

Agenda
Rio Linda / Elverta Community Water District
Executive Committee

Calvary Lutheran Church
Sanctuary Room
515 L Street
Rio Linda, CA 95673

July 6, 2021
6:00 p.m.

Public documents relating to any open session items listed on this agenda that are distributed to the Committee members less than 72 hours before the meeting are available for public inspection on the counter of the District Office at the address listed above.

The public may address the Committee concerning any item of interest. Persons who wish to comment on either agenda or non-agenda items should address the Executive Committee Chair. The Committee Chair will call for comments at the appropriate time. Comments will be subject to reasonable time limits (3 minutes).

In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability related modification or accommodation to participate in this meeting, then 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.

Call to Order

Public Comment

This is an opportunity for the public to comment on non-agenda items within the subject matter jurisdiction of the Committee. Comments are limited to 3 minutes.

Items for Discussion:

1. Update from Contract District Engineer.
2. Discuss another workshop for rates restructuring to be held during the July 19th Board meeting.
 - a. Discuss the need for a Proposition 218 Protest Processing Policy.
3. Update on final budget adoption, timing impacted by rates restructuring postponement.
4. Discuss the impact of rate restructuring postponement on timing for publishing a Request for Proposals (RFP) for 2020 Urban Water Management Plan consultant.
5. Discuss annual pipe replacement RFP and contract award process.
6. Discuss the timing and appropriateness for assigning an ad hoc committee for MOU renewal.
7. Discuss Expenditures for May 2021.
8. Discuss Financial Reports for May 2021.

Directors' and General Manager Comments:

- a. **Reminders for already forwarded items; closed session for 1991 capacity fee agreement and open session item for requested waiver of opt out of inactive service fee disconnection costs.**

Items Requested for Next Month's Committee Agenda

Adjournment

Next Executive Committee meeting: Monday, August 2, 2021 at 6:00 p.m. at the Depot Center.

ADA COMPLIANCE STATEMENT

In compliance with the Americans with Disabilities Act, if you need special assistance or materials to participate in this meeting, please contact the District Office at 916-991-1000. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting and agenda materials.



Executive Committee Agenda Item: 1

Date: July 6, 2021

Subject: General Status Update from the District Engineer

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

Recommended Committee Action:

Receive a status report on specific focus items currently being addressed by the District Engineer.

Current Background and Justification:

Subjects anticipated for discussion include:

1. Active Developments:
 - a. Fox Hollow Residential Development (28 lots, 6th Street between Q Street and S Street)
 - b. 6221 16th Street Phase 2 Worship Development (Northwest corner G Street and 16th Street)
2. Well 16 Pump Station
3. California Department of Water Resources Landscape Area Estimates Project
4. Labor Compliance Program Annual Report

Conclusion:

I recommend the Executive Committee receive the status report from the District Engineer. Then, if necessary and appropriate, forward an item(s) onto the July 19, 2021 Board of Directors Meeting agenda with recommendations as necessary.



Executive Committee Agenda Item: 2

Date: July 6, 2021

Subject: Discuss another workshop for rates restructuring to be held during the July 19th Board meeting.

Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee should forward an item onto the July 19th Board agenda to hold another rates restructuring workshop.

Current Background and Justification:

The last rates restructuring workshop was held on August 5, 2020. The public gathering restrictions in August 2020 mandated that the rates workshop be conducted as a virtual meeting (Zoom). The unanticipated postponement of the June 21st rates restructuring public hearing and the sentiments expressed by some public members who attended the June 21st Board meeting inspires consideration of another rates restructuring workshop.

One potential benefit for another workshop would be an opportunity to clarify and correct some of the misinformation and deception being cultivated by the organized opposition to rates restructuring.

Conclusion:

I recommend the Executive Committee forward an item onto the July 19th Board agenda to conduct another rates restructuring workshop.



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

**DRAFT REPORT
June 28, 2021**



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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.

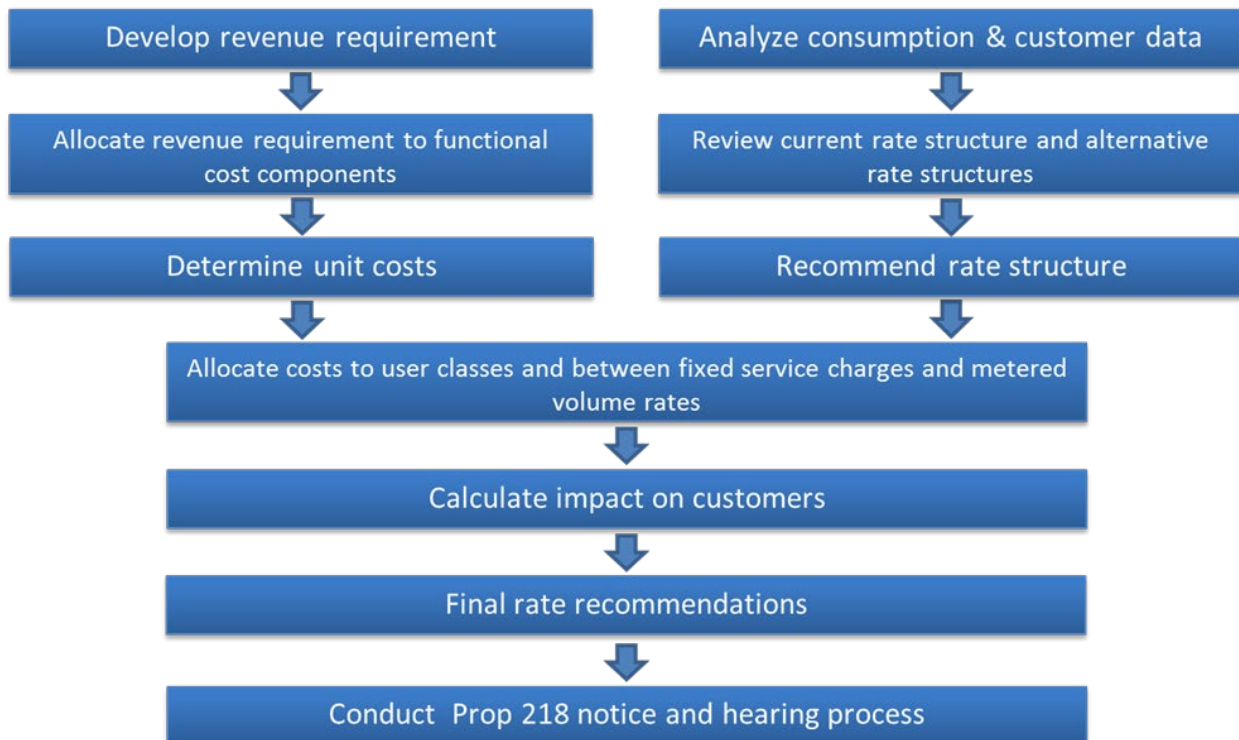
3. **Proportional Cost Recovery** – The amount of the fee or charge levied on any customer shall not exceed the proportional cost of service attributable to that customer.
4. **Availability of Service** – No fee or charge may be imposed for a service unless that service is used by, or immediately available 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 RLECWD's scheduled meter reads and billing dates.

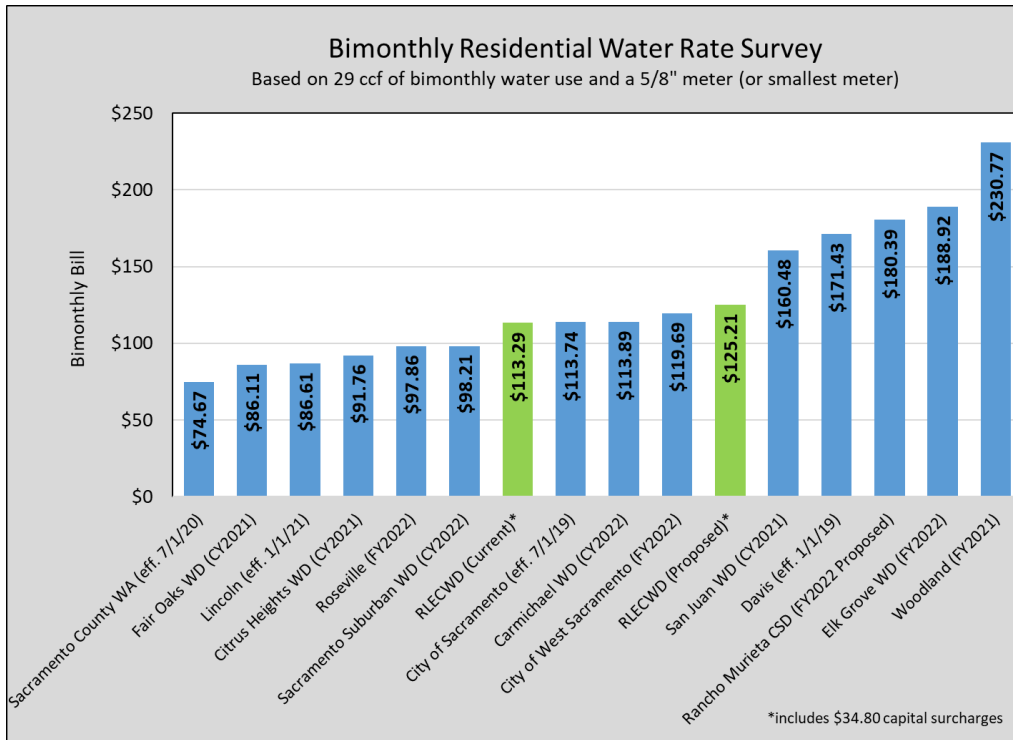
**Table 2: Proposed Bimonthly Water Rates – Drought Conditions
Rate Study / Cost of Service Study
Rio Linda Elverta Community Water District**

	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
CIU (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
CIU (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
CIU (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
	Non-Drought	Stage 2: 30% Reduction	Stage 3: 40% Reduction	Stage 4: 50% Reduction
Volume Rate				
\$/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, RLECWD 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 RLECWD 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	<u>65</u>	1.00	<u>65</u>
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

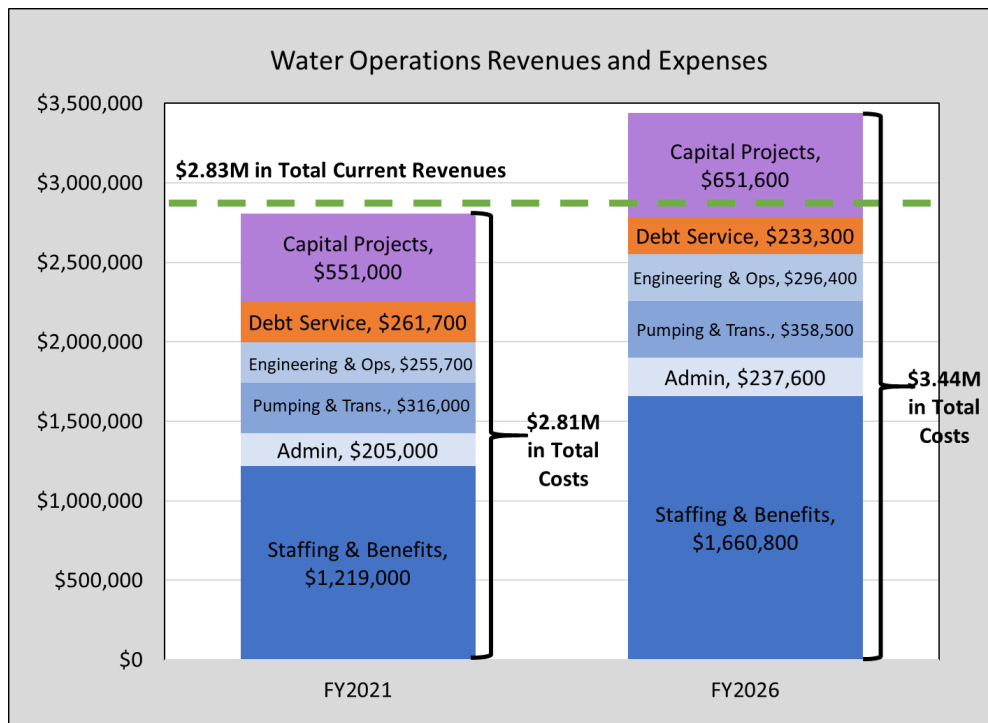
3.2.3 Debt Service

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.

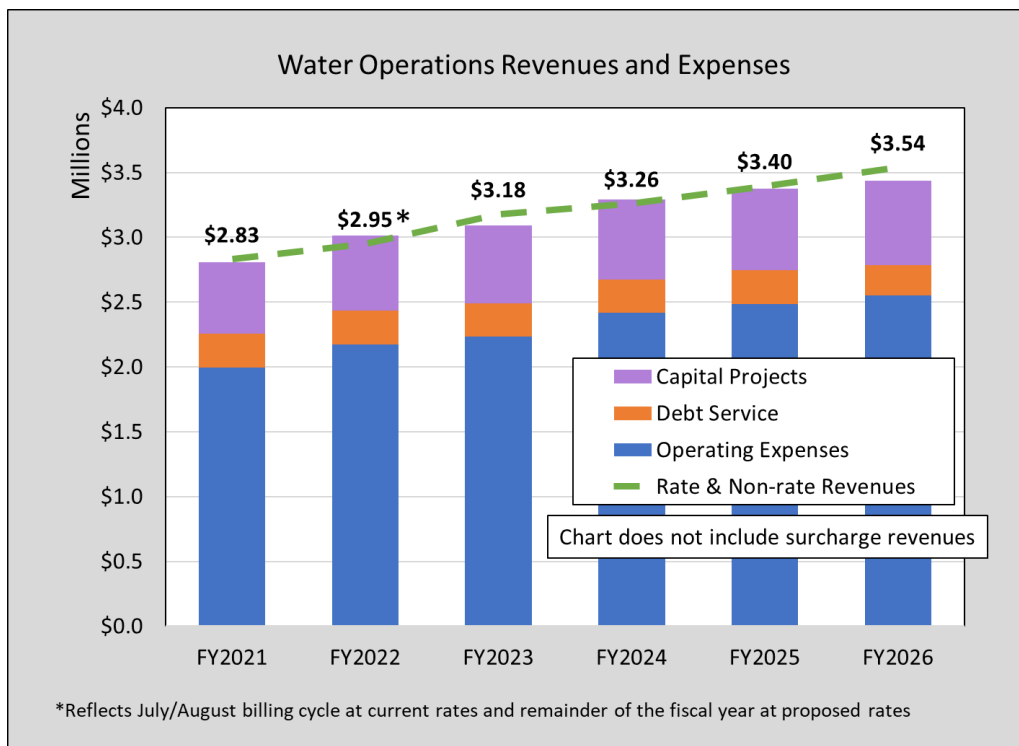
Figure 3: FY2026 Estimated Cost of Service



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	<u>12</u>	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) Service Charge (\$/bimo)	Count	Estimated Revenue (1 Billing Cycle)		Sept '21 (Proposed) Service Charge (\$/bimo)	Count [1]	Estimated Revenue (5 Billing Cycles)	
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 6 Billing Cycles
Total			\$516,498				\$2,174,156	\$2,690,655

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.

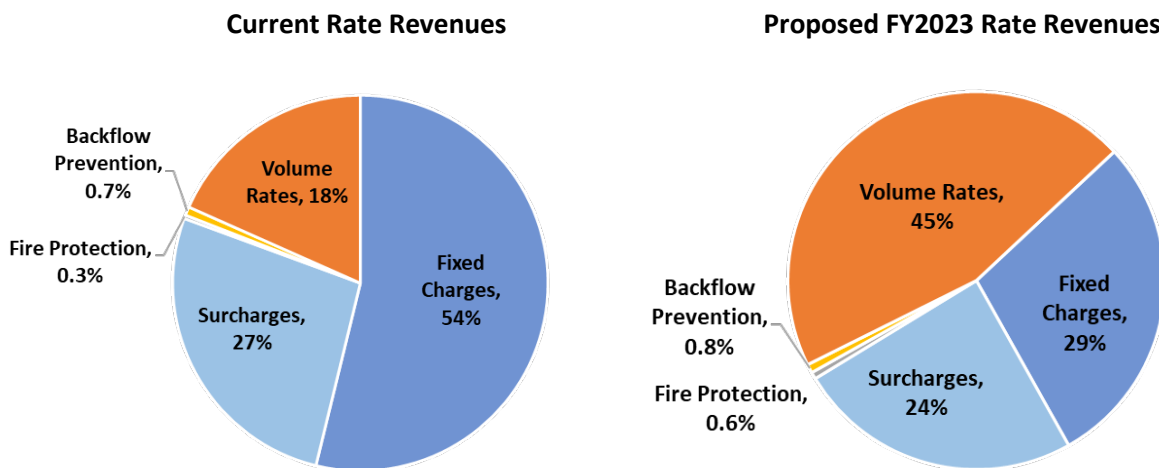
Table 23: Proposed Bimonthly Water Rates – Drought Conditions
Rate Study / Cost of Service Study
Rio Linda Elverta Community Water District

	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
CI (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
CI (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
CI (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**

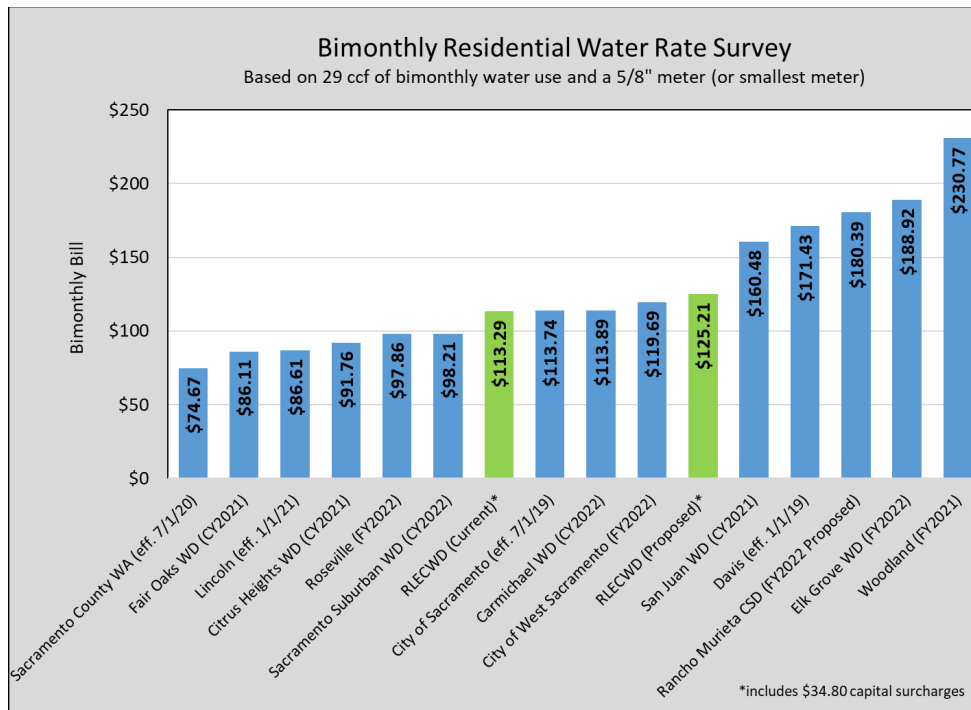
Current					Proposed September 15, 2021				
	Count	Rate	Fees	%		Count	Rate	Fees	%
Average SFR - 29 ccf					Average SFR - 29 ccf				
Fixed Fees					Fixed Fees				
5/8" Meter	1	\$59.86	\$59.86	53%	5/8" Meter	1	\$35.01	\$35.01	28%
Surcharge 1	1	\$19.00	\$19.00	17%	Surcharge 1	1	\$19.00	\$19.00	15%
Surcharge 2	1	\$15.80	<u>\$15.80</u>	<u>14%</u>	Surcharge 2	1	\$15.80	<u>\$15.80</u>	<u>13%</u>
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>	<u>16%</u>	Tier 2: 17+ ccf	<u>12</u>	\$2.18	<u>\$26.16</u>	<u>21%</u>
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>	<u>15%</u>	Surcharge 2	1	\$15.80	<u>\$15.80</u>	<u>16%</u>
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>	<u>9%</u>	Tier 2: 17+ ccf	<u>0</u>	\$2.18	<u>\$0.00</u>	<u>0%</u>
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>	<u>15%</u>	Surcharge 2	1	\$15.80	<u>\$15.80</u>	<u>15%</u>
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>	<u>11%</u>	Tier 2: 17+ ccf	<u>3</u>	\$2.18	<u>\$6.54</u>	<u>6%</u>
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			\$132.73	100%	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 RLECWD'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





Executive Committee Agenda Item: 2a

Date: July 6, 2021

Subject: Procedures for Processing Prop 218 Protests.

Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee should review the staff report and draft, preliminary Resolution, then forward the item onto the July 19th Board agenda with the Committee's recommendation for Board approval.

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 far from the only agency to have experienced the consequences and allegations of wrong-doing consequent to the absence of specificity in Proposition 218. As such, many agencies have adopted policies and procedures (Resolutions) for processing Proposition 218 protests. In fact the preliminary/draft version of Resolution 2021-02 is essentially the City of Galt's resolution, whereby "the City" needs to be edited to "the District".

Conclusion:

I recommend the Executive Committee forward an item onto the July 19th Board agenda to conduct enable the Board to consider adopting a finalized version of Resolution 2021-02, Procedures for Processing Proposition 218 Protests.

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 (herein after “Fees”); and

WHEREAS, 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: 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 Records 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 City.

c. “Tenant” means either: (1) a utility customer to whom the City sends utility bills for the Parcel in question as reflected in the billing records of the City at the time the notice of a public hearing with respect to a utility rate increase has been given; or (2) any person who provides evidence, satisfactory to the City Clerk, 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 utility 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 City Clerk’s determination as to the sufficiency of any such evidence shall constitute a final action of the City and shall not be subject to any appeal.

2. **Notice of Public Hearing.** Pursuant to California Constitution, Article XIII D, section 6 of Proposition 218, the City is required to hold and conduct a public hearing whenever it proposes to impose a new or increase any existing property-related fee or charge for sewer, water, or refuse collection services (“Fee”).

a. The City shall provide notice by mail of the public hearing for the proposed imposition of any Fee required under California Constitution article XIII D, 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 § 53750, subparagraph (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 Record Owner 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 the City Clerk, at City Hall, 380 Civic Drive, Galt, CA 95632, by electronic mail (e-mail) to clerk@ci.galt.ca.us, by facsimile (fax) to 209-745-3373, or in person prior to the close of the public hearing at which the City Council 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 City prior to the close of the public hearing.

b. Any written protest received by the City 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 City 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 City by a Record Owner or Tenant shall:

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

b. state the name 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 Protests 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(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 City 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 City Clerk, and shall be made prior 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, § 6(a) of the California Constitution (Proposition 218) for water, sewer and/or refuse collection 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 City Council welcomes input from the community during the public hearing on any proposed new or increase to any existing property-related fee or charge.

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 existing Fee:

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

- a. The written protest does not identify a Parcel served by the City 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 City Clerk 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 City Clerk's decision regarding the validity of a written protest shall constitute a final action of the City and shall not be subject to any internal appeal.

3. Cursory Review. The City Clerk may begin a 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 City Clerk 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 City Council upon completion. If cursory review of the protests received demonstrates that the number received is manifestly less than one-half of the parcels served by the City with respect to the water, sewer or refuse collection service, then the Clerk may advise the City Council of the absence of a majority protest without tabulating the protests or determining the validity of the protests 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 City Clerk shall proceed to tabulate the protests. If at the conclusion of the public hearing the City Clerk determines that additional time will be needed to tabulate the protests, the Clerk shall advise the City Council to continue the tabulation to allow for completion at a later, specified date and time. If so, the City Council 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 Council 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 existing Fee, then the City Council shall consider adoption of the proposed new or increase to any existing Fee.

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Executive Committee

Agenda Item: 3

Date: July 6, 2021

Subject: Update on final budget adoption, timing impacted by rates restructuring postponement.

Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

Discuss the ramifications of the unanticipated postponement of the rates restructuring public hearing on the timing for adoption of the 2021/2022 final budget.

Current Background and Justification:

District policy stipulates the final budget is typically considered via a public hearing for budget adoption typically 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:

Although a Board action is not required to authorize the above described delay and rescheduling, it would demonstrate the ideals of transparency if the Executive Committee were to forward a discussion item onto the July 19th Board agenda.



Executive Committee

Agenda Item: 4

Date: July 6, 2021

Subject: Discuss the Status of the Urban Water Management Plan Request for Proposals (RFP)

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

Recommended Committee Action:

Receive a report from the District Engineer on the status of the Urban Water Management Plan (UWMP) RFP and discuss next steps.

Current Background and Justification:

The District Engineer previously reported to the Executive Committee on June 7, 2021 that a draft RFP would be ready for the Committee's review at the July meeting. The completion of the draft RFP anticipated that the Rates Adjustment Public Hearing would take place at the June 21, 2021 Board of Director's Meeting, and that the associated resolution would be adopted. Due to the postponement of the Rates Adjustment Public Hearing, it is not prudent to proceed with preparation of the RFP at this point. The published guidelines for preparing 2020 UWMP's include conformance with water use efficiency and water loss standards. The water use efficiency mandates of SB 606 / AB 1668 and the water loss standards of SB 555 are virtually infeasible under the District's current rate structure. It is recommended to postpone the preparation of the RFP until after a Rates Adjustment Public Hearing is conducted and the associated resolution is adopted.

Conclusion:

I recommend the Executive Committee receive the status report from the District Engineer. Then, if necessary and appropriate, forward an item(s) onto the July 19, 2021 Board of Directors Meeting agenda with recommendations as necessary.



Executive Committee

Agenda Item: 5

Date: July 6, 2021

Subject: Discuss the Status of the Annual Pipe Replacement Project Request for Proposals (RFP)

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

Recommended Committee Action:

Receive a report from the District Engineer on the status of the Annual Pipe Replacement Project RFP and discuss next steps.

Current Background and Justification:

Four proposals were received from construction contractors to replace water main pipeline in Dry Creek Road between U Street and Q Street. The proposals were independently reviewed and ranked (based on predetermined ranking criteria) by a review team consisting of the General Manager, Operations Superintendent, and District Engineer. The review team met and unanimously agreed on the most qualified respondent. The District is currently in the negotiation process with the most qualified respondent. If negotiations are unsuccessful with the most qualified respondent, negotiations will commence with the second most qualified respondent.

Conclusion:

I recommend the Executive Committee receive the status report from the District Engineer. Then, if necessary and appropriate, forward an item(s) onto the July 19, 2021 Board of Directors Meeting agenda with recommendations as necessary.



Executive Committee Agenda Item: 6

Date: July 6, 2021

Subject: Discuss the timing and appropriateness for assigning an ad hoc committee for MOU renewal.

Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee should forward an item onto the July 19th Board agenda to allow Board consideration of forming an ad hoc committee to begin MOU renewal negotiations.

Current Background and Justification:

The General Unit represented by Teamsters Local 150 have scheduled meetings to begin the MOU renewal discussion. Although the District has not yet received a formal request from Teamster Local 150, it may be prudent to anticipate receiving Teamster's request soon.

Conclusion:

I recommend the Executive Committee forward this item onto the July 19th Board to consider forming an ad hoc committee for MOU renewal negotiations.



Executive Committee Agenda Item: 7

Date: July 6, 2021

Subject: Expenditure Summary

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

It is recommended that the Executive Committee review the expenditures for May 2021, then forward the item to the July 19th Board agenda, consent section, with a recommendation for approval.

Current Background and Justification:

These expenditures were necessary and prudent for operation of the District and consistent with the policies and budget adopted by the Board of Directors. The Expenditure Summary provides the listing of expenditures which have occurred since the last regular meeting of the Board.

Conclusion:

Consistent with the District policies, the Expenditure Summary is to be reviewed by the Executive Committee and approved by the Board of Directors.

**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>



Executive Committee Agenda Item: 8

Date: July 6, 2021

Subject: Financial Reports

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee should review the Finance Reports of the District for the month of May 2021, then forward the report onto the July 19th Board agenda with the Committee's recommendation for Board approval.

Current Background and Justification:

The financial reports are the District's balance sheet, profit and loss, and capital improvements year to date. This report provides the snapshot of the District's fiscal health for the period covered.

Conclusion:

Consistent with District policies, these financials are to be reviewed by this committee and presented to the Board of Directors to inform them of the District's current financial situation.

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 Facilites 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

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

Total Liabilities 11,484,886.95

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 12,616,807.27TOTAL LIABILITIES & EQUITY 24,101,694.22

**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><u>549,013.00</u></u>	<u><u>103,302.35</u></u>	<u><u>744,090.15</u></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	-	-	-	-

**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	

**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	

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	0.00	549,013.00
	CIP Fund Intrafund Transfers	(456,670.00)	381,670.00	75,000.00	0.00
	Beginning Balance Redistribution	(1,396,338.00)	1,396,338.00	0.00	0.00
	Surcharge 2 Surplus Repayment	107,171.00	0.00	0.00	107,171.00
	Investment Revenue	0.00	3,500.00	0.00	3,500.00
PROJECTS					
A · WATER SUPPLY					
	A-1 · Miscellaneous Pump Replacements	40,000.00	0.00	0.00	40,000.00
Total A · WATER SUPPLY		40,000.00	0.00	0.00	40,000.00
B · WATER DISTRIBUTION					
	B-1 · Service Replacements	24,000.00	0.00	0.00	24,000.00
	B-2 · Small Meter Replacements**	126,000.00	0.00	0.00	126,000.00
	B-3 · Large Meter Replacements**	5,000.00	0.00	0.00	5,000.00
Total B · WATER DISTRIBUTION		155,000.00	0.00	0.00	155,000.00
TOTAL BUDGETED PROJECT EXPENDITURES		195,000.00	0.00	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>					