

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

JULY 19, 2021 (6:30 p.m.)

Visitor's / 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

2. PUBLIC COMMENT

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

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

3.1. Minutes

June 30, 2021

The Board is being asked to approve the Minutes June 30, 2021 Special Meeting.

3.2. Expenditures

The Executive Committee recommends the Board approve the May Expenditures.

3.3. Financial Reports

The Executive Committee recommends the Board approve the May Financial Report.

REGULAR CALENDAR

4. ITEMS FOR DISCUSSION AND ACTION

4.1. Rates Restructuring Workshop. The Board will participate in a workshop intended to provide accurate information about the proposed rates restructuring.

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

- 4.3. **District Engineer's Report.** *The Contract District Engineer will provide his monthly report to the Board of Directors.*
- 4.4. **Resolution 2021-02, Establishing Procedures for Processing Proposition 218 Protests.**
- 4.5. **Necessary deferral (delay) in adopting Fiscal Year 2021/2022 Final Budget.**
- 4.6. **Curtailed of the Urban Water Management Plan Consultant Request for Proposals Process.**
- 4.7. **Consider Request for Waiver of Charges for Cost of Disconnection, Opt Out of Inactive Service fees.**
- 4.8. **Authorize any New Board Member Assignments (committees and other) Proposed by the Chair Pursuant to District Policy 2.01.065**
 - 4.8.1. *Collective Bargaining Agreement Renewal Negotiations Ad Hoc.*

5. INFORMATION ITEMS

5.1. District Activities Reports

- 5.1.1. Water Operations Report
- 5.1.2. Completed and Pending Items Report
- 5.1.3. Minor Budget Revision FY 2020/2021 Budget

5.2. Board Member Reports

- 5.2.1. Report any ad hoc committees dissolved by requirements in Policy 2.01.065
- 5.2.2. Sacramento Groundwater Authority – Harris (primary), Reisig
- 5.2.3. Sacramento Groundwater Authority (with RWA and SCGA) 3x3- Reisig
- 5.2.4. Executive Committee – Jason Green, Robert Reisig
- 5.2.5. ACWA/JPIA – Ridilla
- 5.2.6. Sacramento County LAFCo, Special Districts Advisory Committee – Reisig
- 5.2.7. Minutes of the June 21st regular board meeting (partial failure of the audio recording).

6. Public Comment Prior to Closed Session

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

- 7.1. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION** – Significant exposure of litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (1 case).
- 7.2. **PUBLIC EMPLOYEE PERFORMANCE EVALUATION – General Manager:** The Board will conduct a performance evaluation of the General Manager pursuant to subdivision (b) of California Government Code Section 54957.

8. RECONVENE IN OPEN SESSION

- 8.1. Announce any reportable actions authorized in closed session.

9. DIRECTORS' AND GENERAL MANAGER COMMENTS

10. ADJOURNMENT

Upcoming meetings:

Executive Committee

August 2, 2021, Tuesday, 6:00 pm Visitor's Depot 6730 Front Street, Rio Linda, CA 95673

Board Meeting

August 16, 2021, Monday, 6:30 pm Rio Linda Elverta Recreation and Parks District Community Center 810 Oak Ln, Rio Linda, CA 95673



**Consent Calendar
Agenda Item: 3.1**

Date: July 19, 2021

Subject: Minutes

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

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

Current Background and Justification:

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

Conclusion:

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

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla:_____ Harris:_____ Jason Green_____ Gifford_____ Reisig_____.

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

**MINUTES OF THE JUNE 30, 2021
BOARD OF DIRECTORS SPECIAL MEETING
OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT**

1. CALL TO ORDER, ROLL CALL

The June 30, 2021 meeting of the Board of Directors of the Rio Linda/Elverta Community Water District called to order at 6:00 p.m. via Zoom Video Conference. This meeting was held in accordance with executive order n-29-20, issued by California governor Gavin Newsom on March 17, 2020, the Ralph M. Brown act (California government code section 54950, et seq.), and the federal Americans with disabilities act. General Manager Tim Shaw took roll call of the Board of Directors. President Jason Green, Director Robert Reisig, Director Mary Harris, Director Ridilla, Director Gifford, General Manager Tim Shaw, Rate Consultant Alison Lechowicz and public member Stephanie Suela were present.

No public comment.

2. Consider authorizing the revisions to the Rate Study / Cost of Service Analysis and direct staff to distribute the updated Proposition 218 Notice.

Alison presented a revised Draft Report or the Rate Study / Cost of Service Study to the Board. The main change in the rates study verses the previous was the 1st years rates were now only calculated with 5 billing periods verses 6 billing periods.

Directors / Public Member -Questions / Comments - Were all surcharges added to the other District's charges being presented? Alison stated that information was reviewed with the staff analyst.

Can the notice include information about inflation? GM Shaw shared the notice could not be revised or we would not meet the mailing of the Prop 218 requirement.

Will a public workshop be conducted? GM Shaw stated it would be added to July 19th agenda and announced through the Districts normal communication processes.

Expression of difficulty maneuvering through the Districts website.

If the Administrative Manager position was removed how would it effect the rates being presented? GM Shaw states if the position is never filled the rates presented could be adjusted lower each fiscal year when the rates are adopted and implemented.

When is the next audit? GM stated the next audit is in late August or early September.

It was moved by Director Gifford and seconded by Director Green to authorizing the revisions to the Rate Study / Cost of Service Analysis and direct staff to distribute the updated Proposition 218 Notice. Directors Green, Ridilla, Reisig, and Gifford voted yes. Director Harris voted no. The motion carried with a roll call vote of 4-1-0.

3. ADJOURNMENT

President Green adjourned the meeting at 7:10 p.m.
Respectfully submitted,

Timothy R. Shaw, Secretary

Jason Green, President of the Board



**Consent Calendar
Agenda Item: 3.2**

Date: July 19, 2021

Subject: Expenditures

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

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

Current Background and Justification:

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

Conclusion:

I recommend the Board approve the Expenditures for May 2021.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla:____ Harris:____ Jason Green _____ Gifford _____ Reisig_____.

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

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

Type	Date	Num	Name	Memo	Amount
Liability Check	05/05/2021	EFT	QuickBooks Payroll Service	For PP Ending 05/01/21 Pay date 05/06/21	17,727.49
Liability Check	05/06/2021	EFT	CalPERS	For PP Ending 05/01/21 Pay date 05/06/21	2,936.03
Liability Check	05/06/2021	EFT	CalPERS	For PP Ending 05/01/21 Pay date 05/06/21	1,119.77
Liability Check	05/06/2021	EFT	Internal Revenue Service	Employment Taxes	6,826.66
Liability Check	05/06/2021	EFT	Employment Development	Employment Taxes	1,378.94
Bill Pmt -Check	05/06/2021	EFT	Adept	Computer Maintenance	1,208.00
Bill Pmt -Check	05/06/2021	EFT	Comcast	Phone/Internet	276.33
Liability Check	05/06/2021	EFT	Empower	Deferred Compensation Plan: Employer & Employee Share	2,068.06
Bill Pmt -Check	05/06/2021	EFT	Republic Services	Utilities	90.67
Transfer	05/06/2021	EFT	RLECWD	Umpqua Bank Monthly Debt Service Transfer	16,500.00
Liability Check	05/06/2021	1688	Teamsters Local	Union Dues-Employee Paid	635.00
Check	05/06/2021	1689	Customer	Final Bill Refund	78.42
Check	05/06/2021	1690	Customer	Final Bill Refund	106.55
Bill Pmt -Check	05/06/2021	1691	ABS Direct	Printing & Postage	246.12
Bill Pmt -Check	05/06/2021	1692	ACWA/JPIA Powers Insurance Authority	EAP	25.70
Bill Pmt -Check	05/06/2021	1693	Buckmaster Office Solutions	Office Equipment Expense	87.85
Bill Pmt -Check	05/06/2021	1694	GM Construction	Contract Repairs	2,200.00
Bill Pmt -Check	05/06/2021	1695	Intermedia.net	Phone/Internet	85.92
Bill Pmt -Check	05/06/2021	1696	Oreilly Automotive	Transportation Maintenance	46.58
Bill Pmt -Check	05/06/2021	1697	RDO Equipment	Construction Equipment Repair	4,130.14
Bill Pmt -Check	05/06/2021	1698	Rio Linda Hardware & Building Supply	Shop Supplies	512.49
Bill Pmt -Check	05/06/2021	1699	RW Trucking	Distribution Supplies	674.78
Bill Pmt -Check	05/06/2021	1700	Sierra Chemical	Chemical Supplies	2,342.04
Bill Pmt -Check	05/06/2021	1701	SMUD	Utilities	16,478.90
Bill Pmt -Check	05/06/2021	1702	Unifirst Corporation	Uniforms	227.64
Bill Pmt -Check	05/06/2021	1703	Vanguard Cleaning Systems	Janitorial	195.00
Bill Pmt -Check	05/06/2021	1704	Ferguson Enterprises	Capital Improvement: Small Meter Replacement	49,809.47
Bill Pmt -Check	05/17/2021	EFT	WageWorks	FSA Administration Fee	76.25
Bill Pmt -Check	05/17/2021	EFT	ARCO	Transportation Fuel	763.23
Liability Check	05/19/2021	EFT	QuickBooks Payroll Service	For PP Ending 05/15/21 Pay date 05/20/21	17,484.14
Liability Check	05/20/2021	EFT	CalPERS	For PP Ending 05/15/21 Pay date 05/20/21	2,907.61
Liability Check	05/20/2021	EFT	CalPERS	For PP Ending 05/15/21 Pay date 05/20/21	1,119.77
Liability Check	05/20/2021	EFT	Internal Revenue Service	Employment Taxes	6,613.96
Liability Check	05/20/2021	EFT	Employment Development	Employment Taxes	1,301.59
Liability Check	05/20/2021	EFT	Empower	Deferred Compensation Plan: Employer & Employee Share	2,079.39
Liability Check	05/20/2021	EFT	Kaiser Permanente	Health Insurance	1,275.76
Liability Check	05/20/2021	EFT	Principal	Dental & Vision Insurance	1,456.96
Liability Check	05/20/2021	EFT	Western Health Advantage	Health Insurance	9,491.61
Bill Pmt -Check	05/20/2021	EFT	PG&E	Utilities	49.38
Bill Pmt -Check	05/20/2021	EFT	Verizon	Field Communication, Field IT	485.05
Bill Pmt -Check	05/20/2021	EFT	Umpqua Bank Credit Card	Computer, Shop, Postage, Building Maint, Publishing	767.16
Check	05/20/2021	EFT	RLECWD - Capital Improvement	Current Monthly Transfer	45,750.00
Check	05/20/2021	1705	Customer	Final Bill Refund	72.79



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

Type	Date	Num	Name	Memo	Amount
Check	05/20/2021	1706	Customer	Final Bill Refund	12.89
Bill Pmt -Check	05/20/2021	1707	ABS Direct	Printing & Postage	1,480.45
Bill Pmt -Check	05/20/2021	1708	Affordable Heating & Air	Building Maintenance	650.00
Bill Pmt -Check	05/20/2021	1709	CoreLogic Solutions	Metro Scan	134.75
Bill Pmt -Check	05/20/2021	1710	EKI Environment & Water	Engineering	5,000.00
Bill Pmt -Check	05/20/2021	1711	Rio Linda Elverta Recreation & Park	Meeting Expense	50.00
Bill Pmt -Check	05/20/2021	1712	Sacramento County Utilities	Utilities	113.70
Bill Pmt -Check	05/20/2021	1713	Spok	Field Communication	15.43
Bill Pmt -Check	05/20/2021	1714	Water Rite Products	Shop Supplies	71.17
Bill Pmt -Check	05/20/2021	1715	Sacramento County Recorder	Fees	69.00
Total 10000 · Bank - Operating Account					<u>227,306.59</u>

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

Type	Date	Num	Payee	Memo	Amount
Check	05/20/2021	EFT	RLECWD	Surcharge 2 Surplus Repayment	107,171.00
10375 · Surcharge Account 2					<u>107,171.00</u>

Type	Date	Num	Payee	Memo	Amount
Transfer	05/06/2021	EFT	RLECWD	CIP Expense Transfer: Refer to operating check numbers: 1704	49,809.47
Transfer	05/20/2021	EFT	RLECWD	Transfer of Annual Future Capital Imp Projects Budget	381,670.00
10475 · Capital Improvement-Umpqua Bank					<u>431,479.47</u>





Consent Calendar Agenda Item: 3.3

Date: July 19, 2021

Subject: Financial Reports

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

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

Current Background and Justification:

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

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

Conclusion:

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

Board Action / Motion

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

Rio Linda Elverta Community Water District

Balance Sheet
As of May 31, 2021



ASSETS

Current Assets

Checking/Savings

100 · Cash & Cash Equivalents

10000 · Operating Account

10020 · Operating Fund-Umpqua 903,622.49

Total 10000 · Operating Account 903,622.49

10475 · Capital Improvement

10480 · General 101,096.54

10481 · Cr6 Mitigation 454,500.00

10485 · Vehicle Replacement Reserve 90,000.00

Total 10450 · Capital Improvement 645,596.54

10490 · Future Capital Imp Projects 1,778,916.10

Total 100 · Cash & Cash Equivalents 3,328,135.13

102 · Restricted Assets

102.2 · Restricted for Debt Service

10700 · ZIONS Inv/Surcharge Reserve 524,319.71

10300 · Surcharge 1 Account 870,786.09

10350 · Umpqua Bank Debt Service 16,117.22

10380 · Surcharge 2 Account 165,161.93

10385 · OpusBank Checking 720,924.15

Total 102.2 · Restricted for Debt Service 2,297,309.10

102.4 · Restricted Other Purposes

10600 · LAIF Account 335,796.95

10650 · Operating Reserve Fund 301,807.26

Total 102.4 · Restricted Other Purposes 637,604.21

Total 102 · Restricted Assets 2,934,913.31

Total Checking/Savings 6,263,048.44

Accounts Receivable 50,620.00

Other Current Assets

12000 · Water Utility Receivable 623,511.59

12200 · Accrued Revenue 0.00

12250 · Accrued Interest Receivable 2,032.68

15000 · Inventory Asset 68,727.94

16000 · Prepaid Expense 39,220.03

Total Other Current Assets 733,492.24

Total Current Assets 7,047,160.68

Fixed Assets

17000 · General Plant Assets 709,029.25

17100 · Water System Facilities 22,564,247.74

17300 · Intangible Assets 373,043.42

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

18000 · Construction in Progress 2,498,738.27

18100 · Land 576,673.45

Total Fixed Assets 16,826,895.54

Other Assets

19000 · Deferred Outflows 227,638.00

19900 · Suspense Account 0.00

Total Other Assets 227,638.00

TOTAL ASSETS 24,101,694.22

Rio Linda Elverta Community Water District

Balance Sheet

As of May 31, 2021

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable	35,929.78
Credit Cards	60.00
Other Current Liabilities	842,904.33

Total Current Liabilities	878,894.11
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Long Term Liabilities

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

Total Long Term Liabilities	10,605,992.84
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Total Liabilities	11,484,886.95
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Equity

31500 · Invested in Capital Assets, Net	8,842,880.46
32000 · Restricted for Debt Service	705,225.24
38000 · Unrestricted Equity	2,121,845.12
Net Income	946,856.45

Total Equity	12,616,807.27
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TOTAL LIABILITIES & EQUITY	24,101,694.22
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**Rio Linda Elverta Community Water District
Operating Profit & Loss Budget Performance
As of May 31, 2021**



	<u>Annual Budget</u>	<u>May 21</u>	<u>Jul 20-May 21</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
Ordinary Income/Expense					
Income					
Total 40000 · Operating Revenue	2,719,575.00	313,321.63	2,498,460.78	91.87%	221,114.22
41000 · Nonoperating Revenue					
41110 · Investment Revenue					
41112 · Interest Revenue	400.00	13.75	231.41	57.85%	168.59
Surcharg Total 41110 · Investment Revenue	400.00	13.75	231.41	57.85%	168.59
41120 · Property Tax	88,500.00	43,425.48	103,903.78	117.41%	-15,403.78
Total 41000 · Nonoperating Revenue	88,900.00	43,439.23	104,135.19	117.14%	-15,235.19
Total Income	<u>2,808,475.00</u>	<u>356,760.86</u>	<u>2,602,595.97</u>	<u>92.67%</u>	<u>205,879.03</u>
Gross Income	2,808,475.00	356,760.86	2,602,595.97	92.67%	205,879.03
Expense					
60000 · Operating Expenses					
60010 · Professional Fees	135,000.00	5,478.80	90,621.28	67.13%	44,378.72
60100 · Personnel Services					
60110 · Salaries & Wages	729,867.00	54,854.37	624,583.73	85.58%	105,283.27
60150 · Employee Benefits & Expense	489,145.00	29,843.07	362,738.07	74.16%	126,406.93
Total 60100 · Personnel Services	<u>1,219,012.00</u>	<u>84,697.44</u>	<u>987,321.80</u>	<u>80.99%</u>	<u>231,690.20</u>
60200 · Administration	205,010.00	14,562.74	167,190.20	81.55%	37,819.80
64000 · Conservation	300.00	0.00	0.00	0.00%	300.00
65000 · Field Operations	436,400.00	34,421.35	351,633.20	80.58%	84,766.80
Total 60000 · Operating Expenses	<u>1,995,722.00</u>	<u>139,160.33</u>	<u>1,596,766.48</u>	<u>80.01%</u>	<u>398,955.52</u>
69000 · Non-Operating Expenses					
69010 · Debt Service					
69100 · Revenue Bond					
69105 · Principle	145,736.00	86,000.00	145,736.00	100.00%	0.00
69110 · Interest	57,490.00	28,298.18	57,489.42	100.00%	0.58
Total 69100 · Revenue Bond	<u>203,226.00</u>	<u>114,298.18</u>	<u>203,225.42</u>	<u>100.00%</u>	<u>0.58</u>
69125 · AMI Meter Loan					
69130 · Principle	48,281.00	0.00	49,788.94	103.12%	-1,507.94
69135 · Interest	10,233.00	0.00	8,724.98	85.26%	1,508.02
Total 69125 · AMI Meter Loan	<u>58,514.00</u>	<u>0.00</u>	<u>58,513.92</u>	<u>100.00%</u>	<u>0.08</u>
Total 69010 · Debt Service	<u>261,740.00</u>	<u>114,298.18</u>	<u>261,739.34</u>	<u>100.00%</u>	<u>0.66</u>
69400 · Other Non-Operating Expense	2,000.00	0.00	0.00	0.00%	2,000.00
Total 69000 · Non-Operating Expenses	<u>263,740.00</u>	<u>114,298.18</u>	<u>261,739.34</u>	<u>99.24%</u>	<u>2,000.66</u>
Total Expense	<u>2,259,462.00</u>	<u>253,458.51</u>	<u>1,858,505.82</u>	<u>82.25%</u>	<u>400,956.18</u>
Net Ordinary Income	<u>549,013.00</u>	<u>103,302.35</u>	<u>744,090.15</u>		
Net Income	<u>549,013.00</u>	<u>103,302.35</u>	<u>744,090.15</u>		

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

	GENERAL		VEHICLE REPLACEMENT		FUTURE CAPITAL IMPROVEMENT PROJECTS	
	Annual Budget	YTD Actual	Annual Budget	YTD Actual	Annual Budget	YTD Actual
FUNDING SOURCES						
Fund Transfers						
Operating Fund Transfers In	549,013.00	457,500.00	-	-	-	-
CIP Fund Intrafund Transfers	(456,670.00)	(456,670.00)	75,000.00	75,000.00	381,670.00	381,670.00
Beginning Balance Redistribution	(1,396,338.00)	(1,396,338.00)	-	-	1,396,338.00	1,396,338.00
Surcharge 2 Surplus Repayment	107,171.00	107,171.00	-	-	-	-
Investment Revenue	-	236.29	-	-	3,500.00	908.10
PROJECTS						
A - WATER SUPPLY	-	-	-	-	-	-
A-1 - Miscellaneous Pump Replacements	40,000.00	-	-	-	-	-
Total A - WATER SUPPLY	40,000.00	-	-	-	-	-
B - WATER DISTRIBUTION						
B-1 - Service Replacements	30,000.00	9,114.98	-	-	-	-
B-2 - Small Meter Replacements	120,000.00	125,874.57	-	-	-	-
B-3 - Large Meter Replacements	5,000.00	4,021.88	-	-	-	-
Total B - WATER DISTRIBUTION	155,000.00	139,011.43	-	-	-	-
TOTAL BUDGETED PROJECT EXPENDITURES	195,000.00	139,011.43	-	-	-	-



Items for Discussion and Action Agenda Item: 4.1

Date: July 19, 2021
Subject: Rates Restructuring Workshop
Staff Contact: Timothy R. Shaw

Recommended Committee Action:

The Executive Committee directed this item be placed on the July 19th Board agenda.

Current Background and Justification:

The unanticipated postponement of the June 21st rates adjustment public hearing presented an opportunity to, and illustrated and need for, another rate restructuring workshop. The opinions, inaccuracies and misleading information expressed in the media and at the June 21st Board meeting indicate a need to clarify information and correct inaccurate information being disseminated by the organized opposition to the rate restructuring.

The July 6th Executive Committee directed that the workshop be included on the July 19th Board agenda. The Committee further opined that the District should strive to improve the civility and conduct of public members attending the rates restructuring workshop as well as the August 16th public hearing. It behooves the District to hold public meetings where all participants have a right to be heard. The District needs to mitigate against only the loudest and most impatient attendees from shouting out whatever and whenever they want to drown out what others are saying.

The following list of topics are suggested (emphasis added) areas to discuss:

- Reasons the rates restructuring is necessary.
- State mandates and consequences for failing to meet standards; SB X 7 7, SB 555, SB 606 and AB 1668
- California Constitution Section XIIIID (AKA Prop 218)
- Proportionality requirements, i.e. the prohibition against charging more than the cost of providing service.

- “free” 600 cubic feet included with the current fixed charge.
 - Amount of reduction in fixed charge compared to being billed for the first 600 cubic feet.
 - Cost of service if a customer is using less than (including zero) 600 cubic feet.
 - SB 555 Water Loss Audit mandate for “metered, not billed” water.
- The misinformation about the percentage of increase for the proposed rates restructuring.
- The misinformation about subsequent years in the multi-year rates adjustment, what the Board can and cannot do if the anticipated cost of providing service is greater than (and/or sooner than) the actual cost of providing service.
- Percentage of increase:
 - Focus on one component of a rate structure vs. the total rate structure impact.
 - The actual, widely accepted true formula for computing percentage of increase and percentage of decrease.
- Consequences of inability (for any reason) to complete rates restructuring.
 - RLECWD plan submittal to the state in 2022 on how the District will achieve all water use efficiency and water loss standards.
 - Infeasibility of adopting a 2020 Urban Water Management Plan that would be approved by Dept. of Water Resources.
 - Grants and loans ineligibility.
 - Vulnerability for litigation.
 - Final budget adoption and funding ongoing capital improvements (e.g. pipe replacement) in limbo.

Conclusion:

The 2nd workshop to discuss rates restructuring has been placed on the July 19th Board agenda. The intent of the workshop should be to promote a civil exchange of opinions and to clarify / correct misinformation being conveyed by an organized opposition to rates restructuring.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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

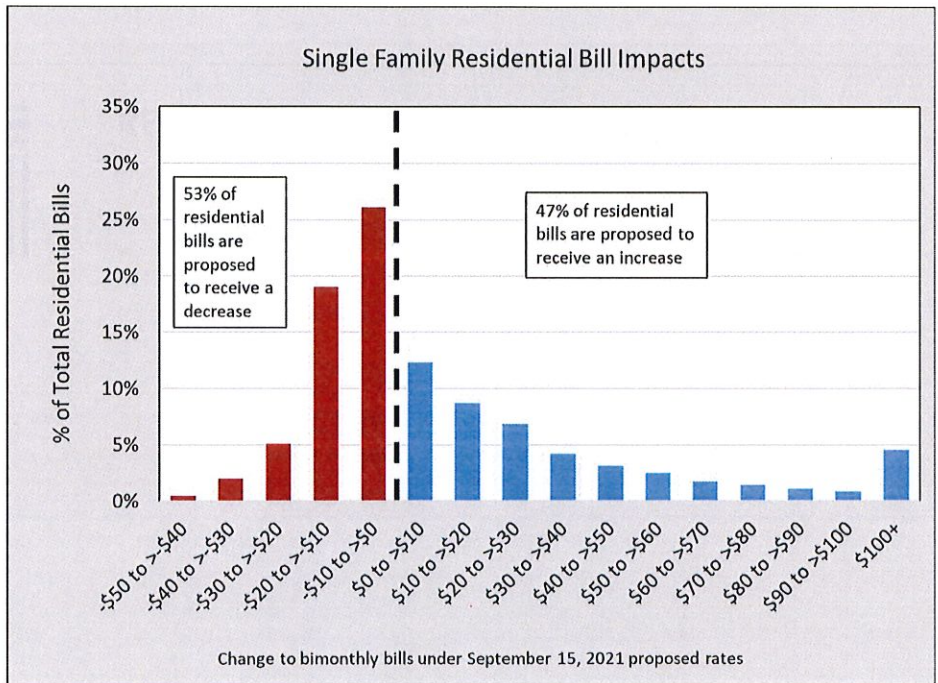
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent



RESIDENTIAL BILL IMPACT ANALYSIS

Rio Linda Elverta Community Water District
Rate Study / Cost of Service Study
July 6, 2021

Based on the June 28 rate study report, 53% of residential bills would receive a decrease under the proposed rates and 47% would receive an increase. These statistics reflect typical consumption throughout the year, such that one customer represents six data points (i.e. one customer is billed six times annually). Most customers will experience bill increases during the summer and bill decreases during the winter. Comparing the June 28 draft to the prior October 2020 draft, about 5% more customer bills are proposed to receive increases. The most common bill impact category shifted from a decrease of -\$10 to -\$20 to -\$10 to \$0.





RLECWD Prop 218 Notice
PO Box 400
Rio Linda, CA 95673



First Name Last Name
Number Street
City, State Zip

NOTICE OF PUBLIC HEARING TO ADJUST WATER SERVICE RATES AND FEES
Monday, August 16, 2021 at 6:30 pm
at Visitors/Depot Center 6730 Front St Rio Linda, CA

Background & Purpose of this Notice

You are receiving this notice because you are a Rio Linda / Elverta Community Water District (RLECWD or District) water customer, or you own property receiving District services. RLECWD will be considering the adoption of adjustments in the District's water service fees and changes in the water rate structure for the next five years. As described below, the Board of Directors will be holding a Public Hearing on **Monday, August 16, 2021 at 6:30 pm** to consider proposed rate adjustments as well as the methodology for calculating the proposed rates. The District relies on rates paid by customers to fund the costs of operations, maintenance, and infrastructure improvements. The District provides water service to about 4,600 customers, including homes and businesses.

Why are rate changes necessary?

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

The District recently engaged an independent rate consultant who reviewed the comprehensive cost of providing service and the requirements of new State legislation (California Senate Bills 606 and 555 and Assembly Bill 1668) regarding water conservation and water loss reporting. The rate study report developed by the consultant is available on the District's website. Based on this evaluation, water service fee adjustments are necessary to: (a) enable the District to recover current and projected costs of operations and maintenance; (b) fund capital infrastructure maintenance; and (c) maintain financial stability. Water rate structure adjustments are necessary to comply with the substantive requirements of Proposition 218, water conservation mandates, and legal rulings. If adopted by the District's Board of Directors, the new rates would go into effect on or after September 15, 2021 with subsequent rate changes going into effect on or after July 1, 2022 through 2025. Rate changes are proposed to take place on or after the dates described in this notice coinciding with RLECWD's scheduled meter reads and billing dates.

Proposed Water Rate Structure Changes

RLECWD bills for water service on a bimonthly basis such that each bill reflects two months of water usage. The District's current water service fees are comprised of three components: (1) a fixed charge that is determined based on the size of the meter serving the property; (2) a volume charge that is imposed for each hundred cubic foot (ccf; one ccf is 748 gallons) of water consumed above 6 ccf per billing period; and (3) two surcharges that fund capital improvements and are billed regardless of water consumption and meter size. Customers participating in the standby fire protection and backflow prevention programs are charged additional fixed bimonthly amounts for these services.

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

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

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

Proposed Bimonthly Water Service Fees

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

Due to the rate structure adjustments, bill impacts will vary based on water meter size and bimonthly usage. High water users will have bill increases, while low water users will have bill decreases. For the average single-family home using 29 ccf of water over two months, the rate adjustment would increase the bimonthly bill (including \$34.80 in existing surcharges not shown in Table 1) from \$113.29 to \$125.21 after September 15, 2021. For a single family customer with a 5/8" meter, usage up to 20 ccf per bimonthly period would result in a bill decrease, and usage above 20 ccf would result in a bill increase.

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

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

Meter Size	Current	Proposed 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)						
Per device	\$8.33	\$9.00	\$9.27	\$9.55	\$9.84	\$10.14

Note: Rate changes are proposed to take place on or after the dates shown in this table coinciding with RLECWD's scheduled meter reads and billing dates.

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

**CII – commercial, institutional, and industrial

TABLE 2: Current and Proposed Bimonthly Drought Rates

Current	Proposed on or after				
	September 15, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
Stage 2 Drought: 30% Conservation					
Current Rate per ccf (over 6 ccf)	\$0.92				
Single Family Residential	Volume Rates \$/ccf *				
Tier 1: 0-17 ccf	\$2.34	\$2.39	\$2.45	\$2.56	\$2.67
Tier 2: 17+ ccf	\$3.00	\$3.06	\$3.14	\$3.28	\$3.43
CII ** (all use)	\$2.77	\$2.83	\$2.90	\$3.04	\$3.17
Irrigation (all use)	\$3.18	\$3.24	\$3.32	\$3.47	\$3.63
Stage 3 Drought: 40% Conservation					
Current Rate per ccf (over 6 ccf)	\$1.08				
Single Family Residential	Volume Rates \$/ccf *				
Tier 1: 0-17 ccf	\$2.69	\$2.74	\$2.81	\$2.94	\$3.07
Tier 2: 17+ ccf	\$3.46	\$3.53	\$3.62	\$3.78	\$3.95
CII ** (all use)	\$3.23	\$3.30	\$3.39	\$3.54	\$3.70
Irrigation (all use)	\$3.70	\$3.78	\$3.88	\$4.05	\$4.24
Stage 4 Drought: 50% Conservation					
Current Rate per ccf (over 6 ccf)	\$1.29				
Single Family Residential	Volume Rates \$/ccf *				
Tier 1: 0-17 ccf	\$3.18	\$3.24	\$3.32	\$3.47	\$3.62
Tier 2: 17+ ccf	\$4.10	\$4.18	\$4.29	\$4.48	\$4.68
CII ** (all use)	\$3.88	\$3.96	\$4.07	\$4.25	\$4.44
Irrigation (all use)	\$4.44	\$4.53	\$4.65	\$4.86	\$5.08

Note: Rate changes are proposed to take place on or after the dates shown in this table coinciding with RLECWD’s scheduled meter reads and billing dates.

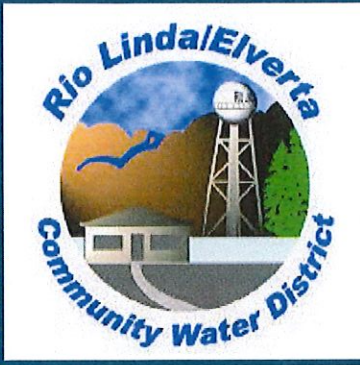
* ccf – hundred cubic fee; one ccf = 748 gallons; **CII – commercial, institutional, and industrial

Public Notice and Majority Protest Process

In 1996, California voters adopted Proposition 218. The provisions of Proposition 218 provide that certain types of “Property Related Fees” are subject to a “majority protest” process. Under the majority protest process, any property owner or customer of record may submit a written protest for the proposed rate adjustments; provided, however, that only one protest be counted per identified parcel. If protests are filed on behalf of a majority of the parcels subject to the rates before the end of the public hearing on August 16th, the District’s Board of Directors cannot adopt the proposed rates.

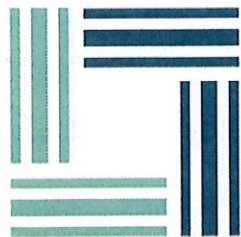
Any written protest must: (1) state that the identified property owner or customer of record is in opposition to the proposed adjustments; (2) provide the location of the identified parcel (by assessor's parcel number or street address); and (3) include the name and signature of the property owner or customer of record submitting the protest. Written protests may be submitted by mail addressed to RLECWD PO Box 400 Rio Linda, CA 95673, in person drop box at 730 L St. Rio Linda, CA, or at the Public Hearing on August 16th. Any protest submitted via e-mail or other electronic means will not be accepted.

At the public hearing, the Board of Directors will review the amounts of the rates as well as the methodology for calculating the proposed rates. At the conclusion of the hearing, protests will be counted and validated. If protests are filed on behalf of a majority of the parcels subject to the rates before the end of the public hearing, the District’s Board of Directors cannot adopt the proposed rates. If a majority of the parcels do not protest the proposed increase, the Board has the authority to adopt the proposed rates. If adopted, the rates will not exceed the rates presented in this notice. Any rate change, if enacted, will take effect no earlier than September 15, 2021.



RIO LINDA / ELVERTA COMMUNITY WATER DISTRICT Rate Study / Cost of Service Study

**DRAFT REPORT
June 28, 2021**



LECHOWICZ + TSENG
MUNICIPAL CONSULTANTS

PO Box 3065
Oakland, CA 94609
(510) 545-3182
www.LTmuniconsultants.com

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SECTION 1: INTRODUCTION AND EXECUTIVE SUMMARY

1.1 Background

The Rio Linda Elverta Community Water District (RLECWD or District) provides water service to about 4,600 customers in the Rio Linda and Elverta communities. The District last conducted a water rate study in March 2016 that provided a schedule of rates through fiscal year (FY) 2020. New regulations, water conservation legislation, and cost increases have prompted this rate update. Requirements of California Senate Bill 606 are incompatible with the District's current bimonthly free water allotment of 6 hundred cubic feet (ccf). As such, this rate study proposes adjustments to the rate structure that will aid RLECWD in being compliant with legal requirements by adopting a cost of service-based 2-tier rate structure for single family residential customers that will incentivize conservation.

1.1 Requirements of Proposition 218

Proposition 218, the "Right to Vote on Taxes Act", was approved by California voters in November 1996 and is codified as Articles XIIC and XIID of the California Constitution. Proposition 218 establishes requirements for imposing any new or increasing any existing property-related fees and charges. For many years, there was no legal consensus on whether water service fees met the definition of "property-related fees." In July 2007, the California Supreme Court essentially confirmed that Proposition 218 applies to water service fees.

The District must follow the procedural requirements of Proposition 218 for all water rate increases. These requirements include:

1. **Noticing Requirement** – The District must mail a notice of the proposed rate increases to all affected property owners or ratepayers. The notice must specify the amount of the fee, the basis upon which it was calculated, the reason for the fee, and the date/time/location of a public rate hearing at which the proposed rates will be considered/adopted.
2. **Public Hearing** – The District must hold a public hearing prior to adopting the proposed rate increases. The public hearing must be held not less than 45 days after the required notices are mailed.
3. **Rate Increases Subject to Majority Protest** – At the public hearing, the proposed rate increases are subject to majority protest. If more than 50% of affected property owners or ratepayers submit written protests against the proposed rate increases, the increases cannot be adopted.

Proposition 218 also established substantive requirements that apply to water rates and charges, including:

1. **Cost of Service** – Revenues derived from the fee or charge cannot exceed the funds required to provide the service. In essence, fees cannot exceed the "cost of service".
2. **Intended Purpose** – Revenues derived from the fee or charge can only be used for the purpose for which the fee was imposed.

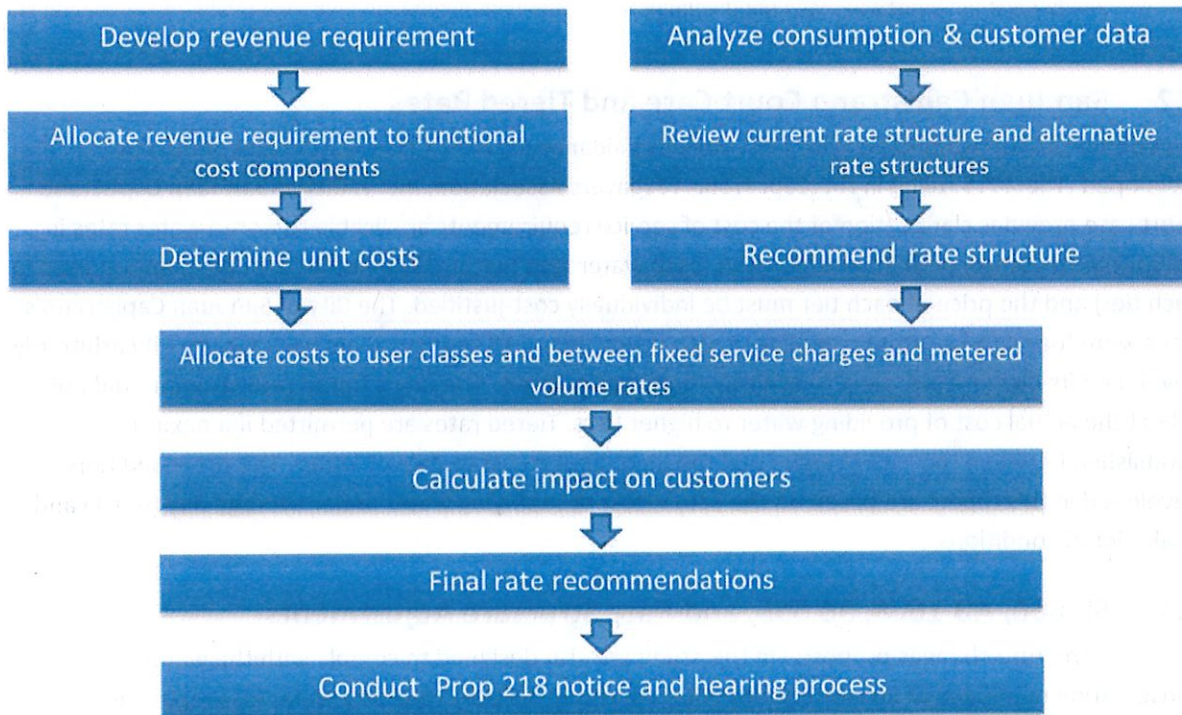
3. **Proportional Cost Recovery** – The amount of the fee or charge levied on any customer shall not exceed the proportional cost of service attributable to that customer.
4. **Availability of Service** – No fee or charge may be imposed for a service unless that service is used by, or immediately available to, the owner of the property.
5. **General Government Services** – No fee or charge may be imposed for general governmental services where the service is available to the public at large.

Charges for water are exempt from additional voting requirements of Proposition 218, provided the charges do not exceed the cost of providing service and are adopted pursuant to the procedural requirements of Proposition 218.

1.2 Rate Study Process

This section details the development of the District’s water rates via the Proposition 218 process as shown in the following figure.

Figure 1: Comprehensive Cost of Service Study Process



The following is a brief description of the rate study process:

- **Revenue Requirement** – The revenue requirement is analyzed via a financial plan developed from the Operating and Capital Budget. Based on the best information currently available, the financial plan incorporates projected operation and maintenance costs, capital expenditures, debt service, and growth to estimate annual revenue requirements. The plan serves as a roadmap for funding the District’s future operating and capital programs while maintaining long-term fiscal stability.
- **Cost of Service Allocation** – The cost of service process builds on the financial plan analysis and assigns water system costs to functional cost components: base, extra, meters and services, customer service, and backflow prevention. RLECWD evaluated its fire protection expenses and rates in 2018. Thus, fire protection is not evaluated in this study. Debt service expenses that are repaid via existing surcharges were also not evaluated in this study.
- **Rate Design** – Rate design involves developing a rate structure that proportionately recovers costs from customers. Final rate recommendations are designed to (a) fund the utility’s short- and long-term costs of providing service; (b) proportionately allocate costs to all customers and customer classes; and (c) comply with the substantive requirements of Proposition 218, water conservation mandates, and legal rulings.

1.2 San Juan Capistrano Court Case and Tiered Rates

In addition to Proposition 218, case law provides guidance regarding how water rates should be developed. The 2015 ruling in the Capistrano Taxpayers Association, Inc. v. City of San Juan Capistrano court case provides clarification of the cost of service requirements applicable to tiered water rates in California. To comply with Proposition 218, each water rate tier breakpoint (i.e. the consumption used in each tier) and the price of each tier must be individually cost-justified. The City of San Juan Capistrano’s rates were found to be out of compliance with Proposition 218 requirements because the City arbitrarily developed its higher water tiers to achieve conservation goals. The City’s tiered rate structure did not reflect the actual cost of providing water to higher tiers. Tiered rates are permitted if a nexus is established between the rate charged and the incremental cost to deliver water. The proposed tiers developed in this report are based on the actual cost of supplying water under average day (tier 1) and peak (tier 2) conditions.

1.3 SB 606, AB 1668, SB 555, and Rate Structure Adjustments

The rate structure changes proposed in this study are also designed to comply with the water conservation mandates of Senate Bill (SB) 606 / Assembly Bill (AB) 1668 and water loss reporting requirements of SB 555. SB 606 and AB 1668 require water purveyors to gradually reduce indoor, residential water use. By 2025, urban water purveyors should achieve average indoor consumption of 52.5 gallons per day (gpd) per capita. Civil enforcement actions begin in 2027 and the ultimate target is 50 gpd per capita by 2030. Under SB 555, water purveyors are required to develop water audits and

report non-billed water to the California Department of Water Resources. RLECWD’s free allotment of up to 6 ccf bimonthly is considered non-billed water.

The rate structure described in this report eliminates the free water allotment and proposes a two-tier structure for single family residential customers. RLECWD’s first tier encompasses up to 17 ccf bimonthly use and is designed to generate revenues from indoor water usage based on the 2025 water use target of 52.5 gallons per person per day and a four-person home. The second tier generates revenue from water use in excess of the indoor conservation limits set by the State of California. The tier 1 cost of service is made up of a portion of expenses incurred to deliver water at a base (non-peak) level of use. The tier 2 cost of service includes expenses related to some base use plus peak use. Non-residential customers are proposed to have uniform, non-tiered rates that apply to all levels of water use. These customers will either be in a rate class for dedicated irrigation accounts or a rate class denoted CII for commercial, institutional, and industrial accounts.

1.4 Proposed Rates and Bill Impacts

The findings and recommendations presented in this report were developed with substantial input from RLECWD staff and the Board of Directors. The proposed water rates are provided in Table 1. The first rate change is proposed to go into effect on or after September 15, 2021, with subsequent increases proposed for July 1 each year thereafter through July 1, 2025.¹ RLECWD’s current surcharges are proposed to remain unchanged. The proposed rate structure also includes drought rates, which are provided in Table 2. Drought rates reflect 30%, 40%, or 50% water cutbacks. The drought rates maintain the same rate structure as normal year water rates, with two tiers for single family residential customers and uniform rates for CII and irrigation customers.

¹ Rate changes are proposed to take place on or after the dates described in this report coinciding with RLECWD’s scheduled meter reads and billing dates. For example, the first billing cycle of the fiscal year spans from approximately July 15 to September 14 and the second billing cycle spans from approximately September 15 to November 14. The first rate change is proposed to become effective for the second billing cycle beginning on or after September 15, 2021.

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

Meter Size	Current	Proposed				
	FY2021	FY2022 Sep 15, '21	FY2023 Jul 1, '22	FY2024 Jul 1, '23	FY2025 Jul 1, '24	FY2026 Jul 1, '25
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 Rates (fixed bimonthly fee, no additional volume charges)						
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
CII and Irrigation inoperable meter rates may be based on past average consumption						
Volume Rates \$/ccf						
Current Rate per ccf (over 6ccf)	\$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						
Per device	\$8.33	\$9.00	\$9.27	\$9.55	\$9.84	\$10.14

Note: Rate changes are proposed to take place on or after the dates shown in this table coinciding with RLECDW's scheduled meter reads and billing dates.

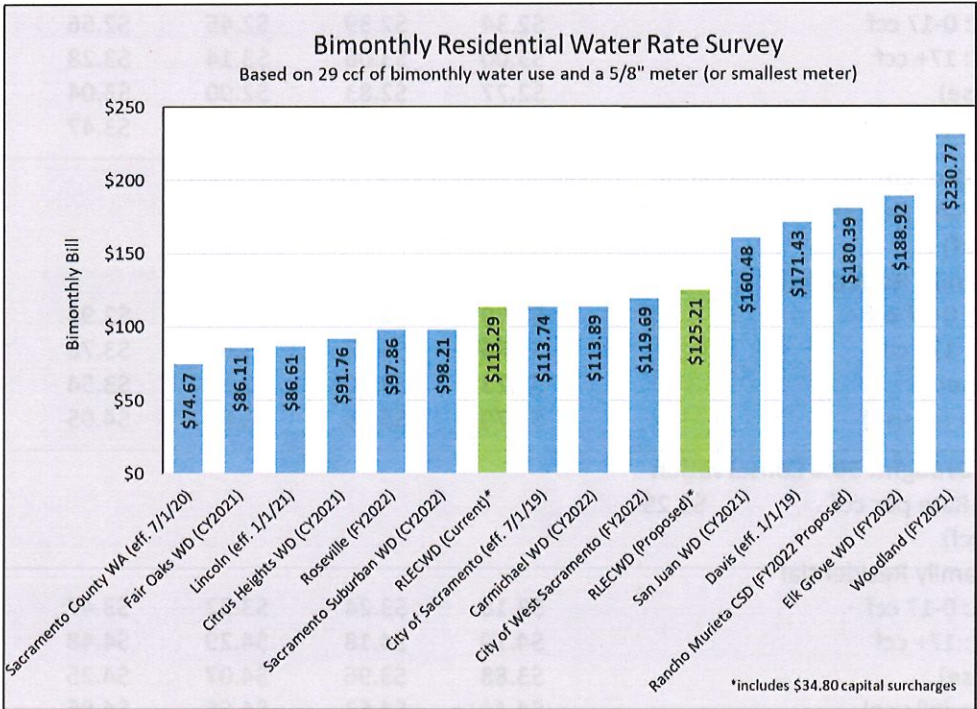
Table 2: Proposed Bimonthly Water Rates – Drought Conditions
Rate Study / Cost of Service Study
Rio Linda Elverta Community Water District

	Current	Proposed				
	FY2021	FY2022 Sep 15, '21	FY2023 Jul 1, '22	FY2024 Jul 1, '23	FY2025 Jul 1, '24	FY2026 Jul 1, '25
Stage 2 Drought: 30% Conservation		Volume Rates \$/ccf				
Current Rate per ccf (over 6ccf)	\$0.92					
Single Family Residential						
Tier 1: 0-17 ccf		\$2.34	\$2.39	\$2.45	\$2.56	\$2.67
Tier 2: 17+ ccf		\$3.00	\$3.06	\$3.14	\$3.28	\$3.43
CII (all use)		\$2.77	\$2.83	\$2.90	\$3.04	\$3.17
Irrigation (all use)		\$3.18	\$3.24	\$3.32	\$3.47	\$3.63
Stage 3 Drought: 40% Conservation						
Current Rate per ccf (over 6ccf)	\$1.08					
Single Family Residential						
Tier 1: 0-17 ccf		\$2.69	\$2.74	\$2.81	\$2.94	\$3.07
Tier 2: 17+ ccf		\$3.46	\$3.53	\$3.62	\$3.78	\$3.95
CII (all use)		\$3.23	\$3.30	\$3.39	\$3.54	\$3.70
Irrigation (all use)		\$3.70	\$3.78	\$3.88	\$4.05	\$4.24
Stage 4 Drought: 50% Conservation						
Current Rate per ccf (over 6ccf)	\$1.29					
Single Family Residential						
Tier 1: 0-17 ccf		\$3.18	\$3.24	\$3.32	\$3.47	\$3.62
Tier 2: 17+ ccf		\$4.10	\$4.18	\$4.29	\$4.48	\$4.68
CII (all use)		\$3.88	\$3.96	\$4.07	\$4.25	\$4.44
Irrigation (all use)		\$4.44	\$4.53	\$4.65	\$4.86	\$5.08

The average total bimonthly water use of a single family customer is 29 ccf per bimonthly billing period, and the most common residential meter size is 5/8". Based on these parameters plus surcharges of

\$34.80, the District’s current typical water bill is \$113.29 per bimonthly period. After the proposed September 15, 2021 increase, the typical residential bill would increase to \$125.21 per bimonthly period—an increase of about 10%. Figure 2 provides a bill survey comparing RLECWD’s typical current and proposed single family residential water bills to the bills of other local agencies.

Figure 2: Single Family Residential Bill Survey



SECTION 2: CURRENT RATES AND CUSTOMER BASE

This section provides an overview of the District's customer base, water usage statistics, and current rates and revenues.

2.1 Current Rates

2.1.1 Fixed Charges

RLECWD bills customers for water service on a bimonthly basis such that each billing period covers two months of service. Customers are charged a fixed fee based on the size of their water meter ranging from 5/8" to 4". All customers are charged these fixed fees regardless of water consumption to reflect costs RLECWD incurs associated with maintaining each connection. All customers are also billed two surcharges regardless of water consumption and meter size—the Capital Improvement Surcharge 1 and Surcharge 2, which fund capital improvement projects and debt service for an Opus Bank loan. Surcharge 1 is \$19.00 and Surcharge 2 is \$15.80 per billing period for all customers. These surcharges are not proposed to be adjusted in this study.

2.1.2 Volume Rates

Customers are charged for metered consumption over 6 hundred cubic feet (ccf) per billing period. One hundred cubic feet is 748 gallons. The District's uniform, non-drought volume rate is \$0.81/ccf. RLECWD also has a schedule of approved volume rates for drought conditions ranging from a 30% water cutback to a 50% cutback.

2.1.3 Standby Fire Protection and Backflow Prevention

RLECWD provides standby fire protection service to private fire lines ranging from 1.5" to 8". The District evaluated its fire rates in 2018 but did not fully implement the proposed rate changes. RLECWD lowered the rate for 1.5" line customers but did not increase the rates for larger customers.

A schedule of current bimonthly water rates is provided in Table 3.

**Table 3: Current Bimonthly Rates
Rate Study / Cost of Service Study
Rio Linda Elverta Community Water District**

Meter Size	Service Charge	Capital Improvement Surcharge [1]	Surcharge	Total Fixed Charge
5/8"	\$59.86	\$19.00	\$15.80	\$94.66
3/4"	\$59.86	\$19.00	\$15.80	\$94.66
1"	\$99.77	\$19.00	\$15.80	\$134.57
1.5"	\$199.53	\$19.00	\$15.80	\$234.33
2"	\$319.25	\$19.00	\$15.80	\$354.05
3"	\$698.37	\$19.00	\$15.80	\$733.17
4"	\$1,257.06	\$19.00	\$15.80	\$1,291.86
Inactive	\$53.39	\$19.00	\$15.80	\$88.19

Volume Rate	Non-Drought	Stage 2: 30% Reduction	Stage 3: 40% Reduction	Stage 4: 50% Reduction
\$/ccf	\$0.81	\$0.92	\$1.08	\$1.29

Standby Fire Protection	
1.5"	\$4.12
4"	\$40.00
6"	\$60.00
8"	\$80.00
14"	\$140.00

Backflow Prevention	\$8.33
----------------------------	--------

ccf - hundred cubic feet; 1 ccf = 748 gallons

1 - California Department of Public Health Compliance Order No. 01-09-07-CO-004

2.2 Customer Base

The District currently provides water service to over 4,500 meters and has 65 inactive customers. In the prior rate study, RLECWDC established ratios that are used to scale the fees of larger meter sizes in comparison to the 5/8" meter. The ratio compares the maximum flow of the 5/8" meter to the maximum flow of other meter sizes. The meter ratios are not proposed to be adjusted in this study. It is estimated that RLECWDC serves 5,360 meter equivalents, see Table 4.

**Table 4: FY2021 Meter Equivalents
Rate Study / Cost of Service Study
Rio Linda Elverta Community Water District**

Meter Size	Number of Meters	Ratio to 5/8" meter	Meter Equivalents
5/8"	3,746	1.00	3,746
3/4"	44	1.00	44
1"	680	1.67	1,133
1.5"	18	3.33	60
2"	23	5.33	123
3"	9	11.67	105
4"	4	21.00	84
Inactive	65	1.00	65
Total	4,589		5,360

2.3 Current Revenues

Based on District billing records², the typical bimonthly residential water use is about 29 to 31 ccf per bimonthly period. Given that a typical home has a 5/8" meter and 29 ccf of water use, the typical water bill is currently \$113.29.

Table 5 provides estimated water usage statistics, customer counts, and estimated total water service charge revenues for FY2021. Table 5 does not include revenues associated with the capital surcharges. The 5/8" meter is the most common meter size in the District. In total, RLECWD expects to collect about \$2.58 million in meter fees and volume rates revenue in FY2021, of which about 75% will be collected from fixed meter fees and 25% will be collected from volume rates. About 16% of the District's total water use falls within the first 6 ccf allotment that is not billed. RLECWD expects to collect \$10,800 from 33 standby fire protection customers and \$26,500 from 531 backflow prevention customers. Total rate revenues (not including surcharges) are estimated at about \$2.62 million based on utility billing records.

² This study uses billing data from January 2017 through April 2020

**Table 5: FY2021 Customer Counts and Service Charge Revenue
Rate Study / Cost of Service Study
Rio Linda Elverta Community Water District**

Meter Size	Service Charge (\$/bimo)	Count	FY2021 Estimated Revenue	% of Service Charge Revenues
5/8"	\$59.86	3,746	\$1,345,413	52%
3/4"	\$59.86	44	\$15,803	0.6%
1"	\$99.77	680	\$407,062	16%
1.5"	\$199.53	18	\$21,549	0.8%
2"	\$319.25	23	\$44,057	1.7%
3"	\$698.37	9	\$37,712	1.5%
4"	\$1,257.06	4	\$30,169	1.2%
Inactive	\$59.86	<u>65</u>	<u>\$23,345</u>	<u>1%</u>
Subtotal Meter Charges		4,589	\$1,925,111	75%
Volume Rate (\$/ccf)				
Water Allotment (0 to 6 ccf/bimo)	\$0.00	158,157		0%
Billed Water Use	\$0.81	<u>811,175</u>	<u>\$657,052</u>	<u>25%</u>
Subtotal Volume Rate		969,332	\$657,052	25%
Total Service Charge Revenues			\$2,582,200	100%
Standby Fire Protection				
1.5"	\$4.12	1	\$25	
4"	\$40.00	13	\$3,120	
6"	\$60.00	12	\$4,320	
8"	\$80.00	<u>7</u>	<u>\$3,360</u>	
Total Standby Fire Protection		33	\$10,825	
Backflow Prevention	\$8.33	531	\$26,539	

SECTION 3: COST OF SERVICE AND FINANCIAL PLAN

This section summarizes the expenses that make up the water utility’s cost of service that is recovered from rates and service charges and the cash flow that makes up RLECWD’s financial plan.

3.1 Revenues

As described in the prior section, meter fees, volume rates, backflow charges, and fire protection fees are estimated to generate about \$2.62 million in revenues. Other revenue sources include delinquency fees, taxes and assessments, interest earnings, and miscellaneous fees. These other sources generate about \$212,400 annually, which is projected to remain constant over the next five years. Total current revenues including rate and non-rate revenues amount to about \$2.83 million.

3.2 Expenses

3.2.1 Operating Expenses

RLECWD’s current annual operating budget totals just under \$2 million and most operating expenses are projected to increase 3% annually beginning in FY2022. RLECWD’s main operating expenses include salaries, benefits, administration, and pumping costs. The District expects to pay down its CalPERS unfunded accrued liability (UAL) via a fixed rate financing that will stabilize the UAL at \$93,000 over the next five years. The District projects additional staffing costs in FY2022 associated with existing operators gaining new licenses and certifications. In FY2024, RLECWD plans to hire an Administrative Manager. Under drought conditions, it is expected that pumping expenses would decrease but all other expenses would remain relatively unchanged.

3.2.2 Capital Improvements

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
Well 12A Design	\$500,000	\$167,561	\$189,724	15	\$22,163
Well 12A Construction	<u>\$3,750,000</u>	<u>\$1,228,777</u>	<u>\$1,377,084</u>	17	<u>\$148,307</u>
Total	\$4,461,200	\$1,396,338	\$1,778,008		\$576,670

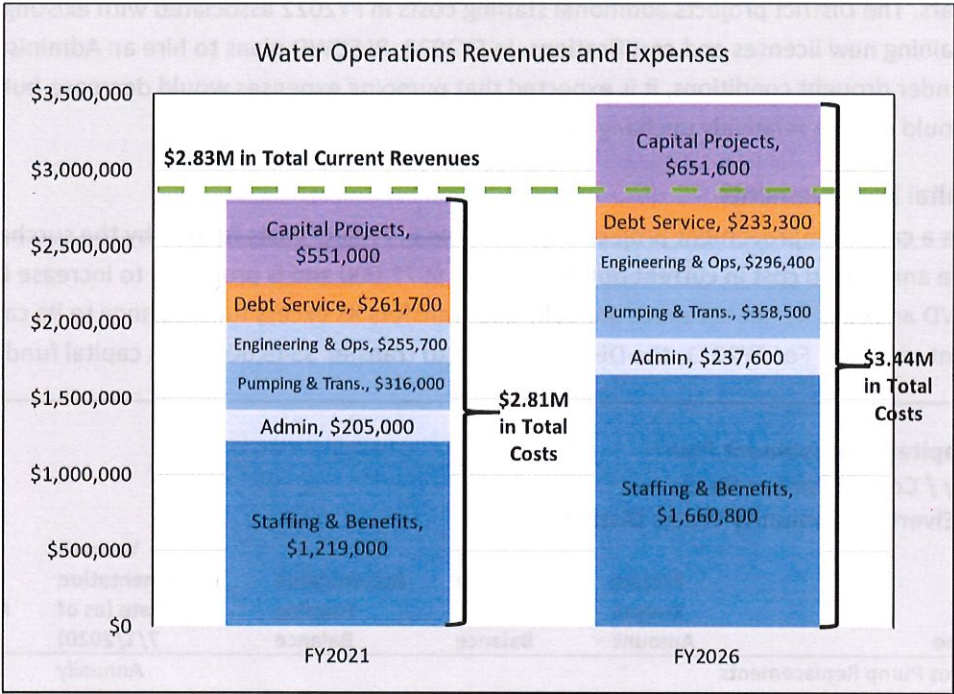
3.2.3 Debt Service

The Water Operations Fund is responsible for debt payments on the 2015 Umpqua Bank loan and the Advanced Meter Infrastructure (AMI) loan. The 2015 Umpqua Bank loan debt service is about \$200,000 per year and the AMI loan is about \$58,500 currently. In FY2026, RLECWD will make its final payment on the AMI loan. Currently, RLECWD has strong debt service coverage, estimated at about 3.2 times the annual payment. One goal of this rate study is to maintain the District’s coverage ratio and good financial health. No new debt is proposed for the next five-year period. It should be noted that the District’s other debt obligations paid via the surcharges were not evaluated in this study.

3.2.4 5-Year Summary

Current revenues of \$2.83 million generate sufficient funds to cover operations, debt service, and capital expenses. However, by FY2026, expenses are expected to exceed current revenues by about \$610,000. If rates are not increased, RLECWD will be unable to set funds aside for capital improvements.

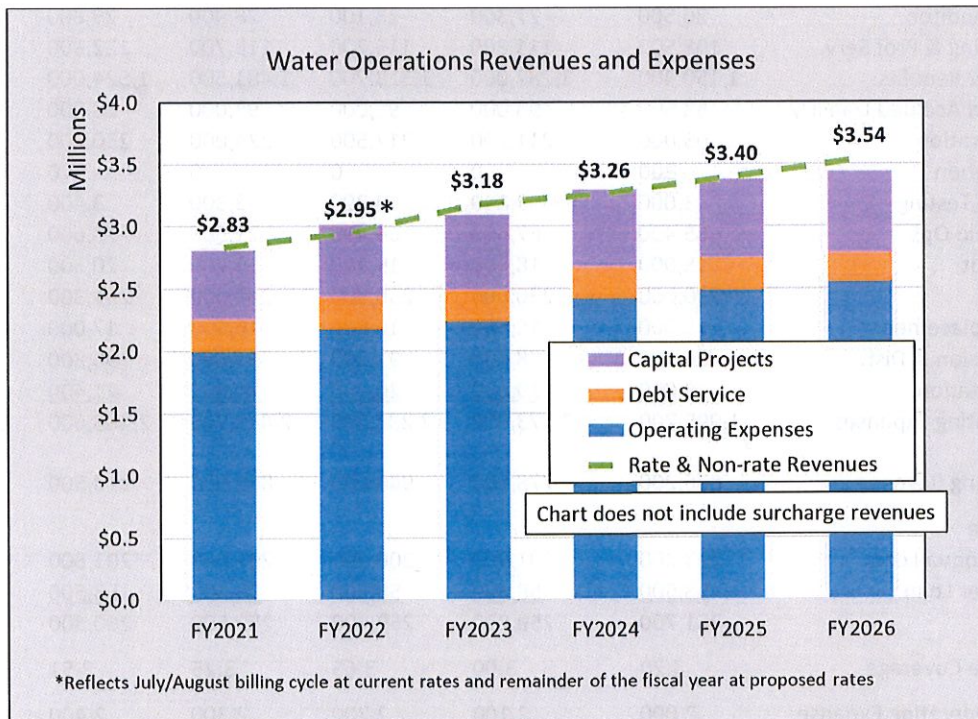
Figure 3: FY2026 Estimated Cost of Service



3.3 Cash Flows

Water fund cash flows with proposed revenue increases beginning on or after September 15, 2021 and spanning the next five fiscal years are provided in Figure 4 and Table 7. The cash flow includes rate and non-rate revenues, operating costs, debt service costs and coverage, and capital projects costs that are applicable to the Operations Fund. The District began FY2021 with a balance of \$773,300. The minimum fund balance target for each subsequent year is based on one month of operating expenses, per RLECWD’s Fiscal Policy. The District is projected to meet this ending balance target in each of the five years in the study period. Expenses are projected to slightly exceed revenues in FY2022 to allow for a phase-in of rate adjustments over 5 billing cycles (September 2021 to June 2022) rather than the full fiscal year (July 2021 to June 2022).

Figure 4: Water Operations Summary Cash Flow



**Table 7: Operating Cash Flow
Rate Study / Cost of Service Study
Rio Linda Elverta Community Water District**

	Budget	Projection				
	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Beginning Fund Balance	\$773,300	\$796,800	\$737,000	\$828,000	\$798,900	\$819,500
		Sep 15, 2021	Jul 1, 2022	Jul 1, 2023	Jul 1, 2024	Jul 1, 2025
Revenues						
Service Charges [1]	2,582,200	2,690,700	2,915,000	2,993,300	3,128,000	3,268,800
Backflow	26,500	28,300	29,500	30,400	31,300	32,200
Fire Protection	10,800	20,400	23,300	24,300	25,400	26,600
Delinquency Fees	90,000	90,000	90,000	90,000	90,000	90,000
Misc., interest & other	33,900	33,900	33,900	33,900	33,900	33,900
Taxes & Assessments	<u>88,500</u>	<u>88,500</u>	<u>88,500</u>	<u>88,500</u>	<u>88,500</u>	<u>88,500</u>
Total Revenues	2,831,900	2,951,800	3,180,200	3,260,400	3,397,100	3,540,000
Operating Expenses						
		3%	3%	3%	3%	3%
Legal & Auditor	26,500	27,300	28,100	28,900	29,800	30,700
Engineering & Prof Serv.	108,500	111,800	115,200	118,700	122,300	126,000
Salaries & Benefits	1,150,400	1,287,000	1,323,700	1,481,500	1,524,000	1,567,800
Unfunded Accrued Liability	68,600	93,000	93,000	93,000	93,000	93,000
Administration	205,000	211,200	217,500	224,000	230,700	237,600
Conservation	300	0	0	0	0	0
Backflow Testing	3,000	3,100	3,200	3,300	3,400	3,500
Other Field Ops	65,400	67,400	69,400	71,500	73,600	75,800
Treatment	18,000	18,500	19,100	19,700	20,300	20,900
Pumping	230,000	230,000	236,900	244,000	251,300	258,800
Valve Replacement	15,000	15,500	16,000	16,500	17,000	17,500
Transmission & Dist.	86,000	88,600	91,300	94,000	96,800	99,700
Transportation	<u>19,000</u>	<u>19,600</u>	<u>20,200</u>	<u>20,800</u>	<u>21,400</u>	<u>22,000</u>
Total Operating Expenses	1,995,700	2,173,000	2,233,600	2,415,900	2,483,600	2,553,300
Net Operating Revenue	836,200	778,800	946,600	844,500	913,500	986,700
Debt Service						
2015 Umpqua Loan	203,200	201,300	200,900	201,000	201,800	204,000
AMI Meter Loan	<u>58,500</u>	<u>58,500</u>	<u>58,500</u>	<u>58,500</u>	<u>58,500</u>	<u>29,300</u>
Total Debt	261,700	259,800	259,400	259,500	260,300	233,300
Debt Service Coverage	3.20	3.00	3.65	3.25	3.51	4.23
Misc Non-Operating Expense	2,000	2,100	2,200	2,300	2,400	2,500
Capital Improvements	<u>549,000</u>	<u>576,700</u>	<u>594,000</u>	<u>611,800</u>	<u>630,200</u>	<u>649,100</u>
Total Non-Operating	551,000	578,800	596,200	614,100	632,600	651,600
Net Revenue	23,500	(59,800)	91,000	(29,100)	20,600	101,800
Ending Fund Balance	\$796,800	\$737,000	\$828,000	\$798,900	\$819,500	\$921,300
Fund Target [2]	166,300	181,100	186,100	201,300	207,000	212,800
Target Met?	YES	YES	YES	YES	YES	YES

1 - Includes meter fees and volume rate revenues

2 - One month of operating expenses per District policy

SECTION 4: COST ALLOCATION

The revenue requirement determines the amount of revenue to be recovered from water rates, and the cost allocation determines how revenues will be recovered from customers based on how they use the water system.

4.1 Methodology and Peaking Factors

The American Water Works Association (AWWA) recommends methods to classify costs among various customers. The base-extra capacity method was selected for this study. Costs are allocated to the following categories: (a) base, (b) extra, (c) metering and services, (d) customer service and (e) backflow prevention. A fire protection category is excluded because fire protection costs and service fees were evaluated as a separate analysis in 2018.

The base category is intended to encompass expenses to related to providing water under average conditions (“base”). The extra category includes costs related to providing water above the system average (i.e. related to peak or “extra” usage). To determine appropriate allocations between the base and extra categories, peaking factors were established, see Table 8. Based on RLECWD’s billing data, water use during the peak bimonthly period was 1.72 times the water use during the average period. The average period (1.00) divided by the peak period factor (1.72) results in average or base use making up 58% of peak usage.

Table 8: Peaking Factors
Rate Study / Cost of Service Study
Rio Linda Elverta Community Water District

Metric	Peaking Factor	% of Total
Average Bimonth	1.00	58%
Peak Bimonth	1.72	<u>42%</u>
		100%

4.2 Backflow Prevention

Detailed cost allocation percentages are not required for the backflow prevention category because costs can be directly assigned. RLECWD estimated annual staffing costs and materials needed to provide backflow prevention services. As shown in Table 9, the total annual cost is estimated at \$26,500.

**Table 9: Backflow Prevention Cost of Service Estimate
Rate Study / Cost of Service Study
Rio Linda Elverta Community Water District**

Category	FY2022 Direct Annual Cost
Staffing Cost [1]	\$22,500
Reporting	\$2,000
Tester certification and training	\$1,000
Materials and Equipment	<u>\$1,000</u>
Total	\$26,500

Costs estimated by RLECWD staff
1 - 500 hours at \$35/hr plus \$5,000 for administration

4.3 Cost Allocation

Table 10 provides the proposed cost allocation based on FY2022 operating expenses and debt service, capital improvement costs, and other non-operating expenses. The cost allocation excludes the backflow prevention expenses shown above. FY2022 expenses were selected for cost allocation because they represent RLECWD's most up-to-date cost information. Most non-staffing operating costs are allocated based on water usage under average vs. peak conditions throughout the year. The 2015 Umpqua loan debt service, miscellaneous pump replacements, pipeline replacements, and Well 12 A capital costs were allocated based on peaking factors. Because water systems are designed and constructed based on peak period demands, peaking factors are an appropriate cost allocation metric for these expenses. Staffing costs were assigned based on the District's employees, salaries, and staff responsibilities.

**Table 10: Cost Allocation
Rate Study / Cost of Service Study
Rio Linda Elverta Community Water District**

Category	FY2022 Costs	Base	Extra	Meters & Services	Customer Service	Notes
Operating Expenses [1]						
Legal & Auditor	27,300	0%	0%	0%	100%	Direct
Engineering & Prof Serv.	111,800	47%	33%	20%	0%	Peaking less meters
Salaries & Benefits	1,287,000	28%	20%	45%	7%	Staffing
Unfunded Accrued Liability	93,000	0%	0%	100%	0%	Direct
Less Backflow Staffing	(22,500)	28%	20%	45%	7%	Staffing
Administration	211,200	28%	20%	45%	7%	Staffing
Other Field Ops	67,400	80%	20%	0%	0%	Usage
Treatment	18,500	80%	20%	0%	0%	Usage
Pumping	230,000	80%	20%	0%	0%	Usage
Valve Replacement	15,500	0%	0%	100%	0%	Direct
Transmission & Dist.	88,600	80%	20%	0%	0%	Usage
Transportation	<u>19,600</u>	<u>0%</u>	<u>0%</u>	<u>100%</u>	<u>0%</u>	Direct
Total Operating Expenses	2,147,400	789,100	416,000	808,600	133,800	
Non-Operating Expenses						
Debt Service 2015 Umpqua Loan	201,300	58%	42%	0%	0%	Peaking
Debt Service AMI Meter Loan	58,500	0%	0%	100%	0%	Direct
Misc Non-Operating Expense	2,100	0%	0%	100%	0%	Direct
Capital Improvements						
Miscellaneous Pumps	40,000	58%	42%	0%	0%	Peaking
Service Replacements	30,000	0%	0%	100%	0%	Direct
Small Meter Replacements	120,000	0%	0%	100%	0%	Direct
Large Meter Replacements	5,000	0%	0%	100%	0%	Direct
Annual Pipeline Replacement	211,200	58%	42%	0%	0%	Peaking
Well 12A Design & Construction	<u>170,500</u>	<u>58%</u>	<u>42%</u>	<u>0%</u>	<u>0%</u>	Peaking
Total Other Non-Operating Expenses	838,600	362,200	260,800	215,600	0%	
	2,986,000	1,151,300	676,800	1,024,200	133,800	
Proposed Cost Allocation	100.00%	38.6%	22.7%	34.3%	4.5%	

1 - Does not include the conservation expense as the conservation expense is being phased out; does not include backflow prevention expenses as these are directly assigned

Note: FY2022 costs shown here are partially offset by non-rate revenues and a slight draw down of reserves in FY2022

4.4 Fixed Unit Cost Calculation

The cost allocation percentages determined in the prior table are applied to the FY2023 service charge revenue requirement of \$2,915,000 in Table 11. FY2023 was selected as the test year instead of FY2022 because the FY2022 rate change will take place in September and apply to only five of six billing periods prompting a rate mitigation plan. The base and extra categories, representing 61.2% of the revenue requirement, are proposed to be recovered from volume rates.

38.8% of the revenue requirement is proposed to be recovered from fixed charges via the metering and services and customer service categories. For the metering and services revenue requirement, AWWA guidelines recommend using meter equivalents to assign capacity-related costs to larger meter sizes. Utility infrastructure is typically designed to meet peak demands associated with the maximum flow rate of each meter. The flow of larger meters compared to the base meter size of 5/8” determines the meter equivalents, see Table 4. The customer service revenue requirement is proposed to be recovered from each customer regardless of meter size.

**Table 11: FY2023 Fixed Unit Cost Calculation
Rate Study / Cost of Service Study
Rio Linda Elverta Community Water District**

	Total	Base	Extra	Meters & Services	Customer Service
FY2023 Revenue Requirement	\$2,915,000	\$1,123,925	\$660,707	\$999,847	\$130,619
Cost Allocation	100.0%	38.6%	22.7%	34.3%	4.5%
FY2023 Units of Service				5,377 meter equivalents	4,599 # of meters
FY2023 Unit Cost				\$30.99 \$/meter equiv./bimo	\$4.73 \$/meter/bimo

SECTION 5: RATE DESIGN

This section describes rate design considerations for fixed meter charges and volume rates.

5.1 Proposed Fixed Charges

Table 12 displays the calculation of bimonthly fixed charges. The meter equivalent charges are first calculated by scaling the base metering and services fee of \$30.99 by the equivalent meter ratio. The customer service charge of \$4.73 is then added to each fee regardless of meter size. The total proposed FY2023 fixed charge for 5/8" meters is \$35.72, a reduction from the current fee of \$59.86.

**Table 12: FY2023 Total Fixed Charges
Rate Study / Cost of Service Study
Rio Linda Elverta Community Water District**

Meter Size	Ratio	Meter Charge		Customer Service Charge		Total Fixed Bimonthly Fee
5/8"	1.00	\$30.99	+	\$4.73	=	\$35.72
3/4"	1.00	\$30.99	+	\$4.73	=	\$35.72
1"	1.67	\$51.65	+	\$4.73	=	\$56.38
1.5"	3.33	\$103.30	+	\$4.73	=	\$108.03
2"	5.33	\$165.28	+	\$4.73	=	\$170.01
3"	11.67	\$361.55	+	\$4.73	=	\$366.28
4"	21.00	\$650.79	+	\$4.73	=	\$655.52

The FY2022 fixed service charge for backflow prevention is calculated as \$26,500 (the revenue requirement established in Table 9) divided by 531 devices over six annual billing periods, rounded up for ease in billing. The resulting charge is \$9.00 bimonthly per device. Backflow costs are estimated to increase by 3% annually so backflow rates are also proposed to increase 3% annually.

5.2 Proposed Volume Rates

To comply with water use efficiency regulations, RLECWD proposes a two-tiered rate structure for single family customers. Tier 1 is intended to include efficient indoor water use of 52.5 gallons per capita per day – the 2025 target under SB 606 and AB 1668. The District determined an average household size of four occupants which results in a tier breakpoint of 17 ccf, see Table 13. Tier 2 is proposed to encompass inefficient indoor use and outdoor use in excess of 17 ccf per billing period.

**Table 13: Indoor Water Use Estimate
Rate Study / Cost of Service Study
Rio Linda Elverta Community Water District**

2025 Indoor Water Use Target	52.5	gpcd
	x	
Average people per home	4	
	x	
Average days per billing period	61	
	=	
Total indoor use per bimonth	12,810	gallons
Indoor ccf per bimonth	17	ccf

RLECWD also desires a rate class called CII (commercial, industrial, and institutional) and a rate class for dedicated irrigation accounts. These non-residential customers are proposed to have uniform, non-tiered rates that apply to all levels of use. The revenue responsibility of each class is based on class contributions to peak vs. average use as provided in Table 14.

**Table 14: Customer Class Peaking and Volumetric Revenue Allocation
Rate Study / Cost of Service Study
Rio Linda Elverta Community Water District**

	Average Bimonth		Peak Bimonth		Peaking Factor
SFR Residential	136,105	85%	231,213	84%	1.70
CII	22,450	14%	40,191	15%	1.79
Irrigation	<u>1,591</u>	1%	<u>4,074</u>	1.5%	<u>2.56</u>
Total ccf	160,147		275,478		1.72
	Base		Extra		Total
SFR Residential	\$955,201	85%	\$554,542	84%	\$1,509,743
CII	\$157,558	14%	\$96,394	15%	\$253,953
Irrigation	<u>\$11,165</u>	1.0%	<u>\$9,771</u>	1.5%	<u>\$20,937</u>
Total Allocated FY2023 Revenue Requirement	\$1,123,925		\$660,707		\$1,784,632

Note: consumption based on the average of 2018 and 2019 data normalized for 4,333 single family residential customers, 175 CII customers, and 16 irrigation customers
SFR - single family residential; CII – indoor commercial, industrial, and institutional

Table 15 provides the volume rate calculations for the single family residential, CII, and irrigation customer classes. The average single family customer is expected to use about 29 ccf per billing period. This level of use is set as the average or “base” use for ratemaking. As described, the first 17 ccf of use is set as Tier 1 and makes up 59% of water use included in the typical bill. The remaining 12 ccf is set as Tier 2 use and makes up about 41% of water use in the typical bill. Because tier 1 usage makes up about 59% of the average bill’s water use, Tier 1 is proposed to recover 59% of the “base” revenue requirement allocated to the single family customer class. Tier 2 is proposed to recover 41% of the “base” single family revenue requirement plus 100% of the “extra” revenue requirement. For CII and irrigation customers, the uniform volume rate recovers both the “base” and “extra” revenue requirements.

**Table 15: FY2023 Volume Rate Calculation
Rate Study / Cost of Service Study
Rio Linda Elverta Community Water District**

Indoor Water Use 52.5 gpcd	17	59%
Outdoor Water Use	12	41%
Average Bimonth [1]	29	

SFR Residential	Base		Extra	Total
Allocated Revenue	\$955,201		\$554,542	\$1,509,743
	Indoor	Outdoor	Extra	
	59%	41%	100%	
Suballocated Revenue	\$559,945	\$395,256	\$554,542	\$1,509,743
Tier	Tier 1	Tier 2		
Revenue in Tier	\$559,945	\$949,797		\$1,509,743
Breakpoint	0-17 ccf/bimo	17+ccf/bimo		
Water Use (ccf)	319,308	426,953		746,261
Rate (\$/ccf)	\$1.75	\$2.22		

CII	Base	Extra	Total
Allocated Revenue	\$157,558	\$96,394	\$253,953
Water Use (ccf)			128,254
Rate (\$/ccf)			\$1.98

Irrigation	Base	Extra	Total
Allocated Revenue	\$11,165	\$9,771	\$20,937
Water Use (ccf)			9,238
Rate (\$/ccf)			\$2.27

SFR - Single Family Residential; CII - indoor commercial, industrial, and institutional
1 - Average bimonthly usage of 29 ccf reflects slight conservation in FY2022 and beyond reflecting the rate structure changes

5.3 Projection of Customer Billing Units

The preceding tables calculated fixed and volume rates based on the FY2023 revenue requirement and billing units. For FY2024 through FY2026, the rates are calculated as the revenue requirement provided in Table 7 divided by the billing units shown in Table 16. It is projected that RLECWD will add five single family dwelling units each year that will each use 29 ccf per billing period and be served by a 1" meter. In FY2022, it is projected that water use will decline initially as customers adjust to the new rate structure, particularly the sunset of the District's unbilled allotment of 6 ccf.

**Table 16: Projected Customer Counts
Rate Study / Cost of Service Study
Rio Linda Elverta Community Water District**

	Current	FY2022	FY2023	FY2024	FY2025	FY2026
New Customers [1]		5	5	5	5	5
Cumulative		5	10	15	20	25
Water Meters	4,589	4,594	4,599	4,604	4,609	4,614
Meter Equivalents	5,360	5,368	5,377	5,385	5,393	5,402
Water Use [2]						
Single Family Residential						
SFR Tier 1: 0-17	349,817	324,890	319,308	319,818	320,328	320,838
SFR Tier 2: 17+	468,424	440,602	426,953	427,313	427,673	428,033
Non-SFR Water Use						
CII	140,939	131,860	128,254	128,254	128,254	128,254
Irrigation	<u>10,152</u>	<u>9,548</u>	<u>9,238</u>	<u>9,238</u>	<u>9,238</u>	<u>9,238</u>
Total	969,332	906,900	883,754	884,624	885,494	886,364

1 - Each new customer is assumed to be a single family residential customer with a 1" meter using 29 ccf/bimonth

2 - FY2022 reflects July and August based on typical water usage patterns over the past two years. Water use for September 2021 and beyond reflect a reduction in use as customers adjust to the new rate structure

5.4 5-Year Projection of Normal Year and Drought Usage Rates

Table 17 calculates revenues for FY2022 based on the first billing period collecting revenues under current rates and the other five billing periods collecting revenues under proposed rates. As shown in this report, FY2023 rates reflect the proposed cost allocation. To mitigate rate impacts, the September 15, 2021 rates are calculated as the FY2023 rates scaled to 98%.

**Table 17: FY2022 Rate Revenue
Rate Study / Cost of Service Study
Rio Linda Elverta Community Water District**

Meter Size	Jul/Aug '21 (Current)	Count	Estimated Revenue (1 Billing Cycle)	Sept '21 (Proposed)	Count [1]	Estimated Revenue (5 Billing Cycles)
	Service Charge (\$/bimo)			Service Charge (\$/bimo)		
5/8"	\$59.86	3,746	\$224,236	\$35.01	3,746	\$655,737
3/4"	\$59.86	44	\$2,634	\$35.01	44	\$7,702
1"	\$99.77	680	\$67,844	\$55.25	685	\$189,231
1.5"	\$199.53	18	\$3,592	\$105.87	18	\$9,528
2"	\$319.25	23	\$7,343	\$166.61	23	\$19,160
3"	\$698.37	9	\$6,285	\$358.95	9	\$16,153
4"	\$1,257.06	4	\$5,028	\$642.41	4	\$12,848
Inactive	\$59.86	<u>65</u>	<u>\$3,891</u>	\$35.01	<u>65</u>	<u>\$11,378</u>
Subtotal Meter Charges		4,589	\$320,852		4,594	\$921,738
Volume Rate (\$/ccf)	CURRENT	Jul/Aug '21		PROPOSED	Sep '21 to Jun '22	
Water Allotment (0 to 6 ccf/bimo)	\$0.00	26,772	\$0	SFR Tier 1: 0-17 \$1.72	256,342	\$440,908
Billed Water Use (6+)	\$0.81	<u>241,539</u>	<u>\$195,647</u>	SFR Tier 2: 17+ \$2.18	284,342	\$619,867
Subtotal Volume Rate		268,311	\$195,647	CCI \$1.94	91,802	\$178,096
				Irrigation \$2.22	<u>6,102</u>	<u>\$13,547</u>
					638,589	\$1,252,418
Total			\$516,498			\$2,174,156
						\$2,690,655
						Total 6 Billing Cycles

1 - It is assumed the District will add five new 1" customers per year

The usage rate calculation shown in Table 15 was repeated for years FY2024 through FY2026 as shown in Table 18. Table 19 through Table 21 provide usage rate calculations under drought conditions ranging from a 30% to 50% water cutback. Under drought conditions, it is assumed that the District’s pumping expense would be reduced proportionately to the water cutback (i.e. a 30% reduction in usage would result in a 30% reduction in pumping expenses). RLECWD reviewed its expenses and determined that there would be no other reductions in operating expenses during a drought. To calculate drought rates, the revenue requirement of each customer class is reduced by a pumping discount and then divided by estimated water use under the water cutback.

**Table 18: Usage Rate Calculation - Normal Water Year
Rate Study / Cost of Service Study
Rio Linda Elverta Community Water District**

	FY2023	FY2024	FY2025	FY2026
SFR Tier 1 Rev Req.	\$559,945	\$574,986	\$600,861	\$627,907
SFR Tier 1 Use (ccf)	319,308	319,818	320,328	320,838
Tier 1 Rate	\$1.75	\$1.80	\$1.88	\$1.96
SFR Tier 2 Rev Req.	\$949,797	\$975,310	\$1,019,199	\$1,065,076
SFR Tier 2 Use (ccf)	426,953	427,313	427,673	428,033
Tier 2 Rate	\$2.22	\$2.28	\$2.38	\$2.49
CII Rev Req.	\$253,953	\$260,774	\$272,509	\$284,776
CII Use (ccf)	128,254	128,254	128,254	128,254
CII Rate	\$1.98	\$2.03	\$2.12	\$2.22
Irrigation Rev Req.	\$20,937	\$21,499	\$22,466	\$23,478
Irrigation Use (ccf)	9,238	9,238	9,238	9,238
Irrigation Rate	\$2.27	\$2.33	\$2.43	\$2.54

Rev Req. – revenue requirement

**Table 19: Usage Rate Calculation - Stage 2 Drought 30% Conservation
Rate Study / Cost of Service Study
Rio Linda Elverta Community Water District**

	FY2023	FY2024	FY2025	FY2026
SFR Tier 1 Rev Req.	\$559,945	\$574,986	\$600,861	\$627,907
Less Pumping Discount	<u>(\$25,678)</u>	<u>(\$26,464)</u>	<u>(\$27,272)</u>	<u>(\$28,103)</u>
Total Rev	\$534,267	\$548,522	\$573,588	\$599,804
SFR Tier 1 Use (ccf)	223,515	223,872	224,229	224,586
Tier 1 Rate	\$2.39	\$2.45	\$2.56	\$2.67
SFR Tier 2 Rev Req.	\$949,797	\$975,310	\$1,019,199	\$1,065,076
Less Pumping Discount	<u>(\$34,335)</u>	<u>(\$35,359)</u>	<u>(\$36,412)</u>	<u>(\$37,493)</u>
Total Rev	\$915,463	\$939,951	\$982,788	\$1,027,583
SFR Tier 2 Use (ccf)	298,867	299,119	299,371	299,623
Tier 2 Rate	\$3.06	\$3.14	\$3.28	\$3.43
CII Rev Req.	\$253,953	\$260,774	\$272,509	\$284,776
Less Pumping Discount	<u>(\$10,314)</u>	<u>(\$10,613)</u>	<u>(\$10,919)</u>	<u>(\$11,234)</u>
Total Rev	\$243,639	\$250,162	\$261,590	\$273,541
CII Use (ccf)	89,778	89,778	89,778	89,778
CII Rate	\$2.83	\$2.90	\$3.04	\$3.17
Irrigation Rev Req.	\$20,937	\$21,499	\$22,466	\$23,478
Less Pumping Discount	<u>(\$743)</u>	<u>(\$764)</u>	<u>(\$787)</u>	<u>(\$809)</u>
Total Rev	\$20,194	\$20,734	\$21,680	\$22,668
Irrigation Use (ccf)	6,467	6,467	6,467	6,467
Irrigation Rate	\$3.24	\$3.32	\$3.47	\$3.63

Rev Req. – revenue requirement

**Table 20: Usage Rate Calculation - Stage 3 Drought 40% Conservation
Rate Study / Cost of Service Study
Rio Linda Elverta Community Water District**

	FY2023	FY2024	FY2025	FY2026
SFR Tier 1 Rev Req.	\$559,945	\$574,986	\$600,861	\$627,907
Less Pumping Discount	<u>(\$34,238)</u>	<u>(\$35,285)</u>	<u>(\$36,363)</u>	<u>(\$37,471)</u>
Total Rev	\$525,708	\$539,701	\$564,498	\$590,436
SFR Tier 1 Use (ccf)	191,585	191,891	192,197	192,503
Tier 1 Rate	\$2.74	\$2.81	\$2.94	\$3.07
SFR Tier 2 Rev Req.	\$949,797	\$975,310	\$1,019,199	\$1,065,076
Less Pumping Discount	<u>(\$45,780)</u>	<u>(\$47,145)</u>	<u>(\$48,549)</u>	<u>(\$49,991)</u>
Total Rev	\$904,018	\$928,165	\$970,651	\$1,015,086
SFR Tier 2 Use (ccf)	256,172	256,388	256,604	256,820
Tier 2 Rate	\$3.53	\$3.62	\$3.78	\$3.95
CII Rev Req.	\$253,953	\$260,774	\$272,509	\$284,776
Less Pumping Discount	<u>(\$13,752)</u>	<u>(\$14,150)</u>	<u>(\$14,559)</u>	<u>(\$14,979)</u>
Total Rev	\$240,201	\$246,624	\$257,950	\$269,796
CII Use (ccf)	76,953	76,953	76,953	76,953
CII Rate	\$3.30	\$3.39	\$3.54	\$3.70
Irrigation Rev Req.	\$20,937	\$21,499	\$22,466	\$23,478
Less Pumping Discount	<u>(\$991)</u>	<u>(\$1,019)</u>	<u>(\$1,049)</u>	<u>(\$1,079)</u>
Total Rev	\$19,946	\$20,480	\$21,418	\$22,399
Irrigation Use (ccf)	5,543	5,543	5,543	5,543
Irrigation Rate	\$3.78	\$3.88	\$4.05	\$4.24

Rev Req. – revenue requirement

**Table 21: Usage Rate Calculation - Stage 4 Drought 50% Conservation
Rate Study / Cost of Service Study
Rio Linda Elverta Community Water District**

	FY2023	FY2024	FY2025	FY2026
SFR Tier 1 Rev Req.	\$559,945	\$574,986	\$600,861	\$627,907
Less Pumping Discount	<u>(\$42,797)</u>	<u>(\$44,107)</u>	<u>(\$45,454)</u>	<u>(\$46,839)</u>
Total Rev	\$517,148	\$530,880	\$555,407	\$581,068
SFR Tier 1 Use (ccf)	159,654	159,909	160,164	160,419
Tier 1 Rate	\$3.24	\$3.32	\$3.47	\$3.62
SFR Tier 2 Rev Req.	\$949,797	\$975,310	\$1,019,199	\$1,065,076
Less Pumping Discount	<u>(\$57,225)</u>	<u>(\$58,932)</u>	<u>(\$60,686)</u>	<u>(\$62,488)</u>
Total Rev	\$892,573	\$916,379	\$958,513	\$1,002,588
SFR Tier 2 Use (ccf)	213,477	213,657	213,837	214,017
Tier 2 Rate	\$4.18	\$4.29	\$4.48	\$4.68
CII Rev Req.	\$253,953	\$260,774	\$272,509	\$284,776
Less Pumping Discount	<u>(\$17,190)</u>	<u>(\$17,688)</u>	<u>(\$18,199)</u>	<u>(\$18,724)</u>
Total Rev	\$236,763	\$243,086	\$254,310	\$266,052
CII Use (ccf)	64,127	64,127	64,127	64,127
CII Rate	\$3.96	\$4.07	\$4.25	\$4.44
Irrigation Rev Req.	\$20,937	\$21,499	\$22,466	\$23,478
Less Pumping Discount	<u>(\$1,238)</u>	<u>(\$1,274)</u>	<u>(\$1,311)</u>	<u>(\$1,349)</u>
Total Rev	\$19,698	\$20,225	\$21,155	\$22,129
Irrigation Use (ccf)	4,619	4,619	4,619	4,619
Irrigation Rate	\$4.53	\$4.65	\$4.86	\$5.08

Rev Req. – revenue requirement

5.5 5-Year Schedule of Proposed Rates

Table 22 provides a summary of proposed meter fees, standby fire protection fees, backflow prevention charges, and normal water year volume rates. Table 23 provides drought rates. Drought rates for an effective date on or after September 15, 2021 are calculated as 98% of the FY2023 drought rates consistent with the proposed rate phase-in.

Table 22 also provides inoperable meter fees for the next five years. The fees are calculated as the meter charge plus typical water use for the season - warm weather or cold weather. The warm weather fee is intended to be implemented from May to October and includes average use of 43 ccf per bimonthly period. The cold weather fee is intended to be implemented from November to April and includes average use of 19 ccf. CII and Irrigation inoperable meter rates may be based on past average consumption.

**Table 22: Proposed Bimonthly Water Rates - Normal Water Year
Rate Study / Cost of Service Study
Rio Linda Elverta Community Water District**

Meter Size	Current	Proposed				
	FY2021	FY2022 Sep 15, '21	FY2023 Jul 1, '22	FY2024 Jul 1, '23	FY2025 Jul 1, '24	FY2026 Jul 1, '25
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 Rates (fixed bimonthly fee, no additional volume charges)						
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
CII and Irrigation inoperable meter rates may be based on past average consumption						
Volume Rates \$/ccf						
Current Rate per ccf (over 6ccf)	\$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						
Per device	\$8.33	\$9.00	\$9.27	\$9.55	\$9.84	\$10.14

Note: Rate changes are proposed to take place on or after the dates shown in this table coinciding with RLECWD's scheduled meter reads and billing dates.

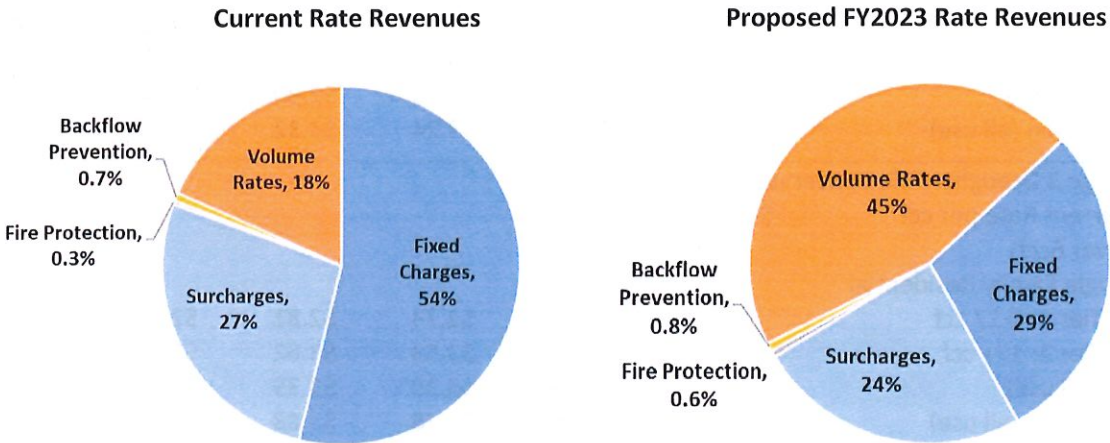
Table 23: Proposed Bimonthly Water Rates – Drought Conditions
Rate Study / Cost of Service Study
Rio Linda Elverta Community Water District

	Current	Proposed				
	FY2021	FY2022 Sep 15, '21	FY2023 Jul 1, '22	FY2024 Jul 1, '23	FY2025 Jul 1, '24	FY2026 Jul 1, '25
Stage 2 Drought: 30% Conservation		Volume Rates \$/ccf				
Current Rate per ccf (over 6ccf)	\$0.92					
Single Family Residential						
Tier 1: 0-17 ccf		\$2.34	\$2.39	\$2.45	\$2.56	\$2.67
Tier 2: 17+ ccf		\$3.00	\$3.06	\$3.14	\$3.28	\$3.43
CII (all use)		\$2.77	\$2.83	\$2.90	\$3.04	\$3.17
Irrigation (all use)		\$3.18	\$3.24	\$3.32	\$3.47	\$3.63
Stage 3 Drought: 40% Conservation						
Current Rate per ccf (over 6ccf)	\$1.08					
Single Family Residential						
Tier 1: 0-17 ccf		\$2.69	\$2.74	\$2.81	\$2.94	\$3.07
Tier 2: 17+ ccf		\$3.46	\$3.53	\$3.62	\$3.78	\$3.95
CII (all use)		\$3.23	\$3.30	\$3.39	\$3.54	\$3.70
Irrigation (all use)		\$3.70	\$3.78	\$3.88	\$4.05	\$4.24
Stage 4 Drought: 50% Conservation						
Current Rate per ccf (over 6ccf)	\$1.29					
Single Family Residential						
Tier 1: 0-17 ccf		\$3.18	\$3.24	\$3.32	\$3.47	\$3.62
Tier 2: 17+ ccf		\$4.10	\$4.18	\$4.29	\$4.48	\$4.68
CII (all use)		\$3.88	\$3.96	\$4.07	\$4.25	\$4.44
Irrigation (all use)		\$4.44	\$4.53	\$4.65	\$4.86	\$5.08

5.6 Revenue and Customer Impacts

Current and proposed revenues including surcharge revenues are shown in Table 24 and summarized in Figure 5. Current revenues total about \$3.58 million and are made up of about 82% fixed charge revenues and 18% volume rate revenues. Under the proposed rates, about 55% of revenues are made up of fixed fee revenues and 45% of revenues are generated by volume rates.

Figure 5: Revenue Recovery from Fixed Charges and Volume Rates



**Table 24: Comparison of Current and Proposed FY2023 Service Charge Revenues
Rate Study / Cost of Service Study
Rio Linda Elverta Community Water District**

Meter Size	Current				Proposed			
	FY2021	Count	Revenue	% of Total	FY2023	Count	Revenue	% of Total
5/8"	\$59.86	3,746	\$1,345,413	38%	\$35.72	3,746	\$802,843	20%
3/4"	\$59.86	44	\$15,803	0.4%	\$35.72	44	\$9,430	0.2%
1"	\$99.77	680	\$407,062	11%	\$56.38	690	\$233,413	6%
1.5"	\$199.53	18	\$21,549	1%	\$108.03	18	\$11,667	0%
2"	\$319.25	23	\$44,057	1%	\$170.01	23	\$23,461	1%
3"	\$698.37	9	\$37,712	1%	\$366.28	9	\$19,779	1%
4"	\$1,257.06	4	\$30,169	1%	\$655.52	4	\$15,732	0%
Inactive	\$59.86	65	\$23,345	1%	\$35.72	65	\$13,931	0%
Surcharge 1	\$19.00	4,589	\$523,146	15%	\$19.00	4,599	\$524,286	13%
Surcharge 2	\$15.80	4,589	\$435,037	12%	\$15.80	4,599	\$435,985	11%
Standby Fire Protection – Fixed Bimonthly Charge								
1.5"	\$4.12	1	\$25	0.0%	\$4.31	1	\$26	0.0%
4"	\$40.00	13	\$3,120	0.1%	\$56.83	13	\$4,433	0.1%
6"	\$60.00	12	\$4,320	0.1%	\$165.07	12	\$11,885	0.3%
8"	\$80.00	7	\$3,360	0.1%	\$165.07	7	\$6,933	0.2%
Backflow Prevention – Fixed Bimonthly Charge								
Per device	\$8.33	531	\$26,539	0.7%	\$9.27	531	\$29,534	0.75%
Subtotal Fixed Fees			\$2,920,658	82%			\$2,143,339	55%
Current Rate per ccf (over 6ccf)	\$0.81	811,175	\$657,052	18%				
Single Family Residential								
Tier 1: 0-17 ccf					\$1.75	319,308	\$558,789	
Tier 2: 17+ ccf					\$2.22	426,953	\$947,836	
CII (all use)					\$1.98	128,254	\$253,944	
Irrigation (all use)					\$2.27	9,238	\$20,971	
Subtotal Volume Rates			\$657,052	18%			\$1,781,540	45%
Total			\$3,577,710	100%			\$3,924,879	100%

Table 25 provides sample single family residential bills comparing the current and proposed September 15, 2021 bills under various levels of use. With use of 29 ccf per billing period and a 5/8" meter, the typical customer bill will increase from \$113.29 to \$125.21, an increase of about 10%.

**Table 25: Comparison of Current and Proposed Single Family Bills
Rate Study / Cost of Service Study
Rio Linda Elverta Community Water District**

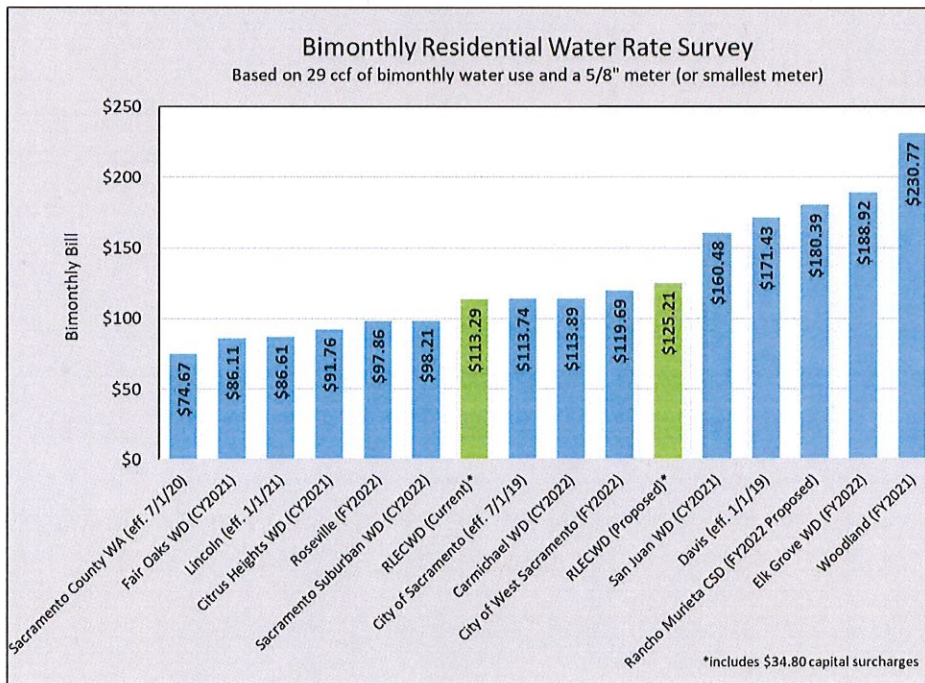
Current					Proposed September 15, 2021				
	Count	Rate	Fees	%		Count	Rate	Fees	%
Average SFR - 29 ccf					Average SFR - 29 ccf				
Fixed Fees					Fixed Fees				
5/8" Meter	1	\$59.86	\$59.86	53%	5/8" Meter	1	\$35.01	\$35.01	28%
Surcharge 1	1	\$19.00	\$19.00	17%	Surcharge 1	1	\$19.00	\$19.00	15%
Surcharge 2	1	\$15.80	<u>\$15.80</u>	14%	Surcharge 2	1	\$15.80	<u>\$15.80</u>	13%
Subtotal Fixed			\$94.66	84%	Subtotal Fixed			\$69.81	56%
Volume Fees					Volume Fees				
Tier 1: 0-6 ccf	6	\$0.00	\$0.00	0%	Tier 1: 0-17 ccf	17	\$1.72	\$29.24	23%
Tier 2: 6+ ccf	<u>23</u>	\$0.81	<u>\$18.63</u>	16%	Tier 2: 17+ ccf	<u>12</u>	\$2.18	<u>\$26.16</u>	21%
Subtotal Volume	29		\$18.63	16%	Subtotal Volume	29		\$55.40	44%
Total Bimonthly Bill			\$113.29	100%	Total Bimonthly Bill			\$125.21	100%
					% Change from Current			10.5%	
Indoor-only SFR - 17 ccf					Indoor-only SFR - 17 ccf				
Fixed Fees					Fixed Fees				
5/8" Meter	1	\$59.86	\$59.86	58%	5/8" Meter	1	\$35.01	\$35.01	35%
Surcharge 1	1	\$19.00	\$19.00	18%	Surcharge 1	1	\$19.00	\$19.00	19%
Surcharge 2	1	\$15.80	<u>\$15.80</u>	15%	Surcharge 2	1	\$15.80	<u>\$15.80</u>	16%
Subtotal Fixed			\$94.66	91%	Subtotal Fixed			\$69.81	70%
Volume Fees					Volume Fees				
Tier 1: 0-6 ccf	6	\$0.00	\$0.00	0%	Tier 1: 0-17 ccf	17	\$1.72	\$29.24	30%
Tier 2: 6+ ccf	<u>11</u>	\$0.81	<u>\$8.91</u>	9%	Tier 2: 17+ ccf	<u>0</u>	\$2.18	<u>\$0.00</u>	0%
Subtotal Volume	17		\$8.91	9%	Subtotal Volume	17		\$29.24	29%
Total Bimonthly Bill			\$103.57	100%	Total Bimonthly Bill			\$99.05	100%
					% Change from Current			-4.4%	
Median Bill SFR - 20 ccf					Median Bill SFR - 20 ccf				
Fixed Fees					Fixed Fees				
5/8" Meter	1	\$59.86	\$59.86	56%	5/8" Meter	1	\$35.01	\$35.01	33%
Surcharge 1	1	\$19.00	\$19.00	18%	Surcharge 1	1	\$19.00	\$19.00	18%
Surcharge 2	1	\$15.80	<u>\$15.80</u>	15%	Surcharge 2	1	\$15.80	<u>\$15.80</u>	15%
Subtotal Fixed			\$94.66	89%	Subtotal Fixed			\$69.81	66%
Volume Fees					Volume Fees				
Tier 1: 0-6 ccf	6	\$0.00	\$0.00	0%	Tier 1: 0-17 ccf	17	\$1.72	\$29.24	28%
Tier 2: 6+ ccf	<u>14</u>	\$0.81	<u>\$11.34</u>	11%	Tier 2: 17+ ccf	<u>3</u>	\$2.18	<u>\$6.54</u>	6%
Subtotal Volume	20		\$11.34	11%	Subtotal Volume	20		\$35.78	34%
Total Bimonthly Bill			\$106.00	100%	Total Bimonthly Bill			\$105.59	100%
					% Change from Current			-0.4%	

Peak Summer Bill SFR - 53 ccf					Peak Summer Bill SFR - 53 ccf				
Fixed Fees					Fixed Fees				
5/8" Meter	1	\$59.86	\$59.86	45%	5/8" Meter	1	\$35.01	\$35.01	20%
Surcharge 1	1	\$19.00	\$19.00	14%	Surcharge 1	1	\$19.00	\$19.00	11%
Surcharge 2	1	\$15.80	<u>\$15.80</u>	<u>12%</u>	Surcharge 2	1	\$15.80	<u>\$15.80</u>	<u>9%</u>
Subtotal Fixed			\$94.66	71%	Subtotal Fixed			\$69.81	39%
Volume Fees					Volume Fees				
Tier 1: 0-6 ccf	6	\$0.00	\$0.00	0%	Tier 1: 0-17 ccf	17	\$1.72	\$29.24	16%
Tier 2: 6+ ccf	<u>47</u>	\$0.81	<u>\$38.07</u>	<u>29%</u>	Tier 2: 17+ ccf	<u>36</u>	\$2.18	<u>\$78.48</u>	<u>44%</u>
Subtotal Volume	53		\$38.07	29%	Subtotal Volume	53		\$107.72	61%
Total Bimonthly Bill					Total Bimonthly Bill				
					\$177.53 100%				
					% Change from Current 33.8%				

For customers with 5/8" or 3/4" meters, bimonthly use of up to 20 ccf results in a bill decrease and bimonthly use of 21 ccf or more results in an increase.

Figure 7 provides a bill survey comparing RLECCWD's current and proposed typical residential bill with bills charged by other local water purveyors. The District's current bill is in the mid-range of surveyed agencies and will remain in the mid-range following the proposed rate adjustment.

Figure 6: Single Family Residential Bill Survey





Alerts & Articles

A Wave Of Public Agencies Statewide Are Swept Up In A New Water-Rate Lawsuit

02.27.2020

On November 5, 1996, California voters approved Proposition 218, the "Right to Vote on Taxes Act" ("Prop 218"). Prop 218 amended the California Constitution by adding elements that affect the ability of public agencies, such as special districts and local governments, to levy and collect taxes, assessments, and property-related fees and charges. With a few exceptions, "fee" or "charge" means any levy imposed by an agency upon a parcel, including a user fee or charge for property-related service. Prop 218 generally prohibits the imposition of fees for property-related services that exceed the cost of the service. Any public agency proposing to adopt a new, or increase an existing, property-related fee or charge must comply with both the substantive and procedural requirements of Prop 218.

Although Prop 218 legal challenges are not new, on or about February 17, 2020, a unique class action lawsuit was filed on behalf of approximately eighty-one (81) plaintiffs against eighty (80) water agencies throughout the State of California, alleging violations of Prop 218 regarding water rates ("Complaint"). A copy of the Complaint/Petition can be reviewed [here](#).

The Complaint alleges three causes of action: (1) mandamus; (2) violation of Constitutional rights; and (3) enjoining illegal expenditures. Each cause of action generally argues that defendants are unlawfully setting water rates for plaintiffs that exceed the cost of water service. The Complaint alleges that the water rates paid by the plaintiffs subsidize water service provided to the government and for general governmental service, including public fire hydrant service.

Additionally, plaintiffs allege that their payment for water service funds subsidizes special agricultural water rates. The plaintiffs pray for

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A Wave Of Public Agencies Statewide Are Swept Up In A New Water-Rate Lawsuit

damages, an accounting, declaratory relief, and injunctive relief.

If your agency has questions about this particular lawsuit or would like guidance regarding the legal, procedural and substantive requirements of Prop 218, feel free to contact our office. AALRR has a long track-record of helping its public clients determine the revenue sources available to them and counsels clients on how to impose such assessments lawfully under the procedural and substantive requirements of Proposition 218. This can mean assisting throughout the process or advising on a particular legal issue. We also defend clients in court from challenges to taxes and other revenue sources. AALRR's attorneys are also well versed in the interplay between the revenue generating provisions under the Sustainable Groundwater Management Act ("SGMA") and the requirements of Propositions 218.



Wesley A. Miliband
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RELATED PRACTICE AREAS

Water Law

33

Donald P. Driscoll, SBN 95472
Adryane Omens, SBN 143126
DRISCOLL & OMENS
P.O. Box 6596
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Telephone: (510) 527-4500

**Electronically Filed
by Superior Court of CA,
County of Santa Clara,
on 11/30/2020 12:00 AM
Reviewed By: System System
Case #20CV364054
Envelope: 5371211**

SUPERIOR COURT OF THE STATE OF CALIFORNIA
SANTA CLARA COUNTY

BONNIE KESSNER, et al.,
Plaintiffs and Petitioners,
vs.
CITY OF SANTA CLARA, et al.,
Defendants and Respondents.

Case No. 20CV364054

JOINT CASE MANAGEMENT
CONFERENCE STATEMENT

Date: December 3, 2020
Time: 2: 30 p.m.
Dept: 1

Action filed: February 19, 2020

INTRODUCTION

This is the first case management conference in this case.

The First Amended Complaint (“Complaint”) alleges that, in violation of Proposition 218 (as codified by Article 13D of the California Constitution), Plaintiffs and class members are being charged more than the cost of service for water services by their respective defendant public water providers in violation of Article 13D, § 6 of the California Constitution. The Complaint alleges 81 putative plaintiff classes based on the alleged violation of Proposition 218 by 81 named public entities throughout California. The Complaint also includes a claim against a defendant class of government water providers and identifies every named defendant, other than Respondent San Diego County Water Authority (SDCWA), as a representative of that defendant class. The Complaint asserts a mandamus claim against SDCWA, named as a Respondent in the First Cause of Action for Mandamus, but not named as a Defendant in the Second and Third Causes of Action.

The Complaint includes allegations that the Defendants overcharge for water service and subsidize water for government and governmental services, including the provision of water for fire-fighting services. The Complaint also alleges that some Defendants subsidize agricultural water rates

JOINT CASE MANAGEMENT CONFERENCE STATEMENT

1 through charges to certain Plaintiffs and their respective plaintiff classes. The Complaint further
 2 alleges that each Defendant, except Respondent SDCWA, supplies water to a Plaintiff (or Plaintiffs)
 3 and to a plaintiff class.

4 The 81 named Defendants are cities, counties, and public water districts. Counsel for 50
 5 Defendants have formed an informal defense liaison committee (“Committee”) to facilitate large
 6 group discussions with Plaintiffs’ counsel, among Defendants, and with the Court. On behalf of their
 7 clients, Committee members met and conferred with Plaintiffs’ counsel regarding case management
 8 issues. A list of the 50 defendant members of the Committee and their respective legal counsel is
 9 attached hereto as Attachment I. The Committee members intend to request that the Court appoint a
 10 Defense Liaison Counsel Committee that includes Committee members. The Committee circulated
 11 a draft case management conference statement to all Defendants, an additional 30 of which who are
 12 not members of the Committee decided to join the statement.¹ The 80 Defendants represented on the
 13 case management conference statement will be referred to herein as “DLCC Defendants.” The
 14 remaining Defendant, the City of San Jose, attaches its views in an addendum as required by the Order
 15 Deeming Case Complex entered March 9, 2020.

16
 17 **CASE MANAGEMENT CONFERENCE ISSUES**

18 **1. A statement as to whether additional parties are likely to be added and a**
 19 **proposed date by which all parties must be served.**

20 All Defendants have been served or have appeared. As directed by the Court, none have filed
 21 a responsive pleading. Additional plaintiffs may be added.

22
 23
 24
 25 ¹ The 30 additional Defendants who join this statement are: CITY OF ANTIOCH, CITY OF BREA,
 26 CITY OF CHINO, CITY OF CLOVIS, CITY OF COMPTON, CITY OF CORONA, CITY OF
 27 FAIRFIELD, CITY OF FOUNTAIN VALLEY, CITY OF FULLERTON, CITY OF GARDEN
 28 GROVE, CITY OF HESPERIA, CITY OF HUNTINGTON PARK, CITY OF MODESTO, CITY
 29 OF NORWALK, CITY OF SAN BUENAVENTURA, CITY OF SAN DIEGO, CITY OF SANTA
 30 MONICA, CITY OF SUISUN CITY, CITY OF TUSTIN, CITY OF VICTORVILLE, CITY OF
 31 WHITTIER, CONTRA COSTA WATER DISTRICT, EAST BAY MUNICIPAL UTILITY
 32 DISTRICT, EASTERN MUNICIPAL WATER DISTRICT, LAKESIDE WATER DISTRICT,
 OTAY WATER DISTRICT, PALMDALE WATER DISTRICT, RAINBOW MUNICIPAL
 WATER DISTRICT, SAN DIEGO COUNTY WATER AUTHORITY, and VISTA IRRIGATION
 DISTRICT.

2. Service lists identifying all primary and secondary counsel, firm names, addresses, telephone numbers, email addresses of all counsel.

See Attachment 2.

3. A description of all discovery completed to date and any outstanding discovery as of the date of the conference.

The action has been stayed. There has been no discovery.

4. Applicability and enforceability of arbitration clauses, if any.

The parties are not aware of any arbitration clauses relevant to the action.

5. A list of all related litigation pending in other courts, including Federal Court, and a brief description of any such litigation, and a statement as to whether any additional related litigation is anticipated (CRC 3.300):

The DLCC Defendants identify five cases which involve claims of unlawful tiered rates (rates that increase with the volume of water used): (1) *Campana, et al. vs. East Bay Municipal Utility District*, Alameda County Superior Court Case No. 20VC364054, (2) *Chinitz vs. City of Santa Cruz*, Santa Cruz Superior Court Case No. 19CV03364, (3) *Coziahr vs. Otay Water District*, San Diego Superior Court Case No. 37-2015-00400000-CU-MCCTL, (4) *Dreher vs. City of Los Angeles Department of Water and Power Los Angeles*, County Superior Court Case No. 19STCV07272, and, (5) *Patz et al. vs. City of San Diego*, San Diego Superior Court Case No. 37-2015-00023413-CU-MC-CTL. [San Jose cases].

Plaintiffs filed a petition with the Judicial Council under Code of Civil Procedure section 404 et seq. and California Rules of Court, Rule 3.501 to coordinate this case with cases (1) and (2) listed above. The petition was opposed by the Defendants and assigned to Judge Burdick of the Santa Cruz County Superior Court (Judicial Council Coordination Proceeding No. 5103). Judge Burdick denied the petition on October 19, 2020. The Court ruled that “there are no common issues of fact or law[in *Kessner*] that are predominating and significant to the litigation of [*Campana* and *Chinitz*].”² “[A] ruling in [this action] that public fire services should or should not be an allocated cost, and a ruling in the other two court[s] that the tiers do or do not correspond to the actual costs of providing service

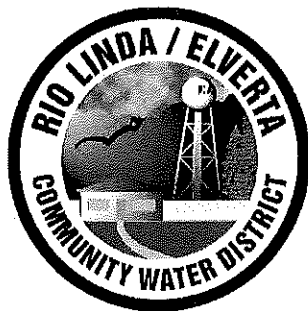
² Order Denying Coordination, Attachment 3, p. 6.

RLECWD 20 Largest Volume Water Residential Water Users							
Service Size	Meter #	Units Consumed May-June	Current Rates (bimonthly)	Proposed Rates (bimonthly)	Increase Amount	Percentage of Increase	Gallons per day per person
5/8-inch	#####	346	\$373.52	\$738.41	\$364.89	97.69%	1307
	#####	317	\$370.06	\$816.27	\$446.21	120.58%	1198
	#####	243	\$346.57	\$753.05	\$406.48	117.29%	918
	#####	134	\$344.36	\$659.93	\$315.57	91.64%	506
	#####	128	\$336.26	\$638.13	\$301.87	89.77%	484
	#####	117	\$321.68	\$598.89	\$277.21	86.18%	442
	#####	268	\$316.01	\$583.63	\$267.62	84.69%	1012
	#####	133	\$306.88	\$646.23	\$339.35	110.58%	502
	#####	84	\$286.63	\$591.73	\$305.10	106.44%	317
	#####	108	\$279.56	\$485.53	\$205.97	73.68%	408
	#####	115	\$261.74	\$437.57	\$175.83	67.18%	434
	#####	92	\$198.34	\$354.11	\$155.77	78.54%	348
1-inch	#####	230	\$197.53	\$351.93	\$154.40	78.17%	869
	#####	255	\$193.48	\$341.03	\$147.55	76.26%	963
	#####	185	\$184.57	\$317.05	\$132.48	71.78%	699
	#####	163	\$182.95	\$312.69	\$129.74	70.92%	616
	#####	265	\$179.71	\$303.97	\$124.26	69.14%	1001
	#####	237	\$177.28	\$297.43	\$120.15	67.77%	895
	#####	301	\$164.32	\$262.55	\$98.23	59.78%	1137
3/4-inch	#####	111	\$157.84	\$245.11	\$87.27	55.29%	419

Avg of 20 Highest 191.6 \$258.96 \$486.76 \$227.80 83.67% 724

Avg RLECWD Use 29 \$113.29 \$125.21 \$11.92 10.52% 110

The 20 highest use customers consume 6.6 times more water than the average RLECWD customer, but the bill of the 20 highest use customers is only 2.3 times higher than the average RLECWD customer in the current rate structure. If the proposed rate structure were in effect, the 20 highest use customers would see a bill that is 3.9 times higher than the average consumption bill.



36

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

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

Recommended Committee Action:

N/A this item is not reviewed by committee.

Current Background and Justification:

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

Conclusion:

No Board action is anticipated for this item.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla:___ Harris:___ Jason Green ___ Gifford___ Reisig____.
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent



Date: July 19, 2021

Subject: General Manager Report

Staff Contact: Timothy R. Shaw, General Manager

For the given month, I participated in the following reoccurring meetings and special events: Demands associated with the proposed rates restructuring have dominated time/attention allocation for this reporting period. Additional, noteworthy tasks include the rapidly evolving drought emergency. I've received outreach from area citizens that I'm not previously received since my appointment as GM. I've also received outreach from the attorney representing the District on existing hexavalent chromium litigation. There was also a personnel resource demand corresponding to the workplace COVID19 mask wearing guidelines published, revised, and published again from CalOSHA.

1. On June 28th I participated in a phone meeting with Legal Counsel to discuss Elverta Specific Plan projects map conditions.
2. On June 30th, the District held a special meeting of the Board to consider the updated Rate Study / Cost of Service Analysis and corresponding updated Prop 2018 Notice. A June 30th special meeting entailed planning ahead with the third-party printing, folding, mailing vendor.
3. On or about July 1st, I coordinated with the Chair to confirm an alternative meeting location for the July 6th (Tuesday) Executive Committee meeting. The Depot was unavailable.
4. On July 13th, I participated in the Association of California Water Agencies, Groundwater Quality Subcommittee meeting. The agenda is included with the Board packet of documents.
5. On various dates throughout the reporting period, I corresponded with Sacramento County regarding bike trails watering. On the same subject, I received and replied to concerned citizens reporting water wasting. The Save Our Water website includes reporting links, which are over-simplified. The complaint algorithm includes identifying the service area of the water purveyor where the alleged water wasting is occurring. The flaw in that logic is overlooking the circumstances where the alleged water waster is not supplied by the water purveyor, e.g. a private well.

Additional items of interest:

I spent a considerable effort responding to questions, concerns and misinformation regarding the proposed rates restructuring. The rates restructuring rates comparison tool was updated to reflect the updated Rate Study / Cost of Service Analysis, posted to the Rio Linda Elverta Community's Water District Facebook Page and the District's website.

I have been corresponding with the Contract District Engineer and the Operations Superintendent on the ongoing and intensifying liquid chlorine (sodium hypochlorite) shortage. This supply chain caused crisis has the potential to be very detrimental to water and wastewater treatment entities. The drought emergency compounds this issue.



Items for Discussion and Action
Agenda Item: 4.3

Date: July 19, 2021
Subject: District Engineer's Report
Staff Contact: Mike Vasquez, District Engineer

Recommended Committee Action:

N/A this item is not discussed at committees.

Current Background and Justification:

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

Conclusion:

There is no Board action anticipated for this item.

14 July 2021

DISTRICT ENGINEER'S REPORT

To: Tim Shaw, General Manager, Rio Linda / Elverta Community Water District

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

Subject: **District Engineer's Report for the 19 July 2021 Board of Directors Meeting**

The District Engineer is pleased to submit this brief update of duties and tasks performed for the period of 18 June 2021 to 13 July 2021:

1. General District Engineering:

- California Department of Water Resources (DWR) Landscape Area Estimates Project Report: As presented to the Board of Directors at the 5/17/2021 meeting, staff provided comments to DWR on 5/12/2021 regarding the State's process of determining the amount of irrigable area within the District's Service Area for implementation of outdoor efficient water use as required by SB 606 and AB 1668. Staff reviewed the report to compare the assumed District Service Area boundary used by DWR in their Geographic Information System (GIS) to District internal boundary maps. This review found inconsistencies with the DWR GIS boundary affecting 10 parcels. DWR asked for comments again to be submitted under a different online portal, which staff submitted on 6/30/2021.
- Labor Compliance Program Annual Report – The annual report consisting of labor compliance for any District construction projects is due to be submitted to the California Department of Industrial Relations by 8/31/2021 for the period of 7/1/2020 to 6/30/2021. Staff is working with labor compliance consultant Kurey and Associates to complete this task by the due date.
- Hexavalent Chromium Map – Staff developed a draft map showing District well locations most in need of Cr+6 treatment. RWA asked the General Manager if this map could be prepared to help determine if the District would be eligible for any DWR future funding for wellhead treatment. Staff continues to work on the map so that it graphically represents the flow capacity value of each Cr+6 impacted well to entire water system.

2. Active Development Reviews:

- Fox Hollow Residential Development (28 lots 6th Street between Q Street and S Street): The developer's construction contractor successfully connected new water mains to the District's distribution system on 6/23/2021. District Operations Staff was onsite to observe the connection. The developer's next step is water meter connection and fee payment at some point in the future as homes begin construction.
- 6221 16th Street Phase 2 Worship Facility Development (Northwest corner G Street and 16th Street): The developer's construction contractor continues to perform onsite construction. Construction is progressing slowly as the developer is relying on a small construction crew to

perform the work. Staff continues to make the developer aware that staff must be present during any connection to the District's water system.

3. Well 16 Pump Station Construction Project:

- The well is operating successfully as anticipated. Staff is currently working on closing out the project with a final project completion report due to DWR by 9/9/2021.

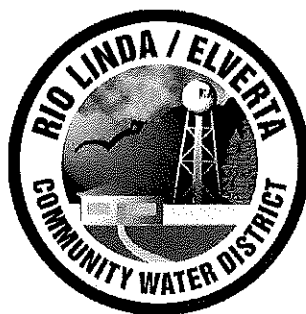
4. CIP Pipe Replacement Project Request for Proposals (RFP) Dry Creek Road:

- Staff is currently negotiating with the most qualified contractor as ranked by the proposal review team consisting of the General Manager, Operations Superintendent, and District Engineer. If negotiations are unsuccessful with the most qualified respondent, negotiations will commence with the second most qualified respondent.

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

Very truly yours,

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



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

Date: July 19, 2021

Subject: Resolution 2021-02, Establishing Procedures for Processing Proposition 218 Protests

Staff Contact: Timothy R. Shaw

Recommended Committee Action:

The Executive Committee recommends the Board adopt Resolution 2021-02, Proposition 218 Protest Processing Procedures.

Current Background and Justification:

California Constitution XIID (Proposition 218) does not specifically set forth rules concerning the method by which written protest are to be submitted to the District in opposition to the imposition of any new Fees or increase to any existing Fees, or how the District is to tabulate the protests.

The absence of specific rules has shown to enable baseless assertions of non-compliance with Proposition 218 and further lead to delays and additional costs. The District is NOT the only agency to have experienced the concerns and allegations of wrong-doing consequent to the absence of specificity in Proposition 218 for processing protests. As such, many agencies have adopted policies and procedures (Resolutions) for processing Proposition 218 protests.

Legal Counsel has reviewed and revised (minor edits) the draft Resolution, and the version included with your agenda documents includes Legal Counsel edits.

Conclusion:

I recommend the Board adopt Resolution No. 2021-02.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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

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

RLECWD Agenda Item Checklist

Item 4.4

Date

Initial Potential Meeting Date

07/19/2021

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

Resolution 2021-02, Establishing Procedures for Processing Proposition 218 Protests

07/01/2021

Staff Work Completed

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

Committee Review of Item and Staff Work

07/06/2021

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

Formal Legal Counsel Review

07/12/2021

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

GM Review

07/15/2021

Actual Meeting Date Set for Agenda Item

07/19/2021

Resolution 2021-02

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RIO LINDA ELVERTA COMMUNITY WATER DISTRICT ADOPTING PROCEDURES FOR PROVIDING NOTICE AND RECEIVING WRITTEN PROTEST TO WATER PROPERTY-RELATED FEES AND CHARGES

WHEREAS, the California Constitution, Article XIID, section 6 (Proposition 218) requires the Rio Linda Elverta Community Water District (“District”) to consider written protests to the imposition of any new, or increased to any existing water property-related fees and charges (hereinafter “Fees”); and

WHEREAS, Proposition 218 does not specifically set forth rules concerning the method by which written protests are to be submitted to the District in opposition to the imposition of any new Fees or increase to any existing Fees, or how the District is to tabulate the protests; and

WHEREAS, California Government Code section 53755 provides some directions on the method of tabulating written protests submitted in opposition to the imposition of any new Fee or any increase to Fees subject to Proposition 218; and

WHEREAS, the District desires to have a clear and open process for submitting and tabulating written protests for its property-related fees and charges.

NOW THEREFORE, BE IT RESOLVED, by the Board of Directors of the Rio Linda/Elverta Community Water District that the following procedures are hereby adopted for submitting written protest against any new Fee or increase to any existing fees:

1. Definitions. Unless the context clearly indicates another meaning was intended, the following definitions shall apply:

a. “Parcel” means a specific segment of land assigned an Assessor’s Parcel Number or other unique identifier by the Sacramento County Assessor’s Office or Recorders Office, the owner or occupant of which is subject to the proposed property-related fee or charge that is the subject of the hearing.

b. “Record Owner” means the owner of a Parcel whose name and address appears on the County Assessor’s last equalized secured property tax assessment roll, or in the case of any public entity, the State of California, or the United States, means the representative of that public entity at the address of that entity known to the District.

c. “Tenant” means either: (1) a utility customer to whom the District sends a water bill for the Parcel in question as reflected in the billing records of the District at the time the notice of a public hearing with respect to a water rate increase has been given; or (2) any person who provides evidence, satisfactory to the District, or designee, that he or she is a tenant of the Parcel in question. Such evidence may include, but shall not be limited to: a driver’s license indicating that that person’s address is the same as that of the Parcel in question, any other water bill showing that that person resides at the Parcel in question, or a copy of a lease agreement relating to the Parcel in question that is signed by that person. The District’s General Manager’s determination as to the sufficiency of any such evidence shall constitute a final action of the District and shall not be subject to any appeal.

2. Notice of Public Hearing. Pursuant to California Constitution, Article XIID, section 6 of Proposition 218, the District is required to hold and conduct a public hearing whenever it proposes to impose a new or increase any existing property-related fee for water service (“Fee”).

a. The District shall provide notice by mail of the public hearing for the proposed imposition of any Fee required under the California Constitution article XIID, section 6 to the Record Owner or Tenant of each identified parcel upon which the Fee is proposed for imposition.

b. Notices shall be mailed at least 45 days prior to the date of the public hearing on the proposed imposition of any new or increase to any existing property-related fee or charge.

c. For purposes of this Resolution and these procedures, the terms “notice by mail” shall have the meaning contained in Government Code section 53750, subdivision (i), as such section may be amended from time to time.

d. Only one notice is required to be sent to each Record Owner, irrespective of how many Parcels they own, for those Parcels subject to the same property-related fee that is the subject of the public hearing notice.

3. Submission of Written Protests. Any Owner of Record or Tenant may submit a written protest to the proposed imposition of any new or any increase to any existing Fee only for the Parcel(s) they own or occupy. Any written protest shall be submitted by mail to RLECWD P.O. Box 400, Rio Linda, CA 95673, in person or drop box at 730 L Street Rio Linda, CA, or in person prior to the close of the Public Hearing at which the District will consider the adoption of the proposed new or increase to the existing Fee.

a. All written protests shall be submitted and must be received by the District prior to the close of the public hearing.

b. Any written protest received by the District after the close of the public hearing, even if postmarked prior to that time, shall not be accepted as a written protest or considered by the District in determining whether a majority protest exists.

4. Form of Written Protest. Any protest to any new or increase to an existing Fee submitted to the District by a Record of Owner or Tenant shall:

a. be in writing and identify the affected property by assessor’s parcel number or street address;

b. provide the name and signature of the Record Owner or Tenant submitting the protest; and

c. state the new or increased Fees for which the written protest is being submitted. By way of example, a Record Owner or Tenant could write “Water Rate Protest.”

5. Multiple Protest Will Not be Counted for One Property. Each Record Owner or Tenant may submit a written protest for a Parcel they own or occupy, but only one protest will be counted per Parcel in accordance with California Government Code section 53755, subdivision (b), as such section may be amended from time to time. Any one written protest submitted in accordance with these rules will be sufficient to count as a protest for that Parcel.

6. Withdrawal of Written Protest. Any person who submits a written protest to a new or increase to any existing Fee proposed to be imposed by the District may withdraw the written protest by submitting a written request that the protest be withdrawn. Any such request may be made in person at the public

hearing or submitted to the General Manager, and shall be made prior to the close of the public hearing. The withdrawal of a protest shall:

- a. contain sufficient information to identify the affected parcel by parcel number or street address;
- b. include the name of the Record Owner or Tenant who submitted both the protest and the request that it be withdrawn. Only the person who submits a written protest may withdraw it.

7. Public Hearing is Not an Election. The public hearing and protest required under Article XIID, section 6, subdivision (a), of the California Constitution (Proposition 218) for water property-related fees and charges is not an election.

8. Protests are Public Records. To ensure transparency and accountability in the protest tabulation, written protests shall constitute a disclosable public record from and after the time the public hearing is closed.

9. Oral Comments. Oral comments made at a public hearing for the consideration of the adoption of any new or increase to any Fee shall not qualify as a formal written protest unless accompanied by a valid written protest in conformance with this Resolution and these procedures. However, the District's Board welcomes input from the community during the public hearing on any proposed new or increase to any existing property-related fee or change.

BE IT FURTHER RESOLVED that the following procedures are hereby adopted for tabulating written protests against the proposed imposition of any new Fee or increase to any exiting Fee:

1. Validity of Protest. The General Manager, or his or her designee, shall determine the validity of all protests. The General Manager, or his or her designee (s), shall not accept as valid any protest if the General Manager determines that any of the following conditions exist:

- a. The written protest does not identify a Parcel served by the District or a Parcel subject to the proposed property-related fee.
- b. The written protest is not submitted by a Record Owner or Tenant of the Parcel.
- c. The protest does not state it is being submitted in opposition to the proposed Fee(s).
- d. The protest was not received by the General Manager before the close of the public hearing on the proposed Fee(s), regardless of any postmark on the envelope on which the protest may have been mailed, or other delivery method utilized.
- e. A request to withdraw a written protest is received prior to the close of the public hearing on the proposed Fee(s).

2. Final Action. The General Manager's decision regarding the validity of a written protest shall constitute a final action of the District and shall not be subject to any internal appeal.

3. Cursory Review. The General Manager may begin cursory review at any time a written protest is received; however, the review shall not be completed until the close of the public hearing and consideration of any written request to withdraw a written protest. At the conclusion of the public hearing, the General Manager shall complete the cursory review of all protests received, including those received during the public hearing and shall report the results of the review to the Board of Directors upon completion. If cursory review of the protest received demonstrates that the number received is manifestly less than one-half of the parcels served by the District with respect to the water service, then the General Manager may advise the Board of the absence of a majority protest without tabulating the protests or determining the validity of the protest received.

4. Final Tabulation. If it appears, following a cursory review of the protests received, that the number of protests received may be more than one-half of the parcels served, then the General Manager shall proceed to tabulate the protests. If at the conclusion of the public hearing the General Manager determines that additional time will be needed to tabulate the protests, the General Manager shall advise the Board of Directors to continue the tabulation to allow for completion at a later, specified date and time. If so, the District’s Legal Counsel shall declare the time and place of tabulation, which shall be conducted in a place where interested members of the public may observe the tabulation, and the Legal Counsel shall declare the time at which the meeting shall be resumed to receive and act on the tabulation report.

5. Majority Protest. A majority protest will exist for each proposed Fee if a majority (50% plus one) of the Record Owners or Tenants of the identified parcels subject to the Fee that is the subject of the protest hearing submit timely, valid written protests against the proposed imposition. All written protests must be timely submitted, not withdrawn, and comply with the requirements set forth in this Resolution and these procedures. If a majority protest is received, then the proposed new or increase to any existing Fee shall not be approved. If there is not a majority protest for the proposed new or increase to any exiting Fee, then the Board of Directors shall consider adoption of the proposed new or increase to any existing Fee.

BE IT FURTHER RESOLVED AND ORDERED that this activity is not subject to the California Environmental Quality Act because it will not result in a direct or reasonably foreseeable indirect physical change in the environment pursuant to CEQA Guidelines section 15060(c)(2).

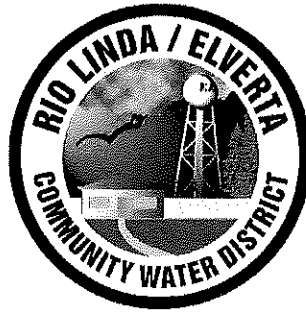
APPROVED AND ADOPTED by the Board of Directors of the Rio Linda / Elverta Community Water District on this 19th day of July 2021. By the following vote:

AYES:
NAYS:
ABSENT:
ABSTAIN:

ATTEST:

Jason Green
President, Board of Directors

Timothy R. Shaw
Secretary of the Board of Directors



Items for Discussion and Action
Agenda Item: 4.5

Date: July 19, 2021

Subject: Delay in FY 2021/2022 Final Budget Adoption

Staff Contact: Timothy R. Shaw

Recommended Committee Action:

The Executive Committee placed this item on the agenda to allow for discussion by all Board Members.

Current Background and Justification:

District policy stipulates the final budget is typically considered via a public hearing for budget adoption traditionally held in August of each year. The unanticipated postponement of the rates restructuring public hearing previously scheduled for June 21, 2021 makes an August 16, 2021 final budget adoption infeasible, the District cannot adopt a final budget if the reasonably anticipated revenue structure has not been adopted.

If the rescheduled public hearing on August 16, 2021 for consideration of the proposed rate restructuring results in Board adoption of the proposed rates restructuring, the Board could consider scheduling a public hearing for adoption of the fiscal year 2021/2022 budget at the September 20, 2021 regular Board meeting

Conclusion:

I recommend the Board discuss the delay in adoption of a fiscal year 2021/2022 final budget.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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

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

RLECWD Agenda Item Checklist

Item 4.5

Date

Initial Potential Meeting Date

07/19/2021

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

Delay in FY 2021/2022 Final Budget Adoption

07/01/2021

Staff Work Completed

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

Committee Review of Item and Staff Work

07/06/2021

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

Formal Legal Counsel Review

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

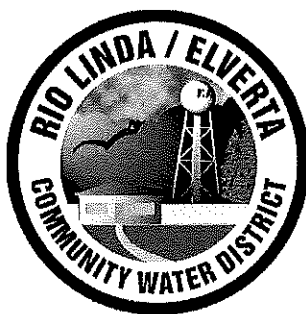
N/A

GM Review

07/15/2021

Actual Meeting Date Set for Agenda Item

07/19/2021



46

Items for Discussion and Action Agenda Item: 4.6

Date: July 19, 2021

Subject: Curtailment of 2020 UWMP Consultant Engagement

Staff Contact: Timothy R. Shaw

Recommended Committee Action:

The Executive Committee forwarded this item onto the July 19th Board agenda to allow discussion by all Board Members.

Current Background and Justification:

The Contract District Engineer reported to the Executive Committee on June 7, 2021 that a draft Request for Proposals (RFP) would be ready for the Committee's review at the July 6th meeting. The completion of the draft RFP anticipated that the rates adjustment public hearing would take place at the June 21, 2021 Board meeting, and that the associated rates adjustment resolution would be adopted June 21st. Due to the postponement of the rates adjustment public hearing, it is not reasonable to proceed with the process of engaging a consultant for drafting a 2020 UWMP. The published guidelines for preparing 2020 Urban Water Management Plans (UWMP) include conformance with water use efficiency and water loss standards, as well as the mandated 20% conservation by the year 2020 law. The water use efficiency mandates of SB 606 / AB 1668, the water loss standards of SB 555, and 20% conservation mandate are virtually infeasible under the District's current rate structure. It is recommended to postpone the process of engaging a consultant until after a rates adjustment public hearing is conducted and the associated resolution is adopted.

Postponement of the 2020 UWMP consultant engagement process, although necessary and appropriate, is NOT without consequence. RLECWD will likely be deemed ineligible for grants and low interest loans administered by the state until it adopts a 2020 UWMP that is approved by the Dept. of Water Resources. Grants and loans reasonably anticipated to be on the horizon includes potential funding for hexavalent chromium treatment and reimbursement for non-payments of water bills by customers impacted by COVID-19.

Conclusion:

I recommend the Board engage in discussion about the curtailment of the engagement of a consultant for drafting the 2020 Urban Water Management Plan.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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

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

RLECWD Agenda Item Checklist

Item 4.6

Date

Initial Potential Meeting Date

07/19/2021

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

Curtailment of 2020 UWMP Consultant Engagement

07/01/2021

Staff Work Completed

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

Committee Review of Item and Staff Work

07/06/2021

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

Formal Legal Counsel Review

N/A

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

GM Review

07/15/2021

Actual Meeting Date Set for Agenda Item

07/19/2021



Items for Discussion and Action
Agenda Item: 4.7

Date: July 19, 2021

Subject: Customer Request for Waiver of Cost for Disconnecting Service – Opt Out of Inactive Service Fees

Staff Contact: Timothy R. Shaw

Recommended Committee Action:

The June 7th (prior month) Executive Committee forwarded this item onto the July 19th Board agenda. The Committee intentionally withheld any formal recommendation for Board action.

Current Background and Justification:

The email thread with the customer requesting a waiver of the fee associated with opting out of inactive service fees are included with the documents associated with this item. Essentially, this customer disagrees with the validity/appropriateness of the inactive service fee, and uses such to justify their request that the fees paid to date should be counted as a credit against the costs for disconnecting the service line, i.e. this customer believes the District should pay the cost for disconnect her service line.

If the Board ultimately is inclined to consider granting this customers request, I recommend seeking Legal Counsel feedback on the ramifications for granting such a request, e.g., does granting the request compel the District to grant all future request with similar facts and circumstances? What other substantive consequences are there for a fee that is charged to some but waived for others?

Conclusion:

I recommend the Board discuss this request, seek any clarification deemed necessary by the Board Members, then take actions as might be deemed appropriate by the Board with the benefit of legal advice.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____
Ridilla: _____ Harris: _____ Jason Green _____ Gifford _____ Reisig _____.

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

RLECWD Agenda Item Checklist

Item 4.7

Date

Initial Potential Meeting Date

07/19/2021

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

Customer Request for Waiver of Cost for Disconnecting Service – Opt Out of Inactive Service Fees

Staff Work Completed

07/15/2021

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

Committee Review of Item and Staff Work

06/07/2021

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

Formal Legal Counsel Review

N/A

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

GM Review

07/15/2021

Actual Meeting Date Set for Agenda Item

07/19/2021

On Friday, May 21, 2021, 9:57:46 AM PDT, Kym G > wrote:

Also, I would like to add, I called your office in 2017 asking why the inactive fee was so high? Renita had informed me of the meter size cost. I then requested a smaller meter size and was told that it was not available. I called multiple times and was told that same thing and said she couldn't give me the lower priced meter when the smaller meter was not available. She was not willing to work with me. I was forced to pay for a larger meter because a smaller meter was not available. How is that fair to your customers? Now the meter is no longer there, why am I being charged?

I would assume the Rio Linda Water District to have the answer to your question, "why, when, and who removed my meter?" I don't understand why you are asking me that question.

I understand that I am relinquishing the irrigation line and that if I wish to re-establish the water line again in the future, there will be capacity and re-connection fee. I will sign what is needed. I will no longer pay for the inactive fee.

Thank you,
Kym G

On Thursday, May 20, 2021, 10:56:04 AM PDT, Tim Shaw <gm@rlecwd.com> wrote:

Ms. G:

I will place your request on the agenda for the June 7th Executive Committee. Although the Executive Committee cannot approve or disapprove a request, the Executive Committee's role would be to recommend a Board action. The next Board meeting is scheduled for June 21st. One possible scenario is the Executive Committee forwards your request onto the June 21st Board agenda. Another scenario is that the Committee requests additional information, confirmation, or details to enable their recommendation, which can lead to the item being considered in July.

Do you know why, when or who removed your "irrigation meter"? Do you understand that you will need to sign a formal attestation that you relinquish the capacity you own in the second service line ("irrigation") and will further that should you or your successor property owner change your mind and want to re-establish your second service line, you will have to pay the capacity fee in effect at that time plus pay for the public works cost for work to reconnect the disconnected service line.

Please do not hesitate to contact me with questions or concerns.

Timothy R. Shaw

General Manager

Rio Linda / Elverta Community Water District

(916) 991-8891

From: Kym G
Sent: Thursday, May 20, 2021 10:41 AM
To: Tim Shaw <GM@rlecwd.com>
Cc: My baby <

Subject: Re: Inactive service fee for 228 West E Street

Hi Tim,

In 2017, I have requested disconnection for both of my water lines as I was planning on installing a water well. Kim had told me, "You can't get away with not paying us anything...you have to pay an inactive fee." So then I decided to keep one meter and disconnect the irrigation meter. She saw that I had two water meters and agreed that I was able to disconnect the irrigation meter and sent me a form for disconnection. After I submitted the form, Renita called and denied my request and sent the form back to me. I still have that form dated 6/16/2017.

I have been paying the inactive fee since 2017. A few months ago I noticed that I no longer had an irrigation meter and so that is why I reached out to you about the inactive fees again. I would have paid the \$2500 to fully disconnect in 2017, but disconnection was not offered to me.

I am requesting to disconnect my irrigation line, acct# 6076800 effective today. I would like a credit of the fees I paid-to-date to be deducted from the disconnection fee of \$2500.

Thank you,

Kym G

On Tuesday, May 11, 2021, 11:47:33 AM PDT, Tim Shaw <gm@rlecwd.com> wrote:

Ms. G:

It is necessary and appropriate for you to provide justification and/or reasoning to support your request. The Board of Directors is required to consider such request by applying reason and objectivity. In other words, the Board Members do not simply flip a coin to decide which request they will oblige and which they will reject. Board Members are expected to demonstrate the principals of meritocracy.

Components to consider for inclusion in your waiver request include (these are just my suggestions, not mandates):

- What exactly are you wanting to be waived, e.g. do you want the public works costs for cutting open the street and disconnecting one of your two service lines waived (not likely feasible under the gift of public funds prohibitions).
- Are you asking for a waiver of the monthly inactive service fee and/or a credit for the fees you've paid to date? If so, what is your justification for such waiver.
- Are you proposing to demonstrate substantial compliance with the abandonment of your superfluous service connection to obviate the \$2,500 (approx.) charge for cutting into the street and removing the service line? What exactly are you proposing as an alternative to street cutting and pipe removal?
- Are you indicating your intention to accept the terms of relinquishing your capacity fee and acknowledge your obligation to re-pay the current capacity fee and current public works charge for re-installing a service line if you want/need that service in the future.
- It should be clearly conveyed in your request that you will retain one of your existing two service connections, thereby addressing the ground water quality preservation elements that are an issue for those customers who wish to replace their existing municipal water service with private wells.

I'm available at your convenience to provide clarification and objective support.

Timothy R. Shaw

General Manager

Rio Linda / Elverta Community Water District

(916) 991-8891

From: Kym G
Sent: Tuesday, May 11, 2021 10:17 AM
To: Tim Shaw <GM@rlecwd.com>
Subject: Re: Inactive service fee for 228 West E Street

As you have recommended, I'd like to ask for a waiver/exception please.

Thank you,

Kym G

On Friday, May 7, 2021, 3:17:17 PM PDT, Tim Shaw <gm@rlecwd.com> wrote:

Ms. G:

Attached is the applicable, relevant, current RLECWD policy regarding inactive service fees. As you can see in the document, the 2013 policy (the relevant policy in 2017) was rescinded through the Board's adoption of Ordinance 2019-01.

I've also attached two successive staff reports regarding the Board's adoption of Ordinance 2019-01. These staff reports are provided to reflect the deliberative (two months of Board public board meetings following months of public committee meetings), and public disclosure/transparency (newspaper notice of Board consideration) entailed in the adoption of this policy, Ordinance 2019-01.

Timothy R. Shaw

General Manager

Rio Linda / Elverta Community Water District

(916) 991-8891

From: Kym G >
Sent: Friday, May 7, 2021 1:59 PM

To: Tim Shaw <GM@rlecwd.com>
Subject: Re: Inactive service fee for 228 West E Street

Hi Tim,

I just wanted to make sure that you received my last email. I will wait for your response.

Thank you,

Kym

On Friday, May 7, 2021, 12:15:19 PM PDT, Tim Shaw <gm@rlecwd.com> wrote:

Ms. G:

I apologize for my delayed response. I had read and began compiling a response, but more pressing matters forced me to set that aside temporarily.

I hope to clear enough of the pressing matters this afternoon to allow me to pick up where I left off. The most basic element of the my response is that you're using outdated information, i.e. the relevant policies (Resolution/Ordinance) in place in 2017 have subsequently been superseded.

You have two services now. Those services are considered individually, not collectively, i.e. you can disconnect one with no effect on the other.

Timothy R. Shaw

General Manager

Rio Linda / Elverta Community Water District

(916) 991-8891

From: Kym G >
Sent: Friday, May 7, 2021 11:10 AM
To: Tim Shaw <GM@rlecwd.com>
Subject: Fw: Inactive service fee for 228 West E Street

Hi Tim,

I sent you an email last Friday and I haven't gotten a response. Please see message below.

Thank you,

Kym G

----- Forwarded Message -----

From: Kym G >

To: Tim Shaw <gm@rlecwd.com>

Sent: Friday, April 30, 2021, 11:47:43 AM PDT

Subject: Re: Inactive service fee for 228 West E Street

Hi Tim,

I'd like to request a waiver/exception.

In 2017, I called to request disconnection for the irrigation line. Kim sent me a form for disconnection. After I submitted the form, Renita called and told me it was denied and that you guys don't do that and sent the form back to me. I still have that form dated 6/16/2017.

I have been paying the inactive fee since 2017. Had I known that I could pay \$2500 to fully disconnect at that time, I would have done it, but disconnection was not offered to me.

I have a question about the disconnection process. Will you only disconnect my irrigation line? Will I still have water service on my other water line because I still want to receive water for my property. From what I gather, it sounds like you will be disconnecting water to my entire property. Please clarify.

Thank you,

Kym G

On Thursday, April 29, 2021, 1:59:06 PM PDT, Tim Shaw <gm@rlecwd.com> wrote:

Kym:

Compliance for the surcharges was achieved via the Prop 218 Notice for the 2016 rate adjustment.

The pipe between the District's water main and your property, AKA the service line, constitutes service. A service line without a meter is still service.

For what it's worth, I think we can approach these issue in a different way and may have more success. The approach I suggest is akin to interest based bargaining. I'm not here to oppose your every move. I recognize you want to get away from your recurring inactive service charge, but you do not want to pay \$2,000 or more to cut open the street and disconnect your service line from the main. Anything you're trying to achieve that entails a contradiction to formally Board adopted policies (e.g. Resolutions and Ordinances, will entail a Board action to waive requirements or grant an exception. The Board adopts these policies only after formal review by RLECWD Legal Counsel. If any of these formally adopted Board policies are found by a court of proper jurisdiction to be non-compliant with California law, the cost to cure the mistake can be a claim against the law firms malpractice insurance. In short, these are not casual efforts. Your chances of finding a plausible loophole are infinitesimally small. Accordingly, I recommend you put your efforts into justifying a waiver/exception.

Timothy R. Shaw

General Manager

Rio Linda / Elverta Community Water District

(916) 991-8891

From: Kym G
Sent: Thursday, April 29, 2021 12:03 PM
To: Tim Shaw <GM@rlecwd.com>
Subject: Inactive service fee for 228 West E Street

Hi Tim,

I spoke with you last week about the inactive service fee for my second water line (irrigation) on my property.

According to the recitals in the 2019-01 ordinance, the District did not follow the required procedure to lawfully adopt the ordinance. It says, "this Ordinance supersedes Resolution 2013-08. Resolution 2013-08 is hereby rescinded." It then goes on to adopt an Inactive Service Fee consisting of "the current base rate of \$58.80, Surcharge #1, and Surcharge #2." The base rate and surcharges are water service charges. Water service charges are deemed "property-related fees" under Proposition 218 and cannot be imposed without providing 45 days mailed notice, an opportunity for customers to protest, and a public hearing at which protests are tabulated. According to the recitals, only five days notice was given. Nor is there any mention of a protest tabulation.

I should not be charged an Inactive Service Fee for the irrigation line where the meter has been removed. Ordinance 2019-01 states, "All properties that *are connected to the District's water system* that have no water usage during a billing period ... *and* are deemed to be inactive customers by the District, shall be required to pay a minimum bimonthly water service fee ('inactive service fee')."

As the ordinance is worded, properties are subject to the Inactive Service Fee only if they are "connected to the District's water system." If the District removed my meter, it must have capped the pipe to prevent water from pouring into the void where the meter once was. If the District severed my connection and capped it, it cannot claim that I am still "connected to the District's water system."

Could you please to respond with an explanation justifying imposition of the fee for my former irrigation line.

Thank you,

Kym G



Items for Discussion and Action Agenda Item: 4.8 and 4.8.1

Date: July 19, 2021

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

Staff Contact: Timothy R. Shaw

Recommended Committee Action:

The Executive Committee forwarded an item onto the July 19th Board agenda to enable the Board to consider ratifying the assignments for a collective bargaining agreement (MOU) renewal ad hoc committee.

Current Background and Justification:

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

Per the provisions of the GM Employment Agreement, it may be an appropriate time for the Board to assign an ad hoc committee to commence the annual performance review process.

Additional details of the reasons for establishing a MOU Renewal Negotiations Ad Hoc are included with in the minutes of the July 6th Executive Committee.

Conclusion:

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

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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



Information Items
Agenda Item: 5.1

Date: July 19, 2021

Subject: District Reports

Staff Contact: Timothy R. Shaw, General Manager

1. DISTRICT ACTIVITY REPORT

1. Operations Report
2. Completed and Pending Items Report
3. Minor Budget Revision FY 2020/2021 Budget

RIO LINDA/ELVERTA C.W.D. 2021

REPORT OF DISTRICT OPERATIONS

SOURCE WATER DATA

Water Production (Million Gallons)

January	February	March	April	May	June	Year To Date
39.9	35.2	47.9	75.8	106.6	121.9	
39,900,384	35,233,381	47,855,206	75,774,182	106,611,124	121,894,350	
July	August	Sept.	Oct.	Nov.	Dec.	427.30

Gallons = Multiply M.G. by:	1,000,000	Monthly Total	121,894,350	Gallons	427,268,627
Cubic Feet = Divide gallons by:	7.48		16,296,036	Cubic Feet	57,121,474
Hundred Cu Ft. = Divide cu. ft. by:	100		162,960	Hundred Cubic Feet	571,215
Acre Ft. = Divide gallons by:	325,829		374.11	Acre Ft.	1,311

DISTRIBUTION SYSTEM DATA

Water Quality Complaints

Complaints Total (Low Psi Complaints)

January	February	March	April	May	June	Year To Date
2 (2)	1 (1)	0	0	4 (4)	3 (1)	
July	August	Sept.	Oct.	Nov.	Dec.	10

New Services

New Construction	0	1
Existing Homes	0	0
Paid prior to increase. (2 not installed)	0	0
Total of Service Connections to Date ----->		4643

Distribution System Failures/Repairs

Deterioration June 1 thru 30	9	29
Damaged June 1 thru 30	1	1

Bacteriological Sampling

Routine Bacteriological Samples (Distribution System)	20	104
Raw Water Bacteriological Samples (at Wells)	12	24

June 1, 2021 - June 30, 2021

10 - Distribution leaks repaired by District staff, 0 - by Contractor or with Contractor assistance.		
Work Orders Issued - 37	Work Orders Completed - 59	USA's Issued - 92
Change Out Meter - 1	Change Out Meter - 23	
General Complaint - 1	Disconnect Service - 2	
Disconnect Service - 3	Flow Test - 2	
Flow Test - 2	Get Current Read - 6	
Get Current Read - 6	Line Leak - 3	
Line Leak - 5	Possible Leak - 9	
Possible Leak - 8	Pressure Complaint - 1	
Pressure Complaint - 1	Taste or Odor Complaint - 2	
Raise Existing Service - 1	Turn Off Service - 3	
Taste or Odor Complaint - 2	Turn On Service - 2	
Turn Off Service - 3	Usage Complaint - 2	
Turn On Service - 1		
Usage Complaint - 3		

RIO LINDA/ELVERTA C.W.D.

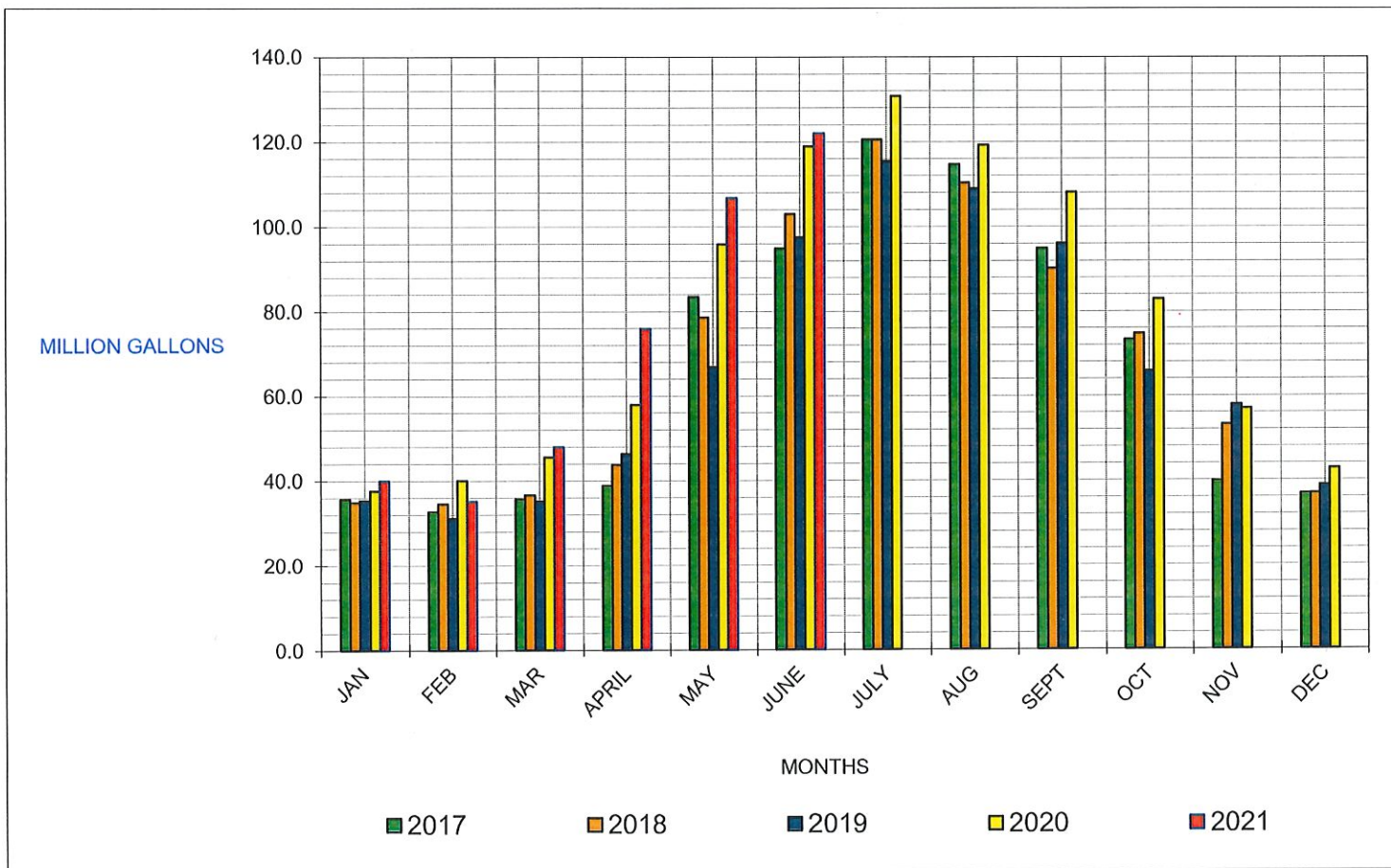
WATER PRODUCTION

2017 \ 2021

Water Production in Million Gallons

SSWD Water Purchases

Month	2017	2018	2019	2020	2021	Avg.	2017	2018	2019	2020	2021
JAN	35.6	34.8	35.3	37.6	39.9	36.6	0.0	0.0	0.0	0.0	0.0
FEB	32.7	34.5	31.1	40.0	35.2	34.7	0.0	0.0	0.0	0.0	0.0
MAR	35.6	36.5	35.1	45.5	47.9	40.1	0.0	0.0	0.0	0.0	0.0
APRIL	38.8	43.7	46.3	57.9	75.8	52.5	0.0	0.0	0.0	0.0	0.0
MAY	83.4	78.5	66.8	95.9	106.6	86.2	0.0	0.0	0.0	0.0	0.0
JUNE	94.9	102.9	97.5	118.9	121.9	107.2	0.0	0.0	0.0	0.0	0.0
JULY	120.5	120.5	115.4	130.7		121.8	0.0	0.0	0.0	0.0	
AUG	114.6	110.3	108.9	119.2		113.3	0.0	0.0	0.0	0.0	
SEPT	94.9	90.1	96.1	108.1		97.3	0.0	0.0	0.0	0.0	
OCT	73.2	74.7	65.8	82.8		74.1	0.0	0.0	0.0	0.0	
NOV	39.7	53.1	57.8	56.9		51.9	0.0	0.0	0.0	0.0	
DEC	36.7	36.8	38.7	42.7		38.7	0.0	0.0	0.0	0.0	
TOTAL	800.6	816.4	794.8	936.2	427.3	837.0	0.0	0.0	0.0	0.0	0.0



**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
OPERATING BUDGET 2020-2021**

3.07.500 Minor Revisions and reallocations between line items by General Manager; July 19, 2021 Revision 1

			2020-2021 ACTUAL JULY 20-MAY21	CURRENT 2020-2021 BUDGET	REVISED 2020-2021 BUDGET	DIFFERENCE	EXPLANATION
REVENUE							
	40000 OPERATING REVENUE						
	40100 Water Service Rates						
	40101	Basic Service Charge	1,564,728.00	1,901,272.00	1,901,272.00	0.00	
	40102	Usage Charge	778,329.00	656,303.00	656,303.00	0.00	
	40105	Backflow Charge	26,449.00	25,000.00	25,000.00	0.00	
	40106	Fire Prevention	13,402.00	13,500.00	13,500.00	0.00	
		Total Water Service Rates	2,382,908.00	2,596,075.00	2,596,075.00	0.00	
	40200 Water Service Fees						
	40201	Application Fees	6,965.00	6,500.00	6,500.00	0.00	
	40202	Delinquency	78,310.00	90,000.00	90,000.00	0.00	
	40209	Misc. Charges	3,048.00	7,000.00	7,000.00	0.00	
		Total Water Services	88,323.00	103,500.00	103,500.00	0.00	
	40300 Other Water Service Fees						
	40301	New Construction QC	15,835.00	4,000.00	4,000.00	0.00	
	40302	Service Connection Fees	10,400.00	10,000.00	10,000.00	0.00	
	40304	Other Operating Revenue	995.00	6,000.00	6,000.00	0.00	
	40305	Grant Revenue-Operating	0.00	0.00	0.00	0.00	
		Total Other Water Service Fees	27,230.00	20,000.00	20,000.00	0.00	
		TOTAL OPERATING REVENUE	2,498,461.00	2,719,575.00	2,719,575.00	0.00	
	41000 NON-OPERATING REVENUES						
	41110	Investment Revenue	231.00	400.00	400.00	0.00	
	41120	Property Taxes & Assessments	103,904.00	88,500.00	88,500.00	0.00	
		TOTAL NON-OPERATING REVENUE	104,135.00	88,900.00	88,900.00	0.00	
		TOTAL REVENUE	\$2,602,596.00	\$2,808,475.00	\$2,808,475.00	0.00	

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
OPERATING BUDGET 2020-2021**

3.07.500 Minor Revisions and reallocations between line items by General Manager; July 19, 2021 Revision 1

		2020-2021 ACTUAL JULY 20-MAY21	CURRENT 2020-2021 BUDGET	REVISED 2020-2021 BUDGET	DIFFERENCE	EXPLANATION
OPERATING EXPENSE						
60010 PROFESSIONAL FEES						
60011	General Counsel fees-Legal	\$6,401.00	\$15,000.00	\$15,000.00	\$0.00	
60012	Auditor Fees	11,541.00	11,500.00	11,550.00	50.00	Increased to adjust for actual
60013	Engineering Services	50,000.00	70,000.00	70,000.00	0.00	
60015	Other Professional Fees	22,679.00	38,500.00	38,450.00	(50.00)	Decreased to move to 60012
	TOTAL PROFESSIONAL FEES	90,621.00	135,000.00	135,000.00	0.00	
60100 PERSONNEL SERVICES						
60110 Salaries & Wages						
60111	Salary - General Manager	109,025.00	118,087.00	118,087.00	0.00	
60112	Staff Regular Wages	495,211.00	583,330.00	583,330.00	0.00	
60113	Contract Extra Help	0.00	0.00	0.00	0.00	
60114	Staff Standby Pay	16,500.00	18,250.00	18,250.00	0.00	
60115	Staff Overtime Pay	3,848.00	10,200.00	10,200.00	0.00	
	Total Salaries & Wages	624,584.00	729,867.00	729,867.00	0.00	
60150 Employee Benefits and Expenses						
60151	PERS Retirement	118,518.00	132,665.00	132,665.00	0.00	
60152	Workers Compensation	16,733.00	18,115.00	18,115.00	0.00	
60153	Medical & Benefit Insurance	147,845.00	217,740.00	211,456.00	(6,284.00)	Decreased to move to 60159, 60221, 60250, 60260, 60270, 60431, 60432
60154	Retirees Insurance	12,150.00	36,200.00	36,200.00	0.00	
60155	Staff Training	103.00	5,000.00	5,000.00	0.00	
60157	Uniforms	3,467.00	6,550.00	6,550.00	0.00	
60158	Payroll Taxes	50,569.00	57,825.00	57,825.00	0.00	
60159	Payroll Services	1,198.00	1,200.00	1,400.00	200.00	Increased to adjust for actual
60160	457 Employer Contribution	12,155.00	13,850.00	13,850.00	0.00	
	Total Employee Benefits and Expenses	362,738.00	489,145.00	483,061.00	(6,084.00)	
	TOTAL PERSONNEL SERVICES	\$987,322.00	\$1,219,012.00	\$1,212,928.00	(\$6,084.00)	

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
OPERATING BUDGET 2020-2021**

3.07.500 Minor Revisions and reallocations between line items by General Manager; July 19, 2021 Revision 1

		2020-2021 ACTUAL JULY 20-MAY21	CURRENT 2020-2021 BUDGET	REVISED 2020-2021 BUDGET	DIFFERENCE	EXPLANATION
60200 ADMINISTRATION						
60205	Bank and Merchant Fees	\$3,014.00	\$4,500.00	\$4,500.00	\$0.00	
60207	Board Meeting Expense	10,550.00	11,370.00	11,370.00	0.00	
60210	Building Expenses					
60211	Office Utilities	5,264.00	6,000.00	6,000.00	0.00	
60212	Janitorial	2,145.00	2,340.00	2,340.00	0.00	
60213	Maintenance	2,359.00	4,200.00	4,200.00	0.00	
60214	Security	336.00	400.00	400.00	0.00	
	Total Building Expenses	10,104.00	12,940.00	12,940.00	0.00	
60220	Computer & Equipment Maint.					
60221	Computer Systems	24,014.00	25,000.00	26,300.00	1,300.00	Increased to adjust for actual
60222	Office Equipment	584.00	660.00	660.00	0.00	
	Total Computer & Equipment Maint.	24,598.00	25,660.00	26,960.00	1,300.00	
60230	Office Expense	3,027.00	6,000.00	6,000.00	0.00	
60240	Postage and Delivery	16,526.00	20,000.00	20,000.00	0.00	
60250	Printing	7,933.00	6,000.00	8,200.00	2,200.00	Increased to adjust for actual
60255	Meetings & Conferences	0.00	3,000.00	3,000.00	0.00	
60260	Publishing	595.00	200.00	600.00	400.00	Increased to adjust for actual
60270	Telephone & Internet	3,762.00	3,700.00	4,200.00	500.00	Increased to adjust for actual
60430	Insurance					
60431	General Liability	21,939.00	22,775.00	23,970.00	1,195.00	Increased to adjust for actual
60432	Property	5,591.00	5,611.00	6,100.00	489.00	Increased to adjust for actual
	Total Insurance	27,530.00	28,386.00	30,070.00	1,684.00	
60500	Water Memberships					
60501	SAWWA	0.00	110.00	110.00	0.00	
60503	SGA	26,112.00	26,179.00	26,179.00	0.00	
60504	ACWA	9,735.00	10,122.00	10,122.00	0.00	
60505	CSDA	7,253.00	7,431.00	7,431.00	0.00	
60507	CRWA	1,367.00	1,392.00	1,392.00	0.00	
	Total Water Memberships	44,467.00	45,234.00	45,234.00	0.00	
60550	Permits & Fees	11,046.00	31,000.00	31,000.00	0.00	
60555	Subscriptions & Licensing	1,852.00	2,120.00	2,120.00	0.00	
60560	Elections	1,887.00	2,400.00	2,400.00	0.00	
60565	Uncollectable Accounts	0.00	2,000.00	2,000.00	0.00	
60570	Other Operating Expenditures	299.00	500.00	500.00	0.00	
	TOTAL ADMINISTRATION	\$167,190.00	\$205,010.00	\$211,094.00	\$6,084.00	

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
OPERATING BUDGET 2020-2021**

3.07.500 Minor Revisions and reallocations between line items by General Manager; July 19, 2021 Revision 1

		2020-2021 ACTUAL JULY 20-MAY21	CURRENT 2020-2021 BUDGET	REVISED 2020-2021 BUDGET	DIFFERENCE	EXPLANATION
64000 CONSERVATION						
64001	Community Outreach	0.00	300.00	300.00	0.00	
64005	Other Conservation Programs	0.00	0.00	0.00	0.00	
TOTAL CONSERVATION		0.00	300.00	300.00	0.00	
65000 FIELD OPERATIONS						
65100 Other Field Operations						
65110	Backflow Testing	\$1,751.00	\$3,000.00	\$3,000.00	\$0.00	
65120	Construction Equipment Maintenance	8,614.00	7,500.00	8,700.00	1,200.00	Increased to adjust for actual; Vac Truck repairs
65130	Field Communication	3,046.00	2,600.00	3,400.00	800.00	Increased to adjust for actual
65140	Field IT	24,111.00	19,800.00	37,300.00	17,500.00	Increased to adjust for actual for SCADA repairs
65150	Laboratory Services	9,963.00	23,500.00	23,500.00	0.00	
65160	Safety Equipment	1,441.00	5,000.00	5,000.00	0.00	
65170	Shop Supplies	2,894.00	7,000.00	7,000.00	0.00	
Total Other Field Operations		51,820.00	68,400.00	87,900.00	19,500.00	
65200	Treatment	19,836.00	18,000.00	21,500.00	3,500.00	Increased to adjust for actual
65300 Pumping						
65310	Maintenance	21,355.00	25,000.00	25,000.00	0.00	
65320	Electricity and Fuel	190,986.00	205,000.00	215,000.00	10,000.00	Increased to adjust for actual
Total Pumping		212,341.00	230,000.00	240,000.00	10,000.00	
65400 Transmission & Distribution						
65410	Distribution Supplies	27,078.00	37,000.00	37,000.00	0.00	
65430	Tank Maintenance	800.00	3,000.00	1,400.00	(1,600.00)	
65440	Contract Repairs	4,600.00	21,000.00	4,600.00	(16,400.00)	
65450	Valve Replacements	0.00	15,000.00	0.00	(15,000.00)	
65460	Paving Repairs	24,343.00	25,000.00	25,000.00	0.00	
Total Transmission & Distribution		56,821.00	101,000.00	68,000.00	(33,000.00)	Moved to 65120, 65130, 65140, 65200, 65320
65500 Transportation						
65510	Fuel	9,184.00	13,000.00	13,000.00	0.00	
65520	Maintenance	1,631.00	6,000.00	6,000.00	0.00	
Total Transportation		10,815.00	19,000.00	19,000.00	0.00	
TOTAL FIELD OPERATIONS		\$351,633.00	\$436,400.00	\$436,400.00	\$0.00	
TOTAL OPERATING EXPENSES		\$1,596,766.00	\$1,995,722.00	\$1,995,722.00	\$0.00	

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RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
 OPERATING BUDGET 2020-2021

3.07.500 Minor Revisions and reallocations between line items by General Manager; July 19, 2021 Revision 1

		2020-2021 ACTUAL JULY 20-MAY21	CURRENT 2020-2021 BUDGET	REVISED 2020-2021 BUDGET	DIFFERENCE	EXPLANATION
NON OPERATING EXPENSES						
	69010 Debt Service					
	69100 Revenue Bond 2015					
	69105 Revenue Bond 2015-Principle	145,736.00	145,736.00	145,736.00	0.00	Per Loan Payment Schedule
	69120 Interest	57,489.00	57,490.00	57,490.00	0.00	Per Loan Payment Schedule
	Total Revenue Bond 2015	203,225.00	203,226.00	203,226.00	0.00	
	69125 AMI Meter Loan					
	69130 Principle	49,789.00	49,789.00	49,789.00	0.00	Per Loan Payment Schedule
	69135 Interest	8,725.00	8,725.00	8,725.00	0.00	Per Loan Payment Schedule
	Total AMI Meter Loan	58,514.00	58,514.00	58,514.00	0.00	
	69400 Other Non Operating Expense	0.00	2,000.00	2,000.00	0.00	Increased to normal annual budget amount
TOTAL NON OPERATING EXPENSES		\$261,739.00	\$263,740.00	\$263,740.00	\$0.00	
TOTAL EXPENSE		\$1,858,505.00	\$2,259,462.00	\$2,259,462.00	\$0.00	
NET INCOME (Income-Expense)		\$744,091.00	\$549,013.00	\$549,013.00	\$0.00	

RIO LINDA ELVERTA COMMUNITY WATER DISTRICT

CAPITAL BUDGET 2020-2021

July 19, 2021 Revision 2

	GENERAL	FUTURE CAPITAL IMPROVEMENT PROJECTS	VEHICLE & LARGE EQUIPMENT REPLACEMENT	TOTAL
FUNDING SOURCES				
	Fund Transfers			
	Operating Fund Transfers In	549,013.00	0.00	549,013.00
	CIP Fund Intrafund Transfers	(456,670.00)	381,670.00	75,000.00
	Beginning Balance Redistribution	(1,396,338.00)	1,396,338.00	0.00
	Surcharge 2 Surplus Repayment	107,171.00	0.00	107,171.00
	Investment Revenue	0.00	3,500.00	3,500.00
PROJECTS				
A · WATER SUPPLY				
	A-1 · Miscellaneous Pump Replacements	40,000.00	0.00	40,000.00
Total A · WATER SUPPLY		40,000.00	0.00	40,000.00
B · WATER DISTRIBUTION				
	B-1 · Service Replacements	24,000.00	0.00	24,000.00
	B-2 · Small Meter Replacements**	126,000.00	0.00	126,000.00
	B-3 · Large Meter Replacements**	5,000.00	0.00	5,000.00
Total B · WATER DISTRIBUTION		155,000.00	0.00	155,000.00
TOTAL BUDGETED PROJECT EXPENDITURES		195,000.00	0.00	195,000.00
<p>**NOTE: Increased B-2 \$6,000 to adjust for actual. Decreased B-1 \$6,000 to move to B-2</p>				



Information Items

Agenda Item: 5.2

Date: July 19, 2021

Subject: Board Reports

Staff Contact: Timothy R. Shaw, General Manager

5.2 BOARD REPORTS

1. Report ad hoc committee(s) dissolved by requirements in Policy 2.01.065
2. Sacramento Groundwater Authority – Harris (Primary), Reisig
3. Sacramento Groundwater Authority (with RWA and SCGA) 3x3-Reisig
4. Executive Committee – Green, Reisig
5. ACWA/JPIA –Ridilla
6. Sacramento County LAFCo, Special Districts Advisory Committee – Reisig
7. Minutes of the June 21st regular board meeting (partial failure of the audio recording).

Minutes
Rio Linda / Elverta Community Water District
Executive Committee

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July 6, 2021
6:00 p.m.

Attendance: The meeting was called to order at 6:00 P.M. The meeting was attended by Director Reisig, Director Green, General Manager Tim Shaw, and Contract District Engineer Mike Vasquez.

Call to Order: 6:00 P.M.

Public Comment: None (no public members attended)

Items for Discussion:

1.	Update from Contract District Engineer.
	<i>The Contract District Engineer augmented his written report with additional details regarding the status of Fox Hollow development and the 6221 16th Street project. Mr. Vasquez also provided summaries of the Well 16 Pumping Station grant close out. Director Green asked if anyone had heard of progress on the "Century Palms" project. Director Reisig indicated he would seek additional information via CPAC and/or Sacramento County Planning.</i>
2.	Discuss another workshop for rates restructuring to be held during the July 19 th Board meeting.
	<i>The Committee focused on improvements intended to correct objectionable behaviors by public members attending the 6-21-2021 Board meeting. The Committee expressed the need for a more stern admonishment from the Board Chair at the onset rates restructuring workshop in hopes of conducting a more civil proceeding where all participants can be heard and not just the loudest, most-assertive attendees.</i> <i>The Executive Committee forwarded an item onto the July 19th Board agenda to conduct another rates workshop.</i>
a.	Discuss the need for a Proposition 218 Protest Processing Policy.
	<i>The General Manager presented his written report and explained the value of adopting a Prop 218 Protest Processing Procedure. The Executive Committee discussed the nature of the source document used as a preliminary draft/template and the changes needed prior to Board consideration.</i> <i>The Executive Committee forwarded the item (with stipulated refinements) onto the July 19th Board agenda with the Committee's recommendation for Board approval.</i>
3.	Update on final budget adoption, timing impacted by rates restructuring postponement.
	<i>The General Manager summarized his written report, explaining the inappropriateness and infeasibility of adopting a final budget on the same night as the currently scheduled rates restructuring public hearing (postponed from the original 6-21-2021 meeting). The Executive Committee discussed whether or not a Board action is needed to postpone the typical August adoption of a final budget. A Board action, under these circumstances, may not be mandated, but it is also not precluded.</i> <i>The Executive Committee forwarded an item onto the July 19th Board agenda to allow discussion of the infeasibility of Board consideration of a fiscal year 2021/2022 final budget due to the literal uncertainty of revenue created by the postponement of the rates restructuring public hearing.</i>

4.	Discuss the impact of rate restructuring postponement on timing for publishing a Request for Proposals (RFP) for 2020 Urban Water Management Plan consultant.
	<p><i>The General Manager supplemented the written report associated with this item. The General Manager candidly explained the unreasonableness of paying for a 2020 Urban Water Management Plan given that the requirements published by the Department of Water Resources are virtually unattainable under the current rate structure.</i></p> <p><i>The Executive Committee agreed that the prior Board direction to staff for continuing efforts to engage a consultant for drafting a 2020 Urban Water Management Plan should be curtailed until the rates restructuring process can reach its conclusion. The Executive Committee directed staff to place a discussion item on the July 19th Board agenda.</i></p>
5.	Discuss annual pipe replacement RFP and contract award process.
	<p><i>The Contract District Engineer summarized the RFP process and the review of responses performed to date. The Contract District Engineer's summary included that the respondent deemed most qualified is participating in negotiation on modifications to their response and corresponding costs to bring the costs to within the budgeted amount. If such negotiations are not successful, staff will terminate negotiation with the most qualified respondent and move onto the second-most qualified by opening the second-most qualified respondent's sealed schedule of costs.</i></p>
6.	Discuss the timing and appropriateness for assigning an ad hoc committee for MOU renewal.
	<p><i>The General Manager reviewed the efforts, timing and results of the last MOU renewal, which commenced in 2018. The General Manager then transitioned into what is different today than it was in 2018. Lastly, the General Manager explained that some indications already exist to indicated Teamster Local 150 is preparing for MOU renewal. All of the afore described detailed substantiate the appropriateness of forming an ad hoc committee for MOU renewal negotiations.</i></p> <p><i>The Executive Committee forwarded an item onto the July 19th Board agenda to enable the Board to ratify the anticipated assignments (forming an ad hoc and assigning Board Members)by the Chair.</i></p>
7.	Discuss Expenditures for May 2021.
	<p><i>Director Reisig requested additional details for expenditures for "RDO" and "GM". The General Manager explained those expenditures, which were associated with repair to the vacuum trailer and routine service repairs.</i></p> <p><i>The Executive Committee forwarded this item onto the July 19th agenda with the Committee's recommendation for Board approval.</i></p>
8.	Discuss Financial Reports for May 2021.
	<p><i>The Executive Committee forwarded this item onto the July 19th Board agenda with the Committee's recommendation for Board approval.</i></p>

Directors' and General Manager Comments:

The General Manager listed the items that have already been forwarded to the July 19th Board agenda by the Executive Committee at their June 7th meeting. The General Manager also reminded the Committee that it is typically necessary to use an alternate meeting location for the September Executive Committee because the Labor Day holiday precludes meeting on the first Monday of September.

Items Requested for Next Month's Committee Agenda: None

Adjournment: 7:50 P.M.

Agenda

Groundwater Quality Subcommittee, ACWA Groundwater Committee

11 am to noon, July 13, 2021

1. Introductions
2. Discussion of water quality management approaches in Groundwater Sustainability Plans – Lisa Porta (Montgomery & Associates)
 - a. Recently released DWR GSP reviews
 - b. GRA GSA Summit water quality panel discussion
3. Recent reports of interest
 - a. MANAGEMENT CONSIDERATIONS FOR PROTECTING GROUNDWATER QUALITY UNDER AGRICULTURAL MANAGED AQUIFER RECHARGE, June 2021 (by Sustainable Conservation)
 - b. PROTECTING GROUNDWATER QUALITY WHILE REPLENISHING AQUIFERS - Nitrate Management Considerations for Implementing Recharge on Farmland, June 2021 (by Sustainable Conservation)
4. ACWA Groundwater Policy Principles (status update) - Greg
5. Date of next meeting

**MINUTES OF THE JUNE 21, 2021
BOARD OF DIRECTORS REGULAR MEETING
OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT**

1. CALL TO ORDER, ROLL CALL

The June 21, 2021 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 and via Zoom Video Conference. This meeting was held in accordance with executive order n-29-20, issued by California governor Gavin Newsom on March 17, 2020, the Ralph M. Brown act (California government code section 54950, et seq.), and the federal Americans with disabilities act. President Green led the pledge of allegiance. General Manager Tim Shaw took roll call of the Board of Directors. President Jason Green, Director Robert Reisig, Director Mary Harris, Director Ridilla, Director Gifford and General Manager Tim Shaw, Legal Counsel Barbara Brenner were present.

President Green announced that the Board would need to vote to add an item onto tonight's agenda.

It was moved by Director Ridilla and seconded by Director Harris to add to tonight's agenda To Consider the Postponement or Rescheduling of the Public Hearing to Consider Adopting Resolution No. 2012-02 A Schedule Of Rates For Bimonthly Water Service Charges Commencing With Fiscal Year 2021-2022. Directors Green, Ridilla, Reisig, Gifford and Harris voted yes. The motion carried with a roll call vote of 5-0-0.

2. Consider Adopting Resolution No. 2012-02 A Schedule Of Rates For Bimonthly Water Service Charges Commencing With Fiscal Year 2021-2022.

Legal Counsel Brenner stated that the reason for considering postponement is just to be cautious that all of the public has had a chance to review the 218 notice and opportunity to file a protest if they chose too. Legal Counsel's recommendation is to resend the 218 notice.

Comments/Questions: Public members stated the notice looked like junk mail and not from the RLECWD. Director Harris asked if all the protests already submitted to the District would be counted even with the resending the 218 notice. Legal Counsel Brenner stated the protests that have already been submitted and received by the District would be counted at the future rescheduled public hearing date.

It was moved by Director Gifford and seconded by Director Ridilla to Postpone the Public Hearing to consider Rates for Bimonthly Water Service Charges. Directors Green, Ridilla, Reisig, Gifford and Harris voted yes The motion carried with a roll call vote of 5-0-0.

3. PUBLIC COMMENT

Members of the public made comments to the Board. Due to technical difficulties in hearing the comments made on the video, no subject matter of those comments are available.

President Green called for a brief recess.

-Agenda 4 Postponed-

4. PUBLIC HEARING TO CONSIDER ADOPTING RESOLUTION NO. 2021-02 A SCHEDULE OF RATES FOR BIMONTHLY WATER SERVICE CHARGES COMMENCING WITH FISCAL YEAR 2021-2022.

- 4.1. **Open Public Hearing**
- 4.2. **Presentation of the item by staff**
- 4.3. **Public Comment**
- 4.4. **Close Public Hearing**
- 4.5. **Consider Adoption of Resolution No. 2021-02 A Schedule Of Rates For Bimonthly Water Service Charges Commencing With Fiscal Year 2021-2022**

5. CONSENT CALENDAR

- 5.1 **Minutes – May17, 2021**
- 5.2 **April Expenditures**
- 5.3 **April Financial Reports**

No public comment.

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

REGULAR CALENDAR

5. ITEMS FOR DISCUSSION AND ACTION

5.1 General Manager's Report

The General Manager presented his monthly report and offered to answer any questions the Board may have.

The Board made no action on this item.

5.2 District Engineer's Report – Mike Vasquez

Mike Vasquez provided a written report to the Board of projects in the works since the last meeting of the Board and offered to answer questions. The report highlighted topics of General Engineering, Active Development Reviews, Well 16 Pumping Station Construction Project, CIP Pipe Replacement Project Request for Proposals (RFP), and Urban Water Management Plan (UWMP) Request for Proposals (RFP).

Comments/Questions - Due to technical difficulties in hearing the comments made on the video, no comments are available.

The Board made no action on this item.

5.3 Consider Preliminary Budget Adoption for Fiscal Year 2021-2022

The June Executive Committee reviewed the reasons, process and justifications for annually adopting a preliminary budget. The Committee further discussed the preliminary changes made to the existing budget to create this preliminary budget to be considered by the Board.

The capital budget is based on anticipated project costs and timing. Because the money for the capital budget is transferred out of the operating budget, the operating budget is directly influenced by this improved practice.

District policy recommends 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 1st (beginning of the next

fiscal year), but before the prior fiscal year end balances are available due to invoices and revenues received at or near June 30th.

As has been the approach in the past few years, the budgeted amount for active employee medical insurance is based on the maximum cost possible from the current collective bargaining agreement. If the year lapses without experiencing the maximum cost for medical insurance, then there is a budget windfall available for allocating to other District expenses, e.g. additional pipe replacements. Similarly, the budgeted amount for Cost of Living Adjustments (COLA) pursuant to the collective bargaining agreement is the maximum possible.

It is appropriate for the Board to schedule a public hearing for the adoption of the Final Budget in conjunction with the August 16, 2021 regular Board meeting.

Public/Director -Comments/Questions - Due to technical difficulties in hearing the comments made on the video, no comments are available.

It was moved by Director [REDACTED] and seconded by Director [REDACTED] to adopt the Preliminary Budget for Fiscal Year 2021-2022. Directors Green, Reisig, Harris, Gifford and Ridilla voted [REDACTED]. The motion carried with a roll call vote of [REDACTED].

5.4 Consider adopting policies needed to enable re-opening of the customer service lobby.

In response to the global pandemic, the customer service lobby has been closed to in-person customer interactions since March 2020. The District further mitigated employees occupational exposure to Corona Virus via emergency implementation and support of telecommuting applicable employees, thereby creating less occupancy in the District office.

for The June 15th state “reopening” declared by the governor has been a dynamic evolution with respect to mask requirements and Cal OSHA policies regarding mask requirements for employees in the workplace. In the weeks leading up to June 15th, the employee mask wearing requirements published by the state were literally changing on a daily basis. Those volatile requirements have now solidified (relatively) to the point where re-opening the customer service lobby with written Corona Virus protection policies for the health and safety of employees and the public we serve.

Pursuant to the Meyers-Milias Brown Act, policies affecting wages, benefits or working conditions are subject to meet and confer. Accordingly, if the Board finds it appropriate to approve this policy, the Board action will need to be, “subject to meet and confer”.

Until the policy is adopted, and the meet and confer process has been completed, the District customer service lobby remains closed and applicable employees are encouraged to continue telecommuting practices.

Public/Director -Comments/Questions - Due to technical difficulties in hearing the comments made on the video, no comments are available.

It was moved by Director [REDACTED] and seconded by Director [REDACTED] adopt the customer service lobby reopening policy. Directors Green, Reisig, Harris, Gifford and Ridilla voted [REDACTED]. The motion carried with a roll call vote of [REDACTED].

5.5 Consider directing staff on the types of public meetings (Board and Committee) to be held.

Up to and including the June 21, 2021 regular Board meeting, the District’s public meetings have either included a virtual attendance (Zoom) option, or been prescribed to be virtual meeting only (no in-person attendance permitted).

With the well documented state “reopening” on June 15th, relaxation of mask requirements for fully vaccinated persons, and the transitions to nearly normal operations, it is necessary and appropriate for the Board to consider the form of public meetings to be conducted moving forward. The reasonable options for meeting format include:

1. In-person only.
2. Virtual only (subject to repeal of applicable Executive Order(s) which were originally implemented to waive certain Ralph M. Brown Act meeting requirements.
3. Hybrid (combination virtual and in-person).

Public/Director -Comments/Questions - Due to technical difficulties in hearing the comments made on the video, no comments are available.

It was moved by Director [REDACTED] and seconded by Director [REDACTED] to hold only In-Person Meetings. Directors Green, Reisig, Harris, Gifford and Ridilla voted [REDACTED]. The motion carried with a roll call vote of [REDACTED].

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

5.6.1 General Manager annual performance review ad hoc committee

Due to technical difficulties in hearing the comments made on the video, no comments are available.

President Jason appointed Director [REDACTED] and Director [REDACTED] the GM Annual Performance Ad Hoc Committee.

6. INFORMATION ITEMS

6.1. DISTRICT ACTIVITY REPORT

- 6.1.1. Water Operations - Report provided.
- 6.1.2. Completed and Pending Items Report- Report provided.
- 6.1.3 Sacramento County Board of Supervisors workshop on Elverta Specific Plan

6.2. BOARD REPORTS

- 6.2.1. Report any ad hoc committees dissolved by requirements in Policy 2.01.065
- 6.2.2. Sacramento Groundwater Authority – Harris, Reisig. – Agenda’s provided.
- 6.2.3. Sacramento Groundwater Authority (RWA and SCGA) 3x3- Reisig-
- 6.2.4 Executive Committee – Green, Reisig - Minutes provided.
- 6.2.5. ACWA/JPIA – Ridilla –
- 6.2.6 LAFCo Special District Advisory Committee – Reisig -

7. DIRECTORS’ AND GENERAL MANAGER COMMENTS – Due to technical difficulties in hearing the comments made on the video, no comments are available.

8. ADJOURNMENT

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

Timothy R. Shaw, Secretary

Jason Green, President of the Board



Agenda Item: 6

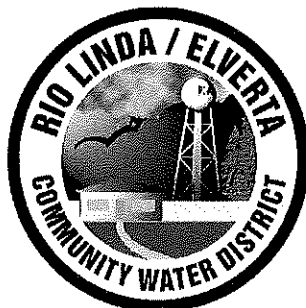
Date: July 19, 2021

Subject: Public Comment for Closed Session

Staff Contact: Timothy R. Shaw, General Manager

6. PUBLIC COMMENT FOR CLOSED SESSION

Public comment for closed session items only. The public is invited to comment on any item listed on the closed session agenda. Each speaker is limited to 2 minutes.



**Closed Session
Agenda Item: 7.1**

Date: July 19, 2021

Subject: Closed Session

Staff Contact: Timothy R. Shaw, General Manager

7. **CLOSED SESSION** - The Board of Directors will convene to Closed Session to discuss the following item.

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION –
Significant exposure of litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (1 case).



**Closed Session
Agenda Item: 7.2**

Date: July 19, 2021

Subject: Closed Session

District Contact: Director John Ridilla / GM Performance Review Ad Hoc Committee

7. **CLOSED SESSION** - The Board of Directors will convene to Closed Session to discuss the following item.

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



**Reconvene Open Session
Agenda Item: 8.1**

Date: July 19, 2021

Subject: Report of Action Taken in Closed Session

Staff Contact: Timothy R. Shaw, General Manager

8.1 Report of Action Taken in Closed Session

The Board will disclose any reportable actions taken and/or directed in closed session.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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

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