treatment Plant Operations Plan:

09/01/2009

Does your Operations Plan accurately reflect your current operations?:

☒ Yes ☐ No

Please attach a copy of your current GW Treatment Plant Operations Plan if changes were made to the plan in 2009:

Describe any plant problems, process failures, major shutdowns, etc., which were experienced in 2009 and substantially affected the plant performance:

Please attach any new Surface Water Treatment Operations Plan:

Date of current Surface Water Treatment Plant Operations Plan:

Does your SW Treatment Operations Plan accurately reflect your current operations?

☐ Yes ☐ No

Please upload a copy of your current SW Operations Plan if changes were made to the plan in 2009:

Describe any plant problems, process failures, major shutdowns, etc., which were experienced in 2009 and substantially affected the plant performance:

This section is for **Small Water Systems Only** which are systems with less than 1000 active connections.

Is any water treatment provided?

☐ Yes ☐ No

If your water system uses chlorination treatment, list the name of each treated water source:

If any other water treatment is provided, list the water source name and the type of treatment:

If your water system uses any type of filtration treatment, list the water source and the type of filters used:

If your water system uses any other type of water treatment, list the water source and the type of treatment:

Watershed Sanitary Survey (Surface Water System only)

Date of last watershed sanitary survey:

Date planned to complete next watershed sanitary survey:

Emergency Preparation and Response

Date of current Emergency Disinfection Plan (EDP):

Please attach a copy of your current Emergency Disinfection Plan if changes were made to the plan in 2009:

Do you have an Emergency Response Plan (ERP) that addresses the procedures for the restoration of water service for your water system?:

☒ Yes ☐ No

Date of your current Emergency Response Plan:

04/02/2009

For **Large Water Systems Only** (30,000 connections), date of last review / revision of your Emergency Response Plan:

Public water systems serving at least 30,000 or more persons are required to review and revise their ERP to ensure that the plan is sufficient to address possible disaster scenarios.

For **Large Water Systems Only**, date ERP was last exercised with a tabletop or activity:

Please attach a copy of your Emergency Response Plan if it was updated in 2009 and has not been already submitted:

Does your water system have backup power for?

☐ Sources

☒ Pumping Stations

☐ Water Treatment Plant

If your system has backup power, how often is it tested?

Bi-monthly

Can your system maintain system pressure either by backup power or by storage during power outages of two (2) hours or less?:

☒ Yes

☐ No

Is your backup power system:

☒ Automatic Start

☐ Manual Start

Please submit an up-to-date Emergency Notification Plan (Section 116460 of the Health and Safety Code). Make sure to include the emergency notification procedures as directed on the form.

Operations

Please attach a list of State-certified Operators and include the following information:

- * Type of Certification
- * Number and Grade
- * Indicate if Treatment Plant or Distribution Operator
- * Certification renewal or expiration date
- * Indicate if Lead or Shift operator

System Planning

Water System Improvements: Identify any major changes, additions, or improvements in the water facilities and/or operation that were completed during 2009 or that are planned for 2010. (*Water systems are required to submit an amended permit application for any addition or modification to water sources or treatment facilities pursuant to Section 116550 of the Health and Safety Code*).

Completed in 2009:

Bonita Well 15

Planned for 2010:

System Operations - Distribution

Total number of dead-ends in the system:

455

Number of blow-offs in system:	455
Number of dead-ends flushed in 2009:	30
Frequency of dead-end flushing:	Biennial
Total number of valves in the system:	2550
Size range of valves:	2" - 42"
Number of valves exercised in 2009:	
Frequency of valve exercise:	As needed

System Operations - Storage

Storage Tank / Reservoir Inspection / Cleaning Program: Please attach a list with the following information for each storage tank:

- * Tank Name
- * Capacity in MG
- * Year installed
- * Date last inspected
- * Date last cleaned
- * Date re-lined (if applicable)

System Operations - Problems

Number of service breaks / leak problems experienced in 2009:	220
Number of service breaks / leak problems investigated in 2009:	220
Number of service breaks / leak problems reported to the CDPH Drinking Water Program in 2009:	0
Number of main breaks / leaks experienced in 2009:	37
Number of main breaks / leaks investigated in 2009:	37
Number of main breaks / leaks reported to the CDPH Drinking Water Program in 2009:	0
Number of water outages experienced in 2009:	0
Number of water outages investigated in 2009:	0
Number of water outages reported to the CDPH Drinking Water Program in 2009:	0

Number of Boil Water Notices issued in 2009:

0

Please provide a brief description of the cause and the corrective action taken for each problem identified during 2009 (attach separate sheet if necessary):

As leaks are reported, staff investigates and makes arrangements for repairs.

System Complaints

Number of water color complaints received in 2009:

6

Number of water color complaints investigated in 2009:

6

Number of water color complaints reported to the CDPH Drinking Water Program in 2009:

0

Number of water turbidity complaints received in 2009:

2

Number of water turbidity complaints investigated in 2009:

2

Number of water turbidity complaints reported to the CDPH Drinking Water Program in 2009:

0

Number of worm & other organism complaints received in 2009:

0

Number of worm & other organism complaints investigated in 2009:

0

Number of worm & other organism complaints reported to the CDPH Drinking Water Program in 2009:

0

Number of pressure (too high/low) complaints received in 2009:

18

Number of pressure complaints investigated in 2009:

18

Number of pressure complaints reported to the CDPH Drinking Water Program in 2009:

0

Number of waterborne illness complaints received in 2009:

0

Number of waterborne illness complaints investigated in 2009:

0

Number of waterborne illness complaints reported to the CDPH Drinking Water Program in 2009:

0

Number of all other complaints received in 2009:

0

Number of all other complaints investigated in 2009:

0

Number of all other complaints reported to the CDPH Drinking Water Program in 2009:

0

Please provide a brief description of the cause and the corrective action taken for each complaint identified during 2009:

Most complaints that involve taste, odor, and color are due to a lack of maintenance on customers' water heaters. Occasionally, system maintenance and repairs that involve the closing of system valves will cause short-term color problems. Flushing is used as the

Drought Response and Water Conservation

Do you have a drought action plan?

☐ Yes ☒ No

If "Yes," when was it last updated?

Did you experience water shortages in the past calendar year?

☐ Yes ☒ No

If "Yes," how much was your shortfall (please express units in million gallons (MG) or acre-feet (AF))?

Did drought conditions cause you to activate emergency standby wells this past year?

☐ Yes ☒ No

Do you project water shortages in the upcoming calendar year?

☐ Yes ☒ No

If "Yes," how much of a shortfall do you anticipate (please express units in million gallons (MG) or acre-feet (AF))?

Did you implement any water conservation activity in 2009?

☐ Yes ☒ No

If "Yes", what was the savings in MG?

What was the percent (%) reduction in demand?

Do you anticipate having to go to mandatory rationing in the upcoming year?

☐ Yes ☒ No

Do you routinely monitor the static and pumping water levels in your wells?

☒ Yes ☐ No

Are the levels recovering or is there a steady decline in these levels?

☐ Declining ☐ Recovering ☒ No Change

Please list any other long term actions you are considering or planning:

Again...thank you for your cooperation in completing this reporting form



Citrus Heights Water District
2010 Sacramento LAFCo Municipal Service Review Worksheet

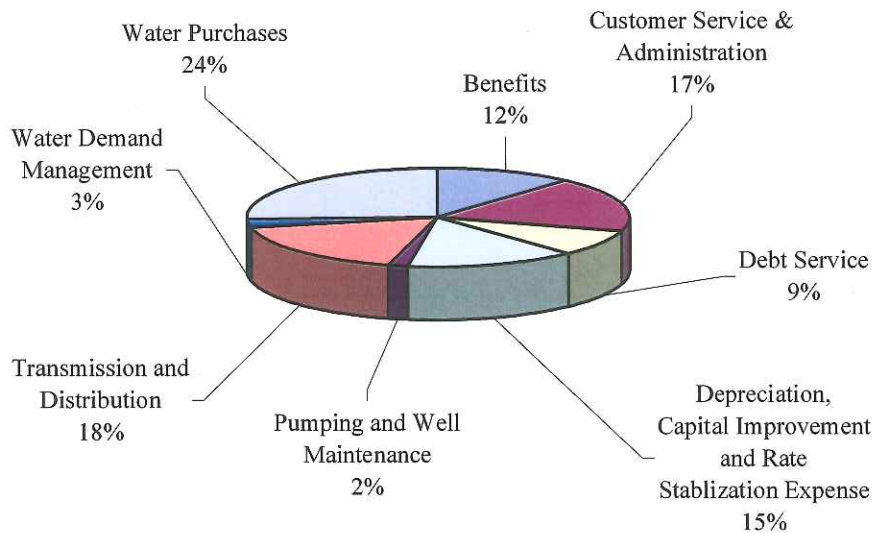
Exhibit L

**CHWD Operating Budget and
Capital Improvement Budget for 2011**

CITRUS HEIGHTS WATER DISTRICT **2011 OPERATING BUDGET SUMMARY**

<u>Expense Category</u>	<u>2011 Adopted Budget</u>	<u>% Change 2011 vs. 2010</u>
Benefits	\$ 1,040,929	-9.27%
Customer Service & Administration	1,585,083	10.31%
Debt Service	767,206	-7.78%
Depreciation, Capital Improvement and Rate Stablization Expense	1,300,000	-7.14%
Pumping and Well Maintenance	143,000	-21.58%
Transmission and Distribution	1,574,713	-12.34%
Water Demand Management	260,473	-21.02%
Water Purchases	2,274,229	-13.81%
	<u>\$ 8,945,633</u>	<u>-8.37%</u>

**CHWD 2011 Operating Budget
by Category**



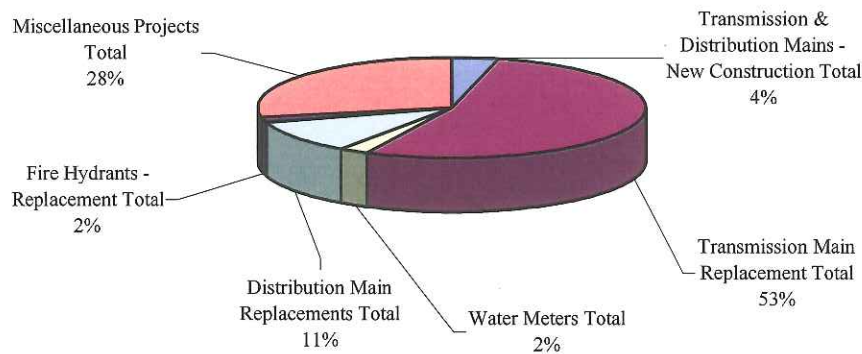
Citrus Heights Water District

2011 CAPITAL PROJECTS BUDGET SUMMARY

Adopted: November 9, 2010

<u>Capital Improvement Expense Categories</u>	<u>2011 Adopted</u>
Transmission & Distribution Mains - New Construction Total	\$ 101,122
Transmission Main Replacement Total	\$ 1,346,089
Water Meters Total	\$ 61,049
Distribution Main Replacements Total	\$ 271,403
Fire Hydrants - Replacement Total	\$ 41,007
Miscellaneous Projects Total	\$ 709,595
	<u>\$ 2,530,266</u>

CHWD 2011 Capital Improvement Budget by Category



CITRUS HEIGHTS WATER DISTRICT
2011 CAPITAL PROJECTS BUDGET -- SUMMARY BY PROJECT
 Adopted: November 9, 2010

Project Number	Name	2011 Adopted
2011-01	Fair Way 12-in	73,235
2011-02	Beech Ave 8-in	<u>27,887</u>
	Total Transmission & Distribution Mains - New Construction	101,122
2011-03	Auburn Blvd 12-in	937,204
2011-16	Mariposa Ave	<u>408,885</u>
	Total Transmission Main Replacement	1,346,089
2011-04	Replacement of Existing Water Meters	<u>61,049</u>
	Total Water Meters	61,049
2011-05	Livoti Ave 8-in	174,516
2011-06	Antelope Rd 8-in	<u>96,887</u>
	Total Distribution Main Replacements	271,403
2011-07	Fire Hydrants - Replacement	<u>41,007</u>
	Total Fire Hydrant Replacements	41,007
2011-08	Annual Corporation Yard Improvements	5,189
2011-09	Water Service Connections, New and Replacement	351,575
2011-10	Replacement Misc. Field Operations Equipment	80,500
2011-11	Building Equipment Upgrades	39,000
2011-12	Replacement Desktop Computers	3,600
2011-13	Main Pipeline Replacements	4,205
2011-14	Valve Replacements	3,965
2011-15	Salaries - Project Mgmt & Design (non-project specific)	<u>221,560</u>
	Total Miscellaneous Projects	709,595
Total 2011 Capital Improvement Projects		2,530,266

Citrus Heights Water District
2010 Sacramento LAFCo Municipal Service Review Worksheet

Exhibit M

CHWD Fixed Assets List

Citrus Heights Water District
BUILDINGS, FIXED PROPERTY, AND PERSONAL PROPERTY
AS OF 02/02/2011

SITE	BUILDING	QTY	SIZE	U/M	DESCRIPTION	TYPE	SCHEDULED VALUE *
6230 SYLVAN ROAD, DISTRICT ADMINISTRATION	MAIN OFFICE		2,884	SF	BUILDING	B	\$476,134
		1		LOT	COMPUTER EQUIPMENT	PP	\$145,000
		1		LOT	OFFICE EQUIPMENT/FURNITURE/WORKSTATIONS	PP	\$57,000
		1		LOT	TELEPHONE/RADIO EQUIPMENT/SCADA TOWER	PP	\$16,000
	OPERATIONS OFFICE		3,406	SF	BUILDING	B	\$416,339
		1		LOT	MISCELLANEOUS FIELD EQUIPMENT	PP	\$100,000
		1		LOT	OFFICE EQUIPMENT	PP	\$32,000
		1		LOT	OFFICE FURNITURE	PP	\$20,000
	SHOP/STORAGE BUILDING		4,200	SF	BUILDING	B	\$192,899
		1		LOT	INVENTORY, SPARE PARTS, SUPPLIES	PP	\$310,000
		1		LOT	SHOP TOOLS AND EQUIPMENT	PP	\$32,000
	YARD	1	1,000	GAL	CONVAULT, DIESEL, DISPENSER	F	\$10,722
	YARD		32	SF	FLAMMABLE STORE CONTAINER	B	\$1,839
	SYLVAN WELL CHLORINE SHED		24	SF	BUILDING	B	\$2,291
		1		LOT	CALCIUM HYPOCHLORITE FEED SYSTEM, W/TABLET FEEDER TYPE, HAMMONDS	F	\$5,638
	SYLVAN WELL	1	200	HP	WELL PUMP W/MOTOR, VERTICAL TURBINE AND SOFT START, PUMP SETTING 260 LF	F	\$131,828
		1	350	KW	EMERGENCY GENERATOR, CATERPILLAR, DIESEL, W/OUTDOOR ENCLOSURE, AUTOMATIC TRANSFER SWITCH	F	\$157,189
	BONITA WAY WELL		900		BUILDING	B	\$133,200
7117 BONITA WAY		1	300	HP	WELL PUMP W/MOTOR, VERTICAL TURBINE, MCC, PIPEING	F	\$180,000

Citrus Heights Water District
BUILDINGS, FIXED PROPERTY, AND PERSONAL PROPERTY
AS OF 02/02/2011

SITE	BUILDING	QTY	SIZE	U/M	DESCRIPTION	TYPE	SCHEDULED VALUE *
7117 BONITA WAY, CITRUS HEIGHTS	BONITO WAY STORAGE BUILDING	1	1,632	SF	BUILDING	B	\$142,000
7251 CANELO HILLS DRIVE	SUNRISE SCHOOL WELL	1		LOT	SCADA EQUIPMENT	F	\$3,730
		1	150	HP	WELL PUMP W/MOTOR AND SOFT START, 1,000 GPM, SUBMERSIBLE, PUMP SETTING 230 LF	F	\$103,578
		1	400	AMP	TRANSFER SWITCH, MANUAL	F	\$8,225
	CHLORINE SHED		24	SF	SHED, PREFABRICATED	B	\$2,291
		1		LOT	CALCIUM HYPOCHLORITE FEED SYSTEM, TABLET FEED TYPE, HAMMOND	F	\$5,638
7349 PALM AVENUE	PALM AVENUE WELL	1		LOT	SCADA EQUIPMENT	F	\$3,730
		1	200	HP	WELL PUMP, W/MOTOR AND SOFT START, VERTICAL TURBINE PUMP, 1,500 GPM, PUMP SETTING 240 LF	F	\$127,120
		1	400	AMP	TRANSFER SWITCH, MANUAL	F	\$8,225
	CHLORINATION SHED		24	SF	METAL SHED, PREFABRICATED	B	\$2,291
		1		LOT	CALCIUM HYPOCHLORITE FEED SYSTEM W/TABLET FEEDER, PPG	F	\$5,638
12625 FAIR OAKS BOULEVARD, CITRUS HEIGHTS	MITCHELL FARMS WELL		800		BUILDING	B	\$192,768
		1		LOT	WELL PUMP W/MOTOR, VERTICAL TURBINE, CONTROLS, PIPING	F	\$94,456 MV
		1		LOT	CALCIUM HYPOCHLORITE FEED SYSTE, TABELT FEED TYPE	F	\$5,638

Citrus Heights Water District
BUILDINGS, FIXED PROPERTY, AND PERSONAL PROPERTY
AS OF 02/02/2011

Summary for Citrus Heights Water District	
BUILDINGS	\$1,562,052
FIXED EQUIPMENT	\$861,232
PERSONAL PROPERTY	\$712,000
GRAND TOTAL	\$3,135,284

* BASIS OF VALUE:
COC = Course of Construction
Print Date 2/2/2011
Effective Date 2/2/2011

ACV = Actual Cash Value
FRC = Functional Replacement

AGD = Agreed Value
MV = Member Value
Citrus Heights Water District

AVG = Average Value
NCC = Not Currently Covered

Citrus Heights Water District
MOBILE EQUIPMENT AS OF 02/02/2011

UNIT#	YEAR	VIN/SN	DESCRIPTION	TYPE	SOURCE OF SCHEDULED VALUE *	VALUE
38	1999	P365LI-0491-9527	CLARKLIFT, FORKLIFT		MV	\$18,000
39		JJG0304074	LOADER/BACKHOE, CASE, MDL 580L - SERIES 2, W/BUCKE		MV	\$40,000
40	2002	T0410GX904860	BACKHOE, JOHN DEERE, MDL 410G		MV	\$46,000
41	2002	JJG0287886	BACKHOE, CASE, MDL 590SM		MV	\$44,000
42		H50086	FRONT LOADER, KOMATSU, WA100-5M		MV	\$68,415
		N/A	MISCELLANEOUS MOBILE EQUIPMENT UNDER \$10,000 EACH		MV	\$20,000
MOBILE EQUIPMENT TOTAL:						\$236,415

**Citrus Heights Water District
LICENSED VEHICLES AS OF 02/02/2011**

UNIT#	YEAR	VIN/SN	DESCRIPTION	TYPE	SOURCE OF SCHEDULED VALUE *	VALUE
1	2008	1FTRF12W88K070433	FORD, F150	Light Truck	AVG	Avg Value
03	2000	1FDXF46S6YEE24791	FORD, F450, UTILITY, W/ELECTRIC CRANE	All Other	MV	\$34,136
04	2001	1FDXF46F41EC10729	FORD, F450	All Other	MV	\$38,152
05	2001	1FDXF46F01EC10730	FORD, F450	All Other	MV	\$32,128
06	2001	1B7HC16YX1S257136	DODGE, 1500	Light Truck	AVG	Avg Value
07	2002	1D7HA16N42J222505	DODGE, RAM 1500	Light Truck	AVG	Avg Value
08	2002	2B7KC26Z22M279632	DODGE, RAM 2500	Light Truck	AVG	Avg Value
09	2004	1D7HA16N74J270616	DODGE, 1500 RAM	Light Truck	AVG	Avg Value
10	2007	1GCHC24407E115374	CHEVROLET, SILVERADO	Light Truck	AVG	Avg Value
11	2007	3GCEC14Y57G151303	CHEVROLET, SILVERADO	Light Truck	AVG	Avg Value
12	2007	1FTRF12W77NA66149	FORD, F150	Light Truck	AVG	Avg Value
14	2007	1FTRF12W37NA66150	FORD, F150	Light Truck	AVG	Avg Value
15	1999	3B7HC16Y1XM588110	DODGE, RAM, 1/2 TON	Light Truck	AVG	Avg Value
16	2010	1D7CE3BK9AS202457	DODGE, DAKOTA	Light Truck	AVG	Avg Value
19	2008	1FTRF12WX8KD70434	FORD, F150	Light Truck	AVG	Avg Value
21	2008	1FTRF12W18KE33646	FORD, F150	Light Truck	AVG	Avg Value
22	2002	1FDWF36F02EC28572	FORD, F350, DUMP	Light Truck	AVG	Avg Value
23	2007	3FRNF65Y87V507707	FORD, F650 W/GODWIN DUMP BODY	All Other	MV	\$31,124
24	2007	3FRNF65A88V655201	FORD, F650, GODWIN 10' DUMP BODY	All Other	MV	\$64,262
26	2009	1M9FE122395284738	TRAILER (MCELRAITH) W/VACCUM EXCAVATOR (MCLAUGHLIN 250)	All Other	MV	\$59,186
27	2009	1FTRF12W89KC14975	FORD, F150	Light Truck	MV	\$39,156
28	2009	1FMCU02739KC25327	FORD, ESCAPE	SUV/Jeep	AVG	Avg Value
33	2009	5XABU1616AK000340	TRAILER, FLATBED	All Other	MV	\$5,000
33	2009	5XABU1616AF000340	TRAILER, IRON PANTHER DECK OVER	All Other	MV	\$5,064

**Citrus Heights Water District
LICENSED VEHICLES AS OF 02/02/2011**

UNIT#	YEAR	VIN/SN	DESCRIPTION	TYPE	SOURCE OF SCHEDULED VALUE * VALUE
					NUMBER OF COVERED VEHICLES:
					24

Citrus Heights Water District
2010 Sacramento LAFCo Municipal Service Review Worksheet

Exhibit N

**CHWD Fiscal Management Policy No. 6300,
Investment of District Funds**

CITRUS HEIGHTS WATER DISTRICT
POLICIES AND PROCEDURES MANUAL

POLICY TYPE : FISCAL MANAGEMENT
POLICY TITLE : INVESTMENT OF DISTRICT FUNDS
POLICY NUMBER : 6300
DATE ADOPTED : MARCH 5, 1985
DATE AMENDED : MARCH 8, 2011*
AMENDMENTS : (1) MARCH 5, 1996; (2) FEBRUARY 4, 1997; (3) MARCH 2, 1999;
(4*) JANUARY 18, 2000; (5) JANUARY 16, 2001; (6) FEBRUARY 5, 2002;
(7) JANUARY 7, 2003; (8) JANUARY 13, 2004; (9) JANUARY 11, 2005;
(10*) FEBRUARY 14, 2006; (11) FEBRUARY 13, 2007; (12*) FEBRUARY 12, 2008;
(13*) FEBRUARY 10, 2009; (14*) FEBRUARY 9, 2010

*re-adopted without change

6300.00 PURPOSE

This fiscal management policy is intended to provide a policy and guidelines for the District's Treasurer or his/her designee for the prudent and suitable investment of funds and monies of the District without regard to source. The ultimate goal is to enhance the economic status of the District while protecting its funds.

The District's cash management system is designed to accurately monitor and forecast expenditures and revenues, thus enabling the District to invest operating and reserve funds to the fullest extent possible. The District shall attempt to obtain the highest yield, provided that all investments first meet the criteria established for safety and liquidity.

Funds not included in this policy include deferred compensation funds.

6300.10 DEFINITION AND PROVISION OF THE GOVERNMENT CODE

The Board of Directors and Officers authorized to make investment decisions on behalf of the District investing public funds pursuant to the California Government Code Sections 53600 et seq. and 53630 et seq. are trustees and therefore fiduciaries subject to the prudent investor standard. As an investment standard, any investment shall be made as if it is one which would be purchased by a prudent person using the same discretion and intelligence that a person would use in managing his/her own affairs and certainly not for speculation.

6300.20 AUTHORITY

The investment policies and practices of the District are based upon compliance with Federal, State and Local law and prudent money management. Investments will be in compliance with governing provisions of law (California Government Code Sections 53600 et seq. and 53630 et seq as amended) and this policy. This policy shall take precedence when more restrictive than the California Government Code.

6300.21 The Board of Directors delegates the day to day management of the District's investments to the Treasurer, subject to the conditions of this policy. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of documentation and reporting pursuant to Section 6300.70.

6300.30 ETHICS AND CONFLICTS OF INTEREST

Directors and Officers involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

6300.35 PRUDENCE

Investments shall be made in the context of the "Prudent Investor" rule, which states that:

Investments shall be made with judgement and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The District Treasurer, involved in the investment process, acting in accordance with this Investment Policy and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported immediately and that appropriate action is taken to control adverse developments.

6300.40 OBJECTIVES

6300.41 Safety of Principal - Safety of principal is the primary objective of the District. Each investment transaction shall seek to preserve the principal of the portfolio, whether from institutional default, broker-dealer default or erosion of market value of securities. The District shall seek to preserve principal by mitigating the following two types of risk:

A. Credit Risk - Credit risk, defined as the risk of loss due to failure of an issuer of a security, shall be mitigated by investing in only very safe institutions and by diversifying the investment of District funds so that the failure of any on issuer would not unduly harm the District's cash flow.

B. Market Risk - The risk of market value fluctuations due to overall changes in the general level of interest rates shall be mitigated by limiting the weighted average maturity of the District's invested funds to three years. It is explicitly recognized herein, however, that in a diversified portfolio, occasional measured losses are inevitable, and must be considered within the context of the overall investment return.

6300.42 Liquidity - Liquidity is the second most important objective. Investments

shall be made whose maturity dates are compatible with cash flow requirements and which can be easily and rapidly converted into cash without substantial loss of value.

6300.43 Return on Investment - Investments shall be undertaken to produce an acceptable rate of return after first considering safety of principal, liquidity, and without undue risk.

6300.50 AUTHORIZED INVESTMENTS

District investments are governed by the California Government Code, Sections 53600 et seq. and 53630 et seq. Within the context of these Sections the following investments are authorized.

A. Local Agency Investment Fund - The District may invest in the Local Agency Investment Fund (LAIF) established by the California State Treasurer and created by Section 16429.1 through 16429.3 of the Government Code for the benefit of local agencies up to the maximum permitted by the LAIF Governing Board.

B. Securities of the U.S. Government and its Agencies - United States Treasury Bills, Notes, Bonds, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for payment of principal and interest. There is no limitation as to the percentage of the District funds which can be invested in this category as they are both safe and liquid. Purchases may not have a term remaining to maturity in excess of five years. (GC 53601(b) and 53635)

C. State of California Obligations - Registered State warrants or treasury notes or bonds of this State, as defined in Government Code 53601(c), 53651 and pursuant to 53635.2.

D. Local Agency Obligations - Obligations issued by any local agency, as defined by the Government Code, within the State. Obligations may be bonds, notes, warrants, or other evidences of indebtedness, as defined in Government Code 53601(d), 53651 and pursuant to 53635.2.

E. U.S. Agencies – Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. (GC 53601(e) and 53635.2).

F. Banker's Acceptances - Bankers acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers acceptances may not exceed 180 days' maturity or 40 percent of the agency's money that may be invested pursuant to this section. However, no more than 30 percent of the agency's money may be invested in the bankers acceptances of any one commercial bank pursuant to this section. (GC 53601(f) and 53635.2)

G. Prime Commercial Paper - Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization (NRSRO). The entity that issues the commercial

paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):

(1) The entity meets the following criteria:

- (a) Is organized and operating in the United States as a general corporation.
- (b) Has total assets in excess of five hundred million dollars (\$500,000,000).
- (c) Has debt other than commercial paper, if any, that is rated "A" or higher by a nationally recognized statistical-rating organization (NRSRO).

(2) The entity meets the following criteria:

- (a) Is organized within the United States as a special purpose corporation, trust, or limited liability company.
- (b) Has program-wide credit enhancements including, but not limited to, over-collateralization, letters of credit, or surety bond.
- (c) Has commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical-rating organization (NRSRO).

(3) Eligible commercial paper shall have a maximum maturity of 270 days or less: and

- (a) No more than 40 percent of the District's money may be invested in eligible commercial paper.
- (b) No more than 10 percent of the District's money that may be invested pursuant to this section may be invested in the outstanding commercial paper of any single issuer.

H. Negotiable Certificates of Deposit – Notwithstanding Section 53601 or any other provision of California Government Code, the District, at its discretion, may invest a portion of its surplus funds in certificates of deposit at a commercial bank, savings bank, savings and loan association, or credit union that uses a private sector entity that assists in the placement of certificates of deposit, provided that the purchases of certificates of deposit pursuant to Government Code Section 53635.8, and subdivision (h) of Government Code Section 53601 do not, in total, exceed 30 percent of the District's funds that may be invested for this purpose. The following conditions shall apply:

- (1) The District shall choose a nationally or State chartered commercial bank, savings bank, savings and loan association, or credit union in this State to invest the funds, which shall be known as the "selected" depository institution.
- (2) The selected depository institution may submit the funds to a private sector entity that assists in the placement of certificates of deposit with one or more commercial banks, savings banks, savings and loan associations, or credit unions that are located in the United States, for the District's account.

- (3) The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.
- (4) The selected depository institution shall serve as a custodian for each certificate of deposit that is issued with the placement service for the District's account.
- (5) At the same time the District's funds are deposited and the certificates of deposit are issued, the selected depository institution shall receive an amount of deposits from other commercial banks, savings banks, savings and loan associations, or credit unions that, in total, are equal to, or greater than, the full amount of the principal that the District initially deposited through the selected depository institution for investment.
- (6) The District may not invest surplus funds with a selected depository institution for placement as certificates of deposit pursuant to Government Code Section 53601.8 on or after January 1, 2012. The District's surplus funds, invested pursuant to this section before January 1, 2012, may remain invested in certificates of deposit issued through a private sector entity for the full term of each certificate of deposit.
- (7) Notwithstanding Government Code Section 53601.8 subdivisions (a) to (f), inclusive, no credit union may act as a selected depository institution under Government Code Sections 53601.8 or 53635.8 unless both of the following conditions are satisfied:
 - (a) The credit union offers federal depository insurance through the National Credit Union Administration.
 - (b) The credit union is in possession of written guidance or other written communication from the National Credit Union Administration authorizing participation of federally-insured credit unions in one or more certificate of deposit placement services and affirming that the moneys held by those credit unions while participating in a deposit placement service will at all times be insured by the federal government.

I. Certificates of Deposits and Time Deposits - The District may invest in non-negotiable time deposits collateralized in accordance with the Uniform Commercial Code, in those banks and State and federal associations which meet the requirements for investment in negotiable certificates of deposit (NCD). When conditions so warrant, the first \$100,000 of collateral security for such deposits can be waived if the financial institution is insured pursuant to federal and State law.

J. Medium Term Corporate Notes - Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less issued by corporations organized and operating within the United States or by a depository institutions licensed by the United States or any State and operating within the

United States. Notes eligible for investment shall be rated "A" or better by a nationally recognized rating service. No more than 30-percent of the District's invested funds may be invested in medium term notes. (GC 53601(j) and 53635.2)

K. Mutual Funds/Money Market Mutual Funds - Shares of beneficial interest issued by diversified management companies, otherwise known as mutual funds, investing in the securities and obligations authorized by subdivisions (a) to (j), inclusive, or subdivisions (m) or (n) of Government Code Section 53601 and that comply with the investment restrictions of this article and the Government Code commencing with Section 53630. To be eligible for investment pursuant to this subdivision, these companies shall either:

1. Shares of beneficial interest issued by diversified management companies (otherwise known as mutual funds) that invest in the securities and obligations as authorized by subdivisions (a) to (j), inclusive, or (m) or (n) of Government Code Section 53601 and that comply with the investment restrictions of Government Code Sections 53600 et seq. and Sections 53630 et seq. To be eligible for investment pursuant to this subdivision (K)(1), the companies must have either:
 - (a) Retained an investment adviser registered with the Securities and Exchange Commission with not less than five years experience investing in securities and obligations and authorized by subdivisions (a) to (j), inclusive, (m) or (n) of Government Code Section 53601 and with assets under management in excess of five hundred million dollars (\$500,000,000); or
 - (b) Attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.
2. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.). To be eligible for investment pursuant to this subdivision (K)(2), the companies must either have:
 - (a) Retained an investment adviser registered with the Securities Exchange Commission with not less than five years experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000); or
 - (b) Attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.
3. The purchase price of shares of mutual funds and money market mutual funds purchased pursuant to this subdivision (K) shall not include any commission that the companies may charge and shall not exceed 20 percent of the District's funds that may be invested pursuant to Government Code Section 53601. Further, no more than 10 percent of the District's investment funds may be

invested in shares of beneficial interest of any one mutual fund.

L. Mortgage Pass-through Securities - Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond of a maximum of five years maturity. Securities eligible for investment under this subdivision shall be issued by an issuer having an "A" or higher rating for the issuer's debt as provided by a nationally recognized rating service and rated in a rating category of "AA" or its equivalent or better by a nationally recognized rating service. Purchase of securities authorized by this subdivision may not exceed 20 percent of the District's invested funds. (GC 53601 (n) and 53635.2)

M. Joint Powers Authority – Shares of beneficial interest issued by a Joint Powers Authority organized pursuant to Government Code Section 6509.7 that invests in the securities and obligations authorized in Government Code 53601 subdivisions (a) to (n), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the Joint Powers Authority. To be eligible under this section, the Joint Powers Authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

1. The adviser is registered or exempt from registration with the Securities and Exchange Commission.
2. The adviser has not less than five years of experience investing in the securities and obligations authorized in Government Code Section 53601 subdivisions (a) to (n), inclusive.
3. The adviser has assets under management in excess of five hundred million dollars (\$500,000,000). (GC 53601 (o)).

N. Passbook Deposits - Savings account(s) shall be maintained for amounts under \$250,000 as a source of funds for immediate use if required for selective commercial accounts. Savings account deposits may exceed the specified amount for periods not to exceed 45 days in anticipation of payment of monthly accounts payable.

6300.51

NON-COMPLIANCE WITH AUTHORIZED INVESTMENTS

Investments which were obtained prior to adoption of this policy which are not now in compliance with said policy may be held until maturity pursuant to Government Code Section 53601.6 (b). Reporting of said non-compliant investments shall be made per Section 6300.70.

6300.55

DESIGNATION OF DEPOSITORIES

The Board of Directors shall, by Resolution, and in accordance with Government Code Section 53600 et seq and 53630 et seq., designate depositories for funds of the District. A State or federal credit union may not be designated as a depository for District funds if a member of the Board of Directors or any person with investment decision making authority for the District serves on the Board of Directors, any committee appointed by the Board of Directors, or the credit committee or

supervisory committee of the State or federal credit union.

As far as possible, all money belonging to, or in the custody of the District, including money paid to the Treasurer or other official to pay the principal, interest, or penalties of bonds, shall be deposited for safekeeping in State or national banks, savings associations, federal associations, credit unions, or federally insured industrial loan companies in this State, selected by the treasurer or other official having legal custody of the money; or may be invested in the investments set forth in Section 53601. To be eligible to receive District money, a bank, savings association, federal association, or federally insured industrial loan company shall have received an overall rating of not less than "satisfactory" in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California's communities, including low- and moderate-income neighborhoods, pursuant to Section 2906 of Title 12 of the United States Code. Sections 53601.5 and 53601.6 shall apply to all investments that are acquired pursuant to this section. (GC 53635.2)

6300.60 SAFEKEEPING OF SECURITIES

To protect against potential losses caused by collapse of individual securities dealers, all securities may be delivered against payment and shall be kept in safekeeping pursuant to Government Code Section 53608. Depositories having custody of the District's funds, securities, and other investment instruments shall be directed to forward copies of verification of such deposits in accordance with policies consistent with generally accepted reporting procedures of depositories. In no case shall funds be wired or transmitted in any manner to brokers.

6300.70 REPORTING REQUIREMENTS

Under provision of California Government Code Section 53646, the Treasurer shall render a monthly report to the District's Board of Directors and General Manager. The report shall include the type of investment, issuer, date of maturity, par value and the dollar amount invested in all securities, investments and moneys held by the District, and shall additionally include a description of any of the District's funds, investments, or programs, that are under the management of contracted parties, including lending programs. With respect to all securities held by the District, and under management of any outside party that is not also a local agency of the State of California Local Agency Investment Fund, the report shall also include a current market value as of the date of the report, and shall include the source of this same valuation.

In the report, a subsidiary ledger of investments may be used in accordance with accepted accounting practices.

The Treasurer shall report whatever additional information or data may be required by the District's Board of Directors.

For District investments that have been placed in the Local Agency Investment Fund, created by Government Code Section 16429.1, in National Credit Union Share Insurance Fund-insured accounts in a credit union, in accounts insured or guaranteed pursuant to Section 14858 of the Financial Code, or in Federal Deposit Insurance Corporation-insured accounts in a bank or savings and loan association, in a county investment pool, or any combination of these, the Treasurer may supply to the District's Board of Directors and General Manager the most recent statement or statements received by the District from these institutions in lieu of the information regarding the type of

investment, issuer, date of maturity, par value and the dollar amount invested in all securities, investments and moneys held by the District as previously cited.

The monthly Treasurer's report shall state compliance of the portfolio with this investment policy, or manner in which the portfolio is not in compliance. The report shall include a statement denoting the ability of the District to meet its expenditure requirement for the next six months or an explanation as to why sufficient monies will not or may not be available.

6300.90

INVESTMENT POLICY REVIEW

This policy governing Investment of District Funds shall be reviewed, modified as necessary and re-adopted or amended at a public meeting of the Board of Directors annually or more frequently if necessary.

Citrus Heights Water District
2010 Sacramento LAFCo Municipal Service Review Worksheet

Exhibit O

**CHWD Summary of Fund and Reserve Balances,
1996-2010**

CITRUS HEIGHTS WATER DISTRICT
FUNDS AND RESERVES
END-OF-YEAR HISTORY
January 6, 2011

Date	Operating Fund	Operating Reserve	Rate Stabilization Reserve	Depreciation Reserve	Capital Improvement Reserve	Trans. Pipeline Project Fund	Connection Fund	Fleet Equipment Reserve	Employee Related Benefits Reserve	Total	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
31-Dec-10	712,137.44	2,518,298.86	800,000.00	3,925,555.12	-2,036,913.04	0.00	5,894.00	405,716.04	335,185.00	\$ 6,665,873.42	13 Year Low
31-Dec-09	1,463,889.02	675,902.32	600,000.00	3,970,956.64	-2,908,298.32	0.00	17,682.00	350,313.70	283,186.00	\$ 4,453,631.36	
31-Dec-08	-171,999.62	47,884.72	200,000.00	4,273,085.93	-1,823,905.44	0.00	8,763.00	286,817.93	208,600.00	\$ 3,029,246.52	
31-Dec-07	-117,997.63	256,369.61	1,000,000.00	3,561,570.93	-368,861.46	0.00	53,374.00	246,264.40	120,000.00	\$ 4,750,719.85	
31-Dec-06	743,828.39	-309,923.20	900,000.00	2,899,055.93	-219,727.96	0.00	39,830.00	328,801.60	-	\$ 4,381,864.76	
31-Dec-05	1,025,712.60	-754,822.55	900,000.00	2,351,676.16	993,012.08	0.00	263,240.00	228,801.60	-	\$ 5,007,619.89	
31-Dec-04	116,294.42	471,900.91	800,000.00	1,814,600.16	2,320,704.41	0.00	88,713.00	128,801.60	-	\$ 5,741,014.50	
31-Dec-03	649,962.85	-1,162,903.30	700,000.00	1,594,974.84	3,264,078.61	0.00	434,060.00	64,831.60	-	\$ 5,545,004.60	
31-Dec-02	348,419.65	704,563.13	700,000.00	1,994,525.86	731,093.97	0.00	18,864.00	50,947.00	-	\$ 4,548,413.61	
31-Dec-01	1,356,843.42	-426,343.55	600,000.00	2,171,299.41	4,925,453.51	0.00	13,498.00	40,130.00	-	\$ 8,680,880.79	
31-Dec-00	-560,720.42	1,548,138.81	500,000.00	1,830,064.41	7,112,328.51	0.00	161,615.00	80,000.00	-	\$ 10,671,426.31	
31-Dec-99	0.00	1,969,402.77	500,000.00	1,574,064.41	623,225.00	0.00	163,895.00	-	-	\$ 4,830,587.18	
31-Dec-98	0.00	1,649,159.56	500,000.00	1,262,064.41	1,623,225.00	0.00	0.00	-	-	\$ 5,034,448.97	
31-Dec-97	0.00	2,351,101.77	500,000.00	972,064.41	1,187,678.83	0.00	221,376.00	-	-	\$ 5,232,221.01	
31-Dec-96	101,869.94	2,375,811.74	100,000.00	692,064.41	1,150,000.00	0.00	64,007.87	-	-	\$ 4,483,753.96	