

Rio Linda/Elverta Community Water District
Finance and Administrative Committee Meeting Minutes

June 11, 2018

Attendees: Director Mary Henrici, Director John Ridilla and General Manager Tim Shaw were present.

Meeting was called to order by Director Henrici at 6:30 PM.

Public Comment. There was none.

Agenda Items

1. Review and discuss expenditures of the District for the month of May 2018.

Director Ridilla questioned the cost of lien fees. General Manager Shaw noted this expense is a lien release fee. All items were in order.

The committee recommends approval to the full Board of Directors.

2. Review and discuss Financial Reports of the District for the month of May 2018.

Director Henrici noted that the ending fund balances in the capital budget report do not appear to be the same as the balance noted on the balance sheet. Manager Shaw will speak to staff regarding this issue.

The committee recommends approval of the financial reports to the full Board of Directors.

3. District Policy 2.01.065, Committees and assignments.

General Manager Shaw provided the committee with suggested edits to the District's policies regarding committees. The committee agreed with the General Manager's suggestions but requested that a clause be added to extend the time an ad hoc committee is in place if needed with full Board approval.

The committee recommends the proposed policy edits go forward to the full Board of Directors after legal review for approval.

**4. Notice from Fathom regarding discontinuance of customer consumption software.
Software unallocated loan proceeds from AMI loan.**

Manager Shaw informed the committee that Fathom software will no longer provide software programs for our metering system. This program was supposed to allow our customers to see the water being used at their household at any time similar to SMUD software. They have not been able to provide the system promised to the District and have not been paid for the software. There is currently \$92,000 of a loan procured by the District for AMI metering that has not been used. Manager Shaw suggested that this money be used for other capital improvements. Director Henrici felt that any unused portion of the loan should be paid as a principle payment toward the loan. Manager Shaw said this is allowed with this particular loan and the District would still need to pay the same amount of interest on the loan.

The committee felt that if it is not possible to pay down the loan that the money should be used to upgrade the current office billing system which includes some water use software and to purchase a new multi function printer for the office. After the new billing software is installed it will need to be determined if additional software will be needed to provide our customers with water usage information. The rest of the loan proceeds could be used for this software if needed.

5. Bartle Wells Associates rates addendum options.

The committee was provided with 3 rate tables. There was some discussion regarding a 14" hydrant which is in reality 2 services a 6 " and a 8" hydrant service. The committee felt that Table 3 was the most appropriate table to spread the costs of hydrant service. This recommendation is based on the fact that these hydrants are privately owned so there is no maintenance and only used when there is a fire so there is generally no use. Additional information on this item will be provided at the regular Board meeting.

The committee recommends Table 3 be considered by the full Board for approval.

Directors' and General Manager comments not on the agenda.

The past rate structures of the District were discussed with a timeline of when tiered rates were removed and the effect it has had on district revenue.

Meeting adjourned at 7:30 p.m.