

**MINUTES OF THE NOVEMBER 21, 2022
BOARD OF DIRECTORS REGULAR MEETING
OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT**

1. CALL TO ORDER, ROLL CALL

The November 21, 2022 meeting of the Board of Directors of the Rio Linda/Elverta Community Water District called to order at 6:30 p.m. Visitor Depot Center 6730 Front St., Rio Linda, CA 95673. This meeting will be physically open to the public with some reasonable limitations pursuant to current state and county guidelines. All in-person attendees are required to wear masks pursuant to the Sacramento County public health order and the federal Americans with disabilities act. Director Gifford led the pledge of allegiance.

General Manager Tim Shaw took roll call of the Board of Directors. Director Jason Green, Director John Ridilla, Director Chris Gifford, Director Mary Harris, General Manager Tim Shaw, District Engineer, and Legal Counsel were present. Mike Vasquez, District Engineer was not present.

2. PUBLIC COMMENT – No Public comment.

Public member commented regarding a conversation she had with the office staff concerning the amount of her recent water bill. The bill consisted of charges for an inoperable meter, and a leak and felt the charges were too high.

3. CONSENT CALENDAR

3.1. Minutes September 19, 2022 and October 17, 2022

3.2 September Expenditures

3.3 September Financials

It was moved by Director Harris and seconded by Director Green to approve the consent calendars. Directors Green, Harris, Gifford and Ridilla voted yes. The motion carried with a roll call vote of 4-0-0.

4. REGULAR CALENDAR
ITEMS FOR DISCUSSION AND ACTION

4.1 GM Report.

The General Manager, Tim Shaw provided his monthly report to the Board of Directors.

The Board took no action on this item.

Director Harris asked if the \$3k savings in wireless could be put in a special fund and not put back in the General fund. GM Shaw stated it could be explored at Committee however there are other operations expenses that are higher.

4.2 District Engineer's Report.

The Contract District Engineer report provided a General District Engineering, Active Development Reviews (only projects with updates from the last Board Meeting), CIP Dry Creek Road Pipe Replacement Project.

The Board took no action on this item.

Comments/Questions - Public Member Vicky Young asked if the Dry Creek project was on track and within budget. GM Shaw stated they haven't started the job yet.

GM Shaw explained that the vault cover on 30th Street is estimated to be about \$5k-7k each to replace.

4.3 Consider Adopting Resolution 2022-08, Revising the Fees for Delinquent Account Notices and Termination of Water Service.

Existing statutes require a documented correlation between the fee charged for a service and the cost of providing that same service. Nearly 10 years have passed since the current fees for notifications to delinquent accounts and the fees for termination of water service were established.

In addition to the inflation that has occurred since the current fees were adopted, new regulatory mandates (SB 998 in 2018) have made a minor restructuring of the notification process necessary.

Staff has prepared a draft Resolution and a revision to the fees Exhibit for Ordinance 2013-01. Additionally, staff has prepared a cost components document as required by statute to correlate the proposed new fee amounts to the cost of services.

Comments/Questions – No public comment.

It was moved by Director Harris and seconded by Director Ridilla to adopt Resolution 2022-08, Revising the Fees for Delinquent Account Notices and Termination of Water Service. Directors Green, Gifford, Harris and Ridilla voted yes. The motion carried with a roll call vote of 4-0-0.

4.4 Consider Scheduling a Board Public Workshop to Discuss Options for Mitigating Declining Revenue from Water Conservation During Drought Emergency.

Earlier this year, in anticipation of the reduced revenues associated with the conservation mandated by the Governor's drought emergency declaration, the Board declined to implement the drought emergency rates authorized in the rate structure adopted by the District in August 2021.

In September 2022, the District customers conserved 23.3% compared to September 2020 (the states mandated basis for computing conservation). Through 9-months of 2022, District customers conserved 10.4% compared to the same period in 2020. At the same time, inflation in virtually all operating and administrative costs has remained at levels not seen in 40-years. Employment costs, insurance, electricity, utilities (phone, internet, trash collection) membership dues etc. are all 7 to 10% higher than they were last year. The combined impact of lower revenues and higher costs is substantive.

Staff, in coordination with the Board, has launched several cost cutting efforts needed to offset some of the impact. Examples include efforts to eliminate redundant membership dues (ACWA v. CSDA) saving approximately \$10,000 per year, lowering the cost for internet, and phones (Comcast) from \$360 per month to \$56 per month. Although these efforts will save ratepayer dollars in the long run, the savings won't materialize until the transitions are complete – best case scenario is half-way through the current fiscal year.

Other options to consider include Board reconsideration of the drought emergency rates. It is worthy to consider that the Board may authorize implementation of the drought emergency rates at a level less than the level authorized in the rate study and rate adjustment Resolution. For example, ratepayer have conserved 10% from January through September, the Board could authorize one third of the \$0.64 per unit (1-unit = 100 cubic feet 748-gallons) drought emergency volumetric rate which are correlated to a 30% conservation target, i.e. 10% is 1/3rd of 30%. Had the Board done so, the District would have received at least an additional \$100,000 in revenue factoring in the cause and effect of increased volumetric rates.

Given the current timing, where two new Board Members will be sworn into office in a couple of weeks, it may be politically prudent and relatively less tumultuous to project the Board's consideration of options until December. Options to create \$100,000 in revenue or reduce \$100,000 in costs are limited. A reduction in force, for example would save nearly \$100,000 in employment cost, if you ignore the increase in overtime that would likely result from a reduction in staffing.

It was moved by Board to wait until new Board members to takes office in December and then survey the Board for availability and discuss conducting a workshop at the December Board Meeting on the District Emergency Conservation Rates.

4.5 Authorize any New Board Member Assignments (committees and other) Proposed by the Chair Pursuant to District Policy 2.01.065.

5. INFORMATION ITEMS

5.1 District Activities Reports

- 5.1.1 Water Operations Report – Written report provided.
- 5.1.2 Completed and Pending Items Report – Written report provided.
- 5.1.3 Conservation Report – Written report provided.
- 5.1.4 Leak Repair Report – Report provided.
- 5.1.5 Minor Budget Revision
- 5.1.6 California Senate Bill 938 (SB 938)
- 5.1.7 Fair Political Practices Commission (FPPC) Form 806
- 5.1.8 Water Loss Standard Adopted by State Water Board
- 5.1.9 Special Award from Special Districts Risk Management Authority

5.2 Board Member Report

- 5.2.1 Report any ad hoc committees dissolved by requirements in Policy 2.01.065 – No action taken.
- 5.2.2 Sacramento Groundwater Authority – Harris (primary) – No meeting.
- 5.2.3 Executive Committee – Gifford, Ridilla – Minutes provided.
- 5.2.4 ACWA/JPIA – Ridilla – None.
- 5.2.5. Ad Hoc – COLA Committee – Waiting on feedback from Teamster Local 150.
- 5.2.6. Ad Hoc – GM Evaluation Committee – The committee met 2 times.

6. Public Comment Prior to Closed Session – No public comment.

7. CLOSED SESSION - The Board of Directors will meet in closed session to discuss the following item:

7.1. PUBLIC EMPLOYEE PERFORMANCE EVALUATION – General Manager: The Board will conduct a performance evaluation of the General Manager pursuant to subdivision (b) of California Government Code Section 54957.

8. RECONVENE IN OPEN SESSION 8.1. Announce any reportable actions authorized in closed session.

The Board President Jason Green reported that the Board found the GM's performance to be satisfactory and acknowledged the need for a minor edit to the sick leave accrual rate

9. DIRECTORS' AND GENERAL MANAGER COMMENTS – Chris wished everyone a happy Thanksgiving and Mary conveyed it has been a pleasure working with John.

10. ADJOURNMENT - The meeting was adjourned at 7:35pm.

Respectfully submitted,

Signature on File _____
Timothy R. Shaw, Secretary

Signature on File _____
Jason Green, President of the Board