

Agenda
Rio Linda / Elverta Community Water District
Executive Committee

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Meeting ID: 846 6521 0788

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408 638 0968

May 3, 2021

6:00 P.M.

NOTICE: THIS MEETING WILL BE HELD IN ACCORDANCE WITH EXECUTIVE ORDER N-29-20, ISSUED BY CALIFORNIA GOVERNOR GAVIN NEWSOM ON MARCH 17, 2020, THE RALPH M. BROWN ACT (CALIFORNIA GOVERNMENT CODE SECTION 54950, ET SEQ.), AND THE FEDERAL AMERICANS WITH DISABILITIES ACT. THIS MEETING WILL NOT BE PHYSICALLY OPEN TO THE PUBLIC. ALL MEMBERS OF THE PUBLIC MAY PARTICIPATE IN THE MEETING VIA VIDEO CONFERENCE OR BY TELEPHONE

Public documents relating to any open session items listed on this agenda that are distributed to the Committee members less than 72 hours before the meeting are available for public inspection on the counter of the District Office at the address listed above.

The public may address the Committee concerning any item of interest. Persons who wish to comment on either agenda or non-agenda items should address the Executive Committee Chair. The Committee Chair will call for comments at the appropriate time. Comments will be subject to reasonable time limits (3 minutes).

In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability related modification or accommodation to participate in this meeting, then please contact the District office at (916) 991-1000. Requests must be made as early as possible and at least one full business day before the start of the meeting.

Call to Order

Public Comment

This is an opportunity for the public to comment on non-agenda items within the subject matter jurisdiction of the Committee. Comments are limited to 3 minutes.

Items for Discussion:

1. Update from Contract District Engineer.
2. Discuss the "2020" Urban Water Management Plan (UWMP) for RLECWD.
3. Discuss the RLECWD population served methodology in context with water use efficiency reporting/enforcement.
4. Status report for ongoing rates adjustment contemplation.
5. Review and comment on the draft minutes of the April 19th RLECWD Board meeting.
6. Discuss the proposed Sacramento County Board of Supervisors workshop on Elverta Specific Plan.
7. Discuss the doubtful recovery debt, customer accounts deemed infeasible to collect.
8. Review and discuss the expenditures of the District for the month of March 2021.
9. Review and discuss the financial reports for the month of March 2021.

Directors' and General Manager Comments:

Items Requested for Next Month's Committee Agenda

Adjournment

Next Executive Committee meeting: Monday, June 7, 2021 at 6:00 p.m. In person attendance to be determined.

ADA COMPLIANCE STATEMENT

In compliance with the Americans with Disabilities Act, if you need special assistance or materials to participate in this meeting, please contact the District Office at 916-991-1000. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting and agenda materials.



Executive Committee Agenda Item: 1

Date: May 3, 2021

Subject: General Status Update from the District Engineer

Contact: Mike Vasquez, PE, PLS, Contract District Engineer

Recommended Committee Action:

Receive a status report on specific focus items currently being addressed by the District Engineer.

Current Background and Justification:

Subjects anticipated for discussion include:

1. Development Reviews:
 - a. Fox Hollow Residential Development (28 lots, 6th Street between Q Street and S Street)
 - b. 6221 16th Street Phase 2 Worship Development (Northwest corner G Street and 16th Street)
2. Well 16 Pump Station Construction
3. CIP Pipe Replacement Project – Dry Creek Road
4. Geographic Information System (GIS) Mapping
5. Procurement of new dump truck.

Conclusion:

I recommend the Executive Committee receive the status report from the District Engineer. Then, if necessary and appropriate, forward an item(s) onto the May 17, 2021 Board of Directors Meeting agenda with recommendations as necessary.



Executive Committee Agenda Item: 2

Date: May 3, 2021

Subject: Consider Preparation of the 2020 Urban Water Management Plan

Contact: Timothy R. Shaw, General Manager and Mike Vasquez, PE, PLS, Contract District Engineer

Recommended Committee Action:

Receive a report from the General Manager and District Engineer on pros and cons to preparing the 2020 Urban Water Management Plan (UWMP). It is requested that the Executive Committee discuss the need to prepare a UWMP and if it is deemed as needed, forward an item onto the May 17, 2021 Board of Directors Meeting agenda with the recommendation for Board approval to direct staff to prepare the UWMP or begin the Request for Proposals (RFP) process to solicit proposals from consultants to prepare the UWMP.

Current Background and Justification:

The Executive Committee preliminarily discussed the 2020 UWMP on April 5, 2021 and directed staff to prepare a pros and cons list for preparing the 2020 UWMP and present the list at the May 3, 2021 meeting. The General Manager and District Engineer discussed this and offer the following list:

Pros:

- Keeps the District grant eligible
- Prudent water supply management
- Consistent with what mainstream water systems do
- Addresses water shortage contingency plan (could be very important with current and upcoming drought conditions)
- Addresses water conservation

Cons:

- Cost to prepare \$50,000 +/-
- No guarantee that grant funding will be available and/or needed

- No penalty for *NOT* preparing an UWMP with the exception that the District will be ineligible for grant funding

The Contract District Engineer's firm, EKI Environment & Water, Inc. (EKI), is currently preparing over 40 UWMP's (roughly 10% of all UWMP's) for water purveyors throughout California and is well qualified to prepare the District's UWMP at the discretion of the Executive Committee and Board of Directors. Contracting with EKI to prepare the UWMP would be through a task order approved by the Board of Directors. The schedule to complete the UWMP is approximately 4 months after task order approval.

Should the Executive Committee and/or Board of Directors choose to begin the RFP process to solicit proposals from consultants to prepare the UWMP, the schedule to complete the UWMP could be approximately 8 months, accounting for preparation of the RFP, advertisement, proposal review, consultant selection, consultant contract execution, and preparation of the UWMP by the consultant. Additional costs associated with this option may include managing the RFP process, managing the selected consultant, and review of the UWMP by the District Engineer.

Conclusion:

We recommend the Executive Committee discuss and consider the report from the General Manager and District Engineer. Then, as appropriate, forward this item onto the May 17, 2021 Board of Directors Meeting agenda with recommendations as necessary.



Executive Committee Agenda Item: 3

Date: May 3, 2021

Subject: Discuss Population Served by RLECWD for Water Use Efficiency Reporting

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee should review the documents associated with this item and engage staff in discussion of the prescribed and common methodology for computing population served in context of water use efficiency enforcement/reporting.

Current Background and Justification:

Requests and commentary from public member Suela at the April 19th Board meeting regarding the genesis of the 3.3 persons per household have motivated this item.

As detailed in the documents associated with this item, the regulatory direction for water purveyors with service area boundaries which are incongruous with census boundaries entails using an assumed number (3.3) of occupants per residential dwelling unit served.

For example, if a water purveyor serves less than 100% of a census designated place (e.g. Rio Linda and Elverta), the State Water Resources Control Board and Dept. of Water Resources stipulates the water purveyor use 3.3 X the number of residential units served to calculate the population served. For RLECWD the population served is $4358 \times 3.3 = 14,381$. If you multiply that population by 55 gallons per day and the number of days in a month (e.g. February for indoor water use), RLECWD would be deemed an efficient indoor water user if $RLECWD \text{ used } 55 \times 14,381 \times 29 \text{ days} = 23,097,195 \text{ gallons of water}$. In February 2020, RLECWD used 40,000,000 gallons of water. RLECWD used 173% of the amount deemed efficient indoor use. RLECWD used 96 gallons per day per person in February 2020.

Conclusion:

There is no Board action anticipated from this clarification.



To view last year's report, click here.

- 1 Intro
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- 3 Population
- 4 Connections
- 5 Sources
- 6 Supply-Delivery
- 7 Recycled
- 8a Customer Charges
- 8b Income
- 8c Affordability
- 9 Water Quality
- 10 Backflow
- 11 Certification
- 12 Improvements
- 13 Complaints
- 14 Treatment
- 15 Distribution
- 16 Emergency
- 17 Conservation
- 18 Climate Change
- 19 LSLR
- Finalize

3. Population Served

Total Population in DDW Records: 14381

Population Type	Population Count	Annual Operating Period			
		MM	DD	MM	DD
Residential	14381	1	1	12	31
Transient					
Non-Transient					

Method Used to Determine Population:

- Multipled number of service connections by 3.3
- Pick one--
- Most recent United States census data
- Multipled number of service connections by 3.3
- Determined total number of dwelling units and multiplied by 2.8
- Other



If population is based on "Other", identify the methods or sources of...

Text input field for "Other" method details

Multipled number of service connections by 3.3

--Pick one--

Most recent United States census data

Multipled number of service connections by 3.3

Determined total number of dwelling units and multiplied by 2.8

Other



Executive Committee Agenda Item: 4

Date: May 3, 2021

Subject: Status report for ongoing rates adjustment contemplation.

Contact: Timothy R Shaw, General Manager

Recommended Committee Action:

This item is intended to allow discussion at a public meeting (this Committee meeting) on the status of the proposed rate restructuring needed to comply with SB 606 and AB 1668. A corresponding Board agenda item is not necessary.

Current Background and Justification:

Copies of the newspaper announcement and the Prop 218 notice associated with the proposed rates adjustment are included with the packet of documents for this Executive Committee meeting. The newspaper announcement will run in the May 7th Rio Linda News. The Prop 218 notice will be mailed out to RLECWD customers on May 3rd.

Corresponding Board actions associated with the above-described documents distribution are not needed. It would be appropriate to discuss the tangible elements of a rates adjustment workshop at the May 17th Board meeting and/or the logistics for the rates adjustment public hearing on June 21st.

Conclusion:

I recommend the Executive Committee review these documents, then contemplate the need and details for a May 17th rates adjustment workshop and the logistics of a June 21st public hearing.

Public Hearing on Proposed Rate Adjustments for RLECWD Water Service

The Rio Linda Elverta Community Water District (RLECWD or District) will conduct a public hearing on Monday, June 21, 2021 at 6:30 p.m. to consider recommended adjustments to water service rates.

These rate changes are necessary for compliance with water use efficiency mandates adopted by the State of California (SB 606, AB 1668 and SB 555), and for funding ongoing operation, maintenance, repair costs.

If adopted, the proposed new rates will take effect July 1, 2021, with annual increases each July 1, up to and including July 1, 2025. This notice also describes how to file a protest to this proposed action. All property owners, tenants directly liable for the payment of water service fees, and other interested parties are invited to attend the public hearing and be heard on the matter.

The public hearing will be held Visitor's / Depot Center. 6730 Front Street, Rio Linda, CA 95673. The public may also participate virtually:

Join Zoom Meeting

<https://us02web.zoom.us/j/83986405060?pwd=amhoU1RLRlB5ajdnSmJBVG5xaEpGdz09>

Meeting ID: 839 8640 5060

Passcode: 129406

Dial by your location

(408) 638 0968

Depending on Governor announced timing and changes to public gathering guidelines, which may increase the scope for allowed indoor gatherings, in-person attendance may be accommodated in the Visitor' Depot Center at 6730 Front St., Rio Linda, CA 95673.

The District Board of Directors will hear and consider all testimony as well as all protests against the proposed rate adjustments. At the close of the public hearing, the District's Board of Directors may adopt the new rates if protests against the proposed rate adjustments are not presented by a majority of identified accounts upon which the rates are to be charged (a "majority protest").

A valid protest must contain:

A description of the property (such as address, or accessors parcel number, APN) that is sufficient to identify the property.

- Written evidence that signer(s) is/are the customer of record for the account (provide copy of utility bill or a statement that the signers are the property owner)
- Only one protest per parcel will be counted.
- Written protests should be mailed or delivered in person to: RLECWD, PO Box 400 Rio Linda, CA 95673. Protests must be received prior to the close of the public hearing on June 21st and can also be delivered to RLECWD staff at the public hearing.

If a majority of water customers submit protests, the proposed rate changes will not be put into place.

A notice was mailed to the District's water customers pursuant to California Constitution Article XIID (also known as "Proposition 218"). If you have any questions regarding the notice, the rate adjustment or the public hearing - please contact the District's General Manager at GM@RLECWD.COM or phone (916) 991-8891

RLECWD
PO Box 400
Rio Linda, CA 95673



First Name Last Name
Number Street
City, State Zip

NOTICE OF PUBLIC HEARING TO ADJUST WATER SERVICE RATES AND FEES
Monday, June 21st, 2021 at 6:30 pm
at Visitors/Depot Center 6730 Front St Rio Linda, CA¹

Background & Purpose of this Notice

You are receiving this notice because you are a Rio Linda / Elverta Community Water District (RLECWD or District) water customer, or you own property receiving District services. RLECWD will be considering the adoption of adjustments in the District's water service fees and changes in the water rate structure for the next five years. As described below, the Board of Directors will be holding a Public Hearing on **Monday, June 21, 2021 at 6:30 pm** to consider proposed rate adjustments. The District relies on rates paid by customers to fund the costs of operations, maintenance, and infrastructure improvements. The District provides water service to about 4,600 customers, including homes and businesses.

Why are rate changes necessary?

The District is regulated by the State. The State continues to implement mandates to manifest improved water use efficiency. Failing to achieve the State's water use efficiency mandates may result in the District being fined as much as \$10,000 per day. RLECWD's current rate structure is not compatible with State mandates. Additionally, the District is committed to providing quality service and the lowest possible rates for customers. To meet these standards and commitments, the District monitors customers' water consumption trends, the cost of providing water service, and the total operating costs associated with delivering drinking water which meets or exceeds all state and federal standards.

The District recently engaged an independent rate consultant who reviewed the comprehensive cost of providing service and the requirements of new State legislation (California Senate Bills 606 and 555 and Assembly Bill 1668) regarding water conservation and water loss reporting. The rate study report developed by the consultant is available on the District's website. Based on this evaluation, water service fee adjustments are necessary to: (a) enable the District to recover current and projected costs of operations and maintenance; (b) fund capital infrastructure maintenance; and (c) maintain financial stability. Water rate structure adjustments are necessary to comply with the substantive requirements of Proposition 218, water conservation mandates, and legal rulings. If adopted by the District's Board of Directors, the new rates would go into effect July 1 of each year. The first increase would occur July 1, 2021.

Proposed Water Rate Structure Changes

RLECWD bills for water service on a bimonthly basis such that each bill reflects two months of water usage. The District's current water service fees are comprised of three components: (1) a fixed charge that is determined based on the size of the meter serving the property; (2) a volume charge that is imposed for each hundred cubic foot (ccf; one ccf is 748 gallons) of water consumed above 6 ccf per billing period; and (3)

two surcharges that fund capital improvements and are billed regardless of water consumption and meter size. Customers participating in the standby fire protection and backflow prevention programs are charged additional fixed bimonthly amounts for these services.

The District is proposing a rate structure that will be compliant with new water use efficiency regulations and will more fairly recover costs from customers. The proposed rate structure does not adjust existing capital surcharges. These surcharges have been obligated for servicing long-term debt for state mandated water capacity improvements and mitigation of Hexavalent Chromium. While the current rate structure features high fixed charges and a low volume rate, the proposed structure is designed with lower fixed charges and higher volume rates. Fixed charges primarily recover the District's fixed costs to maintain and improve infrastructure, including wells, water treatment, and pipelines. The volume rate charged per unit of water consumed primarily recovers the cost of supply and conveyance of water to customers.

RLECWD is proposing a two-tiered volume charge for single family residential customers. The first tier reflects efficient water use at a base level of demand. The second tier reflects water use above 17 ccf bimonthly, which is use in excess of the State's indoor conservation target for a four-person home. The second tier is higher cost because it reflects the increased expenses of providing water at peak demand, including higher pumping costs. Non-residential customers are proposed to have uniform volume rates that apply to all levels of water use. The non-residential volume rates recover the costs of supplying water at both base and peak demand. Previously, the first 6 ccf of water used per billing cycle was included in the fixed charge; however, the proposed adjustment will eliminate this allotment for all customers. Compared to existing rates, low water users will experience bill decreases while high water users will experience bill increases.

The proposed rate structure also includes a set of fees for single family residential inoperable meters. The fees are fixed charges that include the meter fee plus typical water use for cold weather periods (November to April) and warm weather periods (May to October).

Proposed Bimonthly Water Service Fees

The current and proposed rates for the District's water service fees are set forth in Table 1. Standby fire protection and backflow prevention charges will only apply to customers in these programs.

After the initial increase and rate structure change on July 1, 2021, water service fees are proposed to increase by about 4% per year each July 1, beginning in 2022 through 2025. Due to the rate structure adjustments, bill impacts will vary based on water meter size and bimonthly usage. High water users will have bill increases, while low water users will have bill decreases. For the average single-family home using 29 ccf of water over two months, the rate adjustment would increase the bimonthly bill (including \$34.80 in existing surcharges) from \$113.29 to \$121.58 after July 1, 2021. For a single family customer with a 5/8" meter, usage up to 22 ccf per bimonthly period would result in a bill decrease, and usage above 22 ccf would result in a bill increase.

The proposed rate structure also includes drought rates, which are provided in Table 2. Drought rates reflect 30%, 40%, or 50% water cutbacks. The drought rates maintain the same rate structure as normal year water rates, with 2 tiers for single family residential customers and uniform tiers for commercial, institutional, and industrial (CII) and irrigation customers. Should a drought occur, customers will be billed the volume rates shown in Table 2 based on the necessary level of water cutback. Fixed charges would remain as shown in Table 1.

TABLE 1: Current and Proposed Bimonthly Water Rates (Non-drought)

Meter Size	Current	Proposed				
		July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
5/8"	\$59.86	\$33.65	\$35.11	\$36.64	\$38.23	\$39.88
3/4"	\$59.86	\$33.65	\$35.11	\$36.64	\$38.23	\$39.88
1"	\$99.77	\$53.11	\$55.42	\$57.83	\$60.34	\$62.94
1.5"	\$199.53	\$101.76	\$106.18	\$110.79	\$115.60	\$120.59
2"	\$319.25	\$160.14	\$167.10	\$174.35	\$181.92	\$189.77
3"	\$698.37	\$345.01	\$360.02	\$375.63	\$391.94	\$408.84
4"	\$1,257.06	\$617.45	\$644.31	\$672.24	\$701.43	\$731.68
Inactive	\$59.86	\$33.65	\$35.11	\$36.64	\$38.23	\$39.88
Single Family Residential Inoperable Meter Fees (fixed bimonthly fee, no additional volume charges; cold weather period is November to April; warm weather period is May to October)						
5/8" - Cold Weather		\$65.88	\$68.73	\$71.80	\$74.95	\$78.18
5/8" - Warm Weather		\$116.04	\$121.29	\$126.52	\$132.07	\$137.94
3/4" - Cold Weather		\$65.88	\$68.73	\$71.80	\$74.95	\$78.18
3/4" - Warm Weather		\$116.04	\$121.29	\$126.52	\$132.07	\$137.94
1" - Cold Weather		\$85.34	\$89.04	\$92.99	\$97.06	\$101.24
1" - Warm Weather		\$135.50	\$141.60	\$147.71	\$154.18	\$161.00
Commercial, institutional, and industrial (CII) and irrigation inoperable meter rates may be based on past average consumption						
Volume Rates \$/ccf *						
Current Rate per ccf (over 6 ccf)	\$0.81					
Single Family Residential						
Tier 1: 0-17 ccf		\$1.65	\$1.72	\$1.80	\$1.88	\$1.96
Tier 2: 17+ ccf		\$2.09	\$2.19	\$2.28	\$2.38	\$2.49
CII ** (all use)		\$1.86	\$1.95	\$2.03	\$2.12	\$2.22
Irrigation (all use)		\$2.13	\$2.23	\$2.33	\$2.43	\$2.54
Standby Fire Protection (Fixed Bimonthly Charge)						
1.5"	\$4.12	\$4.12	\$4.31	\$4.50	\$4.70	\$4.91
4"	\$40.00	\$54.38	\$56.83	\$59.39	\$62.06	\$64.85
6"	\$60.00	\$157.96	\$165.07	\$172.50	\$180.26	\$188.37
8"	\$80.00	\$157.96	\$165.07	\$172.50	\$180.26	\$188.37
Backflow Prevention (Fixed Bimonthly Charge)						
Per device	\$8.33	\$9.00	\$9.27	\$9.55	\$9.84	\$10.14

* ccf – hundred cubic fee; one ccf = 748 gallons

**CII – commercial, institutional, and industrial

TABLE 2: Current and Proposed Bimonthly Drought Rates

Current	Proposed				
	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
Stage 2 Drought: 30% Conservation					
Current Rate per ccf (over 6 ccf)	Volume Rates \$/ccf *				
Single Family Residential					
Tier 1: 0-17 ccf	\$2.25	\$2.35	\$2.45	\$2.56	\$2.67
Tier 2: 17+ ccf	\$2.88	\$3.01	\$3.14	\$3.28	\$3.43
CII ** (all use)	\$2.66	\$2.78	\$2.90	\$3.04	\$3.17
Irrigation (all use)	\$3.04	\$3.18	\$3.32	\$3.47	\$3.63
Stage 3 Drought: 40% Conservation					
Current Rate per ccf (over 6 ccf)	Volume Rates \$/ccf *				
Single Family Residential					
Tier 1: 0-17 ccf	\$2.58	\$2.69	\$2.81	\$2.94	\$3.07
Tier 2: 17+ ccf	\$3.32	\$3.46	\$3.62	\$3.78	\$3.95
CII (all use)	\$3.10	\$3.24	\$3.39	\$3.54	\$3.70
Irrigation (all use)	\$3.55	\$3.71	\$3.88	\$4.05	\$4.24
Stage 4 Drought: 50% Conservation					
Current Rate per ccf (over 6 ccf)	Volume Rates \$/ccf *				
Single Family Residential					
Tier 1: 0-17 ccf	\$3.04	\$3.18	\$3.32	\$3.47	\$3.62
Tier 2: 17+ ccf	\$3.93	\$4.10	\$4.29	\$4.48	\$4.68
CII (all use)	\$3.72	\$3.89	\$4.07	\$4.25	\$4.44
Irrigation (all use)	\$4.26	\$4.45	\$4.65	\$4.86	\$5.08

Public Notice and Majority Protest Process

In 1996, California voters adopted Proposition 218. The provisions of Proposition 218 provide that certain types of “Property Related Fees” are subject to a “majority protest” process. Under the majority protest process, any property owner or customer of record may submit a written protest for the proposed rate adjustments; provided, however, that only one protest be counted per identified parcel. If protests are filed on behalf of a majority of the parcels subject to the rates before the end of the public hearing on June 21, the District’s Board of Directors cannot adopt the proposed rates.

Any written protest must: (1) state that the identified property owner or customer of record is in opposition to the proposed adjustments; (2) provide the location of the identified parcel (by assessor's parcel number or street address); and (3) include the name and signature of the property owner or customer of record submitting the protest. Written protests may be submitted by mail addressed to RLECWD PO Box 400 Rio Linda, CA 95673, in person drop box at 730 L St. Rio Linda, CA, or at the Public Hearing on June 21st. Any protest submitted via e-mail or other electronic means will not be accepted.

At the public hearing, the Board of Directors will review the amounts of the rates as well as the methodology for calculating the proposed rates. At the conclusion of the hearing, protests will be counted and validated. If protests are filed on behalf of a majority of the parcels subject to the rates before the end of the public hearing, the District’s Board of Directors cannot adopt the proposed rates. If a majority of the parcels do not protest the proposed increase, the Board has the authority to adopt the proposed rates. If adopted, the rates will not exceed the rates presented in this notice. Any rate change, if enacted, will take effect no earlier than July 1, 2021.



Executive Committee

Agenda Item: 5

Date: May 3, 2021

Subject: Review and comment on the draft minutes of the April 19th RLECWD Board meeting

Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee should review the draft minutes of the April 19th RLECWD Board meeting, provide feedback to staff as appropriate, then forward this item onto the May 17th Board agenda.

Current Background and Justification:

Typically, minutes of preceding Board meetings are not reviewed at Committee prior to Board consideration of approval. The minutes are usually drafted by the Administrative Assistant, who carefully reviews the Board meeting video to draft the minutes.

Unfortunately and unintentionally, the General Manager failed to record the April 17th Board meeting conducted virtually via Zoom. The General Manager honestly believed the recording option was selected, but subsequently discovered he had clicked on the incorrect Zoom icon for recording. Consequently, the General Manager drafted these minutes from notes the General Manager made during the meeting.

Note: verbatim minutes with exact quotes are not required. The essential elements of the minutes are to accurately reflect the Board's actions and corresponding votes for those actions.

Conclusion:

I recommend the Executive Committee review the draft minutes, provide feedback to staff on any errors or omissions, then forward an item onto the May 17th Board agenda with the committee's recommendation for Board approval.

4-19-2021 RLECWD Board meeting:

Start 6:30 P.M. .

Present (via Zoom): All 5 Board Members, Legal Counsel (Barbara Brenner), Contract District Engineer (Mike Vasquez), General Manager (Tim Shaw) and Public Member (Stephanie Suela), Public Member “Koda”.

Item 2.1 public comment:

Public Member Suela indicated she continues to oppose the recommended rate restructuring. Included in Ms. Suela’s stated reasons for opposing is the as yet undefined elements of the outdoor water use efficiency. Ms. Suela indicated that she has read SB 606 and AB 1668 and does not find any reference to the 3.3 persons per household that was referenced at the March 15th Board meeting. Ms. Suela requests that the GM provide her with the details of the 3.3 persons per dwelling unit that is used to determine the gallons per day per person for SB 606 et al.

Consent Agenda items 3.1, 3.2, and 3.3.

Director Ridilla moved to approve the consent agenda. Director Reisig seconded the motion. The motion carried with a 5-0 vote.

Item 4.1 GM Report:

The General Manager presented his monthly report and offered to answer any questions the Board may have. Among the answered questions were on the topics of the Sacramento County Board of Supervisors Workshop on Elverta Specific Plan. Director Harris requested clarification on the meeting with Enersponse X, a business seeking to enroll commercial electricity customers in demand response programs. The General Manager’s explanation of the potential infeasibility due to SMUD vs. PG&E (public vs. private utilities) resulted in comments from public member Suela asserting that SMUD has time of use pricing disincentives that should be leveraged to encourage water conservation and may lead to a finding that rate restructuring is not necessary for addressing the SB 606 and AB 1668 water use efficiency mandates. The General Manager was asked for more information on the meeting with Twin Rivers Unified School District (TRUSD). The General Manager characterized the TRUSD meeting to discuss potential impacts to TRUSD water bills from rates restructuring as productive and clarifying. The General Manager further reported that TRUSD has assigned a contact person for further coordination on the subject of rates restructuring.

Item 4.2 Contact District Engineer’s Report

The Contract District Engineer presented his report and offered to answer questions. Questions/comments included those on the status of Well 16 and requests if any further sampling has been performed. Director Green commented on the rapid progress occurring on the Qual Hollow subdivision.

Item 4.2.2 Revised RFP for Pipe Replacement Project

The Contract District Engineer presented his report and summarized the direction provided at the March 15th Board and April 5th Executive Committee meetings. Director Harris requested clarification on the pipe diameter and timing of the project commencement. The Contract District Engineer also responded to

Directors' questions on the need for more resilient pipe materials when to accommodate higher flowrates when Well 16 Pumping Station goes into service.

Director Harris moved to approve the revised RFP for pipe replacement and further direct staff to solicit responses. Director Green seconded the motion. The motion carried with a 5-0 vote.

Item 4.3 Rate Adjustment Proposition 218 Notice:

The General Manager presented the item. Questions and comments from Directors and public member Suela included reiteration of the perceived lack of documented statutory delineation of the 3.3 persons per dwelling unit for determining compliance with the gallons per day per person mandates in SB 606. The General Manager explained that a concise explanation of the 3.3 persons per dwelling unit, which is consequent to the inapplicability of using the census population because RLECW does not serve the entire Rio Linda and entire Elverta census designated places, can be found in the District's 2015 Urban Water Management Plan. The General Manager went on to convey parallel reporting requirements are included in the DRINC Portal (State Water Resource Control Board, Division of Drinking Water online reporting site).

Additional elements discussed included the 5-year (5 annual adjustments). Director Harris encouraged viewing the proposed rate adjustments as the maximum amount the rates will be at the end of 5-years. The General Manager explained that each year's adjustment is subject to Board approval. The Prop 218 process requires disclosure of the maximum amount the rates could be. However, for example, the 5 annual adjustments assume a 3% annual inflation of costs of service. If one or more of those years entailed something less than 3%, the Board could implement a lower than authorized adjustment for that year. Public Member Suela reiterated her opposition to the rates adjustment.

The General Manager reviewed the timing of Board Actions needed to enable implementation of the proposed rates adjustment to be effective in July 2021. Director Green observed that the draft notice included in the packets contains highlighted sections to be filled in by Board action, e.g., the location of the public hearing. The General Manager reviewed the nature of the fill-in as a function of the evolving guidance for public gathering during the pandemic. The General Manager conveyed that he and Director Reisig had reviewed a half dozen Prop 218 Notices from water purveyors in our region having performed the rates adjustment process during the pandemic. Each similarly situated water purveyor conducted their public hearings virtually (e.g., Zoom) exclusively, or a combination of virtual and in-person within the guidance provided for public gatherings. The General Manager suggested that the Board action for authorizing the Prop 218 Notice include authorizing the Chair and General Manager to fill in the public hearing location details as appropriate for the public hearing, especially noting the recent announcement from the governor on planned lifting of all restrictions on June 15th (6-days prior to the proposed public hearing date).

Director Reisig moved to approve the Proposition 218 Notice as described. Director Ridilla seconded the motion. The motion was approved by a 4-1 vote with Director Harris opposing.

Item 4.4 Engagement of Independent Auditor:

The General Manager presented the item and explained the corrected misinformation. Misinformation inspired the recommendation of the April 5th Executive Committee, to perform a Request for Proposals (RFP) to engage a new firm for auditing. The existing auditing firm, Fechter and Company has performed to past six audits. The General Manager further explained that the relevant statute, CA Government Code 12410.6 allows for auditing beyond six consecutive years if the audit can be performed by a different

licensed auditor at the same firm. Until recently, the District believed such alternative auditor at the same firm was unavailable. Mr. Scott German of Fechter and Company is available. Mr. German prefers a higher level of documentation associated with audit commencement be performed. The engagement documents included with this item reflect Mr. German's required audit commencement documentation.

Director Harris moved to authorize the engagement of Mr. Scott German pursuant to Government Code 12410.6. Director Reisig seconded the motion. The motion carried with a 5-0 vote.

Item 4.5 Waive Sealed Bid Requirements for Procuring a New Dump Truck:

The General Manager presented the item and summarized the District's policy for sealed bids for assets exceeding \$25,000. The GM further conveyed his efforts to use collective bidding programs (e.g., CMAS and National Joint Powers Purchasing Alliance or NJPA) available exclusively to government entities. CMAS does not offer dump trucks. Although NJPA has dump trucks, and the contracts indicate the dump trucks are 30% below MSRP, the NJPA price is more than \$10,000 more than a private dealer in Whittier, CA for the same 2021 F650 dump truck. In order to procure the Whittier dump truck and save the ratepayers at least \$10,000, the District would need to wave the sealed bid requirements in the relevant District policy.

Director Reisig moved to wave the Districts sealed bid requirements for the procurement of a new dump truck and authorize the purchase not to exceed \$72,000 plus tax and fees. Director Gifford seconded the motion. The motion carried with a 5-0 vote.

Item 4.6 Authorize any Board Member Assignments:

The Board President announced there was no need for new Board Member assignments this month.

Item Section 5.1

No comments or questions.

Item Section 5.2

Each primary assigned Board Member was provided the opportunity to report. Director Reisig (3 X 3 Committee) announced that the 3 X 3 Committee has been obviated by the planned multi-agencies workshop to explore consolidation among Regional Water Authority, Sacramento Groundwater Authority and Sacramento Central Groundwater Authority.

Comments Section

Director Harris complimented Director Green on the administration of this meeting.

The Board President adjourned the meeting at 8:15 P.M.



Executive Committee

Agenda Item: 6

Date: May 3, 2021

Subject: Discuss the proposed Sacramento County Board of Supervisors workshop on Elverta Specific Plan

Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

This item is intended to allow discussion at a RLECWD public meeting regarding the Sacramento County Board of Supervisors (BOS) workshop on the Elverta Specific Plan.

Current Background and Justification:

The BOS workshop on the Elverta Specific Plan was originally scheduled for April 20th. The Sacramento County Planning lead then notified the District that the workshop was rescheduled for April 28th at 2:00 P.M. However, when the detailed agenda for the April 28th BOS meeting was published, the agenda indicated the Elverta Specific Plan workshop would not commence any sooner than 3:00 P.M. Consequently, RLECWD Legal Counsel recognized and informed of her scheduling conflict, which was then conveyed to the Sacramento County Planning lead.

The BOS workshop for Elverta Specific Plan has now been rescheduled for May 19th. RLECWD was advised by Sacramento County Planning to plan for a 3-hour window, i.e., it is common for the BOS agenda items to run past their scheduled start times.

Because the workshop and corresponding documents have already been posted for the previously scheduled (subsequently twice postponed) workshop, the General Manager has reviewed the corresponding documents, which number hundreds of pages in the workshop packet of documents. Two of the more voluminous documents have existed for years, and the District is familiar with these large documents. The most concise and relevant documents included in the BOS packet are: 1) the staff report for this workshop, and 2) the February 1999 Settlement Agreement between RLECWD, Sacramento County and SNAGMA (the predecessor name for SGA (Sacramento Groundwater Authority) regarding a suit filed by RLECWD. The RLECWD suit was consequent to the original PF-8 land use restriction adopted in the Sacramento County planning document, Rio Linda Elverta Community Plan, adopted in 1998.

Conclusion:

The Executive Committee should review the documents associated with this item, then engage staff in discussion of the BOS workshop now scheduled for May 19th. It is not necessary to forward an item onto the May 17th RLECWD Board agenda. However, there may be value in forwarding an item to allow discussion by other RLECWD Board Members at the May 17th meeting because the postponements of the April 20th and April 28th workshops now provide an opportunity for continued Board discussion (this topic was briefly discussed at the April 19th RLECWD Board meeting).

**COUNTY OF SACRAMENTO
CALIFORNIA**

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For the Agenda of:
April 28, 2021
Timed: 3:00 PM

To: Board of Supervisors
Through: Ann Edwards, Interim County Executive
From: Leighann Moffitt, Planning Director, Office of Planning and Environmental Review
Subject: Elverta Specific Plan Workshop
District(s): Frost

RECOMMENDED ACTION

Conduct workshop, and provide staff with direction regarding options for addressing implementation challenges with the Elverta Specific Plan.

BACKGROUND

Following an extensive planning process, the Board of Supervisors (Board) adopted the Elverta Specific Plan (Specific Plan) in 2007 (Attachment 2). The Specific Plan was initiated by the Elverta Specific Plan Owners' Group (Owners' Group), which served as the project applicant and paid for the entitlement costs, including preparation of the related Finance Plan. A number of technical studies were also prepared including transportation studies, drainage studies, and water supply assessments as part of the Specific Plan adoption process.

Preceding the preparation of the Elverta Specific Plan, was the Rio Linda and Elverta Community Plan (Community Plan), adopted in 1998. The Community Plan set the stage to allow the subsequent specific plan and, in some cases, provided guidance to requirements that must be followed in the Specific Plan. The consideration of an Urban Development Area that eventually became the Elverta Specific Plan was very contentious with significant comment and participation by hundreds of community members.

The adopted Specific Plan provides the framework to guide development of approximately 1,744 acres in the Rio Linda-Elverta Community including land use, circulation, community facilities, and urban design policies. As originally approved, the Specific Plan allowed for the development of 4,950 residential units, 17.5 acres of commercial, 4.4 acres of office, two elementary schools (20.2 acres), and 71.3 acres of land to be dedicated as public parks interspersed throughout the plan area.

Natural drainage corridors bisect the Specific Plan, which also provide for open space and a comprehensive trail system that would link the entire plan

area internally, while also linking to a larger regional trail system, including Gibson Ranch County Park, the Dry Creek Parkway Corridor, and a planned trail system in Placer County.

With the adoption of the Specific Plan, approximately 969.1± acres or 56 percent of the Specific Plan were rezoned consistent with the new Specific Plan designations.

Additional Actions since Adoption of the Specific Plan

In 2009, the Board approved a second round of rezones covering approximately 132.1± acres. Combined with the original zoning actions, approximately 1,101.2 acres or 63 percent of the plan area were rezoned consistent with the land use designations of the Specific Plan. The Board applied the conditions from Appendix D of the Specific Plan as rezone conditions upon each project's approval.

As provided for in Section 10.5 of the Plan, six minor or major amendments have been approved. Minor amendments have included an updated land use plan to reflect the amended Drainage Master Plan, an update to the Off-Street Trail System Map, incorporating a Trails Master Plan, and updates to the Affordable Housing Plan in response to changes to the County's Affordable Housing Ordinance. Major amendments included the relocation of the proposed community center and park location and two amendments specific to the approval of the Northborough and Northborough II projects.

In 2014, the Board approved a major amendment to the Drainage Master Plan of the Specific Plan to widen the planned drainage corridors allowing the existing drainages to flow in a more natural configuration with storm water quality features to address erosion concerns and to provide for more habitat-friendly wetland features. This amendment led to adjustments to the allowed densities on several parcels, and in some cases, changes to land use designations.

Elverta Specific Plan Owner's Group (Owners' Group)

The owners forming the Owner's Group were considered participating property owners while those property owners who were not a part of the Owner's Group were considered non-participating property owners. County Code Section 21.14.065 regulates the preparation of a specific plan, and states that any applicant who wishes to pursue a rezone or map concurrent with preparation of the specific plan must financially participate, thereby creating some incentive to become a participating member. This is not unique to this plan effort. The Owner's Group members represented 34 percent of the plan area. The financing plan identified a number of these properties as constituting Phase 1 of development of the Specific Plan.

While the Owner's Group was active during the development and adoption of the Specific Plan, and during some of the early rezones and Specific Plan amendments, it is not clear to County staff the extent to which there

remains an organized Owner's Group. Instead, County staff are now working with individual property owners, including non-participating owners, on individual projects.

Development Projects

Since adoption of the Specific Plan, three residential development projects have received approval including Elverta 78, Northborough, and Northborough II. The following includes a brief discussion of each of these previously approved projects within the Specific Plan. Staff notes that Northborough and Northborough II also included amendments to the General Plan, Community Plan and originally adopted Specific Plan to change what was originally envisioned as an agricultural-residential "buffer" with Placer County to urban uses.

Elverta 78 Project (PLNP2014-00202): On December 18, 2017, the Planning Commission approved the Elverta 78 project. Elverta 78 includes 213 single-family residential units and a community park located on the south side of Elverta Road in the southeastern quadrant of the Specific Plan. The Elverta 78 project is comprised of three villages, which range from 3.8 dwelling units per acre in the RD-5 zone to 0.9 dwelling units per acre in the AR-1 zone. Due to recent statutory time extensions, this map is set to expire on June 18, 2022, and is eligible for a five-year extension.

Northborough Project (PLNP2013-00056): On January 23, 2018, the Board approved the Northborough project. Northborough includes 1,127 single-family residential units immediately to the north and east sides of the Northborough II project. The Northborough project is comprised of 15 residential villages, each of which would range in density from 3.3 net dwelling units per acre to 6.8 dwelling units per acre and required a major amendment to the Specific Plan. Each of the villages will contain homes of similar densities, design, and community aesthetics. Due to recent statutory time extensions, this map is set to expire on August 23, 2022, and is eligible for a five-year extension.

Northborough II Project (PLNP2014-00183): Similarly, on January 23, 2018, the Board approved the Northborough II project. Northborough II includes 364 single-family residential units immediately to the south of the Northborough project. The Northborough II project is comprised of 5 residential villages, each of which range in density from 4.0 net dwelling units per acre to 6.3 dwelling units per acre and required a major amendment to the Specific Plan. The project as proposed provides for a range of residential housing types ranging from alley-loaded homes in the RD-7 zone containing 3,800 SF to 4,725 SF attached or detached units, to detached executive type housing in the RD-5 zone containing 6,300 SF. This map was set to expire on February 23, 2021, but per AB 1561, the map is now set to expire on August 23, 2022, and is eligible for a five-year extension.

In addition to these approved projects, a number of Specific Plan property owners are seeking entitlements to develop and construct other portions of the Specific Plan.

Table 1 provides a summary of approved and pending development projects including the land use designation and the actual units applied for or entitled. Additionally, a map showing all of the approved and pending development projects is included with this report package (Attachment 1).

DEVELOPMENT PROJECT	STATUS	SPECIFIC PLAN LAND USE DESIGNATION	NUMBER OF UNITS
Elverta 245	Pending	AR 1	10
		RD 1,2	8
		RD 3,4,5	664
		RD 20	155 ^[1]
Elverta 59.5 North	Pending	AR 1	0
		RD 3,4,5	90
Elverta 59.5 South	Pending	COMM	0
		RD 6,7	36
		RD 20	95 ^[1]
Northborough	Approved	RD 3,4,5	423
		RD 6,7	704
Northborough II	Approved	RD 6,7	364
Elverta 78	Approved	AR 1	15
		RD 3,4,5	198
Elverta 25	Pending	RD 6,7	117
Palladay Tentative Parcel Map (Krause)	Pending	AR 2	5
		TOTAL	2,884

[1] The requests for Elverta 245 and Elverta 59.5 South do not include a development plan for the RD-20 lots. A development plan for these lots will be reviewed under a separate submittal.

Elverta Specific Plan Implementation Challenges and Options

In consultation with applicants, property owners, and various agencies/departments, Planning staff have identified significant barriers to development of approved projects and processing of pending projects.

Applicant representatives have provided written correspondence to staff detailing their concerns with the feasibility of implementing the Specific Plan, and highlight their concerns with transportation infrastructure, infrastructure requirements on projects in agricultural-residential areas, and water supply. These three key topics are the focus of the following discussion. Additional

potential challenges such as drainage infrastructure, park and trail development, and extension of sewer are not explored in this report.

Transportation Infrastructure

Existing access to and from the Specific Plan area is provided by system of two-lane roadways laid out in a typical east-west and north-south grid. Elverta Road is the primary east-west movement corridor, whereas Dry Creek Road, 16th Street, and Palladay Road provide for north-south movement. A key issue for many years was whether to rely upon Dry Creek Road as the major north-south connector accessing the plan area or to fund a crossing of the two branches of Dry Creek on 16th Street. The 16th Street approach was ultimately selected as the preferred approach despite its anticipated higher costs due to development to the north in Placer County and its direct connection to Interstate 80 to the south.

Planned roadway improvements associated with the implementation of the Specific Plan include both on-and off-site facilities. On-site facilities are those meant to provide service to and from neighborhoods. Offsite facilities include roadways designed to improve traffic flow in northern Sacramento County.

The timing of on and off-site transportation infrastructure improvements are prescribed in the conditions provided in Appendix D of the Specific Plan. The timing is based on "triggers" of a certain number of lots recorded within the Specific Plan area. As more maps are recorded, additional transportation infrastructure improvements are required. Applicants have indicated the cost of transportation infrastructure is burdensome, rendering some of the development proposals financially infeasible. In 2016, the Owners Group requested the County amend transportation-related conditions of approval to address this initial concern. That effort initially focused on Condition No. 36, but grew to encompass modifications to conditions related to Regional Parks and Rio Linda/Elverta Recreation and Park District maintenance responsibilities and implementation of the updated Drainage Master Plan. Ultimately, the Owners Group indicated that they would not be able to obtain individual owner's signatures consenting to the proposed modifications, so staff were unable to move forward.

Based on the concerns of applicants in the Specific Plan and similar concerns from property owners in other plan areas, primarily the North Vineyard Station property owners, Sacramento County Department of Transportation (SacDOT) staff requested direction from the Board on how to address the transportation infrastructure challenges.

At a Transportation Mitigation Strategy Workshop held on March 23, 2021, SacDOT presented four potential strategies to the Board including:

- 1) Directing staff to perform an updated traffic phasing analysis to review timing triggers for necessary roadway improvements, assuming roadways would operate within the Level of Service policies prescribed

by the General Plan. Opportunities for a reduced cost burden for developing properties would be evaluated and presented. The updated traffic phasing analysis would result in a uniform set of conditions and transportation infrastructure requirements for all properties. Staff anticipates that this option would require a Major Specific Plan Amendment and possibly Zoning Ordinance Amendments for previously approved projects;

- 2) Subsidizing roadway improvements in the Specific Plan;
- 3) Directing staff to perform an updated traffic phasing analysis to review timing triggers for necessary roadway improvements, allowing for Level of Service "F" (i.e. traffic congestion) in the peak hour for some period of time until improvements become financially feasible to implement. The updated traffic phasing analysis would result in a uniform set of conditions and transportation infrastructure requirements for all properties. Staff anticipates that this option would require a Major Specific Plan Amendment and possibly Zoning Ordinance Amendments for previously approved projects, as well as additional environmental analysis; or,
- 4) Directing staff to develop a dynamic implementation tool and associated implementation strategy to replace the current triggers in the rezone conditions. Staff expects that such changes would require a Major Specific Plan Amendment and a Zoning Ordinance Amendment for participating properties, as well as additional environmental analysis.

During the hearing, the Board endorsed strategies 1 and 2, and did not preclude SacDOT and Planning from considering strategies 3 and 4, if strategies 1 and 2 did not prove to be effective. However, the Board requested that SacDOT and Planning return for consultations before developing a transportation mitigation strategy utilizing the latter options. The Board desired a better understanding of the traffic and environmental consequences of these approaches before directing staff to proceed.

SacDOT is in the early stages of working with property owners and their engineers on a feasibility assessment. The desired outcome will be identifying which triggers may need to be modified, and which strategies are best suited to addressing those challenges. If an appropriate and feasible solution is identified utilizing strategies 1 and 2, staff will prepare the appropriate Updated Transportation Mitigation Strategy, Specific Plan Amendments, Zoning Ordinance Amendments, and environmental documentation, if applicable, to implement said strategy. If staff determines that the only path to a solution is utilizing strategies 3 or 4, staff will report to the Board on the traffic and environmental implications of the potential solution.

Agricultural-Residential Properties

There are approximately 277.2± acres of agricultural-residential land available for development in the Specific Plan primarily in the northwest quadrant of the plan area. Many of the agricultural-residential properties are owned by property owners that were non-participants in the development of the Specific Plan.

The RCH Group representing an applicant for the Palladay Road Rezone and Parcel Map project has commented that Planning should conclude, as a minor amendment, that certain owners are not subject to required Specific Plan infrastructure conditions. Their position is that this application should be allowed to move forward because they were a non-participant, they derive no benefit from the Specific Plan and because the Specific Plan is financially infeasible.

This project would divide two properties into four new parcels plus a remainder lot. The project also includes a rezone from AR-5 to AR-2, consistent with the land use designations of the Specific Plan. Currently, the rezone conditions of Appendix D would apply to this project similar to other rezones in the plan area, which creates a significant barrier to development of this agricultural-residential property.

Staff's review of the Specific Plan does not indicate that exempting these properties from the Specific Plan requirements was contemplated and instead shows inclusion is necessary for the installation of infrastructure located on this and other agricultural residential properties. Removal of these properties from the Specific Plan infrastructure condition requirements could have significant implications to the delivery of necessary infrastructure in the more urban-residential areas of the plan. Staff does not recommend modifying the applicability of the Specific Plan requirements for the urban areas of the plan; however, it may be appropriate for agricultural-residential properties in the plan area, which will be subdivided through a parcel map, to have some alternative path forward to allow them to proceed with their development approvals without requiring them to construct extensive and expensive infrastructure improvements.

Some agricultural-residential properties are large enough that they may support subdivision maps. For instance, one agricultural-residential property in the northwest portion of the plan area is approximately 44 acres and, if rezoned to AR-1 consistent with the Specific Plan, could support up to a 44-lot rural, estate subdivision. It is expected that such subdivisions would be subject to the rezone conditions, but it may be appropriate to allow smaller splits through parcel maps (four or fewer lots) to not be subject to the full extent of the rezone conditions.

In order to allow pending and future agricultural-residential development applications to proceed, the Board may consider the following:

- 1) Direct staff to initiate a Major Specific Plan Amendment in which projects that include a parcel map (e.g. four lots or less and not a subdivision map) in the agricultural-residential land use designated area would not be subject to the construction of improvements, but instead could be subject to the dedication of necessary right-of-way, easements, and irrevocable offer of dedications (IODs) as required by the Specific Plan. In addition, these projects could be subject to a fair share payment for future construction of those improvements, or alternatively more urban properties could assume a larger fair share and construction requirements. This approach may require an updated Public Facility Financing Plan and development of a Fee Program and updated technical studies related to transportation and drainage; or,
- 2) Maintain the infrastructure construction requirements for all agricultural-residential properties in the Specific Plan. This approach would necessitate larger, urban-level projects to proceed ahead so they could assume a larger share of the cost burden of installing necessary backbone infrastructure.

Water Supply

The General Plan's Conservation Element includes an objective to optimize the use of available surface water in all types of water years (wet/normal, dry, and driest years). Conservation Element Policies CO-1 through CO-6 seek to achieve this objective by supporting conjunctive water use and surface water supplies for development. Furthermore, the Community Plan incorporated Policy PF-8 relating to supplemental water supply. Shortly after the Board adopted the Community Plan in 1998, the Rio Linda/Elverta Community Water District (RLECWD) filed a lawsuit against the County of Sacramento. One of the major aspects of the RLECWD's complaint was regarding the phrasing of the initial Policy PF-8 of the Community Plan. The Board approved a Settlement Agreement (Attachment 3) whereby the County agreed to initiate public hearings to consider approval of an amendment to Policy PF-8 by adding clarification to the intent of the policy.

On April 21, 1999, the Board approved Resolution 99-0493 (Attachment 4) amending Community Plan Policy PF-8 to include a recognition that the affected groundwater basin does not merely underlie one project but involves the larger North Area Basin. As long as sufficient supplementary water is delivered into the North Area Basin, or some other equivalent groundwater management program is adopted that protects the long-term sustainable yield of that Basin, urban entitlements can be granted. Policy PF-8 indicates that the granting of entitlements for new growth within the Specific Plan and other comprehensively planned areas will require that the Board finds that either:

- Supplemental water supplies within the boundaries of Sacramento North Area Groundwater Management Authority (SNAGMA) in

sufficient quantities to prevent a long-term net increase in pumping from the proposed development;

OR

- Adoption of an appropriate groundwater management program by SNAGMA to protect the long-term sustainable yield of the groundwater basin underlying the area, and assurance that water use of the new development is consistent with said groundwater program.

It should be noted that today, the Groundwater Sustainability Agency in this area is the Sacramento Groundwater Agency (SGA) as opposed to SNAGMA.

When the Specific Plan was adopted, a mitigation measure (WS-1) was included in the Plan, which requires compliance with Community Plan Policy PF-8. In addition, WS-1 requires compliance with PF-8 to occur prior to entitlements for urban development (e.g. prior to approval of tentative subdivision maps). The Specific Plan identified the Rio Linda/ Elverta Community Water District (RLECWD) as the primary water supplier for the Specific Plan.

The 2016 RLECWD Water Supply Assessment (WSA) for the Specific Plan (Attachment 5) states that water supply in the Specific Plan can be met through a conjunctive use strategy. The WSA more specifically states that:

- The proposed water supply will use groundwater from new wells drilled in or near the Elverta Specific Plan (ESP) area;
- A supplemental surface water supply will be developed in the future to provide increased reliability and flexibility for all RLECWD customers, as well as other water agencies in the Sacramento region;
- Connection fees for all new customers will include fees to support the cost of obtaining the surface water supply and developing the infrastructure to deliver the supply to the service area;
- The ESP distribution system will be designed and constructed by the ESP developers, but inspected and tested prior to acceptance by the District;
- Funding for the system may come from a number of sources, including development impact fees. Supplemental water infrastructure costs for all new connections will be collected through development impact fees (connection fees) from all new development within RLECWD, including the ESP area.

Following the adoption of the Specific Plan, the RLECWD and the Owner's Group conducted regular meetings to discuss a conjunctive use water supply strategy. One option for a supplemental supply was the River Arc project, where the Owner's Group was partially funding RLECWD's participation.

In order to allow projects to move forward and demonstrate compliance with Community Plan Policy PF-8 and Mitigation Measure WS-1, the Board adopted the following findings in September 2016:

- The Sacramento Groundwater Authority (SGA) has adopted an appropriate Groundwater Management Program (GMP) to protect the long-term sustainable yield of the North Area Basin;
- The proposed water use for the Specific Plan is to be provided by the RLECWD, a signatory and participant of the SGA Joint Powers Authority (JPA), and is subject to the SGA GMP;
- The strategy to supply Specific Plan development with existing groundwater while utilizing funds from a recently approved connection fee increase to pursue alternative, supplemental water sources, is consistent with the SGA groundwater management program.

While the Board findings state that RLECWD was a signatory and participant of the SGA JPA, it is important to note that this is an error as RLECWD was not, and is not, a participant of the JPA. The Board report package from that hearing is attached (Attachment 6).

Since the September 2016 Board hearing, circumstances related to water supply for the Specific Plan have changed. The RLECWD has indicated that supply and infrastructure cannot be funded through the approved connection fee. Furthermore, the Owner's Group is no longer funding the RLECWD's participation in River Arc resulting in RLECWD withdrawing as a partner of the River Arc project. Therefore, there is currently no planned solution for conjunctive water use for the Specific Plan. Given that the circumstances by which the Board finding was made have changed, staff have concerns that the 2016 finding may no longer be applicable.

In further discussions with RLECWD staff, they indicate a willingness to continue to explore alternative solutions including, but not limited to, River Arc. Furthermore, due to changes including the State's enactment of the Sustainable Groundwater Management Act (SGMA), revisions to the WSA may be necessary. In 2014, Governor Jerry Brown signed into law a three-bill legislative package, collectively known as SGMA. It is the policy of the State through SGMA that groundwater resources be managed sustainably for long-term reliability and multiple benefits for current and future beneficial uses. SGMA applies to all California groundwater basins and requires that high- and medium-priority groundwater basins form Groundwater Sustainability Agencies (GSAs) and be managed in accordance with locally-developed Groundwater Sustainability Plans (GSPs). The Elverta Specific Plan is located within the North American sub-basin, which is required to submit a GSP by January 31, 2022, and reach balanced levels of pumping and recharge by 2042. RLECWD staff further noted the inherent economic inefficiency associated with serving new development initially with groundwater and then replacing that existing system with a new surface water system instead of planning for a conjunctive system up-front.

Finally, RLECWD staff was in agreement that the requirement to resolve the issue of the alternative supplemental water supply source could potentially be deferred to the final map stage such that tentative maps could be approved and conditioned to require a Water Service Agreement that addresses alternative supplemental water and financing and phasing of necessary infrastructure.

Staff notes that there is risk in deferring the determination to the final map stage inasmuch as it creates a further expectation that the County will ensure development can be successful and that new owners acquiring maps may not understand the complexities and costs associated with development in this Specific Plan area.

In order for pending development projects to proceed in the Specific Plan area, staff have developed options for the Board to consider.

- 1) Allow tentative maps and associated entitlements to be approved with a condition that the property owner work with the RLECWD in preparing a Water Service Agreement. This option may require an amendment to the Specific Plan and Community Plan to allow entitlements to proceed without the identification of a conjunctive use strategy and for the Board to make new findings that is in compliance with PF-8 can be found if projects are conditioned as such; or,
- 2) Make new findings for PF-8 only after identification of a surface water supply in the appropriate quantities as provided in the Specific Plan. This option will require coordination between a water purveyor and the Owner's group to identify a supplemental water supply and plan for its delivery.

It should be noted that under Option 1, the RLECWD has indicated that a Water Service Agreement must identify a supplemental water supply and provide for phasing and oversizing provisions, reimbursements and credits to the developer for RLECWD facilities that are constructed by the developer, infrastructure funding and finance provisions, and provides for IODs of property to be granted to RLECWD.

Additionally, it is County staff's understanding that the Water Services Agreement with the RLECWD would mean that projects would be conditioned in such a manner that until a surface water source is procured and delivery of surface water to the map area is guaranteed both through agreements and through the installation of required treatment and transportation infrastructure, no final map can be recorded. This outcome is substantially different than the understanding in effect after the 2016 Board hearing where there was an assumption that the payment of fees and reliance on groundwater would be sufficient to allow development to proceed until some future date when surface water would be obtained.

The above options are not meant to be exhaustive. Other alternative paths forward may also be considered.

Elverta Specific Plan Implementation Challenges Summary

Staff seeks the Board's direction on the implementation challenges related to transportation infrastructure, non-participating/agricultural-residential development projects, and water supply. Staff acknowledges that there are significant barriers to development of the Specific Plan given the extent of traffic, drainage, water, sewer, and other infrastructure needs in the area. The Specific Plan was proposed, and advocated for, by ownership interests that believed the area could develop by utilizing financing mechanisms available to them at the time. However, these identified barriers may indicate that the Specific Plan is not quite ready for development, or would require a significant infusion of County resources to offset infrastructure costs.

Applicant representatives have suggested rescinding the Specific Plan and allowing each development project to proceed independently of one another without the Specific Plan. Rescinding the Specific Plan would not resolve the infrastructure impediments and instead would likely make infrastructure delivery infeasible and result in greater financial burdens on individual projects. This approach would also be inconsistent with the adopted Community Plan and General Plan policies.

Further complicating matters is the fact that there does not appear to be an active, organized owner's group representing the development interests in the Specific Plan area. Without an organized group willing to fund studies and efforts to resolve some of these barriers, the County must make a decision about expending limited resources to address these issues.

FINANCIAL ANALYSIS

Should the Board direct staff to perform the necessary studies, research, and coordination to allow for the continued implementation of the Specific Plan, either additional funds need to be allocated to the Office of Planning and Environmental Review (PER) or PER needs to be directed to reallocate current resources. Efforts to complete the work necessary to continue implementing the Specific Plan are not a part of the base budget.

Attachments:

- ATT 1 - Elverta Specific Plan Map
- ATT 2 - Elverta Specific Plan
- ATT 3 - Settlement Agreement
- ATT 4 - Amendment to Policy PF-8 of the Rio Linda and Elverta Community Plan (Board Letter and Resolution 99-0493)
- ATT 5 - Rio Linda/ Elverta Community Water District Water Supply Assessment for the Elverta Specific
- ATT 6 - September 2016 Board report package

SETTLEMENT AGREEMENT

This Settlement Agreement is entered into this 3rd day of February, 1999, by and between the County of Sacramento, a political subdivision of the State of California (hereinafter "COUNTY"), the Sacramento North Area Groundwater Management Authority, a joint powers agency organized and operating pursuant to the provisions of the Joint Exercise of Powers Act (hereinafter "SNAGMA"), and the Rio Linda/Elverta Community Water District, a County Water District organized and existing pursuant to the County Water District Law (hereinafter "DISTRICT").

RECITALS

WHEREAS, the COUNTY and the Cities of Citrus Heights, Folsom and Sacramento have entered into a joint powers agreement ("hereinafter "JPA") to establish the SNAGMA ; and

WHEREAS, the SNAGMA is a joint powers authority formed for the purpose of managing the groundwater basin underlying the area within its boundaries consistent with the JPA; and

WHEREAS, the COUNTY'S approval of the JPA was accompanied by the adoption of a negative declaration pursuant to the California Environmental Quality Act (hereinafter "CEQA"); and

WHEREAS, the DISTRICT has filed a Verified Petition for Writ of Mandate and Complaint for Injunctive Relief in the Sacramento Superior Court (Case No. 98CS02454) against the COUNTY and the SNAGMA challenging the COUNTY'S action in approving the JPA on the basis that CEQA required the preparation of an environmental

impact report in connection with such action (hereinafter "Petition"); and

WHEREAS, the DISTRICT and the COUNTY are involved in a process commonly referred to as the Sacramento Area Water Forum ("Water Forum"); and

WHEREAS, the purpose of the Water Forum has been to provide for a reliable and safe water supply for the region's economic and planned development through the year 2030, and to preserve the fishery, wildlife, recreational and aesthetic values of the lower American River; and

WHEREAS, as part of the Water Forum process, the participants thereto negotiated specific agreements ("Purveyor Specific Agreements") detailing the benefits each participant will receive and what each participant will be committing to; and

WHEREAS, the Working Group of the Water Forum approved a Purveyor Specific Agreement for the DISTRICT, which approval was subsequently withdrawn; and

WHEREAS, the DISTRICT supports revising its Purveyor Specific Agreement to recognize the role of the SNAGMA, as designated within the Water Forum agreements, in protecting the groundwater basin from which the DISTRICT pumps water; and

WHEREAS, the COUNTY has undertaken an effort to revise and update the Rio Linda and Elverta Community Plan to address certain factors and to provide consistency with the COUNTY's General Plan; and

WHEREAS, during the comment period on the Draft Environmental Impact Report regarding the proposed revised and updated Rio Linda and Elverta Community Plan, numerous comments were received concerning consistency with the General Plan policies relating to the provision of conjunctive surface water and groundwater supplies to new urban growth areas; and

WHEREAS, a number of policies were included within the proposed revised and updated Rio Linda and Elverta Community Plan to avoid or lessen any such inconsistency, including a specific policy regarding entitlements for urban development ("PF-8"); and

WHEREAS, the DISTRICT has participated in the environmental review and other processes concerning the development of the proposed revised and updated Rio Linda and Elverta Community Plan and has at all times attempted to revise the proposed language of PF-8; and

WHEREAS, the DISTRICT has filed a Petition for Writ of Mandate in the Sacramento Superior Court (Case No. 98CS01755) against the County challenging the County's action in approving the Environmental Impact Report prepared regarding the proposed revised and updated Rio Linda and Elverta Community Plan; and

WHEREAS, the COUNTY, the SNAGMA and the DISTRICT desire to settle the issues raised in the Petition, together with other related issues, without the necessity of further litigation under the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth, the COUNTY, the SNAGMA and the DISTRICT agree as follows:

1. INITIATION OF AMENDMENT TO POLICY PF-8 OF THE RIO LINDA AND ELVERTA COMMUNITY PLAN.

(a) The COUNTY shall within thirty (30) days of the approval of this Settlement Agreement by all of the parties hereto initiate a proposed amendment to Policy PF-8 of the Rio Linda and Elverta Community Plan that shall read as follows:

"The County of Sacramento and the Cities of Citrus Heights, Folsom and Sacramento, through a Joint Powers Agreement, have established the Sacramento North Area Groundwater Management Authority ("SNAGMA") to implement a groundwater management program to protect the long-term sustainable yield of the groundwater basin underlying the North Area Basin. In the new growth area in eastern Elverta, and other comprehensively planned development areas, entitlements for urban development shall not be granted until the Board of Supervisors makes one of the following findings: (i) that an agreement between the developer and either the domestic water purveyor serving the area (the Rio Linda/Elverta Community Water District and/or Citizens Utilities Company) or the SNAGMA has been executed which (a) assures that arrangements are in place to deliver supplemental water supplies (i.e., surface water, reclaimed water, etc.) within the boundaries of the SNAGMA in quantities sufficient to prevent a long-term net increase in groundwater pumping resulting from the proposed development and (b) assures that funding is made available to either the domestic water purveyor or the SNAGMA for all costs for delivery of such supplemental water supplies; or (ii) that an appropriate groundwater management program has been adopted by the Sacramento North Area Groundwater Management Agency ("SNAGMA") to protect the long-term sustainable yield of the groundwater basin underlying the area for which an entitlement is sought, and that the water use resulting from such entitlement is subject to and consistent with such groundwater management program. The land use planning process may proceed, and specific plans and rezoning may be approved, prior to this finding being made by the Board of Supervisors."

(b) Upon the initiation of this amendment, the County shall proceed to process such amendment for consideration by the Board of Supervisors in an expeditious manner consistent with the legal procedures applicable to such an amendment. The COUNTY'S initiation of this proposed amendment shall not create any legal obligation on the part of the Board of Supervisors to approve such amendment or otherwise serve to constrain the Board of Supervisor's legislative discretion with respect to this proposed amendment.

2. SUBMITTAL OF PURVEYOR SPECIFIC AGREEMENT FOR WATER FORUM APPROVAL.

(a) The DISTRICT shall, as soon as possible after approval of this Settlement Agreement by all the parties hereto, initiate a proposed amendment to the DISTRICT's Water Forum Purveyor Specific Agreement that shall read as follows:

"(a) The RLECWD acknowledges that decisions on how to maintain the long-term sustainable yield of the North area groundwater basin will be made by the Sacramento North Area Groundwater Management Authority (SNAGMA) with representation of the RLECWD on the SNAGMA's governing board consistent with the joint powers agreement establishing SNAGMA. As the purveyor of municipal and industrial water within its current and future expanded boundaries, RLECWD will construct appropriate facilities to meet its 2030 projected peak period water demand. If SNAGMA determines that it is necessary to acquire surface water for use within SNAGMA's boundaries, the District will cooperate with the Water Forum Successor Effort, SNAGMA, and other affected agencies to obtain the surface water to be used as part of SNAGMA's groundwater management program."

(b) The parties to this agreement shall support the proposed amendment to the DISTRICT's Water Forum Purveyor Specific Agreement. It is understood that this Settlement

Agreement cannot bind the Water Forum to accept this proposed amendment to the DISTRICT's Water Forum Purveyor Specific Agreement. If the Water Forum does not agree to the proposed amendment then the DISTRICT can proceed with the litigation pursuant to paragraph 3(c) hereof.

3. SUSPENSION OF PENDING LITIGATION.

(a) DISTRICT shall suspend any further action in connection with the Petition pending consideration and action on the proposed amendment to PF-8 and the Purveyor Specific Agreement, respectively, by the Board of Supervisors and the Water Forum. Any statutory or other time limits for action related to the Petition shall be tolled during this period.

(b) If action on either the proposed amendment to PF-8 or the Purveyor Specific Agreement is unreasonably delayed, the DISTRICT may provide the COUNTY and SNAGMA with thirty (30) days written notice of its intent to continue its litigation pursuant to the Petition. If the proposed amendment to PF-8 and the Purveyor Specific Agreement are not approved by the end of such thirty (30) day period, this Settlement Agreement shall automatically terminate and DISTRICT shall be free to continue to pursue legal relief pursuant to the Petition.

(c) If the Board of Supervisors acts to deny approval of the proposed amendment to PF-8 or the Water Forum acts to deny approval of the proposed Purveyor Specific Agreement, this Settlement Agreement shall automatically terminate and DISTRICT

shall be free to continue to pursue legal relief pursuant to the Petition.

4. DISMISSAL OF ACTIONS. Upon the County's approval of the amendment of PF-8 and the Water Forum's approval of the Purveyor Specific Agreement, as set forth, respectively, in Sections 1 and 2 above, or in a substantially similar form approved in writing by the DISTRICT'S General Manager and the SNAGMA's Executive Officer, the DISTRICT shall immediately take each of the following actions:

(a) DISTRICT shall dismiss the Petition with prejudice.

(b) DISTRICT shall dismiss its action in Sacramento Superior Court Case No. 98CS01755 with prejudice.

(c) DISTRICT shall file an unconditional withdrawal with prejudice, in the form attached hereto as Exhibit "A", of its protest filed with the State Water County Water Resources Control Board of the Petition for Change to Application Nos. 13370 and 13371 (Permit Nos. 11315 and 11316) which Petition is the subject of the State Water County Water Resources Control Board Notice of Petition Requesting Change published on July 24, 1997.

5. WAIVER OF CHALLENGES IN RELATED MATTERS. Subject to the approvals by the County and the Water Forum described in Section 4 above, the DISTRICT agrees that it shall not commence, continue, finance or voluntarily assist in any way in the prosecution by any other person or entity of any claim, or to otherwise take any action to challenge or contest, (whether by litigation, arbitration or any other means) in connection with

any of the following matters: (a) the County's approval of the Rio Linda and Elverta Community Plan that is the subject of Sacramento Superior Court Case No. 98CS01768; (b) the County's approval of the amendment to PF-8 described in Section 1 hereof; or (c) the Central Valley Project Water Supply Contracts Under Public Law 101-514 (Section 206) consisting of the contract between the United States Bureau of Reclamation and the Sacramento County Water Agency, the subcontract between the Sacramento County Water Agency and the City of Folsom, and the contract between the United States Bureau of Reclamation and the San Juan Water District. The Sacramento County Water Agency shall be deemed to be a third-party beneficiary with respect to the provisions of this section and Section 4 above.

6. WAIVER OF CLAIMS. Except for the right to enforce this Settlement Agreement and subject to the approvals by the County and the Water Forum described in Section 4 above, each party shall release and forever discharge the other from and waive any and all claims, demands, controversies, actions, causes of action, obligations, damages, liabilities, costs and expenses of any nature whatsoever, whether at law or in equity, that it ever had, now has, or that it may hereafter have against the other that arise out of the subject matter of the Petition or Sacramento Superior Court Case No. 98CS01755.

7. WAIVER OF UNKNOWN CLAIMS.

(a) Each party understands that it may have sustained damages that arise or may arise out of or relate to either the

subject matter of the Petition or Sacramento Superior Court Case No. 98CS01755 that may not have manifested themselves and that are presently unknown. The waivers and releases in this Settlement Agreement include waivers and releases of any claims for those damages. The waivers and releases in this Settlement Agreement also include waivers and releases of any other claims for unknown or unanticipated injuries, losses, or damages arising out of or relating to either the subject matter of the Petition or Sacramento Superior Court Case No. 98CS01755. Nothing in this section shall either (i) affect or prohibit the parties from enforcing any of the provisions of this Settlement Agreement or (ii) affect or prohibit the DISTRICT from taking, initiating or participating in any administrative or legal action relating to any action taken by the SNAGMA.

(b) Each party further waives, with respect to the Petition and Sacramento Superior Court Case No. 98CS01755, all rights or benefits that it has or may have under section 1542 of the Civil Code of the State of California to the extent it would otherwise apply. Section 1542 reads as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

8. COSTS AND ATTORNEY'S FEES. The waivers and releases in this Settlement Agreement include waivers and releases for costs, expenses and attorney's fees incurred with respect to the

Petition and the other proceedings referenced in Section 4 above.

9. COMPLETE AGREEMENT. The terms of this Settlement Agreement are intended by the parties as a final expression of their agreement and understanding with respect to such terms as are included in this Settlement Agreement, including, but not limited to, all prior agreements or understandings concerning the subject matter of this Agreement, and may not be contradicted by evidence of any prior or contemporaneous agreement. The parties further intend that this Settlement Agreement constitutes the complete and exclusive statement of its terms, and that no extrinsic evidence whatsoever may be introduced to vary its terms in any proceeding involving this Settlement Agreement.

10. AMENDMENTS. No amendment of, supplement to, or waiver of any obligations under the provisions of this Settlement Agreement will be enforceable or admissible unless set forth in a writing signed by the party against which enforcement or admission is sought.

11. DUE DILIGENCE. Each party declares that prior to the execution of this Settlement Agreement, it or its duly authorized representatives have apprized themselves of sufficient relevant data, either through experts or other sources of their own selection, in order that each party might intelligently exercise its judgment in deciding whether to execute, and in deciding on

the contents of, this Settlement Agreement. Each party assumes the risk that facts, other than those facts that are represented or warranted to be true in this Settlement Agreement, may later be found to be other than or different from the facts now believed by it to be true. Each party declares that its decision to execute this Settlement Agreement is not influenced by any representation not expressly set forth in this Settlement Agreement.

12. AUTHORITY TO EXECUTE AGREEMENT. Each party represents that it is duly authorized to enter into this Settlement Agreement, and each person signing on behalf of an entity represents that he or she is duly authorized to sign on behalf of that entity.

13. BINDING ON SUCCESSORS AND ASSIGNS. This Settlement Agreement shall be binding on, and inure to the benefit of, the successors and assigns of the respective parties hereto.

14. INTERPRETATION. It is agreed and acknowledged by the parties hereto that the provisions of this Settlement Agreement have been arrived at through negotiation, and that each of the parties has had a full and fair opportunity to revise the provisions of this Settlement Agreement and to have such provisions reviewed by legal counsel. Therefore, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting this Settlement Agreement.

15. WAIVER. The waiver at any time by any party of any of its rights with respect to a default or other matter arising in

connection with this Settlement Agreement shall not be deemed a waiver with respect to any subsequent default or other matter.

16. NOTICES. Any notice, demand, request, consent, or approval that either party hereto may, or is required to, give the other shall be in writing and shall be deemed to have been received three (3) days after being deposited in the United States mail, first class postage prepaid, and addressed as follows:

TO COUNTY:

County Executive
700 H Street, Room 7650
Sacramento, CA 95814

TO SNAGMA:

Executive Officer
Sacramento North Area
Groundwater Management
Authority
5620 Birdcage St., Suite 180
Citrus Heights, CA 95610

TO DISTRICT:


General Manager
Rio Linda/Elverta Community Water District
P.O. Box 400
730 L Street
Rio Linda, CA 96573

Either party hereto shall have the right to serve any notice by personal delivery, and change the address at which it will receive such communications by giving fifteen (15) days advance notice to the other party.

Dated: February __, 1999

COUNTY OF SACRAMENTO

By


Chairperson, Board of Supervisors

APPROVED AS TO FORM:

John F. Whit
County Counsel

Dated: February 10, 1999

SACRAMENTO NORTH AREA GROUNDWATER
MANAGEMENT AUTHORITY

By *J. Cassanin*
Chairperson, Board of Directors

APPROVED AS TO FORM:

Robert E. Jankin
Authority Counsel

Dated: ~~February~~ MARCH 18, 1999

RIO LINDA/ELVERTA COMMUNITY WATER
DISTRICT

By *Jay O'Brien*
Chairperson, Board of Directors

APPROVED AS TO FORM:

Thomas Coble
DISTRICT COUNSEL



Executive Committee Agenda Item: 7

Date: May 3, 2021

Subject: Discuss the doubtful recovery debt, customer accounts deemed infeasible to collect.

Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee should review this staff report and request any clarifications. The Executive Committee is compelled to forward this item onto the May 17th Board agenda.

Current Background and Justification:

The District is a tax-exempt, non-profit government agency owned by the Rio Linda/Elverta community. When customers do not pay for the water services provided, and for which the District has incurred costs (payroll, energy, materials, etc.), the District has a responsibility to recover the costs via all reasonable methods. Failure to collect the cost of providing service results in transferring the cost burden from the non-paying customers to the paying customers. Pursuant to statutory requirements and District policy, the District must make all reasonable efforts to recover the cost of providing service. The various means to compel payment include:

1. Discontinuation of service until the unpaid balance is addressed. (statistically the most effective, but now more complex with the implementation of SB 998 and the Governor's Executive Order on discontinuation of service during the pandemic)
2. Recording a lien against the property (effectiveness limited by property sale, many customers ignore the lien if sale of the property is not anticipated)
3. Direct Assessment places a charge directly on the property owner's tax bill. If the charge remains unpaid for several years, the County has the authority to auction off the property for at least the amount of unpaid taxes. (effective but limited to once per calendar year. Additionally, this was a gray area in August 2020 due to the Executive Orders on discontinuation of service and evictions during the pandemic).

The District regular performs methods 1 and 2. The District, although authorized by statute and District policy (4.31.290), and limited by Executive Orders has not practice method 3, Direct Assessments. In my opinion, due to the requirements of SB 998 codified in the District's Discontinuation of Residential Water Service for Non-payment, the District is compelled to include Direct Assessments in its "reasonable efforts" to recover costs, i.e., the District should execute the direct assessment method if the pandemic status does not render direct assessment infeasible in August 2021.

Sometimes, despite all reasonable efforts, the District cannot recover the cost of providing service within the time constraints and property ownership limitations. Circumstances leading to non-recovery of costs include; bankruptcy declarations, short sells and other means of transferring property ownership faster than the District can record liens, failure by the District to exercise all reasonable efforts within the statutory time limits and/or pursuant to statutory requirements.

In the circumstances where the district cannot recover the cost of providing service, the District is compelled to declare the debt as "doubtful recovery" AKA write off (although the term write off is prone to connote the private sector accounting principle of writing off the loss as a tax deduction. The District, a tax-exempt entity, has no such benefit. Failure to declare doubtful recovery debt has the potential to lead to findings in our annual, independent audit because the District's financial records could fail to reflect the District's financial position fairly and accurately.

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Conclusion:

The Executive Committee is compelled to forward an item onto the May 17th Board agenda to allow the Board to approve the list of accounts to be declared doubtful recovery. The Executive Committee should recommend Board approval.



Executive Committee Agenda Item: 8

Date: May 3, 2021

Subject: Expenditure Summary

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

It is recommended that the Executive Committee review the expenditures for March 2021, then forward the item to the May 17th Board agenda, consent section, with a recommendation for approval.

Current Background and Justification:

These expenditures were necessary and prudent for operation of the District and consistent with the policies and budget adopted by the Board of Directors. The Expenditure Summary provides the listing of expenditures which have occurred since the last regular meeting of the Board.

Conclusion:

Consistent with the District policies, the Expenditure Summary is to be reviewed by the Executive Committee and approved by the Board of Directors.



Executive Committee Agenda Item: 8

Date: May 3, 2021

Subject: Expenditure Summary

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

It is recommended that the Executive Committee review the expenditures for March 2021, then forward the item to the May 17th Board agenda, consent section, with a recommendation for approval.

Current Background and Justification:

These expenditures were necessary and prudent for operation of the District and consistent with the policies and budget adopted by the Board of Directors. The Expenditure Summary provides the listing of expenditures which have occurred since the last regular meeting of the Board.

Conclusion:

Consistent with the District policies, the Expenditure Summary is to be reviewed by the Executive Committee and approved by the Board of Directors.

**Rio Linda Elverta Community Water District
Expenditure Report
March 2021**

Type	Date	Num	Name	Memo	Amount
Liability Check	03/10/2021	EFT	QuickBooks Payroll Service	For PP Ending 03/06/21 Pay date 03/11/21	17,154.37
Liability Check	03/11/2021	EFT	CalPERS	For PP Ending 03/06/21 Pay date 03/11/21	2,748.78
Liability Check	03/11/2021	EFT	CalPERS	For PP Ending 03/06/21 Pay date 03/11/21	1,119.77
Liability Check	03/11/2021	EFT	Internal Revenue Service	Employment Taxes	6,718.36
Liability Check	03/11/2021	EFT	Employment Development	Employment Taxes	1,335.56
Bill Pmt -Check	03/11/2021	EFT	Adept	Computer Maintenance	1,208.00
Bill Pmt -Check	03/11/2021	EFT	Comcast	Phone/Internet	276.06
Liability Check	03/11/2021	EFT	Empower	Deferred Compensation Plan: Employer & Employee Share	1,896.46
Bill Pmt -Check	03/11/2021	EFT	PG&E	Utilities	111.39
Bill Pmt -Check	03/11/2021	EFT	Republic Services	Utilities	89.07
Bill Pmt -Check	03/11/2021	EFT	Umpqua Bank CC	Computer, Office, Postage, Pump Maint	1,432.86
Transfer	03/11/2021	EFT	RLECWD	Umpqua Bank Monthly Debt Service Transfer	16,500.00
Liability Check	03/11/2021	1622	Teamsters Local	Union Dues-Employee Paid	635.00
Check	03/11/2021	1623	Customer	Final Bill Refund	29.36
Check	03/11/2021	1624	Customer	Final Bill Refund	713.94
Bill Pmt -Check	03/11/2021	1625	ABS Direct	Postage & Printing	240.43
Bill Pmt -Check	03/11/2021	1626	ACWA/JPIA Powers Insurance Authority	EAP	25.70
Bill Pmt -Check	03/11/2021	1627	CoreLogic Solutions	Metro Scan	134.75
Bill Pmt -Check	03/11/2021	1628	Employee Relations	New Employee Screening	64.72
Bill Pmt -Check	03/11/2021	1629	Fieldman, Rolapp & Associates	Professional Fees-CalPERS Pension Fund Strategy	5,391.50
Bill Pmt -Check	03/11/2021	1630	Henrici, Mary	Retiree Insurance	900.00
Bill Pmt -Check	03/11/2021	1631	Intermedia.net	Phone/Internet	85.77
Bill Pmt -Check	03/11/2021	1632	Med 7 Urgent Care Center	New Employee Screening	165.00
Bill Pmt -Check	03/11/2021	1633	O'Reilly Automotive	Transportation Maintenance	39.84
Bill Pmt -Check	03/11/2021	1634	Pacific Shredding	Office Expense	27.00
Bill Pmt -Check	03/11/2021	1635	Rio Linda Elverta Recreation & Park	Meeting Fee	50.00
Bill Pmt -Check	03/11/2021	1636	Rio Linda Hardware & Building Supply	Shop Supplies	134.35
Bill Pmt -Check	03/11/2021	1637	Sacramento Suburban Water District	Professional Fees	455.83
Bill Pmt -Check	03/11/2021	1638	Spok, Inc.	Field Communication	15.40
Bill Pmt -Check	03/11/2021	1639	Two Brothers Catholic Services	Annual Water Tank Service	800.00
Bill Pmt -Check	03/11/2021	1640	Unifirst Corporation	Uniforms	269.21
Bill Pmt -Check	03/11/2021	1641	Vanguard Cleaning Systems	Janitorial	195.00
Bill Pmt -Check	03/11/2021	1642	Water Rite Products	Pump Maintenance	90.00
Bill Pmt -Check	03/11/2021	1643	Ferguson Enterprises	Capital Improvement: Large Meters	4,021.88
Bill Pmt -Check	03/17/2021	EFT	ARCO	Transportation Fuel	565.11
Bill Pmt -Check	03/18/2021	EFT	WageWorks	FSA Administration Fee	76.25
Liability Check	03/24/2021	EFT	QuickBooks Payroll Service	For PP Ending 03/20/21 Pay date 03/25/21	17,586.95
Liability Check	03/25/2021	EFT	CalPERS	For PP Ending 03/20/21 Pay date 03/25/21	2,902.38
Liability Check	03/25/2021	EFT	CalPERS	For PP Ending 03/20/21 Pay date 03/25/21	1,119.77
Liability Check	03/25/2021	EFT	Internal Revenue Service	Employment Taxes	6,936.96
Liability Check	03/25/2021	EFT	Employment Development	Employment Taxes	1,361.42
Liability Check	03/25/2021	EFT	Empower	Deferred Compensation Plan: Employer & Employee Share	1,905.92
Liability Check	03/25/2021	EFT	Kaiser Permanente	Health Insurance	1,275.76

**Rio Linda Elverta Community Water District
Expenditure Report
March 2021**

Type	Date	Num	Name	Memo	Amount
Liability Check	03/25/2021	EFT	Principal	Dental & Vision Insurance	1,609.42
Liability Check	03/25/2021	EFT	Western Health Advantage	Health Insurance	9,491.61
Bill Pmt -Check	03/25/2021	EFT	Verizon	Field Communication, Field IT	573.98
Bill Pmt -Check	03/25/2021	EFT	Voyager	Transportation Fuel	116.51
Check	03/25/2021	EFT	RLECWD - Capital Improvement	Current Monthly Transfer	45,750.00
Check	03/25/2021	1644	Customer	Final Bill Refund	12.97
Bill Pmt -Check	03/25/2021	1645	BSK Associates	Lab Fees	2,555.00
Bill Pmt -Check	03/25/2021	1646	Buckmaster Office Solutions	Office Equipment Expense	42.64
Bill Pmt -Check	03/25/2021	1647	Churchwell White	Legal Fees	364.80
Bill Pmt -Check	03/25/2021	1648	EKI Environment & Water	Engineering	5,000.00
Bill Pmt -Check	03/25/2021	1649	Iconix Waterworks	Distribution Supplies	254.29
Bill Pmt -Check	03/25/2021	1650	Oreilly Automotive	Pumping Maintenance	128.94
Bill Pmt -Check	03/25/2021	1651	Pacific Premier Bank	Surcharge 2 Loan Payment	157,396.67
Bill Pmt -Check	03/25/2021	1652	Sacramento County Utilities	Utilities	113.70
Bill Pmt -Check	03/25/2021	1653	Sierra Chemical Company	Chemical Supplies	861.30
Bill Pmt -Check	03/25/2021	1654	Staples	Office Expense	127.95
Bill Pmt -Check	03/25/2021	1655	Tesco Controls	Field IT	1,041.05
Bill Pmt -Check	03/25/2021	1656	USA BlueBook	Shop Supplies	446.14
Bill Pmt -Check	03/25/2021	1657	Water Rite Products	Shop Supplies	36.86
Check	03/25/2021	1658	Customer	Final Bill Refund	255.76
Check	03/25/2021	1659	Customer	Final Bill Refund	94.66
Check	03/25/2021	1660	Customer	Final Bill Refund	52.23
Check	03/25/2021	1661	Customer	Final Bill Refund	79.82
Check	03/25/2021	1662	Customer	Final Bill Refund	12.62
Total 10000 · Bank - Operating Account					<u>325,224.80</u>

**Rio Linda Elverta Community Water District
Expenditure Report
March 2021**

Type	Date	Num	Payee	Memo	Amount
Check	03/25/2021	EFT	RLECWD	Transfer Surcharge 2 Loan Payment	157,396.67
10375 · Surcharge Account 2					<u>157,396.67</u>

Type	Date	Num	Payee	Memo	Amount
Transfer	03/11/2021	EFT	RLECWD	CIP Expense Transfer: Refer to operating check numbers: 1643	4,021.88
10385 · Pacific Premier Bank Checking					<u>4,021.88</u>



Executive Committee Agenda Item: 9

Date: May 3, 2021

Subject: Financial Reports

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee should review the Finance Reports of the District for the month of March 2021, then forward the report onto the May 17th Board agenda with the Committee's recommendation for Board approval.

Current Background and Justification:

The financial reports are the District's balance sheet, profit and loss, and capital improvements year to date. This report provides the snapshot of the District's fiscal health for the period covered.

Conclusion:

Consistent with District policies, these financials are to be reviewed by this committee and presented to the Board of Directors to inform them of the District's current financial situation.

Rio Linda Elverta Community Water District

Balance Sheet

As of March 31, 2021

ASSETS

Current Assets

Checking/Savings

100 - Cash & Cash Equivalents

10000 - Operating Account

10020 - Operating Fund-Umpqua 841,660.00

Total 10000 - Operating Account 841,660.00

10475 - Capital Improvement

10480 - General 408,835.59

10481 - Cr6 Mitigation 454,500.00

10485 - Vehicle Replacement Reserve 15,000.00

Total 10450 - Capital Improvement 878,335.59

10490 - Future Capital Imp Projects 1,397,121.51

Total 100 - Cash & Cash Equivalents 3,117,117.10

102 - Restricted Assets

102.2 - Restricted for Debt Service

10700 - ZIONS Inv/Surcharge Reserve 524,319.71

10300 - Surcharge 1 Account 783,250.24

10350 - Umpqua Bank Debt Service 97,303.26

10380 - Surcharge 2 Account 199,452.58

10385 - OpusBank Checking 720,912.10

Total 102.2 - Restricted for Debt Service 2,325,237.89

102.4 - Restricted Other Purposes

10600 - LAIF Account 335,435.40

10650 - Operating Reserve Fund 301,782.04

Total 102.4 - Restricted Other Purposes 637,217.44

Total 102 - Restricted Assets 2,962,455.33

Total Checking/Savings 6,079,572.43

Accounts Receivable 50,700.00

Other Current Assets

12000 - Water Utility Receivable 529,548.06

12200 - Accrued Revenue 0.00

12250 - Accrued Interest Receivable 2,032.68

15000 - Inventory Asset 68,727.94

16000 - Prepaid Expense 47,570.70

Total Other Current Assets 647,879.38

Total Current Assets 6,778,151.81

Fixed Assets

17000 - General Plant Assets 709,029.25

17100 - Water System Facilites 22,564,097.62

17300 - Intangible Assets 373,043.42

17500 - Accum Depreciation & Amort -9,894,836.59

18000 - Construction in Progress 2,498,738.27

18100 - Land 576,673.45

Total Fixed Assets 16,826,745.42

Other Assets

19000 - Deferred Outflows 227,638.00

19900 - Suspense Account 0.00

Total Other Assets 227,638.00

TOTAL ASSETS 23,832,535.23

Rio Linda Elverta Community Water District

Balance Sheet
As of March 31, 2021

LIABILITIES & EQUITY**Liabilities****Current Liabilities**

Accounts Payable	4,208.44
Credit Cards	60.00
Other Current Liabilities	843,813.86

Total Current Liabilities	<u>848,082.30</u>
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Long Term Liabilities

23000 · OPEB Liability	115,693.00
23500 · Lease Buy-Back	656,542.27
25000 · Surcharge 1 Loan	3,833,912.47
25050 · Surcharge 2 Loan	2,790,040.16
26000 · Water Rev Refunding	1,806,855.00
27000 · Community Business Bank	244,415.94
29000 · Net Pension Liability	1,055,771.00
29500 · Deferred Inflows-Pension	20,431.00
29600 · Deferred Inflows-OPEB	82,332.00

Total Long Term Liabilities	<u>10,605,992.84</u>
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Total Liabilities

11,454,075.14

Equity

31500 · Invested in Capital Assets, Net	8,842,880.46
32000 · Restricted for Debt Service	705,225.24
38000 · Unrestricted Equity	2,121,845.12
Net Income	708,509.27

Total Equity

<u>12,378,460.09</u>

TOTAL LIABILITIES & EQUITY

<u><u>23,832,535.23</u></u>

**Rio Linda Elverta Community Water District
Operating Profit & Loss Budget Performance
As of March 31, 2021**

	<u>Annual Budget</u>	<u>Mar 21</u>	<u>Jul 20-Mar 21</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
Ordinary Income/Expense					
Income					
Total 40000 - Operating Revenue	2,719,575.00	234,729.52	2,026,682.15	74.52%	692,892.85
41000 - Nonoperating Revenue					
41110 - Investment Revenue					
41112 - Interest Revenue	400.00	16.72	200.72	50.18%	199.28
Surcharg Total 41110 - Investment Revenue	400.00	16.72	200.72	50.18%	199.28
41120 - Property Tax	88,500.00	0.00	60,478.30	68.34%	28,021.70
Total 41000 - Nonoperating Revenue	88,900.00	16.72	60,679.02	68.26%	28,220.98
Total Income	<u>2,808,475.00</u>	<u>234,746.24</u>	<u>2,087,361.17</u>	<u>74.32%</u>	<u>721,113.83</u>
Gross Income	2,808,475.00	234,746.24	2,087,361.17	74.32%	721,113.83
Expense					
60000 - Operating Expenses					
60010 - Professional Fees	135,000.00	6,714.80	80,142.48	59.37%	54,857.52
60100 - Personnel Services					
60110 - Salaries & Wages	729,867.00	53,611.35	515,171.18	70.58%	214,695.82
60150 - Employee Benefits & Expense	489,145.00	33,529.76	303,073.97	61.96%	186,071.03
Total 60100 - Personnel Services	<u>1,219,012.00</u>	<u>87,141.11</u>	<u>818,245.15</u>	<u>67.12%</u>	<u>400,766.85</u>
60200 - Administration	205,010.00	10,205.68	145,530.47	70.99%	59,479.53
64000 - Conservation	300.00	0.00	0.00	0.00%	300.00
65000 - Field Operations	436,400.00	22,020.00	286,926.82	65.75%	149,473.18
Total 60000 - Operating Expenses	1,995,722.00	126,081.59	1,330,844.92	66.69%	664,877.08
69000 - Non-Operating Expenses					
69010 - Debt Service					
69100 - Revenue Bond					
69105 - Principle	145,736.00	0.00	59,736.00	40.99%	86,000.00
69110 - Interest	57,490.00	0.00	29,191.24	50.78%	28,298.76
Total 69100 - Revenue Bond	<u>203,226.00</u>	<u>0.00</u>	<u>88,927.24</u>	<u>43.76%</u>	<u>114,298.76</u>
69125 - AMI Meter Loan					
69130 - Principle	48,281.00	0.00	49,788.94	103.12%	-1,507.94
69135 - Interest	10,233.00	0.00	8,724.98	85.26%	1,508.02
Total 69125 - AMI Meter Loan	<u>58,514.00</u>	<u>0.00</u>	<u>58,513.92</u>	<u>100.00%</u>	<u>0.08</u>
Total 69010 - Debt Service	<u>261,740.00</u>	<u>0.00</u>	<u>147,441.16</u>	<u>56.33%</u>	<u>114,298.84</u>
69400 - Other Non-Operating Expense	2,000.00	0.00	0.00	0.00%	2,000.00
Total 69000 - Non-Operating Expenses	<u>263,740.00</u>	<u>0.00</u>	<u>147,441.16</u>	<u>55.90%</u>	<u>116,298.84</u>
Total Expense	<u>2,259,462.00</u>	<u>126,081.59</u>	<u>1,478,286.08</u>	<u>65.43%</u>	<u>781,175.92</u>
Net Ordinary Income	<u>549,013.00</u>	<u>108,664.65</u>	<u>609,075.09</u>		
Net Income	<u><u>549,013.00</u></u>	<u><u>108,664.65</u></u>	<u><u>609,075.09</u></u>		

Rio Linda Elverta Community Water District
CAPITAL BUDGET VS ACTUAL FISCAL YEAR 2020-21
 As of March 31, 2021

	GENERAL		VEHICLE REPLACEMENT		FUTURE CAPITAL IMPROVEMENT PROJECTS	
	Annual Budget	YTD Actual	Annual Budget	YTD Actual	Annual Budget	YTD Actual
FUNDING SOURCES						
Fund Transfers						
Operating Fund Transfers In	549,013.00	411,750.00	-	-	-	-
CIP Fund Intrafund Transfers	(456,670.00)	-	75,000.00	-	381,670.00	-
Beginning Balance Redistribution	(1,396,338.00)	(1,396,338.00)	-	-	1,396,338.00	1,396,338.00
Surcharge 2 Surplus Repayment	107,171.00	-	-	-	-	-
Investment Revenue	-	166.87	-	-	3,500.00	783.51
PROJECTS						
A · WATER SUPPLY						
A-1 · Miscellaneous Pump Replacements	40,000.00	-	-	-	-	-
Total A · WATER SUPPLY	40,000.00	-	-	-	-	-
B · WATER DISTRIBUTION						
B-1 · Service Replacements	30,000.00	9,114.98	-	-	-	-
B-2 · Small Meter Replacements	120,000.00	67,932.39	-	-	-	-
B-3 · Large Meter Replacements	5,000.00	4,021.88	-	-	-	-
Total B · WATER DISTRIBUTION	155,000.00	81,069.25	-	-	-	-
TOTAL BUDGETED PROJECT EXPENDITURES	195,000.00	81,069.25	-	-	-	-

**Rio Linda Elverta Community Water District
Capacity Revenue Profit & Loss Budget Performance
January - March 2021**

	<u>Annual Budget</u>	<u>Oct-Dec 20 Current QTR</u>	<u>Jul 20-Dec 20 YTD</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
Income					
41000 · Non-Operating Revenue					
41110 · Investment Revenue					
41112 · Interest Revenue	2,000.00	504.17	2,234.39	111.72%	-234.39
	<u>2,000.00</u>	<u>504.17</u>	<u>2,234.39</u>	<u>111.72%</u>	<u>-234.39</u>
44100 · Capacity Fee Revenue	60,000.00	0.00	29,113.86	48.52%	30,886.14
Total Income	<u>62,000.00</u>	<u>504.17</u>	<u>31,348.25</u>	<u>50.56%</u>	<u>30,651.75</u>
Gross Income	<u>62,000.00</u>	<u>504.17</u>	<u>31,348.25</u>	<u>50.56%</u>	<u>30,651.75</u>
Net Income	<u><u>62,000.00</u></u>	<u><u>504.17</u></u>	<u><u>31,348.25</u></u>		

**Rio Linda Elverta Community Water District
Surcharge 1 Profit & Loss Budget Performance
January - March 2021**

	<u>Annual Budget</u>	<u>Jan-Mar 21 Current QTR</u>	<u>Jul 20-Mar 21 YTD</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
Income					
41000 - Non-Operating Revenue					
41110 - Investment Revenue					
41111 - Dividend Revenue	0.00	2.49	24.22	100.0%	-24.22
41112 - Interest Revenue	11,000.00	2,047.22	6,364.54	57.86%	4,635.46
41113 - Market Value Adjustment	0.00	-2,238.23	-4,148.64	100.0%	4,148.64
	<u>11,000.00</u>	<u>-188.52</u>	<u>2,240.12</u>	<u>20.37%</u>	<u>8,759.88</u>
43010 - Surcharge 1 Revenue	<u>523,374.00</u>	<u>175,154.30</u>	<u>378,661.88</u>	<u>72.35%</u>	<u>144,712.12</u>
Total Income	<u>534,374.00</u>	<u>174,965.78</u>	<u>380,902.00</u>	<u>71.28%</u>	<u>153,472.00</u>
Gross Income	534,374.00	174,965.78	380,902.00	71.28%	153,472.00
Expense					
69150 - Surcharge 1 Loan					
69155 - Principle	360,494.24	0.00	179,096.11	49.68%	181,398.13
69160 - Interest	100,860.31	0.00	51,581.21	51.14%	49,279.10
69170 - Admin Fees	2,100.00	570.91	1,711.52	81.5%	388.48
Total 69150 - Surcharge 1 Loan	<u>463,454.55</u>	<u>570.91</u>	<u>232,388.84</u>	<u>50.14%</u>	<u>231,065.71</u>
Total Expense	<u>463,454.55</u>	<u>570.91</u>	<u>232,388.84</u>		
Net Income	<u><u>70,919.45</u></u>	<u><u>174,394.87</u></u>	<u><u>148,513.16</u></u>		

**Rio Linda Elverta Community Water District
Surcharge 2 Profit & Loss Budget Performance
January - March 2021**

	<u>Annual Budget</u>	<u>Jan-Mar 21 Current QTR</u>	<u>Jul 20-Mar 21 YTD</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
Income					
41000 · Non-Operating Revenue					
41110 · Investment Revenue					
41112 · Interest Revenue	800.00	70.23	1,215.35	151.92%	-415.35
	<u>800.00</u>	<u>70.23</u>	<u>1,215.35</u>	<u>151.92%</u>	<u>-415.35</u>
43050 · Surcharge 2 Revenue	439,019.00	145,741.15	315,073.61	71.77%	123,945.39
Total Income	<u>439,819.00</u>	<u>145,811.38</u>	<u>316,288.96</u>	<u>71.91%</u>	<u>123,530.04</u>
Gross Income	439,819.00	145,811.38	316,288.96	71.91%	123,530.04
Expense					
69175 · Surcharge 2 Loan					
69180 · Principle	220,000.00	110,000.00	220,000.00	100.0%	0.00
69185 · Interest	96,597.32	47,396.67	96,597.32	100.0%	0.00
Total 69175 · Surcharge 2 Loan	<u>316,597.32</u>	<u>157,396.67</u>	<u>316,597.32</u>	<u>100.0%</u>	<u>0.00</u>
Total Expense	<u>316,597.32</u>	<u>157,396.67</u>	<u>316,597.32</u>		
Net Income	<u><u>123,221.68</u></u>	<u><u>-11,585.29</u></u>	<u><u>-308.36</u></u>		

CERBT Account Update

Rio Linda Elverta Community Water District

as of March 31, 2021

OPEB Valuation Report Summary

OPEB Actuarial Valuation Report by Demsey, Filliger, and Associates	
Valuation Date	7/1/2019
Total OPEB Liability (TOL)	\$161,006
Valuation Assets	\$16,461
Net OPEB Liability (NOL)	\$144,545
Funded Status	10%
Actuarially Determined Contribution (ADC)	\$8,521
CERBT Asset Allocation Strategy	Strategy 2
Discount Rate	5.75%

CERBT Account Summary

As of March 31, 2021	Strategy 2
Initial contribution (06/26/2019)	\$16,356
Additional contributions	\$20,000
Disbursements	\$0
CERBT expenses	(\$46)
Investment earnings	\$7,437
Total assets	\$43,747
Annualized net rate of return (06/26/2019-03/31/2021 = 1.76 years)	15.15%

Cash Flow Summary by Fiscal Year

Fiscal Year	Contributions	Disbursements	Cumulative Investment Gains (Losses)	Cumulative Fees	Cumulative Ending Assets
2006-07	\$0	\$0	\$0	\$0	\$0
2007-08	\$0	\$0	\$0	\$0	\$0
2008-09	\$0	\$0	\$0	\$0	\$0
2009-10	\$0	\$0	\$0	\$0	\$0
2010-11	\$0	\$0	\$0	\$0	\$0
2011-12	\$0	\$0	\$0	\$0	\$0
2012-13	\$0	\$0	\$0	\$0	\$0
2013-14	\$0	\$0	\$0	\$0	\$0
2014-15	\$0	\$0	\$0	\$0	\$0
2015-16	\$0	\$0	\$0	\$0	\$0
2016-17	\$0	\$0	\$0	\$0	\$0
2017-18	\$0	\$0	\$0	\$0	\$0
2018-19	\$16,356	\$0	\$106	(\$0)	\$16,461
2019-20	\$20,000	\$0	\$2,447	(\$18)	\$38,785
as of 3/31/2021	\$0	\$0	\$7,437	(\$46)	\$43,747

CERBT/ CEPPT Investment Returns Outperform Benchmarks

Periods ended February 28, 2021

Fund	Assets	1 Month	3 Months	FYTD	1 Year	3 Years	5 Years	10 Years	ITD
CERBT Strategy 1 (Inception June 1, 2007)	\$11,797,094,997	1.44%	4.61%	18.33%	20.42%	9.40%	11.03%	7.70%	5.87%
Benchmark		1.43%	4.56%	18.19%	20.01%	9.12%	10.60%	7.42%	5.44%
CERBT Strategy 2 (Inception October 1, 2011)	\$1,705,837,808	0.55%	2.58%	12.68%	14.64%	8.72%	9.36%	-	8.06%
Benchmark		0.54%	2.53%	12.55%	14.34%	8.50%	8.95%	-	7.76%
CERBT Strategy 3 (Inception January 1, 2012)	\$797,491,056	-0.17%	1.14%	8.23%	9.75%	7.78%	7.58%	-	6.28%
Benchmark		-0.17%	1.10%	8.14%	9.50%	7.62%	7.22%	-	5.97%
CERBT Total	\$14,300,423,861								
CEPPT Strategy 1 (Inception October 1, 2019)	\$19,364,172	0.47%	2.58%	12.15%	14.29%	-	-	-	10.94%
Benchmark		0.60%	2.64%	12.05%	14.41%	-	-	-	11.05%
CEPPT Strategy 2 (Inception January 1, 2020)	\$10,034,968	-0.52%	0.21%	4.87%	6.62%	-	-	-	6.61%
Benchmark		-0.46%	0.13%	4.69%	6.45%	-	-	-	6.44%
CEPPT Total	\$29,399,140								

CERBT Expected Rates of Return & Risk

Portfolios	CERBT Strategy 1	CERBT Strategy 2	CERBT Strategy 3
Expected Return	7.59%	7.01%	6.22%
Risk	11.83%	9.24%	7.28%

CERBT Portfolio Details

Asset Classification	Benchmark	CERBT Strategy 1	CERBT Strategy 2	CERBT Strategy 3
Global Equity	MSCI All Country World Index	59% ±5%	40% ±5%	22% ±5%
Fixed Income	Barclays Capital Long Liability Index (CERBT)	25% ±5%	43% ±5%	49% ±5%
Global Real Estate (REITs)	FTSE EPRA/NAREIT Developed Liquid Index	8% ±5%	8% ±5%	8% ±5%
Treasury Inflation Protected Securities (TIPS)	Barclays Capital Global Real: US TIPS Index	5% ±3%	5% ±3%	16% ±3%
Commodities	S&P GSCI Total Return Index	3% ±3%	4% ±3%	5% ±3%
Cash	3-Month Treasury Bill	0% +2%	0% +2%	0% +2%

Total Participation Cost Fee Rate

- Total all-inclusive cost of participation
 - Combines administrative, custodial, and investment fees
 - Separate trust funds
 - Self-funded, fee rate may change in the future
 - Fee is applied daily to assets under management
 - 10 basis points - CERBT
 - 25 basis points - CEPPT

CERBT/CEPPT Consistently Low Fee Rate History

Fiscal Year	CERBT	CEPPT
2007-2008	2.00 basis points	-
2008-2009	6.00 basis points	-
2009-2010	9.00 basis points	-
2010-2011	12.00 basis points	-
2011-2012	12.00 basis points	-
2012-2013	15.00 basis points	-
2013-2014	14.00 basis points	-
2014-2015	10.00 basis points	-
2015-2016	10.00 basis points	-
2016-2017	10.00 basis points	-
2017-2018	10.00 basis points	-
2018-2019	10.00 basis points	-
2019-2020	10.00 basis points	25.00 basis points
2020-2021	10.00 basis points	25.00 basis points

586 Prefunding Program Employers

580 CERBT and 30 CEPPT

- State of California
- 151 Cities or Towns
- 12 Counties
- 73 School Employers
- 31 Courts
- 319 Special Districts and other Public Agencies
 - (97 Water, 34 Sanitation, 33 Fire, 24 Transportation)

Financial Reporting

- CERBT is the Plan
 - Provides audited and compliant GASB 74 report in a Schedule of Changes in Fiduciary Net Position (FNP)
 - Published in February each year

FNP Fiscal Year	Availability
2015-16	Available at https://www.calpers.ca.gov/cerbt
2016-17	
2017-18	
2018-19	
2019-20	

Questions? Where to Get Trust Fund Information?

Name	Title	E-mail	Desk	Mobile
Matt Goss	Outreach & Support Program Manager	Matthew.Goss@calpers.ca.gov	(916) 795-9071	(916) 382-6487
Karen Lookingbill	Outreach & Support Manager	Karen.Lookingbill@calpers.ca.gov	(916) 795-1387	(916) 501-2219
Jasper Jacobs	Outreach & Support Analyst	Jasper.Jacobs@calpers.ca.gov	(916) 795-0432	(916) 717-3886
Jean MacDonald	Outreach & Support Analyst	Jean.MacDonald@calpers.ca.gov	(916) 795-0675	(916) 291-1325
Colleen Cain-Herrback	Administration & Reporting Program Manager	Colleen.Cain-Herrback@calpers.ca.gov	(916) 795-2474	(916) 505-2506
Robert Sharp	Assistant Division Chief	Robert.Sharp@calpers.ca.gov	(916) 795-3878	(916) 397-0756

Program E-mail Addresses	Prefunding Programs Webpages
CERBT4U@calpers.ca.gov – Questions & Document Submittal	www.calpers.ca.gov/CERBT
CEPPT4U@calpers.ca.gov – Questions & Document Submittal	www.calpers.ca.gov/CEPPT
CERBTACCOUNT@calpers.ca.gov – Online Record Keeping System	