

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

**June 24, 2024 (6:30 p.m.)**

Visitors / Depot Center  
6730 Front Street  
Rio Linda, CA 95673

*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, & PLEDGE OF ALLEGIANCE**

**2. PUBLIC COMMENT**

*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**

*The Board is being asked to approve the Minutes from the May 20, 2024 Regular Board Meeting.*

**3.2. Expenditures**

*The Executive Committee recommends the Board approve the April 2024 Expenditures.*

**3.3. Financial Reports**

*The Executive Committee recommends the Board approve the April 2024 Financial Report.*

**4. REGULAR CALENDAR**

**ITEMS FOR DISCUSSION AND ACTION**

**4.1. Continued Board Member Disciplinary Hearing.**

**4.1.1. Recess**

**4.2. GM Report**

*4.2.1. The General Manager will provide his monthly report to the Board of Directors*

**4.3. Public Works Projects Report.**

*4.3.1. The Contract District Engineer will provide his monthly report to the Board of Directors.*

**4.4. Consider Authorizing an Extension to Professional Services Agreement with Rawles Engineering for Pipe Replacement Project.**

- 4.5. **Consider Adopting Preliminary Budget for Fiscal Year 2024/2025.**
  - 4.5.1. **Consider Confirming July 2024 Rates Pursuant to Resolution 2021-03.**
- 4.6. **Consider Unsolicited Proposal from an Insurance Company for Service Line Repairs.**
- 4.7. **Consider Withdrawal from Water Forum.**
- 4.8. **Discuss the Process for the Annual Performance Evaluation of the General Manager.**
- 4.9. **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. Operations Reports
- 5.1.2. Completed and Pending Items Report
- 5.1.3. Leak Repair Report
- 5.1.4. Conservation Report
- 5.1.5. Capital Improvement Projects List Funding Adjusted for Inflation
- 5.1.6. Email from SMUD Regarding Lighting Upgrades
- 5.1.7. Grand Jury Report for Florin County Water District.

**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 – Garrison (primary)
- 5.2.3. Executive Committee – Gifford, Cline
- 5.2.4. ACWA/JPIA – Cline

**6. DIRECTORS' AND GENERAL MANAGER COMMENTS**

**7. ADJOURNMENT –**

Upcoming meetings:

Executive Committee Meeting

July 10, 2024, Wednesday, 6:00 P.M. Visitors / Depot Center 6730 Front St Rio Linda, CA

Board Meeting

July 22, 2024, Monday, 6:30 P.M. Visitors / Depot Center 6730 Front St Rio Linda, CA



**Consent Calendar  
Agenda Item: 3.1**

**Date:** June 24, 2024

**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 \_\_\_\_\_

Cline \_\_\_\_\_ Gifford \_\_\_\_\_ Green \_\_\_\_\_ Garrison \_\_\_\_\_ Young \_\_\_\_\_

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

**MINUTES OF THE MAY 20, 2024  
BOARD OF DIRECTORS REGULAR MEETING  
OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT**

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The Link below provides access the video of this meeting.

<https://vimeo.com/948784962?share=copy>

The numbers in parentheses next to each action item correlate to time marks on the video of the meeting.

**1. CALL TO ORDER, ROLL CALL**

The May 20, 2024 meeting of the Board of Directors of the Rio Linda/Elverta Community Water District called to order at 6:30 p.m. Visitor's/Depot Center 6730 Front Street, Rio Linda, CA 95673. This meeting was physically open to the public.

General Manager Tim Shaw took roll call of the Board of Directors. Director Jason Green, Director Chris Gifford, Director Vicky Young, Director Mary Garrison, Director Anthony Cline, General Manager Tim Shaw, Mike Vasquez, Vasquez Engineering, and Legal Counsel were present. Director Gifford led the pledge of allegiance.

Director Garrison commented on Agenda Item 4.6 Board Member Disciplinary Hearing. She stated she had sent a letter to the General Manager Mr. Shaw and the Board President and wanted letters that were read at the prior Board Meeting included as supporting documents in this Board Packet. They are not included and would like this agenda item removed. She further commented that another letter was sent regarding the flawed allegations of these accusations.

President Young commented that it would be reviewed when that agenda item was discussed.

**2. PUBLIC COMMENT**– Public member addressed the Board Members that it is their job to do their own research on information to protect the District and the ratepayers. Another public member had a specific question about her meter.

**CONSENT CALENDAR (8:25)**

**3.1. April 22, 2024 Minutes**

**3.2 March Expenditures**

**3.3 March Financials**

Comments/Questions – Director Garrison questioned the content of the minutes from the April meeting that it didn't contain enough information. General Counsel reiterated that the minutes are just a summary of the meeting.

Comments/Questions – A member of the public had a question from the Expenditure Report on computer maintenance of which GM Shaw gave clarification. Another member of the public asked about the number of cell phones the District pays for.

**(13:20) It was moved by Director Gifford and seconded by Director Green to approve the Consent Calendar. Directors Green, Young, Cline and Gifford voted yes. Director Garrison and Anthony Cline abstained. The motion passed with a roll call vote of 3-0-2.**

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

**4.1 GM Report (18:15)**

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

Comments/Questions – No comments.

***The Board took no action on this item.***

**4.2 Public Works Projects Report (19:45)**



Mike Vasques, Vasquez Engineering report provided, General District Engineering.

Comments/Questions – General questions by the Directors.

*The Board took no action on this item.*

**4.3 Consider Authorizing a Professional Services Agreement with Two Brothers Cathodic Protection to Repair the Cathodic Protection System on the Elevated Storage Tank. (25:50)**

Comments/Questions – General discussion by the Board on the RFP process and the Professional Services Contract.

Public member questioned the lack of the District's bidding process.

*(28:29) It was moved by Director Gifford and seconded by Director Green to approve the finding that the special circumstance policy 3.08.600 applies.*

*Directors Green, Young, Cline and Gifford voted yes. Director Garrison voted no. The motion carried with a roll call vote of 4-1-0.*

Public member questioned the State law of 3 bids for government projects.

*(35:08) It was moved by Director Cline and seconded by Director Green to approve the Professional Service Agreement with Two Brother Cathodic Protection to repair the Cathodic Protection System on the Elevated Storage Tank.*

*Directors Green, Young, Cline and Gifford voted yes. Director Garrison voted no. The motion carried with a roll call vote of 4-1-0.*

**4.4 Consider Authorizing the Engagement of Sacramento County's subcontractor for lowering / raising water valve boxes associated with County repaving on Elkhorn Blvd. (38:25)**

Comments/Questions – General questions by the Board about the project costs. Public member had questions on the actual paving process.

*(45:43) It was moved by Director Cline and seconded by Director Green to approve the finding that the special circumstance policy 3.08.600 applies and authorized the Professional Services Agreement with Sacramento County's subcontractor for lowering/raising water valve boxes with County paving on Elkhorn Blvd.*

*Directors Green, Young, Cline and Gifford voted yes. Director Garrison voted no. The motion carried with a roll call vote of 4-1-0.*

**4.5 Consider Declaring Annual Doubtful Recovery Debt (continued from 4-22-2024) (53:53)**

Comments/Questions – The Board discussed the lien document included in the Board packet. Public members had questions about the lien process and providing more documentation on the agenda items.

*(56:05) It was moved by Director Gifford and seconded by Director Cline to declare the Annual Doubtful Recovery Debt list of \$5112.51. Directors Green, Young, Cline, and Gifford voted yes. Director Garrison voted no. The motion carried with a roll call vote of 4-1-0.*

**4.6 Board Member Disciplinary Hearing Pursuant to Policy 2.01.400 (continued from 4-22-2024). (1:08:15)**

Comments/ Questions -President Young read the supporting documents in the Board Packet. She continued with reading an anonymous survey that the District staff completed. The survey contained comments written by staff members that were about the allegations being brought up against Director Garrison.

Director Garrison felt the survey's written comments should have been included in the Board Packet for the full Board. She further commented that the letters from the prior Board meeting should have been included in the packet and wanted the agenda item tabled. General Counsel stated that the Board needed to consider all the information when making a decision on this item. The prior letters from the last meeting are available to the public and can be considered.

Public members commented that the compliments made by Director Garrison to one the staff member was not wrong and was not violating anything.

*(2:07:30) It was moved by Director Garrison and seconded by Director Gifford for the item to be tabled until next Board meeting. Directors Garrison, Green, Gifford, Cline and Young voted yes. The motion carried with a roll call vote of 5-0-0.*

**4.7 Authorize any New Board Member Assignments (committees and other) Proposed by the Chair Pursuant to District Policy 2.01.065 (2:09:08)**

Comments/Questions – No public or Board comments.

**5. INFORMATION ITEMS**

**5.1 District Activities Reports (2:09:25)**

- 5.1.1 Water Operations Report – Written report provided.
- 5.1.2 Completed and Pending Items Report – Written report provided.
- 5.1.3 Leak Repair Report – Report provided.
- 5.1.4 Conservation Report – Report Provided.

**5.2 Board Member Report (2:10:13)**

- 5.2.1 Report any ad hoc committees dissolved by requirements in Policy 2.01.065 – No action.
- 5.2.2 Sacramento Groundwater Authority – Harris (primary) –No Meeting.
- 5.2.3 Executive Committee – Garrison, Cline – Minutes provided.
- 5.2.4 ACWA/JPIA – Cline – Nothing to report.

**6. DIRECTORS' AND GENERAL MANAGER COMMENTS –**

**7. ADJOURNMENT** - The meeting was adjourned at 8:43 pm.

Respectfully submitted,

\_\_\_\_\_  
Timothy R. Shaw, Secretary

\_\_\_\_\_  
Vicky Young, President of the Board



**Consent Calendar  
Agenda Item: 3.2**

**Date:** June 24, 2024

**Subject:** Expenditures

**Staff Contact:** Timothy R. Shaw, General Manager

**Recommended Committee Action:**

The Executive Committee forwarded the April 2024 Expenditures report to the June 24th Board agenda.

**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 April 2024.

**Board Action / Motion**

Motioned by: Director \_\_\_\_\_ Seconded by Director \_\_\_\_\_

Cline \_\_\_\_\_ Gifford \_\_\_\_\_ Green \_\_\_\_\_ Harris \_\_\_\_\_ Young \_\_\_\_\_

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

**Rio Linda Elverta Community Water District  
Expenditure Report  
April 2024**

Type	Date	Num	Name	Memo	Amount
Liability Check	04/03/2024	EFT	QuickBooks Payroll Service	For PP Ending 03/30/24 Pay date 04/04/24	20,392.36
Liability Check	04/04/2024	EFT	CalPERS	For PP Ending 03/30/24 Pay date 04/04/24	3,650.10
Liability Check	04/04/2024	EFT	CalPERS	For PP Ending 03/30/24 Pay date 04/04/24	1,385.12
Liability Check	04/04/2024	EFT	Internal Revenue Service	Employment Taxes	7,789.24
Liability Check	04/04/2024	EFT	Employment Development	Employment Taxes	3,461.40
Liability Check	04/04/2024	EFT	Empower	Deferred Compensation Plan: Employer & Employee Share	2,197.67
Bill Pmt -Check	04/04/2024	EFT	Adept Solutions	Monthly Computer Maintenance	1,340.72
Bill Pmt -Check	04/04/2024	EFT	Comcast	Telephone	109.16
Bill Pmt -Check	04/04/2024	EFT	Ramos Oil Inc.	Transportation Fuel	604.01
Bill Pmt -Check	04/04/2024	EFT	Republic Services	Utilities	175.96
Transfer	04/04/2024	EFT	RLECWD	Umpqua Bank Monthly Debt Service Transfer	17,000.00
Transfer	04/04/2024	EFT	RLECWD - Capital Improvement	Current Monthly Transfer	50,984.00
Check	04/04/2024	2951	Customer	Final Bill Refund	100.00
Check	04/04/2024	2952	Customer	Hydrant Meter Deposit Refund	2,023.69
Bill Pmt -Check	04/04/2024	2954	ABS Direct	Printing & Postage	5,127.63
Bill Pmt -Check	04/04/2024	2955	ACWA/JPIA Powers Insurance Authority	EAP	24.80
Bill Pmt -Check	04/04/2024	2956	BSK Associates	Lab Fees	1,890.50
Bill Pmt -Check	04/04/2024	2957	Buckmaster Office Solutions	Printing	54.81
Bill Pmt -Check	04/04/2024	2958	CoreLogic Solutions	Subscription	103.00
Bill Pmt -Check	04/04/2024	2959	DirectHit Pest Control	Building Maintenance	80.00
Bill Pmt -Check	04/04/2024	2960	Elk Grove Security Systems	Security	924.00
Bill Pmt -Check	04/04/2024	2961	Ferguson Enterprises	Distribution Supplies	1,153.78
Bill Pmt -Check	04/04/2024	2962	ICONIX Waterworks	Distribution Supplies	1,800.51
Bill Pmt -Check	04/04/2024	2963	Phelan, Michael	Retiree Insurance	3,150.00
Bill Pmt -Check	04/04/2024	2964	Rio Linda Elverta Recreation & Park	Meeting Fee	100.00
Bill Pmt -Check	04/04/2024	2965	Rio Linda Hardware & Building Supply	Shop Supplies	344.54
Bill Pmt -Check	04/04/2024	2966	RW Trucking	Distribution Supplies	745.26
Bill Pmt -Check	04/04/2024	2967	Safety-Kleen Systems	Transportation Maintenance	557.14
Bill Pmt -Check	04/04/2024	2968	SMUD	Utilities	13,872.73
Bill Pmt -Check	04/04/2024	2969	Tesco Controls	Field IT	1,533.85
Bill Pmt -Check	04/04/2024	2970	UniFirst Corporation	Uniforms	526.63
Bill Pmt -Check	04/04/2024	2971	Vasquez Engineering	Engineering	5,000.00
Bill Pmt -Check	04/04/2024	2972	Verizon Wireless	Telephone	45.38
Bill Pmt -Check	04/04/2024	2973	Vulcan Materials	Distribution Supplies	580.52
Bill Pmt -Check	04/04/2024	2974	Continental Utility Solutions	Capital Improvement: Server Replacement	2,000.00
Bill Pmt -Check	04/04/2024	2975	Ferguson Enterprises	Capital Improvement: Meter Replacement	1,724.00
Liability Check	04/17/2024	EFT	QuickBooks Payroll Service	For PP Ending 4/13/24 Pay date 4/18/24	20,169.34
EFT	04/24/2024	EFT	WageWorks	FSA Administration Fee	76.25
Liability Check	04/18/2024	EFT	CalPERS	For PP Ending 4/13/24 Pay date 4/18/24	3,675.77
Liability Check	04/18/2024	EFT	CalPERS	For PP Ending 4/13/24 Pay date 4/18/24	1,385.12
Liability Check	04/18/2024	EFT	Internal Revenue Service	Employment Taxes	7,744.52
Liability Check	04/18/2024	EFT	Employment Development	Employment Taxes	1,559.21
Liability Check	04/18/2024	EFT	Empower	Deferred Compensation Plan: Employer & Employee Share	2,199.12



**Rio Linda Elverta Community Water District  
Expenditure Report  
April 2024**

Type	Date	Num	Name	Memo	Amount
Liability Check	04/18/2024	EFT	Kaiser Permanente	Health Insurance	2,474.22
Bill Pmt -Check	04/18/2024	EFT	PG&E	Utilities	72.15
Liability Check	04/18/2024	EFT	Principal	Dental & Vision Insurance	1,779.83
Bill Pmt -Check	04/18/2024	EFT	Ramos Oil Inc.	Transportation Fuel	422.21
Bill Pmt -Check	04/18/2024	EFT	Umpqua Bank Credit Card	Computer, Office, Shop Supplies, Telephone	521.27
Bill Pmt -Check	04/18/2024	EFT	Verizon	Field Communication	421.35
Liability Check	04/18/2024	EFT	Western Health	Health Insurance	12,559.18
Bill Pmt -Check	04/18/2024	EFT	Voyager	Fuel	145.80
Check	04/18/2024	EFT	RLECWD - SURCHARGE ACCOUNT 1	Bi-monthly Transfer	88,571.99
Check	04/18/2024	EFT	RLECWD - SURCHARGE ACCOUNT 2	Bi-monthly Transfer	73,654.59
Check	04/18/2024	2976	ACWA JPIA	Workers Compensation	2,650.07
Bill Pmt -Check	04/18/2024	2977	ABS Direct	Printing & Postage	941.97
Bill Pmt -Check	04/18/2024	2978	Affordable Heating & Air	Building Maintenance	145.00
Bill Pmt -Check	04/18/2024	2979	DirectHit Pest Control	Building Maintenance	80.00
Bill Pmt -Check	04/18/2024	2980	ICONIX Waterworks	Distribution Supplies	543.22
Bill Pmt -Check	04/18/2024	2981	Johnson Controls Fire Protection	Safety	285.41
Bill Pmt -Check	04/18/2024	2982	Rio Linda Elverta Recreation & Park District	Meeting Expense	100.00
Bill Pmt -Check	04/18/2024	2983	Sacramento Metropolitan AQMD	Permits	1,722.00
Bill Pmt -Check	04/18/2024	2984	Sierra Chemical Company	Chemical Supplies	1,386.00
Bill Pmt -Check	04/18/2024	2985	Spok Inc.	Field Communication	15.24
Bill Pmt -Check	04/18/2024	2986	Two Brothers Cathodic Services	Tank Maintenance	3,750.00
Bill Pmt -Check	04/18/2024	2987	USA BlueBook	Pumping Maintenance, Shop Supplies	2,839.82
Bill Pmt -Check	04/18/2024	2988	Vanguard Cleaning Systems	Janitorial	195.00
Bill Pmt -Check	04/18/2024	2989	White Brenner	Legal Services	762.20
Bill Pmt -Check	04/18/2024	2990	Ferguson Enterprises	Capital Improvement: Small Meter Replacements	18,146.72
<b>Total 10020 - Operating Account Budgeted Expenditures</b>					<b><u>403,547.08</u></b>
Liability Check	04/04/2024	2953	Teamsters	Union Dues	813.00
Liability Check	04/04/2024	EFT	California State Disbursement Unit	Employee Garnishment	227.53
Liability Check	04/15/2024	EFT	AFLAC	Employee Funded Premiums	745.84
Liability Check	04/18/2024	EFT	California State Disbursement Unit	Employee Garnishment	227.53
EFT	04/30/2024	EFT	WageWorks	FSA Expenditures - Employee Funded	1,055.95
<b>Total 10020 - Operating Account Non-Budgeted Expenditures: Employee Paid Pass-throughs</b>					<b><u>3,069.85</u></b>





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**Consent Calendar  
Agenda Item: 3.3**

**Date:** June 24, 2024

**Subject:** Financial Reports

**Staff Contact:** Timothy R. Shaw, General Manager

**Recommended Committee Action:**

The Executive Committee forwarded the Financial Report onto the June 24th Board agenda with the Committee’s recommendation for Board approval.

**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 to inform them of the District’s current financial condition.

**Conclusion:**

I recommend the Board approve the Financial Reports for April 2024.

**Board Action / Motion**

Motioned by: Director \_\_\_\_\_ Seconded by Director \_\_\_\_\_  
Cline \_\_\_\_\_ Gifford \_\_\_\_\_ Green \_\_\_\_\_ Garrison \_\_\_\_\_ Young \_\_\_\_\_  
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

Rio Linda Elverta Community Water District

Balance Sheet  
As of April 30, 2024



ASSETS

Current Assets

100 · Cash & Cash Equivalents	
10000 · Operating Account	
10020 · Operating Fund-Umpqua	1,731,417.92
Total 10000 · Operating Account	<u>1,731,417.92</u>
10475 · Capital Improvement	
10480 · General	831,482.70
10485 · Vehicle Replacement Reserve	27,948.49
Total 10450 · Capital Improvement	<u>859,431.19</u>
<b>Total 100 · Non-Restricted Cash &amp; Cash Equivalents</b>	<b>2,590,849.11</b>

102 · Restricted Assets	
102.2 · Restricted for Debt Service	
10700 · ZIONS Inv/Surcharge 1 Reserve	523,478.92
10300 · Surcharge 1 Account	1,089,399.57
10350 · Umpqua Bank - Revenue Bond	120,990.87
10380 · Surcharge 2 Account	462,707.93
Total 102.2 · Restricted for Debt Service	<u>2,196,577.29</u>
102.4 · Restricted Other Purposes	
10385 · Available Funding Cr6 Projects #1	476,668.52
10481 · Available Funding Cr6 Projects #2	505,000.00
10490 · Future Capital Imp Projects	1,237,435.19
10600 · LAIF Account - Capacity Fees	939,073.54
10650 · Operating Reserve Fund	337,484.77
Total 102.4 · Restricted Other Purposes	<u>3,495,662.02</u>
<b>Total 102 · Restricted Assets</b>	<b>5,692,239.31</b>

Accounts Receivable	0.00
Other Current Assets	
12000 · Water Utility Receivable	45,519.97
12200 · Accrued Revenue	150,000.00
12250 · Accrued Interest Receivable	2,997.89
15000 · Inventory Asset	49,574.32
16000 · Prepaid Expense	37,924.59
Total Other Current Assets	<u>286,016.77</u>

**Total Current Assets** 8,569,105.19

Fixed Assets	
17000 · General Plant Assets	685,384.68
17100 · Water System Facilites	25,221,550.97
17300 · Intangible Assets	383,083.42
17500 · Accum Depreciation & Amort	-11,848,271.81
18000 · Construction in Progress	873,029.55
18100 · Land	576,672.45
Total Fixed Assets	<u>15,891,449.26</u>

Other Assets	
18500 · ADP CalPERS Receivable	440,000.00
19000 · Deferred Outflows	1,106,047.00
19900 · Suspense Account	0.00
Total Other Assets	<u>1,546,047.00</u>

**TOTAL ASSETS** 26,006,601.45

Rio Linda Elverta Community Water District

Balance Sheet  
As of April 30, 2024

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LIABILITIES & NET POSTION

<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	18,312.24
Credit Cards	66.00
Other Current Liabilities	952,206.15
<b>Total Current Liabilities</b>	<u>970,584.39</u>
<b>Long Term Liabilities</b>	
23000 · OPEB Liability	37,482.00
23500 · Lease Buy-Back	508,777.27
25000 · Surcharge 1 Loan	2,708,943.73
25050 · Surcharge 2 Loan	2,085,040.16
26000 · Water Rev Refunding	1,349,516.00
26500 · ADP CalPERS Loan	410,000.00
27000 · AMI Meter Loan	85,138.71
29000 · Net Pension Liability	824,024.00
29500 · Deferred Inflows-Pension	97,916.00
29600 · Deferred Inflows-OPEB	44,171.00
<b>Total Long Term Liabilities</b>	<u>8,151,008.87</u>
<b>Total Liabilities</b>	9,121,593.26
<b>Net Position</b>	
31500 · Invested in Capital Assets, Net	9,494,326.46
32000 · Restricted for Debt Service	705,225.24
38000 · Unrestricted Equity	6,140,305.30
Net Income	545,151.19
<b>Total Net Position</b>	<u>16,885,008.19</u>
<b>TOTAL LIABILITIES &amp; NET POSTION</b>	<u><u>26,006,601.45</u></u>



Rio Linda Elverta Community Water District  
 Operating Profit & Loss Budget Performance  
 As of April 30, 2024

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	<u>Annual Budget</u>	<u>Apr 24</u>	<u>YTD Jul 23-Apr 24</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
<b>Ordinary Income/Expense</b>					
<b>Income</b>					
<b>Total 40000 · Operating Revenue</b>	3,146,600.00	160,245.99	2,364,755.18	75.15%	781,844.82
<b>41000 · Nonoperating Revenue</b>					
41110 · Investment Revenue					
41112 · Interest Revenue	35.00	3.75	34.48	98.51%	0.52
<b>Surcharg Total 41110 · Investment Revenue</b>	35.00	3.75	34.48	98.51%	0.52
41120 · Property Tax	118,000.00	0.00	73,265.25	62.09%	44,734.75
<b>Total 41000 · Nonoperating Revenue</b>	118,035.00	3.75	73,299.73	62.10%	44,735.27
<b>Total Income</b>	3,264,635.00	160,249.74	2,438,054.91	74.68%	826,580.09
<b>Gross Income</b>	3,264,635.00	160,249.74	2,438,054.91	74.68%	826,580.09
<b>Expense</b>					
<b>60000 · Operating Expenses</b>					
60010 · Professional Fees	159,848.00	5,762.00	73,878.20	46.22%	85,969.80
<b>60100 · Personnel Services</b>					
60110 · Salaries & Wages	831,113.00	63,893.52	648,939.57	78.08%	182,173.43
60150 · Employee Benefits & Expense	496,718.00	34,765.35	349,611.27	70.38%	147,106.73
<b>Total 60100 · Personnel Services</b>	1,327,831.00	98,658.87	998,550.84	75.20%	329,280.16
60200 · Administration	258,133.00	15,092.62	207,156.00	80.25%	50,977.00
64000 · Conservation	500.00	0.00	333.84	66.77%	166.16
65000 · Field Operations	601,900.00	28,438.49	401,148.98	66.65%	200,751.02
<b>Total 60000 · Operating Expenses</b>	2,348,212.00	147,951.98	1,681,067.86	71.59%	667,144.14
<b>69000 · Non-Operating Expenses</b>					
69010 · Debt Service					
69100 · Revenue Bond					
69105 · Principle	156,908.00	0.00	63,908.00	40.73%	93,000.00
69110 · Interest	44,087.00	0.00	22,521.04	51.08%	21,565.96
<b>Total 69100 · Revenue Bond</b>	200,995.00	0.00	86,429.04	43.00%	114,565.96
69125 · AMI Meter Loan					
69130 · Principle	139,741.00	0.00	139,726.82	99.99%	14.18
69135 · Interest	3,972.00	0.00	3,961.48	99.74%	10.52
<b>Total 69125 · AMI Meter Loan</b>	143,713.00	0.00	143,688.30	99.98%	24.70
69200 · PERS ADP Loan					
69205 · Principle	30,000.00	0.00	0.00	0.00%	30,000.00
69210 · Interest	1,628.00	0.00	0.00	0.00%	1,628.00
<b>Total 69100 · PERS ADP Loan</b>	31,628.00	0.00	0.00	0.00%	31,628.00
<b>Total 69010 · Debt Service</b>	376,336.00	0.00	230,117.34	61.15%	146,218.66
69400 · Other Non-Operating Expense	2,300.00	0.00	1,430.00	62.17%	870.00
<b>Total 69000 · Non-Operating Expenses</b>	378,636.00	0.00	231,547.34	61.15%	147,088.66
<b>Total Expense</b>	2,726,848.00	147,951.98	1,912,615.20	70.14%	814,232.80
<b>Net Ordinary Income</b>	537,787.00	12,297.76	525,439.71		
<b>Net Income</b>	537,787.00	12,297.76	525,439.71		

**Rio Linda Elverta Community Water District**  
**CAPITAL BUDGET VS ACTUAL FISCAL YEAR 2023-24**  
 As of April 30, 2024

	GENERAL		VEHICLE & LARGE EQUIPMENT REPLACEMENT		FUTURE CAPITAL IMPROVEMENT PROJECTS		HEXAVALENT CHROMIUM MITIGATION	
	Annual Budget	YTD Actual	Annual Budget	YTD Actual	Annual Budget	YTD Actual	Annual Budget	YTD Actual
<b>FUNDING SOURCES</b>								
Fund Transfers								
Operating Fund Transfers In	611,800.00	509,840.00	-	-	-	-	-	-
CIP Fund Intrafund Transfers	(362,645.00)	-	10,000.00	-	352,645.00	-	-	-
PERS ADP Loan Payment								
Principle					30,000.00	-	-	-
Interest					1,628.00	-	-	-
Investment Revenue	85.00	97.50	-	-	175.00	113.89	-	-
<b>PROJECTS</b>								
<b>A · WATER SUPPLY</b>								
A-1 · Miscellaneous Pump Replacements	40,000.00	-	-	-	-	-	-	-
<b>Total A · WATER SUPPLY</b>	<b>40,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>B · WATER DISTRIBUTION</b>								
B-1 · Service Replacements	30,000.00	-	-	-	-	-	-	-
B-2 · Small Meter Replacements	120,000.00	43,338.44	-	-	-	-	-	-
B-3 · Large Meter Replacements	5,000.00	-	-	-	-	-	-	-
B-4 · Pipeline Replacement	-	-	-	-	366,000.00	358,947.25	-	-
B-5 · Cathodic Protection Replacement - L Street Tanks	45,000.00	3,750.00	-	-	-	-	-	-
B-6 · Raising/Lowering Valve Covers	40,000.00	-	-	-	-	-	-	-
B-7 · Well 15 Cr6 Treatment-Design	-	-	-	-	-	-	75,000.00	-
<b>Total B · WATER DISTRIBUTION</b>	<b>240,000.00</b>	<b>47,088.44</b>	<b>-</b>	<b>-</b>	<b>366,000.00</b>	<b>358,947.25</b>	<b>75,000.00</b>	<b>-</b>
<b>M · GENERAL PLANT ASSETS</b>								
M-1 · Server Replacement	24,000.00	14,479.15	-	-	-	-	-	-
<b>Total M · GENERAL PLANT ASSETS</b>	<b>24,000.00</b>	<b>14,479.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL BUDGETED PROJECT EXPENDITURES</b>	<b>304,000.00</b>	<b>61,567.59</b>	<b>-</b>	<b>-</b>	<b>366,000.00</b>	<b>358,947.25</b>	<b>75,000.00</b>	<b>-</b>



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

**Date:** June 24, 2024

**Subject:** Board Member Disciplinary Hearing Pursuant to Policy 2.01.400 (continued from 4-22-2024)

**Staff Contact:** Timothy R. Shaw, General Manager

**Recommended Committee Action:**

N/A This item was continued from a previous Board meeting.

**Current Background and Justification:**

The process for conducting Board Member disciplinary hearings is established in policy 2.01.400. The Notice of Disciplinary Hearing (included as a document associated with this item) was sent via certified mail to the affected Board Member on April 11<sup>th</sup>.

At the conclusion of the disciplinary hearing the Board may vote to censure the affected Board Member, or the Board may vote for a lesser form of discipline. If the Board opts for censure, the Board will direct staff to draft a Resolution of Censure. The affected Board Member cannot vote on this item.

**Conclusion:**

The Board should re-open the hearing, which began at the 4-22-2024 meeting. The affected Board Member provided written and oral testimony at the 4-22-2024 meeting. At the conclusion of the disciplinary hearing, the Board will vote on the form of disciplinary action.

**Board Action / Motion**

Motioned by: Director \_\_\_\_\_ Seconded by Director \_\_\_\_\_

Cline \_\_\_\_\_ Gifford \_\_\_\_\_ Green \_\_\_\_\_ Garrison \_\_\_\_\_ Young \_\_\_\_\_  
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

NOTICE OF BOARD MEMBER DISCIPLINARY HEARING  
 RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT  
 BOARD OF DIRECTORS MEETING  
 April 22, 2024 at 6:30 P.M.  
 6730 Front Street, Rio Linda, Ca. 95673

NOTICE IS HEREBY GIVEN that at its April 22, 2024, Board meeting at 6:30 P.M., or at such date to which the Board may continue the matter, the Board of Directors of the Rio Linda/Elverta Community Water District (hereinafter "District") will consider disciplinary action against Director Mary Garrison pursuant to Section 2.01.400 of the policy manual. Pursuant to Section 2.01.420, you have the right to submit oral or written evidence at the hearing.

District staff has received requests from Board Members to consider against Director Mary Garrison. The allegations involve the following:

1. **Violations of the Meyers-Milias Brown Act, District Resolution 2018-09 and Multiple Elements of Policy 2.01.085 Code of Ethics-** Director Garrison engaged a union represented employee regarding wages, hours or working conditions without the presence of the employees' union representative. On March 18<sup>th</sup>, Director Garrison made an in-person, unscheduled visit to the District office. While there, in the absence of the General Manager and without notice to the designated employee representative, she engaged a union-represented employee. Director Garrison told the employee that the employee should be promoted to Office Manager (a non-existing position description). Then, Director Garrison requested work schedules for all District employees. Director Garrison then declared that she has changed her mind about not running for re-election in November, so that she may see to it that the General Manager is terminated.

In addition to being a violation of the Meyers-Milias Brown Act, and Resolution 2018-09, Director Garrison also offered to support an employee's promotion in exchange for information. Such conduct violates the Code of Ethics.

Director Garrison has previously been ordered to refrain from such conduct as illustrated by the May 2011 Grand Jury report, "*The attitudes of some board members towards the staff poison the relationship between general managers and staff. Board members have said, in public, that the staff was overpaid and lazy*". In Recommendation 5.1, the Grand Jury recommends, "*The Board, general manager and staff should make it a priority to restore mutual respect, trust and confidence*". In Recommendation 5.2, the Grand Jury recommends, "*The Board must refrain from interfering with the authority of the general manager, The Board must refrain from micro-managing*",

In its formal response to the Grand Jury in July 2011, the District accepted the above Grand Jury recommendations and committed to take actions to preclude recurrences.

2. **Violation of Policy 2.01.090, Email Policy.** On or about 2-29-2024, Director Garrison texted Director Cline regarding District business (see copy below). Using private text messages or private email addresses to discuss District Business is contrary to District Policy, impairs and adds costs to District staff's obligations to respond to public record requests, and has been a recurring practice by Director Garrison. Additionally, this specific aspect of board member email policy had been discussed at the Board meeting 3-days prior to this violation.

Mary Garrison texted on 2-29-2024 at 11:08 A.M.

*I followed up with the following text to Anthony... Communication is very important and I have tried to talk to you on several occasions, but you seem to avoid me. I wish you would've communicated with me before you requested it to be put on the agenda to have me removed as the board president... I was hurt, but I had to let that go... i'm not here to hurt your feelings and I'm not looking for agreement.... I'm looking for clarification. As board members we should be getting answers to where our money is going but when I bring up finances everybody gets their feelings hurt or think that I am attacking them... We need to do a better job at protecting the rate payers interest that we were elected to do... I was only trying to do my job nothing personal... Anthony you're good with numbers and have your own business such as myself... why did you wait so long before this become an issue to the point where nobody knows what's going on. that's the reason that I requested your board compensation... This should've been brought up much much sooner. You said you only collected a couple hundred dollars... However the attached document that you were referring to shows... Anthony Cline executive committee was paid \$1000-\$2000 in 2023. I will continue to seek clarification on financial issues, to do the job that I was elected to do. So where do we go from here?*

Not only has the Board discussed Director Garrison's recurring non-compliance with policy 2.01.090, but the violations have been a component of a public records act request from Teamsters Local 150, the designate representative of the general employee unit.

Attachments:

- Resolution 2018-09
- District Policy Section 2.01.400
- District Policy Section 2.01.090
- District Policy Section 2.01.085
- Written Board Member Request for Disciplinary Hearing

**RESOLUTION NO. 2018-09**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RIO LINDA/ ELVERTA COMMUNITY WATER DISTRICT ESTABLISHING A PROTOCOL FOR THE BOARD OF DIRECTORS ON MATTERS SUBJECT TO MEET AND CONFER**

*WHEREAS*, the Rio Linda Elverta Community Water District (“District”) has commenced labor negotiations with Teamsters Local 150, the exclusive bargaining group of the District; and

*WHEREAS*, the Rio Linda Elverta Community Water District Board of Directors (“Board”) wishes to establish a protocol which regulates the manner in which members of the Board interact with employees, employee organizations, or representatives thereof during the negotiating process; and

*WHEREAS*, the District believes it is necessary to clarify the role of each Board member with regard to contact with employees and employee organizations during negotiations; and

*NOW THEREFORE, BE IT RESOLVED* by the Board of Directors of the Rio Linda/Elverta Community Water District to adhere to the following:

- Deliberate in closed session and speak with one voice in public during any labor negotiations;
- Give direction with general parameters and let staff provide regular status reports;
- Refrain from making promises to District employees and/or employee representatives;
- Not negotiate with any District employee, District employee organization, or representative thereof, and if contacted by the aforementioned to request that the employee representatives submit their questions, list of issues, or suggestions in writing to the General Manager;
- If a phone contact or other contact occurs, remind the employee representatives that labor issues require the approval of the entire Board, and as such, decisions must be made collectively;
- If any contact occurs with any District employee, District employee organization, or representative thereof pertaining to labor negotiations, refer that individual to the General Manager;
- Refer any issue dealing with finance or operational impacts to the General Manager;
- Adhere to the California Government Code section 54963(A), which provides that a person may not disclose confidential information that has been acquired in closed session to a person not entitled to receive it, unless the Board has authorized disclosure;
- Not to disclose to the media the status of negotiations or outcomes, and agree that any information be provided to the media or employee representatives by the General Manager, the District’s Chief Negotiator;
- Not to post on social media the status of negotiations or outcomes;

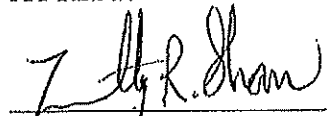
Rio Linda / Elverta Community Water District  
Resolution No. 2018-09

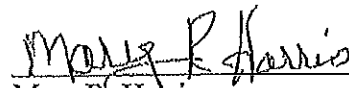
- To perform each Board members' fiduciary responsibility to the taxpayers by taking all fiscal and comparative data into consideration prior to making compensation decisions.

**APPROVED AND ADOPTED** by the Board of Directors of the Rio Linda / Elverta Community Water District on this 19th day of November 2018. By the following vote: 5-0-0

AYES: Brent Dills, Paul Green Jr., Mary Harris, Mary Henrici, John Ridilla  
NAYS: None  
ABSENT: None  
ABSTAIN: None

ATTEST:

  
\_\_\_\_\_  
Timothy R. Shaw  
Secretary of the Board of Directors

  
\_\_\_\_\_  
Mary R. Harris  
President, Board of Directors

**2.01.400 COMPLIANCE AND ENFORCEMENT**

*(Per Res. 2007-02 Repealed and replaced Resolution 2015-02 approved 7/20/2015)*

**2.01.405 Purpose.**

The purpose of this policy is to establish a process for enforcement of the duties and standards of conduct for District Directors as set forth in this Chapter 2.01. Directors themselves have the primary responsibility to assure that these duties and standards of conduct are understood and met, and that the public can continue to have full confidence in the integrity of local government. Policy Manual – Revised 7-18-22

**2.01.410 Responsibility to Intervene.**

The chairs of committees, the Board President and all Board and committee members have the additional responsibility to intervene when actions of Directors that appear to be in violation of this Chapter are brought to their attention.

**2.01.415 Grounds for Disciplinary Action.**

The failure of a Director to comply with the provisions of this Chapter or Chapter 2.30 shall constitute grounds for disciplinary action against him/her. Any Director may submit a request to consider disciplinary action of another Director or Directors. The request should contain specific allegations of conduct that, if true, violate this Chapter or any other portion of the Policy Manual.

**2.01.415 Disciplinary Actions.**

The Board may impose the following disciplinary actions on a Director found to have violated the Policy Manual, depending upon the severity or frequency of the violation:

1. Admonishment. An admonishment is appropriate for allegations of a violation of law or city policy. An admonishment serves as a formal reminder of the rules and is not disciplinary in nature.
2. Reprimand. A reprimand is appropriate when the council finds that a councilmember has committed misconduct but determines that the misconduct does not rise to the level of requiring censure.
3. A censure is a formal resolution to reprimand an individual for misconduct and is a disciplinary action.

**2.01.420 Notice.**

Notice and the request shall be served upon the accused Director or Directors through personal service or certified mail, unless the Director accepts an alternative method of service, at least ten (10) days before the Board meeting where the request will be evaluated. Such notice shall be prepared by District staff and reviewed by legal counsel. The notice will include the time, place, and date of the meeting, as well as state the Director's right to submit oral or written evidence.



**2.01.425 Participation of Director who is Subject to Disciplinary Action.**

A Director who is the subject of an alleged violation will have the opportunity to respond to the accusations at the hearing. However, an accused Director shall be ineligible to vote on any matter related to a disciplinary action including, but not limited to, agendaizing the hearing and adopting a Resolution of Censure.

**2.01.430 Opportunity to be Heard.**

At the disciplinary action hearing, the Director shall have an opportunity to be heard concerning the allegations. The Director may submit a written response to the allegations in addition to, or in lieu of, speaking at the disciplinary action hearing if he/she so chooses. The hearing may be continued from time to time at the discretion of the Board.

**2.01.435 Resolution of Censure.**

If, at the close of the disciplinary action hearing, the Board finds that the Director's conduct does not comply with the District's standards, the Board may direct staff to prepare a resolution of censure which may include the imposition of sanctions against the Director as a majority of the Board deems appropriate. Such sanctions may include removal from a committee and restrictions on District-related travel privileges. At the next Board Policy Manual – Revised 7-18-22 meeting, the Board may consider and adopt the Resolution of Censure including any sanctions imposed by the Board.

**2.01.440 Alternative Discipline.**

If the Board finds that a Director or Directors has violated the Policy Manual, but the violation does not rise to the level requiring formal censure, the Board may impose an admonishment or reprimand.

**2.01.445 No Basis for Challenging a Board Decision.**

A violation of this Chapter shall not be considered a basis for challenging the validity of a Board decision.

**2.01.450 Conflicts.**

In the event that a majority of the Board is unable to vote at a disciplinary hearing due to a conflict of interest, the General Manager may appoint an ad hoc committee of nonbiased members of the community to conduct an investigation and present a formal report to the Board during a regular open session meeting.

**2.01.090 Email Accounts**

*(Approved 12/6/2010)*

In order for the public to contact the Board of Directors each Director must establish an email account through the District's server. It is required that all Directors use their District email addresses instead of personal private email accounts for District business. An email account will be assigned to Board members as they take office.

*(Approved by 4/16/2018 Board Minutes)*

Director correspondence on matters of District business which are conducted using text messaging are to be copied (e.g. using the multiply recipients feature in text messaging) to the following District e-mail address: PRA@RLECWD.COM. This email account will not be routinely monitored but will be reviewed by appropriate staff if the District receives a Public Records on Private Accounts request. Directors are thereby enabled to delete their text messages on their personal devices after copying the text to the email address stipulated above. The settings of this email account will be such that messages greater than one year old, will be deleted to conserve resources. Director written correspondence regarding District business on social media, e.g. Facebook Private Messaging, Twitter, Instagram etc., are prohibited due to the impracticality of compliance with Public Records on Private Accounts requests when using such correspondence methods.

**2.01.085 Code of Ethics.**

The Board of Directors is committed to providing excellence in legislative leadership that results in the provision of the highest quality of services to its constituents. The following rules should be observed in order to assist in the governance of the behavior between and among members of the Board of Directors.

1. Directors shall thoroughly prepare themselves to discuss agenda items. Information may be requested pursuant to Section 2.01.090 or exchanged between Directors before meetings in a manner consistent with the Ralph M. Brown Act.
2. The dignity, style, values and opinions of each Director should be respected.
3. Responsiveness and attentive listening in communication is encouraged.
4. The needs of the District's constituents should be the priority of the Board of Directors.
5. When responding to constituent requests and concerns, Directors should be courteous, responding to individuals in a positive manner and route their questions through appropriate channels and to responsible management personnel.
6. The primary responsibility of the Board of Directors is the formulation and evaluation of policy and strategy to give direction and guidance to District staff. Routine matters concerning the operational aspects of the District are to be delegated to professional staff members of the District.
7. Directors should commit themselves to emphasizing the positive, avoiding double talk, hidden agendas, gossip, backbiting, and other negative forms of interaction.
8. Directors should commit themselves to focusing on issues and not personalities. The presentation of the opinions of others should be encouraged. Cliques and voting blocks based on personalities rather than issues should be avoided.
9. Differing viewpoints are healthy in the decision-making process. Individuals have the right to disagree with ideas and opinions, but without being disagreeable. Once the Board of Directors takes action Directors should commit to supporting said action and not to create barriers to the implementation of said action.
10. The work of the District is a team effort. All individuals should work together in the collaborative process, assisting each other in conducting the affairs of the District.
11. Directors should develop a working relationship with the General Manager wherein current issues, concerns, and District projects can be discussed comfortably and openly.
12. Directors should practice the following procedures while working with the General Manager, District staff, and District constituents;
  - (A) In seeking clarification on informational items, Directors may directly approach professional staff members to obtain information needed to supplement, upgrade, or enhance their knowledge to improve legislative decision-making.
  - (B) In handling complaints from residents and property owners of the District, said complaints should be referred directly to the General Manager or delegated District staff.
  - (C) In handling items related to safety, concerns for safety or hazards should be reported to the General Manager or to the District office. Emergency situations should be dealt with immediately by seeking appropriate assistance.
  - (D) When approached by District personnel concerning specific District policy, Directors should direct inquiries to the appropriate staff supervisor. The chain of command should be followed.

Policy Manual – Revised 7-18-22

**Request for Disciplinary Hearing**

Sent: Wednesday, March 27, 2024 6:59 PM

Director Mary Garrison recently made contact with a union employee and made a quid-pro-quo request. She'd offer to push for a management position for an employee if they would provide schedule info on the other employees. Sounds a lot like a violation of Meyers-Millias-Brown Act (MMBA going forward)

As a representative of the rate payers I do not want this director's actions to put the district and especially the rate payers in jeopardy of a lawsuit from the union or any other organization or individual due to these actions. Director Garrison has repeatedly in the past taken actions that have been against board policy and her boundaries as a director. She should be censured in hopes that the public and other entities understand that the Rio Linda Elverta Community Water District, it's employees and directors do not condone these actions and behaviors. I would hope this could insulate us from litigation in the future.

Thank you,  
Anthony Cline

**Notice of Board Member Disciplinary Hearing.**

The Board has no authority to discipline or censure me, unless it is able to show with real evidence specific rules, laws or policies that I have violated. I have not been given much notice; however, I will do my best to address the accusations.

1. The charge mentions that I went to the District office.

That is true. It is a public facility and I am a Board member. It is not a violation of any rule or regulation to go to the office and I had a specific reason to go there. On March 18, 2024, I went into the Rio Linda Elverta Community Water District office to turn in Form 700. I inquired if Tim was in the office but was told the General Manager was out for the day. I then asked if he was on vacation. The employee working at the counter said he just called in saying he was not coming in. I told the employee that I sent Tim an email on Friday asking him "where do I turn in my form 700"? When I did not hear back from him, I called the Fair Political Practice Commission and asked where I turn in the form. The FPPC told me to turn the Form 700 into your agency. I drove to the office and turned the Form into the employee working at the counter. I ask her if she would let Tim know that I am expecting him to turn it in as he is the designated filing officer.

2. The charge mentions I spoke to an employee and complimented her.

That is true. I'm sure that is not a violation of any rule or policy of the District.

When I was about ready to leave the office on March 18<sup>th</sup>, I noticed only one employee in the office and inquired on how many days the office was manned per week. She mentioned that she was in the office 5 days a week with every other Monday off. She then said the other office staff work 5 days a week with every other Friday off.

I told the employee that on Friday I sent Tim an email regarding the Form 700 asking where to turn this form into. She then told me that Tim was off every other Friday as well. I told her that I did not know that he had the same days off... and I'm not sure if the other Board members know that. She said yes they know. I complimented the employee for her hard work by showing up every day and that she should be promoted. The employee said she would like to get up to customer service 2 position. I told her she would be a good office manager. We both were aware that such a position did not exist and laughed. We both knew that I would have no authority to promote her, especially to a position that doesn't even exist. She then said that Tim would have to create a job description. I told her that I've heard customers say that when they come in to the office that you treat them well and I think you would make a good office manager. I told her that I am so appreciative of you being in the office holding down the fort, because everywhere else they are trying to get employees back into the office.

3. Discussing work schedules

Yes, I did ask the employee about Tim's work schedules on that day. As a Board member I am entitled to know the work schedules of our General Manager and the employees. If the District desires to censure me, it must give me proper notice of the District Rule, Policy or Law that has

been violated. It is not a violation of the Meyers-Milias-Brown Act to ask an employee about what hours they work.

At no time did I make a quick "quid-pro-quo" request as stated by Director Anthony Cline who was not present. I never once said I would push for a management position for the employee if they were to provide schedules or information on other employees.

4. Allegation that Director Garrison declared that she has changed her mind about not running for re-election in November, so that she would see to it that the General Manager is terminated.

It is my First Amendment right to discuss whether I will run for re-election. It is not a violation of any Policy, Rule or Law to discuss my election plans. At no time did I say I was running for re-election so I would see to it that the General Manager is terminated. That statement is not only ludicrous, It is totally false.

As I was getting ready to leave the office, I commented to the employee that I was going to retire, but due to the foregoing circumstance it has made me rethink my position because of the constant negative treatment that I have been subject to at board meetings, meetings with general manager, and etc.,

It should be noted the General Manager has created a hostile environment by targeting Director Garrison for asking a lot of questions seeking clarifications on items on the agenda. I believe this attempt to censure me may have been created or encouraged by our current General Manager, possibly to have some negative effect on the outcome of the next election. If this turns out to be the case, this proceeding would support a First Amendment or Civil Rights cause of action for damages pursuant to 42 USC 1983.

For all the above reasons, this complaint should be dismissed in its entirety.

Furthermore, I strongly recommend that the board set aside some time in closed session to investigate both sides of the issues as to why the General Manager is subjecting Director Garrison to ridicule during his tenure with the district.

In conclusion, the Board needs to take note of the Sacramento Bee editorial dated September 8, 2003, The Lonely Dissenters: Water Districts Target Leaders Who Question. In relevant part, the editorial states,"

Al Vargas and Mary Harris don't know each other, but they are political soul mates. Vargas is the internal critic as a director of the El Dorado Irrigation District. Harris plays similar role as a director for the Rio Linda/Elverta Community Water District. In these two roles, Vargas and Harris asks lots of questions. Their behavior has become an internal issue inside both districts, and to deal with these two complex personalities both **water districts, have resorted to some dreadful public policy. (emphasis added).** ... Water games like these should be red flags to ratepayers in both districts. The underlying issue here isn't about Vargas or Harris. It's about functioning democracies and their need to be comfortable with dissent. Real problems happen when things get too clubby inside elected governments such as water districts, ... in Rio Linda, (Director) Harris has been

bucking the status quo by questioning the wisdom of some staff raises and digging into how some former general managers ended up with (lifetime) health insurance. ... Sure, critics can miss their mark. **But beware any water district that seeks to make life difficult for those who raise questions. The public is much better served by water officials with a thirst for information than by those who are satisfied with too little.** (emphasis added)

It is clear that the Sacramento Bee's editorial is just as appropriate today as it was in 2003.

Respectfully submitted,

*Mary R Garrison*

Mary R. Garrison Director

April 21, 2024

Board of Directors of the Rio Linda Elverta Community Water District  
730 L Street  
Rio Linda, CA 95673

Subject: Disciplinary Censure Hearing against Director Harris

Honorable Members,

It is both confounding and concerning to learn that one of your own faces disciplinary action or sanctions over a petty internal dispute. It is also very disturbing being that the member under scrutiny is of historical significance to the District and the community at large because she was the leader of the team that brought RLECWd back from the brink of dissolution during one of the worst chapters in Rio Linda's water history. May I remind you that without Director Harris' leadership, civic pride, fighting spirit and passionate community devotion, you might not currently be seated on the board for a hearing of this nature, or any other District functions for that matter? Nor would the District employees have enjoyed the rights, privileges and city careers they have held for these many years had Director Harris not been at the helm when the community needed her the most to correct the wrongs of others in order to reverse course and prevent a takeover. It is one thing to publicly address conflicting District policies and procedures, but it is quite the opposite to single a member out for public display or embarrassment in front of your ratepayers. As board members, your strength is in your ability to stand shoulder to shoulder in support of one another and not allow external influences or sorted interests grind their divisional axes at the expense of the District to splinter your unity.

From what I've heard, it appears history is in the early stages of repeating itself in Rio Linda with the tail attempting to wag the dog once again for no good reason. We confronted this very same dilemma and its aftermath of mistrust in 2009 and 2010 with the eyes of the State Health Dept. and the citizens of Rio Linda watching our every move. Directors Harris and Johnson were the pivotal forces to ultimately prevail by thwarting three external and one internal hostile takeover during the ensuing chaos. Together, we overcame and nullified two burdensome Compliance Orders and secured state funding to repair an otherwise failing water system.

Most claimed it would be impossible to do during a labor dispute, but we rebounded in less than 10 months of intensely hard work with Director Harris leading the charge on behalf of the Board. She did not interfere nor influence my operational and administrative duties, but tended to the most pressing concerns to protect the interests of the District and the township. Haven't you enjoyed the privileges and benefits of running your own water system without being dissolved and incorporated into an adjoining water company or being serviced by the county?



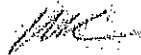
Mary Harris was literally front and center at each of our many state meetings; worked diligently and tirelessly to position the District for a much needed financial relief package to increase reliability and sustainability; and set her personal preferences and ideas aside to serve the community with distinction and dedication during the District's darkest hours and beyond. Did we always agree with her? Of course not! But we displayed mutual respect and dedication to work through the myriad of waterworks issues we faced on behalf of the ratepayers in compliance with public health and safety standards that had been miserably neglected by previous administrations.

Director Harris' civic dedication and many contributions to her community should be recognized ahead of any disciplinary action or actions in my opinion. My personal interest in the matter before you is not because of any friendship I have with her, but because of mutual respect and admiration for her many accomplishments and core performances that I have witnessed firsthand. We worked very hard to bring the District back into good standing with the state and resolved a multitude of issues for the betterment of the community. I would hate to see it be all for not should this matter escalate further to disrupt the civility and trust your organization can otherwise preserve in the interest of better understanding and unity.

You are welcome to contact me with any questions or requests if I wasn't plain enough here, and if you will kindly keep my personal contact information confidential by routing any inquiries or communications through Director Harris or your president. I trust you understand why this is important and wish you well in resolving this unfortunate conflict.

I am unable to attend the disciplinary hearing tomorrow due to a family emergency. Thank you for taking the time to read my statement instead.

With all due respect and well wishes,



William (Mychael) Cardenas  
Former Interim GM and retired Secretary of State Representative



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

**Date:** June 24, 2024  
**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 \_\_\_\_\_

Cline \_\_\_\_\_ Gifford \_\_\_\_\_ Green \_\_\_\_\_ Garrison \_\_\_\_\_ Young \_\_\_\_\_  
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent



**Date:** June 24, 2024

**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. Migration of data and applications to the new server, short staffing, and preparing the preliminary budget impacted this reporting period.

1. On May 21st, I participated in a meeting with a demand response services provider. This service pays large electricity consumers to curtail energy usage during periods of high demand.
2. On May 27<sup>th</sup>, the District observed Memorial Day.
3. On May 29<sup>th</sup>. I participated in a meeting with an insurance company offering insurance for water service line repairs and replacements.
4. On May 30<sup>th</sup> I met with the Accounting Specialist and the Contract District Engineer to discuss the preliminary budget for fiscal year 2024/2025.
5. On June 3<sup>rd</sup>, Staff met with Adept Solutions for training on the cloud-based file server, SharePoint.
6. On June 4<sup>th</sup>, the Contract District Engineer and I met with Phibro to discuss mobile media regeneration associated with hexavalent chromium treatment.
7. On June 6<sup>th</sup> and 10<sup>th</sup>, I met with Adept Solutions continuing progress on files migration to the cloud-based server.

Throughout the reporting period, additional demands for resources were incurred from:

- Several brief power outages, which resulted in delays in server rebooting and temporary unavailability of phones and internet service.
- Issues related to short staffing.
- Finding new routines/practices with respect to working on and sharing files for meetings.

Inflation seems to have plateaued around 3%. Fuel prices continue to subside from the peak observed a few weeks ago.



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

**Date:** June 24, 2024  
**Subject:** Public Works Projects Report  
**Contact:** Mike Vasquez

**Recommended Committee Action:**

N/A this item is not reviewed by committee.

**Current Background and Justification:**

Contract District Engineer, Mike Vasquez will provide a 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 \_\_\_\_\_

Cline \_\_\_\_\_ Gifford \_\_\_\_\_ Green \_\_\_\_\_ Garrison \_\_\_\_\_ Young \_\_\_\_\_  
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent



19 June 2024

**DISTRICT ENGINEER'S REPORT**

**To:** Tim Shaw, General Manager, Rio Linda / Elverta Community Water District  
**From:** Mike Vasquez, PE, PLS, Principal (VE), Contract District Engineer (RL/ECWD)  
**Subject:** District Engineer's Report for the 24 June 2024 Board of Directors Meeting

The District Engineer is pleased to submit this brief update of duties and tasks performed for the period of 15 May 2024 to 19 June 2024:

**1. General District Engineering:**

- a. **2024 Sacramento County Paving Project:** Pursuant to direction from the Board on 5/20/2024, Staff executed a Professional Services Agreement (PSA) with United Pavement Maintenance, Inc. for lowering and raising of water valve frames and covers on Elkhorn Boulevard between 6th Street and Dry Creek Road. Work is expected to be after the Fourth of July holiday.
- b. **Well 15 Hexavalent Chromium Treatment Project:** District Operations Staff ordered Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) water quality testing for Well 15 at the request of the design consultant. Test results were negative. The General Manager and District Engineer attended a presentation with Phibro Tech, Inc. on 6/4/2024 to discuss strong base anion resin with roll up regeneration. Staff previously mentioned to the Board that mobile regeneration options no longer existed as included in the old Well 10 Cr6 treatment design, but Phibro Tech is now beginning a new process. Staff met with the design consultant to discuss adding a future connection to the treatment system for mobile regeneration, if it comes to fruition. Staff will monitor any mobile regeneration options progress. A copy of the presentation is included in this staff report as an informational item only.
- c. **2024/2025 FY Dry Creek Road Pipeline Replacement Project:** Staff received a quote from the contractor to extend the pipeline project approximately 485 feet to the Dry Creek Road and Q Street intersection. Staff negotiated work scope and budget with the contractor, and prepared a draft Addendum to the existing PSA with the contractor for Board consideration under a separate agenda item at the 6/24/2024 Board Meeting. An encroachment permit extension with Sacramento County is in process.
- d. **L Street Elevated Tank Cathodic Protection System Replacement:** Pursuant to direction from the Board on 5/20/2024, Staff executed a PSA with Two Brothers Cathodic Services, Inc. to perform cathodic protection replacement services for the L Street Elevated Tank. The work was completed on 6/17/2024. The PSA budget was \$31,085.10, and the final cost came in under budget at \$25,178.96, a 19% savings. The overall District budget for cathodic protection services for both L Street tanks was \$45,000.00, of which \$28,928.96 was spent to completed the work, \$16,071.04 (36%) under the allotted budget.

Tim Shaw, General Manager, RL/ECWD  
District Engineer's Report  
19 June 2024  
Page 2 of 2

- e. **Water Loss Standards & Asset Management Questionnaire:** Staff has been working on completing the Asset Management Questionnaire as required to be submitted by the State Water Resources Control Board. Staff will submit the questionnaire by 7/1/2024.
- f. **6221 16th Street Phase 2 Worship Facility Development (Northwest corner G Street and 16th Street):** Staff received a modification to the approved water system plans from the developer's engineering on 06/17/2024 and responded on the same day with comments.

Please contact me at (530) 682-9597, or email at [gmvasquez@vasquez-engineering.com](mailto:gmvasquez@vasquez-engineering.com) with any questions or require additional information.

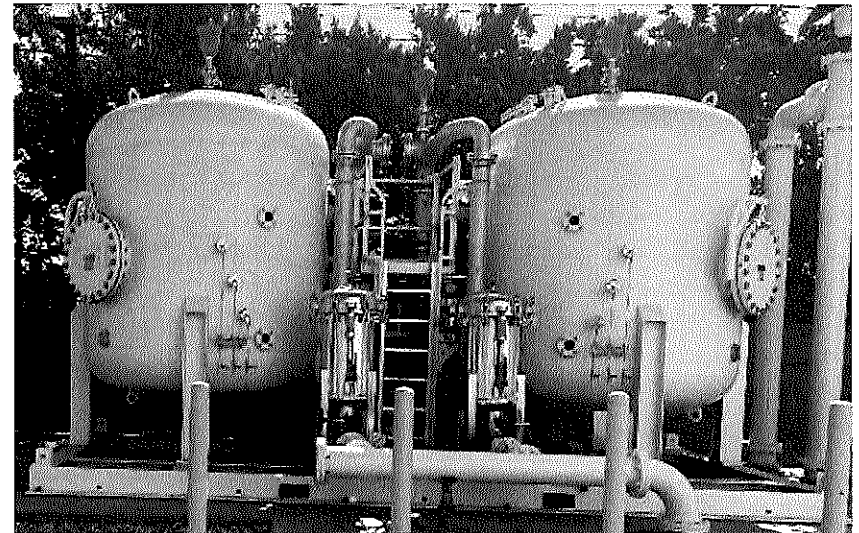
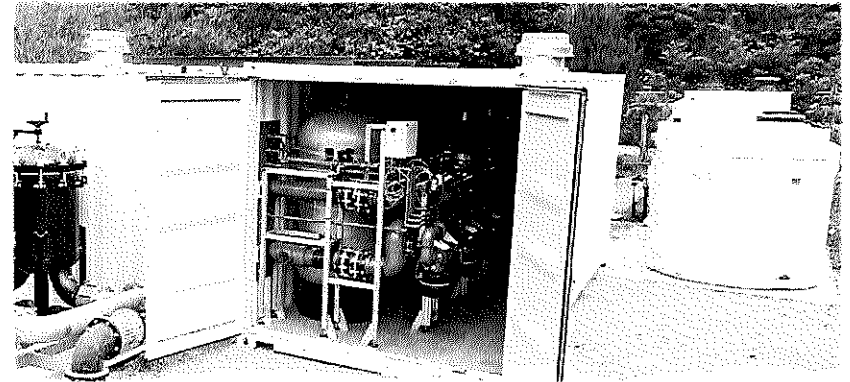
Respectfully,

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

# STRONG BASE ANION EXCHANGE TREATMENT OF HEXAVALENT CHROMIUM WITH ROLL UP REGENERATION

## Presentation Goals

- Our customer surveys express a desire to simplify ion exchange equipment, regeneration and waste management for hexavalent chromium treatment.
- Common concerns are hazardous waste storage, DTSC permitting, DDW approval and too many components requiring continuous operation and maintenance.
- ‘Roll Up Regeneration’ enables larger, passive lead lag ion exchange columns without onsite brine generation and hazardous waste storage, reducing component numbers and system complexity
- PTI have nurtured a supply chain alliance that collaborate with the goal of optimizing equipment design for sustainable lifetime operation.
- Our presentation goal is to provide guidance to consultants, engineers, designers, owners, regulators and operators on our new regeneration management service for your treatment option evaluation





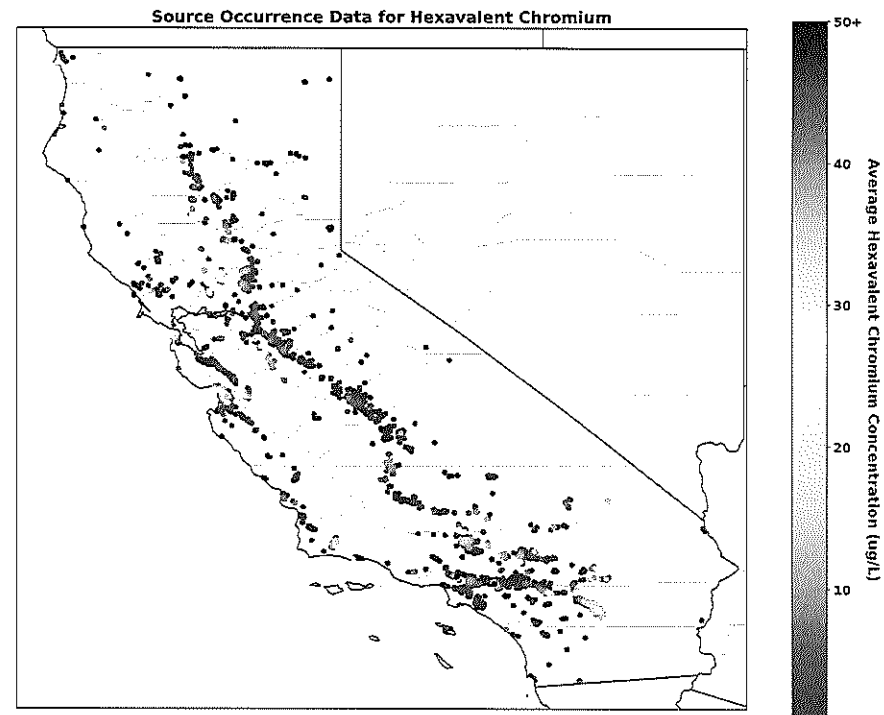
## Who is Phibro-Tech and What Do We Do?

- RCRA Part B permitted hazardous waste Treatment, Storage, and Disposal Facility (TSDF) in continuous operation since 1984.
- Centralized wastewater treatment permitted by LA County Sanitation District.
- Treat ~6 million gallons of inorganic hazardous waste per year.
- Transported and converted more than 500 tanker loads of Cr(VI) well water to trivalent chromium since 2015.
- Full CA transportation coverage.
- Manufacturer of NSF certified ferric chloride for drinking water treatment.
- ISO 9001 & ISO 14001 certified.



## Hexavalent Chrome in Drinking Water

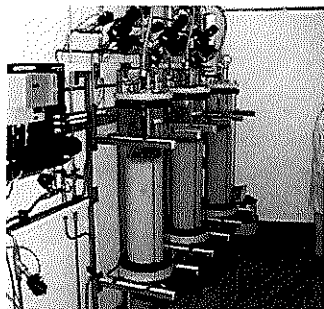
- Hexavalent Chromium (Chrome 6) is a heavy metal that is toxic and known to cause cancer. It is both naturally occurring and comes from industrial sources.
- In 2014 the Maximum Contaminant Level (MCL) for Hex Chrome of 10 ppb was initially adopted by California, then invalidated in 2017.
- April 2024 The State Water Board adopted the rule establishing the MCL of 10 ppb for Hex Chrome.
- Water systems have 2 to 4 years to comply based on their size.
- 501 wells statewide >10 ppb (3 gpm to >600 gpm).
- Source [www.waterboards.ca.gov](http://www.waterboards.ca.gov).



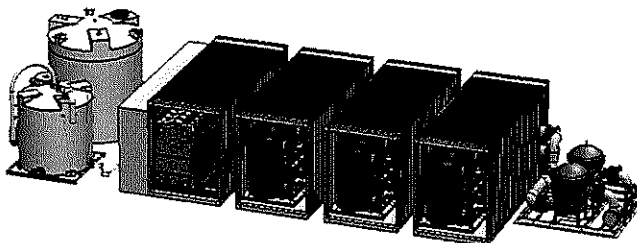
**State Water  
Resources  
Control Board**

# SBA Regeneration Hex Chrome Waste Management

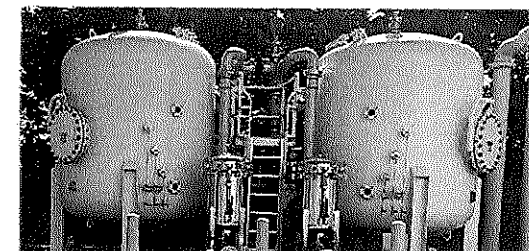
2011-2015



2014-2016



2023



## PILOT TO FULL SCALE

SBA Resin established method for treating Nitrates in Water. Hex Chrome treatment method developed from pilot columns in 2011 to full scale deployment in 2015.

## VESSEL SCALING INCREASED

2014 IX vessel scaling increased to 4ft, regeneration repeatability.  
2016 IX vessel scaling increased to 8ft, regeneration without waste storage.

## FULL SCALE PERMIT

2015 Regulator Approval  
2016 Blending Approval  
**Start of continuous use at Cal Water and Indio Water Authority.**

## ROLL UP REGENERATION

2023 Rollup Regeneration developed.  
Lower capital costs and regeneration complexity.  
No hazardous chemical or hazardous waste storage required.

# Roll Up Regeneration Sequence

## SET UP

PTI tanker loads brine into site transfer tank.

## HEX CHROME ELUTION

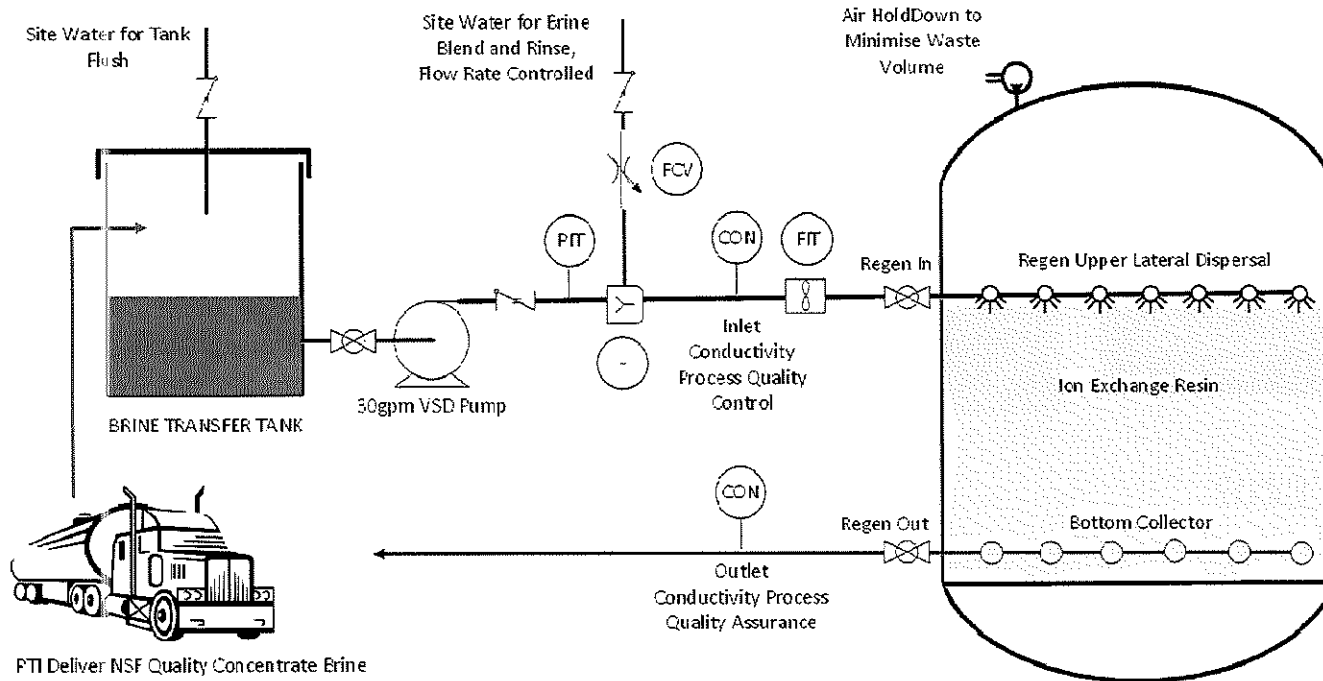
Pump brine through IX column.

## RINSE

Feed water rinse through IX column flushes out brine.

## IX RETURN TO TREATMENT

Brine with Hex Chrome and rinse water sent to PTI tanker for disposal.



# Roll Up Regeneration Process Control

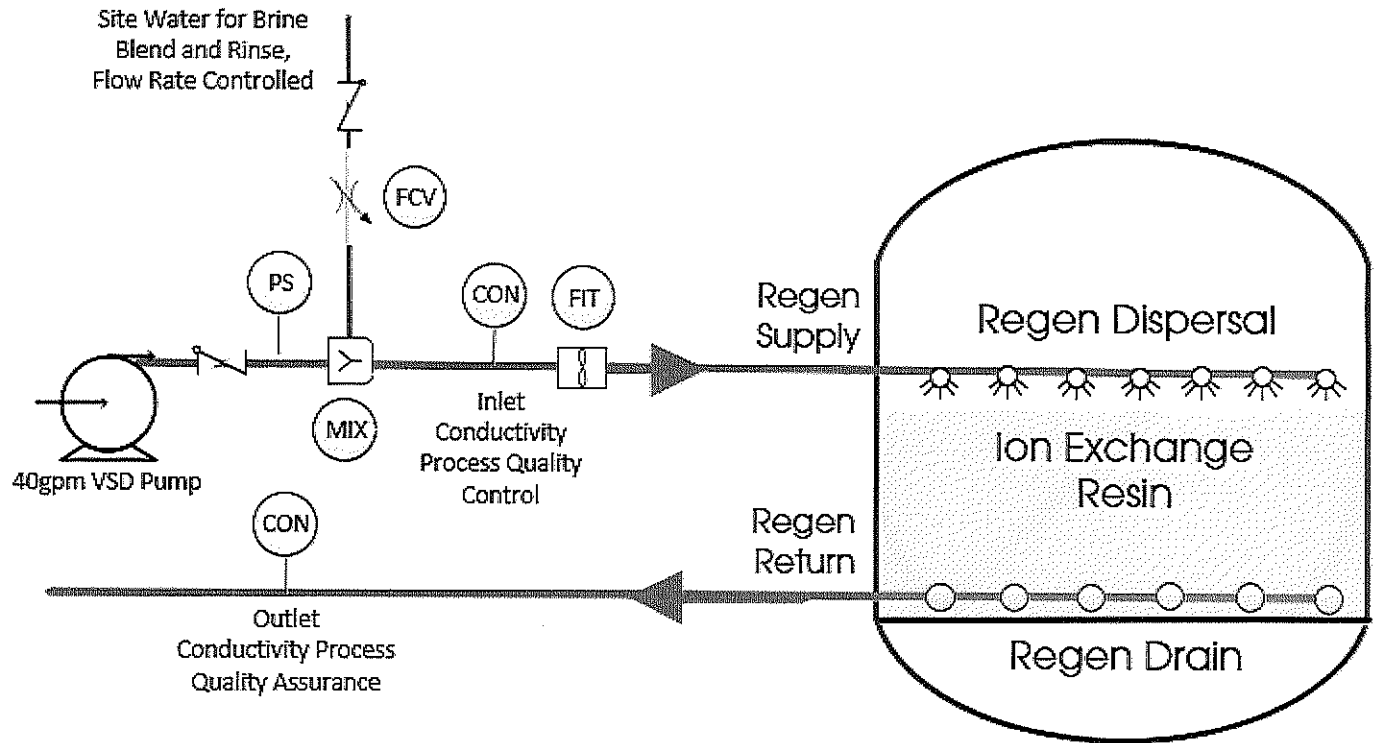
PTI Tanker regeneration station carries pumping system with brine conductivity blend control instrumentation constantly monitoring regeneration supply and return connections.

Pumping flow rate, duration and conductivity setpoints will match customer BLUEPRINT profile.

PTI will carry regeneration controller with customer BLUEPRINT profile, and produce actual regeneration profile plot of inlet and outlet conductivity.

Rinse effectiveness will be monitored on the outlet conductivity measurement sample point.

Final chromium mass removal will be confirmed at PTI Santa Fe Springs.



## Transfer Tank Alternatives

If a brine transfer tank is not a preferred option for the site, we have developed two alternative solutions:

- Customer installs a waste tank. Once the regeneration is complete, we empty and rinse the tank, alleviating the daily inspections required if waste is stored onsite. Concerns include size, containment, permitting.
- Dual compartment tanker. Effective for 4, 6 and 8 ft. columns. PTI would use a custom designed two-section tanker to keep the clean brine separate from the waste brine. Eliminates the need for either transfer or waste tank.

For 10' columns a roadmap to increase regeneration efficiency is needed to fit the regeneration hazardous waste into our tanker. Non-hazardous rinse diversion to sanitary sewer and direct brine reuse appear to be potential enablers.





## IX Design for Optimizing Roll Up Regeneration

Agenda Item 4.3

One key design constraint of chrome cont. resin regeneration is the capacity to haul the material over the road. DOT limits maximum weight to 80k lbs., including the tractor and trailer. This leaves ~43k lbs. for cargo capacity or ~4700 gal. of waste brine. To make Roll Up Regeneration as economical possible we have worked to design the system waste output to that 4700 gal. target.

Next generation resins appear to have higher total chrome capacity which will lower operating costs by increasing time between regenerations.

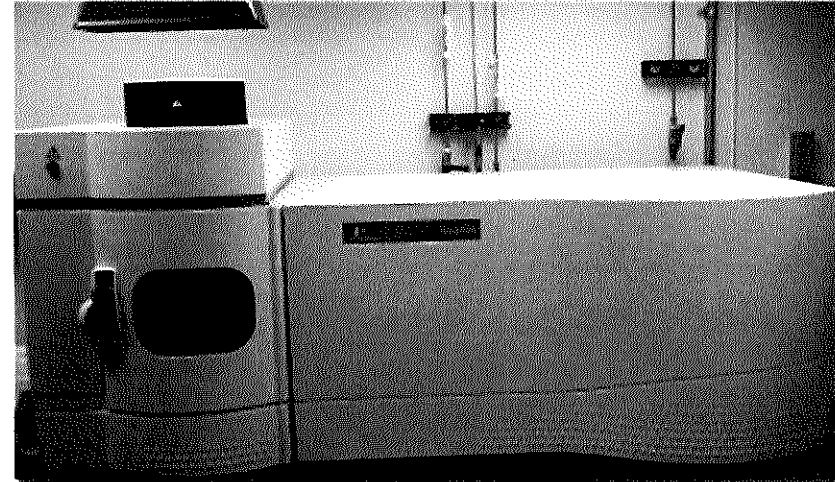
Rollup Regeneration Options		4' Diameter	4' Diameter	6' Diameter	8' Diameter	10' Diameter
Flow Rate	GPM	50 - 100	100 - 200	175 - 400	300 - 700	475 - 1100
Media per Vessel	cubic ft	60	60	126	168	287
Bed Volume	Gallons	450	450	945	1,260	2,150
Vessel Configuration		Lead - Mid - Lag	2 Parallel Lead - Lag	Lead - Lag	Lead - Lag	Lead - Lag
Vessels in system	#	3	4	2	2	2
Vessels regenerated	#	2	2	1	1	1
Regeneration waste	Bed Volumes	3.5	3.5	3.5	3.5	3.5*
Regeneration waste within tanker limit of 4,700 gallons.		✓ -	✓ -	✓ -	✓ -	* Rinse Roadmap development to 2.2 BV

*Phibro Tech is not proposing to sell the equipment or resin. Rather we want to share our specialist waste transportation to support you in developing regenerable SBA resin system designs that match trucking constraints.*

## Contaminant Treatment Capabilities

Phibro-Tech's wastewater treatment plant in Santa Fe Springs, CA. was designed for treating hazardous waste and metal laden chemicals. In addition to treating chromium, our robust wastewater treatment system can handle other common contaminants of SBA residual waste, including:

- Arsenic
- Cadmium
- Manganese
- Copper
- Nitrates
- Lead
- Sulfates
- Selenium
- Chlorides
- Zinc
- Uranium
- Vanadium



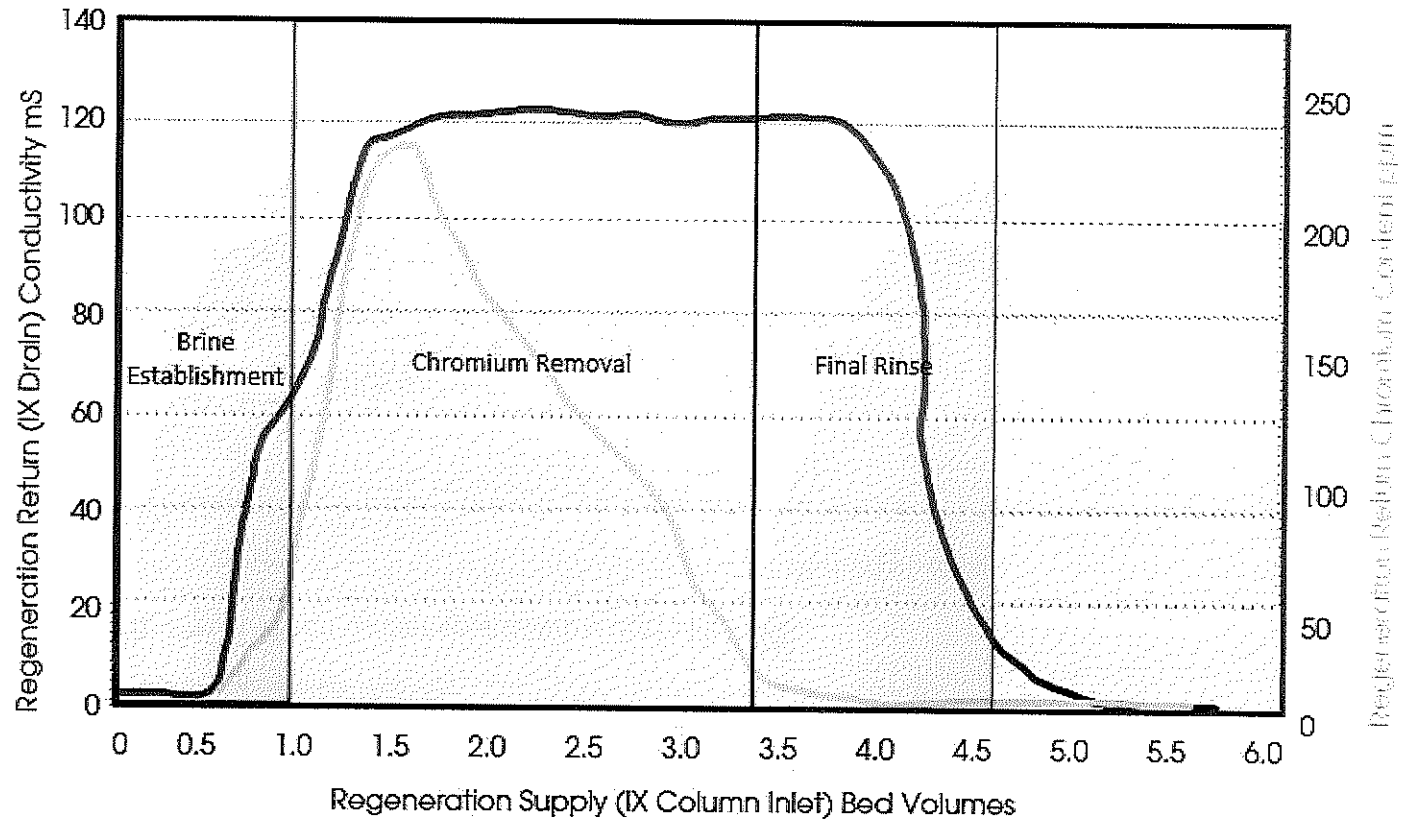
Our facility is supported by our own onsite laboratory which allows us to quickly analyze inbound waste, verify successful treatment, analyze post-treat wastewater prior to discharge and quality control the products that we manufacture.



# Roll up Regeneration Setpoint Blueprint

Having facilities at Santa Fe Springs offers water systems and their consultants a valuable service to create regeneration setpoint blueprints.

We would then complete regenerations using the customer validated blueprint as our commitment to regeneration uniformity.





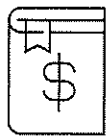
# Supporting Your State Water Boards Operation Plan Agenda Item 4.3

- ✓ **Cyber secure monitoring to trace flow rates and forecast regeneration to Phibro-Tech logistical hub**
- ✓ **Transport NSF60 compliant brine solution based upon agreed customer specification and volume.**
- ✓ **Work with site operator to transfer and rinse hazardous waste**
  - Offload NSF60 compliant brine solution from Phibro-Tech tanker to customer transfer tank.
  - Track conductivity and key regeneration process parameters to ensure they meet process blueprint, provide results to customer.
  - Pump up to 4700 gallons of chrome containing hazardous waste from the regeneration and rinse process into the Phibro-Tech tanker.
  - Target completion of all onsite work within 6 hours.
- ✓ **Transport the hazardous waste to the Phibro-Tech permitted facility**
  - Provide all necessary transportation documents including final manifest copy after treatment.
  - Provide confirmation testing during receipt to ensure the hazardous waste meets the site-specific waste material profile.
- ✓ **Complete Treatment and Disposal at Phibro-Tech's RCRA Permitted TSDF**
  - Convert Hexavalent Chromium to Trivalent Chromium, precipitate metals and other contaminants and separate out of waste for RCRA disposal.
  - Verify all contaminants have been removed and that the water meets all permit discharge requirements.
- ✓ **Submit manifest to EPA via E-Manifest Portal.**

# SBA with Rollup Regeneration Benefits

*Designated as a best available technology by the DDW*

## COST SAVING



- Lower CAPEX than RCF and WBA.
- Lower OPEX than single use SBA, WBA or RCF without sewer access.
- Does not require a full-time operator or costly chemicals to purchase and maintain.
- Insulates customers from chemical market volatility.
- No water loss due to backwashing.

## SIMPLE



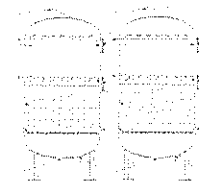
- Simplest treatment method for the site operator, runs passively with no chemical additions or secondary processes.
- No hazardous chemical, non-hazardous or hazardous waste storage requirement
- Simplified permitting and reduced public relations concerns.
- Less complex equipment to maintain reduces chances of failures that result in costly repairs and lost production.

## TIME SAVING



- Column can be taken offline and returned to service in less than 6 hours.
- Regeneration frequency based on water quality expected to be between 1 to 12 months.
- Cyber secure monitoring optimizes scheduling and further simplifies process for the customer.

## SPACE SAVING



- Smaller footprint relative to RCF.
- System scalable to available space.
- Ideal for small spaces, residential areas, or sensitive environments where the impact of chemical spills is enhanced.



## Ready to Partner with Water Suppliers



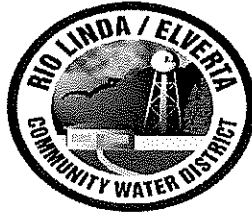
### Contact Us

Jeremy Rosenfeld

[Jeremy.Rosenfeld@pahc.com](mailto:Jeremy.Rosenfeld@pahc.com)

Direct: (562) 783-1202

Mobile: (858) 231-3241



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

**Date:** June 24, 2024

**Subject:** Extension of Professional Services Agreement with Rawles Engineering

**Staff Contact:** Timothy R. Shaw, General Manager

**Recommended Committee Action:**

The Executive Committee recommended forwarded this item onto the June 24<sup>th</sup> Board agenda with the Committee’s recommendation for Board approval.

**Current Background and Justification:**

The fully executed Professional Services Agreement (PSA) with Rawles Engineering (Rawles) prescribes the methodology for extending the agreement for additional pipe replacement efforts. The language in the current PSA stipulates such extension needs to be mutually agreeable to both parties (the District and Rawles).

Staff and Rawles have been discussing extending the agreement for replacement of an additional 485 linear feet of water main further south on Dry Creek Road to the Q Street intersection early in fiscal year 2024/2025.

Extending the agreement with Rawles Engineering for the annual pipe replacement project is prudent because of the efficient agreement extension methodology stipulated in the PSA, and the efficiency, timeliness, and cost effectiveness in which Rawles Engineering has met expectations while performing the construction work previously completed under the PSA.

Attached to this report are details of the proposed extension for replacing 485 feet of pipe.

**Conclusion:**

Sample Motion - Move to authorize an extension of the professional services agreement with Rawles Engineering.

**Board Action / Motion**

Motioned by: Director \_\_\_\_\_ Seconded by Director \_\_\_\_\_

Cline \_\_\_\_\_ Gifford \_\_\_\_\_ Green \_\_\_\_\_ Garrison \_\_\_\_\_ Young \_\_\_\_\_  
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

Item No.	Item	Unit	Quantity	Per Unit	Total
1	Mobilization	LS	1	\$17,500.00	\$17,500.00
2	Potholing	EA	10	\$700.00	\$7,000.00
3	Traffic Control	LS	1	\$20,000.00	\$20,000.00
4	Furnish and Install 8" DIP Water Pipeline	LF	485	\$180.00	\$87,300.00
5	Connect New Pipeline to Existing Pipeline	EA	1	\$10,000.00	\$10,000.00
6	Connect Existing Water Service to New Pipeline	EA	1	\$2,500.00	\$2,500.00
7	Furnish and Install Water Service by HDD	EA	2	\$6,000.00	\$12,000.00
8	Furnish and Install Water Service by Open Trench (Hot Tap on Q st)	EA	1	\$12,000.00	\$12,000.00
9	Pressure Testing and Disinfection	LS	1	\$6,500.00	\$6,500.00
10	Furnish and Install Asphalt Concrete	SF	1940	\$11.00	\$21,340.00
11	Furnish and Install Slurry Seal	SF	4850	\$6.60	\$32,010.00
12	8" Valves	EA	4	\$2,500.00	\$10,000.00
13	Remove and Replace Cross at Dry Creek Road and Q Street Intersection. Connect New Pipeline	LS	1	\$32,500.00	\$32,500.00

Total  
\$270,650.00



**ADDENDUM 002**

24 June 2024

To: Rawles Engineering, Inc.  
 109 Natoma Street  
 Folsom, CA 95630

**PROJECT: CIP PIPELINE REPLACEMENT PROJECT - DRY CREEK ROAD**

This Addendum #2 shall serve as an extension to the existing Professional Services Agreement (Agreement) entered by and between the Rio Linda Elverta Community Water District and Rawles Engineering, Inc. on 18 October 2021 pursuant to "Section 2. Term" of the Agreement. The promises and covenants (Sections 1-18), and Bonds, Claims, and Labor Compliance sections of the Agreement shall apply to this Addendum #2, or as modified below. The effective date of this Addendum #2 shall be 01 July 2024.

**ADDENDUM WORK SCOPE:**

Item #	Item	Unit	Quantity	Unit Cost	Item Cost
1	Mobilization	LS	1	\$17,500.00	\$17,500.00
2	Potholing	EA	10	\$700.00	\$7,000.00
3	Traffic Control	LS	1	\$20,000.00	\$20,000.00
4	Furnish and Install 8" DIP Water Pipeline	LF	485	\$180.00	\$87,300.00
5	Connect New Pipeline to Existing Pipeline	EA	1	\$10,000.00	\$10,000.00
6	Connect Existing Water Service to New Pipeline	EA	1	\$2,500.00	\$2,500.00
7	Furnish and Install Water Service by HDD	EA	2	\$6,000.00	\$12,000.00
8	Furnish and Install Water Service by Open Trench	EA	1	\$12,000.00	\$12,000.00
9	Pressure Testing and Disinfection	LS	1	\$6,500.00	\$6,500.00
10	Furnish and Install Asphalt Concrete	SF	1940	\$11.00	\$21,340.00
11	Furnish and Install Slurry Seal	SF	4850	\$6.60	\$32,010.00
12	8" Valves	EA	4	\$2,500.00	\$10,000.00
13	Remove and Replace Cross at Dry Creek Road and Q Street Intersection. Connect New Pipeline.	LS	1	\$32,500.00	\$32,500.00

The Contractor is required to provide the labor, equipment and materials to complete the scope of work as shown on the attached Project Plans (Sheets C-1 and C-2) from approximately Station 20+75 to Station 25+60 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 Plans, and pursuant to the Rio Linda / Elverta Community Water District and Sacramento County Construction Standards.

**ADDENDUM AMOUNT:**

Total Amount: \$270,650.00, per the itemized work scope above.

**ADDENDUM SCHEDULE:**

All work included in this Addendum shall be completed in full by 30 June 2025.

**ACKNOWLEDGEMENT:**

We, the undersigned contractor, have given careful consideration to the Addendum proposed and hereby agree. If this Addendum is approved, we will provide all equipment, furnish all materials, except as may otherwise be noted above, and perform all services necessary for the work above specified, and will accept as full payment therefor the prices shown above.

**CONTRACTOR ACKNOWLEDGEMENT:**

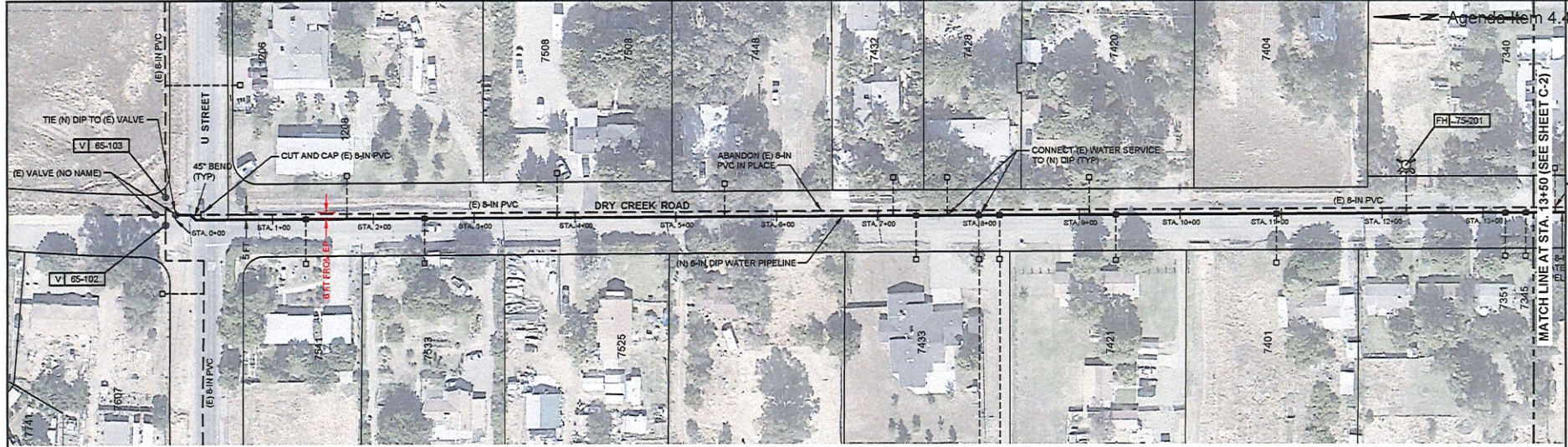
Accepted by: _____	_____
Carrie Rawles, Chief Executive Officer Rawles Engineering, Inc.	Date

**OWNER ACKNOWLEDGEMENT:**

Approved by: _____	_____
Timothy R. Shaw, General Manager Rio Linda / Elverta Community Water District	Date

**END OF DOCUMENT**

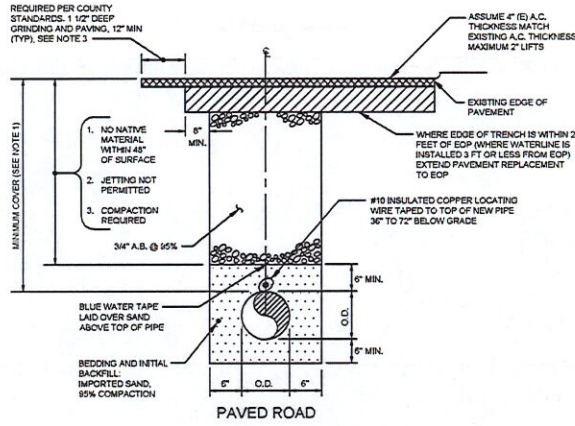




**DRY CREEK ROAD WATER PIPELINE LAYOUT AT STA. 0+00 TO STA. 13+50**

**GENERAL NOTES:**

- WORK INCLUDED (BUT NOT LIMITED TO):
  - ALL WORK SHALL CONFORM TO THE APPLICABLE LOCAL, STATE, AND FEDERAL CODES AND SPECIFICATIONS INCLUDING CSHA.
  - EXCAVATIONS SHALL BE CARRIED OUT IN THE DRY AND PROVISIONS SHALL BE MADE TO PREVENT THE BOTTOM OF EXCAVATION FROM FLOODING AT ALL TIMES.
  - 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.
  - THE CONTRACTOR SHALL NOTIFY UNDERGROUND SERVICE ALERT (USA), (800) 842-2444, 48 HOURS PRIOR TO ANY EXCAVATION. THE CONTRACTOR SHALL ALSO NOTIFY ALL OTHER UTILITIES, NOT IN USA, 48 HOURS PRIOR TO ANY EXCAVATION.
  - ALL STRUCTURES AND FACILITIES DAMAGED BY CONTRACTOR SHALL BE REPAIRED OR REPLACED AT CONTRACTOR'S EXPENSE.
- 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.
- ALL CONSTRUCTION SHALL CONFORM TO THESE PLANS AND THE LATEST EDITION OF RIO LINDA / ELVERTA COMMUNITY WATER DISTRICT'S STANDARD CONSTRUCTION SPECIFICATIONS.
- PRIOR TO COMMENCEMENT OF ANY WORK SHOWN ON THESE PLANS LOCATED WITHIN EXISTING RIGHT-OF-WAY OR EASEMENTS, 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.
- THE COMPLETED WATER SYSTEM MUST BE DISINFECTED, HYDRO-TESTED, AND FLUSHED. THE CONTRACTOR SHALL PROVIDE ALL TESTING AND PAY FOR ALL DISTRICT INSPECTION COSTS.
- PIPELINES SHALL BE INSTALLED ON UNIFORM GRADES TO MINIMIZE HIGH SPOTS AND LOW SPOTS IN THE LINE.
- 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.
- FOR LOCATIONS WHERE TUNNELING/TRENCHING OCCURS UNDER EXISTING STORM DRAIN PIPE, CONTROL DENSITY BACKFILL SHALL BE USED CONSISTENT WITH SECTION 50-15 OF THE SACRAMENTO COUNTY STANDARD CONSTRUCTION SPECIFICATIONS (SEPTEMBER 2001 REVISED MARCH 2004, REVISED JANUARY 1, 2018).
- SACRAMENTO COUNTY DEPARTMENT OF WATER RESOURCES REQUIRES A MINIMUM HORIZONTAL SEPARATION OF 36 INCHES AND A MINIMUM VERTICAL SEPARATION OF 18 INCHES FROM NEAREST SIDE OF STORM DRAIN FACILITY. ALL DRAINAGE FACILITIES SHALL BE FIELD VERIFIED PRIOR TO ANY CONSTRUCTION ACTIVITY.
- ALL CONSTRUCTION WORK AND INSTALLATION SHALL CONFORM TO THE COUNTY OF SACRAMENTO STANDARD CONSTRUCTION SPECIFICATIONS AND ALL OF ITS DRAWINGS, DATED FEBRUARY 2017. ALL WORK IS SUBJECT TO THE APPROVAL OF THE ENGINEER.
- FOR ALL TRENCH EXCAVATIONS FIVE FEET OR MORE IN DEPTH, THE CONTRACTOR SHALL OBTAIN A PERMIT FROM CAL OSHA (244 ARDEN WAY, STE 155, (916) 282-2800) PRIOR TO BEGINNING ANY EXCAVATION. A COPY OF THIS PERMIT SHALL BE AVAILABLE AT THE CONSTRUCTION SITE AT ALL TIMES.
- BASEMAP SOURCE: GOOGLE EARTH PRO, DATE OF IMAGE: 10 MAY 2018.



**NOTES:**

- MINIMUM COVER FROM TOP OF PIPE TO FINISHED GRADE SHALL BE 36 INCHES.
- CONTRACTOR TO PROVIDE SLURRY SEAL COAT FOR HALF WIDTH OF THE ROAD, PLUS A MINIMUM OF 3\"/>

**WATER LINE T-TRENCH DETAIL**

NOT TO SCALE

1

**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
- (E) VALVE IDENTIFICATION (PAGE NUMBER - UNIQUE NUMBER)
- (E) FIRE HYDRANT IDENTIFICATION (PAGE NUMBER - UNIQUE NUMBER)
- ADDRESS NUMBER

**ABBREVIATIONS:**

- (E) = EXISTING
- (N) = NEW
- ECOP = 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: 04/11/2023 11:59 AM PROJECT: 202002022 COP PIPELINE REPLACEMENT PROJECT - DRY CREEK ROAD SHEET: 3 OF 4



RIO LINDA / ELVERTA COMMUNITY WATER DISTRICT  
202002022 COP PIPELINE REPLACEMENT PROJECT - DRY CREEK ROAD  
RIO LINDA, CALIFORNIA

**EXHIBIT A - SERVICES**  
**PROPOSED WATER PIPELINE**

DATE	REVISION	BY	CHECKED	DATE

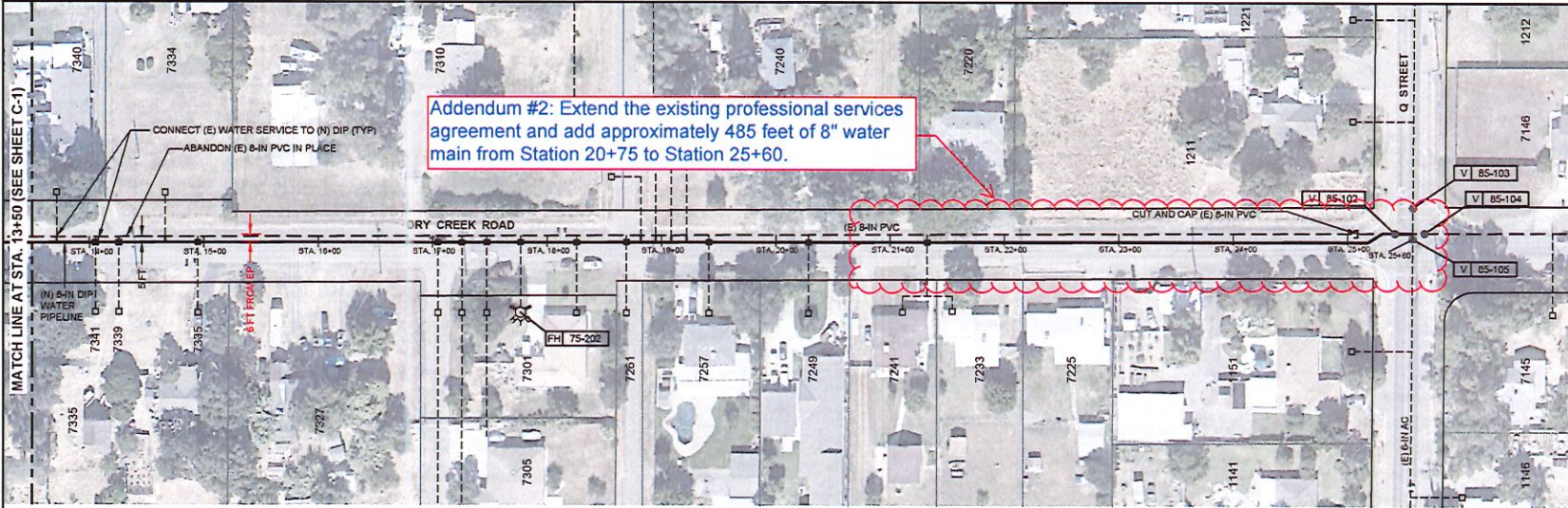
DATE	REVISION	BY	CHECKED	DATE

SHEET NUMBER  
**C-1**  
1 OF 2

34



DATE: 01/18/2024  
SCALE: AS SHOWN  
FORM: CDR  
REVISED:  
BY: JLD  
PROJECT: 0002530  
SHEET: C-2



DRY CREEK ROAD WATER PIPELINE LAYOUT AT STA. 13+50 TO STA. 25+60



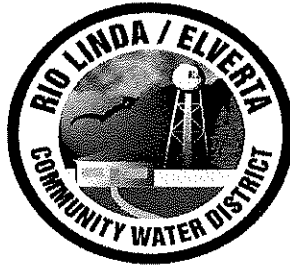
Agenda Item 4.4



RIO LINDA, ELVERTA COMMUNITY WATER DISTRICT  
2020/2022 CIP PIPELINE REPLACEMENT PROJECT - DRY CREEK ROAD  
RIO LINDA, CALIFORNIA

**EXHIBIT A - SERVICES  
PROPOSED WATER PIPELINE**

DATE: 01/18/2024	SCALE: AS SHOWN	FORM: CDR	REVISED:	BY: JLD	PROJECT: 0002530	SHEET: C-2
DATE	SCALE	FORM	REVISED	BY	PROJECT	SHEET



**Items for Discussion and Action  
Agenda Item: 4.5**

**Date:** June 24, 2024

**Subject:** Preliminary Budget for Fiscal Year 2024/2025

**Staff Contact:** Timothy R. Shaw, General Manager

**Recommended Committee Action:**

The Executive Committee recommended the Board approve the preliminary budget for fiscal year 2024/2025, and schedule a public hearing on August 26, 2024 for consideration of the Final Budget.

**Current Background and Justification:**

District policy prescribes a preliminary budget adoption prior to the beginning of each fiscal year. The essence of this practice is to allow for Board authorized spending after July 1<sup>st</sup> (beginning of the next fiscal year), and before the prior fiscal year end balances are available due to invoices and revenues received at or near June 30<sup>th</sup>.

The Board also customarily schedules the public hearing for consideration of adopting the final Budget at the August regular meeting.

The following item (4.5.1) is nested with this item:

- Confirmation of the July 2024 rates adjustment pursuant to the multi-year rates adopted in Resolution 2021-03.

**Conclusion:**

Sample Motion - Move to approve the preliminary budget for fiscal year 2024/2025 and schedule a final budget public hearing on 8/26/2024.

**Board Action / Motion**

Motioned by: Director \_\_\_\_\_ Seconded by Director \_\_\_\_\_

Cline \_\_\_\_\_ Gifford \_\_\_\_\_ Green \_\_\_\_\_ Garrison \_\_\_\_\_ Young \_\_\_\_\_  
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT  
PRELIMINARY OPERATING BUDGET  
2024-2025**

Agenda Item 4.5

			2023-2024 ACTUAL JULY 23-MAR 24	2023-2024 BUDGET	2024-2025 BUDGET	DIFFERENCE	EXPLANATION
<b>REVENUE</b>							
	<b>40000 OPERATING REVENUE</b>						
	<b>40100 Water Service Rates</b>						
	40101	Basic Service Charge	857,750.00	1,160,731.00	1,212,965.00	52,234.00	Per Water Rate Study
	40102	Usage Charge	1,229,201.00	1,832,569.00	1,915,035.00	82,466.00	Per Water Rate Study
	40105	Backflow Charge	22,108.00	30,500.00	31,400.00	900.00	Per Water Rate Study
	40106	Fire Prevention	18,828.00	24,300.00	25,400.00	1,100.00	Per Water Rate Study
		<b>Total Water Service Rates</b>	<b>2,127,887.00</b>	<b>3,048,100.00</b>	<b>3,184,800.00</b>	<b>136,700.00</b>	
	<b>40200 Water Service Fees</b>						
	40201	Application Fees	4,275.00	6,500.00	6,500.00	0.00	
	40202	Delinquency	50,411.00	65,000.00	65,000.00	0.00	
	40209	Misc. Charges	5,004.00	7,000.00	7,000.00	0.00	
		<b>Total Water Services</b>	<b>59,690.00</b>	<b>78,500.00</b>	<b>78,500.00</b>	<b>0.00</b>	
	<b>40300 Other Water Service Fees</b>						
	40301	New Construction QC	2,400.00	4,000.00	4,000.00	0.00	
	40302	Service Connection Fees	14,100.00	10,000.00	10,000.00	0.00	
	40304	Other Operating Revenue	431.00	6,000.00	6,000.00	0.00	
	40305	Grant Revenue-Operating	0.00	0.00	0.00	0.00	
		<b>Total Other Water Service Fees</b>	<b>16,931.00</b>	<b>20,000.00</b>	<b>20,000.00</b>	<b>0.00</b>	
	<b>TOTAL OPERATING REVENUE</b>		<b>2,204,508.00</b>	<b>3,146,600.00</b>	<b>3,283,300.00</b>	<b>136,700.00</b>	
	<b>41000 NON-OPERATING REVENUES</b>						
	41110	Investment Revenue	31.00	35.00	35.00	0.00	
	41120	Property Taxes & Assessments	73,265.00	118,000.00	127,000.00	9,000.00	Increased to adjust for prior FY revenues
	<b>TOTAL NON-OPERATING REVENUE</b>		<b>73,296.00</b>	<b>118,035.00</b>	<b>127,035.00</b>	<b>9,000.00</b>	
<b>TOTAL REVENUE</b>			<b>\$2,277,804.00</b>	<b>\$3,264,635.00</b>	<b>\$3,410,335.00</b>	<b>145,700.00</b>	

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**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT  
PRELIMINARY OPERATING BUDGET  
2024-2025**

Agenda Item 4.5

			2023-2024 ACTUAL JULY 23-MAR 24	2023-2024 BUDGET	2024-2025 BUDGET	DIFFERENCE	EXPLANATION
<b>OPERATING EXPENSE</b>							
	<b>60010 PROFESSIONAL FEES</b>						
	60011	General Counsel fees-Legal	\$6,816.00	\$23,548.00	\$24,000.00	\$452.00	Increased to adjust for projected costs
	60012	Auditor Fees	21,300.00	21,300.00	25,800.00	4,500.00	Increased to adjust for projected costs
	60013	Engineering Services	40,000.00	115,000.00	85,000.00	(30,000.00)	Decreased to include 25K Water Use Efficiency Objectives and Water Loss Standards
	60015	Other Professional Fees	0.00	0.00	0.00	0.00	
	<b>TOTAL PROFESSIONAL FEES</b>		<b>68,116.00</b>	<b>159,848.00</b>	<b>134,800.00</b>	<b>(25,048.00)</b>	
	<b>60100 PERSONNEL SERVICES</b>						
	<b>60110 Salaries &amp; Wages</b>						
	60111	Salary - General Manager	92,864.00	125,278.00	131,617.00	6,339.00	Increased to adjust for projected cost per contract
	60112	Staff Regular Wages	473,423.00	676,585.00	723,167.00	46,582.00	Increased to adjust per MOU 11-12-21; COLA 3.0% Assumed
	60113	Contract Extra Help	0.00	0.00	0.00	0.00	
	60114	Staff Standby Pay	13,300.00	18,250.00	18,250.00	0.00	
	60115	Staff Overtime Pay	5,460.00	11,000.00	11,000.00	0.00	
	<b>Total Salaries &amp; Wages</b>		<b>585,047.00</b>	<b>831,113.00</b>	<b>884,034.00</b>	<b>52,921.00</b>	
	<b>60150 Employee Benefits and Expenses</b>						
	60151	PERS Retirement	89,632.00	126,177.00	154,150.00	27,973.00	Increased to adjust for projected costs
	60152	Workers Compensation	3,110.00	8,293.00	8,293.00	0.00	
	60153	Medical & Benefit Insurance	143,933.00	227,568.00	242,364.00	14,796.00	MOU Settlement Agreement
	60154	Retirees Insurance	10,459.00	36,200.00	36,200.00	0.00	
	60155	Staff Training	450.00	4,150.00	5,000.00	850.00	Increased to adjust for projected costs
	60157	Uniforms	6,118.00	7,500.00	7,770.00	270.00	Increased to adjust for projected costs
	60158	Payroll Taxes	46,795.00	66,230.00	69,649.00	3,419.00	Increased to adjust for projected costs
	60159	Payroll Services	1,131.00	1,500.00	1,680.00	180.00	Increased to adjust for projected costs
	60160	457 Employer Contribution	13,218.00	19,100.00	20,200.00	1,100.00	Increased to adjust for MOU Renewal 11-12-21 and GM Contract
	<b>Total Employee Benefits and Expenses</b>		<b>314,846.00</b>	<b>496,718.00</b>	<b>545,306.00</b>	<b>48,588.00</b>	
	<b>TOTAL PERSONNEL SERVICES</b>		<b>\$899,893.00</b>	<b>\$1,327,831.00</b>	<b>\$1,429,340.00</b>	<b>\$101,509.00</b>	



**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT  
PRELIMINARY OPERATING BUDGET  
2024-2025**

Agenda Item 4.5

		2023-2024 ACTUAL JULY 23-MAR 24	2023-2024 BUDGET	2024-2025 BUDGET	DIFFERENCE	EXPLANATION
	<b>60200 ADMINISTRATION</b>					
	60205 Bank and Merchant Fees	\$1,470.00	\$1,850.00	\$1,850.00	\$0.00	
	60207 Board Member/Meeting Expense	6,550.00	13,900.00	13,900.00	0.00	
	<b>60210 Building Expenses</b>					
	60211 Office Utilities	4,899.00	7,261.00	7,500.00	239.00	Increased to adjust for projected costs
	60212 Janitorial	1,755.00	2,340.00	2,340.00	0.00	
	60213 Maintenance	2,582.00	4,000.00	4,500.00	500.00	Increased to adjust for projected costs
	60214 Security	252.00	400.00	468.00	68.00	Increased to adjust for projected costs
	<b>Total Building Expenses</b>	<b>9,488.00</b>	<b>14,001.00</b>	<b>14,808.00</b>	<b>807.00</b>	
	<b>60220 Computer &amp; Equipment Maint.</b>					
	60221 Computer Systems	20,404.00	32,000.00	40,000.00	8,000.00	Increased to adjust for projected costs
	60222 Office Equipment	566.00	875.00	875.00	0.00	
	<b>Total Computer &amp; Equipment Maint.</b>	<b>20,970.00</b>	<b>32,875.00</b>	<b>40,875.00</b>	<b>8,000.00</b>	
	60230 Office Expense	6,103.00	7,500.00	7,500.00	0.00	
	60240 Postage and Delivery	14,233.00	21,000.00	21,000.00	0.00	
	60250 Printing	5,500.00	8,500.00	8,500.00	0.00	
	60255 Meetings & Conferences	50.00	100.00	100.00	0.00	
	60260 Publishing	712.00	1,500.00	1,500.00	0.00	
	60270 Telephone & Internet	2,327.00	4,250.00	4,750.00	500.00	Increased to adjust for projected costs
	<b>60430 Insurance</b>					
	60431 General Liability	23,998.00	31,403.00	31,403.00	0.00	
	60432 Property	11,104.00	14,391.00	14,391.00	0.00	
	<b>Total Insurance</b>	<b>35,102.00</b>	<b>45,794.00</b>	<b>45,794.00</b>	<b>0.00</b>	
	<b>60500 Water Memberships</b>					
	60503 SGA	30,926.00	30,926.00	32,787.00	1,861.00	Increase per published membership rate
	60504 ACWA	11,140.00	11,697.00	11,697.00	0.00	Increase includes 5% annual increase
	60507 CRWA	1,507.00	1,507.00	1,582.00	75.00	Increase includes 5% annual increase
	<b>Total Water Memberships</b>	<b>43,573.00</b>	<b>44,130.00</b>	<b>46,066.00</b>	<b>1,936.00</b>	
	60550 Permits & Fees	44,690.00	55,000.00	55,000.00	0.00	
	60555 Subscriptions & Licensing	1,295.00	2,120.00	2,120.00	0.00	
	60560 Elections	0.00	0.00	6,000.00	6,000.00	Increased to adjust for election year
	60565 Uncollectable Accounts	0.00	5,113.00	5,500.00	387.00	Increased to adjust for projected costs
	60570 Other Operating Expenditures	0.00	500.00	500.00	0.00	
	<b>TOTAL ADMINISTRATION</b>	<b>\$192,063.00</b>	<b>\$258,133.00</b>	<b>\$275,763.00</b>	<b>\$17,630.00</b>	

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**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT  
PRELIMINARY OPERATING BUDGET  
2024-2025**

Agenda Item 4.5

			2023-2024 ACTUAL JULY 23-MAR 24	2023-2024 BUDGET	2024-2025 BUDGET	DIFFERENCE	EXPLANATION
<b>64000 CONSERVATION</b>							
64001	Community Outreach		334.00	500.00	500.00	0.00	
64005	Other Conservation Programs		0.00	0.00	0.00	0.00	
<b>TOTAL CONSERVATION</b>			334.00	500.00	500.00	0.00	
<b>65000 FIELD OPERATIONS</b>							
<b>65100 Other Field Operations</b>							
65110	Backflow Testing		\$465.00	\$3,000.00	\$3,000.00	\$0.00	
65120	Construction Equipment Maintenance		9,365.00	10,000.00	10,000.00	0.00	
65130	Field Communication		2,111.00	3,400.00	3,400.00	0.00	
65140	Field IT		20,874.00	35,000.00	35,000.00	0.00	
65150	Laboratory Services		13,113.00	24,000.00	41,000.00	17,000.00	Increased to adjust for EPA Monitoring PFOA's
65160	Safety Equipment		0.00	6,000.00	6,000.00	0.00	
65170	Shop Supplies		6,162.00	7,500.00	7,500.00	0.00	
<b>Total Other Field Operations</b>			52,090.00	88,900.00	105,900.00	17,000.00	
65200	Treatment		21,171.00	35,000.00	35,000.00	0.00	
<b>65300 Pumping</b>							
65310	Maintenance		15,776.00	25,000.00	25,000.00	0.00	
65320	Electricity and Fuel		175,735.00	260,000.00	260,000.00	0.00	
<b>Total Pumping</b>			191,511.00	285,000.00	285,000.00	0.00	
<b>65400 Transmission &amp; Distribution</b>							
65410	Distribution Supplies		32,881.00	50,000.00	50,000.00	0.00	
65430	Tank Maintenance		0.00	6,500.00	6,500.00	0.00	
65440	Contract Repairs		59,282.00	70,000.00	70,000.00	0.00	
65450	Valve Replacements		0.00	15,000.00	15,000.00	0.00	
65460	Paving Repairs		0.00	28,500.00	30,000.00	1,500.00	Increased to adjust for projected costs
<b>Total Transmission &amp; Distribution</b>			92,163.00	170,000.00	171,500.00	1,500.00	
<b>65500 Transportation</b>							
65510	Fuel		12,416.00	18,000.00	18,000.00	0.00	
65520	Maintenance		3,359.00	5,000.00	5,000.00	0.00	
<b>Total Transportation</b>			15,775.00	23,000.00	23,000.00	0.00	
<b>TOTAL FIELD OPERATIONS</b>			\$372,710.00	\$601,900.00	\$620,400.00	\$18,500.00	

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT  
PRELIMINARY OPERATING BUDGET  
2024-2025**

Agenda Item 4.5

			2023-2024 ACTUAL JULY 23-MAR 24	2023-2024 BUDGET	2024-2025 BUDGET	DIFFERENCE	EXPLANATION
<b>TOTAL OPERATING EXPENSES</b>			\$1,533,116.00	\$2,348,212.00	\$2,460,803.00	\$112,591.00	
<b>NON OPERATING EXPENSES</b>							
	<b>69010 Debt Service</b>						
	69100	Revenue Bond 2015					
	69105	Revenue Bond 2015-Principle	63,908.00	156,908.00	162,415.00	5,507.00	Per Loan Payment Schedule
	69120	Interest	22,521.00	44,087.00	39,343.00	(4,744.00)	Per Loan Payment Schedule
		<b>Total Revenue Bond 2015</b>	<b>86,429.00</b>	<b>200,995.00</b>	<b>201,758.00</b>	<b>763.00</b>	
	69125	AMI Meter Loan					
	69130	Principle	139,727.00	139,741.00	0.00	(139,741.00)	Loan paid off
	69135	Interest	3,961.00	3,972.00	0.00	(3,972.00)	Loan paid off
		<b>Total AMI Meter Loan</b>	<b>143,688.00</b>	<b>143,713.00</b>	<b>0.00</b>	<b>(143,713.00)</b>	
	69200	PERS ADP Loan					
	69205	Principle	0.00	30,000.00	30,000.00	0.00	Per Loan Payment Schedule
	69210	Interest	0.00	1,628.00	1,517.00	(111.00)	Per Loan Payment Schedule
		<b>Total PERS ADP Loan</b>	<b>0.00</b>	<b>31,628.00</b>	<b>31,517.00</b>	<b>(111.00)</b>	
	69400	Other Non Operating Expense	1,430.00	2,300.00	2,300.00	0.00	Increased per Rate Study Table 7
<b>TOTAL NON OPERATING EXPENSES</b>			<b>\$231,547.00</b>	<b>\$378,636.00</b>	<b>\$235,575.00</b>	<b>-\$143,061.00</b>	
<b>TOTAL EXPENSE</b>			<b>\$1,764,663.00</b>	<b>\$2,726,848.00</b>	<b>\$2,696,378.00</b>	<b>(\$30,470.00)</b>	
<b>NET INCOME (Income-Expense)</b>			<b>\$513,141.00</b>	<b>\$537,787.00</b>	<b>\$713,957.00</b>	<b>\$176,170.00</b>	



**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT  
PRELIMINARY CAPITAL BUDGET 2024-2025**

Agenda Item 4.5

Description	2023 Budget	Carry-over from 2023 to 2024	Additional in Adopted Budget 2024	Total Budget 2024
Cathodic Protection Replacement - L Street Tanks	\$ 45,000.00	\$ 32,000.00	\$ -	\$ 32,000.00
Raising/Lowering Valve Covers	\$ 40,000.00	\$ 40,000.00	\$ -	\$ 40,000.00
Well 15 Cr6 Treatment	\$ 75,000.00	\$ 75,000.00	\$ -	\$ 75,000.00
<b>Total Continued Ongoing Projects</b>	<b>\$ 160,000.00</b>	<b>\$ 147,000.00</b>	<b>\$ -</b>	<b>\$ 147,000.00</b>
Annual Miscellaneous Pump Replacements			\$ 30,000.00	\$ 30,000.00
Annual Small Meter Replacements			\$ 120,000.00	\$ 120,000.00
Annual Large Meter Replacements			\$ 5,000.00	\$ 5,000.00
Annual Pipeline Replacement			\$ 211,200.00	\$ 211,200.00
<b>Total New Annual Projects</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 366,200.00</b>	<b>\$ 366,200.00</b>
<b>Total New Projects</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total FY 2024</b>	<b>\$ -</b>	<b>\$ 147,000.00</b>	<b>\$ 366,200.00</b>	<b>\$ 513,200.00</b>



**Items for Discussion and Action  
Agenda Item: 4.5.1**

**Date:** June 24, 2024

**Subject:** Confirm July 2024 Rates Pursuant to Resolution 2021.03

**Staff Contact:** Timothy R. Shaw, General Manager

**Recommended Committee Action:**

The Executive Committee recommended the Board confirm the July 2024 rates in Exhibit A to Resolution 2021-03.

**Current Background and Justification:**

The objectives for a multi-year rate adjustment and Prop 218 requirements therein involve the process of anticipating increases in the cost of service over the span of the multi-year adjustment. The obvious and most typical adjustment is for anticipated inflation in the cost of service. Fuel, electricity, admin expenses, etc. virtually never stay flat. The amount of inflation the entire country continues to experience is greater than the 3% assumed in the Rate Study / Cost of Service adopted by the Board in August of 2021.

In addition to inflation adjustments, multi-year costs of service projections evaluate the anticipated increases to the cost of service due to regulatory and operational changes, e.g., water treatment requirements, regulatory mandates etc.

Exhibit A to Resolution 2021-03 is included as a document associated with this item.

**Conclusion:**

**Sample Motion - Move to authorize the July 2024 rates detailed in Exhibit A to Resolution 2021-03**

**Board Action / Motion**

Motioned by: Director \_\_\_\_\_ Seconded by Director \_\_\_\_\_

Cline \_\_\_\_\_ Gifford \_\_\_\_\_ Green \_\_\_\_\_ Garrison \_\_\_\_\_ Young \_\_\_\_\_  
**(A) Yea (N) Nay (Ab) Abstain (Abs) Absent**

**Exhibit A  
 Water Rates**

**TABLE 1: Proposed Bimonthly Water Rates – Normal Water Year  
 Rate Study / Cost of Service Study  
 Rio Linda Elverta Community Water District**

Meter Size	Current FY 2021	Proposed on or after				
		September 15, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
5/8"	\$59.86	\$35.01	\$35.72	\$36.64	\$38.23	\$39.88
3/4"	\$59.86	\$35.01	\$35.72	\$36.64	\$38.23	\$39.88
1"	\$99.77	\$55.25	\$56.38	\$57.83	\$60.34	\$62.94
1.5"	\$199.53	\$105.87	\$108.03	\$110.79	\$115.60	\$120.59
2"	\$319.25	\$166.61	\$170.01	\$174.35	\$181.92	\$189.77
3"	\$698.37	\$358.95	\$366.28	\$375.63	\$391.94	\$408.84
4"	\$1,257.06	\$642.41	\$655.52	\$672.24	\$701.43	\$731.68
Inactive	\$59.86	\$35.01	\$35.72	\$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	\$68.61	\$69.91	\$71.80	\$74.95	\$78.18
5/8" - Warm Weather	\$120.93	\$123.19	\$126.52	\$132.07	\$137.94
3/4" - Cold Weather	\$68.61	\$69.91	\$71.80	\$74.95	\$78.18
3/4" - Warm Weather	\$120.93	\$123.19	\$126.52	\$132.07	\$137.94
1" - Cold Weather	\$88.85	\$90.57	\$92.99	\$97.06	\$101.24
1" - Warm Weather	\$141.17	\$143.85	\$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	\$1.72	\$1.75	\$1.80	\$1.88	\$1.96
Tier 2: 17+ ccf	\$2.18	\$2.22	\$2.28	\$2.38	\$2.49
CII (all use)	\$1.94	\$1.98	\$2.03	\$2.12	\$2.22
Irrigation (all use)	\$2.22	\$2.27	\$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)**



## Items for Discussion and Action

### Agenda Item: 4.6

**Date:** June 24, 2024

**Subject:** Unsolicited Proposal from an Insurance Company for Water Service Line Repairs / Replacements

**Staff Contact:** Timothy R. Shaw, General Manager

#### **Recommended Committee Action:**

The Executive Committee does NOT recommend Board approval of this item.

#### **Current Background and Justification:**

The District recently received an unsolicited proposal from Utility Service Partners. Recurring interactions with customers having leaks in the service lines inspired staff to listen to the proposal.

The National League of Cities (NLC) Service Line Warranty Program, offered by Utility Service Partners, endeavors to educate property owners about their service line responsibilities and preclude lump-sum, out-of-pocket expense for unanticipated and potentially costly service line repairs and replacements.

Utility Service Partners describes their product as:

- Ensuring the delivery of timely, high-quality repair services in adherence to all applicable codes
- Providing a service that reflects positively on the District
- The program stimulates the local economy by using fully vetted local contractors to complete the repairs.

**Exterior Water Service Line:** Includes service to locate, excavate and repair/replace a leaking exterior water service line. Covered repairs include, but are not limited to leaks, breaks, corrosion, blockages, root intrusion, and other types of damage (such as from freezing) that impair or limit the intended function of the system. Includes restoration of ground surface features after excavation for service line repair, including filling, raking, reseeding, reinstallation of existing soft landscaping and shrubbery, and patching of paved surfaces.

**Internal Plumbing and Drainage:** Coverage includes the emergency breakdown costs of repairing or replacing interior water, sewer, and drainage pipe materials, valves and other plumbing-related material, including unblocking, repair and replacement. Also, repair of clogged toilets.

Product	Monthly	Annual Coverage Limit	Annual Service Calls/Per Call Coverage
External Water Line	\$ 6.49	Unlimited	Unlimited Calls/\$8,500 Per Call
In-Home Plumbing	\$16.49	Unlimited	Unlimited Calls/\$3,000 Per Call

**IMPLEMENTATION:** The NLC Service Line Program **proposes to utilize the District logo** to brand the materials used to educate customers about our repair service plans. Program marketing literature clearly discloses that the Program and the District are separate entities and that the program is voluntary for customers. The NLC Service Line Warranty Program will create all marketing materials with input from the District and will submit all marketing/communications materials to the District for final approval.

**ENROLLMENT AND BILLING:** The NLC Service Line Program offers residents simple options if they choose to enroll either via mail, phone, or web. We handle all customer billing and customers can choose annual, quarterly, or monthly billing and may pay by check, direct debit/ACH, or credit card. Once we receive the enrollment application, customers receive a welcome letter which includes their service agreement terms and conditions, their payment details, a reiteration of their policy coverage, and our toll-free customer service number. Customers also receive a welcome call from customer service as an additional, personalized confirmation of the program. We handle all customer billing, and a homeowner can enroll or cancel at any time.

**FINANCIAL IMPACT:** No direct cost to the District to participate and no financial impact. There may be indirect costs associated with Legal Counsel charges for contract review and staff time associated with calls from customers having received solicitation for Utility Service Partners insurance.

The Executive Committee discussion of this item included Director Cline advising that similar insurance is available through most home insurance policies and without stipulating the use of the District’s logo.

**Conclusion:**

The Board should provide direction to staff. Given the recommendation from the Executive Committee, the requisite documents for approval (e.g. a draft agreement) are not included. However, if a majority of Board Members support continued exploration, the item with required additional documents can be considered at a future Board meeting.

**Board Action / Motion**

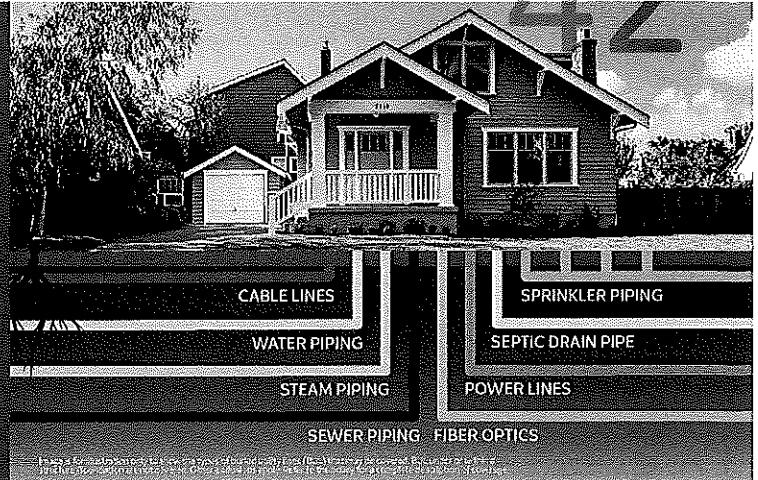
Motioned by: Director \_\_\_\_\_ Seconded by Director \_\_\_\_\_

Cline \_\_\_\_\_ Gifford \_\_\_\_\_ Green \_\_\_\_\_ Garrison \_\_\_\_\_ Young \_\_\_\_\_  
 (A) Yea (N) Nay (Ab) Abstain (Abs) Absent



**Buried Utility Lines Coverage**  
**Help protect against unexpected expenses caused by underground damage**

In TX the insurance is underwritten by Travelers Personal Insurance Company.



Did you know that the repair or replacement of service lines on your property may be your responsibility — and that homeowners insurance policies typically do not cover damage to them?

With Buried Utility Lines Coverage, an option available with your Travelers homeowners policy, you can be covered when one of these lines leaks, breaks, tears, ruptures, collapses or arcs. Should a covered loss occur, coverage is available to help cover the cost of the damage to the utility line, excavation costs and expediting expenses to make repairs.

**An affordable add-on**

You can select this additional coverage and choose between a coverage limit of \$10,000 or \$20,000 with a deductible of just \$500.

**Claim service that delivers**

From the very basic to the most complex claims, Travelers provides fast, fair resolution. We have over 11,000 in-house claim professionals, including buried utility line specialists in our Boiler and Machinery Group, and we focus on making the claim process easy for you with:

- 24/7 claim reporting
- In-house Claim professionals
- Buried utility line know-how
- In-house subrogation expertise



Buried Utility Lines Coverage guards against the expense of damage to underground utility pipes and wires, such as:

- Water Piping
- Sewer Piping
- Power Lines
- Cable Lines
- Steam Piping
- Septic Drain Piping
- Fiber Optics
- Sprinkler Piping

See back for FAQs and additional information about Travelers Buried Utility Lines Coverage.

## Frequently asked questions about Buried Utility Lines Coverage

The FAQs are for illustrative purposes and offer examples. The answers are not intended to be exhaustive. Please refer to your policy documents for a complete explanation of coverage.

### Does the covered utility line need to be on my property?

Yes. The utility line must be located on your premises and provide utility service to the residence.

### What are the causes of loss that are covered?

Here are some examples of causes of loss that are covered:

- Wear and tear
- Mechanical breakdown
- Rust or other corrosion
- Tree or other root invasion
- Vermin, insects, rodents or other animals
- Freezing or frost heave and thaw
- Weight of equipment, vehicles, animals or people

### Can I replace the service line with more environmentally friendly materials?

Yes. In the event of a covered loss, up to an additional 50 percent of the replacement cost value of the damaged buried utility line is provided for the increased costs incurred to replace with materials or equipment that are safer, more efficient or better for the environment.

### Is a sprinkler system covered under Buried Utility Lines Coverage?

In the event of a covered loss, underground sprinkler lines are covered, but the pump, motor and heads are not.

### Is my septic system covered?

In the event of a covered loss, the piping that runs from the dwelling to the septic tank is covered, but the septic system is not.

### What is not covered?

Here are a few examples of what is not protected under Buried Utility Lines Coverage:

- Wells
- Heating systems, except piping for geothermal heating applications
- Fuel tanks
- Any portion of a line that runs within or under the dwelling or other structure
- Any portion of a line that runs off of the premises

### Will a claim make my premium go up?

Claims made under Buried Utility Lines Coverage have no impact on premiums.

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To learn more about Buried Utility Lines Coverage, contact your independent agent today!

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The Travelers Indemnity Company and its property casualty affiliates. One Tower Square, Hartford, CT 06183

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PL-19185-Rev. 09-22



## Items for Discussion and Action Agenda Item: 4.7

**Date:** June 24, 2024

**Subject:** Consider Discontinuing Participation in Water Forum Negotiations

**Staff Contact:** Timothy R. Shaw, General Manager

**Recommended Committee Action:**

The Executive Committee forwarded this item onto the April 22<sup>nd</sup> Board agenda.

**Current Background and Justification:**

The District is a signatory to the Water Forum Agreement. Inclusive to the Water Forum Agreement is a purveyor specific agreement (PSA). The District's PSA stipulates it will participate in negotiations for a successor agreement. As such, the General Manager has been participating in Water Forum meetings for the past several years.

When the District began its involvement with Water Forum, funding for the District's participation was stipulated to be via Sacramento County Zone 13 tax, a per parcel tax levied by the County on each property withing the District's service area. Within the past year, Sacramento County representatives at the Water Forum meetings have conveyed that Zone 13 funding is no longer sufficient, i.e. costs have risen higher than funding. As such, Water Forum staff have promulgated a supplemental annual charge to be allocated to all water purveyors currently participating in the Water Forum successor agreement negotiations. In April 2023, the RLECWD voted unanimously to decline the Water Forum request for supplemental funding.

The District has formally notified Water Forum and the water supplier member agencies of the District's action to decline the Water Forum request for additional funding. Some member agencies have expressed resentment of the District's continued participation in negotiations. Ignoring the impacts of funding decline, the District shares very little common interest with the other participating water suppliers in that the District does not use surface water.

Included at the Executive Committee discussion of this item was interest in whether property owners within the District's service area will continue to be assessed the Zone 13 tax if the District discontinues participation in Water Forum. The answer is, yes they will continue to be taxed.

**Conclusion:**

If the Board votes to discontinue participation in Water Forum negotiations, staff will notify Water Forum and request next steps, if any.



**Board Action / Motion**

Motioned by: Director \_\_\_\_\_ Seconded by Director \_\_\_\_\_

Cline \_\_\_\_\_ Gifford \_\_\_\_\_ Green \_\_\_\_\_ Garrison \_\_\_\_\_ Young \_\_\_\_\_  
**(A) Yea (N) Nay (Ab) Abstain (Abs) Absent**

# WATER FORUM AGREEMENT

## INTRODUCTION

The Water Forum is a diverse group of business and agricultural leaders, citizens groups, environmentalists, water managers, and local governments in Sacramento county. In 1995 they were joined by water managers in Placer and El Dorado counties.

This group of community leaders and water experts has determined that unless we act now, our region will be facing water shortages, environmental degradation, groundwater contamination, threats to groundwater reliability, and limits to economic prosperity. Well intentioned but separate efforts by individual stakeholders had left everyone in gridlock.

Joining together over six years ago, these leaders have devoted tens of thousands of hours researching the causes of this gridlock, agreeing on principles to guide development of a regional solution and negotiating the *Water Forum Agreement*. This diverse group agrees that the only way to break this gridlock is to implement a comprehensive package of linked actions that will achieve two coequal objectives:

**Provide a reliable and safe water supply for the region's economic health and planned development to the year 2030;**

**AND**

**Preserve the fishery, wildlife, recreational, and aesthetic values of the Lower American River.**

During these six years, stakeholder representatives continually presented draft

proposals to their boards to obtain their ongoing feedback. In addition, the Water Forum has conducted over one hundred meetings with community organizations, chambers of commerce, citizens advisory councils, civic groups, resources agencies, statewide environmental groups, and federal and state water users to solicit their input to the proposals under consideration.

The comprehensive *Water Forum Agreement* allows the region to meet its needs in a balanced way through implementation of seven elements. These elements include detailed understandings among stakeholder organizations on how this region will deal with key issues such as groundwater management, water diversions, dry year water supplies, water conservation, and protection of the Lower American River.

The *Agreement* also provides important provisions assuring each signatory that as it fulfills its responsibilities, other signatories will also be honoring their commitments. For example, all the stakeholder representatives are now working together on one of the key assurances — an updated standard for the Lower American River.

All of the hard-earned understandings that have been forged over the past six years are included in the Memorandum of Understanding for the *Water Forum Agreement*. Signed by each of the stakeholder organizations, this MOU creates the overall political and moral commitment to the *Agreement*. These assurances will be supplemented by other specific actions such as contracts, joint powers authorities, water rights actions, etc.

But the signing of the MOU will not be enough. The stakeholder organizations realized that this new culture of cooperation and collaboration created by the Water Forum will not last over time if it is not protected. They are concerned that changing conditions could threaten the foundations of the *Agreement*. They respect that consensus was possible only when they could understand the interests of others as well as their own.

To make the *Agreement* work over time, the stakeholders have created the Water Forum Successor Effort to maintain relationships, provide an early warning system for potential problems and creatively resolve issues as they arise.

That comes from the wisdom of the Water Forum. It is also a gift to the region. It's an example of how we can make our region a better place to live by hard work, mutual respect and innovative ideas.

## WHY DO WE NEED AN AGREEMENT — WHAT IS BROKEN?

### **Water Shortages**

Unless adequate water supplies are made available, many existing residents, businesses and agriculture will suffer shortages during California's periodic droughts. Inadequate water supplies would also limit our economic development.

The Sacramento area, the surrounding region, and the Lower American River all suffered some effects during the 1976 - 1977 drought. Since 1977 our population and water demands have increased significantly.

As the region continues to grow, it is important for us to plan for water needs, including what will happen in future droughts.

If we don't face this challenge, the next drought will be much more serious.

### **Lower American River**

The Lower American River is nationally recognized for its beauty, fisheries and recreation. Each year there are over five million visitor-days recorded for the American River Parkway. We need to find ways to protect the River for our enjoyment and for generations to come.

### **Groundwater Reliability Threatened**

Over reliance on wells in some areas has lowered the water table as much as 90 feet. If nothing is done, the problem will get worse; pumping costs could double; some shallow wells could go dry. Also, past actions have contaminated parts of our groundwater basins. Unless we continue to contain and correct these problems, additional wells that provide our drinking water could become contaminated.

### **Water Reliability At Risk**

Some suppliers obtain all of their water from surface sources; other suppliers get their water solely from wells. There are always some disadvantages to having only one source of supply. We will have a more reliable supply if most of the suppliers have multiple sources of water.

## WHAT HAS HELD UP SOLUTIONS TO OUR PROBLEMS?

Here in the American River watershed, the biggest stumbling block to balanced water solutions is that individual groups — water suppliers, environmentalists, local governments, business groups, agriculturalists, and citizen groups — have been independently pursuing their own water objectives — without much success. In many cases, competition among groups has

**ENVIRONMENTAL REVIEW**

generated protests, lawsuits and delay. Even though millions of dollars had been spent in the past decade pursuing single purpose solutions, there was little to show for these fragmented efforts.

**HOW THE WATER FORUM IS  
USING INTEREST BASED  
NEGOTIATION TO  
“GET TO YES”**

The stakeholder representatives chose to approach their long standing conflicts as a formal mediation, using an innovative process known as interest-based negotiation. This conflict resolution method requires negotiators to initially put aside their traditional demands (“positions”) and instead focus on the underlying reasons (“interests”) behind both their own and their adversaries’ concerns. This creative approach resulted in a *Water Forum Agreement* that will meet the needs of all stakeholders.

An important part of this process was identifying the environmental impacts of the *Agreement*. Therefore, the Water Forum also completed an Environmental Impact Report (EIR) that identifies impacts and potential mitigation measures. The Water Forum EIR is a Programmatic level EIR that analyzes the cumulative impacts of all elements of the *Water Forum Agreement*. Individual water supply projects will still have their own compliance requirements for the California Environmental Quality Act (CEQA), and where applicable, the National Environmental Policy Act (NEPA), the federal Endangered Species Act and the California Endangered Species Act.

**WATER FORUM  
SUCCESSOR EFFORT**

Signing the *Water Forum Agreement* does not mean that stakeholders can go back to doing business as usual. The *Water Forum Agreement* will be implemented over the next three decades. There will be many changed circumstances that we cannot now foresee. It is critical that all signatories participate in the Water Forum Successor Effort and maintain their commitment to interest-based bargaining. This will allow each stakeholder organization to get its needs met while respecting and working to meet the needs of others.

## SUMMARY OF SPECIFIC AGREEMENTS FOR STAKEHOLDER ORGANIZATIONS

The *Water Forum Agreement* includes Specific Agreements which detail what benefits each Stakeholder Organization will receive and what it will do to receive those benefits. Summarized here are the agreements specific to each Stakeholder Organization.

### WATER SUPPLIERS

It should be noted that although each purveyor's Specific Agreement includes commitments to the entire *Water Forum Agreement*, summarized here are just those water supply details specific to each purveyor.

**Carmichael Water District (CWD)** will divert and use up to their license amount of 14,000 acre feet. By the year 2030, it is most likely that the water demand for the District will be reduced to their historic baseline level of 12,000 acre feet by implementation of Urban Water Conservation Best Management Practices. Signatories to the *Water Forum Agreement* acknowledge and agree that CWD shall not relinquish control of or otherwise abandon the right to any quantity it has foregone delivery and/or diversion of under this *Agreement*, and shall retain the right (if any) to transfer that water for other beneficial uses, after that water has served its purpose of assisting in the implementation of the Improved Pattern of Fishery Flow Releases, for diversion or rediversion at, near, or downstream of the confluence of the Lower American River and the Sacramento River. The signatories also recognize that any such transfer of water by CWD must be in accordance with applicable provisions of federal and state law.

**Citizens Utilities Company of California (CUCC)** has six service areas within the metropolitan area of Sacramento County, located within the North Central area, the South County Municipal and Industrial (M&I) area, and the City of Sacramento's American River water rights place of use (POU) area. CUCC also provides water service in Placer County for the Sabre City Mobile Home Park and is the exclusive franchisee for water service in western Placer County.

CUCC has contracted with the City of Sacramento to use 2,580 acre feet annually from the City's E. A. Fairbairn Water Treatment Plant and the Sacramento River Plant for use in their Southgate service area, which is also within the City's POU.

For other CUCC service areas within the POU which include the Arden area, a portion of the Rosemont area, and a portion of the Parkway area, when a contract with the City of Sacramento for delivery of surface water beyond the existing contract for the Southgate area is proposed, signatories to the *Water Forum Agreement* will meet in good faith with the objective to develop mutually acceptable provisions consistent with the two coequal objectives of the *Water Forum Agreement*.

CUCC will also contract for use of a portion of the surface water provided from the Placer County Water Agency (PCWA) for use in the north central area of Sacramento County.

CUCC will contract for use of a portion of the surface water provided through the County of Sacramento/Sacramento County Water Agency for its service area in the south portion of Sacramento County.

CUCC will also continue to use groundwater to meet needs in each of its service areas.

**City of Folsom (Folsom)** will increase its average and wet year American River diversions from an agreed upon baseline amount of 20,000 acre feet to a year 2030 level of 34,000 acre feet. In drier years, Folsom will divert and use a decreasing amount of surface water from 34,000 AF to 22,000 AF (or the equivalent, see example below) in a three stage stepped and ramped reduction in proportion to the decrease in the March through November unimpaired inflow to Folsom Reservoir, from 950,000 to 400,000 AF.

Under stage 1, Folsom will divert a decreasing amount from 34,000 AF to 30,000 AF in proportion to the decrease in March through November when the unimpaired inflow to Folsom Reservoir is greater than 870,000 AF but less than 950,000 AF.

Under stage 2, Folsom will divert 27,000 AF when the March through November unimpaired inflow to Folsom Reservoir is greater than 650,000 AF but less than or equal to 870,000.

Under stage 3, Folsom will divert 22,000 AF when the March through November unimpaired inflow to Folsom Reservoir is equal to or greater than 400,000 AF but less than or equal to 650,000 AF.

In the driest years, when the March through November unimpaired inflow to Folsom Reservoir is less than 400,000 AF, Folsom will reduce diversions (or the equivalency, see example below) to 20,000 AF. Also, Folsom will reduce diversions in the driest years by encouraging additional, extra-ordinary conservation to effectively achieve a reduction to 18,000 AF.

As an example of how Folsom will meet its needs during the drier and driest years, Folsom will reduce diversions by imposing additional

conservation levels, and will continue to divert water from Folsom Reservoir for the balance of their needs. However, Folsom will enter into agreements with other suppliers that have access to both surface water and groundwater for an equivalent exchange of the amount of reduction needed by Folsom as outlined above in the three stages of reduction. Under these arrangements, those suppliers will use groundwater in lieu of surface water equivalent to the amount that Folsom will continue to divert.

**City of Galt (Galt)** will use groundwater to meet its projected year 2030 demands. The sustainable yield of the Galt Area groundwater basin will be enhanced by South Sacramento County agriculture's use of surface water diverted from the Folsom South Canal in years when the March through November unimpaired flow into the Folsom Reservoir is greater than 1,600,000 acre feet.

Galt has also agreed to participate in the development of a groundwater management arrangement for the Galt Area.

**City of Roseville (Roseville)** will increase its average and wet year American River diversions from a baseline level of 19,800 acre feet to a year 2030 level of 54,900 acre feet. In drier years, Roseville will divert and use a decreasing amount of surface water from 54,900 acre feet to 39,800 acre feet by additional conservation, using groundwater, and using reclaimed water. Additionally, Roseville will enter into an agreement with the Placer County Water Agency (PCWA) for replacing up to 20,000 AF of water to the river in drier and driest years, from reoperation of PCWA's Middle fork Project reservoirs.

**City of Sacramento (City)** Currently the 310 cubic feet per second diversion capacity at the Fairbairn Water Treatment Plant (FWTP) is constrained to 155 cubic feet per second by the City's ability to treat the water.

The City may rehabilitate its FWTP diversion facility and expand its FWTP treatment capacity by another 100 million gallons per day. This will allow the City to divert and treat an additional 155 cubic feet per second consistent with the terms described below. Concurrent with the expansion of the FWTP the City will also construct other facilities such as expansion/rehabilitation of Sacramento River Water Treatment Plant and river intake to assure that a reliable alternative supply (groundwater, pumpback and/or diversion from the Sacramento River) is available whenever it is needed.

During periods when the LAR flows are sufficient (i.e. above the "Hodge" standard), the City could fully use its increased diversion capacity at FWTP. In drier periods when the LAR flows were not sufficient (i.e. below the "Hodge" standard), the City could divert from a new diversion site near the mouth of the American River and pump the water back to the FWTP for treatment, use groundwater or divert and use water from the Sacramento River.

Additional diversions from the Sacramento River and groundwater in the north area will also be used by the City to meet year 2030 demands.

**County of Sacramento/Sacramento County Water Agency (County/SCWA)** supplies water in seven separate retail service areas within the unincorporated area. County retail service areas vary in size from as few as 30 connections in the smallest area to more than 17,000 connections in the Laguna/Vineyard service area.

SCWA is responsible for providing wholesale water to an area of the Laguna, Vineyard, and Elk Grove communities commonly referred to as "Zone 40." The long term Master water Plan for Zone 40 is based on meeting present and future water needs through a program of conjunctive use of groundwater and surface water.

The County/SCWA will divert surface water, both firm (45,000 acre feet) and intermittent water, up to 78,000 acre feet in total from near the mouth of the American River or from the Sacramento River. The County/SCWA will also use groundwater on a conjunctive basis to meet the balance of its need. SCWA's water demand is projected to be 87,000 acre feet by the year 2030.

The County/SCWA has also agreed to participate in the development of a groundwater management arrangement for the South Area.

**Del Paso Manor Water District (DPMWD)** will use groundwater to meet their year 2030 demands until such time as DPMWD and the City of Sacramento enter into an agreement for delivery of surface water from the City's system to DPMWD. DPMWD has a contract with the City for 2,460 acre feet of the City's American River entitlement. Water supply facilities need to be constructed for delivery of City water to DPMWD.

Negotiations on specific conditions for delivery of surface water under this contract will be undertaken by the Successor Effort and DPMWD.

**Florin County Water District (FCWD)** will use groundwater to meet their year 2030 demands until such time as FCWD and the City of Sacramento enter into an agreement for delivery of surface water from the City's system to FCWD. FCWD is located within the place of use for the City of Sacramento's American River entitlement.

Negotiations on specific conditions for delivery of surface water under this contract will be undertaken by the Successor Effort and FCWD.

**Natomas Central Mutual Water Company (Natomas)** will meet demands to the year 2030 for the Sacramento County portion of Natomas with surface water from the

Sacramento River and from groundwater pumping. Groundwater pumping will only be implemented as part of a conjunctive use program which would preserve the groundwater table.

Natomas will consolidate several of its Sacramento River diversions into an upgraded diversion with a new fish screen which meets the Fish and Wildlife Service's screening criteria. Natomas will form a partnership with other parties to interconnect the Sacramento River with the San Juan/Northridge pipeline from Folsom Reservoir. Signatories' support for this water connection is subject to the provisions of Section Four, III of the *Water Forum Agreement*, Sacramento River Supply for North Sacramento County and Placer County.

**Northridge Water District (Northridge)** will divert up to 29,000 acre feet of Placer County Water Agency (PCWA) water, for an interim ten year period, in years when the projected March through November unimpaired inflow into Folsom Reservoir is greater than 950,000 acre feet. The amount diverted will also be consistent with the water delivery schedule provided for in the Northridge-PCWA Contract, which allows annually increasing diversions up to 24,000 acre feet per year during the interim ten year period.

At any time during this ten-year period, if Northridge is able to take delivery of Sacramento River water through a Sacramento River pipeline, Northridge will thereafter divert water from the Sacramento River (and not from the Folsom Reservoir) in those years when the projected March through November unimpaired inflow into Folsom Reservoir is less than 1,600,000 acre feet.

After the ten year period, unless the State Water Resources Control Board issues a subsequent order, Northridge will divert water up to 29,000 acre feet annually from Folsom Reservoir under the Northridge-PCWA contract

only in years when the projected March through November unimpaired inflow into Folsom Reservoir is greater than 1,600,000 acre feet.

**Placer County Water Agency (PCWA) Note:** The following surface water provisions are operative contingent on the resolution of the remaining issues described in the last paragraph of this summary of the PCWA Specific Agreement.

PCWA would increase its average and wet year American River diversions from a baseline level of 8,500 acre feet to a year 2030 level of 35,500 acre feet.

During drier years, PCWA would divert and use 35,500 AF from the American River. In these drier years, PCWA would also replace water to the River from reoperation of its Middle Fork Project (MFP) reservoirs in the following amounts:

When Unimpaired inflow to Folsom Reservoir is:	PCWA Will Release This Amount (reoperation):
950,000 AF	0 AF
400,000 AF	27,000 AF

The amount of water released to the River from reoperation of the MFP reservoirs between 950,000 AF and 400,000 AF would be in linear proportion to the amounts shown above.

PCWA would make the releases contingent on: 1) its ability to be reimbursed for its release of water on terms acceptable to PCWA; 2) PG&E's agreement to such reoperation until the present power purchase contract with PG&E expires (presently anticipated by year 2013); and 3) PCWA's determination that it has sufficient water in its reservoirs to make the additional releases to mitigate conditions in dry years without jeopardizing the supply for PCWA's customers. (Note: Operational



modeling for PCWA based on historical hydrology and projected 2030 requirements as set forth in the *Water Forum Agreement* has shown that reoperation water should be available for such release and sale without drawing MFP reservoirs below 50,000 acre-feet.)

The source of this replacement water in drier years would be water not normally released in those years from the PCWA Middle Fork Project.

PCWA would also divert and use 35,000 AF from the Sacramento and/or Feather Rivers if exchanges of equal amounts can be made with others under terms acceptable to PCWA.

Remaining issues which are being negotiated are: 1) environmentalists' support for PCWA pumps at Auburn, 2) how water conservation Best Management Practice #5 (Large Landscape Water Audits and Incentives for Commercial, Industrial, Institutional and Irrigation Accounts) will be implemented, 3) environmentalists' support for conditions related to release of replacement water in drier and driest years.

**Rio Linda/Elverta Community Water District (RLECWD)** The 2030 projected water demand within the present geographical boundary of RLECWD is 17,035 acre feet. This projected demand is included in the North Central Group of Municipal and Industrial Purveyors which also includes a portion of the Citizens Utilities Company, a portion of the Arcade Water District, McClellan AFB and Northridge Water District.

The RLECWD acknowledges that decisions on how to maintain the long-term sustainable yield of the North area groundwater basin will be made by the Sacramento North Area Groundwater Management Authority (SNAGMA) with representation of the RLECWD on the SNAGMA's governing board consistent with the joint powers agreement establishing SNAGMA.

As the purveyor of municipal and industrial water within its current and future expanded boundaries, RLECWD will construct appropriate facilities to meet its 2030 projected peak period water demand.

If SNAGMA determines that it is necessary to acquire surface water for use within SNAGMA's boundaries, the District will cooperate with the Water Forum Successor Effort, SNAGMA, and other affected agencies to obtain the surface water to be used as part of SNAGMA's groundwater management program.

The District acknowledges that the *Water Forum Agreement* does not provide for a baseline quantity of groundwater. The District also acknowledges its responsibility for sharing in the cost to acquire surface water supplies if SNAGMA determines such supplies are necessary to maintain the long-term sustainable yield of the Sacramento North area groundwater basin.

**Sacramento Municipal Utility District (SMUD)** will increase its average and wet year American River diversion from a baseline level of 15,000 acre feet to a year 2030 level of 30,000 acre feet. In drier years, SMUD will reduce diversions by up to 15,000 acre feet by reducing their demand and by using groundwater.

SMUD and the County of Sacramento have begun negotiations for purchase by the County and transfer from SMUD of a 15,000 acre foot block of SMUD's U.S. Bureau of Reclamation contract. A portion of the payments to SMUD from the County would be used to construct groundwater facilities that would be operated and maintained by the County. Groundwater from these wells would be available as an alternative supply for SMUD to meet increased demands in the drier and driest years.

SMUD is also planning on constructing additional co-generation facilities at locations

Department of Water Resources  
Michael L. Peterson, Director



SACRAMENTO COUNTY  
**WATER AGENCY**

Agenda Item 4.7

Including service to the Cities of  
Elk Grove and Rancho Cordova

48

October 4<sup>th</sup>, 2023

Jessica Law  
Executive Director  
Water Forum  
1330 21<sup>st</sup> Street Suite 103  
Sacramento, CA 95811  
Submitted via email to [jlaw@waterforum.org](mailto:jlaw@waterforum.org)

Jessica,

As you are aware, Sacramento County has been an active partner in the Water Forum since its inception over twenty years ago. In the Water Forum Agreement (WFA) Sacramento County Water Agency's Zone 13 Fund (Zone 13) is identified as one of the main funding sources, paying 51% of the Water Forum Successor Effort (WFSE) and 66% of the Habitat Management Element (HME) each year. As discussed previously, Zone 13 is unable to continue funding the WFSE and HME at the current level in the years to come based on recent cash flow projections. Attached you will find an analysis from our financial analyst that shows Zone 13 cash flow in the next fiscal years. As you can see, without significant decreases in expenditures, Zone 13 will be over-prescribed in Fiscal Year 2024/25.

Staff informed the Sacramento County Board of Supervisors as early as 2020 that the ongoing use of Zone 13 to meet Water Forum funding commitments long-term is not sustainable given that Water Forum costs continue to increase while Zone 13 revenues remain relatively static. The May 19, 2020, the Sacramento County Board action to Approve Resolution Of Intention To Proceed With Projects And Levy Assessments Within Zone 13 Of The Sacramento County Water Agency For Fiscal Year 2020-21 (Sets Public Hearing For July 14, 2020) states:

"Implementation of the Water Forum Agreement Successor Effort and Habitat Management Element continues to be important to the region, and a significant expense for Zone 13. Since the Water Forum Agreement was signed in 2001, issues surrounding water supplies have dramatically changed. Examples of change are SGMA, State water conservation requirements, and proposed flow regulations on the Sacramento and American Rivers. In response to these changes and the expiration of the Water Forum Agreement in 2030, Water Forum staff have initiated a process to update and extend the Water Forum Agreement. As part of this effort, SCWA staff has informed the participants that Zone 13 cannot continue to support the Water Forum efforts at the same cost share levels as it is currently. The cost share among the region's water interests will be renegotiated as part of the update and extension effort."

Sacramento County remains a committed partner in the Water Forum and in the Water Forum 2.0 effort currently underway. As the largest historic funder of the Water Forum, we want to emphasize the importance of continuing the Water Forum 2.0 effort on behalf of the four caucuses, and we encourage prioritizing the

*"Managing Tomorrow's Water Today"*

Main Office: 827 7th St., Rm. 301, Sacramento, CA 95814 • (916) 874-6851 • Fax (916) 874-8693 • [www.scwa.net](http://www.scwa.net)

resolution of the question of long-term governance and funding. Given the somewhat dire projection for cashflow in Zone 13 in Fiscal Year 2024/25, the maximum Zone 13 contribution that year will be \$800,000 to fund WFSE and HME activities. Sacramento County Water Agency will continue to fund the Water Forum 2.0 efforts using rate revenue on behalf of its retail customers.

If the long-term funding for Water Forum is not resolved in FY 2024/25, the Zone 13 contribution will be capped at \$800,000/year beyond that fiscal year.

Thank you for your commitment to identifying new funding sources for the Water Forum moving forward. Again, Sacramento County is a committed partner to the Water Forum and will help in any way we can to ensure long-term success for the benefit of our region.

Sincerely,



MICHAEL L. PETERSON,

Director of Department of Water Resources,  
Acting as Agency Engineer  
Sacramento County Water Agency

Attachment: Zone 13 Cash Flow Projection

Copies: Sacramento County – Ann Edwards, Dave Defanti, Michael Peterson  
City of Sacramento – Ryan Moore, Pravani Vandeyar, Anne Sanger

**Interagency Agreement  
For Cost-Sharing the Fiscal Year (FY) 2023-24 and FY 2024-25  
Water Forum 2.0 Agreement for the City of Sacramento, on behalf of the  
Sacramento City-County Office of Metropolitan Water Planning**

**THIS AGREEMENT** is made and entered into on July 1, 2023, by the City of Sacramento (on behalf of the Sacramento City-County Office of Metropolitan Water Planning (CCOWMP), as known as the “Water Forum”); and among the agencies listed below in **Table 2** and **Table 3**.

**Table 1** provides the total potential contribution to the Water Forum 2.0 Project from funding sources outside of the Water Forum’s annual operating budget. The costs have been distributed by the partners based on a negotiated amount. Several parties, as noted, are providing funding as shown in **Table 2** for FY 23-24 and FY 24-25; and for FY 23-24 only as shown in **Table 3**. In addition, several agencies are listed in **Table 1** that are not party to this agreement, but that are contributing to the Water Forum 2.0 Project and are covered under separate agreements (**Section III**). Please see **Attachment 1** for information on the Water Forum 2.0 Project scope and budget.

<b>Table 1. Water Forum 2.0 Project Contributions By Agency Per Fiscal Year</b>			
<b>Agency</b>	<b>Amount</b>		
	<b>FY 23-24</b>	<b>FY 24-25</b>	<b>Total</b>
California-American Water Company	\$58,100	\$58,100	\$116,200
Carmichael Water District	\$16,530	\$16,530	\$33,060
Citrus Heights Water District <sup>2</sup>	\$28,629	\$28,629	\$57,258
City of Folsom	\$32,124	\$32,124	\$64,248
City of Folsom (Ashland) <sup>2</sup>	\$1,455	\$1,455	\$2,910
City of Roseville	\$52,208	\$52,208	\$104,415
City of Sacramento, Department of Utilities	\$86,571	\$86,571	\$173,141
Del Paso Manor Water District	\$2,441	\$2,441	\$4,881
East Bay Municipal District (EBMUD) <sup>1</sup>	\$12,000	\$12,000	\$24,000
El Dorado County Water Agency (EDCWA)	\$5,705	\$5,705	\$11,410
El Dorado Irrigation District	\$50,506	\$50,506	\$101,013
Fair Oaks Water District <sup>2</sup>	\$20,289	\$20,289	\$40,578
Golden State Water Company	\$24,217	\$24,217	\$48,434
Orange Vale Water Company <sup>2</sup>	\$6,124	\$6,124	\$12,248
Placer County Water Agency	\$16,324	\$16,324	\$32,649
Sacramento Area Flood Control District (SAFCA) <sup>1</sup>	\$20,000	\$20,000	\$40,000
Sacramento County Water Agency	\$58,333	\$58,333	\$116,666
Sacramento Municipal Utilities District (SMUD)	\$12,000	\$12,000	\$24,000
Sacramento Suburban Water District	\$51,699	\$51,699	\$103,398
San Juan Water District (in Sacramento County) <sup>2</sup>	\$15,246	\$15,246	\$30,491
<b>Total</b>	<b>\$570,500</b>	<b>\$570,500</b>	<b>\$1,141,000</b>

<sup>1</sup>EBMUD and SAFCA are not parties to this agreement. Funding will be provided under a separate agreement. Please see **Section III** for additional information.  
<sup>2</sup>The parties have committed to fund the Water Forum 2.0 Project for FY 23-24 only and will consider FY 24-25 funding in June 2024 consistent with **Table 1**.

**Section I.**

**Funding Commitment:** The following parties have committed to fund the Water Forum 2.0 Project for FY 23-24 and FY 24-25 (**Table 2**).

<b>Table 2. Water Forum 2.0 Project Contributions for FY 23-25</b>			
<b>Agency</b>	<b>Amount</b>		
	<b>FY 23-24</b>	<b>FY 24-25</b>	<b>Total</b>
California-American Water Company	\$58,100	\$58,100	\$116,200
Carmichael Water District	\$16,530	\$16,530	\$33,060
City of Folsom	\$32,124	\$32,124	\$64,248
City of Roseville	\$52,208	\$52,208	\$104,415
City of Sacramento, Department of Utilities	\$86,571	\$86,571	\$173,141
Del Paso Manor Water District	\$2,441	\$2,441	\$4,881
El Dorado County Water Agency (EDCWA)	\$5,705	\$5,705	\$11,410
El Dorado Irrigation District	\$50,506	\$50,506	\$101,013
Golden State Water Company	\$24,217	\$24,217	\$48,434
Placer County Water Agency	\$16,324	\$16,324	\$32,649
Sacramento County Water Agency	\$58,333	\$58,333	\$116,666
Sacramento Municipal Utilities District (SMUD)	\$12,000	\$12,000	\$24,000
Sacramento Suburban Water District	\$51,699	\$51,699	\$103,398
<b>Total</b>	<b>\$466,758</b>	<b>\$466,758</b>	<b>\$933,516</b>

The following parties have committed to fund the Water Forum 2.0 Project for FY 23-24 only (**Table 3**) and will consider FY 24-25 funding in June 2024, consistent with **Table 1**.

<b>Table 3. Water Forum 2.0 Project Contributions for FY 23-24 only</b>	
<b>Agency</b>	<b>Amount</b>
	<b>FY 23-24</b>
<b>San Juan Water District Consortium<sup>1</sup></b>	
City of Folsom (Ashland)	\$1,455
Citrus Heights Water District	\$28,629
Fair Oaks Water District	\$20,289
Orange Vale Water Company	\$6,124
San Juan Water District (in Sacramento County)	\$15,246
<b>Total</b>	<b>\$71,743</b>

<sup>1</sup>San Juan Water District Consortium includes San Juan Water District, Citrus Heights Water District, Fair Oaks Water District, and Orange Vale Water Company, and the City of Folsom (Ashland).

**Section II.**

**Reimbursement:** The City of Sacramento, on behalf of the CCOMWP, shall administer all consultant agreements and other expenses incurred during FY23-24 and FY 24-25 for the Water Forum 2.0 Project. The parties agree to reimburse the CCOMWP for their share of such costs, up to the amount set forth for each party in Section I, above, within 30 days after receipt of invoices.

The City of Sacramento Finance Department, on behalf of the CCOMWP, will invoice each cost-sharing partner at the beginning of each fiscal year, except in those instances where the cost-sharing partners have mutually agreed to be invoiced in another time period (i.e., quarterly invoices). It is understood and agreed that although this agreement only pertains to reimbursement for costs incurred during the period from July 1, 2023 to June 30, 2025, the Water Forum 2.0 Project could extend past June 30, 2025. Any reimbursement of costs incurred by CCOMWP after June 30, 2025 would be governed by a new or amended cost-sharing agreement.

**Section III.**

**Separate Agreements:** Sacramento Area Flood Control Agency (SAFCA) and East Bay Municipal District (EBMUD) are not parties to this agreement and have entered into separate agreements with the City of Sacramento, on behalf of the CCOMWP, to pay their share of the costs identified in **Table 1**.

**Section IV.**

**Changes in Terms:** Any changes in the terms of this agreement shall be approved by all parties and shall be effective when reduced to writing and signed by all parties.

**Section V.**

**Indemnity:** Each party shall, to the fullest extent allowed by law, indemnify, hold harmless and defend the other party or parties, its officers and employees from any actions, liability or other expenses (including reasonable attorney fees) for any damages or injury to persons or property, occurring by reason of any negligent or wrongful act or omission by the indemnifying party, its officers or employees under this agreement.

**Section VI.**

**Independent Contractors:** All contractors employed during any phase of the Water Forum 2.0 Project are independent contractors. Contractor employees assigned to perform contract work related to the Water Forum 2.0 Project are and will remain employees of the contractor and will not be considered employees of any of the signatory agencies for any reason.

**Section VII.**

**Additional Terms and Conditions:** The following additional terms and conditions were agreed to by the parties to be incorporated into this funding agreement specifically for the Water Forum 2.0 Project:

1. Water Forum annual priorities, as described in the Water Forum Business Strategy (approved July 2022) will continue to include the Water Forum 2.0 Project as a top priority for the FY 23-24 and FY 24-25. Annual progress on the Business Strategy is reviewed by the Coordinating Committee and approved by the Water Forum Plenary each year by September 1<sup>st</sup>.
2. The Coordinating Committee includes two members of each caucus and meets with the Executive Director on a monthly basis to provide direction on Water Forum Successor Effort operations, including communications and implementation of the business strategy; and to approve the annual budget and work plan. In addition, the Coordinating Committee, and the City of Sacramento City

Manager or designee, will provide project oversight and approve an annual scope of work for the Water Forum 2.0 Project, which includes schedule and budget, that supports the established priorities will be submitted to the Coordinating Committee. The budget will also include look-ahead estimates for the second year.

3. The Water Forum 2.0 Project annual scope of work must be approved by the Coordinating Committee and the City of Sacramento City Manager, or designee, ahead of preparing the next fiscal year budget by March 1<sup>st</sup> each year.
4. The Coordinating Committee shall review the progress on the approved work at its regular meetings.
5. Any out-of-scope requests or technical studies are to be approved by the Coordinating Committee prior to commencement of any work and subject to adequate funding within the current budget.
6. A mid-year progress report on or before January 1<sup>st</sup> each year covering work completed and work not completed, and budget status are to be presented to the Coordinating Committee and the City Manager, or designee. Both will be presented alongside the approved annual schedule and budget.
7. If progress is not on track with annual expectations at the mid-year report, a plan for correction is to be submitted to the Coordinating Committee and the City Manager, or designee, for approval. Work may be suspended if progress is severely off-track.
8. Subsequent year funding is subject to effective progress of the previous year and agreed upon annual priorities and scope of work for the coming year.

*The Board took no action on this item.*

#### **4.3 Consider Rescinding Water Shortfall Contingency Stage Declaration**

In October 2021, Governor Newsom issued a declaration of drought emergency. Among the mandates included was a requirement for local water agencies to implement their respective water shortfall contingency plans for a 20% targeted water conservation. Shortly thereafter, the RLECWD Board took the action mandated by the Governor.

On March 24, 2023, the Governor declared specific elements of the emergency drought declaration be removed to ease the drought emergency. One such element was rescinding the mandate for water shortfall contingency plans at 20% conservation. The Governor's mandate was the sole basis for the water shortfall declaration, i.e., there is no actual water shortfall.

Comments/Questions –

*It was moved by Director Cline @ 33.10 time stamp on the video and seconded by Director Gifford to rescind the previously declared water shortfall contingency and thereby reinstate the “Non-Drought” stage of the Board adopted Water Shortfall Contingency Plan. Directors Green, Gifford, Cline, Young, and Harris voted yes. The motion carried with a roll call vote of 5-0-0.*

#### **4.4 Consider Authorizing a Response to the Water Forum's Allocation for Funding from Rio Linda Elverta Community Water District**

Over the past several meetings of the Water Forum, Water Caucus, discussions have focused on the projected funding gap for the Water Forum successor agreement.

The essential value of a Water Forum successor agreement is to avoid costly and time-consuming litigation amongst a diverse group of stakeholders. As an example, the environmental caucus would prefer less water being taken from reservoirs, while the water caucus and business caucus disagree. Finding common ground through a formal agreement is what the Water Forum is all about.

Unfortunately, all the funding for the Water Forum's costs comes from the water agencies, with voluntary contributions coming from water related entities, e.g. SMUD, SAFCA etc. Funding for the RLECWD participation has been from Zone 13 tax (a per parcel tax on all property owners in the RLECWD service area. The Water Caucus believes RLECWD needs to contribute an additional \$4,500 to \$6,000 per year as a fair share. A spreadsheet associated with this item summarizes the allocation of costs amongst all the funding entities.

As discussed at the April 12<sup>th</sup> Executive Committee, the benefits to all water agencies are NOT uniform. Water Agencies, who are seeking changes to reservoir operations and water rights therein, have an obvious, direct benefit in getting environmental groups' agreement. Conversely, an all-groundwater agency like RLECWD has less direct benefit from a renewal of the Water Forum Agreement. Accordingly, the Executive Committee recommends the Board vote to decline the request from Water Forum for additional funding. The result of such action by the RLECWD Board will be that the other water agencies will need to make up for the lack of additional funding from RLECWD.

*It was moved by Director Gifford @ 36.44 time stamp on the video and seconded by Director Cline to decline the request from Water Forum, Water Caucus for additional funding from RLECWD. Directors Green, Gifford, Cline, Young, and Harris voted yes. The motion carried with a roll call vote of 5-0-0.*

Comments/Questions – No comment.

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

*The Board took no action on this item.*

## **5. INFORMATION ITEMS**

### **5.1 District Activities Reports**





**Items for Discussion and Action  
Agenda Item: 4.8**

**Date:** June 24, 2024

**Subject:** Process for Annual Performance Review of the General Manager

**Staff Contact:** Timothy R. Shaw, General Manager

**Recommended Committee Action:**

N/A The annual performance review requirement is stipulated in the General Manager’s Employment Agreement. However, the process for completion has varied from year to year.

**Current Background and Justification:**

Last year, Legal Counsel was substantively involved in the review process, which entailed corresponding charges by Legal Counsel One reason for Legal Counsel involvement was the inappropriateness of having the General Manager mediate his own review. Another alternative to Legal Counsel or General Manager mediation would be to assign the role of mediator to a Board Member.

A Board Member sending out reminder emails to other Board Members encouraging completion of the evaluation form would be more cost efficient than paying Legal Counsel to do so.

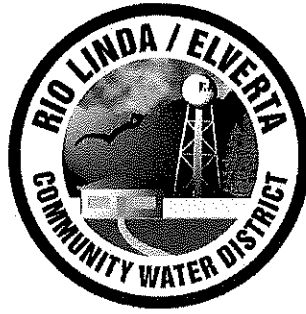
**Conclusion:**

The Board should engage in discussion about the preferred process for this year’s annual performance review of the General Manager.

**Board Action / Motion**

Motioned by: Director \_\_\_\_\_ Seconded by Director \_\_\_\_\_

Cline \_\_\_\_\_ Gifford \_\_\_\_\_ Green \_\_\_\_\_ Garrison \_\_\_\_\_ Young \_\_\_\_\_  
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent



**Items for Discussion and Action  
Agenda Item: 4.9**

**Date:** June 24, 2024

**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, this is a standing item on all regular meeting agendas.

**Current Background and Justification:**

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

Generally , this is a standing item, which occurs on every regular meeting agenda.

**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 \_\_\_\_\_

Cline \_\_\_\_\_ Gifford \_\_\_\_\_ Green \_\_\_\_\_ Garrison \_\_\_\_\_ Young \_\_\_\_\_

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



## **Information Items Agenda Item: 5.1**

**Date:** June 24, 2024

**Subject:** District Reports

**Staff Contact:** Timothy R. Shaw, General Manager

### **DISTRICT ACTIVITY REPORTS**

1. Operations Report
2. Completed and Pending Items Report
3. Leak Repair Report
4. Conservation Report
5. Inflation Adjusted Capital Improvement Project Annual Funding Amounts
6. Minor Budget Revision
7. Email from SMUD Regarding LED Lighting Upgrades
8. Grand Jury Report for Florin County Water District

# RIO LINDA/ELVERTA C.W.D. 2024

## REPORT OF DISTRICT OPERATIONS

### SOURCE WATER DATA

55

#### Water Production (Million Gallons)

January	February	March	April	May	June	<b>Year To Date</b>
38.9	36.8	40.5	48.7	74.6		
38,888,906	36,769,694	40,533,124	48,656,766	74,593,086		<b>239.5</b>
July	August	Sept.	Oct.	Nov.	Dec.	

	<b>Monthly Total</b>					
Gallons = Multiply M.G. by: 1,000,000	74,593,086	Gallons	239,441,576			
Cubic Feet = Divide gallons by: 7.48	9,972,338	Cubic Feet	32,010,906			
Hundred Cu Ft. = Divide cu. ft. by: 100	99,723	Hundred Cubic Feet	320,109			
Acre Ft. = Divide gallons by: 325,829	228.93	Acre Ft.	735			

### DISTRIBUTION SYSTEM DATA

#### Water Quality Complaints

#### Complaints Total - (Low Psi Complaints)

January	February	March	April	May	June	<b>Year To Date</b>
2 - (2)	1 - (1)	2 - (2)	0	0		
July	August	Sept.	Oct.	Nov.	Dec.	<b>5</b>

#### New Services

New Construction	0		14
Existing Homes	0		0
Paid prior to increase. (2 not installed)	0		0
<b>Total of Service Connections to Date</b> ----->			<b>4685</b>

#### Distribution System Failures/Repairs

Deterioration May 1 thru 31	5		28
Damaged April May 1 thru 31	0		0

#### Bacteriological Sampling

Routine Bacteriological Samples (Distribution System)	16		88
Raw Water Bacteriological Samples (at Wells)	0		13

#### May 1, 2024 - May 31, 2024

**5 - Distribution leaks repaired by District staff, 0 - by Contractor or with Contractor assistance.**

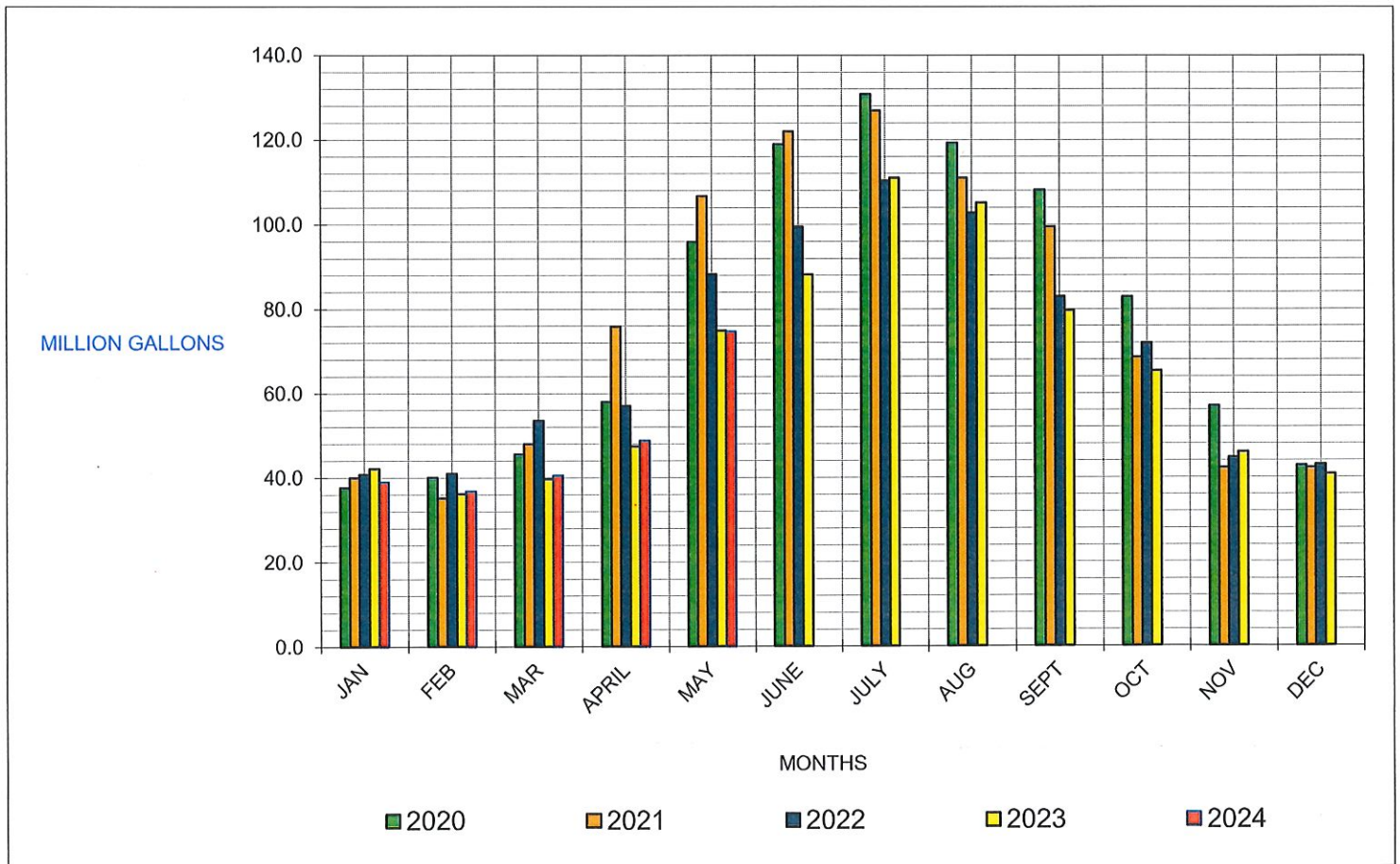
Work Orders Issued - 52	Work Orders Completed - 35	USA's Issued - 131
Change Out Meter - 10	Repair or Replace Box - 1	<b>WORK ORDERS ISSUED:</b> All work orders issued during the current 1 month reporting period. (May 2024)  <b>WORK ORDERS COMPLETED:</b> All work orders completed during the 1 month reporting period. (May 2024) Includes any work orders issued in prior reporting periods that were completed in the current reporting period.
Repair or Replace Box - 1	Change Out Meter - 2	
Disconnect Service - 1	Disconnect Service - 1	
Flooding In Neighborhood - 1	Flooding In Neighborhood - 1	
Flow Test - 1	Line Leak - 1	
Install New Innov8 Device - 1	Lock Service Off - 1	
Line Leak - 2	Other Work - 1	
Lock Service Off - 1	Possible Leak - 10	
Other Work - 1	Pressure Complaint - 1	
Possible Leak - 14	Pull Meter - 1	
Pull Meter - 1	Repair - 1	
Repair - 1	New Service Quote - 2	
New Service Quote - 1	Tag Property - 1	
Tag Property - 1	Turn Off Service - 9	
Turn Off Service - 11	Turn On Service -	
Turn On Service - 3		

## RIO LINDA/ELVERTA C.W.D.

### WATER PRODUCTION

2020 \ 2024

Month	Water Production in Million Gallons						SSWD Water Purchases				
	2020	2021	2022	2023	2024	Avg.	2020	2021	2022	2023	2024
JAN	37.6	39.9	40.7	42.0	38.9	39.8	0.0	0.0	0.0	0.0	0.0
FEB	40.0	35.2	40.9	36.1	36.8	37.8	0.0	0.0	0.0	0.0	0.0
MAR	45.5	47.9	53.5	39.6	40.5	45.4	0.0	0.0	0.0	0.0	0.0
APRIL	57.9	75.8	57.0	47.3	48.7	57.3	0.0	0.0	0.0	0.0	0.0
MAY	95.9	106.6	88.2	74.9	74.6	88.0	0.0	0.0	0.0	0.0	0.0
JUNE	118.9	121.9	99.4	88.1		107.1	0.0	0.0	0.0	0.0	
JULY	130.7	126.8	110.3	110.9		119.7	0.0	0.0	0.0	0.0	
AUG	119.2	110.9	102.7	105.1		109.5	0.0	0.0	0.0	0.0	
SEPT	108.1	99.4	82.9	79.6		92.5	0.0	0.0	0.0	0.0	
OCT	82.8	68.5	71.9	65.3		72.1	0.0	0.0	0.0	0.0	
NOV	56.9	42.2	44.6	45.9		47.4	0.0	0.0	0.0	0.0	
DEC	42.7	42.2	42.9	40.7		42.1	0.0	0.0	0.0	0.0	
<b>TOTAL</b>	<b>936.2</b>	<b>917.3</b>	<b>835.0</b>	<b>775.5</b>	<b>239.5</b>	<b>866.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>





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**PENDING AND COMPLETED ITEMS  
6-24-2024 BOARD OF DIRECTORS MEETING**

1. **Sampling all wells for hexavalent chromium** – The State Water Resources Control Board adopted the 10-Parts per Billion hexavalent chromium MCL on 4-17-2024. When the Legislative Analyst Office completes their quality control review (anticipated by June), the District will be required to have all wells analyzed for hexavalent chromium. However, we know that several wells will exceed the 10 Parts per Billion limit- **Pending**
2. **Submittal of a Compliance Plan to the State Water Resources Control Board** – When (not if) the wells samples show hexavalent chromium above 10-Parts per Billion, the District will be required to submit a Compliance Plan to the Division of Drinking Water within 90-days, estimated to be due around October / November 2024. -**Pending**
3. **Sampling for PFOAs** – With the design of the Well 15 hexavalent chromium treatment system underway, it was deemed necessary to analyze Well 15 for PFOAs due to the recent U.S. EPA adoption of a limit for PFOA's in drinking water, The samples and the new EPA reporting limits show that PFOA's are not a problem for Well 15, i.e. PFOAs will not impact the design of the hexavalent chromium treatment facilities. Over time, the District will need to analyze al of its wells for PFOAs. -**Pending**
4. **Cathodic protection system on the elevated water storage tank.** – Two Brothers Cathodic Services completed the replacement of the cathodic protection system on the elevated water storage tank on 6-17-2024.- **Completed**
5. **Submittal of the Water Use Efficiency Objective AND SB-606 and AB-1668 planning for compliance** – The District submitted its preliminary Water Use Efficiency Objectives report on December 30<sup>th</sup>. The report will need to be substantively expanded when the state finalizes the standards in July 2024. - **Pending**
6. **District outreach to customers following implementation of a new rate structure focused on consumption in compliance with SB 606 / AB 1668 requirements** – The Customer Service / Conservation Coordinator is back from leave and has resumed her practice of outreach to customers with indications of abnormal water consumption. The Neptune training this reporting period provided additional tools staff can use/modify to improve targeting customers. **Pending**
7. **Mandated Board Member Training** – One Board Member remains overdue for mandatory training, the Board adopted a policy revision to compel compliance. - **Pending**
8. **Cost of Service Reductions to Mitigate Inflation** –Staff continues to seek out inflation mitigation measures. The more recent focus on mitigation measures on costs for the network files server. The dialog with a cell phone services provided collapsed because the cell phone company representative stopped corresponding. A new cost reduction area is being explored via SMUD funding of more efficient lighting -**Pending**
9. **Replacing the District's file server** – The new file server has been installed at the District office. Data and applications migration from the old server to the new server has commenced. – **Pending**

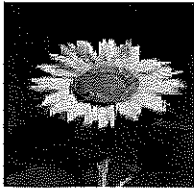
10. **Submittal of Water Loss Compliance Questionnaire** – The state has now adopted the Water Loss Standards and established a due date for submittals of 7-1-2024. Staff and the Contract District Engineer are coordinating the submittal. - **Pending**

### 2024 Leak - Repair Tracking

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Work Order #	Leak Type	Street	Date Reported	Date Repaired	Days	
1	24280	Service	26th Street	12/13/2023	1/29/2024	47
2	24289	Service	E Street	1/5/2024	1/5/2024	1
3	24294	Service	W E Street	1/9/2024	1/9/2024	1
4	24329	Service	Quadra Ave	1/29/2024	2/6/2024	8
5	24341	Service	I Street	2/9/2024	2/13/2024	4
6	24344	Service	Fallon Woods Way	2/20/2024	2/21/2024	1
7	24345	Main	Mateo Ct	2/20/2024	2/22/2024	2
8	24347	Service	Castle Creek Way	2/20/2024	2/28/2024	8
9	24351	Service	Sun Acer Way	2/22/2024	2/27/2024	5
10	24378	Service	Silver Crest Cir	2/20/2024	2/20/2024	1
11	24359	Service	W U Street	3/5/2024	3/5/2024	1
12	24362	Service	Hayer Cir	3/12/2024	3/13/2024	2
13	24374	Service	26th Street	3/19/2024	3/21/2024	3
14	24375	Service	C Street	3/19/2024	3/21/2024	3
15	24393	Service	Q Street	3/20/2024	3/25/2024	6
16	24407	Service	Alvide Ct	3/26/2024	3/26/2024	1
17	24418	Service	Silver Tree Ct	4/8/2024	4/8/2024	1
18	24423	Service	24th St	4/12/2024	4/30/2024	18
19	24424	Service	E St	4/10/2024	4/10/2024	1
20	24433	Service	9th Ave	4/17/2024	4/22/2024	5
21	24436	Service	W E Street	4/22/2024	4/23/2024	1
22	24438	Service	Rio Lina Blvd	4/1/2024	4/25/2024	25
23	24440	Service	Q Street	4/29/2024	4/30/2024	1
24	24411	Service	5th Street	4/8/2024	5/7/2024	29
25	24446	Service	Evcar Way	5/2/2024	5/3/2024	2
26	24449	Service	I street	5/2/2024	5/2/2024	1
27	24478	Service	Dry Creek Rd	5/21/2024	5/21/2024	1
28	24480	Service	26th Street	5/21/2024	5/21/2024	1
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## Conservation Report May 2024



<b>Supplies (kits):</b>	Shower heads(1) Kitchen Aerators(0) Bathroom Aerators(0) Shower Timer(0) Nozzle(0) Toilet Tabs(8) Moisture Meters(0) Water Bottles(0) Toilet Tummy(0) Retro-Fit Kits(0) Welcome Kits(0) Kids Kit(0)
<b>Water Waste (calls, emails, letter, leaks detected, and fixed):</b>	1 Water Waste Letter(s) 432 contacts about possible leaks using the AMI system - 6 were called, 0 was mailed, 426 was emailed, 0 tag was hung 86 were confirmed resolved
<b>Water Schedule:</b>	given to customers with all violation letters and new applications
<b>Surveys</b>	0
<b>Workshops, Webinar, Meetings:</b>	
<b>Fines:</b>	None
<b>Other Tasks:</b>	<ul style="list-style-type: none"> <li>● Assisted with new customers</li> <li>● Created/completed work orders</li> <li>● Disconnect properties with no service application</li> <li>● Notified and offered customers the ACH payment method</li> <li>● Closed accounts and final billed customers</li> <li>● Mailed out application requests to new owners</li> <li>● Scanned and uploaded documents into UMS</li> <li>● Verbal Demands</li> <li>● Created Report for High Usage Exceptions</li> <li>● Emailed Customers about declined autopayments</li> <li>● Billing for 5/20/2024</li> <li>● Emailed Higher than Normal Water Usage</li> </ul>
<b>Grant Updates:</b>	None

**3.2.2 Capital Improvements**

2021                      2022                      2023                      2024

RLECWD has a capital improvement project list, see Table 6. Project costs funded by the surcharges are omitted. The annualized cost in current dollars is about \$577,000 and is projected to increase by 3% per year. RLECWD analyzes its net revenues annually and transfers its excess fund balance to its capital improvement reserves. For FY2021, the District intends to transfer \$549,000 to its capital funds.

**Table 6: Capital Improvement Plan  
Rate Study / Cost of Service Study  
Rio Linda Elverta Community Water District**

Project Name	Project Budget Amount	Beginning Fund Balance	Accumulated Funding Balance	Years to Implementation Date (as of 7/1/2020)	Annualized Cost				
Miscellaneous Pump Replacements				Annually	\$40,000				
Service Replacements				Annually	\$30,000				
Small Meter Replacements				Annually	\$120,000				
Large Meter Replacements				Annually	\$5,000				
Annual Pipeline Replacement	\$211,200	\$0	\$211,200	Annually	\$211,200	\$211,200.00	\$217,536.00	\$224,062.08	\$230,783.94
Well 12A Design	\$500,000	\$167,561	\$189,724	15	\$22,163	\$500,000.00	\$515,000.00	\$530,450.00	\$546,363.50
Well 12A Construction	<u>\$3,750,000</u>	<u>\$1,228,777</u>	<u>\$1,377,084</u>	17	<u>\$148,307</u>				
<b>Total</b>	<b>\$4,461,200</b>	<b>\$1,396,338</b>	<b>\$1,778,008</b>		<b>\$576,670</b>	<b>\$3,750,000.00</b>	<b>\$3,862,500.00</b>	<b>\$3,978,375.00</b>	<b>\$4,097,726.25</b>

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**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT  
OPERATING BUDGET  
2023-2024  
Minor Budget Revision 2 June 24, 2024**

June 24, 2024

			2023-2024 BUDGET	2023-2024 BUDGET REVISION	DIFFERENCE	EXPLANATION
<b>REVENUE</b>						
	<b>40000 OPERATING REVENUE</b>					
	<b>40100 Water Service Rates</b>					
	40101	Basic Service Charge	1,160,731.00	1,160,731.00	0.00	
	40102	Usage Charge	1,832,569.00	1,832,569.00	0.00	
	40105	Backflow Charge	30,500.00	30,500.00	0.00	
	40106	Fire Prevention	24,300.00	24,300.00	0.00	
		<b>Total Water Service Rates</b>	<b>3,048,100.00</b>	<b>3,048,100.00</b>	<b>0.00</b>	
	<b>40200 Water Service Fees</b>					
	40201	Application Fees	6,500.00	6,500.00	0.00	
	40202	Delinquency	65,000.00	65,000.00	0.00	
	40209	Misc. Charges	7,000.00	7,000.00	0.00	
		<b>Total Water Services</b>	<b>78,500.00</b>	<b>78,500.00</b>	<b>0.00</b>	
	<b>40300 Other Water Service Fees</b>					
	40301	New Construction QC	4,000.00	4,000.00	0.00	
	40302	Service Connection Fees	10,000.00	10,000.00	0.00	
	40304	Other Operating Revenue	6,000.00	6,000.00	0.00	
	40305	Grant Revenue-Operating	0.00	0.00	0.00	
		<b>Total Other Water Service Fees</b>	<b>20,000.00</b>	<b>20,000.00</b>	<b>0.00</b>	
	<b>TOTAL OPERATING REVENUE</b>		<b>3,146,600.00</b>	<b>3,146,600.00</b>	<b>0.00</b>	
	<b>41000 NON-OPERATING REVENUES</b>					
	41110	Investment Revenue	35.00	35.00	0.00	
	41120	Property Taxes & Assessments	118,000.00	118,000.00	0.00	
	<b>TOTAL NON-OPERATING REVENUE</b>		<b>118,035.00</b>	<b>118,035.00</b>	<b>0.00</b>	
<b>TOTAL REVENUE</b>			<b>\$3,264,635.00</b>	<b>\$3,264,635.00</b>	<b>0.00</b>	

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT**  
**OPERATING BUDGET**  
**2023-2024**  
**Minor Budget Revision 2 June 24, 2024**

June 24, 2024

			2023-2024 BUDGET	2023-2024 BUDGET REVISION	DIFFERENCE	EXPLANATION
<b>OPERATING EXPENSE</b>						
<b>60010 PROFESSIONAL FEES</b>						
	60011	General Counsel fees-Legal	\$30,000.00	\$22,737.00	(\$7,263.00)	Decreased to offset 60213, 60214, 60230, 60431, 60432, 60565
	60012	Auditor Fees	21,300.00	21,300.00	0.00	
	60013	Engineering Services	115,000.00	115,000.00	0.00	
	60015	Other Professional Fees	0.00	0.00	0.00	
	<b>TOTAL PROFESSIONAL FEES</b>		<b>166,300.00</b>	<b>159,037.00</b>	<b>(7,263.00)</b>	
<b>60100 PERSONNEL SERVICES</b>						
	60110	<b>Salaries &amp; Wages</b>				
	60111	Salary - General Manager	125,278.00	125,278.00	0.00	
	60112	Staff Regular Wages	676,585.00	676,585.00	0.00	
	60113	Contract Extra Help	0.00	0.00	0.00	
	60114	Staff Standby Pay	18,250.00	18,250.00	0.00	
	60115	Staff Overtime Pay	11,000.00	11,000.00	0.00	
	<b>Total Salaries &amp; Wages</b>		<b>831,113.00</b>	<b>831,113.00</b>	<b>0.00</b>	
	60150	<b>Employee Benefits and Expenses</b>				
	60151	PEFS Retirement	126,177.00	126,177.00	0.00	
	60152	Workers Compensation	8,293.00	8,293.00	0.00	
	60153	Medical & Benefit Insurance	227,568.00	227,568.00	0.00	
	60154	Retirees Insurance	36,200.00	36,200.00	0.00	
	60155	Staff Training	5,000.00	4,050.00	(950.00)	Decreased to offset 60157, 60159
	60157	Uniforms	6,750.00	7,500.00	750.00	Increase to adjust for projected costs
	60158	Payroll Taxes	66,230.00	66,230.00	0.00	
	60159	Payroll Services	1,400.00	1,600.00	200.00	Increased to adjust for projected costs
	60160	457 Employer Contribution	19,100.00	19,100.00	0.00	
	<b>Total Employee Benefits and Expenses</b>		<b>496,718.00</b>	<b>496,718.00</b>	<b>0.00</b>	
	<b>TOTAL PERSONNEL SERVICES</b>		<b>\$1,327,831.00</b>	<b>\$1,327,831.00</b>	<b>\$0.00</b>	

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT  
OPERATING BUDGET  
2023-2024  
Minor Budget Revision 2 June 24, 2024**

June 24, 2024

			2023-2024 BUDGET	2023-2024 BUDGET REVISION	DIFFERENCE	EXPLANATION
<b>60200 ADMINISTRATION</b>						
	60205	Bank and Merchant Fees	\$1,850.00	\$1,850.00	\$0.00	
	60207	Board Member/Meeting Expense	13,900.00	13,900.00	0.00	
	60210	<b>Building Expenses</b>				
	60211	Office Utilities	7,261.00	7,261.00	0.00	
	60212	Janitorial	2,340.00	2,340.00	0.00	
	60213	Maintenance	2,500.00	4,000.00	1,500.00	Increase to adjust for projected costs
	60214	Security	336.00	400.00	64.00	Increase to adjust for projected costs
		<b>Total Building Expenses</b>	<b>12,437.00</b>	<b>14,001.00</b>	<b>1,564.00</b>	
	60220	<b>Computer &amp; Equipment Maint.</b>				
	60221	Computer Systems	32,000.00	32,000.00	0.00	
	60222	Office Equipment	875.00	875.00	0.00	
		<b>Total Computer &amp; Equipment Maint.</b>	<b>32,875.00</b>	<b>32,875.00</b>	<b>0.00</b>	
	60230	Office Expense	4,725.00	7,500.00	2,775.00	Increase to adjust for projected costs
	60240	Postage and Delivery	21,000.00	21,000.00	0.00	
	60250	Printing	8,500.00	8,500.00	0.00	
	60255	Meetings & Conferences	100.00	100.00	0.00	
	60260	Publishing	1,500.00	1,500.00	0.00	
	60270	Telephone & Internet	4,250.00	4,250.00	0.00	
	60430	<b>Insurance</b>				
	60431	General Liability	31,403.00	31,903.00	500.00	Increased to adjust for projected costs
	60432	Property	14,391.00	14,702.00	311.00	Increased to adjust for projected costs
		<b>Total Insurance</b>	<b>45,794.00</b>	<b>46,605.00</b>	<b>811.00</b>	
	60500	<b>Water Memberships</b>				
	60503	SGA	30,926.00	30,926.00	0.00	
	60504	ACWA	11,697.00	11,697.00	0.00	
	60507	CRWA	1,507.00	1,507.00	0.00	
		<b>Total Water Memberships</b>	<b>44,130.00</b>	<b>44,130.00</b>	<b>0.00</b>	
	60550	Permits & Fees	55,000.00	55,000.00	0.00	
	60555	Subscriptions & Licensing	2,120.00	2,120.00	0.00	
	60560	Elections	0.00	0.00	0.00	
	60565	Uncollectable Accounts	3,000.00	5,113.00	2,113.00	Increased to adjust for actual costs per board authorization 5-20-24
	60570	Other Operating Expenditures	500.00	500.00	0.00	
		<b>TOTAL ADMINISTRATION</b>	<b>\$251,681.00</b>	<b>\$258,944.00</b>	<b>\$7,263.00</b>	

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**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT  
OPERATING BUDGET  
2023-2024  
Minor Budget Revision 2 June 24, 2024**

June 24, 2024

			2023-2024 BUDGET	2023-2024 BUDGET REVISION	DIFFERENCE	EXPLANATION
<b>64000 CONSERVATION</b>						
	64001	Community Outreach	500.00	500.00	0.00	
	64005	Other Conservation Programs	0.00	0.00	0.00	
	<b>TOTAL CONSERVATION</b>		500.00	500.00	0.00	
<b>65000 FIELD OPERATIONS</b>						
	<b>65100 Other Field Operations</b>					
	65110	Backflow Testing	\$3,000.00	\$3,000.00	\$0.00	
	65120	Construction Equipment Maintenance	9,000.00	10,000.00	1,000.00	Increase to adjust for projected costs
	65130	Field Communication	3,400.00	3,400.00	0.00	
	65140	Field IT	35,000.00	35,000.00	0.00	
	65150	Laboratory Services	24,000.00	24,000.00	0.00	
	65160	Safety Equipment	6,000.00	6,000.00	0.00	
	65170	Shop Supplies	7,000.00	8,000.00	1,000.00	Increase to adjust for projected costs
		<b>Total Other Field Operations</b>	87,400.00	89,400.00	2,000.00	
	65200	Treatment	35,000.00	35,000.00	0.00	
	<b>65300 Pumping</b>					
	65310	Maintenance	25,000.00	25,000.00	0.00	
	65320	Electricity and Fuel	260,000.00	260,000.00	0.00	
		<b>Total Pumping</b>	285,000.00	285,000.00	0.00	
	<b>65400 Transmission &amp; Distribution</b>					
	65410	Distribution Supplies	50,000.00	50,000.00	0.00	
	65430	Tank Maintenance	6,500.00	6,500.00	0.00	
	65440	Contract Repairs	70,000.00	70,000.00	0.00	
	65450	Valve Replacements	15,000.00	15,000.00	0.00	
	65460	Paving Repairs	30,000.00	28,000.00	(2,000.00)	Decreased to offset 65120 and 65170
		<b>Total Transmission &amp; Distribution</b>	171,500.00	169,500.00	(2,000.00)	
	<b>65500 Transportation</b>					
	65510	Fuel	18,000.00	18,000.00	0.00	
	65520	Maintenance	5,000.00	5,000.00	0.00	
		<b>Total Transportation</b>	23,000.00	23,000.00	0.00	
	<b>TOTAL FIELD OPERATIONS</b>		\$601,900.00	\$601,900.00	\$0.00	

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT  
OPERATING BUDGET  
2023-2024  
Minor Budget Revision 2 June 24, 2024**

June 24, 2024

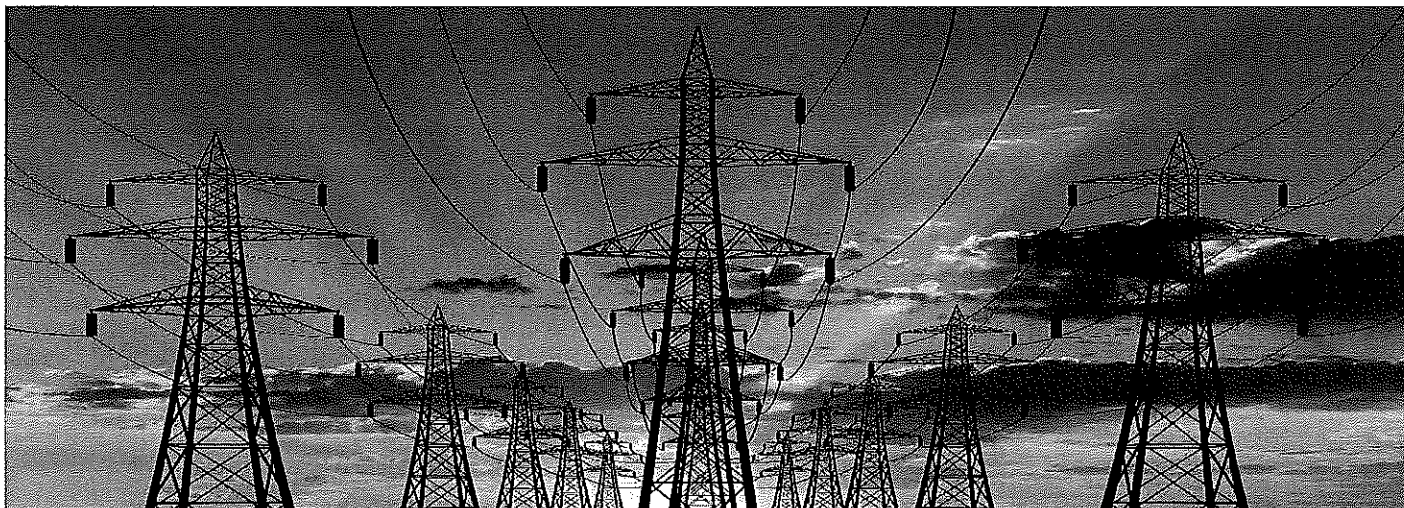
			2023-2024 BUDGET	2023-2024 BUDGET REVISION	DIFFERENCE	EXPLANATION
<b>TOTAL OPERATING EXPENSES</b>			\$2,348,212.00	\$2,348,212.00	\$0.00	
<b>NON OPERATING EXPENSES</b>						
	<b>69010 Debt Service</b>					
	69100	<b>Revenue Bond 2015: Term 11/1/2031</b>				
	69105	Revenue Bond 2015-Principle	156,908.00	156,908.00	0.00	
	69120	Interest	44,087.00	44,087.00	0.00	
		<b>Total Revenue Bond 2015</b>	<b>200,995.00</b>	<b>200,995.00</b>	<b>0.00</b>	
	69125	<b>AMI Meter Loan: Term 7/23/2025</b>				
	69130	Principle	139,741.00	139,741.00	0.00	
	69135	Interest	3,972.00	3,972.00	0.00	
		<b>Total AMI Meter Loan</b>	<b>143,713.00</b>	<b>143,713.00</b>	<b>0.00</b>	
	69200	<b>PERS ADP Loan: Term 6/1/2036</b>				
	69205	Principle	30,000.00	30,000.00	0.00	
	69210	Interest	1,628.00	1,628.00	0.00	
		<b>Total PERS ADP Loan</b>	<b>31,628.00</b>	<b>31,628.00</b>	<b>0.00</b>	
		<b>69400 Other Non Operating Expense</b>	<b>2,300.00</b>	<b>2,300.00</b>	<b>0.00</b>	
<b>TOTAL NON OPERATING EXPENSES</b>			<b>\$378,636.00</b>	<b>\$378,636.00</b>	<b>0.00</b>	
<b>TOTAL EXPENSE</b>			<b>\$2,726,848.00</b>	<b>\$2,726,848.00</b>	<b>\$0.00</b>	
<b>NET REVENUE (Revenue-Expense)</b>			<b>\$537,787.00</b>	<b>\$537,787.00</b>	<b>\$0.00</b>	

63

Tim Shaw

64

**From:** Katie Worth <Katie.Worth@smud.org>  
**Sent:** Friday, May 17, 2024 1:54 PM  
**To:** Tim Shaw  
**Subject:** SMUD News



Strategic Account Advisor Newsletter- Katie Worth

May 17<sup>th</sup>, 2024

Greetings Tim,

Hope you are doing well. We are all approaching the summer months and the middle of the year. I wanted to reach out to give you some utility updates and reminders about some of our programs and services so that you can make informed decisions for the remainder of the year. See below for the latest updates.

## Projects

There are a lot of projects that are in the pipeline in Sacramento territory, and I want to best support you during those projects. If you are thinking of doing upgrades, repairs, or expanding, please reach out and let me help you with your planning process. Below are best practices:

- The best way to help support you is if you involve SMUD in the process as **early** as possible. We can help provide timing, guidance, and support on how to best approach project. (Sometimes incentives too!)
- We are having global supply chain issues, we are trying to mitigate those challenges the best we can, but there may be longer lead times.
- When submitting a project make sure to have your site plan, one line diagram and \$5,000 Deposit.
- Submit your project on the [SMUD Project Application Web Portal](#).



## Programs

### Lighting

Changing out old lighting to more efficient lighting, is a low hanging fruit that provides an easy low-cost way to save energy and money. Are you thinking of updating old, outdated lighting? This year is the year to do it, the incentive programs are affected by State Assembly Bill 2208 that prohibits the manufacture and sale of fluorescent lamps in California. Applications received in 2025 for any fluorescent lighting replacement with LED lighting will no longer be eligible for incentives. If you would like to change out old lighting your application for interest in lighting needs to be submitted before the end of the year. The install can happen next year, but we need to reserve the funds for this final year of lighting rebates. Please contact me, or submit an application [HERE](#).

### Power Direct

[Power Direct](#) is an Automated Demand Response Program that can help your business control its energy use by integrating automated response capabilities into your energy management, lighting, and HVAC systems. Once the technology is installed, the systems automatically will scale back energy use when demand for energy is highest. This goes into effect only during peak hours on Conservation Days, from June 1 through September 30. Plus, you can choose how your facility will respond when a Conservation Day is called. When you reduce your energy consumption for at least two consecutive hours during peak hours, you'll receive an incentive of \$10.00/kW with a one-year commitment. If you want to learn more, please connect with me.

### Rotating Outage Map

Due to a power emergency, we would have to implement rotating outages. We do not anticipate that happening this summer or during anytime, but we want you to be prepared. We will update our rotating outage page [HERE](#) to show who is impacted. Rotating outages help protect the stability of our power grid and lower the risk of widespread outages.

Each outage lasts approximately 1 hour, then rotates to another section(s). More than one section may experience an outage at the same time.

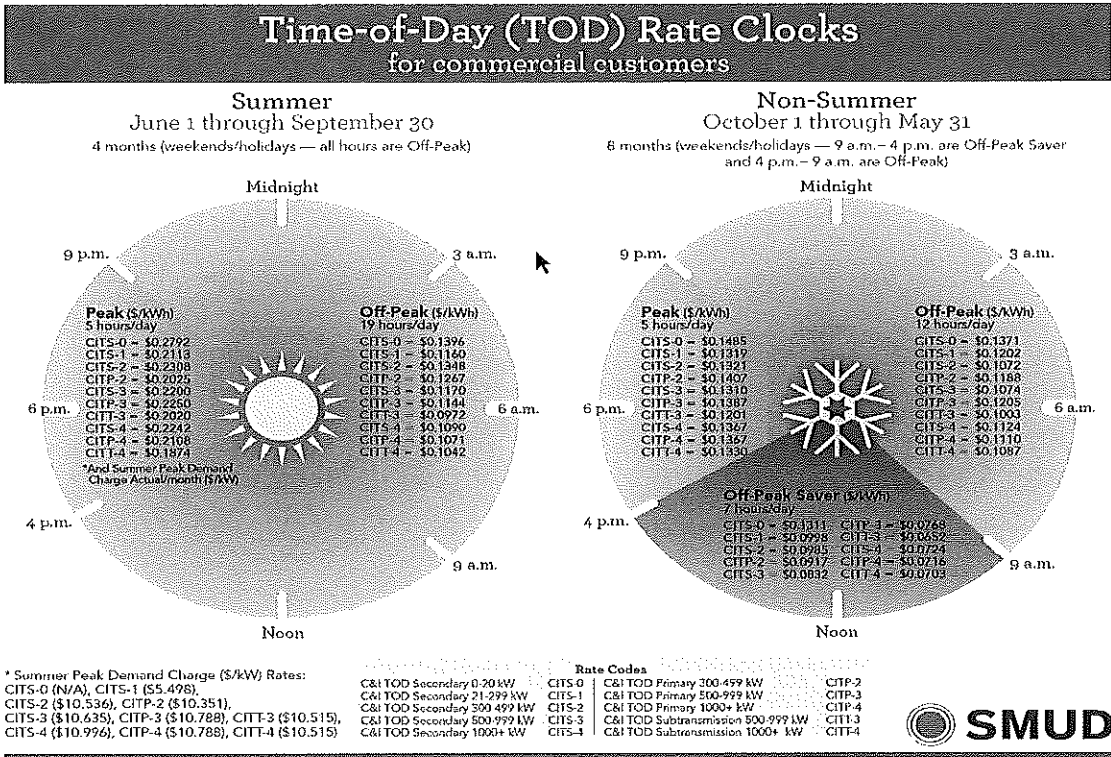
### Time of Day Summer Rates

As of June 1<sup>st</sup>, we move into summer our summer rates. Summer rates are from June 1<sup>st</sup> to September 30<sup>th</sup>. Weekends and holidays are always off-peak rates. See time clocks below to find your rate.

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# Time-of-Day (TOD) Rate Clocks for commercial customers

# 65



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As always if you have any questions or concerns, I am here to support you. Please do not hesitate to call, email or text. Have a wonderful rest of the week.

Kind Regards,  
**Katie Worth** *Safe Zone Advocate*  
 Strategic Account Advisor, Customer Experience Delivery  
 w.916-732-4914 | c. 916-208-5644 | [Katie.Worth@SMUD.org](mailto:Katie.Worth@SMUD.org)

We're committed to 100% zero carbon by 2030 | Join the charge at [CleanPowerCity.org](http://CleanPowerCity.org)

**SMUD** | Powering forward. Together.  
 6301 S Street, Mail Stop A128, Sacramento, CA 95817  
 P.O. Box 15830, Sacramento, CA 95852-0830

Upcoming out of office:  
 Friday May 24<sup>th</sup>, 2024  
 Friday June 7<sup>th</sup>, 2024  
 Friday June 21<sup>st</sup>, 2024

## **Infighting and Turmoil Drown Florin County Water District**



### **SUMMARY**

On the surface, things appear to be running fine at the Florin County Water District (FCWD). The water tastes good, the monthly charges are reasonable, and there is plenty of water to meet the demands of the District's customers. However, a closer look reveals there is much more to the Florin County Water District than just the infrastructure that delivers the water to its customers.

FCWD is a small independent water district located in Sacramento County. The former General Manager (GM) dominated the District for 25 years. The Board of Directors not only leaned on the former GM to run the daily operations of the District, but they deferred to him in most management decisions. The Board's actions were little more than a rubber stamp for all of the former GM's decisions. Acting more like a social club, they were all trusting friends and neighbors. The Board's over-reliance on the former GM led to ineffective, almost non-existent, oversight.

The Board should have recognized it was their failure to exercise effective oversight which led to a series of mistakes. No financial audit took place for four consecutive years (Fiscal Years ending 2018, 2019, 2020, and 2021). When a four-year audit was finally completed in 2022, it revealed the former GM took significant financial actions without specific board approval.

The Grand Jury received two complaints concerning the management of FCWD. Those complaints led the Grand Jury to investigate the reported financial misdeeds uncovered by the audit, and found severe, almost paralyzing, dysfunction on the Board.

Distrust within the Board and with management results in chaotic board meetings. Board members bicker for hours and fail to make decisions on agenda items. The District is not planning for its long-term challenges, such as the state-mandated installation of water meters and anticipated replacement of aging infrastructure. With expenses growing while revenues remain flat, the District plans to tap its reserves, risking the financial viability of the District.

Also, by not engaging with regional water organizations, the tiny district ignores the larger discussion of groundwater viability along with the opportunities that membership can provide for training, cooperation, and grant funding.

Information about FCWD is difficult for ratepayers to access. Compared to other Sacramento County water agencies, FCWD's website is rudimentary and lacks full transparency.

The residents of FCWD deserve better.

## **BACKGROUND**

Established on October 19, 1959, the Florin County Water District (FCWD) operates as an independent special district governed by an elected board under the California Water Code.

FCWD encompasses an area of 2.5 square miles, including Old Florin Town, which is part of the unincorporated area of Sacramento County. Generally bounded by Florin Road on the north, Gerber Road on the south, Power Inn Road on the west and Gardner Avenue on the east (*See map in Appendix A*). This area has a population of 7,831 with 3,911 registered voters. FCWD operates 10 ground wells, tapping into the region's aquifer as the source.

FCWD is surrounded by other water providers, including the two largest in Sacramento County. To the east is the Sacramento County Water Agency, with over 200,000 customers. On the north and west is the City of Sacramento, serving 130,000 customers. Both providers obtain water through a combination of surface water from the Sacramento and American rivers and groundwater.

FCWD exists to provide customers an accessible and adequate water supply that complies with the federal Safe Drinking Water Act. One of the smallest water districts in the county, FCWD serves residential and commercial customers in suburban and rural areas. FCWD has 2,405 water connections, 37 of which are commercial or industrial and four are agricultural. The balance of their customer base is residential.

FCWD requires all new services to be metered in order to begin the implementation of conservation measures. Meters provide accountability for water use and discovery of water loss due to leakage. California state law requires all water connections be metered by 2032 and charged at a meter rate to reflect usage. Currently less than 2-percent of FCWD residential services are metered.

### Water Regulations

All California water districts must meet various federal, state, and county standards and regulations to ensure the sustainable management and distribution of water resources. These include:

#### Water Quality Standards

- Water Conservation Mandates
- Groundwater Management
- Water Supply Reliability
- Environmental Regulations
- Water Rights Compliance
- Emergency Preparedness



Meeting these standards and requirements is increasingly complex. Operations require collaboration among water agencies, government entities, stakeholders, and the public to develop effective water management strategies and policies to balance competing interests and ensure the long-term sustainability of California's water resources.

### FCWD Governance and Management

The District is governed by a five-person Board, elected at-large from registered voters within its boundaries. As set forth in the California Water Code, the FCWD Board of Directors has the responsibility and authority to:

- Adopt and enforce the District's policies and procedures.
- Maintain the financial viability of the District, including the performance of periodic audits.
- Acquire or sell the District's real property, construct and operate facilities, purchase equipment, and enter contracts.
- Adopt and oversee annual District budgets and finances, set water rates and charges, and approve the purchase of resources needed by management to carry out District policies; and
- Appoint and conduct annual performance evaluations of the General Manager and General Counsel and approve compensation for all District employees.

The General Manager position is charged with carrying out responsibilities of the District's day-to-day operations. Currently, the District is supported by a staff of 10. An additional eight positions were budgeted and remain vacant.

### Local Agency Formation Commission

The Sacramento County Local Area Agency Formation Commission (LAFCo) is the only governmental agency with review authority over independent special districts. Among LAFCo's responsibilities is the performance of periodic Municipal Service Reviews (MSRs) that analyze the capacity of local agencies to provide services, assess infrastructure needs, and identify opportunities for service efficiencies.

### Grand Jury Complaints

Ratepayers first attempted to bring their concerns about public misuse of funds to law enforcement for investigation. They found the path unclear for reporting possible local government malfeasance.

The Sacramento County Grand Jury received two complaints about board dysfunction and possible financial malfeasance at FCWD. After a review of these complaints and additional research, the Sacramento County Grand Jury determined an investigation was warranted focusing on the FCWD Board, management, staff, and operations.

## **METHODOLOGY**

The Grand Jury investigation began with two complaints and obtained more in-depth information through the following:

1. Interviews of 20 individuals, representing various aspects of our investigation:
  - Current and former employees and contract professionals of FCWD
  - Current and former members of the FCWD Board of Directors
  - Employees of organizations associated with regulating or providing water
  - FCWD Ratepayers / Concerned voters
  - Sacramento County employees
  
2. Review of FCWD website and materials provided directly from the District:
  - Annual Budgets for Fiscal Years 2023 and 2024
  - Audited Financial Statements covering Fiscal Years 2016 through 2021
  - Board of Directors meeting agendas and minutes from 2016 to March 2024
  - Website link: <https://florincountywd.org/>
  
3. Websites to provide information about water regulation, special districts, and water agencies and associations (*See Appendix B*)
  
4. Websites associated with investigating or reporting suspected fraudulent activity (*See Appendix B*)

## DISCUSSION

For many years FCWD has drawn little attention or interest from its residential ratepayers who pay a low flat rate and are not subject to meters that monitor their water usage.

### Manager Dominates the District

For approximately 25 years, the former GM dominated FCWD's operations and governance. The Board displayed confidence in his management, took his direction, and rarely questioned his recommendations. Essentially, the Board relinquished its oversight responsibilities to the former GM.

Under the former GM, FCWD handled all construction projects and routine maintenance in-house and no professional engineer was on staff or on contract. The former GM never built a long-term capital plan, but identified only short-term capital projects in the District's annual budget. Those practices continue today.

In addition, the District lacked inventory controls for equipment and materials, which remains applicable today. For example, FCWD's headquarters at 7090 McComber Street in the unincorporated area of Sacramento County has limited space for its corporation yard. As a result, some equipment has been stored at private locations where security varies. This haphazard practice places FCWD at risk of damage, theft, and exposure to liability.

The former GM hired his daughter as the Office Manager, as well as her husband whom he ultimately promoted to Superintendent. The 2022 audit and a 2023 complaint to the Grand Jury raised the issue of nepotism related to separation of duties. To date, the Board has taken no action to address nepotism or employees directly supervising close family members.

### Board Abdicates Leadership to the General Manager

During the former GM's tenure, the Board's membership was stable and subject to limited turnover. These Board members seldom faced contested elections. When Board vacancies occurred without elections, replacements were filled through appointment, with family members sometimes selected to succeed the departing Board members.

In interviews with the Grand Jury, Board members stated they never received any formal orientation or training from the District about their duties. Board meetings rarely attracted members of the general public and FCWD's contracted legal counsel usually did not attend those sessions. The former GM instead would consult with counsel only on occasion. The former GM prepared board meeting agendas and solely chose what information the Board needed to know.

### Rate Lawsuit

Upon the former GM's recommendation in 2016, the Board adopted a three-year stepped rate increase that resulted in a 200-percent increase overall. Before it took effect in 2017, two ratepayers challenged the rate increase in court. While the matter was litigated, FCWD continued to charge the increased rates. In 2021, the Court of Appeals ruled against FCWD, finding the District failed to follow the state law requirements regarding how to raise rates. The Court ordered the two ratepayers who brought the suit to receive refunds. The District was under no legal obligation and chose not to provide refunds to any other ratepayers.

FCWD rolled back its fees to historical levels for all ratepayers during the 2021-22 Fiscal Year. By choosing not to issue refunds to all ratepayers, this windfall allowed FCWD to build up a reserve of \$6 million.

### The Audit Exposure

The Board did not initiate audits for four consecutive fiscal years ending in June, from 2018 through 2021. One reason cited for the missing audits was the COVID pandemic; however, this was not a barrier for many other public agencies. In the summer of 2022, the District's long-time Certified Public Accountant (CPA) firm began the audit that covered the overdue four years. In December 2022, the audit was completed and released to the Board with a number of significant findings. The audit highlighted that the former GM in 2018 had given himself, along with two family members (Office Manager/daughter and District Superintendent/son-in-law), raises of two and half times the amount the Board approved.

The audit noted FCWD is at risk of financial mismanagement due to the lack of separation of financial duties, as well as the familial relationship between the former and current General Managers and the Office Manager. The audit further disclosed the District did not have a written financial and accounting policy manual nor a current investment policy and conflict of interest policy.

During the investigation, the Grand Jury learned the long-time CPA firm dropped FCWD as a client after the completion of the audit.

### New General Manager

In early 2022, the Board began planning for the former GM's retirement by placing a job posting for a successor. The Board decided to interview the only two candidates who applied for the interim GM position. One candidate removed himself from consideration, and the other candidate was the District Superintendent, the former GM's son-in-law.

That same year, confidence in the former GM began to erode because Board members challenged his representation of the status of FCWD's wells. At a meeting, a Board member presented documentation that some wells were not operational.



After that meeting, the former GM abruptly retired.

Following the former GM's sudden retirement, the Board appointed the District Superintendent as the interim GM, although his experience did not include the executive skills detailed in the job description requirements. Additionally, the Board did not enter into an employment contract with him, and that status has not changed.

### Board Turnover

Board composition shifted following the former GM's resignation.

Three of the five board seats opened up in 2022. No incumbent filed for election. Two individuals who did file faced no opposition and were automatically elected. The Board filled the remaining third seat by appointing one of the incumbents who missed the 2022 filing date for re-election.

When another veteran board member resigned later in 2023, the Board could not reach a consensus on a replacement. It fell to the County Board of Supervisors to make the appointment.

### Board Chaos Follows

Starting in January 2023, the presence of FCWD legal counsel became routine at board meetings unlike during the former GM's tenure. Continuous concern about the wells and the audit findings led to Board friction. Members of the public began attending Board meetings more frequently, usually averaging 4-10 attendees.

Bickering among the Board and with FCWD staff began following the former GM's departure and continues today ultimately leading to inaction. In multiple interviews, the Grand Jury heard descriptions of chaotic meetings and name-calling between the Board members. The Board does not follow overly long agendas and rarely takes action. Items re-appear month after month.

The Board has not approved or publicly posted meeting minutes dating back to 2023, which is inconsistent with transparency. No action has been taken with respect to the audit findings. The District's annual budget has not been adopted in a timely manner. And no audit has commenced for Fiscal Years 2021-22 or 2022-23.

The Board is also split about whether the adoption of a budget is sufficient approval to cover all salary increases. Despite the auditor's finding that the Board had not approved salary increases for the former GM and his two family members, the issue continues to create dissension among the board members.

No action plan has been agreed upon by the Board to address the state law mandating water meter installation by 2032.

Without the former GM's dominance, the Board spun out of control. They began a search for governing documents and found none existed. Examples of these missing

documents are by-laws, procedural manuals, adopted policies and/or procedures. Individual board members have attempted to draft such documents on their own. The Board has failed to adopt easily accessible best-practice templates from special district or local government associations. The Board has made some progress in developing these documents; however, the situation continues to paralyze the board from acting on issues such as performance appraisals, contract bidding, etc.

#### More Public Review and Transparency

FCWD has been operating without much public accountability. For instance, Sacramento LAFCo has never performed an MSR on FCWD. A review by LAFCo would provide an independent assessment of the District's governance structure and its ability to provide efficient and effective service to its customers.

The growing interest by the rate-paying public, evidenced by increased attendance at FCWD Board meetings, demands greater transparency of District operations and better access to information. FCWD customers do not have an adequate source of information about water operations and governance because the District's website is rudimentary and the only contact is the monthly bill sent to the customer of record.

Because the terms of the Board members have fluctuated over the years due to various appointments, the public cannot easily ascertain who has served as a director and their terms of office. FCWD can learn from many special district websites, such as Del Paso Manor Water District. These websites include a concise agency history, a list of elected officials along with their emails, and easy access to financial information.

#### Looming Fiscal Deficit

Financially, FCWD generated significant cash flow with the rate increase that began July 2017. However, once that increase was rolled back pursuant to the court order, this trend reversed which resulted in an operating deficit. FCWD's budget uses a portion of the District's reserves to plug the leak instead of planning for a properly adopted rate increase. The District faces additional costs over the coming years due to water meter requirements, aging infrastructure replacement, increasing repairs, and technology upgrades. As a result, the District will rapidly deplete its \$6 million reserve.

With flat revenue and growing major expenses, FCWD's financial viability is threatened. The physical limits of the District and little land available for development indicate stagnant customer growth and a lack of new revenue potential. Without a five-year capital improvement plan, FCWD cannot accurately prepare for future expenses. The Board did not require a capital improvement plan from the former GM and fails to demand one from the interim GM. FCWD cannot pursue a rate increase as a possible solution without first completing a capital improvement plan to justify the need.

### The Future of Water Management is Increasingly Complex

The complexities of modern water district operations involve more than pumps and pipes. FCWD operates in isolation. Board members and staff refer to the regional aquifer, the source for the District's wells, as "their" water. That insular outlook fails to recognize all local water providers are dependent on the shared aquifer serving this region. Yet, FCWD management does not engage with any of the regional associations. For example, FCWD is absent from discussions being held by the Sacramento Central Groundwater Authority or the Regional Water Authority regarding local groundwater management projects. These two organizations ensure water viability for all applications within the region.

In addition to coordination with regional water management, FCWD management needs to be prepared to deal with finance, human resources, and the effects of climate change. Past training has focused on the technical aspects of pumps and pipes offered through trade associations like the California Rural Water Association. Management has not sufficiently developed executive skills for how FCWD will address future challenges.

### Conclusion

The Board and management of FCWD face immense challenges of governance, operations, and long-term planning. Customers and ratepayers are generally unaware of the District's dysfunction and its problems. While the water continues to flow for now, FCWD is not prepared for the future.

## **FINDINGS**

- F1 Members of the FCWD Board of Directors have limited understanding of their duties and bicker among themselves as well as with staff, resulting in mismanagement and little planning for the future. (R1, R2, R3)
- F2 FCWD management lacks professional executive experience in finance, water management, human resources, and climate change, so they are unprepared for the complexities of modern water district operations. (R4, R5, R6, R7)
- F3 FCWD Board of Directors, management, and legal counsel downplay the appearance of impropriety posed by employees directly supervising close family members, which raises questions about the integrity of the District. (R8)
- F4 The FCWD Board of Directors fails to address the problems and financial risks identified in the delayed four-year fiscal audit dated October 27, 2022, so the District remains financially vulnerable. (R9)
- F5 Because the FCWD Board of Directors fails to initiate annual audits as required by law, FCWD is unable to ensure public money is accounted for and controls are in place to protect against misappropriation and misuse. (R10)

- F6 The FCWD Board of Directors' disagreement about the salary increase given by the former General Manager only to himself, the Office Manager, and Superintendent (all close family members) contributes to Board conflict and paralysis. (R11)
- F7 FCWD does not provide an adequate source of information about water operations and governance because its website is rudimentary and the only regular contact with ratepayers is the monthly bill, resulting in an uninformed customer base. (R12, R13)
- F8 Flat revenue and growing major expenses, including water meter installation and aging infrastructure replacement, threaten FCWD's financial viability. (R14)
- F9 Without a LAFCo review, FCWD has not benefited from an outside evaluation that would address governance, service capacity, infrastructure, and efficiencies. (R15)

## **RECOMMENDATIONS**

- R1 FCWD Board members should adopt and ensure staff adhere to Policies and Procedures (e.g., operations, accounting, and human resources) based on the best-practice templates provided by FCWD legal counsel or those available from special district or local government associations, no later than December 31, 2024. (F1)
- R2 FCWD management should establish a checklist by November 30, 2024, of all state-mandated training and forms required to be completed by Board members and staff, and document the completion dates. (F1)
- R3 FCWD management should maintain a list of terms of office for all current members of the FCWD Board of Directors, including start and end of terms of office for each Board Member, no later than October 31, 2024. (F1)
- R4 FCWD Board members and management should take advantage of membership in the California Special Districts Association and attend relevant training sessions by March 31, 2025. (F1, F2)
- R5 FCWD Board should adopt an employment contract for the general manager position that requires, but is not limited to: demonstrated ability in financial management and budgeting, personnel management, groundwater conservation, and water treatment operations, and the performance assessment of the Interim General Manager by October 31, 2024. (F2)
- R6 FCWD management should engage with the Sacramento Central Groundwater Authority and the Regional Water Authority regarding local groundwater management projects no later than October 31, 2024. (F2)

- R7 FCWD's operating policies and procedures, including provisions to require construction plans be reviewed by a professional civil engineer, should be adopted by the Board by December 31, 2024. (F2)
- R8 FCWD Board should establish human resource policies that address nepotism and lack of separation of duties between family members no later than December 31, 2024. (F3)
- R9 FCWD Board should review the four-year audit and management report presented in October 2022 and establish an action plan to address problems no later than December 31, 2024. (F4)
- R10 FCWD Board should ensure that audits for Fiscal Years 2021/2022 and 2022/2023, are completed no later than December 31, 2024, and arrange that future annual audits are completed within 6 months of the end of each fiscal year. (F5)
- R11 FCWD Board should require budgets include a schedule that lists by job title all actual and budgeted positions and salaries starting with Fiscal Year 2025/2026. (F6)
- R12 FCWD management should add key documents to the FCWD website by the dates below. (F7)
- Adopted policies and procedures, by December 31, 2024. (see R1)
  - Terms of office for current members of the FCWD Board of Directors, including start and end of terms of office for each Board Member, by October 31, 2024. (see R3)
  - The action plan developed to address the deficiencies identified in the four-year audit and management report presented in October 2022, by December 31, 2024. (see R9)
  - Audited Financial Statements with accompanying Management Reports, within two months of delivery to the Board. (see R10)
- R13 FCWD management should update and maintain the FCWD website for ease of use by all, no later than March 31, 2025. (F7)
- R14 FCWD Board should study the need to implement a rate increase, with the first step being the creation of a five-year capital improvement plan, no later than November 30, 2024. (F8)
- R15 A Municipal Service Review should be performed by LAFCo to study and analyze information about the District's governance structure, service capacity, infrastructure, and efficiencies, by March 31, 2025. The Grand Jury also recommends that FCWD fully cooperate with LAFCo. (F9)

## REQUIRED RESPONSES

Pursuant to Penal Code sections 933 and 933.05, the grand jury requests responses as follows. From the following governing body of a public agency within 90 days, for all Findings and Recommendations:

Florin County Water District Board of Directors  
c/o Board President, Cindy Russell  
7090 McComber Street  
Sacramento, CA 95828

**Mail or deliver a hard copy response to:**

The Honorable Bunmi Awoniyi  
Presiding Judge Sacramento County Superior Court  
720 9<sup>th</sup> Street  
Sacramento, CA 95814

**Email the response to:**

Ms. Erendira Tapia-Bouthillier  
Sacramento County Grand Jury Coordinator  
Email: [TapiaE@saccourt.ca.gov](mailto:TapiaE@saccourt.ca.gov)

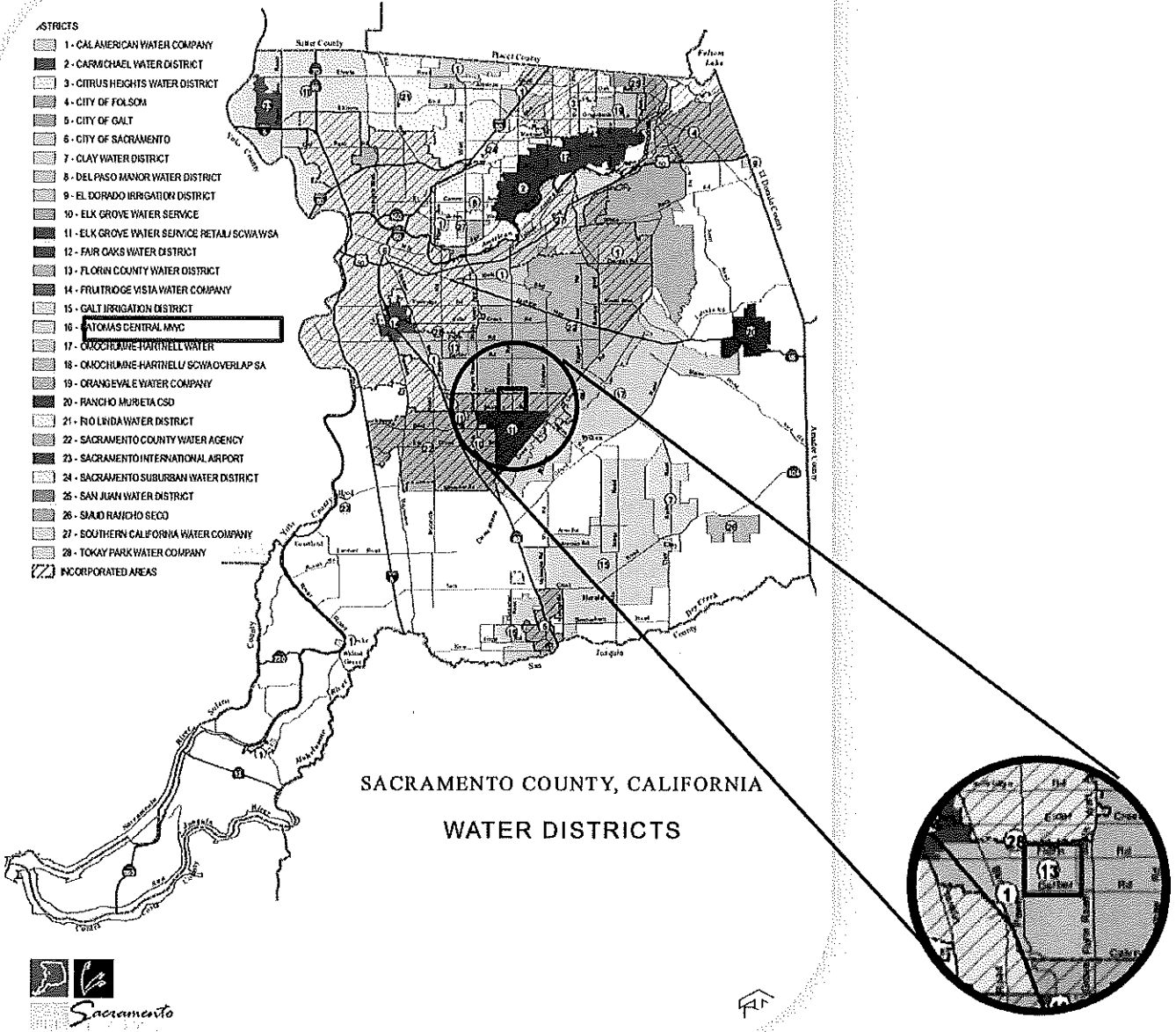
## INVITED RESPONSES

Edmond Leggette, Interim General Manager  
Florin County Water District  
7090 McComber Street  
Sacramento, CA 95828  
(for all Findings and Recommendations)

Jose Henriquez, Executive Director  
Sacramento County LAFCo  
1112 I Street, Suite 100  
Sacramento, CA 95814  
(Including but not limited to Finding 9 and Recommendation 15)

Marcie Frost, Chief Executive Officer  
California Public Employees Retirement System (CalPERS)  
400 Q Street  
Sacramento, CA 95811  
(for Finding 6 and Recommendation 11)

# APPENDIX A



Map of Sacramento County Water Districts, with Florin County Water District highlighted.

## APPENDIX B

### Websites to provide information about water regulation, special districts, and water agencies and associations.

California Water Code

<https://leginfo.legislature.ca.gov/faces/codesTOCSelected.xhtml?tocCode=WAT&tocTitle=+Water+Code+-+WAT>

California Rural Water Association (CRWA)

<https://calruralwater.org>

California Special Districts Association (CSDA)

<https://www.csda.net/home>

Del Paso Manor Water District

<https://www.delpasomanorwd.org/>

Environmental Protection Agency (EPA)

<https://www.epa.gov/laws-regulations/summary-safe-drinking-water-act>

Regional Water Authority (RWA)

<https://rwah2o.org/>

Sacramento Central Groundwater Authority (SCGA)

<https://sasbgroundwater.org>

Sacramento County Local Area Formation Commission (LAFCo)

<https://saclafoo.saccounty.gov/Pages/default.aspx>

Sacramento County Water Districts (map)

[https://planning.saccounty.gov/Documents/Maps/Water%20Districts\\_0110.pdf](https://planning.saccounty.gov/Documents/Maps/Water%20Districts_0110.pdf)

### Websites associated with investigating or reporting suspected fraudulent activity.

Sacramento County District Attorney

<https://www.sacda.org/how-do-i/>

Sacramento County Sheriff

[https://www.sacsheriff.com/pages/crime\\_report.php](https://www.sacsheriff.com/pages/crime_report.php)

Santa Clara County District Attorney Major Fraud Unit

<https://da.santaclaracounty.gov/prosecution/departments/major-fraud-unit>

State Controller's Government Compensation in California website

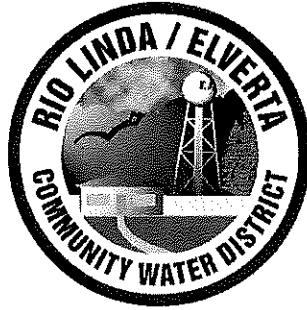
<https://gcc.sco.ca.gov/>

Transparent California

<https://transparentcalifornia.com/>







**Information Items**  
**Agenda Item: 5.2**

**Date:** June 24, 2024

**Subject:** Board Reports

**Staff Contact:** Timothy R. Shaw, General Manager

**BOARD REPORTS**

- 5.2.1. Report any ad hoc committees dissolved by requirements in Policy 2.01.065
- 5.2.2. Sacramento Groundwater Authority – Garrison (primary)
- 5.2.3. Executive Committee – Gifford, Cline
- 5.2.4. ACWA/JPIA – Cline

**Minutes**  
**Rio Linda / Elverta Community Water District**  
**Executive Committee**

June 12, 2024 @ 6:00 P.M.

Visitors / Depot Center  
6730 Front St.  
Rio Linda, CA 95673

The meeting was called to order at 6:00 P.M. The meeting was attended in-person by Director Gifford, Director Cline General Manager Tim Shaw, and Contract District Engineer Mike Vasquez.

**Call to Order:** 6:00 P.M.

**Public Comment:** *There were no public members present.*

**Items for Discussion:**

1.	Contract District Engineer's Update.
	<i>The Contract District Engineer presented his written report and expounded on; Phibro mobile media regeneration, the Elk Horn paving project, and operations under short staffing.</i>
2.	Discuss Extending the Professional Services Agreement with Rawles for Pipe Replacement Project.
	<i>The Contract District Engineer presented his written report and reviewed the process previously authorized by the Board. The Executive Committee discussed the relationship of this item to item 7 on the agenda, where staff has now updated the budgeted amounts for the capital improvement projects pursuant to Resolution 2021-03, The updated budget numbers and the carryover of unspent prior years' funding for annual pipe replacement projects provide nearly enough funding for the 2024 project.</i>  <i>The Executive Committee forwarded this item onto the June 24<sup>th</sup> Board agenda with the Committee's recommendation for Board approval.</i>
3.	Discuss Unsolicited Proposal from an Insurance Company for Service Line Replacement Coverage.
	<i>The General Manager presented his written report and shared his preliminary analysis of the unsolicited proposal, i.e. brief pros and cons. Director Gifford expressed his concern about authorizing the use of the District's name and local on correspondence from the proposer (an insurance company) to District customers. Director Cline advised that similar insurance is already available to customers via the customers, homeowners' insurance AND without the downside of authorizing use of the District's name and logo.</i>  <i>The Executive Committee forwarded the item onto the June 24<sup>th</sup> Board agenda. The Committee does NOT recommend Board approval.</i>
4.	Discuss Unsolicited, Revised Proposal from Streamline for District Website Services.
	<i>The General Manager presented his written report and reviewed the reasons the Executive Committee responded to the prior unsolicited proposal from Streamline. Directors Gifford and Cline asked if the proposer could host an online (e.g. Zoom, Teams etc.) brief demonstration. The General Manager committed to coordinating with the proposer for scheduling a demonstration.</i>  <i>The Executive Committee forwarded the item onto the June 24<sup>th</sup> Board agenda with the Committee's recommendation for Board approval subject to change after the demonstration.</i>

<p>5. Discuss Withdrawal from the Water Forum.</p>
<p><i>The General Manager presented his written report and summarized the recent developments at Water Forum meetings. Director Gifford asked for clarification on whether the District has already withdrawn from Water Forum. The General Manager explained that the prior Board actions was to decline Water Forum’s request for additional funding to cover the shortfall of funding from Sacramento County’s decision to cap the funding from Zone 13 tax, which is accessed annually for all properties in unincorporated areas of Sacramento County. Director Gifford expressed that if our ratepayers are taxed then we should continue to participate, i.e., keep our seat at the table.</i></p> <p><i>The Executive Committee forwarded this item onto the June 24<sup>th</sup> Board agenda with the Committee’s recommendation to remain in participation of Water Forum negotiations.</i></p>
<p>6. Discuss Fiscal Year 2024-2025 Preliminary Budget.</p>
<p><i>The General Manager presented his written report and the draft preliminary budget for fiscal year 2024-2025 and further explained the relationships between this item and items 6a and 7 on this agenda. The Committee discussed the cumulative impact of prolonged inflation on the cost of service. Director Gifford recalled that the District’s process &amp; timing for annual performance review of the General Manager is tied to the annual budget adoption process.</i></p> <p><i>The Executive Committee forwarded the preliminary budget onto the June 24<sup>th</sup> Board agenda with the Committee’s recommendation for Board approval.</i></p>
<p>a. Discuss Confirming Annual Rates Adjustment for July 2024 Pursuant to Resolution 2021-03.</p>
<p><i>The General Manager presented his written report and reminded the Committee of the annual process of the Board confirming the presumed criteria for annual rate adjustment pursuant to Resolution 2021-03. The Committee discussed the relevance to the annual adjustment process to the presumed inflation (3%) in costs of goods, services, employment costs etc. Director Cline observed that the July 2024 column in Resolution 2021-03 represents an increase greater than 3%. The General Manager responded that the presumed 3% increase in materials, services and employment costs is a significant but not exclusive component in the amount of annual adjustments. Other factors include direction on timing of increased cost of service provided by the Board to the consultant for the multi-year Rate Study / Cost of Service Analysis.</i></p> <p><i>The Executive Committee forwarded this item onto the June 24<sup>th</sup> Board agenda with the Committee’s recommendation for Board approval.</i></p>
<p>7. Discuss Capital Improvement Projects List Inflation Adjustment.</p>
<p><i>The General Manager presented his written report and further explained this is an informational item (i.e., Board action is neither required nor anticipated). Staff should have been updating the Capital Improvement Projects funding amounts commensurate with inflation pursuant to Resolution 2021-03.</i></p> <p><i>The Executive Committee directed staff to include the document reflecting updated funding amounts as in informational item on the June 24<sup>th</sup> agenda.</i></p>
<p>8. Discuss Expenditures for April.</p>
<p><i>The Executive Committee forwarded the April Expenditures report onto the June 24<sup>th</sup> Board agenda with the Committee’s recommendation for Board approval.</i></p>
<p>9. Discuss Financial Reports for April.</p>
<p><i>The Executive Committee forwarded the April Financial report onto the June 24<sup>th</sup> Board agenda with the Committee’s recommendation for Board approval.</i></p>

**Directors’ and General Manager Comments:**

X – SMUD News, email from Katie Worth. *The Committee directed staff to seek more information from SMUD on upgrading District facilities lighting to LED lighting.*

**Items Requested for Next Month’s Committee Agenda: None**

**Adjournment: 7:05 P.M.**