

**RIO LINDA / ELVERTA COMMUNITY WATER DISTRICT
REGULAR MEETING OF THE
BOARD OF DIRECTORS**

April 19, 2021 (6:30 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

Join Zoom Meeting
<https://us02web.zoom.us/j/83135485402?pwd=U3NEYlRxaW40RUVoNG02WjlzaVQ2Zz09>

Meeting ID: 831 3548 5402
Passcode: 771824
Dial by your location
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Our Mission is to provide a safe and reliable water supply in a cost-effective manner.

AGENDA

The Board may discuss and take action on any item listed on this agenda, including items listed as information items. The Board may also listen to the other items that do not appear on this agenda, but the Board will not discuss or take action on those items, except for items determined by the Board pursuant to state law to be of an emergency or urgent nature requiring immediate action. The Board may address any item(s) in any order as approved by the Board.

The public will be given the opportunity to directly address the Board on each listed item during the Board's consideration of that item. Public comment on items within the jurisdiction of the Board is welcomed, subject to reasonable time limitations for each speaker. Public documents relating to any open session item listed on this agenda that are distributed to all or any majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection at the District office at 730 L Street, Rio Linda, CA 95673. In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, 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

1. CALL TO ORDER, ROLL CALL

2. PUBLIC COMMENT

2.1. Members of the public are invited to speak to the Board regarding items within the subject matter jurisdiction of the District that are not on the agenda or items on the consent agenda. Each speaker may address the Board once under Public Comment for a limit of 2 minutes. (Policy Manual § 2.01.160).

3. CONSENT CALENDAR (Action items: Approve Consent Calendar Items)

3.1. Minutes

March 15, 2021

The Board is being asked to approve the Minutes from the March 15, 2021 Regular Board Meeting.

3.2. Expenditures

The Finance & Administrative Committee recommends the Board approve the February Expenditures.

3.3. Financial Reports

The Finance & Administrative Committee recommends the Board approve the February Financial Reports.

**4. REGULAR CALENDAR
ITEMS FOR DISCUSSION AND ACTION**

4.1. GM Report.

4.1.1. The General Manager, Tim Shaw will provide his monthly report to the Board of Directors.

4.2. District Engineer’s Report.

*4.2.1. The Contract District Engineer will provide his monthly report to the Board of Directors.
4.2.2. Consider the revised RFP for the Annual Pipe Replacement Project.*

4.3. Consider approving the rate adjustment Proposition 218 Notice.

4.4. Consider authorizing the engagement of an alternative auditor at the currently engaged audit firm of Fechter and Company.

4.5. Consider waiving the requirement to perform sealed bid process for dump truck purchase.

4.6. 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
- 5.1.2. Conservation Report
- 5.1.3. Completed and Pending Items Report

5.2. Board Member Reports

- 5.2.1. Report any ad hoc committees dissolved by requirements in Policy 2.01.065
- 5.2.2. Sacramento Groundwater Authority – Harris (primary), Reisig
- 5.2.3. Sacramento Groundwater Authority (with RWA and SCGA) 3x3- Reisig
- 5.2.4. Executive Committee – Jason Green, Robert Reisig
- 5.2.5. ACWA/JPIA – Ridilla
- 5.2.6. Sacramento County LAFCo, Special Districts Advisory Committee - Reisig

6. DIRECTORS’ AND GENERAL MANAGER COMMENTS

7. ADJOURNMENT

Upcoming meetings:

Executive Committee

May 3, 2021, Monday, 6:00 pm remote meeting, in-person attendance option to be determined.

Board Meeting

May 17, 2021, Monday, 6:30 pm remote meeting, in-person attendance option to be determined.



**Consent Calendar
Agenda Item: 3.1**

Date: April 19, 2021

Subject: Minutes

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

N/A -Minutes of Board meetings are not reviewed by committees.

Current Background and Justification:

These minutes are to be reviewed and approved by the Board of Directors.

Conclusion:

I recommend the Board review and approve (as appropriate) the minutes of meetings provided with your Board packets.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla: _____ Harris: _____ Jason Green _____ Gifford _____ Reisig _____.

(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

**MINUTES OF THE MARCH 15, 2021
BOARD OF DIRECTORS REGULAR MEETING
OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT**

1. CALL TO ORDER, ROLL CALL

The March 15, 2021 meeting of the Board of Directors of the Rio Linda/Elverta Community Water District called to order at 6:30 p.m. via Zoom Video Conference. (late due to technical difficulties experienced by Board Member seeking to participate) This meeting was 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. General Manager Tim Shaw took roll call of the Board of Directors. President Jason Green, Director Robert Reisig, Director Mary Harris, Director Chris Gifford, Director Ridilla and General Manager Tim Shaw, Legal Counsel Kerry Fuller, and Rate Consultant, Allison Lechowicz were present. Public member Stephanie Suela was present.

2. PUBLIC COMMENT

No public comment.

3. CONSENT CALENDAR

- 3.1 Minutes – February 22, 2021**
- 3.2 January Expenditures**
- 3.3 January Financial Reports**

It was moved by Director Ridilla and seconded by Director Gifford to approve the Consent Calendar. Directors Green, Ridilla, Gifford, Reisig and Harris voted yes. The motion carried with a roll call vote of 5-0-0.

REGULAR CALENDAR

4. ITEMS FOR DISCUSSION AND ACTION

4.1 General Manager’s Report

GM Shaw provided a written report.

Director Gifford inquired about the meeting with Elverta Specific Plan. GM Shaw replayed to the Board that Board of Supervisors will more than likely resend their approval of the ESP that was approved in 2016 due to the misinformation that was provided at the time of the approval.

The Board made no action on this item.

4.2 District Engineer’s Report – Mike Vasquez

Mike Vasquez provided a written report to the Board of projects in the works since the last meeting of the Board. The report highlighted topics of General District Engineering, Well 16 Pumping Station Construction Project and 2020/2021 CIP Pipeline Replacement Project RFP (Dry Creek Road North).

Director Ridilla inquired when Well 16 be in operation. DE Mr. Vasquez responded with a timeline by month end if the approved permit is received. Director Green inquired on a ribbon cutting. GM Shaw responded that something may be put together and will be discussed at the April Executive Committee.

Public member Stephanie Suela inquired if General Manager would be the only person cutting the ribbon.

The Board made no action on this item.

4.2.2 Rejecting all Responses for 2020-2021 Pipe Replacement Project

One proposal was received from construction contractor Rawles Engineering, Inc. out of Folsom, CA on 1/26/2021 in response to the RFP. The proposer was deemed qualified by the General Manager, Operations Superintendent, and District Engineer. The proposer's construction budget proposal to install 1,100 feet of 8" water main in Dry Creek Road was \$275,880. The District's annual budget to perform this work is \$211,200.

The General Manager, Operations Superintendent, and District Engineer met on four occasions to discuss negotiation options for the project in attempts to work with the proposer to modify the project work scope and reduce his budget. The Operations Superintendent and District Engineer met with the proposer at Dry Creek Road to review the project, and the District Engineer discussed negotiation options with the proposer an additional six times.

Negotiation topics with the proposer included teaming approaches with District operations staff to jointly perform construction tasks to reduce the proposer's budget, as well as potentially reducing the amount of pipeline to be installed.

Ultimately, these negotiations were unsuccessful to allow for the installation of a pipeline length close to the proposed 1,100 feet within the District's budget. The best case negotiated amount of pipeline to be installed was 700 feet, which was deemed insufficient by the Executive Committee and staff.

It is anticipated that by preparing a new RFP with a larger amount of pipeline to be installed (approximately 2,000 feet), and by combining CIP Annual Pipe Replacement Project budgets for fiscal years 2020/2021 and 2021/2022, will attract the interest of more construction contractors and result in receipt of multiple proposals with more competitive budgets. It is further anticipated that this work would begin in June 2021 and be completed in August 2021.

Director Mr. Reisig inquired on time frame for new proposal. DE Mr. Vasquez responded my next meeting.

Public member Mrs. Suela inquired if the pipe being replaced was for the same size and how old it was. DE Mr. Vaquez responded that the pipe being replaced was 8" and about 40 years old.

It was moved by Director Ridilla and seconded by Director Green to reject all responses received direct staff to prepare a new RFP that will solicit responses from contractors to perform construction services for a new Pipe Replacement Project by combining CIP Annual Pipe Replacement Project budgets for fiscal years 2020/2021 and 2021/2022. Directors Green, Ridilla, Gifford, Reisig and Harris voted yes. The motion carried with a roll call vote of 5-0-0.

4.3 Consider authorizing the resumption of in-person public meetings (Board and Committee).

The Board considered the timing and mitigations which might be appropriate to resume in-person public meetings last fall. The Board direction was to postpone consideration of in-person meetings until March 2021.

I have taken a straw poll of neighboring public agencies assess their current practices. It is roughly 50% of the agencies are now combining in-person public meetings with virtual meetings. Those that do allow in-person attendance mandate social distancing within the meeting facility and they also mandate the wearing of masks.

Those that do have a combination of in-person and virtual meetings have a designated staff person to focus on administering the virtual meeting, e.g., Zoom attendee admittance, recording, unmuting, alerting the in-person attendees of chat and hand raised status. I can personally attest that multi-tasking to focus on the in-person activities and simultaneously respond to virtual meeting administration is beyond my capabilities.

Director Comments -Director Reisig suggested to not go with Zoom and in person meetings but to resume either or. Director Ridilla suggested to only resume in person meetings when things are fully open again or fully vaccinated.

Public member Mrs. Suela questioned allowing the public to attend in person during the rate hearing meeting.

It was moved by Director Harris to resume in person meetings. The motion failed with no second. It was moved by Director Ridilla to table the item until the next Board Meeting.

4.4 Consider approving the Rate Study / Cost of Service Analysis.

The final draft of the Rate Study / Cost of Service Analysis was distributed to all Board Members on February 23rd. This was done to provide additional review time and Q&A opportunities prior to the March 15th Board consideration of the study document. The Rate Study / Cost of Service Analysis has been available to the public via posting since February 23rd. As of the drafting of this Agenda Item Report, staff has not received any questions or comments since the Rate Study / Cost of Service Analysis was distributed.

Allison Lechowicz of Lechowicz & Tseng Municipal Consultants will lead the Board through a presentation on the Rate Study / Cost of Service Analysis. Allison's slide show presentation and the final draft Rate Study / Cost of Service Analysis are documents included with the Board packet (posted and distributed).

The sequence of actions associated with the proposed rate restructuring process starts with the Board consideration of approving the Rate Study / Cost of Service Analysis. This would enable the Board to consider approving a Proposition 218 notice at its regular meeting on April 19th. The 45-days of posting for a Prop 218 notice means the Board would be able to consider approving a rate restructuring at its June 21st meeting. This supports an effective date of the rate restructuring for July 1, 2021.

The Board in full had discussion on moving the date from July 1, 2021 to allow for more time for in person meetings to resume and allow public attendance. GM Shaw indicated shifting would cause for recalculation of revenue by the rate consultant.

Public member Mrs. Suela suggested that since we are a more rural community that we should have an indoor meter and outdoor meter, otherwise people are going to let things die and cause a fire hazard.

It was moved by Director Gifford and seconded by Director Green to approve the Rate Study / Cost of Service Analysis. Directors Green, Gifford, Reisig voted yes. Directors Harris and Ridilla voted no. The motion carried with a roll call vote of 3-2-0.

4.5 Discuss Board Members' interest in exploring property and loss insurance options.

More than 10-years ago, the District's property and liability (P&L) insurance carrier cancelled the District's coverage due to substantial regulatory enforcement issues and excessive litigation for personnel matters. Procuring replacement P&L insurance entailed passionate, desperation correspondence with the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA). ACWA JPIA was asked to show compassion for a public agency trying to course correct.

The District receives its workers compensation through another public agencies JPIA, Special District Risk Management Authority (SDRMA). Just as getting P&L insurance through ACWA JPIA requires membership in ACWA and the associated membership dues, so does getting workers compensation insurance through SDRMA require membership and associated dues with California Special Districts Association. If the District could get both types of insurance via one membership instead of both, the District could save the ratepayers/taxpayers dollars by lowering the administrative expenditures, i.e., pay one membership fee instead of two.

The subject has been indirectly discussed by past RLECWD Boards. The context of such Board dialog was during the annual budget adoption process where the list of District memberships and corresponding aggregate dues amount was appropriately questioned. In staff's opinion, the discussion of consolidating insurance and possibly eliminating the ACWA membership dues was still influenced by emotions stemming from ACWA helping the District when seemingly no one else would. Time has passed. The value of ACWA membership has diminished. The value of spending admin dollars as efficiently as possible remains. Nevertheless, it behooves staff to gage Board interest in consolidating P&L insurance with workers compensation insurance (thus possibly terminating ACWA membership and corresponding dues) prior to expending District resources on exploring options and corresponding potential savings.

It was moved by Director Ridilla and seconded by Director Harris to direct staff to explore other options for property and loss insurance. Green, Ridilla, Gifford, Reisig and Harris voted yes. The motion carried with a roll call vote of 5-0-0.

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

No Public Comment on this item.

It was moved by Director Reisig and seconded by Director Gifford to approve the appointment of Director Harris to the SGA Budget Committee. Directors Green, Ridilla, Gifford, Reisig and Harris voted yes. The motion carried with a roll call vote of 5-0-0.

5 INFORMATION ITEMS

5.1. DISTRICT ACTIVITY REPORT

- 5.1.1. Water Operations - Report provided.
- 5.1.2. Conservation - Report Provided.
- 5.1.3 Completed and Pending Items Report- Report provided.

5.2. BOARD REPORTS

- 5.2.1. Report any ad hoc committees dissolved by requirements in Policy 2.01.065
- 5.2.2. Sacramento Groundwater Authority – Harris, Reisig.
- 5.2.3. Sacramento Groundwater Authority (RWA and SCGA) 3x3- Reisig- No Meeting.
- 5.2.4 Executive Committee – Green, Reisig - Minutes provided.
- 5.2.5. ACWA/JPIA – Ridilla - No Report
- 5.2.6 LAFCo Special District Advisory Committee – Reisig -No Meeting.

6. **DIRECTORS' AND GENERAL MANAGER COMMENTS** – Director Reisig announced a webinar on water loss standards on the State Water Resources Control Board website.

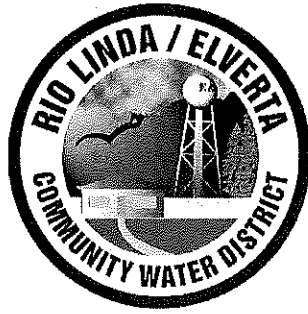
7. **ADJOURNMENT**

Director Green adjourned the meeting at 8:30 p.m.
Respectfully submitted,

Timothy R. Shaw, Secretary

Jason Green, President of the Board

DRAFT



**Consent Calendar
Agenda Item: 3.2**

Date: April 19, 2021

Subject: Expenditures

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee recommends approval of the Expenditures for the month of February 2021.

Current Background and Justification:

These expenditures have been completed since the last regular meeting of the Board of Directors.

Conclusion:

I recommend the Board approve the Expenditures for February 2021.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla: _____ Harris: _____ Jason Green _____ Gifford _____ Reisig _____.

(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

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

Type	Date	Num	Name	Memo	Amount
Liability Check	02/10/2021	EFT	QuickBooks Payroll Service	For PP Ending 02/06/21 Pay date 02/11/21	17,864.29
Liability Check	02/11/2021	EFT	CalPERS	For PP Ending 02/06/21 Pay date 02/11/21	2,912.57
Liability Check	02/11/2021	EFT	CalPERS	For PP Ending 02/06/21 Pay date 02/11/21	1,119.77
Liability Check	02/11/2021	EFT	Internal Revenue Service	Employment Taxes	7,048.64
Liability Check	02/11/2021	EFT	Employment Development	Employment Taxes	1,403.61
Bill Pmt -Check	02/11/2021	EFT	Adept	Computer Maintenance	1,208.00
Bill Pmt -Check	02/11/2021	EFT	Comcast	Phone/Internet	276.06
Liability Check	02/11/2021	EFT	Empower	Deferred Compensation Plan: Employer & Employee Share	1,854.56
Bill Pmt -Check	02/11/2021	EFT	PG&E	Utilities	174.12
Bill Pmt -Check	02/11/2021	EFT	Republic Services	Utilities	87.97
Bill Pmt -Check	02/11/2021	EFT	Umpqua Bank CC	Computer, Distribution, Office, Postage, Shop Supplies, Transportation Maint	2,342.09
Transfer	02/11/2021	EFT	RLECWD	Umpqua Bank Monthly Debt Service Transfer	16,500.00
Transfer	02/11/2021	EFT	RLECWD - Capital Improvement	Funds Transfer-RWA-DWR Grant for Well 16	454,500.00
Liability Check	02/11/2021	1589	Teamsters Local	Union Dues-Employee Paid	686.00
Check	02/11/2021	1590	Customer	Final Bill Refund	155,472.81
Check	02/11/2021	1591	Customer	Final Bill Refund	106.00
Check	02/11/2021	1592	Customer	Final Bill Refund	27.61
Bill Pmt -Check	02/11/2021	1593	USA BlueBook	Capital Improvement: Well 16	203.31
Bill Pmt -Check	02/11/2021	1594	ABS Direct	Postage & Printing	844.74
Bill Pmt -Check	02/11/2021	1595	ACWA/JPIA Powers Insurance Authority	EAP	25.70
Bill Pmt -Check	02/11/2021	1596	Continental Utility Solutions	Annual Maintenance Service	4,180.00
Bill Pmt -Check	02/11/2021	1597	CoreLogic Solutions	Metro Scan	134.75
Bill Pmt -Check	02/11/2021	1598	DirectHit Pest Control	Building Maintenance	75.00
Bill Pmt -Check	02/11/2021	1599	Intermedia.net	Phone/Internet	81.65
Bill Pmt -Check	02/11/2021	1600	Kirby's Pump & Mechanical	Pumping Maintenance	758.56
Bill Pmt -Check	02/11/2021	1601	O'Reilly Automotive	Transportation Maintenance	353.55
Bill Pmt -Check	02/11/2021	1602	Rio Linda Elverta Recreation & Park	Meeting Fee	50.00
Bill Pmt -Check	02/11/2021	1603	Rio Linda Hardware & Building Supply	Shop Supplies	183.13
Bill Pmt -Check	02/11/2021	1604	Rio Linda Messenger	Annual Website Maintenance Service	948.00
Bill Pmt -Check	02/11/2021	1605	Sacramento Suburban Water District	Professional Fees	691.46
Bill Pmt -Check	02/11/2021	1606	SMUD	Utilities	13,630.10
Bill Pmt -Check	02/11/2021	1607	Spok, Inc.	Field Communication	15.40
Bill Pmt -Check	02/11/2021	1608	State Water Resources Control Board	Licensing	60.00
Bill Pmt -Check	02/11/2021	1609	Tesco Controls	Pumping Maintenance	357.30
Bill Pmt -Check	02/11/2021	1610	Vanguard Cleaning Systems	Janitorial	195.00
Bill Pmt -Check	02/11/2021	1611	Rio Linda Hardware & Building Supply	Capital Improvement: Well 16	44.64
Liability Check	02/12/2021	EFT	QuickBooks Payroll Service	For PP Ending 02/12/21 Pay date 02/16/21	756.91
Liability Check	02/16/2021	EFT	Internal Revenue Service	Employment Taxes	186.12
Liability Check	02/16/2021	EFT	Employment Development	Employment Taxes	22.34
Bill Pmt -Check	02/16/2021	EFT	WageWorks	FSA Administration Fee	76.25
Bill Pmt -Check	02/17/2021	EFT	ARCO	Transportation Fuel	638.85



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

Type	Date	Num	Name	Memo	Amount
Liability Check	02/24/2021	EFT	QuickBooks Payroll Service	For PP Ending 02/20/21 Pay date 02/25/21	15,977.04
Liability Check	02/25/2021	EFT	CalPERS	For PP Ending 02/20/21 Pay date 02/25/21	2,760.09
Liability Check	02/25/2021	EFT	CalPERS	For PP Ending 02/20/21 Pay date 02/25/21	1,119.77
Liability Check	02/25/2021	EFT	Internal Revenue Service	Employment Taxes	6,417.40
Liability Check	02/25/2021	EFT	Employment Development	Employment Taxes	1,290.77
Liability Check	02/25/2021	EFT	Empower	Deferred Compensation Plan: Employer & Employee Share	1,807.33
Liability Check	02/25/2021	EFT	Kaiser Permanente	Health Insurance	1,275.76
Liability Check	02/25/2021	EFT	Principal	Dental & Vision Insurance	1,380.73
Liability Check	02/25/2021	EFT	Western Health Advantage	Health Insurance	9,491.61
Bill Pmt -Check	02/25/2021	EFT	Verizon	Field Communication, Field IT	604.97
Bill Pmt -Check	02/25/2021	EFT	Voyager	Transportation Fuel	69.76
Check	02/25/2021	EFT	RLECWD - Capital Improvement	Current Monthly Transfer	45,750.00
Check	02/25/2021	EFT	RLECWD - SURCHARGE ACCOUNT 1	Bi-monthly Transfer	87,760.41
Check	02/25/2021	EFT	RLECWD - SURCHARGE ACCOUNT 2	Bi-monthly Transfer	72,974.43
Check	02/25/2021	1612	Customer	Hydrant Meter Deposit Refund	992.00
Bill Pmt -Check	02/25/2021	1613	BSK Associates	Lab Fees	240.00
Bill Pmt -Check	02/25/2021	1614	Buckmaster Office Solutions	Office Equipment Expense	60.51
Bill Pmt -Check	02/25/2021	1615	Churchwell White	Legal Fees	1,641.60
Bill Pmt -Check	02/25/2021	1616	EKI Environment & Water	Engineering	5,000.00
Bill Pmt -Check	02/25/2021	1617	Sierra Chemical Company	Chemical Supplies	861.30
Bill Pmt -Check	02/25/2021	1618	SMUD	Utilities	15,048.99
Bill Pmt -Check	02/25/2021	1619	Staples	Office Expense	36.94
Bill Pmt -Check	02/25/2021	1620	USA BlueBook	Pumping Maintenance; Distribution Supplies	2,569.27
Bill Pmt -Check	02/25/2021	1621	Anvil Builders	Capital Improvement: Well 16	155,207.15
Total 10000 - Bank - Operating Account					<u>1,118,434.69</u>

Rio Linda Elverta Community Water District
Expenditure Report
February 2021

Type	Date	Num	Payee	Memo	Amount
Transfer	02/25/2021	EFT	RLECWD	CIP Expense Transfer: Refer to operating check numbers: 1593, 1611, 1621, & Water Rite \$17.71	155,472.81
10385 - Pacific Premier Bank Checking					<u>155,472.81</u>





Consent Calendar Agenda Item: 3.3

Date: April 19, 2021

Subject: Financial Reports

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee recommends approval of the Districts Financial Reports for the month of February 2021.

Current Background and Justification:

The financial reports are for the District's balance sheet, profit and loss, and capital improvements year to date.

These financials are to be presented to the Board of Directors in order to inform them of the District's current financial condition.

Conclusion:

I recommend the Board approve the Financial Reports for February 2021.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____
Ridilla: _____ Harris: _____ Jason Green _____ Gifford _____ Reisig _____.
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

Rio Linda Elverta Community Water District

Balance Sheet

As of February 28, 2021

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ASSETS

Current Assets

Checking/Savings

100 · Cash & Cash Equivalents

10000 · Operating Account

10020 · Operating Fund-Umpqua 896,435.43

Total 10000 · Operating Account 896,435.43

10475 · Capital Improvement

10480 · General 367,071.62

10481 · Cr6 Mitigation 454,500.00

10485 · Vehicle Replacement Reserve 15,000.00

Total 10450 · Capital Improvement 836,571.62

10490 · Future Capital Imp Projects 1,397,062.18

Total 100 · Cash & Cash Equivalents 3,130,069.23

102 · Restricted Assets

102.2 · Restricted for Debt Service

10700 · ZIONS Inv/Surcharge Reserve 526,151.16

10300 · Surcharge 1 Account 783,266.91

10350 · Umpqua Bank Debt Service 80,799.36

10380 · Surcharge 2 Account 356,835.60

10385 · OpusBank Checking 720,905.98

Total 102.2 · Restricted for Debt Service 2,467,959.01

102.4 · Restricted Other Purposes

10600 · LAIF Account 335,435.40

10650 · Operating Reserve Fund 301,769.22

Total 102.4 · Restricted Other Purposes 637,204.62

Total 102 · Restricted Assets 3,105,163.63

Total Checking/Savings 6,235,232.86

Accounts Receivable 50,700.00

Other Current Assets

12000 · Water Utility Receivable 94,155.22

12200 · Accrued Revenue 150,000.00

12250 · Accrued Interest Receivable 987.62

15000 · Inventory Asset 68,727.94

16000 · Prepaid Expense 60,927.23

Total Other Current Assets 374,798.01

Total Current Assets 6,660,730.87

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 23,715,114.29

Rio Linda Elverta Community Water District

Balance Sheet

As of February 28, 2021

LIABILITIES & EQUITY

Liabilities	
Current Liabilities	
Accounts Payable	-6,778.38
Credit Cards	60.00
Other Current Liabilities	844,145.81
Total Current Liabilities	<u>837,427.43</u>
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>
Total Liabilities	<u>11,443,420.27</u>
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	601,743.20
Total Equity	<u>12,271,694.02</u>
TOTAL LIABILITIES & EQUITY	<u><u>23,715,114.29</u></u>

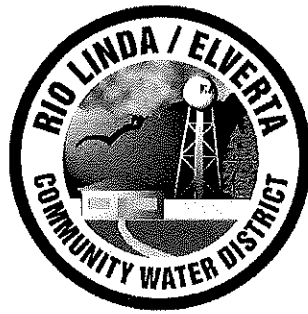
Rio Linda Elverta Community Water District
 Operating Profit & Loss Budget Performance
 As of February 28, 2021

10

	<u>Annual Budget</u>	<u>Feb 21</u>	<u>Jul 20-Feb 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	172,412.91	1,791,952.63	65.89%	927,622.37
41000 · Nonoperating Revenue					
41110 · Investment Revenue					
41112 · Interest Revenue	400.00	14.45	688.17	172.04%	-288.17
Surcharg Total 41110 · Investment Revenue	400.00	14.45	688.17	172.04%	-288.17
41120 · Property Tax	88,500.00	0.00	60,478.30	68.34%	28,021.70
Total 41000 · Nonoperating Revenue	88,900.00	14.45	61,166.47	68.80%	27,733.53
Total Income	2,808,475.00	172,427.36	1,853,119.10	65.98%	955,355.90
Gross Income	2,808,475.00	172,427.36	1,853,119.10	65.98%	955,355.90
Expense					
60000 · Operating Expenses					
60010 · Professional Fees	135,000.00	12,488.93	73,427.68	54.39%	61,572.32
60100 · Personnel Services					
60110 · Salaries & Wages	729,867.00	53,866.39	461,559.83	63.24%	268,307.17
60150 · Employee Benefits & Expense	489,145.00	30,702.04	269,544.21	55.11%	219,600.79
Total 60100 · Personnel Services	1,219,012.00	84,568.43	731,104.04	59.98%	487,907.96
60200 · Administration	205,010.00	9,614.72	135,324.79	66.01%	69,685.21
64000 · Conservation	300.00	0.00	0.00	0.00%	300.00
65000 · Field Operations	436,400.00	26,150.58	264,906.82	60.70%	171,493.18
Total 60000 · Operating Expenses	1,995,722.00	132,822.66	1,204,763.33	60.37%	790,958.67
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	203,226.00	0.00	88,927.24	43.76%	114,298.76
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	58,514.00	0.00	58,513.92	100.00%	0.08
Total 69010 · Debt Service	261,740.00	0.00	147,441.16	56.33%	114,298.84
69400 · Other Non-Operating Expense	2,000.00	0.00	0.00	0.00%	2,000.00
Total 69000 · Non-Operating Expenses	263,740.00	0.00	147,441.16	55.90%	116,298.84
Total Expense	2,259,462.00	132,822.66	1,352,204.49	59.85%	907,257.51
Net Ordinary Income	549,013.00	39,604.70	500,914.61		
Net Income	549,013.00	39,604.70	500,914.61		

Rio Linda Elverta Community Water District
CAPITAL BUDGET VS ACTUAL FISCAL YEAR 2020-21
 As of February 28, 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	366,000.00	-	-	-	-
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	-	131.02	-	-	3,500.00	724.18
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	-	-	-	-	-
Total B - WATER DISTRIBUTION	155,000.00	77,047.37	-	-	-	-
TOTAL BUDGETED PROJECT EXPENDITURES	195,000.00	77,047.37	-	-	-	-



**Items for Discussion and Action
Agenda Item: 4.1**

Date: April 19, 2021
Subject: General Manager's Report
Staff Contact: Timothy R. Shaw

Recommended Committee Action:

N/A this item is not reviewed by committee.

Current Background and Justification:

The General Manager will provide a written report of District activities over the period since the last regular Board meeting. The Board may ask for clarifications and may also provide direction in consideration of the reported activities.

Conclusion:

No Board action is anticipated for this item.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla: _____ Harris: _____ Jason Green _____ Gifford _____ Reisig _____.
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent



Date: April 19, 2021

Subject: General Manager Report

Staff Contact: Timothy R. Shaw, General Manager

For the given month, I participated in the following reoccurring meetings and special events: H.R. tasks and responsibilities demanded my attention for this reporting period. I have been drafting a Lactation Accommodations policy pursuant to California law. The draft policy will be discussed at the May 3rd Executive Committee meeting. I have also invested time in reviewed the information and current events associated with public gathering restrictions. I've noted a marked decline in media coverage regarding tiers (e.g., purple, red, orange) since the Governor declared a schedule to remove public gathering restrictions on June 15, 2021.

1. On March 24th and April 14th, I received my COVID vaccinations (1st and 2nd shot respectively) at the McClellan VA clinic. The McClellan VA clinic puts "thank you for your service" words into actions.
2. On Mar 25th, the Operations Superintendent, the Contract District Engineer and I met to the discuss the efforts to revise the pipe replacement Request for Proposals (RFP).
3. On Mar 30th, I met with Enersponse X, a demand response coordinator, who requested a meeting to discuss the potential for RLECWD participation in energy load shedding programs, who pay incentives to entities able to reduce power consumption during peak demand periods.
4. On Mar 31st, the Operations Superintendent and I met with Adept Solutions (District's IT consultant) and Tesco. We discussed improvements needed to prevent the recurrence of failures in the Supervisory Control and Data Acquisition (SCADA) workstation, which failed in July 2020 and required many person-hours to re-establish normal operation.
5. On Mar 8th, our 457 Deferred Compensation administrator was on site to help the new employee set up his investments and answer any questions from existing employees.
6. On April 6th, I attended the ACWA Groundwater Quality Committee. There were only 11 attendees, and the discussed topics were far removed from RLECWD interests.
7. On April 8th, Director Reisig, Director Harris (primary) and I participated in the Sacramento Groundwater Authority (SGA) regular Board Meeting. The most impactful item on the agenda was the adoption of the fiscal year 2021-2022 SGA budget, which entailed a 15%

increase in dues for RLECWD (from \$26,112 to \$29,955). The main reason for the increase is increased number of employees, i.e. SGA plans to hire additional employees. The SGA Board voted to adopt the budget as recommended by the SGA Budget Committee.

8. On April 8th (afternoon), I participated in the Sacramento Water Utilities Collaboration Study group meeting. The engaged consultant is nearing completion of the study and the group met to establish a consensus for comments on the draft version of the study. It is apparent the Citrus Heights Water District has many areas of passionate objection to the study contents.
9. On April 14th (afternoon) I met with Twin Rivers Unified School District (TRUSD) to discuss the impact of SB 606 and AB 1668 on current TRUSD water consumption and billing.

Additional items of interest:

I still have not discussed the Elverta Specific Plan issues with Barbara Brenner (availability issues) in anticipation of the April 20th Sacramento Board of Supervisors meeting. I have, however, provided comments for the staff (Sacramento County Planning) report. I have also met with a Municipal Finance consultant, to confirm the legitimacy and magnitude of the District's concerns with inadequate evaluation of changes necessary to fund conjunctive use surface water capacity increases via existing and future RLECWD capacity fees. On the same subject, I met with Rob Swartz of SGA.



**Items for Discussion and Action
Agenda Item: 4.2**

Date: April 19, 2021

Subject: District Engineer's Report

Staff Contact: Mike Vasquez, District Engineer

Recommended Committee Action:

N/A this item is not discussed at committees.

Current Background and Justification:

The District Engineer will provide a written report to the Board of Directors on engineering activities since the previous monthly meeting. The Board may ask for clarifications and may also provide direction in response to the report.

Conclusion:

There is no Board action anticipated for this item.

14 April 2021

DISTRICT ENGINEER'S REPORT

To: Tim Shaw, General Manager, Rio Linda / Elverta Community Water District
From: Mike Vasquez, PE, PLS, Principal (EKI), District Engineer (RL/ECWD)
Subject: District Engineer's Report for the 19 April 2021 Board of Directors Meeting

The District Engineer is pleased to submit this brief update of duties and tasks performed for the period of 11 March 2021 to 14 April 2021:

1. Development Reviews: (Pursuant to the recommendation of the Executive Committee on 4/5/2021, only development projects with some sort of status change during the reporting period will be included in this report.)

- Fox Hollow Development (28 lots 6th Street between Q Street and S Street): The developer conducted a pre-construction conference with representatives from the County of Sacramento and the District to discuss commencing construction on 3/23/2021. The developer's contractor began potholing activities to locate existing utilities on 3/31/2021. The developer's contractor intends to begin site grading activities this month, but is a "few" months away from installation of any water facilities. The developer and the developer's contractor have been notified that District Staff must be present to observe any installation of water facilities. The District Engineer has reviewed submittals from the contractor for water facility materials.

2. Well 16 Pump Station Construction Project:

- The Operations Superintendent and District Engineer met with State Water Resources Control Board Division of Drinking Water staff on 4/6/2021 to receive an update from the Water Board regarding Well 16's permit for connection to the District's distribution system. The Water Board requested additional Well 16 site information at this meeting, which was submitted by the District on the same day. The Water Board deemed the submittal complete and is working on finalizing the permit. Water Board staff anticipates permit completion in the next two weeks.

Please contact me directly at the office (650) 292-9112, cell phone (530) 682-9597, or email at mvasquez@ekiconsult.com with any questions or require additional information.

Very truly yours,

Mike Vasquez, PE, PLS
Principal (EKI), District Engineer (RL/ECWD)



Items for Discussion and Action

Agenda Item: 4.2.2

Date: April 19, 2021

Subject: Consider the revised Request for Proposals (RFP) for the Annual Pipe Replacement Project

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

Recommended Committee Action:

The Executive Committee recommends the Board approve the revised RFP for the pipe replacement project.

Current Background and Justification:

As recommended by the Executive Committee on March 1, 2021 and approved by the Board of Directors on March 15, 2021, all responses to the 2020/2021 Pipe Replacement Project RFP were rejected and staff was directed to prepare a new RFP to solicit responses from contractors to perform construction services for a new Pipe Replacement Project by consolidating Capital Improvement Program (CIP) Annual Pipe Replacement Project budgets for fiscal years 2020/2021 and 2021/2022. The revised RFP is included in the Board package of documents.

The Executive Committee also discussed the rationale used for prioritizing the annual pipe replacement projects. The pipe age at this particular area of Dry Creek is at least 48-years old. However, a more compelling aspect of the Dry Creek pipe is the material of the existing pipe and the inappropriateness of such material for planned changes in water system operations with Well 16 pumping station online. The existing material is thin-walled PVC, (at least 48-yr old), which may not be compatible with the higher volumes to be pumped when Well 16 Pumping Station is placed into service during high demand periods.

The revised RFP requests respondents to submit qualifications, approach, work scope, budget, and schedule to install approximately 1,950 feet of 8" diameter ductile iron water pipeline in Dry Creek Road between U Street and Q Street.

Conclusion:

I recommend the Board approve the revised RFP and direct staff to solicit responses.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____
Ridilla: _____ Harris: _____ Jason Green _____ Gifford _____ Reisig _____.
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

RLECWD Agenda Item Checklist

Item 4.2.2

Date

Initial Potential Meeting Date04/19/2021

Circle High/Medium/Low priority of Item and Identify if in line with Mission/
Goal/Strategic Planning issues or state of emergency

Consider the revised RFP for the Annual Pipe Replacement Project04/01/2021**Staff Work Completed**

(Includes reviewing, researching item with other resources (ACWA, JPIA, RWA, SGA, other Water or special districts, District Engineer, Legal Counsel then laying out business cases, pros and cons, options and recommendations based on best information available, etc.

Committee Review of Item and Staff Work04/05/2021

Review by appropriate Executive or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel Review

Legal Counsel should have enough time to review all potential legal matters for correctness and legality

03/15/2021**GM Review**04/14/2021**Actual Meeting Date Set for Agenda Item**04/19/2021



**RIO LINDA / ELVERTA COMMUNITY
WATER DISTRICT**

730 L Street
Rio Linda, California 95673
Phone: (916) 991-1000 • Fax: (916) 991-6616
www.rlecwd.com

DRAFT
REQUEST FOR PROPOSALS (RFP)

For Construction of the:

**2020/2021 & 2021/2022 CIP PIPELINE
REPLACEMENT PROJECT:
DRY CREEK ROAD**

April 19, 2021

RESPONSES DUE:

May 27, 2021
2:00 PM

CONTACT:

Mike Vasquez, PE, PLS
District Engineer
(650) 292-9112
mvasquez@ekiconsult.com

1. Introduction

The Rio Linda / Elverta Community Water District (District) Board of Directors has adopted a Capital Improvement Program (CIP) that includes annual replacement of existing water main pipeline. The District is now soliciting proposals from qualified construction firms for the construction and installation of approximately 2,000 feet of water main and all associated appurtenances and services for conveyance of potable water. The District CIP budget for this project shall be from the fiscal years 2020/2021 and 2021/2022

2. Background/Overview

The District is an independent special water district which serves the communities of Rio Linda and Elverta in Sacramento County and serves approximately 4,500 customers. The District is located north of the City of Sacramento in northwestern Sacramento County. The area within the District's boundary comprises about 12,415 acres (19.4 square miles).

The work to be performed under this RFP includes the furnishing of all labor, materials, tools, and equipment necessary for the completion of the 2020/2021 & 2021/2022 CIP Pipeline Replacement Project – Dry Creek Road. The work generally consists of the performance, construction, and installation of the following:

- Piping and Appurtenances
- Trench restoration, paving, and slurry seal
- Abandonment of Existing Water Facilities
- Flushing, Pressure Testing, and Disinfection

The proposed waterline will replace the use of the existing waterline in Dry Creek Road. The existing waterline will be abandoned in place. This RFP is intended to obtain an approach and cost from contractors to install a potable water pipeline as intended in the Project Plan (Exhibit A). Only the amount of project components actually installed will be compensated.

3. Proposal Schedule

The following schedule is tentative, and the District may amend the tentative schedule as necessary by addenda.

Schedule of Events:

Publicly advertise the Project:	4/20/2021
Pre-proposal conference:	11 AM, 5/11/2021
Last Day for Questions:	12 PM, 5/19/2021
Responses Due:	2 PM, 5/27/2021
Contract Award:	6/25/2021
Notice to Proceed:	7/12/2021

The target date for final acceptance of construction in September 30, 2021. Contractor shall pay to the District liquated damages in the amount of \$500.00 per day for each calendar day after the date of Final Acceptance (pursuant to the agreed upon schedule) for which the contractor has not received Final Acceptance.

4. Pre-Proposal Conference

A pre-proposal conference via Zoom has been scheduled for May 11, 2021 at 11:00 AM at:

[LINK TBD](#)

Meeting ID: **TBD**

Passcode: **TBD**

By phone: **TBD**

It is highly encouraged that each prospective responder review the RFP, associated documents, and inspect the project location prior to the pre-proposal conference.

Interested firms will have an opportunity to submit questions regarding the requirements outlined in this RFP. In order to make the meeting more effective for all participants, attendees should read this document thoroughly prior to the meeting.

Substantial clarifications or changes required as a result of the meeting will be issued in the form of a written addendum to the RFP. A list of attendees will be distributed upon request.

5. Scope of Services

The Contractor selected for this project will be required to provide the labor, equipment and materials to complete the scope of work as shown on the Project Plan (Exhibit A) for this project as described below:

- a. Installation of Piping and Appurtenances
- b. Trench restoration, paving, and slurry seal
- c. Flushing, Pressure Testing, and Disinfection
- d. Traffic Control
- e. SWPPP
- f. Abandonment of Existing Water Facilities
- g. The Contractor shall perform all work pursuant to the Project Plan (Exhibit A), and pursuant to the Rio Linda / Elverta Community Water District and Sacramento County Construction Standards.

The proposed waterline will replace the use of the existing waterline in Dry Creek Road. The existing waterline will be abandoned in place.

6. Required Submittals for Proposals

Hard copies of proposals are to be submitted no later than 2:00 pm on May 27, 2021 to:

Rio Linda / Elverta Community Water District
Attention: Mike Vasquez, PE, PLS, District Engineer
730 L Street
Rio Linda, CA 95673

The proposer is requested to submit three (3) hard copies and one (1) electronic copy (in PDF on CD, flash drive, or other electronic media) of the proposal that contains the items listed in the following section.

In light of the COVID-19 pandemic, electronic submittals in PDF format will be accepted via email transmittal to mvasquez@ekiconsult.com as an alternative to hard copies and electronic media devices. If utilizing the email submittal method, the proposer is requested to submit the proposal response and cost estimate in separate attachments to the email.

Proposals must be received by the date and time described above. The District reserves the right to reject any or all of the proposals submitted. During the evaluation process, the District reserves the right, where it may serve the District's best interest, to request additional information or clarification from any of the firms providing a proposal.

7. Proposal Requirements

The proposal shall display clearly and accurately the capability, knowledge, experience, and capacity of the construction firm to meet the requirements of this RFP. Each response to this RFP shall include the information described in this section. Provide the information in the specified order. Failure to include all of the information specified may be cause for rejection. Additional information may be provided, but should be succinct and relevant to the goals of this RFP. Any additional information that a proposing Contractor wishes to include that is not specifically requested should be included in an appendix to the proposal.

Contractors are encouraged to keep the proposals brief and to the point, but sufficiently detailed to allow evaluation of the project approach. Excessive information will not be considered favorably. The entire content of the proposal is limited to 6 pages (12 point font), excluding any appendices. Unauthorized conditions, omissions, limitations or provisions attached to a proposal will render the proposal non-responsive and may cause its rejection.

Proposers are warned against making erasures or alterations of any kind, without initialing each and every such change. Proposals that contain erasures or irregularities of any kind, without such initialing, or omissions, may be rejected.

Document pages shall be 8-1/2 inches by 11 inches in size or folded to such a size.

The proposal submitted in response to this RFP shall include:

Cover Letter (1 Page)

A principal of the construction firm authorized to commit the firm to the requirements of the RFP must sign the letter. The cover letter shall include the following:

- Title of this RFP.
- Name and Mailing Address of Construction Firm (include physical location if mailing address is a PO Box).
- Contact Person, Telephone Number, Fax Number, and Email Address
- A statement committing personnel identified in the proposal to support the District when requested by the District.
- A statement that the submitting Contractor will perform the services and adhere to the requirements described in this RFP, including any addenda (reference the addenda by date and/or number)
- Statement of acceptance or objections to terms and conditions of the District's Construction Services Agreement (Exhibit C). If there are any comments on the terms and conditions, alternative language shall be included for consideration by the District.
- A statement that the Contractor will meet the insurance requirements stated in the attached Sample Agreement (Exhibit C).
- Statement of no conflict of interest if awarded this contract or how any potential conflicts will be addressed.

Qualifications (up to 2 Pages)

A statement of the firm's qualifications and ability to commit adequate resources to perform the scope of services and successfully complete the project in a timely manner. Identify any sub-Contractors

Award of this contract requires a valid California Contractor's Class A – General Engineering license.

Requirements: Contractor/subcontractor(s) shall meet the following requirements:

- Possess current licenses and insurance as required in the specifications
- Contractor's license shall not have been revoked at any time in the last ten (10) years
- No surety has been used to complete a contract on the Contractor or subcontractor(s)' behalf, or paid for completion due to termination by the project owner within the last ten (10) years
- Contractor or subcontractor(s) (including its owners, officers, or subcontractors) have not been convicted of a crime involving the awarding of a contract of a government construction project, or the proposing or performance of a government contract
- Any other qualifications requirements included in contract documents

The Contractor/subcontractor(s) must demonstrate previous successful experience in the installation of potable water pipeline improvements. The required experience includes the following:

- The Contractor/subcontractor(s), foreman, or installer(s) must have successfully installed a minimum of 1,000 lineal feet of potable water pipelines larger than 8 inches in diameter in public paved roadways within the last five years.

The Contractors/subcontractor(s) shall provide the following information as an attachment to this qualification form for reference projects meeting the experience requirements above:

- Project name
- Contract/subcontract cost
- Construction time in months
- Owner's representative
- Owner's representative's telephone number
- Date of substantial completion

Project Approach (up to 2 Pages)

Provide a detailed discussion of the Contractor's approach towards the successful and timely completion of the scope described above. Identify any critical issues or potential problems and discuss how your firm will address them. Include a description of all work that will be subcontracted to others.

Also, include your expectations of work to be performed by District staff. The proposer is highly encouraged to propose an approach to complete the project in the most efficient way possible, potentially utilizing the experience of District staff in such ways that are beneficial to both the contractor and District operation and maintenance staff. Approaches utilizing a partnering strategy with District operation and maintenance staff to perform the work are highly desirable.

Schedule (1 Page)

Provide a proposed work schedule to accomplish all of the required tasks within the desired timeline.

Proposed Budget and Rate Schedule, SUBMITTED IN A SEPARATE, SEALED ENVELOPE

In a separate sealed envelope: Provide a cost estimate pursuant to Construction Cost Form (Exhibit B) on a task-by-task basis. The budget for the project must be presented as not-to-exceed, with all overhead/expenses included in the estimated costs. If transmitted via email, the District acknowledges not to view the cost proposal until after a respondent is deemed the most qualified.

It is expected that the cost estimate will remain in effect for the duration of the Agreement. If the District is unable to negotiate a construction services agreement with

the most qualified respondent, and/or finds the budget unreasonable for the needs of the District, the District will terminate discussions with the most qualified respondent and begin discussions with the second most qualified respondent and so on until a construction services agreement is executed with a reasonable budget meeting the District's needs.

Appendices

Include any appendices with any item the proposer feels to be relevant to the RFP submittal.

8. Pertinent Information

Addenda and Supplements

If it becomes necessary to revise any part of this RFP, an addendum to the RFP will be provided to all firms on the RFP distribution list. Copies of any addenda signed as received by the proposer shall be included in the proposal under an appendix.

Proposal Costs

All costs associated with the development of the proposal shall be the responsibility of the Contractor and shall not be chargeable in any manner to the District.

Use of Proposal Ideas

The District reserves the right to use any or all of the firms' ideas presented in the proposals. Selection or rejection of the proposal does not affect this right.

Any information submitted in a proposal which the Contractor considers proprietary must be identified as such, and the Contractor shall include the legal basis for a claim of confidentiality. The District will not assert the confidentiality of such information unless the Contractor executes and submits a written agreement prepared by the District, to defend and indemnify the District for any liability, costs, and expenses incurred in asserting such confidentiality as part of the proposal. The final determination as to whether or not the District will assert the claim of confidentiality on behalf of the proposer in the sole discretion of the District.

Bonds

The successful proposer shall be required to execute a Material and Labor Payment Bond and Performance Bond, issued by a corporate surety, acceptable to the Rio Linda / Elverta Community Water District , each for not less than one hundred percent (100%) of the contract price.

Pursuant to the California Contract Code Section 22300, the contractor may, at its own expense, substitute securities for any money being withheld by the Rio Linda / Elverta Community Water District to ensure performance under this contract.

Claims

Claims for \$375,000 or less shall be in accordance with Section 20104 of the Public Contract Code.

Pursuant to Public Contract Code section 9204, all contracts entered into after January 1, 2017 must abide by the contract claims process described in this section and resolved in accordance to this section as summarized below:

- **District Review of Claim.** Within 45 days after receiving a complete Contract Claim, District shall review the claim and provide the Contractor a written statement identifying what portion of the claim is disputed and what portion is undisputed. District will pay any undisputed portion of the claim within 60 days from the date of the written statement. If District fails to timely issue a written statement, the claim shall be deemed rejected in its entirety.
- **Meet and Confer Conference.** If the Contractor disputes the District's written statement or if the Contract Claim is deemed rejected, the Contractor may demand and the parties will conduct an informal conference to meet and confer regarding settlement in accordance with section 9204, subsection (d)(2). Within 10 business days following the conclusion of the meet and confer conference, District shall provide Contractor a written statement identifying the portion (if any) of the claim remaining in dispute and any undisputed portion will be paid by District within 60 days after this written statement.
- **Non-Binding Mediation.** Any remaining disputed portion of the claim shall be submitted to nonbinding mediation in accordance with section 9204, subsection (d)(2).
- **Interest.** Any amount not paid in a timely manner as required by this subsection shall bear interest at a rate of 7 percent per annum until paid.
- **The foregoing is a summary of section 9204.** In the event of any conflict between the summary and section 9204, the statute will govern.

Labor Compliance

To be qualified to propose on this Project, proposers must be registered and qualified to perform public work with the Department of Industrial Relations pursuant section 1725.5 of the California Labor Code. All subcontractors listed in a qualified proposal as performing any portion of the work also must be registered and qualified with the Department of Industrial Relations. This is a construction project in accordance with Section 1771.5 of the California Labor Code.

The District affirmatively identifies this Project as a "public works project" as that term is defined by Labor Code Section 1720. Therefore, the Project is subject to prevailing wage requirements under Labor Code Section 1771. Contractor and its subcontractors shall fully comply with all the provisions of the California Labor Code governing the performance of public works contracts including, but not limited to, payment of prevailing wages, limitations on time worked, compliance with apprentice requirements, maintenance of payroll records, posting of wages at the job site, and prohibitions

against discrimination. The prevailing wage rates may be obtained on the internet at: <https://www.dir.ca.gov/OPRL/dprevwagedetermination.htm>. The prevailing wage rates obtained from the internet link are hereby incorporated in this Contract and made a part hereof.

No contractor or subcontractor may be listed on a proposal for a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for proposal purposes only under Labor Code section 1771.1(a)]. No contractor or subcontractor may be awarded a contract for public work on a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5.

9. Proposal Evaluations

The proposals will be reviewed and evaluated by District staff. The District does not anticipate interviews.

The following evaluation criteria and rating schedule will be used to determine the most highly qualified firm(s).

<u>Evaluation Criteria</u>	<u>Maximum Points Possible</u>
1. Qualifications	35
2. Approach	50
3. Schedule	15
Total Possible Points:	100

Award of the RFP shall be made to the, responsive and responsible proposer whose proposal is determined, through a formal evaluation panel process, to be the most advantageous to the District after the evaluation panel has taken into consideration the evaluation factors set forth in the RFP. Proposals shall be scored according to the criteria stated in the RFP.

10. Award of Contract

The District reserves the right to reject any and all proposals, to contract work with whomever and in whatever manner the District decides, to abandon the work entirely and to waive an informality or non-substantive irregularity as the interest of the District may require and to be the sole judge of the selection process. The District also reserves the right to negotiate separately in any manner to serve the best interest of the District.

We appreciate your interest in providing construction services to the District and look forward to a successful relationship with the selected firm. If you have any questions, please contact District Engineer Mike Vasquez, PE, PLS at (650) 292-9112 or mvasquez@ekiconsult.com.



environment & water
 915 HIGHLAND AVENUE SUITE 200
 RIVERSIDE, CA 92507
 (951) 514-7424 FAX (951) 514-9012

RIO LINDA / ELVERTA COMMUNITY WATER DISTRICT

2020-0202 OIP PIPELINE REPLACEMENT PROJECT - DRY CREEK ROAD

EXHIBIT A
 PROPOSED WATER PIPELINE

DATE: 11/14/2019

DRAWN BY: JRM

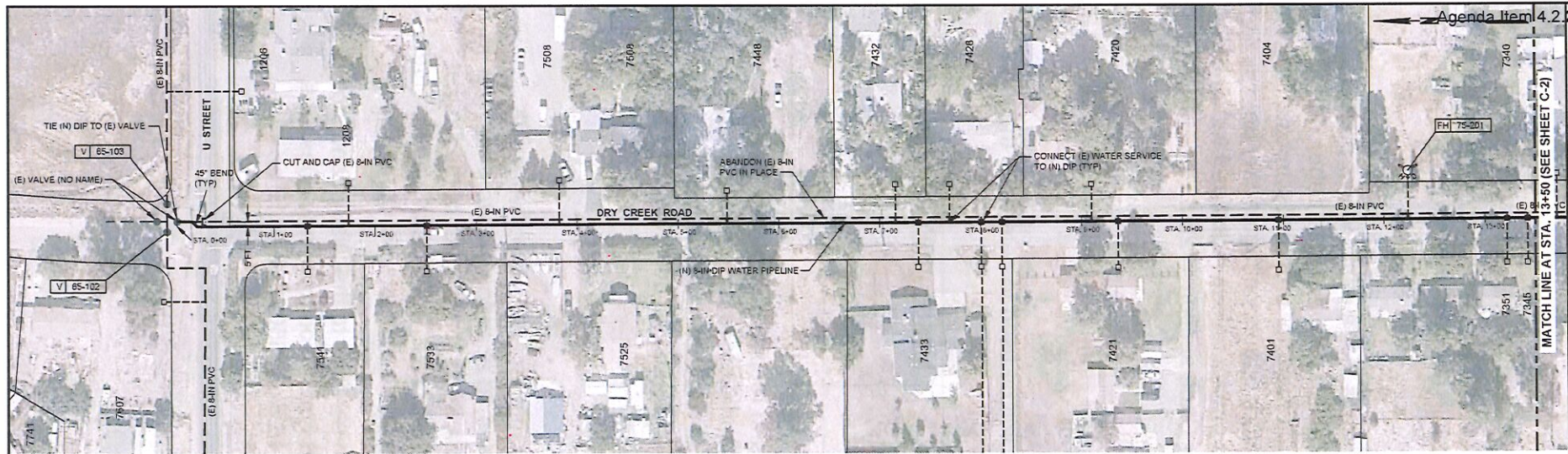
CHECKED BY: JRM

DATE: 11/14/2019

SCALE: AS SHOWN

SHEET NUMBER: C-1

1 OF 2

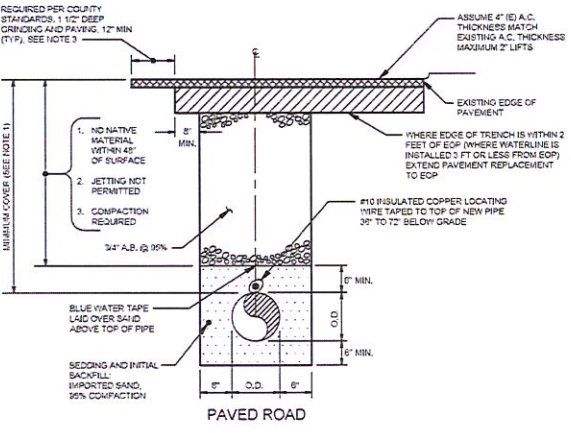


DRY CREEK ROAD WATER PIPELINE LAYOUT AT STA. 0+00 TO STA. 13+50



GENERAL NOTES:

1. WORK INCLUDED (BUT NOT LIMITED TO):
 - A. ALL WORK SHALL CONFORM TO THE APPLICABLE LOCAL, STATE AND FEDERAL CODES AND SPECIFICATIONS INCLUDING CDMA.
 - B. EXCAVATIONS SHALL BE CARRIED OUT IN THE DRY AND PROVISIONS SHALL BE MADE TO PREVENT THE BOTTOM OF EXCAVATION FROM FLOODING AT ALL TIMES.
 - C. IT IS THE CONTRACTOR'S RESPONSIBILITY TO ASSURE JOB SAFETY. LOCAL, STATE AND FEDERAL, INCLUDING OSHA, LAWS AND RULES SHALL BE ENFORCED BY THE CONTRACTOR AT ALL TIMES.
 - D. THE CONTRACTOR SHALL NOTIFY UNDERGROUND SERVICE ALERT (USA) (800) 442-2844 48 HOURS PRIOR TO ANY EXCAVATION. THE CONTRACTOR SHALL ALSO NOTIFY ALL OTHER UTILITIES NOT IN USA, 48 HOURS PRIOR TO ANY EXCAVATION.
 - E. ALL STRUCTURES AND FACILITIES DAMAGED BY CONTRACTOR SHALL BE REPAIRED OR REPLACED AT CONTRACTOR'S EXPENSE.
2. THE TYPES, LOCATIONS, SIZES, AND/OR DEPTHS OF EXISTING UNDERGROUND UTILITIES AS SHOWN ON THESE IMPROVEMENT PLANS WERE OBTAINED FROM SOURCES OF VARYING RELIABILITY. THE CONTRACTOR IS CAUTIONED THAT ONLY ACTUAL EXCAVATION WILL REVEAL THE TYPES, EXTENT, SIZES, LOCATIONS, AND DEPTHS OF SUCH UNDERGROUND UTILITIES. A REASONABLE EFFORT HAS BEEN MADE TO LOCATE AND DELINEATE ALL KNOWN UNDERGROUND UTILITIES. HOWEVER, THE DISTRICT CAN ASSUME NO RESPONSIBILITY FOR THE COMPLETENESS OR ACCURACY OF THE DELINEATION OF SUCH UNDERGROUND UTILITIES NOR FOR THE EXISTENCE OF OTHER BURIED OBJECTS OR UTILITIES WHICH MAY BE ENCOUNTERED BUT WHICH ARE NOT SHOWN ON THESE DRAWINGS. IT IS THE CONTRACTOR'S RESPONSIBILITY TO VERIFY ACTUAL LOCATIONS.
3. ALL CONSTRUCTION SHALL CONFORM TO THESE PLANS AND THE LATEST EDITION OF RIO LINDA / ELVERTA COMMUNITY WATER DISTRICT'S STANDARD CONSTRUCTION SPECIFICATIONS.
4. PRIOR TO COMMENCEMENT OF ANY WORK SHOWN ON THESE PLANS LOCATED WITHIN EXISTING RIGHT-OF-WAY OR BASEMENTS, THE CONTRACTOR SHALL OBTAIN AN ENCROACHMENT PERMIT FROM SACRAMENTO COUNTY PLANNING INSPECTION AND PERMITTING DEPARTMENT. THE CONTRACTOR WILL BE REQUIRED TO POST A PERFORMANCE BOND AND PROVIDE PROOF OF INSURANCE NAMING THE DISTRICT AS ADDITIONALLY INSURED.
5. THE COMPLETED WATER BY STEM MUST BE DISINFECTED, HDV RO-TESTED, AND FLUSHED. THE CONTRACTOR SHALL PROVIDE ALL TESTING AND PAY FOR ALL DISTRICT INSPECTION COSTS.
6. PIPELINES SHALL BE INSTALLED ON UNIFORM GRADES TO MINIMIZE HIGH SPOTS AND LOW SPOTS IN THE LINE.
7. THE CONTRACTOR IS RESPONSIBLE FOR ALL TRAFFIC CONTROL, TRAFFIC CONTROL AND PAVEMENT CUTTING AND RESTORATION ARE UNDER THE JURISDICTION OF SACRAMENTO COUNTY. A TRAFFIC PLAN SHALL BE SUBMITTED TO THE DISTRICT PRIOR TO SUBMITTING TO SACRAMENTO COUNTY.
8. FOR LOCATIONS WHERE TUNNELING/TRENCHING OCCURS UNDER EXISTING STORM DRAIN PIPE, CONTROL DENSITY BACKFILL SHALL BE USED CONSISTENT WITH SECTION 80-19 OF THE SACRAMENTO COUNTY STANDARD CONSTRUCTION SPECIFICATIONS (SEPTEMBER, 2011 REVISED MARCH 2004, REVISED JANUARY 1, 2016).
9. SACRAMENTO COUNTY DEPARTMENT OF WATER RESOURCES REQUIRES A MINIMUM HORIZONTAL SEPARATION OF 36 INCHES AND A MINIMUM VERTICAL SEPARATION OF 14 INCHES FROM NEAREST SIDE OF STORM DRAIN FACILITY. ALL DRAINAGE FACILITIES SHALL BE FIELD VERIFIED PRIOR TO ANY CONSTRUCTION ACTIVITY.
10. ALL CONSTRUCTION WORK AND INSTALLATION SHALL CONFORM TO THE COUNTY OF SACRAMENTO STANDARD CONSTRUCTION SPECIFICATIONS AND ALL OF ITS DRAININGS, DATED FEBRUARY 2017. ALL WORK IS SUBJECT TO THE APPROVAL OF THE ENGINEER.
11. FOR ALL TRENCH EXCAVATIONS FIVE FEET OR MORE IN DEPTH, THE CONTRACTOR SHALL OBTAIN A PERMIT FROM CAL OSHA (916) 487-5311, (916) 262-2800 PRIOR TO BEGINNING ANY EXCAVATION. A COPY OF THIS PERMIT SHALL BE AVAILABLE AT THE CONSTRUCTION SITE AT ALL TIMES.
12. BASEMAP SOURCE: GOOGLE EARTH PRO, DATE OF IMAGERY: 10 MAY 2018.



- NOTES:
1. MINIMUM COVER FROM TOP OF PIPE TO FINISHED GRADE SHALL BE 36 INCHES.
 2. CONTRACTOR TO PROVIDE SLURRY SEAL COAT FOR HALF WIDTH OF THE ROAD, PLUS A MINIMUM OF 2\"/>

WATER LINE T-TRENCH DETAIL - 1 -
 NOT TO SCALE

LEGEND:

- (N) DIP WATER PIPELINE
- (N) WATER SERVICE CONNECTION
- CUT AND CAP
- (E) DISTRIBUTION SYSTEM PIPING
- (E) DISTRIBUTION SYSTEM VALVE
- (E) FIRE HYDRANT
- (E) WATER SERVICE
- V 65-103 (E) VALVE IDENTIFICATION PAGE NUMBER - UNIQUE NUMBER
- FH 75-201 (E) FIRE HYDRANT IDENTIFICATION (PAGE NUMBER - UNIQUE NUMBER)
- 7401 ADDRESS NUMBER

ABBREVIATIONS:

- (E) = EXISTING
- (N) = NEW
- EOP = EDGE OF PAVEMENT
- DIP = DUCTILE IRON PIPE (CLASS 350, BITUMEN COATED MORTAR LINED DOUBLE WRAPPED)
- FT = FEET
- IN = INCH OR INCHES
- O.D. = OUTSIDE DIAMETER
- MIN. = MINIMUM
- PVC = POLYVINYL CHLORIDE
- STA. = STATION
- TYP = TYPICAL

DATE: 11/14/2019 11:53:34 AM
 C:\Users\jrm\OneDrive\My Documents\Projects\2020-0202 OIP Pipeline Replacement Project - Dry Creek Road\2020-0202 OIP Pipeline Replacement Project - Dry Creek Road - 11/14/2019.dwg
 Version: 22.06 (6/05/2019) User: jrm

**Exhibit B
Construction Cost Form**

ITEM NO.	ITEM	Qty.	Unit	Unit Cost	Item Cost
1	Mobilization, Demobilization, Bonds, SWPPP	1	LS		
2	Potholing	15	EA		
3	Traffic Control	1	LS		
4	Furnish and Install 8" DIP Water Pipeline	1950	LF		
5	Connect New Pipeline to Existing Pipeline	2	EA		
6	Connect Existing Water Service to New Pipeline	30	EA		
7	Connect Existing Fire Hydrant to New Pipeline	2	EA		
8	Pressure Testing and Disinfection	1	LS		
9	Furnish and Install Asphalt Concrete	8000	SF		
10	Furnish and Install Slurry Seal	23500	SF		

TOTAL PRICE = _____
(NUMBERS)

TOTAL PRICE = _____
(WORDS)

Notes:

1. In the event that the product of a unit price and an estimated quantity does not equal the extended amount stated, the unit price will govern and the correct product of the unit price and the estimated quantity shall be deemed to be the cost amount.
2. Mobilization and Demobilization shall be included in the cost of furnishing and installing the items identified in the construction cost form with no additional compensation provided. Shall be no more than 5% of the total cost.
3. All other necessary construction work and services required for the successful completion of the project shall be included in the cost of furnishing and installing the items identified in the construction cost form with no additional compensation provided.

LF = Linear Foot, EA = Each, LS = Lump Sum, SF = Square Foot

Exhibit C

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
PROJECT:
PROJECT NO. _____-_____

AGREEMENT FOR CONSTRUCTION SERVICES

THIS CONSTRUCTION SERVICES AGREEMENT ("Agreement") is made and entered into this ___ day of _____, 20__, by and between the Rio Linda Elverta Community Water District, a county water district of the State of California ("District") and [Contractor Name], ("Contractor") (each individually a "Party" and collectively the "Parties"). There are no other parties to this Agreement.

RECITALS

- A. Contractor represents to District that it is a duly qualified and licensed firm experienced in providing professional construction services in support of the [Project Name].
- B. In the judgment of the Board of Directors of District, it is necessary and desirable to employ the services of Contractor to perform construction services on the [Project Name] (the "Project").
- C. Contractor has been selected as the most qualified to provide construction services resulting from their submitted Proposal dated [Month, Day,] 20__ in response to the District's Request for Proposals dated [Month, Day,] 20__, a description of such services is attached hereto as **Exhibit A** ("Services").

NOW, THEREFORE, in consideration of the promises and covenants set forth below, the Parties agree as follows:

AGREEMENT

Section 1. Recitals. The recitals set forth above ("Recitals") are true and correct and are hereby incorporated into and made part of this Agreement by this reference. In the event of any inconsistency between the Recitals and Sections 1 through 18 of this Agreement, Sections 1 through 18 shall prevail.

Section 2. Term. This Agreement shall commence on the Effective Date and continue until the project is accepted by the District and a Notice of Completion is filed, provided that either Party may terminate the Agreement by providing thirty (30) days written notice to the other Party, or extend the agreement by mutual consideration.

Exhibit C

Section 3. Effective Date. This Agreement shall only become effective once all of the Parties have executed the Agreement (the "Effective Date"). Contractor, however, shall not commence the performance of the Services until it has been given notice by District ("Notice to Proceed").

Section 4. Work.

(a) *Services.* Subject to the terms and conditions set forth in this Agreement, Contractor shall perform the Services as described in **Exhibit A** and as provided in approved Task Orders. Contractor shall not receive additional compensation for the performance of any services unless they are approved by the District in writing.

(b) *Modification of Services.* Only the District's General Manager may authorize extra or changed work. Failure of Contractor to secure such a written authorization for extra or changed work shall constitute a waiver of any and all right to adjustment in the Agreement price or Agreement time due to such unauthorized work and thereafter Contractor shall be entitled to no compensation whatsoever for the performance of such work. Contractor further waives any and all right or remedy by way of restitution or quantum meruit for any and all extra work performed without such express and prior written authorization of the General Manager.

Section 5. Time of Performance. Contractor warrants that it will commence performance of the Services within thirty (30) calendar days of the Notice to Proceed, and shall conform to the requirements of the Services provided in **Exhibit A** or as provided in an approved Task Order. The time of performance is a material term of this Agreement relied on by District in entering into this Agreement.

Section 6. Payment. The District shall pay Contractor for all Services described in **Exhibit A**, which are performed and invoiced by Contractor.

Contractor shall submit monthly invoices to District for Services performed and expenses incurred during the preceding month. District shall pay Contractor within 30 days of receipt of each invoice. Each invoice shall identify all services performed and any expenses for which reimbursement is requested. Prior to payment, District may require Contractor to furnish supporting information and documentation for all charges for which payment is sought.

Section 7. Representations of Contractor. District relies upon the following representations by Contractor in entering into this Agreement:

(a) *Standard of Care.* District has relied upon the professional ability and training of Contractor as a material inducement to enter into this Agreement. Contractor hereby warrants that it is qualified to perform the Services as described in this contract and that all of its services will be performed in accordance with the generally accepted Contractor practices and standards, in compliance with all applicable federal, state and local laws.

(b) *Independent Contractor.* In performing the services hereinafter specified, Contractor shall act as an independent Contractor and shall have control of the work and the manner in which it is performed. Contractor is not to be considered an agent or employee of District, and is not entitled to participate in any pension plan, insurance, bonus, or similar benefits District provides its employees. In the event District exercises its right to terminate this Agreement, Contractor expressly agrees that it shall have no recourse or right of appeal under rules, regulations, ordinances, or laws applicable to employees. Nothing contained herein shall be construed as creating an employment, agency or partnership relationship between District and Contractor.

(c) *Authority.* Contractor represents that it possesses the necessary licenses, permits and approvals required to perform the Services or will obtain such licenses, permits or approvals prior to the time such licenses, permits or approvals are required. Contractor shall also ensure that all sub-Contractors are similarly licensed and qualified. Contractor represents and warrants to District that Contractor shall, at Contractor's sole cost and expense, keep in effect or obtain at all times during the Term of this Agreement, any licenses, permits, and approvals which are legally required for Contractor to practice Contractor's profession at the time the Services are rendered including registration for public works projects with the Department of Industrial Relations.

(d) *No Conflict of Interest.* Contractor represents that no conflict of interest will be created under state or federal law by entering into or in carrying out this Agreement. Contractor further promises that in the performance of this Agreement, no person having such interest will be knowingly employed. If requested to do so by District, Contractor shall complete and file, and shall cause any person doing work under this Agreement to complete and file, a "Statement of Economic Interest" with the Sacramento County Clerk disclosing their financial interests.

(e) *Prevailing Wage.* Contractor agrees to pay all craftsmen and laborers required as part of the construction services at least the minimum prevailing wage required by the Department of Industrial Relations of the State of California. Contractor understands and agrees that it is Contractor's responsibility to determine the minimum prevailing wage and to report compliance as required under California law.

Section 8. Conformity with Law and Safety. Contractor shall observe and comply with all applicable laws, ordinances, codes and regulations of governmental agencies, including federal, state, municipal and local governing bodies having jurisdiction over any or all of the scope of Services, including all provisions of the Occupational Safety and Health Act of 1979 as amended, all California Occupational Safety and Health Regulations, the California Building Code, the American with Disabilities Act, and all other applicable federal, state, municipal and local safety regulations, appropriate trade association safety standards, and appropriate equipment manufacturer instructions. Contractor's failure to comply with any laws, ordinances, codes or regulations applicable to the performance of the Services hereunder shall constitute a breach of contract. In

Exhibit C

cases where standards conflict, the standard providing the highest degree of protection shall prevail.

If a death, serious personal injury or substantial property damage occurs in connection with the performance of this Agreement, Contractor shall immediately notify the District's risk manager by telephone. If any accident occurs in connection with this Agreement, Contractor shall promptly submit a written report to District, in such form as the District may require. This report shall include the following information: (a) name and address of the injured or deceased persons; (b) name and address of Contractor's sub-Contractor, if any; (c) name and address of Contractor's liability insurance carrier; and (d) a detailed description of the accident, including whether any of District's equipment, tools or materials were involved.

If a release of a hazardous material, substance, or waste occurs in connection with the performance of this Agreement, Contractor shall immediately notify District. Contractor shall not store hazardous materials or hazardous waste within the District limits without a proper permit from District.

Section 9. Excusable Delays. Contractor shall not be in breach of this Agreement in the event that performance of Services is temporarily interrupted or discontinued due to a "Force Majeure" event which is defined as: riots, wars, sabotage, civil disturbances, insurrections, explosion, natural disasters such as floods, earthquakes, landslides, fires, strikes, lockouts and other labor disturbances or other catastrophic events, which are beyond the reasonable control of Contractor. Force Majeure does not include: (a) Contractor's financial inability to perform; (b) Contractor's failure to obtain any necessary permits or licenses from other governmental agencies; or (c) Contractor's failure to obtain the right to use the facilities of any public utility where such failure is due solely to the acts or omissions of the Contractor.

Section 10. Assignment Prohibited. No Party to this Agreement may assign any right or obligation pursuant to this Agreement. Any attempt or purported assignment of any right or obligation pursuant to this Agreement shall be void and of no effect.

Section 11. Ownership and Disclosure of Work Product. District shall be the owner of and shall be entitled to immediate possession of accurate reproducible copies of any design computations, plans, specifications, surveys, copies of correspondence, maps, or other pertinent data and information gathered or computed by Contractor ("Work Product") in the performance of and prior to termination of this Agreement by District or upon completion of the work pursuant to this Agreement. Contractor may retain copies of the above-described documents but agrees not to disclose or discuss any information gathered, discovered, or generated in any way through this Agreement without the express written permission of District, during the term of this Agreement and for a period of one hundred eighty (180) days following expiration of the term of the Agreement.

When this Agreement is terminated, Contractor agrees to return to District all documents, drawings, photographs and other written or graphic material, however

produced, that it received from District, its Contractors or agents, in connection with the performance of its Services under this Agreement. All materials shall be returned in the same condition as received.

Section 12. Termination by Default. If a Party should fail to perform any of its obligations hereunder, within the time and in the manner herein provided, or otherwise violates any of the terms of this Agreement (the "Defaulting Party"), the other Party shall give notice to the Defaulting Party and allow such Party ten (10) days to correct such deficiency. If the Defaulting Party does not correct such deficiency, the other Party may immediately terminate this Agreement by giving written notice of such termination, stating the reason for such termination. In such event, Contractor shall be entitled to receive payment for all services satisfactorily rendered, provided, however, there shall be deducted from such amount the amount of damage, if any, sustained by virtue of any breach of this Agreement by Contractor. If payment under this Agreement is based upon a lump sum in total or by individual task, payment for services satisfactorily rendered shall be an amount which bears the same ratio to the total fees specified in the Agreement as the services satisfactorily rendered hereunder by Contractor bear to the total services otherwise required to be performed for such total fee, provided, however, that there shall be deducted from such amount the amount of damage, if any sustained by District by virtue of any breach of this Agreement by Contractor.

(a) Contractor shall deliver copies of all Work Product prepared by it pursuant to this Agreement.

(b) If District terminates this Agreement before District issues the Notice to Proceed to Contractor or before Contractor commences any Services hereunder, whichever last occurs, District shall not be obligated to make any payment to Contractor. If District terminates this Agreement after District has issued the Notice to Proceed to Contractor and after Contractor has commenced performance under this Agreement, District shall pay Contractor the reasonable value of the Services rendered by Contractor pursuant to this Agreement prior to termination of this Agreement. District shall not in any manner be liable for Contractor's actual or projected lost profits had Contractor completed the Services. Contractor shall furnish to District such financial information, as in the judgment of the District Manager, is necessary to determine the reasonable value of the Services rendered by Contractor prior to termination.

(c) Except as provided in this Agreement, in no event shall District be liable for costs incurred by or on behalf of Contractor after the date of the notice of termination.

Section 13. Liability for Breach. Neither Party waives the right to recover damages against the other for breach of this Agreement including any amount necessary to compensate District for all detriment proximately caused by Contractor's failure to perform its obligations hereunder or which in the ordinary course of things would be likely to result therefrom. District reserves the right to offset such damages against any payments owed to Contractor. District shall not in any manner be liable for Contractor's actual or projected lost profits had Contractor completed the Services required by this Agreement. In the

Exhibit C

event of Termination by either Party, copies of all finished or unfinished Work Product shall become the property of District. Notwithstanding the above, in no event shall District be liable, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including, but not limited to, lost profits or revenue, arising out of or in connection with this Agreement or the Services performed in connection with this Agreement.

Section 14. Insurance Coverage. During the Term, the Contractor shall maintain in full force and effect policies of insurance set forth herein, which shall be placed with insurers with a current A. M. Best's rating of no less than A VII, and will provide the District with written proof of said insurance. Contractor shall maintain coverage as follows:

(a) *Professional Liability:* professional liability insurance for damages incurred by reason of any actual or alleged negligent act, error or omission by sub-Contractor in the amount of One Million Dollars (\$1,000,000.00) combined single limit each occurrence and annual aggregate. If the Contractor's prime agreement requires the sub-Contractor to carry additional Professional Liability insurance the sub-Contractor shall increase their Professional Liability insurance to meet the prime agreement's requirements for the duration of the Project.

(b) *General Liability.* Contractor shall carry commercial general liability insurance in an amount no less than Two Million Dollars (\$2,000,000.00) combined single limit for each occurrence, covering bodily injury and property damage. If commercial general liability insurance or another form with a general aggregate limit is used, either the general aggregate limit shall apply separately to each Project or the general aggregate shall be no less than Two Million Dollars (\$2,000,000.00).

(c) *Worker's Compensation Insurance and Employer's Liability.* Contractor shall carry workers' compensation insurance as required by the State of California under the Labor Code.

(d) *Automobile Liability Insurance.* Contractor shall carry Automobile liability insurance covering bodily injury and property damage in an amount no less than One Million Dollars (\$1,000,000) combined single limit for each occurrence. Said insurance shall include coverage for owned, hired, and non-owned vehicles.

(e) *Policy Obligations.* Contractor's indemnity and other obligations shall not be limited by the foregoing insurance requirements.

(f) *Material Breach.* If Contractor, for any reason, fails to maintain insurance coverage that is required pursuant to this Agreement, such failure shall be deemed a material breach of this Agreement. District, at its sole option, may terminate this Agreement and obtain damages from Contractor resulting from said breach. Alternatively, District may purchase such required insurance coverage, and without further notice to Contractor, District may deduct from sums due to Contractor any premium costs

Exhibit C

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advanced by District for such insurance. These remedies shall be in addition to any other remedies available to District.

Section 15. Indemnification. To the fullest extent permitted by law (including, without limitation, California Civil Code Sections 2782 and 2782.8), Contractor shall defend, indemnify hold harmless and release District, and District's elected and appointed councils, commissions, directors, officers, employees, agents, and representatives ("District's Agents") from and against any and all actions, claims, loss, cost, damage, injury (including, without limitation, disability, injury or death of an employee of Contractor or its sub-Contractors), expense and liability of every kind, nature and description that arise out of, pertain to or relate to acts or omissions of Contractor, or any direct or indirect sub-Contractor, employee, Contractor, representative or agent of Contractor, or anyone that Contractor controls (collectively "Liabilities"). Such obligations to defend, hold harmless and indemnify District and District's Agents shall not apply to the extent that such Liabilities are caused in whole by the sole negligence, active negligence, or willful misconduct of District or District's Agents, but shall apply to all other Liabilities. With respect to third party claims against the Contractor, the Contractor waives any and all rights of any type of express or implied indemnity against District and District's Agents. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable to or for Contractor or its agents under Workers' Compensation acts, disability benefits acts or other employee benefit acts.

Section 16. Notices. Any notice or communication required hereunder between District and Contractor must be in writing, and may be given either personally, by registered or certified mail (return receipt requested), or by Federal Express, UPS or other similar couriers providing overnight delivery. If personally delivered, a notice or communication shall be deemed to have been given when delivered to the Party to whom it is addressed. If given by registered or certified mail, such notice or communication shall be deemed to have been given and received on the first to occur of (a) actual receipt by any of the addressees designated below as the party to whom notices are to be sent, or (b) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date delivered as shown on a receipt issued by the courier. Any Party hereto may at any time, by giving ten (10) days written notice to the other Party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below:

If to District:

Rio Linda/Elverta Community Water District
730 L Street
Rio Linda, California 95673
Attention: Timothy R. Shaw, General Manager
Tel: (916) 991-8891

Exhibit C

With courtesy copy to: Churchwell White LLP
 1414 K Street, Third Floor
 Sacramento, California, 95814
 Attention: Barbara A. Brenner, Esq.
 Tel: (916) 468-0950

If to Contractor: Contractor Name
 Address
 City, State Zip
 Attention:
 Tel:

Section 17. Exhibits. All "Exhibits" referred to below or attached to herein are by this reference incorporated into this Agreement:

<u>Exhibit Designation</u>	<u>Exhibit Title</u>
Exhibit A:	Services

Section 18. General Provisions.

(a) *Modification.* No alteration, amendment, extension, modification, or termination of this Agreement shall be valid unless made in writing and executed by all of the Parties to this Agreement by mutual consideration.

(b) *Waiver.* No covenant, term, or condition or the breach thereof shall be deemed waived, except by written consent of the Party against whom the waiver is claimed, and any waiver of the breach of any covenant, term, or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term, or condition.

(c) *Severability.* If this Agreement in its entirety is determined by a court to be invalid or unenforceable, this Agreement shall automatically terminate as of the date of final entry of judgment. If any provision of this Agreement shall be determined by a court to be invalid and unenforceable, or if any provision of this Agreement is rendered invalid or unenforceable according to the terms of any federal or state statute, which becomes effective after the Effective Date of this Agreement, the remaining provisions shall continue in full force and effect and shall be construed to give effect to the intent of this Agreement.

(d) *Counterparts.* This Agreement may be executed simultaneously and in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.

(e) *Audit.* District shall have access at all reasonable times to all reports, contract records, contract documents, contract files, and personnel necessary to audit and verify Contractor's charges to District under this Agreement.

Exhibit C

(f) *Entire Agreement.* This Agreement, together with its specific references, attachments and exhibits, constitutes the entire agreement of the Parties with respect to the subject matters hereof, and supersedes any and all prior negotiations, understanding and agreements with respect hereto, whether oral or written.

(g) *Attorney's Fees and Costs.* If any action at law or in equity, including action for declaratory relief, is brought to enforce or interpret provisions of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

(h) *Time is of the Essence.* Time is of the essence in this Agreement for each covenant and term of a condition herein.

IN WITNESS WHEREOF, this Agreement has been entered into by and between District and Contractor as of the Effective Date.

DISTRICT: Rio Linda Elverta Community Water District, a county water district of the State of California

By: _____
Timothy R. Shaw, General Manager

Date: _____

Approved as to Form:

By: _____
Barbara A. Brenner, District Counsel

CONTRACTOR:

Contractor Name

By: _____
Name, Title

Date: _____



**Items for Discussion and Action
Agenda Item: 4.3**

Date: April 19, 2021
Subject: Rate Adjustment Proposition 218 Notice
Staff Contact: Timothy R. Shaw

Recommended Committee Action:

The Executive Committee forwarded this item onto the April 19th Board agenda and recommended Board approval.

Current Background and Justification:

As discussed, and directed at the March 15th Board meeting, where the Board approved the Rate Study / Cost of Service Analysis, the next step in the sequence of actions needed to implement a rate adjustment to be effective July 1, 2021 is to have the Board consider approving the Prop 218 notice at the April 19th regular meeting.

It is not necessary to determine the type of meeting (e.g., in-person option or virtual only) at this time. The Proposition 218 Notice should be finalized with details on the location of the public hearing at approximately 50-days prior to June 21, 2021. This will allow for coordinating with the District's printing and mail service provider in time to allow for 45-days of notice pursuant to Proposition 218.

Conclusions:

I recommend the Board approve the Proposition 218 Notice and direct staff to coordinate with the Chair for finalizing the detail for meeting location of the public hearing.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla:____ Harris:____ Green:____ Gifford:____ Reisig:____.
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

RLECWD Agenda Item Checklist

Item 4.3

Date

Initial Potential Meeting Date

04/19/2021

Circle High/Medium/Low priority of Item and Identify if in line with Mission/
Goal/Strategic Planning issues or state of emergency

Consider approving the rate adjustment Proposition 218 Notice

Staff Work Completed

04/01/2021

(Includes reviewing, researching item with other resources (ACWA, JPIA, RWA, SGA, other Water or special districts, District Engineer, Legal Counsel then laying out business cases, pros and cons, options and recommendations based on best information available, etc.

Committee Review of Item and Staff Work

04/05/2021

Review by appropriate Executive or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel Review

Legal Counsel should have enough time to review all potential legal matters for correctness and legality

N/A

GM Review

04/14/2021

Actual Meeting Date Set for Agenda Item

04/19/2021



NOTICE OF PUBLIC HEARING TO ADJUST WATER SERVICE RATES AND FEES

Monday, June 21st, 2021 at 6:30 pm
at **LOCATION**

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 system revenues must increase to: enable the District to recover current and projected costs of operations and maintenance, fund capital infrastructure maintenance, and maintain financial stability. Water rate structure adjustments are required 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 feet; 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	\$0.92				
(over 6 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	\$1.08				
(over 6 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	\$1.29				
(over 6 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

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

**CII – commercial, institutional, and industrial

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 _____, in person to _____, or at the Public Hearing. 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.

DRAFT



**Items for Discussion and Action
Agenda Item: 4.4**

Date: April 19, 2021

Subject: Engagement of Alternate Auditor

Staff Contact: Timothy R. Shaw

Recommended Committee Action:

The Executive Committee forwarded this item onto the April 19th Board agenda with their recommendation for Board approval for engagement of Scott German of Fechter and Company.

Current Background and Justification:

The March 1st Executive Committee discussed the statutory limitations for the number of consecutive years a given auditor may perform the audit. The staff report included that the option for using the same auditing firm, with a different, properly license auditor was not available through our current auditor engagement. However, in performing due diligence (seeking recommendations from neighboring water districts) staff discovered that a neighboring agency who engages the same auditing firm did exactly that. Staff reached out to our current auditing firm and revealed a heretofore communication error.

The District does have the option of continuing the engagement with the current auditing firm, but with a different, properly licensed auditor working at that firm.

Staff, prior to the above-described discovery, have prepared an RPF for Board consideration. So, the the Board can still consider engaging a new auditor if deemed necessary. Alternatively, the Board could authorize extending the engagement with the current auditor with all the necessary documentation that the fiscal year 2020/2021 audit will be directed by a different auditor at the same firm.

Conclusion:

The Board should authorize engagement of Mr. Scott German of Fechter and Company to perform the fiscal year 2020/2021 audit, as recommended by the Executive Committee.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla: _____ Harris: _____ Green: _____ Gifford: _____ Reisig: _____.

(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

RLECWD Agenda Item Checklist

Item 4.4

Date

Initial Potential Meeting Date

04/19/2021

Circle High/Medium/Low priority of Item and Identify if in line with Mission/
Goal/Strategic Planning issues or state of emergency

**Consider authorizing the engagement of an alternative auditor at the currently engaged
audit firm of Fechter and Company.**

04/01/2021

Staff Work Completed

(Includes reviewing, researching item with other resources (ACWA, JPIA, RWA, SGA, other
Water or special districts, District Engineer, Legal Counsel then laying out business cases,
pros and cons, options and recommendations based on best information available, etc.

Committee Review of Item and Staff Work

04/05/2021

Review by appropriate Executive or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel Review

Legal Counsel should have enough time to review all potential legal matters
for correctness and legality

N/A

GM Review

04/14/2021

Actual Meeting Date Set for Agenda Item

04/19/2021

GOVERNMENT CODE - GOV**TITLE 2. GOVERNMENT OF THE STATE OF CALIFORNIA [8000 - 22980]**

(Title 2 enacted by Stats. 1943, Ch. 134.)

DIVISION 3. EXECUTIVE DEPARTMENT [11000 - 15986]

(Division 3 added by Stats. 1945, Ch. 111.)

PART 2. CONSTITUTIONAL OFFICERS [12001 - 12790]

(Part 2 added by Stats. 1945, Ch. 111.)

CHAPTER 5. Controller [12402 - 12481]

(Chapter 5 added by Stats. 1945, Ch. 111.)

ARTICLE 2. Duties [12410 - 12431]

(Article 2 added by Stats. 1945, Ch. 111.)

12410.6.

(a) An audit for any local agency, including those submitted to the Controller pursuant to subdivision (a) of Section 12410.5, shall be made by a certified public accountant or public accountant, licensed by, and in good standing with, the California Board of Accountancy.

(b) Commencing with the 2013–14 fiscal year, a local agency shall not employ a public accounting firm to provide audit services to a local agency if the lead audit partner or coordinating audit partner having primary responsibility for the audit, or the audit partner responsible for reviewing the audit, has performed audit services for that local agency for six consecutive fiscal years. For purposes of calculating the six consecutive fiscal years, the local agency shall not take into account any time that a public accounting firm was employed by that local agency prior to the 2013–14 fiscal year. The Controller may waive this requirement if he or she finds that another eligible public accounting firm is not available to perform the audit.

(Added by Stats. 2012, Ch. 231, Sec. 2. (AB 1345) Effective January 1, 2013.)



April 13, 2021

To Board of Directors and Tim Shaw, General manager
730 I Street
Rio Linda, California 95673

We are pleased to confirm our understanding of the services we are to provide Rio Linda Elverta Community Water District (the District) for the year ended June 30, 2021. We will audit the financial statements of the business-type activities including the related notes to the financial statements, which collectively comprise the basic financial statements of the District as of and for the year ended June 30, 2020. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) GASB required supplementary pension and OPEB information.

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information.

- 1) Introductory section
- 2) Statistical section

Audit Objective

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the District's financial statements. Our report will be addressed to The Board of Directors of Rio Linda Elverta Community Water District. We cannot provide assurance that unmodified opinions will be expressed.

Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We may request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Other Services

We will also assist in preparing the District's financial statements in conformity with U.S. generally accepted accounting principles based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for designing, implementing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including identification of all related parties and all related-party relationships and transactions, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the District complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You agree to assume all management responsibilities for financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, Deborah Denning has been designated as the person with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Electronic Communication, Client Portal Agreement and File Exchange Processes

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

As part of our commitment to protecting your sensitive information, Fechter & Company works with Thomson Reuters to provide secure, encrypted, file transfer portals (Firm's Client Portal). All documents you prepare for our use in completing the services outlined in this engagement letter (Word, Excel and PDF files) should be transmitted to Fechter & Company through this portal system and all sensitive files will be transmitted through this system. In addition, we will publish all issued financial statements to this portal area for your use as long as you remain a client with Fechter & Company or as required by the terms of our engagement letters.

By using any features of the Firm's Client Portal, the District consents to the following terms and conditions and acknowledges that the Firm is relying on your consent in allowing you to use the Firm's Client Portal. Your continued use of the Firm's Client Portal after the posting of any amended terms and conditions shall constitute your agreement to be bound by any such changes. The Firm may modify, suspend, discontinue, or restrict the use of any portion of the Firm's Client Portal, including the availability of any portion of the content at any time, without notice or liability.

The Firm will use its best reasonable efforts to provide availability of the Client Portal Service 24X7. The Firm shall not be responsible for any error, omission, interruption, deletion, defect, delay in operation or transmission, communications line failure, theft or destruction, or unauthorized access to the Client Portal. The Firm is not responsible for any problems or technical malfunctions of any telephone or fiber network or lines, computer online systems, servers or providers, computer equipment, software, failure of any email to be received by the Firm on account of technical problems or traffic congestion on the Internet or any website, or any combination thereof, including any injury or damage to the District's computers or peripherals related to downloading any materials from the Client Portal.

Documents are encrypted before being passed over the Internet and while being stored on the Portal and a username and password are required to access files. In addition, documents added to the Portal are scanned for viruses before being uploaded. All files are maintained behind firewalls to protect against outside intruders. *The Firm will use its best efforts to make the Client Portal secure from unauthorized access. However, the District recognizes that no completely secure system for electronic data transfer has yet been devised.*

Logon Accounts and Their Security.

- a. The Firm will set up individual logon accounts for those of the District's employees who need access to the Client Portal. Each account will have access only to those document areas requested by Client. (The Firm strongly recommends that Client establish a policy that logon information not be shared with others.) In order to maintain security, the District agrees to designate a single individual as the authorized person to contact the Firm to request employee logons. The initial designee is listed below. Your user name will be your email address, all passwords will be established by the user at the time of initial logon.
- b. You acknowledge that the use of username and password is an adequate form of security. You are solely responsible for (1) authorizing, monitoring, controlling access to, and maintaining the strict confidentiality of your username and password; (2) not allowing another person to use your username or password; (3) any charges or damages that may be incurred as a result of your neglect to maintain the strict confidentiality of your username and password; and (4) promptly informing the Firm in writing of any need to deactivate a username due to security concerns or

otherwise. The Firm is not liable for any harm related to the misuse or theft of usernames or passwords, disclosure of usernames or passwords, or your authorization to allow another person or entity to access and use the Firm's Client Portal using your username or password. You shall immediately notify the Firm of any unauthorized use of your username or password and any breach of confidentiality. Until the Firm receives this notification from you, you will be held liable for any harm ensuing from the use of your username on the Firm's Client Portal.

Termination of Logon Account. The District agrees to notify the Firm via email at support@fechtercpa.com in writing when an individual logon account is to be terminated. The Firm will make every effort to confirm and terminate access within 3 business days. However, the District cannot be assured that access has been terminated until the requester receives an email confirmation of termination.

No Unlawful or Prohibited Use. As a condition of your use of the Client Portal website, you warrant to the Firm that you or your approved users will not use the Firm's Client Portal website for any purpose that is unlawful or prohibited by these terms, conditions, and notices. You may not use the Firm's Client Portal website in any manner that could damage, disable, overburden, or impair the Firm's website or interfere with any other party's use of the Client Portal website. You may not obtain or attempt to obtain any materials or information through any means not intentionally made available or provided for through the Client Portal website.

Information Disclosure. The Firm reserves the right at all times to disclose any information as necessary to satisfy any applicable law, regulation, legal process, or governmental request, or to edit, refuse to post, or to remove any information or materials, in whole or in part, in the Firm's sole discretion.

Client's Responsibility. You must at your own cost (a) provide for your own access to the Internet and pay any services fees, connection charges, and online services usage associated with such access and (b) provide all equipment necessary for you to make such connection to the Client Portal, including a computer and modem.

Dispute Resolution. The parties agree that any dispute between the District and the Firm relating to this Agreement, or the breach of it, shall, if negotiations and other discussions fail, be first submitted to mediation in accordance with the applicable rules for resolving professional accounting and related services disputes of the America Arbitration Association. If the parties are unable to resolve the dispute through mediation within 60 days from the date notice is first given from one party to the other as to the existence of such a dispute and the demand to mediate, then they may proceed to resolve the matter by arbitration if this agreement provides that the particular dispute is subject to arbitration, or by whatever other lawful means are available to them if this agreement does not provide for arbitration of the particular dispute. Costs of any mediation proceeding shall be shared equally by all parties.

WARRANTIES. THE FIRM MAKES NO WARRANTY, EXPRESS OR IMPLIED, REGARDING THE EFFICACY OF THE SECURITY OF THE CLIENT PORTAL. THE CONTENT AND SERVICES ARE PROVIDED ON AN "AS IS" BASIS AND THE FIRM SPECIFICALLY DISCLAIMS ANY EXPRESS OR IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, WARRANTIES OF MERCHANTABILITY, OR WARRANTIES AGAINST INFRINGEMENT. THE FIRM, ITS AFFILIATES, EMPLOYEES, AND AGENTS SHALL NOT BE LIABLE FOR ANY DAMAGES OR LOSSES, INCLUDING, WITHOUT LIMITATION, INDIRECT, CONSEQUENTIAL, SPECIAL, INCIDENTAL, OR PUNITIVE DAMAGES, RESULTING FROM OR

CAUSED BY THE PORTAL, ITS CONTENT, OR SECURITY SERVICES PROVIDED HEREIN. THE FIRM DOES NOT WARRANT THAT THE CLIENT PORTAL'S FUNCTIONS WILL BE UNINTERRUPTED OR ERROR-FREE, THAT DEFECTS WILL BE CORRECTED, OR THAT THE FIRM'S CLIENT PORTAL OR THE SERVER THAT MAKES IT AVAILABLE ARE FREE OF VIRUSES OR OTHER HARMFUL COMPONENTS.

IF YOU ARE DISSATISFIED WITH ANY PORTION OF THE PORTAL, INFORMATION, DOCUMENTS, OR COMMUNICATIONS ON THE PORTAL, OR WITH ANY OF THESE TERMS AND CONDITIONS OF USE, YOUR SOLE AND EXCLUSIVE REMEDY IS TO CEASE USING THE PORTAL AND THE INFORMATION, DOCUMENTS, OR COMMUNICATIONS YOU OBTAINED FROM THE PORTAL.

Term and Termination. This Agreement and the services contemplated by it may be terminated by either the Firm or Client with or without cause and with or without notice at any time. The Firm may at any time terminate in whole or in part the Firm's Client Portal without notice or liability.

Authorized person to contact the Firm to request employee logon User IDs:

Name: _____

Title: _____

Email: _____

Should you desire to use alternate methods of transmission for sensitive documents and chose not to use the Firm's Client Portal System, you may opt out by signing the following release.

We acknowledge that we have opted out of the requirement to use the Firm's Client Portal System and therefore we agree to release Fechter and Company from all liability as a result any interception of, or loss of data as a result of using alternate document transmittal methods.

Management signature:

Governance signature:

Title: _____

Title: _____

Date: _____

Date: _____

COVID -19 Considerations

While we acknowledge that the Pandemic risk has decreased, we consider the safety and health of both your staff and our staff is of utmost importance to us, therefore, we will review the current status of your mitigation program at the time of fieldwork. Based on the status at that time we may request and require some of the following:

Based on timely discussions and agreements with you and your staff we agree:

- We will perform as much of our engagement remotely as feasible.
- We will work with your staff to schedule the timing for our staff to work on your engagement.
- We will confirm these dates with you in writing.
- We will comply with your requirements for face coverings, hand washing and temperature monitoring.
- We will notify you if any of our staff, whether on the engagement or not, have tested positive for COVID-19.

Your responsibilities and commitments:

- You will dedicate your staff resources to answering our questions, provide support and research as needed.
- You will notify us 10 days in advance of our scheduled fieldwork if you are unable to dedicate staff resources.
- You will provide us with segregated workspace to accommodate 3 people.
- The workspace should be available for our *exclusive* use for the duration of our fieldwork which we anticipate to be 4 days.
- If the space is needed for hours of the day that we are not present, you commit to notifying us in advance and disinfecting all surfaces prior to our arrival the following day. If we incur additional time and costs to accommodate these uses, we will discuss any additional costs and fee adjustments at the time we are notified.
- You will notify us in advance if any of your staff test positive for COVID-19.

Engagement Administration, Fees, and Other

We may from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Fechter & Company, LLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the California State Controller or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Fechter & Company personnel. Furthermore, upon request, we may provide copies of selected audit documentation to California State Controller or its designee. The California State Controller or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

We expect to begin our audit on approximately August 1, 2021 and to issue our reports no later than December 15, 2021. Scott German, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses will not exceed \$11,200 plus expense not to exceed \$350. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered as follows:

Due with acceptance of engagement letter	\$ 2,000
Due upon completion of planning (June 2021)	2,500
Due upon completion of fieldwork (August/September 2021)	6,000
Due upon presentation to the Board of final financial statements	<u>1,050</u>
Total fees and expenses	\$ <u>11,550</u>

In addition, should a single audit engagement be required we will issue a separate engagement letter with an estimated fee of \$3,000/

In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us. Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be

Board of Directors
Tim Shaw, General Manager
April 13, 2021
Page 10

a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

Our Firm maintains a license in good standing with the State Board of Accountants and we will notify you in writing of any changes to that status.

Very truly yours,



Fechter & Company, LLC
By: Scott A German, CPA

RESPONSE:

This letter correctly sets forth the understanding of Rio Linda Elverta Community Water District.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____

April 19, 2021

The Board of Directors
Rio Linda Elverta Community Water District

We are engaged to audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Rio Linda Elverta Community Water District (the District) for the year ended June 30, 2020. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

Our Responsibility under U.S. Generally Accepted Auditing Standards, as stated in our engagement letter dated April 13, 2021, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to the Management's Discussion and Analysis and the GASB required supplementary pension and OPEB information, which supplements the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

We have not been engaged to report on Introductory and Statistical sections, which accompany the financial statements but are not RSI. Our responsibility with respect to this other information in documents containing the audited financial statements and auditor's report does not extend beyond the financial information identified in the report. We have no responsibility for determining whether this other information is properly stated. This other information will not be audited and we will not express an opinion or provide any assurance on it.

Planned Scope, Timing of the Audit, and Other

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

The Board of Directors
Rio Linda Elverta Community Water District
April 19, 2021
Page 2

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We expect to begin our audit on approximately August 15 and issue our report on approximately December 31, 2021. Scott German, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

This information is intended solely for the use of the Board of Directors and management of Rio Linda Elverta Community Water District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Fechter & Company, LLC



Items for Discussion and Action
Agenda Item: 4.5

Date: April 19, 2021

Subject: Consider Waiving Sealed Bid Process for Purchase of New Dump Truck

Staff Contact: Timothy R. Shaw

Recommended Committee Action:

The Executive Committee did not discuss this method of procurement (waiving sealed bid requirement) because the available cost savings were not known at the time of the Executive Committee meeting in February.

Current Background and Justification:

The District budget for and funded the eventual replacement of its existing, 25-yr old dump truck. At the February 2021 Executive Committee meeting, the discussion assumed the best overall price, factoring in the administrative costs associated with preparing/distributing bid specifications, was to use government group bidding processes. These already bid processes, e.g. California Multi-Award Schedule (CMAS) and National Joint Powers Alliance (NJPA) are intended to yield the most competitive pricing for government entities while eliminating the administrative overhead associated with bid specification preparation/solicitation. Accordingly, the Executive Committee directed staff to explore the CMAS and NJPA opportunities for procuring a new dump truck, then report back to the Committee for next steps.

Dump trucks are not available through CMAS and the price for the Dump Trucks meetings the District's need are available at a California dealership for significantly less than those available through NJPA. Staff asked NJPA representatives for an explanation. A NJPA representative explained that some dealerships are extremely motivated to move inventory and have been known to sell vehicles for nearly zero mark-up.

The price to use NJPA is more than \$10,000 higher than the same dump truck listed for sale at a Whittier, CA dealership. However, due to the inability and inappropriateness of procuring the Whittier dump truck without Board action to waive the sealed bid policy, the vehicle may no longer be available, but a similar situation may exist and another dealership.

Conclusion:

I recommend the Board authorize the exception provided in District Policy 3.08.600 (B) to waive the requirement for formal bidding for the procurement of a new dump truck. I further recommend the Board authorize the purchase price of up to \$72,000 excluding taxes and fees.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla:___ Harris:___ Green:___ Gifford:___ Reisig:_____.

(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

RLECWD Agenda Item Checklist

Item 4.5

Date

Initial Potential Meeting Date04/19/2021

Circle High/~~Medium~~/Low priority of Item and Identify if in line with Mission/
Goal/~~Strategic Planning~~ issues or state of emergency

Consider waiving the requirement to perform sealed bid process for dump truck purchase.

Staff Work Completed

(Includes reviewing, researching item with other resources (ACWA, JPIA, RWA, SGA, other Water or special districts, District Engineer, Legal Counsel then laying out business cases, pros and cons, options and recommendations based on best information available, etc.

04/01/2021**Committee Review of Item and Staff Work**

Review by appropriate ~~Executive~~ or Ad Hoc Committees, to prepare board recommendations

04/05/2021**Formal Legal Counsel Review**

Legal Counsel should have enough time to review all potential legal matters for correctness and legality

N/A**GM Review**04/14/2021**Actual Meeting Date Set for Agenda Item**04/19/2021



2021 FORD F650 Dump Truck, Landscape Truck, Flatbed Dump

\$72,554

Price After Rebate - SOCAL SoCal Standard Dump Body In Whittier, CA 90601 - 375 Miles Away , Stock #: 1151948



7 of 32

Stock #: 1151948

1-888-493-0623



3.08.400 Appropriated Funds.

The District shall only procure goods and services for which the Board of Directors has appropriated funds.

3.08.500 Solicitation for Bids.

A. Formal Solicitation of Sealed Bids for Expenditures Exceeding \$25,000.00

When any expenditure (services, supplies, materials, labor or other valuable consideration to the District) is expected to exceed \$25,000, the District shall publish a notice inviting bids a minimum of ten (10) days prior to the time of receiving bids, in a general circulation newspaper published within the District boundaries. This type of formal bidding process typically includes the issuance of written plans or specifications describing the goods or services to be provided and the receipt of written bids from the vendors or contractors involved. In addition to publication of the notice inviting bids, the Project Manager shall solicit a minimum of three (3) vendors or contractors to bid on the project when it is feasible to do so.

Following Board approval, the Purchasing Agent or designee shall then execute the contract, unless the Board

President's signature is required. When required by law, the contract shall be awarded to the lowest responsible, responsive bidder, in accordance with the Public Contract Code. The District shall award all other contracts to the bidder whose bid is in the District's best interests. In situations where the District only receives one responsive bid from the formal solicitation, the District may negotiate with and award the contract to the sole bidder. At its discretion, the District may reject all bids and re-advertise the project.

B. Informal Solicitation of Bids for Expenditures Not Exceeding \$25,000

When any expenditure is not expected to exceed \$25,000, the project manager shall solicit a minimum of three (3) vendors or contractors to submit written proposals. Written entries documenting that three written proposals were solicited shall be noted by the Project Manager in the project file. The Purchasing Agent may require additional bids. The Purchasing Agent's approval of the contract (if applicable) is required, unless he or she delegates this approval authority in writing to another District employee.

3.08.600 Exceptions to Standard Purchasing Procedures

A. Emergency Conditions

In the case of such an Emergency, the Purchasing Agent may authorize the lead operator, operations supervisor or his or her designee to secure, in the open market, at the lowest obtainable price, any services, supplies, material or labor required to respond to the Emergency, regardless of the amount of the expenditure. The purchase order should indicate "Emergency Conditions" with written documentation of the nature of the Emergency and lowest obtainable price information. The Purchasing Agent shall, as soon as possible, provide a full written explanation of the circumstances to the Board.

In the case of a disaster or for civil defense, nothing contained in this Policy shall limit the authority of the Purchasing Agent to make purchases and take such other emergency steps as are or may be authorized by the Board.

B. Limited Availability/Sole Source

Occasionally, necessary supplies, material, equipment, or services are of a unique type, are of a proprietary nature, or are otherwise of such a specific design or construction are specifically necessary for purposes of maintaining cost effective system consistency so as to be available from only one source. The Purchasing Agent may dispense with the requirement of competitive bids and recommend negotiating a fair price and making the purchase from a specific business or supplier if: (1) no other supplier can be found after reasonable efforts by District staff to find alternative suppliers; (2) the specific item is integral to repair or enhance existing equipment; (3) only one contractor is capable of providing the required service; (4) the specific item is essential to maintaining District standards or research continuity; or (5) only one source is known for a specialized item of equipment or material. The basis for the sole source recommendation shall be documented in writing on the contract or purchase order and approved, in advance, by the Board for purchases exceeding \$25,000, and the Purchasing Agent or other authorized District employee, under this policy for purchases not exceeding \$25,000.

C. Cooperative Purchasing

The District shall have the authority to join in cooperative purchasing agreements with other public agencies, (e.g. the State of California or other counties, cities, or special districts), to purchase goods or services at a price established by that agency through a competitive bidding process consistent with California public bidding requirements. The Purchasing Agent may authorize participation in cooperative purchasing agreements and may execute such agreements subject to the following:

1. Purchases Exceeding \$25,000

The formal competitive bidding procedures of Section 3.08.500A for purchases exceeding \$25,000 are not required when another public agency has secured a price through a formal, advertised competitive bidding process in which the District is an authorized participant. Board approval is required prior to purchase.

2. Purchases Not Exceeding \$25,000

Completion of the bidding procedures of Sections I.B and I.C for purchases not exceeding \$25,000 is not required when another public agency has secured a price through a competitive bidding process in which the District is an authorized participant. Approval from the Purchasing Agent or his/her authorized designee is required prior to purchase.

Professional Services

1. Definitions and Restrictions

Professional Services are of a technical and professional nature and, due to the nature of the services to be provided, do not readily fall within the "low bid" competitive bidding process. In addition, State law requires that selection of professional consultants in the categories of architects, landscape architects, engineers, surveyors, and environmental consulting be made on the basis of demonstrated competence and the professional qualifications necessary for the satisfactory performance of the required services. Professional consultants should be individually selected for a specific project or problem with the objective of selecting the most qualified consultant at a price that is fair and reasonable. Professional service agreements shall not be split into smaller units, nor shall contract amendments be used, for the purpose of circumvention of the expenditure limits of this policy.



**Items for Discussion and Action
Agenda Item: 4.6**

Date: April 19, 2021

Subject: Authorize any new Board Member Assignments (committees and other) announced by the Chair pursuant to District Policy 2.01.065

Staff Contact: Timothy R. Shaw

Recommended Committee Action:

N/A

Current Background and Justification:

District policy and various statutes stipulate Board approval of any Board Member assignments.

Conclusion:

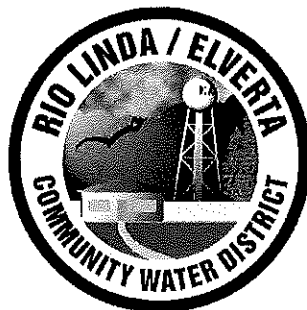
I recommend the Board consider approving any specific nominations and assignments as may be deemed necessary and appropriate.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla: _____ Harris: _____ Jason Green _____ Gifford _____ Reisig _____.

(A) Yea (N) Nay (Ab) Abstain (Abs) Absent



Information Items Agenda Item: 5.1

Date: April 19, 2021

Subject: District Reports

Staff Contact: Timothy R. Shaw, General Manager

1. DISTRICT ACTIVITY REPORT

1. Operations Report
2. Conservation Report
3. Completed and Pending Items Report

RIO LINDA/ELVERTA C.W.D.

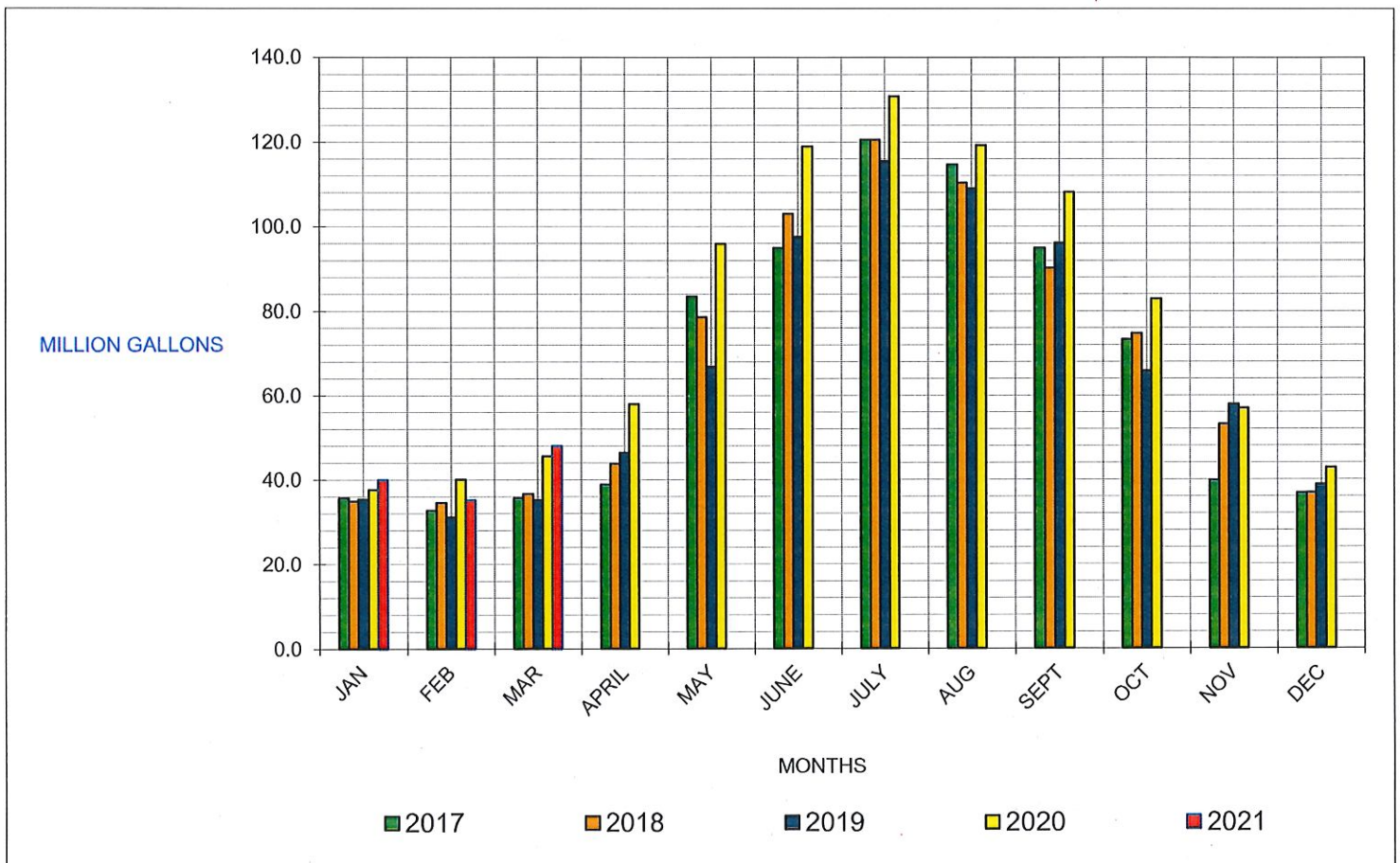
WATER PRODUCTION

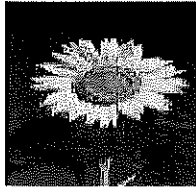
2017 \ 2021

Water Production in Million Gallons

SSWD Water Purchases

Month	2017	2018	2019	2020	2021	Avg.	2017	2018	2019	2020	2021
JAN	35.6	34.8	35.3	37.6	39.9	36.6	0.0	0.0	0.0	0.0	0.0
FEB	32.7	34.5	31.1	40.0	35.2	34.7	0.0	0.0	0.0	0.0	0.0
MAR	35.6	36.5	35.1	45.5	47.9	40.1	0.0	0.0	0.0	0.0	0.0
APRIL	38.8	43.7	46.3	57.9		46.7	0.0	0.0	0.0	0.0	
MAY	83.4	78.5	66.8	95.9		81.2	0.0	0.0	0.0	0.0	
JUNE	94.9	102.9	97.5	118.9		103.6	0.0	0.0	0.0	0.0	
JULY	120.5	120.5	115.4	130.7		121.8	0.0	0.0	0.0	0.0	
AUG	114.6	110.3	108.9	119.2		113.3	0.0	0.0	0.0	0.0	
SEPT	94.9	90.1	96.1	108.1		97.3	0.0	0.0	0.0	0.0	
OCT	73.2	74.7	65.8	82.8		74.1	0.0	0.0	0.0	0.0	
NOV	39.7	53.1	57.8	56.9		51.9	0.0	0.0	0.0	0.0	
DEC	36.7	36.8	38.7	42.7		38.7	0.0	0.0	0.0	0.0	
TOTAL	800.6	816.4	794.8	936.2	123.0	837.0	0.0	0.0	0.0	0.0	0.0





Conservation Report March 2021



Supplies (kits):	Shower heads(0) Kitchen Aerators(0) Bathroom Aerators(0) Shower Timer(10) Nozzle(0) Toilet Tabs(0) Moisture Meters(0) Water Bottles(0) Toilet Tummy(0) Retro-Fit Kits(0) Welcome Kits(0) Kids Kit(0)
Water Waste (calls, emails, letter, leaks detected, and fixed):	0 Water Waste Call(s) 46 contacts about possible leaks using the AMI system - 8 were called, 0 was mailed, 37 was emailed, 1 tag was hung 11 were confirmed resolved
Water Schedule:	given to customers with all violation letters and new applications
Surveys	0
Workshops, Webinar, Meetings:	None
Fines:	None
Other Tasks:	<ul style="list-style-type: none"> ● Assisted with new customers ● Created/completed work orders ● Disconnect properties with no service application ● Notified and offered customers the ACH payment method ● Closed accounts and final billed customers ● Printed stamps ● Mailed out application requests to new owners ● Scanned and uploaded documents into UMS ● Reached out to customers with higher than normal water usage ● Verbal Demands ● Created Report for High Usage Exceptions ● Rereads for 3/20/21 billing cycle ● Created Newsletter for 3/20/21 billing cycle
Grant Updates:	None



**PENDING AND COMPLETED ITEMS
4-19-2021 BOARD OF DIRECTORS MEETING**

1. **Rate Study / Cost of Service Analysis.** The Proposition 218 Notice for the proposed rates adjustment is on the 4-19-2021 Board agenda. This timing enables the Board to schedule a public hearing for rates adjustment at the 6-21-2021 regular Board meeting. **Pending**
2. **SB-606 and AB-1668 planning for compliance** – See status of pending item 1, which is directly prerequisite to completing this item. **Pending**
3. **Hexavalent Chromium MCL economic feasibility** all meetings, workshops and public participation process are proceeding according to the state’s current schedule. The anticipated re-adoption of a Hexavalent Chromium Maximum Contaminant Level (MCL) is anticipated to be complete later this year. I attended a second ACWA Water Quality Committee meeting in as many months, but there was zero discussion of ongoing water quality items. I also reviewed the State’s Water Plan update, which confirms the State’s schedule for re-adopting the Hexavalent Chromium MCL later this year. **Pending**
4. **District outreach to customers in anticipation of implementing a new rate structure focused on consumption in compliance with SB 606 / AB 1668 requirements** – I have a scheduled call with Twin Rivers Unified School District on the afternoon of 4-14-2021. **Pending**
5. **Procuring a replacement for the existing 25-year-old dump truck** –The April 5th Executive Committee recommended the Board consider authorizing the purchase and bypassing the more expensive bid process. **Pending**
6. **Engaging a new Independent Auditor**, Subsequent to last month’s report, staff discovered a miscommunication with the current audit firm, Fechter and Company. Scott German is another licensed auditor at the firm, and we have the option of using Fechter and Company, but with Mr. German as the auditor. This would eliminate the cost and time associated with competitive bidding et al. **Pending**



Information Items

Agenda Item: 5.2

Date: April 19, 2021

Subject: Board Reports

Staff Contact: Timothy R. Shaw, General Manager

5.2 BOARD REPORTS

1. Report ad hoc committee(s) dissolved by requirements in Policy 2.01.065
2. Sacramento Groundwater Authority – Harris (Primary), Reisig
3. Sacramento Groundwater Authority (with RWA and SCGA) 3x3-Reisig
4. Executive Committee – Green, Reisig
5. ACWA/JPIA –Ridilla
6. Sacramento County LAFCo, Special Districts Advisory Committee - Reisig

AGENDA ITEM 4: SGA FISCAL YEAR 2021 – 2022 BUDGET

BACKGROUND:

FY 2021 – 2022 BUDGET

Each year the SGA Budget Subcommittee (Committee) reviews and makes a recommendation for adoption of the budget. The Fiscal Year 2021-2022 (FY22) SGA Committee members include Brett Ewart, City of Sacramento (Chair); Mary Harris, Rio Linda/Elverta Community Water District; Paul Schubert, Golden State Water Company; and Marcus Yasutake, City of Folsom. The committee held a teleconference on March 22, 2021 to discuss the budget goals, expenditures, and proposed fees.

BUDGET TOPICS

Proposed Fees

Overall, the proposed fee increase for groundwater and base fees for FY22 is approximately fifteen percent (15%) as projected in last year's budget. Total fees are higher by approximately \$111,656. Some members will experience a higher fee increase because of their groundwater extraction.

The proposed fees per unit for FY22 are as follows: the base fee for agencies is \$12,196, with a per connection fee of \$1.58 for each connection above 6,000 connections; and the groundwater fee is \$7.10 per acre foot.

Program Objectives

SGA is planning on accomplishing these program objectives during fiscal year 2022 in support of the required Sustainable Groundwater Management Act (SGMA) and submission of the Groundwater Sustainability Plan (GSP); required by SGMA and must be submitted by January 31, 2022.

- 1) Annual Basin Management Report
- 2) Updating the Groundwater Sustainability Plan
- 3) Monitor Water Quality Levels
- 4) Maintain/Improve the Data Management System
- 5) Update the Regional Groundwater Model
- 6) Continue compliance with the Sustainable Groundwater Management Act (SGMA) in the North American Subbasin

This requirement is expected to increase expenses and consequently fees for SGA into future years. In addition to sharing in 50% of non-WEP administrative staff time from RWA and 20% of RWA's project assistant, SGA continues to use a half-time annuitant for the first half of the fiscal year to help in accomplishing these and to assist in the completion of the GSP. This budget also includes 10% cost of RWA's Legislative

Sacramento Groundwater Authority Board Meeting
April 8, 2021

Manager salary and benefits, so as to be kept informed on state legislation and regulations related to groundwater.

Additionally, a full-time, benefited, staff position (Associate Project Manager) is planned to be hired in the latter part of FY22, with the conclusion of services from the retired annuitant, for the required annual GSP updates and groundwater tracking.

A 5-Year GSP update is required in FY27 and is funded by a three-year designation beginning in FY22.

Update on CalPERS Unfunded Pension Liability

Beginning July 1, 2016, SGA became a CalPERS entity and began making its own pension payments for the employee portion that it uses. Even though SGA has been paying 100% of the annually required contribution, SGA still has an unfunded pension liability. CalPERS has been amortizing these costs over time when determining the annual required contribution. The adoption of Policy 400.4 formalized the practice of paying additional amounts towards the unfunded liability over four years beginning in FY19. Per the December 30, 2020 CalPERS letter to SGA, the revised estimate of SGA's June 30, 2019 unfunded pension liability balance, inclusive of all payments made to date, is approximately \$74,528. Staff recommends that SGA's future payments remain at the programmed \$26,700 until SGA receives the updated FY22 CalPERS unfunded liability. The updated evaluation report will include market performance adjustments that occurred in FY20 and FY21.

Staff Compensation

In accordance with SGA Policy 100.3, staff salaries have been adjusted where staff has not already reached the maximum salary step. The COLA for November 2020 was 1.6%. The annuitant annual salary costs are estimated at \$28,000, and approximately \$26,000 in salary costs from the portion of RWA's Legislative Manager. Salary costs also include some expenses for employee development, training, and travel. For the new Project Manager position, the budgeted salary has been set at six months of the top step of the Associate Project Manager salary range to provide some flexibility within the potential candidate pool and to be competitive with State of California pay scale.

Office Costs

Due to the COVID-19 pandemic circumstances, RWA and SGA office expenses were extremely lower than prior years. Future expense budgets should not be modeled off an outlier year. Office expenditures have been budgeted in accordance with the prior year budget allocation and increased by 3% for CPI or 5% for professional services. Some categories may exceed these percentages to account for costs associated with a new position. Additionally, RWA and SGA completed their VOIP telephone system upgrade and as a result, costs for telephone have been transferred to computer maintenance.

Policies

SGA follows several policies in preparation of the annual budget. They are as follows:

Budget Policy 400.3

SGA's budget policies outlines that the annual operating budget is a summary of proposed expenditures for a particular fiscal year. The budget identifies funding sources to pay for the expenditures, including proposed membership dues and other sources, such as grants. The budget must be approved within 90 days of July 1. Member and contracting entities will share in the general operating and administrative costs of operating the SGA, as outlined in the annual budget documents.

Administrative and Management Service Agreement Policy 100.2

SGA shares 50% of the administrative costs incurred by RWA to run both organizations. Expenses only benefitting RWA will not be allocated to SGA. Likewise, costs only benefitting SGA will be paid by SGA. The budget reflects SGA's share of common administrative costs.

Compensation Policy 100.3

Consistent with the Administrative Services Agreement, SGA recognizes a need to have consistent compensation levels with RWA and thereby adopts the monthly salary schedule of SGA positions which is updated annually to the November Consumer Price Index and/or when a new salary survey is conducted. The SGA Board adopted updated pay ranges for positions at the February 11, 2021 meeting and they are posted on the SGA website.

Financial Commitment and Assignment Policy 400.2

SGA refers to these commitment and assignments as designations in the budget. In general, the operating fund is targeted between four and six months of operation expenses. SGA's projected year end operating fund plus undesignated funds is approximately 11.2 months at the end of FY21, which is higher than policy, as a result of significant budget savings from prior years. These additional funds will be used in future budget cycles to either buffer fee increases or for potential additional support, depending upon the Boards direction.

SGA may also designate additional funds for other purposes, such as future GSP update costs and a potential office and relocation as outlined in the attached budget.

Defined Benefit Pension Plan Funding Policy 400.4

SGA will make payments towards the unfunded pension plan liability for previous and current employee service over a four-year period based upon the most recent data available from CalPERS for its liability. SGA's objective is to fund 100% of the

Sacramento Groundwater Authority Board Meeting
April 8, 2021

actuarially accrued liability at a quicker pace than CalPERS annual lump sum payments. For FY22, the CalPERS payment will remain at the approved prior year amount until SGA receives its updated FY22 CalPERS valuation report.

SUMMARY BUDGET OVERVIEW

The draft budget included in the packet is based upon the following fees and expenditures.

Fees

- 1) Overall, a 15% fee increase is proposed for FY22.
- 2) The fee calculations will continue to be based upon base fees plus groundwater fees. The base fees cover 44% of costs, while groundwater fees cover 56%.
- 3) Each agency's specific fee depends on the changes in connections and groundwater pumping from the previous year. Each agency will experience a different fee decrease or increase, depending upon their groundwater pumping averages and their number of connections that have changed from year to year.
- 4) In the proposed budget, the minimum base administrative fee is \$12,196 plus \$1.58 per connection for connections over 6,000. The pumped groundwater fee per acre-foot is proposed at \$7.10 per acre foot. A five-year trailing average of groundwater pumping is used to develop the groundwater fees for FY22. The five-year trailing average of groundwater pumping increased this past year, which is an outcome of conjunctive use.
- 5) SGMA grant income and related grant invoice retainage (10%) release is expected from the DWR related to the Groundwater Sustainability Plan (GSP).

Expenses

- 1) SGA will continue to share 50/50 in the administrative costs incurred by RWA to run both organizations under the agreement between RWA and SGA for administrative and management services. Staff salaries are within ranges assigned by the last compensation survey. Employees continue to pay the entire portion of employee PERS.
- 2) In addition to sharing in 50% of administrative staff time from RWA, SGA plans to continue to use 20% of RWA's project assistant, 10% of RWA's legislative affairs position, and a half-time retired annuitant, plus the addition of a Project Manager for six months. Total FTE count for SGA is proposed to be 3.3 FTEs.
- 3) Benefit costs also include projected increases for OPEB and health care.
- 4) SGA pays its own contributions direct to CalPERS since SGA became a CalPERS member in FY17. Because SGA budgets a four-year payment allocation for this unfunded liability, the amount to pay can reflect significant

volatility from year to year, both increases and decreases to payments. The budgeted amount to pay towards this unfunded liability in FY22 is \$26,700. Staff will update the Board upon receipt of the updated FY22 CalPERS Valuation report.

- 5) Professional fees include public relations, human resources, audit, accounting, and legal services.
- 6) Furniture and computer hardware, software, and support services reflect ongoing support as well as start-up costs for the addition of a new SGA Project Manager.
- 7) Rent and utilities include the cost of the current lease as well as additional funds for the pro rata share of SGA's contribution to house additional staff.
- 8) The SGA consulting budget reflects \$40,000 in out-sourced support activities for annual preparation of the groundwater management report, monitoring water quality, maintaining the data management system, and groundwater modeling.
- 9) The proposed FY22 is a balanced budget; where revenues cover expenses and complies with all of SGA's budget policies.

Designations

- 1) The operating fund plus undesignated cash is projected to be 7.9 months for FY22; which is slightly higher than the required limit.
- 2) Three-year designations in the amount of \$40,000 per year (\$120k total) to support of the 5-Year GSP Update begins in FY22 to be expended in FY25/26.
- 3) A one-time designation of \$20,000 has been programmed in FY22 to allocate SGA's portion for future office expansion/relocation.

Future budget outlook

SGA can anticipate future rates to decrease overall from FY22. The current proposed budget does reflect approximately an 8% increase for FY23 and FY24, and a further reduction to 6% increase in FY25 and FY26. Thereafter, the rate of increase stabilizes. Fee increases could be higher or lower in future years depending upon updated valuation reports, space planning results, and the cost obligations that SGA will incur acting as the GSA for groundwater management, but that would be a shared cost amongst the five GSAs. SGA does not yet know the extent and cost of these future obligations. Approving the FY22 proposed budget does not approve future budget projections. Budget and future projection results may not be achieved.

SGA BUDGET COMMITTEE RECOMMENDATION:

Action: Adopt Resolution No. 2021-01 to fund the administrative and program budgets for FY 2021 – 2022 and providing for the collection of said funds.

Information and Presentation: Josette Reina-Luken, Finance and Administrative Services Manager

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**SACRAMENTO GROUNDWATER AUTHORITY
REGULAR MEETING OF THE BOARD OF DIRECTORS
Thursday, April 8, 2021; 9:00 a.m.**

AGENDA

The Board will discuss all items on this agenda, and may take action on any of those items, including information items and continued items. The Board may also discuss other items that do not appear on this agenda but will not act on those items unless action is urgent, and a resolution is passed by a two-thirds (2/3) vote declaring that the need for action arose after posting of this agenda.

The public shall have the opportunity to directly address the Board on any item of interest before or during the Board's consideration of that item. Public comment on items within the jurisdiction of the Board is welcomed, subject to reasonable time limitations for each speaker. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection on SGA's website. In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact cpartridge@rwah2o.org. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

Note: Pursuant to the Governor's Executive Order N-29-20, and given the state of emergency regarding the threat of COVID-19, the meeting will be held via teleconference.

We encourage Board members and participants to join the meeting 10 minutes early. Note that we will use GoToMeeting to share slides and other information during the meeting. Use the link below to join GoToMeeting. If you have a microphone that you can use with your computer, it should be possible to both listen to, and participate in, the meeting through GoToMeeting. If you do not have a microphone, or a headset with a microphone, that plugs into your computer via USB port, you will need to call into the conference line to listen and comment, although you still should be able to view the meeting materials on GoToMeeting. Please do not simultaneously use a microphone through GoToMeeting and the telephone conference line. That combination results in audio problems for all participants.

Meeting Information:

**SGA Board meeting
Thu, Apr 8, 2021 9:00 AM - 11:00 AM (PDT)**

Please join my meeting from your computer, tablet or smartphone.
<https://global.gotomeeting.com/join/252695181>

You can also dial in using your phone.
United States: +1 (669) 224-3412

Access Code: **252-695-181**

- 1. CALL TO ORDER AND ROLL CALL**
- 2. PUBLIC COMMENT:** Members of the public who wish to address the Board may do so at this time. Please keep your comments to less than three minutes.

3. CONSENT CALENDAR

Minutes of February 11, 2021 meeting

Action: Approve All Consent Items

4. SGA FISCAL YEAR 2021 – 2022 BUDGET

Information and Presentation: Josette Reina-Luken, Financial and Administrative Services Manager

Action: Adopt Resolution No. 2021-01 to fund the administrative and program budgets for FY 2021 – 2022 and provide for the collection of said funds.

5. SACRAMENTO CENTRAL GROUNDWATER AUTHORITY UPDATE

Discussion: Jim Peifer, Executive Director

6. SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA) AND GROUNDWATER MANAGEMENT PROGRAM UPDATE

Discussion: Rob Swartz, Manager of Technical Services

7. LEGISLATIVE UPDATE

Discussion: Ryan Ojakian, Legislative and Regulatory Affairs Manager

8. EXECUTIVE DIRECTOR'S REPORT

9. DIRECTORS' COMMENTS

ADJOURNMENT

Next SGA Board of Director's Meeting – June 10, 2021, 9:00 a.m. at the RWA/SGA office, 5620 Birdcage Street, Ste. 110, Citrus Heights. The location is subject to change depending on the COVID-19 emergency.

Notification will be emailed when the SGA electronic packet is complete and posted on the SGA website at <http://www.sgah2o.org/meetings/board-meetings/>.

AGENDA ITEM 3: CONSENT CALENDAR

Minutes of February 11, 2020 meeting

Action: Approve Consent Item

Attachments:

February 11, 2020 Meeting Minutes

SGA 2021-22 Administrative Budget Fees Structure

Agency	Retail Connections FY21	Retail Connections FY22	Base Fee	FY 22 Groundwater Average Extraction Acre Feet (2016 - 2020)	FY 22 Supplemental Groundwater Fees at \$7.10 / AF	Proposed FY 2021-2022 Total Estimated Fees	Actual FY 2021 Fees	\$ Diff from FY21 to Proposed	% Diff
California American Water	26,307	26,770	\$ 45,013	9,405	\$ 66,776	\$ 111,789	\$ 101,437	\$ 10,352	10.21%
Carmichael Water District	11,694	11,703	\$ 21,207	2,553	\$ 18,128	\$ 39,335	\$ 34,279	\$ 5,056	14.75%
Citrus Heights Water District	19,819	19,818	\$ 34,028	1,112	\$ 7,895	\$ 41,923	\$ 36,042	\$ 5,881	16.32%
Del Paso Manor Water District	1,799	1,799	\$ 12,196	1,218	\$ 8,651	\$ 20,847	\$ 18,265	\$ 2,582	14.14%
Fair Oaks Water District	14,241	14,390	\$ 25,452	2,509	\$ 17,812	\$ 43,264	\$ 35,820	\$ 7,444	20.78%
Folsom, City of	1,102	1,075	\$ 12,196	-	\$ -	\$ 12,196	\$ 10,605	\$ 1,591	15.00%
Golden State Water Company	1,752	1,752	\$ 12,196	852	\$ 6,046	\$ 18,242	\$ 16,018	\$ 2,224	13.88%
Natomas Mutual Water Company	200	200	\$ 12,196	195	\$ 1,385	\$ 13,581	\$ 10,794	\$ 2,787	25.82%
Orange Vale Water Company	5,809	5,685	\$ 12,196	-	\$ -	\$ 12,196	\$ 10,605	\$ 1,591	15.00%
Rio Linda/Elverta Water District	4,640	4,642	\$ 12,196	2,501	\$ 17,759	\$ 29,955	\$ 26,112	\$ 3,843	14.72%
Sacramento, City of	47,145	47,649	\$ 78,001	21,370	\$ 151,727	\$ 229,728	\$ 194,297	\$ 35,431	18.24%
Sacramento, County of	3,328	3,330	\$ 12,196	4,662	\$ 33,102	\$ 45,298	\$ 39,785	\$ 5,513	13.86%
Sacramento Suburban	47,525	46,573	\$ 76,301	20,769	\$ 147,461	\$ 223,762	\$ 197,992	\$ 25,770	13.02%
San Juan Water District	3,416	3,416	\$ 12,196	-	\$ -	\$ 12,196	\$ 10,605	\$ 1,591	15.00%
TOTALS	188,777	188,802	\$ 377,570	67,147	\$ 476,742	\$ 854,312	\$ 742,656	\$ 111,656	15.03%

Minutes
Rio Linda / Elverta Community Water District
Executive Committee

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Minutes: The meeting was called to order at 6:02 P.M. The meeting was attended by Director Reisig (via Zoom), Director Green (via Zoom), General Manager Tim Shaw (via Zoom) and Contract District Engineer Mike Vasquez (via Zoom).

Call to Order 6:02 P.M.

Public Comment: None (no public members attended)

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.
	<p><i>The Contract District Engineer presented his monthly report and provided additional detail on the Well 16 Pumping Station.</i></p> <p><i>The Executive Committee members provided feedback to recommend the Contract District Engineer revise the format of his written report to only include public works / development projects with some sort of status change during the reporting period.</i></p>
2.	Discuss the revised Request for Proposals (RFP) for annual pipe replacement projects.
	<p><i>The Contract District Engineer reviewed the changes to the RFP to merge the fiscal year 20/21 and 21/22 projects.</i></p> <p><i>The Executive Committee discussed the justifications for prioritizing the first pipe replacement project, e.g. age of pipes being replaced and material of pipes being replaced. The Executive Committee directed staff to include such clarification in the staff report for the April 19th Board meeting item.</i></p> <p><i>The Executive Committee forwarded the item onto the April 19th Board agenda with the Committee's recommendation for Board approval.</i></p>
3.	Discuss the draft Proposition 218 Notice for proposed rates adjustment.
	<p><i>The General Manager presented the written report, draft Prop 218 notice, and associated documents.</i></p> <p><i>The Executive Committee forwarded this item onto the April 19th Board agenda with the Committee's recommendation for Board approval.</i></p>
	a. Discuss the relationship between the Water Forum Agreement, conservation commitment/metrics, and the rates designed to promote water use efficiency.
	<p><i>The General Manager presented his written report for this item and expounded on the correlation between the Water Forum Agreement, Conservation Section and the need to restructure the Districts rates program. The mandates of SB-606, AB 1668 and SB 555 have been well covered at District public meetings. The Water Forum Agreement Conservation Section predates the more recent laws, and further compels the District to revise its current rate structure, which is essentially indifferent to water use efficiency/conservation.</i></p>
4.	Discuss timing for resumption of in-person public meetings.
	<p><i>The Executive Committee discussed the correlation between public gathering guidance and the appropriateness of resuming in-person option for District public meetings.</i></p> <p><i>The Executive Committee directed staff to place an item on an upcoming Board agenda only after the public gatherings guidelines for our area allow for indoor public meetings.</i></p>
5.	Discuss options for engaging an independent auditor.
	<p><i>The General Manager explained (echoed the written report) the miscommunication discovered after the</i></p>

March Committee meeting. The Executive Committee direction in March (to prepare an Request for Proposals (RFP) for audit service presumed the current audit firm did not offer an alternative auditor at the same firm see below highlighted section of CA Government Code 12410.6

12410.6. (a) An audit for any local agency, including those submitted to the Controller pursuant to subdivision (a) of Section 12410.5, shall be made by a certified public accountant or public accountant, licensed by, and in good standing with, the California Board of Accountancy.

(b) Commencing with the 2013-14 fiscal year, a local agency shall not employ a public accounting firm to provide audit services to a local agency if the lead audit partner or coordinating audit partner having primary responsibility for the audit, or the audit partner responsible for reviewing the audit, has performed audit services for that local agency for six consecutive fiscal years. For purposes of calculating the six consecutive fiscal years, the local agency shall not take into account any time that a public accounting firm was employed by that local agency prior to the 2013-14 fiscal year. The Controller may waive this requirement if he or she finds that another eligible public accounting firm is not available to perform the audit.

(Added by Stats. 2012, Ch. 231, Sec. 2. (AB 1345) Effective January 1, 2013.)

The Executive Committee further discussed the pros and cons of continuing with the same firm but using a different lead auditor at that firm. The General Manager explained that even though there are two properly licensed auditors at the same firm, the auditor that would take over is more of a stickler for engagement documentation. Accordingly, the Board will need to authorize engagement despite continuing to engage the same audit firm. All things considered, staff recommends the option of same firm, different auditor.

The Executive Committee forwarded an item to authorize engagement of the alternate auditor from the same firm onto the April 19th Board agenda. The Committee recommends Board approval.

6. Preliminary discussion of Urban Water Management Plan “2020”.

The General Manager summarized his written report to further explain why exploring the option of intentionally declining to update the District’s Urban Water Management Plan (UWMP) is worthwhile.

The Executive Committee directed staff to perform preliminary exploration of options. The Contract District Engineer’s firm has a division that prepares UWMPs for several clients. As such, the District Engineer will consult with his colleagues at EKI. Staff will report findings at the May Executive Committee meeting.

7. Review the recently released Urban Residential Landscape Area Measurement (LAM) project for RLECWD (next stage for determining outdoor water use efficiency).

The Department of Water Resources (DWR) email the Districts Landscape Area Measurement Report. The document is passed due, as the regulations required DWR to complete the reports to all urban water purveyors by January 2021. The District’s report was sent March 29th.

The District is tasked with reviewing the report and reporting any inaccuracies to DWR. It may seem to be a simple task. However, the report content is highly technical. The linked images on a DWR SharePoint site (due to file size limitations for email) requires special software licenses to open.

The Executive Committee directed staff to explore the feasibility of using EKI to assist in review the Landscape Area Measurement report.

8. Review and discuss the expenditures of the District for the month of January 2021.

Director Reisig requested additional details on the expenditure to Rio Linda Messenger. The charge is for website hosting services (webmaster) and is processed once each year. The owner of Rio Linda Messenger also does business as a webmaster.

The Executive Committee forwarded the expenditures report onto the April 19th Board agenda with the Committee’s recommendation for Board approval.

9. Review and discuss the financial reports for the month of January 2021.

The Executive Committee forwarded the financial reports onto the April 19th Board agenda with the Committee’s recommendation for Board approval.

Directors’ and General Manager Comments: *Committee members had general comments regarding options for resuming in-person meetings.*

Items Requested for Next Month’s Committee Agenda

Adjournment: 8:07 P.M.