

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

June 29, 2022 (6:30 p.m.)

Visitor's / Depot Center
6730 Front Street
Rio Linda, CA 95673

THIS MEETING WILL BE PHYSICALLY OPEN TO THE PUBLIC WITH SOME REASONABLE
LIMITATIONS PURSUANT TO CURRENT STATE AND COUNTY GUIDELINES.

Our Mission is to provide a safe and reliable water supply in a cost-effective manner.

AGENDA

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

The public will be given the opportunity to directly address the Board on each listed item during the Board's consideration of that item. Public comment on items within the jurisdiction of the Board is welcomed, subject to reasonable time limitations for each speaker. Public documents relating to any open session item listed on this agenda that are distributed to all or any majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection at the District office at 730 L Street, Rio Linda, CA 95673. In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the District office at (916) 991-1000. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

1. CALL TO ORDER, ROLL CALL, & PLEDGE OF ALLEGIANCE

2. PUBLIC COMMENT

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

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

3.1. Minutes

May 16, 2022

The Board is being asked to approve the Minutes from the May 16, 2022 Regular Board Meeting.

3.2. Expenditures

The Executive Committee recommends the Board approve the April 2022 Expenditures.

3.3. Financial Reports

The Executive Committee recommends the Board approve the April 2022 Financial Report.

4. REGULAR CALENDAR

ITEMS FOR DISCUSSION AND ACTION

4.1. GM Report.

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

4.2. District Engineer's Report.

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

4.3. Consider Authorizing the Cooperative Purchasing Exception to Purchasing Requirements Pursuant to District Policy 3.08.600 C -1.

4.4. Consider Adopting Resolution 2022-05, Opposing California Legislature Initiative 21-0042A1.

4.5. Consider Approving the Form of Resolution to be Used for Direct Assessment of Delinquent Accounts.

4.6. Consider Approving Revisions to District Policy 2.20.140 .

4.7. Consider Adopting the Preliminary Budget for Fiscal Year 2022-2023.

4.8. Consider Authorizing a Ranked List of Law Firms Having Responded to the Request for Proposals and Authorize Staff to Execute Negotiations for Engagement.

4.9. Consider Authorizing the List of Doubtful Recovery Debt Accounts.

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

5. INFORMATION ITEMS

5.1. District Activities Reports

- 5.1.1. Water Operations Report
- 5.1.2. Completed and Pending Items Report
- 5.1.3. Conservation Report
- 5.1.4. Leak Repair Report
- 5.1.5. Minor Budget Revision

5.2. Board Member Reports

- 5.2.1. Report any ad hoc committees dissolved by requirements in Policy 2.01.065
- 5.2.2. Sacramento Groundwater Authority – Harris (primary)
- 5.2.3. Sacramento Groundwater Authority 3 X 3 Ad Hoc - Harris
- 5.2.4. Executive Committee – Green (interim assignment), Ridilla
- 5.2.5. ACWA/JPIA – Ridilla

6. DIRECTORS' AND GENERAL MANAGER COMMENTS

7. ADJOURNMENT –

Upcoming meetings:

Executive Committee

July 7, 2022, Thursday, 6:00 pm. New Beginnings Fellowship, 7008 10th St. Rio Linda, CA

Board Meeting

July 18, 2022, Wednesday, 6:30 pm. Visitors / Depot Center, 6730 Front St. Rio Linda, CA



**Consent Calendar
Agenda Item: 3.1**

Date: June 29, 2022

Subject: Minutes

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

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

Current Background and Justification:

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

Conclusion:

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

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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

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

**MINUTES OF THE MAY 16, 2022
BOARD OF DIRECTORS REGULAR MEETING
OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT**

2

1. CALL TO ORDER, ROLL CALL

The May 16, 2022 meeting of the Board of Directors of the Rio Linda/Elverta Community Water District called to order at 6:30 p.m. Visitor's Depot Center 6730 Front Street, Rio Linda, CA 95673. This meeting will be physically open to the public with some reasonable limitations pursuant to current state and county guidelines. All in-person attendees are required to wear masks pursuant to the Sacramento County public health order and the federal Americans with disabilities act. Director Harris led the pledge of allegiance.

General Manager Tim Shaw took roll call of the Board of Directors. Director Jason Green, Director Mary Harris, Director John Ridilla, Director Gifford and General Manager Tim Shaw, Legal Counsel, Erin Dervin, and District Engineer, Mike Vasquez were present.

2. PUBLIC COMMENT

Members of the public questioned the number of packets available at the meeting.

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

3.1 Minutes

April 16, 2022

3.2 Expenditures

March 2022 Expenditures

3.3 Financial Reports

March 2022 Financial Reports

Comments/Questions – No public Comment.

It was moved by Director Gifford and seconded by Director Ridilla to approve the consent calendar with the corrected minutes. Directors Green, Harris, Gifford and Ridilla voted yes. The motion carried with a roll call vote of 4-0-0.

4. REGULAR CALENDAR

ITEMS FOR DISCUSSION AND ACTION

4.1 GM Report.

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

The Board took no action on this item.

4.2 District Engineer's Report.

The Contract District Engineer report provided a General District Engineering, Active Development Reviews (only projects with updates from the last Board Meeting), CIP Dry Creek Road Pipe Replacement Project and 2020 Urban Water Management Plan.

The Board took no action on this item

4.3 Consider Change Order on Pipe Replacement Contract Due to Supply Chain Shortage on Ductile Iron Pipe.

The Contract District Engineer has been continuously corresponding with Rawles Engineering regarding the availability and price of the ductile iron pipe specified in the annual pipe replacement program. The global supply chain issues have impacted the availability and raised the price for ductile iron pipe.

Rawles recently reported having identified a source of ductile iron pipe, but the price is approximately 50% higher than the price used in the Rawles bid. The impact and extent of the global supply chain issues could not have been reasonably anticipated in the competitive bidding process.

The Executive Committee discussed options and supports the Board and contractor consider a change order (included as a document associated with this item) to address the unforeseeable rise in ductile iron pipe.

Comments/Questions – No public comment.

It was moved by Director Harris and seconded by Director Ridilla to approve the change order on the pipe replacement due to supply chain shortage on ductile iron pipe. Directors Green, Gifford, Harris and Ridilla voted yes. The motion carried with a roll call vote of 4-0-0.

4.4 Consider Adopting Resolution 2022-04, Commending Robert Reisig's Community Service.

RLECWD Board President Robert Reisig passed away on April 18th. Prior to his passing, Robert had provided commendable service to the Rio Linda / Elverta community through his participation in many community service entities.

Comments/Questions – No public comment.

It was moved by Director Gifford and seconded by Director Harris should adopt Resolution 2022-04, commending the years of community service by Robert Reisig. Directors Green, Gifford, Harris and Ridilla voted yes. The motion carried with a roll call vote of 4-0-0.

4.5 Consider Options for Filling the Board Member Vacancy and Related Assignments.

The California Elections Code delineates options and time constraints for the governing body of a special district for filling a Board Member vacancy. The Sacramento County Elections Office guide for filling vacancies is included as a document associated with this item.

The basic options are filling the vacancy via appointment or via election. The timing of this vacancy, however, presents a timing aspect which precludes the necessity for a costly special election if the Board opts for filling the vacancy by election. Such election would be consolidated with the general election in November 2022. This option would effectively be two 4-year seats and one 2-year seat.

In addition to the election code process described above, the Board should also consider the assignments of President and Executive Committee. The Vice President has stepped up on an interim basis for responsibilities of the Chair and the May 2nd Executive Committee.

Comments/Questions – No public Comment.

It was moved by Director Harris and seconded by Director Ridilla to wait until the November 2022 Election. Directors Green, Harris, Gifford, and Ridilla voted yes. The motion carried with a roll call vote of 4-0-0.

4.5.1 Board President (or Vice President if current Vice President assumes the presidency).

Comments/Questions – No public Comment.

It was moved by Director Harris and seconded by Director Ridilla to assign Director Jason Green as President and Director John Ridilla as Vice President. Directors Green, Harris, Gifford, and Ridilla voted yes. The motion carried with a roll call vote of 4-0-0.

4.5.2 Executive Committee assignment.

Comments/Questions – No public Comment.

It was moved by Director Harris and seconded by Director Ridilla to assign Director Chris Gifford to the Executive Committee. Directors Green, Harris, Gifford, and Ridilla voted yes. The motion carried with a roll call vote of 4-0-0.

Comments/Questions – No public Comment.

It was moved by Director Green and seconded by Director Ridilla to appoint Director Harris to the SGA 3x3 committee. Directors Green, Harris, Gifford, and Ridilla voted yes. The motion carried with a roll call vote of 4-0-0.

4.6 Consider Confirming the Amount of Water Rate Adjustment Stipulated for July 1, 2022 in Resolution 2021-03, Exhibit A.

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

In addition to inflation adjustments, multi-year costs of service projections evaluate the anticipated increases to the cost of service due to regulatory and operational changes, e.g., water treatment requirements. The State Water Resources Control Board has already published their draft notice regarding re-establishing the Hexavalent Chromium Maximum Contaminant Level (MCL) at 10-parts per billion.

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

Comments/Questions – No public Comment.

It was moved by Director Ridilla and seconded by Director Gifford to confirm the anticipated increases for the cost of service have materialized, and the July 1, 2022 column in Exhibit A to Resolution 2021-03. Directors Green, Harris, Gifford, and Ridilla voted yes. The motion carried with a roll call vote of 4-0-0.

4.7 Consider Agreement with CoreLogic for Property Information Services.

CoreLogic has been providing services to the District for years. The services provided include property / parcel ownership records, lien reports etc.

Apparently, there has been a merger or consolidation at CoreLogic which CoreLogic has asserted requires the District to execute an agreement. Such agreement includes typical contract language such as indemnity clauses. The authority to agree to contract terms and conditions is the sole authority of a public agencies elected Board. The Board cannot delegate their authority and must consider such contracts at a properly notices public meeting.

Further, public agency contracts must be reviewed by the public agency Legal Counsel, who ultimately represents the public served by the public agency. It is reasonable to assume that Legal Counsel charges for review of the proposed contract will not be negligible. Legal Counsel has reviewed the proposed agreement and found no substantive legal issues.

Comments/Questions – Public member commented on the use of the program to sign up for service.

It was moved by Director Gifford and seconded by Director Ridilla to approve the agreement with Corelogic for Property Information. Directors Green, Gifford, and Ridilla voted yes. Director Harris voted no. The motion carried with a roll call vote of 3-1-0.

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

GM Shaw stated there are 4 respondents and was recommended to establish an ad hoc committee to interview the respondents.

4.81.1 Ad Hoc Committee to interview legal services respondents.

It was moved by Director Harris and seconded by Director Ridilla to nominate herself and Director Ridilla on the Ad Hoc Committee.. Directors Green, Harris, Gifford, and Ridilla voted yes. The motion carried with a roll call vote of 4-0-0.

5. INFORMATION ITEMS

5.1 District Activities Reports

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

GM Shaw informed the Board that the surplus money was put into the vehicle replacement fund and the District has the opportunity to purchase a 2019 Ford Fusion with the 25k that was placed in the fund to replace the District's Jeep that was sold. The Board agreed with the purchase.

5.2 Board Member Report

- 5.2.1 Report any ad hoc committees dissolved by requirements in Policy 2.01.065 –
- 5.2.2 Sacramento Groundwater Authority – Harris (primary) – Special Meeting Agenda Provided.
Director Harris requested to have the Board compensation policy reviewed.
- 5.2.3 Executive Committee – Green (interim assignment, Ridilla – Minutes provided.
- 5.2.4 ACWA/JPIA – Ridilla – No report.

6. DIRECTORS' AND GENERAL MANAGER COMMENTS –

7. ADJOURNMENT - In memory of Director Robert Reisig at 7:35pm.

Respectfully submitted,

Timothy R. Shaw, Secretary

Jason Green, President of the Board

**MINUTES OF THE JUNE 6, 2022
BOARD OF DIRECTORS SPECIAL MEETING
OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT**

4

1. CALL TO ORDER, ROLL CALL

The June 6, 2022 Special meeting of the Board of Directors of the Rio Linda/Elverta Community Water District called to order at 5:50 p.m. New Beginnings Fellowship 7008 10th Street, Rio Linda, CA 95673. This meeting will be physically open to the public with some reasonable limitations pursuant to current state and county guidelines. All in-person attendees are required to wear masks pursuant to the Sacramento County public health order and the federal Americans with Disabilities Act. Director Ridilla led the pledge of allegiance.

General Manager Tim Shaw took roll call of the Board of Directors. Director Jason Green, Director John Ridilla, Director Gifford and General Manager Tim Shaw, and District Engineer, Mike Vasquez were present. Director Mary Harris was absent.

2. PUBLIC COMMENT

2.1 Members of the public are invited to speak to the Board regarding items that are on the agenda. Each speaker may address the Board once under Public Comment for a limit of 2 minutes. (Policy Manual § 2.01.160).

3. ITEMS FOR DISCUSSION AND ACTION

3.1. Consider approving a Request for Proposals to enable engagement of an independent auditor.

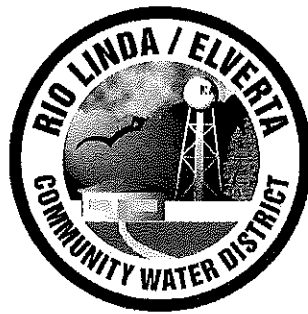
It was moved by Director Ridilla and seconded by Director Gifford to approve the request for proposals to enable engagement of an independent auditor. Directors Green, Gifford and Ridilla voted yes. The motion carried with a roll call vote of 3-0-0.

4. ADJOURNMENT - Meeting was adjourned at 5:55 P.M.

Respectfully submitted,

Timothy R. Shaw, Secretary

Jason Green, President of the Board



**Consent Calendar
Agenda Item: 3.2**

Date: June 29, 2022

Subject: Expenditures

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee recommends approval of the Expenditures for the months of April 2022

Current Background and Justification:

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

Conclusion:

I recommend the Board approve the Expenditures for April 2022.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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

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

**Rio Linda Elverta Community Water District
Expenditure Report
April 2022**

Type	Date	Num	Name	Memo	Amount
Liability Check	04/06/2022	EFT	QuickBooks Payroll Service	For PP Ending 04/02/22 Pay date 04/07/22	18,626.20
Liability Check	04/07/2022	EFT	CalPERS	For PP Ending 04/02/22 Pay date 04/07/22	3,017.94
Liability Check	04/07/2022	EFT	CalPERS	For PP Ending 04/02/22 Pay date 04/07/22	1,149.24
Liability Check	04/07/2022	EFT	Internal Revenue Service	Employment Taxes	7,193.84
Liability Check	04/07/2022	EFT	Employment Development	Employment Taxes	1,404.14
Liability Check	04/07/2022	EFT	Empower	Deferred Compensation Plan: Employer & Employee Share	2,683.48
Bill Pmt -Check	04/07/2022	EFT	Adept Solutions	Computer Maintenance	1,208.00
Bill Pmt -Check	04/07/2022	EFT	Comcast	Phone/Internet	280.97
Bill Pmt -Check	04/07/2022	EFT	Republic Services	Utilities	387.93
Bill Pmt -Check	04/07/2022	EFT	Voyager	Transportation Fuel	115.93
Check	04/07/2022	EFT	RLECWD	Umpqua Bank Monthly Debt Service Transfer	17,000.00
Transfer	04/07/2022	EFT	RLECWD - Capital Improvement	Current Monthly Transfer	44,526.00
Bill Pmt -Check	04/07/2022	2077	Teamsters	Union Dues	684.00
Check	04/07/2022	2078	Sacramento County Clerk	Recording Fees	95.00
Check	04/07/2022	2079	Customer	Final Bill Refund	28.62
Check	04/07/2022	2080	Customer	Final Bill Refund	123.13
Check	04/07/2022	2081	Customer	Final Bill Refund	78.41
Check	04/07/2022	2082	Customer	Final Bill Refund	100.00
Check	04/07/2022	2083	Customer	Final Bill Refund	58.72
Bill Pmt -Check	04/07/2022	2084	ABS Direct	Printing & Postage	877.13
Bill Pmt -Check	04/07/2022	2085	ACWA/JPIA Powers Insurance Authority	EAP	23.80
Bill Pmt -Check	04/07/2022	2086	Corelogic Solutions	Metro Scan	134.75
Bill Pmt -Check	04/07/2022	2087	Elk Grove Security Systems	Security	84.00
Bill Pmt -Check	04/07/2022	2088	Intermedia.net	Phone/Internet	76.01
Bill Pmt -Check	04/07/2022	2089	O'Reilly Automotive	Transportation Maintenance	103.63
Bill Pmt -Check	04/07/2022	2090	Phelan, Michael	Retiree Insurance	3,150.00
Bill Pmt -Check	04/07/2022	2091	Rio Linda Elverta Recreation & Park	Meeting Expense	50.00
Bill Pmt -Check	04/07/2022	2092	RW Trucking	Distribution Supplies	692.94
Bill Pmt -Check	04/07/2022	2093	Sierra Chemical Company	Treatment	996.60
Bill Pmt -Check	04/07/2022	2094	SMUD	Utilities	15,050.04
Bill Pmt -Check	04/07/2022	2095	UniFirst Corporation	Uniforms	378.65
Bill Pmt -Check	04/07/2022	2096	Vanguard Cleaning Systems	Janitorial	195.00
Bill Pmt -Check	04/07/2022	2097	Rio Linda Hardware & Building Supply	Shop Supplies	420.60
Bill Pmt -Check	04/17/2022	EFT	ARCO	Transportation Fuel	1,022.57
Liability Check	04/20/2022	EFT	QuickBooks Payroll Service	For PP Ending 04/16/22 Pay date 04/22/22	17,609.78
Liability Check	04/21/2022	EFT	CalPERS	For PP Ending 04/16/22 Pay date 04/22/22	3,017.94
Liability Check	04/21/2022	EFT	CalPERS	For PP Ending 04/16/22 Pay date 04/22/22	1,149.24
Liability Check	04/21/2022	EFT	Internal Revenue Service	Employment Taxes	6,897.94
Liability Check	04/21/2022	EFT	Employment Development	Employment Taxes	4,217.21
Liability Check	04/21/2022	EFT	Empower	Deferred Compensation Plan: Employer & Employee Share	2,597.93
Bill Pmt -Check	04/22/2022	EFT	WageWorks	FSA Administration Fee	76.25
Liability Check	04/25/2022	EFT	Kaiser Permanente	Health Insurance	1,777.00



**Rio Linda Elverta Community Water District
Expenditure Report
April 2022**

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	04/25/2022	EFT	PG&E	Utilities	89.10
Liability Check	04/25/2022	EFT	Principal	Dental & Vision Insurance	1,724.51
Liability Check	04/25/2022	EFT	Western Health Advantage	Health Insurance	10,909.42
Bill Pmt -Check	04/25/2022	EFT	Umpqua Bank Credit Card	Computer, Office, Postage, Shop Supplies, Staff Training, Transp Maint	1,635.48
Bill Pmt -Check	04/25/2022	EFT	Verizon	Field Communication, Field IT	511.02
Check	04/25/2022	EFT	RLECWD - SURCHARGE ACCOUNT 1	Bi-monthly Transfer	87,858.41
Check	04/25/2022	EFT	RLECWD - SURCHARGE ACCOUNT 2	Bi-monthly Transfer	73,065.59
	04/25/2022	EFT	RLECWD	To transfer annual budgeted amount for Surplus Sales	25,650.10
Check	04/25/2022	2098	Sacramento County Recorder	Permits & Fees	300.00
Check	04/25/2022	2099	Customer	Final Bill Refund	72.42
Check	04/25/2022	2100	Customer	Final Bill Refund	100.00
Check	04/25/2022	2101	Customer	Final Bill Refund	103.41
Bill Pmt -Check	04/25/2022	2102	BSK Associates	Lab Fees	1,676.00
Bill Pmt -Check	04/25/2022	2103	DirectHit Pest Control	Building Maintenance	80.00
Bill Pmt -Check	04/25/2022	2104	EKI Enviornment & Water	Engineering	5,000.00
Bill Pmt -Check	04/25/2022	2105	Government Finance Officers Assoc	Office Expense	150.00
Bill Pmt -Check	04/25/2022	2106	ICONIX Waterworks	Distribution Supplies	12,354.62
Bill Pmt -Check	04/25/2022	2107	Johnson Controls Fire Protection	Safety	218.80
Bill Pmt -Check	04/25/2022	2108	Sierra Chemical Company	Treatment	996.60
Bill Pmt -Check	04/25/2022	2109	Spok, Inc	Field Communication	15.27
Bill Pmt -Check	04/25/2022	2110	White Brenner LLP	Legal: February & March 2022	2,860.30
Bill Pmt -Check	04/25/2022	2111	Chacon, Socorro	Notory	355.00
Total 10000 · Bank - Operating Account					<u>385,086.61</u>



Consent Calendar Agenda Item: 3.3

Date: June 29, 2022

Subject: Financial Reports

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee recommends approval of the Districts Financial Reports for the month of April 2022.

Current Background and Justification:

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

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

Conclusion:

I recommend the Board approve the Financial Reports for April 2022.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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

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

Rio Linda Elverta Community Water District
Balance Sheet
 As of April 30, 2022



ASSETS

Current Assets

Checking/Savings

100 · Cash & Cash Equivalents

10000 · Operating Account

10020 · Operating Fund-Umpqua 1,260,886.91

Total 10000 · Operating Account 1,260,886.91

10475 · Capital Improvement

10480 · General 550,137.25

10481 · Cr6 Mitigation 454,500.00

10485 · Vehicle Replacement Reserve 42,942.55

Total 10450 · Capital Improvement 1,047,579.80

10490 · Future Capital Imp Projects 1,279,076.57

Total 100 · Cash & Cash Equivalents 3,587,543.28

102 · Restricted Assets

102.2 · Restricted for Debt Service

10700 · ZIONS Inv/Surcharge Reserve 507,998.08

10300 · Surcharge 1 Account 935,988.53

10350 · Umpqua Bank Debt Service 113,437.08

10380 · Surcharge 2 Account 288,756.94

10385 · OpusBank Checking 557,842.30

Total 102.2 · Restricted for Debt Service 2,404,022.93

102.4 · Restricted Other Purposes

10600 · LAIF Account 395,812.78

10650 · Operating Reserve Fund 309,145.30

Total 102.4 · Restricted Other Purposes 704,958.08

Total 102 · Restricted Assets 3,108,981.01

Total Checking/Savings 6,696,524.29

Accounts Receivable 50,620.00

Other Current Assets

12000 · Water Utility Receivable 63,864.59

12200 · Accrued Revenue 150,000.00

12250 · Accrued Interest Receivable 1,165.62

15000 · Inventory Asset 36,995.08

16000 · Prepaid Expense 31,442.47

Total Other Current Assets 283,467.76

Total Current Assets 7,030,612.05

Fixed Assets

17000 · General Plant Assets 635,814.44

17100 · Water System Facilites 24,938,800.63

17300 · Intangible Assets 373,043.42

17500 · Accum Depreciation & Amort -10,472,675.54

18000 · Construction in Progress 424,288.05

18100 · Land 576,673.45

Total Fixed Assets 16,475,944.45

Other Assets

18500 · ADP CalPERS Receivable 500,000.00

19000 · Deferred Outflows 729,108.00

19900 · Suspense Account 0.00

Total Other Assets 1,229,108.00

TOTAL ASSETS 24,735,664.50

Rio Linda Elverta Community Water District
Balance Sheet
As of April 30, 2022

LIABILITIES & EQUITY**Liabilities****Current Liabilities**

Accounts Payable	20,551.63
Credit Cards	60.00
Other Current Liabilities	917,612.33

Total Current Liabilities	<u>938,223.96</u>
----------------------------------	-------------------

Long Term Liabilities

23000 · OPEB Liability	81,433.00
23500 · Lease Buy-Back	607,287.27
25000 · Surcharge 1 Loan	3,468,784.61
25050 · Surcharge 2 Loan	2,555,040.16
26000 · Water Rev Refunding	1,658,697.00
26500 · ADP CalPERS Loan	470,000.00
27000 · Community Business Bank	193,071.58
29000 · Net Pension Liability	1,117,944.00
29500 · Deferred Inflows-Pension	39,277.00
29600 · Deferred Inflows-OPEB	74,020.00

Total Long Term Liabilities	<u>10,265,554.62</u>
------------------------------------	----------------------

Total Liabilities	<u>11,203,778.58</u>
--------------------------	----------------------

Equity

31500 · Invested in Capital Assets, Net	8,593,770.46
32000 · Restricted for Debt Service	705,225.24
38000 · Unrestricted Equity	3,535,043.26
Net Income	697,846.96

Total Equity	<u>13,531,885.92</u>
---------------------	----------------------

TOTAL LIABILITIES & EQUITY	<u><u>24,735,664.50</u></u>
---------------------------------------	-----------------------------

**Rio Linda Elverta Community Water District
Operating Profit & Loss Budget Performance
As of April 30, 2022**

9

	<u>Annual Budget</u>	<u>Apr 22</u>	<u>Jul 21-Apr 22</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
Ordinary Income/Expense					
Income					
Total 40000 · Operating Revenue	2,888,520.00	166,726.61	2,174,250.01	75.27%	714,269.99
41000 · Nonoperating Revenue					
41110 · Investment Revenue					
41112 · Interest Revenue	300.00	3.45	31.36	10.45%	268.64
Surcharg Total 41110 · Investment Revenue	300.00	3.45	31.36	10.45%	268.64
41120 · Property Tax	95,700.00	0.00	63,433.93	66.28%	32,266.07
Total 41000 · Nonoperating Revenue	96,000.00	3.45	63,465.29	66.11%	32,534.71
Total Income	2,984,520.00	166,730.06	2,237,715.30	74.98%	746,804.70
Gross Income	2,984,520.00	166,730.06	2,237,715.30	74.98%	746,804.70
Expense					
60000 · Operating Expenses					
60010 · Professional Fees	100,050.00	7,644.80	69,875.26	69.84%	30,174.74
60100 · Personnel Services					
60110 · Salaries & Wages	770,402.00	57,443.78	586,634.40	76.15%	183,767.60
60150 · Employee Benefits & Expense	458,434.00	30,597.16	311,019.27	67.84%	147,414.73
Total 60100 · Personnel Services	1,228,836.00	88,040.94	897,653.67	73.05%	331,182.33
60200 · Administration	221,902.00	10,777.63	190,745.56	85.96%	31,156.44
64000 · Conservation	300.00	0.00	0.00	0.00%	300.00
65000 · Field Operations	538,200.00	36,253.67	297,193.97	55.22%	241,006.03
Total 60000 · Operating Expenses	2,089,288.00	142,717.04	1,455,468.46	69.66%	633,819.54
69000 · Non-Operating Expenses					
69010 · Debt Service					
69100 · Revenue Bond					
69105 · Principle	148,158.00	0.00	61,158.00	41.28%	87,000.00
69110 · Interest	53,111.00	0.00	27,012.48	50.86%	26,098.52
Total 69100 · Revenue Bond	201,269.00	0.00	88,170.48	43.81%	113,098.52
69125 · AMI Meter Loan					
69130 · Principle	51,344.00	0.00	51,344.36	100.00%	-0.36
69135 · Interest	7,170.00	0.00	7,169.56	99.99%	0.44
Total 69125 · AMI Meter Loan	58,514.00	0.00	58,513.92	100.00%	0.08
69200 · PERS ADP Loan					
69205 · Principle	30,000.00	0.00	0.00	0.00%	30,000.00
69210 · Interest	1,850.00	0.00	0.00	0.00%	1,850.00
Total 69100 · PERS ADP Loan	31,850.00	0.00	0.00	0.00%	31,850.00
Total 69010 · Debt Service	291,633.00	0.00	146,684.40	50.30%	144,948.60
69400 · Other Non-Operating Expense	3,000.00	0.00	2,767.00	92.23%	233.00
Total 69000 · Non-Operating Expenses	294,633.00	0.00	149,451.40	50.73%	145,181.60
Total Expense	2,383,921.00	142,717.04	1,604,919.86	67.32%	779,001.14
Net Ordinary Income	600,599.00	24,013.02	632,795.44		
Net Income	600,599.00	24,013.02	632,795.44		

Rio Linda Elverta Community Water District
CAPITAL BUDGET VS ACTUAL FISCAL YEAR 2021-22
 As of April 30, 2022

	GENERAL		FUTURE CAPITAL IMPROVEMENT PROJECTS		VEHICLE & LARGE EQUIPMENT REPLACEMENT	
	Annual Budget	YTD Actual	Annual Budget	YTD Actual	Annual Budget	YTD Actual
FUNDING SOURCES						
Fund Transfers						
Operating Fund Transfers In	576,700.00	487,648.00	-	-	-	-
CIP Fund Intrafund Transfers	(381,468.00)	(10,000.00)	371,468.00	-	10,000.00	10,000.00
Fund Transfer from Operating			28,000.00			
Surcharge 2 Surplus Repayment	79,747.00	-	-	-	25,650.10	25,650.10
Investment Revenue	300.00	73.11	125.00	106.54	-	-
PROJECTS						
A · WATER SUPPLY						
A-1 · Miscellaneous Pump Replacements	40,000.00	31,417.41				
Total A · WATER SUPPLY	40,000.00	31,417.41	-	-	-	-
B · WATER DISTRIBUTION						
B-1 · Service Replacements	30,000.00	-	-	-	-	-
B-2 · Small Meter Replacements	120,000.00	27,721.92	-	-	-	-
B-3 · Large Meter Replacements	5,000.00	-	-	-	-	-
B-4 · Pipeline Replacement	-	-	450,000.00	-	-	-
Total B · WATER DISTRIBUTION	155,000.00	27,721.92	450,000.00	-	-	-
M · GENERAL PLANT ASSETS						
M-1 · Urban Water Management Plan	50,000.00	-	-	-	-	-
M-2 · Office Air Conditioner Replacement	8,200.00	5,622.00	-	-	-	-
M-3 · Server Replacement	8,000.00	-	-	-	-	-
M-4 · Dump Truck	-	-	-	-	85,000.00	82,707.55
Total M · GENERAL PLANT ASSETS	66,200.00	5,622.00	-	-	85,000.00	82,707.55
TOTAL BUDGETED PROJECT EXPENDITURES	261,200.00	64,761.33	450,000.00	-	85,000.00	82,707.55



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

Date: June 29, 2022
Subject: General Manager's Report
Staff Contact: Timothy R. Shaw

Recommended Committee Action:

N/A this item is not reviewed by committee.

Current Background and Justification:

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

Conclusion:

No Board action is anticipated for this item.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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



Date: June 29, 2022

Subject: General Manager Report

Staff Contact: Timothy R. Shaw, General Manager

For the given month, I participated in the following reoccurring meetings and special events: Demands for resources associated with the interviews of legal services RFP respondents and proposed Sacramento Groundwater Authority (SGA) / Sacramento Central Groundwater Authority (SCGA) dominated this reporting period.

1. On May 17th, Director Harris and I participated in a special meeting of the Sacramento Groundwater Authority. The most substantive item continuous to be the contemplated merger with the Sacramento Central Groundwater Authority.
2. On May 19th, I met Sacramento County Planning to discuss the Elverta Specific Plan. The meeting produced more questions than answers.
3. On May 23rd and June 2nd I participated in a meetings with the Legal Services Interview Ad Hoc Committee. No interviews were performed.
4. On May 24th and June 2nd I met with ACWA JPIA representatives for a routine risk assessment.
5. On May 26th, I participated in a Water Forum meeting.
6. On June 3rd, I met with several SGA member agencies regarding emerging concerns about the proposed options being considered, as well as issues not being considered for the proposed SGA / SCGA merger.
7. On June 6th, I participated in a RLECWD special board meeting followed by the monthly meeting of the Executive Committee.
8. On June 7th, I met with Anago Janitorial, who requested the meeting to provide the District with options for janitorial service.
9. On June 8th, I met with several SGA member agencies' SGA Board representatives to coordinate the message to be delivered at then June 9th SGA Board meeting.
10. On June 9th, Director Harris and I participated in the SGA regular meeting of the Board of Directors.

11. On June 14th, I met with Dane Wadle of California Special Districts Association (CSDA) at Dane's request. CSDA is organizing opposition to a proposed constitutional amendment that would substantively impede rates adjustments.
12. On June 15th, I met with a service provider who requested a meeting to demonstrate their work order software.
13. On June 24th, Director Harris, Director Ridilla and I interviewed 3 of the 4 respondents to the legal services RFP.

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

- Coordinating and scheduling the law firm interviews.
- Completing and submitting the Preliminary Water Supply and Demand Assessment pursuant to the Governor's Executive Order...
- Interacting with customers who have received notices regarding water wasting pursuant to the Water Shortfall Contingency Plan, stage 1 (20% conservation target).

Fuel Prices are still climbing along with electricity, internet service, and solid waste disposal.



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

Date: June 29, 2022
Subject: District Engineer’s Report
Staff Contact: Mike Vasquez, District Engineer

Recommended Committee Action:

N/A this item is not discussed at committees.

Current Background and Justification:

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

Conclusion:

There is no Board action anticipated for this item.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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

23 June 2022

DISTRICT ENGINEER'S REPORT

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

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

Subject: **District Engineer's Report for the 29 June 2022 Board of Directors Meeting**

The District Engineer is pleased to submit this brief update of duties and tasks performed for the period of 12 May 2022 to 23 June 2022:

1. General District Engineering:

- Coordinated with RWA and DWR to close out the Well 16 Pump Station Project. DWR's has stated the \$50,500 grant retention amount will be issued to the District in 90 days.
- Assisted the Operations Superintendent with a potential HVAC warranty item at the Well 16 Pump Station. The AC unit stopped working on 6/21/22 and we are determining if the manufacturer is responsible for parts and labor of a coil replacement. The construction contractor's 12 month warranty has already expired and is not responsible for repairs.

2. Active Development Reviews (only projects with updates from the last Board Meeting):

- Fox Hollow Residential Development (28 lots 6th Street between Q Street and S Street): Staff continues to be in communication with the developer and is expecting a maintenance bond and guarantee to be submitted soon along with as-built plans for the water infrastructure portion of the project. The developer has begun construction of homes on some lots. All water services will be locked off until capacity fees are paid by the developer, then meters will be installed by the District.
- Electric Avenue Residential Development (7 Lots, between Cypress Street and Elverta Road): The developer notified staff that the project would no longer include the northern 4 of the proposed 7 lots. Staff is waiting for revised project plans to be submitted.
- Club Bell Acqua Residential Development (33 Lots, south of E Street, west of Dry Creek Road, between ski lakes): The developer asked staff to provide water infrastructure feedback for their proposed project, specifically if the District would consider a 2,000 foot dead end water main. Staff responded that a dead end that long would impact water quality and advised to provide a loop for the proposed pipeline to service the development.

3. CIP Dry Creek Road Pipe Replacement Project:

- The construction contractor has signed the contract change order for pipe material cost increases. Staff has met with the construction contractor and has agreed that the Well 16 Pump Station Site will be used as a staging area for the pipeline replacement project. The undeveloped and vacant western half of the Well 16 Site will be used for material storage, The improved Well 16 site will

be used to store equipment. The construction contractor is currently arranging for the delivery of the pipe to the site and coordinating with Sacramento County for a preconstruction meeting before beginning pipeline installation.

4. 2020 Urban Water Management Plan:

- Administrative and Public Drafts of the UWMP were delivered to the District on 6/13/22 and 6/15/22 respectively. This did not allow for sufficient public noticing of the UMWP as the Rio Linda News only runs once per week. As such, the public notices will run in the Rio Linda News on 7/1/22 and 7/8/22 as required by CA Gov't Code 6066.
- The revised schedule for UWMP adoption by the Board of Directors will be at the July 18, 2022 Board Meeting.

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

Very truly yours,

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



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

Date: June 29, 2022
Subject: Exception to Bidding for Raising Iron on Elkhorn Blvd
Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

This item was not discussed at Committee.

Current Background and Justification:

The vast majority of the District’s infrastructure (pipes, valves, hydrants, etc.) is located within Sacramento County public utilities easements. Typical public works maintenance and upgrades, e.g. road improvements, entails moving and restoring the above described infrastructure. When this happens, the burden falls to the owners of the infrastructure to pay for the relocation of facilities. The most common evolution is known as “raising iron”.

The typical raising iron evolution is a valve box or manhole in the street. When a road improvement is finished, the iron from the valve box or manhole must be raised back to be flush with the new pavement. Failure to raise the iron results in lost access to the necessary infrastructure.

District Policy 3.08.600 C-1 provides an exception to the competitive bidding requirements if the project was competitively bid by another cooperating government entity, e.g. Sacramento County. The ongoing road improvements along Elk Horn Blvd entailed a competitive bidding process by Sacramento County, where the raising iron component was included in the bid specifications. Although the bid project is a County project, the responsibility for paying for the iron raising falls to the District.

The cost for the District to do this evolution without cooperating with the County would be much higher. A typical example of cost savings includes traffic controls, which the County’s road improvement already specifies and the County provides.

Conclusion:

The Board should authorize the exception to bidding pursuant to District Policy 3.08.600 C-1.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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

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

GOODFELLOW BROS. INC.

 ESTABLISHED 1921

Sacramento County Overlay SB1 4522 --

Rio Linda Water Valves

June 7, 2022

Attn: Rio Linda Water District

7 - June

Item	Description	Quantity	Unit	Unit Price	Total
	Pay Application				
1	Lower Water Valve	21	EA	\$750	\$15,750
2	Adjust Water Valve to Grade	21	EA	\$850	\$17,850
	Total Amount				\$33,600

QUALIFICATIONS:
See Calculation Below

A.C. Overlay Project SB1 2021 Phase 2
Contract No. 4522

Addendum No. 2
Bid Proposal Sheet, Page 2

ITEM NO.	SECTION NO.	ITEM DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT
1	18-5	Unsuitable Material Excavation	1	ALL	\$50,000	\$50,000.00
2	22-2.01	Class 2 Aggregate Base	860	TN	31.50	27090.-
3	22-2.01	Shoulder Backing Material	20	TN	75.-	1500.-
4	23	Asphalt Concrete (Paving: Type A)	3,040	TN	116.-	352640.-
5	23	Rubberized Asphalt Concrete (AHRM-GG)	14,500	TN	157.-	2,276,500.-
6	23	Asphalt Concrete (Base Repair, Curb & Gutter)	8,960	TN	149.-	1,335,040.-
7	23-13	Asphalt Concrete Leveling Course	1	ALL	\$20,000	\$20,000.00
8	26-2.01	Pavement Keycutting - Wedge Grind	964,000	SF	0.34	327,760.-
9	26-3.01	Pavement Planing - 4" Deep Base Repair Grind	59,000	SF	1.10	64,900.-
10	26-3.01	Pavement Planing - 6" Deep Base Repair Grind	161,000	SF	1.20	193,200.-
11	26-3.01	Pavement Planing - 8" Deep Base Repair Grind	20,200	SF	2.-	40,400.-
12	26-5.01	Pavement Reinforcing Fabric	134,000	SY	2.-	268,000.-
13	27	Remove and Replace PCC Curb and Gutter	2,600	LF	73.50	191,100.-
14	27	Remove and Replace PCC Sidewalk	9,500	SF	39.-	370,500.-
15	27	Detectable Warning Surface	54	EA	450.-	24,300.-
16	27-13.01	Type "B" Drop Inlet	5	EA	8000.-	40,000.-
17	39	Lower Storm Drain Manhole Frame & Cover	32	EA	750.-	24,000.-
18	39	Lower Sanitary Sewer Manhole Frame & Cover	70	EA	750.-	52,500.-
19	39	Adjust Storm Drain Frame and Cover to Grade	42	EA	850.-	35,700.-
20	39	Adjust Sanitary Sewer Frame and Cover to Grade	93	EA	850.-	79,050.-
21	46	Survey Monument	33	EA	1200.-	39,600.-
22	48	4" Wide Thermoplastic Traffic Stripes	51,600	LF	1.-	51,600.-
23	48	6" Wide Thermoplastic Traffic Stripes	26,100	LF	1.-	26,100.-
24	48	8" Wide Thermoplastic Traffic Stripes	6,750	LF	1.50	10,125.-

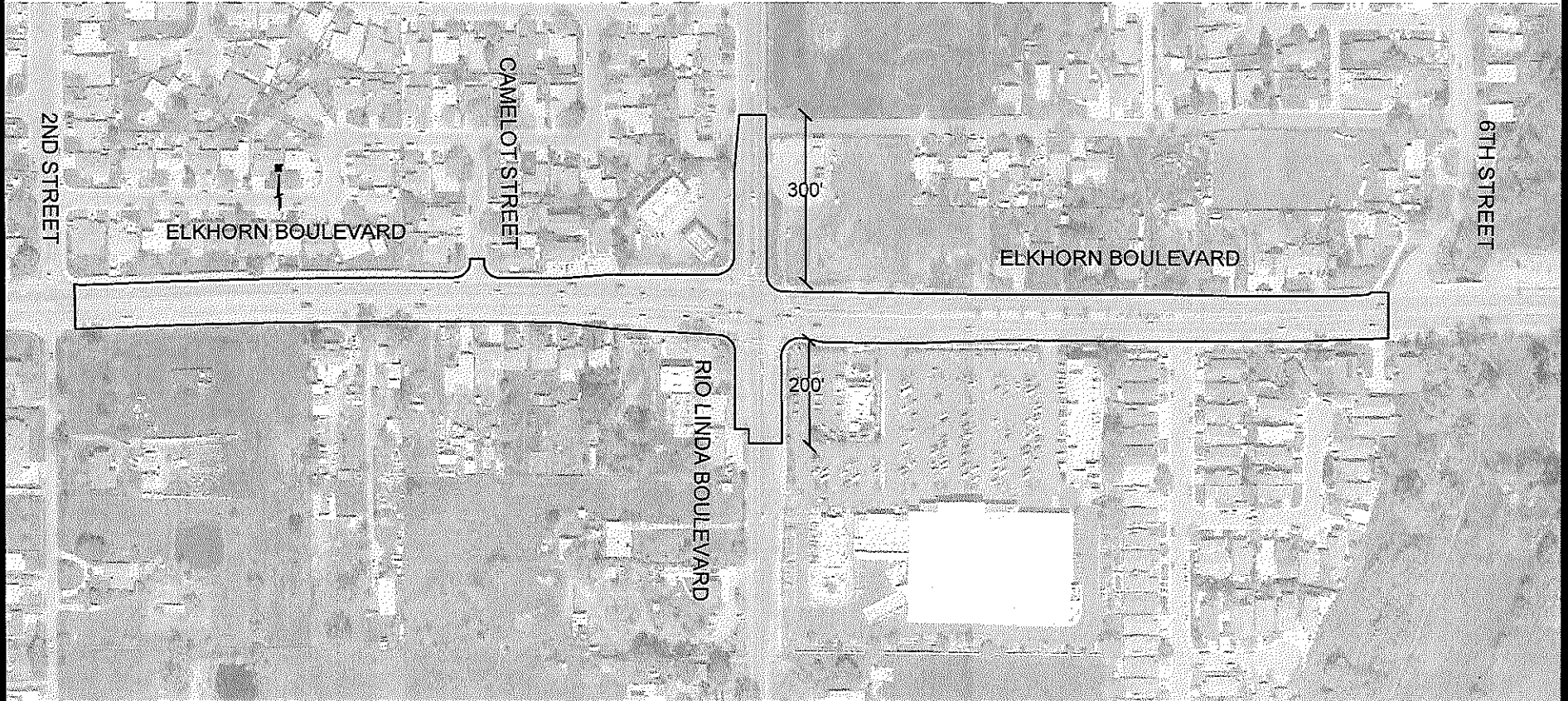
17

A.C. Overlay Project SB1 2021 Phase 2
Contract No. 4522Addendum No. 2
Bid Proposal Sheet, Page 3

ITEM NO.	SECTION NO.	ITEM DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT
25	48	12" Wide Thermoplastic Traffic Stripes	6,150	LF	3.-	18450.-
26	48	Pavement Marker	2,140	EA	4.50	9630.-
27	48	Thermoplastic Pavement Markings	3,210	SF	4.50	14445.-
28	49-2.06B	Install Conduit	314	LF	60.-	18840.-
29	49-4.04	Install Pedestrian Signal Head	8	EA	1200.-	9600.-
30	49-5A	Install Inductive Loop Detector	10	EA	1000.-	10000.-
31	49-5A	Install Type "B" Detector Handhole	8	EA	1200.-	9600.-
32	49-5A	Install Count Station Cabinet	2	EA	3350.-	6700.-
33	49-5.01D	Install Video Detection Camera	23	EA	16100.- 160810	370300.-
34	49-5.01D	Install Video CAT5E Wire	1,760	LF	3.-	5280.-
35	49-5.03	Install Pedestrian Push Buttons	24	EA	1200.-	28800.-
36	50-50	Remove and Replace AC Dike	25	LF	75.-	1875.-
37	50-51	Install AC Speed Bump	3	EA	3400.-	10200.-
38	50-51	Install AC Speed Table	2	EA	5500.-	11000.-
39	50-52	Tree Removal	1	EA	1500.-	1500.-
40	50-53	Remove and Replace Concrete Median Island	3,080	SF	78.50	241780.-
41	50-56	Install Methacrylate Sealer	8,080	SF	9.15	73932.-
42	50-57	Install Traffic Signal Cabinet	2	EA	3400.-	6800.-
43	50-58	Install Colored Bike Lane	5,950	SF	9.-	53550.-
TOTAL BID (Items 1-43 in figures)			\$ 6,803,887.-			

NOTES:

1. The low bidder is the lowest of the TOTAL BID.
2. In the event that the product of a unit price and an estimated quantity does not equal the extended amount stated, the unit price will govern and the correct product of the unit price and the estimated quantity shall be deemed to be the amount bid.



NOTES:

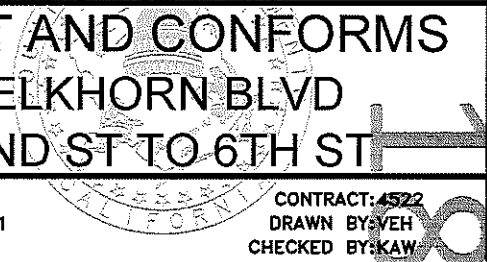
1. PAVING LIMITS OF ALL ROADS WITHIN PROJECT LIMITS SHALL BE AS SHOWN OR AS MARKED IN THE FIELD BY THE RESIDENT ENGINEER.

COUNTY OF SACRAMENTO
 PUBLIC WORKS AND INFRASTRUCTURE
 DEPARTMENT OF TRANSPORTATION

LIMIT AND CONFORMS
ELKHORN BLVD
2ND ST TO 6TH ST

SCALE: NONE
 DATE: 11/2021
 SHEET: 6 OF 7

CONTRACT: 4522
 DRAWN BY: VEH
 CHECKED BY: KAW



3.08.600 Exceptions to Standard Purchasing Procedures.

A. Emergency Conditions

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

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

B. Limited Availability/Sole Source

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

C. Cooperative Purchasing

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

1. Purchases Exceeding \$25,000

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

2. Purchases Not Exceeding \$25,000

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



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

Date: June 29, 2022
Subject: Resolution 2022-05, Opposing Legislation
Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

This item was not discussed at Committee because California Special Districts Association (CSDA) did not request District support until after June 6th.

Current Background and Justification:

The background and justification for this item are included in the document titled CSDA Analysis of Initiative #21-0042A1, included as a document associated with this item.

Conclusion:

As requested and recommended by CSDA, the Board should adopt Resolution 2022-05, formally opposing ballot initiative #21-0042A1.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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

RESOLUTION NO. 2022-05

A RESOLUTION OPPOSE INITIATIVE 21-0042A1

WHEREAS, an association representing California's wealthiest corporations and developers is spending millions to push a deceptive proposition aimed for the November 2022 statewide ballot; and

WHEREAS, the proposed proposition, Initiative 21-0042A1, has received the official title: "LIMITS ABILITY OF VOTERS AND STATE AND LOCAL GOVERNMENTS TO RAISE REVENUES FOR GOVERNMENT SERVICES. INITIATIVE CONSTITUTIONAL AMENDMENT."

WHEREAS, the measure includes provisions that would make it more difficult for local voters to pass measures needed to fund local services and infrastructure, and would limit voter input by prohibiting local advisory measures where voters provide direction on how they want their local tax dollars spent; and

WHEREAS, the measure exposes taxpayers to a new wave of costly litigation, limits the discretion and flexibility of locally elected boards to respond to the needs of their communities, and injects uncertainty into the financing and sustainability of critical infrastructure; and

WHEREAS, the measure severely restricts state and local officials' ability to protect our environment, public health and safety, and our neighborhoods against corporations and others who violate the law; and

WHEREAS, the measure creates new constitutional loopholes that would allow corporations to pay less than their fair share for the impacts they impose on our communities, including local infrastructure, our environment, water quality, air quality, and natural resources; and

WHEREAS, the measure threatens billions of dollars currently dedicated to state and local services, and could force cuts to water service provided by the Rio Linda/Elverta Community Water District as well as public schools, fire and emergency response, law enforcement, public health, parks, libraries, affordable housing, services to address homelessness, mental health services, and more; and

WHEREAS, the measure would also reduce funding for critical infrastructure like streets and roads, public transportation, ports, drinking water, sanitation, utilities, and more.

THEREFORE, BE IT RESOLVED that the Rio Linda/Elverta Community Water District opposes Initiative 21-0042A1;

BE IT FURTHER RESOLVED, that the Rio Linda/Elverta Community Water District will join the No on Initiative 21-0042A1 coalition, a growing coalition of public safety, labor, local government, infrastructure advocates, and other organizations throughout the state.

We direct staff to email a copy of this adopted resolution to the California Special Districts Association at advocacy@csda.net.

APPROVED AND ADOPTED by the Board of Directors of the Rio Linda / Elverta Community Water District on this 29th day of June 2022. By the following vote:

AYES:
NAYS:
ABSENT:
ABSTAIN:

ATTEST:

Jason Green
President, Board of Directors

Timothy R. Shaw
Secretary of the Board of Directors



California Special
Districts Association
Districts Stronger Together

**BALLOT INITIATIVE #21-0042A1
LIMITS ABILITY OF VOTERS AND STATE AND LOCAL GOVERNMENTS TO RAISE
REVENUES FOR GOVERNMENT SERVICES. INITIATIVE CONSTITUTIONAL
AMENDMENT.**

November 8, 2022 General Election

BACKGROUND

The purported "Taxpayer Protection and Government Accountability Act," a statewide initiative measure to amend the California Constitution sponsored by the California Business Roundtable ("CBRT"), is the most consequential proposal to limit the ability of the state and local governments to enact, modify, or expand taxes, assessments, fees, and property-related charges since the passage of Proposition 218 (1996) and Proposition 26 (2010). If enacted, public agencies would face a drastic rise in litigation that could severely restrict their ability to meet essential services and infrastructure needs.

In order to qualify for the ballot, proponents must collect 997,139 valid signatures from California voters. The California Secretary of State's recommended last day to submit signatures to counties to qualify for the November 8, 2022 statewide general election is April 29, 2022. The last day for measures to be certified for the ballot or withdrawn from the ballot is June 30, 2022.

SUMMARY

Ballot Initiative 21-0042A1 would result in the loss of billions of dollars annually in critical state and local funding, restricting the ability of local agencies and the State of California to fund services and infrastructure by:

- Adopting new and stricter rules for raising taxes, fees, assessments, and property-related fees.
- Amending the State Constitution, including portions of Propositions 13, 218, and 26 among other provisions, to the advantage of the initiative's proponents and plaintiffs; creating new grounds to challenge these funding sources and disrupting fiscal certainty.
- Restricting the ability of local governments to issue fines and penalties to corporations and property owners that violate local environmental, water quality, public health, public safety, fair housing, nuisance and other laws and ordinances.

The initiative includes provisions that would retroactively void *all* state and local taxes or fees adopted after January 1, 2022 if they did not align with the provisions of this initiative. This may also affect indexed fees that adjust over time for inflation or other factors. Effectively, it would



**California Special
Districts Association**
Districts Stronger Together

allow voters throughout California to invalidate the prior actions of local voters, undermining local control and voter-approved decisions about investments needed in their communities.

Specifically, among other provisions effecting the state government, the initiative would impact local agencies through changes to the California Constitution as follows:

Restricting Local Tax and Fee Authority to Provide Local Services

Fees:

- With few exceptions, fees and charges shall not exceed the “actual cost” of providing the product or service for which the fee is charged.
 - “Actual cost” is defined as the “...*minimum amount necessary...less other sources of revenue including, but not limited to taxes, other exempt charges, grants, and state or federal funds...*”
- The burden on the local government to prove the fee or charge does not exceed “actual cost” is heightened from a “*preponderance of the evidence*” to “*clear and convincing evidence*”.
- In addition to limiting fees and charges to the actual cost to the local government for providing the service, fees and charges must also be “reasonable” to the payor themselves; no definition is provided for this new subjective reasonableness test that is separate and apart from the test as to how closely the fee or charge is related to the cost of service.
- Defines *all* sources of revenue as either taxes or “exempt charges.”
- Includes Article XIIID charges in Proposition 218 under the definition of “exempt” charges subjecting them to potential litigation.
- Exposes previously established fees indexed to inflation or other metrics to new standards and legal challenges.
- Adds to the Constitution a requirement for a board action to adopt, enact, create, establish, collect, increase, or extend any and all fees.

Taxes:

- Increases the threshold for voters to pass a local special tax initiative placed on the ballot by voters from a simple majority to a two-thirds majority, likely to address concerns over the 2017 California Supreme Court decision in *California Cannabis Coalition v. City of Upland*.
- Requires voter approval when an expansion of boundaries extends existing taxes or fees to new territory.
- New taxes can be imposed only for a specific duration.

Fines and Levees:

- Interferes with local enforcement efforts, by making it more difficult to impose fines and penalties for state and local law violations related to activities such as water discharge, waste recycling, weed abatement, fireworks, and housing code violations and unlawful commercial marijuana sales, just to name a few. The measure converts administratively



imposed fines and penalties into taxes unless a new, undefined, and ambiguous “adjudicatory due process” is followed.

Increasing Litigation Exposure

- Significantly increases a public agency’s burden of proof from “preponderance of evidence” to “clear and convincing evidence” to prove compliance with the new fee requirements. By changing evidence standards to favor corporations suing public agencies, the initiative will promote costly litigation.
- The local government would bear the burden of proving by clear and convincing evidence that a levy, charge or exaction is an “exempt charge” and not a tax. Moreover, the local government would bear the burden of proving by clear and convincing evidence that the amount of the exempt charge is *both* “reasonable” to the payor and that the amount charged does not exceed the “actual cost” of providing the service or product to the payor.
- By enacting a new requirement that all fees must be “reasonable” to the payor but offering no definition as to what “reasonable” means, the initiative provides a new avenue to challenge fees by enabling a plaintiff to claim a fee is not reasonable even if the fee meets the actual costs of service.
- Prop. 218 currently requires fees cover the *reasonable* cost of service. This initiative amends Prop. 218 to require the near-impossible standard of predicting *actual* costs years into the future. To compound this challenge, the new standard also factors in the receipt of external revenues that are constantly shifting and typically outside the control of the local agency. It defines “actual costs” as:
 - “(i) the minimum amount necessary to reimburse the government for the cost of providing the service or product to the payor, and (ii) where the amount charged is not used by the government for any purpose other than reimbursing that cost. In computing “actual cost” the maximum amount that may be imposed is the actual cost less all other sources of revenue including, but not limited to taxes, other exempt charges, grants, and state or federal funds received to provide such service or product.”
- Fosters endless litigation challenging local fees claiming they are not the “minimum amount necessary”. For instance:
 - Do roads need to be paved every 10 years or 50 years?
 - Does infrastructure need to be upgraded or replaced or not improved at all?
 - What is the minimum emergency response time necessary?

IMPACTS

- Could prevent virtually any new fees or assessments to fund water, sewer, trash, fire protection, parks and recreation, and other essential services and infrastructure.
 - Places over \$20 billion of local government fee and charge revenues over 10 years at heightened legal peril.



**California Special
Districts Association**
Districts Stronger Together

- Jeopardizes the public health and safety of communities by cutting off new revenue intended to pay for essential local services and infrastructure.
 - Substantially increases the legal and administrative cost of public infrastructure financing.
- With billions of dollars in deferred maintenance and unmet needs for California’s infrastructure, exacerbates the neglect and deterioration of our roads, dams, waterways, and other facilities.
- By limiting revenues to the “minimum amount necessary”, imposes a “race-to-the-bottom” in California that will halt investment in technological advancements that future generations will depend upon.
- Prevents critical investments in climate adaptation and community resilience to address drought, flooding, and wildfire as well as reduce emissions and harmful pollutants.
- Exposes taxpayers to a new wave of costly litigation, limits the discretion and flexibility of locally elected boards to respond to the needs of their communities, and injects uncertainty into the financing and sustainability of critical infrastructure.
- Restricting local services and infrastructure to the lowest and minimum amount possible will disproportionately impact the most underserved communities the hardest.

SUPPORT

- California Business Roundtable (CBRT) – Sponsor
 - The CBRT website lists the following individuals as Chair and Vice-Chair:
 - Chair, Brett Bittel (Enterprise Rental Car)
 - Vice-Chair, Maryam Brown (SoCal Gas)
 - To date, financial contributors to the initiative and CBRT Issues PAC include, but are not limited to:
 - Aera Energy
 - Albertsons Safeway
 - CJ Segerstrom & Sons
 - Cypress Management Company
 - Dart Container
 - Douglas Emmett Properties
 - Five Point Operating Company
 - Grimmway Enterprises
 - Howard Jarvis Taxpayers Association
 - Kilroy Realty
 - Majestic Realty
 - Michael K. Hayde
 - Pacific Ethanol
 - PEPSICO
 - Pharmaceutical Research and Manufacturers of America
 - Sempra Energy
 - State Farm Insurance



**California Special
Districts Association**

Districts Stronger Together

- Sutter Health
- 7-Eleven

OPPOSITION

- AFSCME California
- California Alliance for Jobs
- California Professional Firefighters
- California Special Districts Association
- CalCities (League of California Cities)
- SEIU California



Items for Discussion and Action Agenda Item: 4.5

Date: June 29, 2022

Subject: Form of Resolution for Direct Assessments.

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee discussed this item and forwarded it to the June 29th Board agenda with the Committee's Recommendation for Board approval.

Current Background and Justification:

When customers do not pay for the water services provided, and for which the District has incurred costs (payroll, energy, materials, etc.), the District has a responsibility to recover the costs via all reasonable methods. Failure to collect the cost of providing service results in transferring the cost burden from the non-paying customers to the paying customers. Pursuant to statutory requirements and District policy, the District must make all reasonable efforts to recover the cost of providing service.

The District, although authorized by statute and District policy (4.31.290), albeit recently limited by Executive Orders from the Governor, has not practiced Direct Assessments. In staff's opinion, due to the requirements of SB 998 codified in the District's Discontinuation of Residential Water Service for Non-payment policy, the District is compelled to include Direct Assessments in its "reasonable efforts" to recover costs, i.e., the District should execute the direct assessment method.

Another factor to consider is timing of the potential change in legal services provider with the implementation of Direct Assessments. The Direct assessment process is arduous from a legal perspective. Assuming the District can complete the process of engaging a new legal services provider, the implantation of Direct Assessments may wait until the transition is complete. The District must submit the details associated with the Direct Assessments to the County Assessor by August 10th each year.

The recommended form of Resolution to execute the annual direct assessments is included as a document associated with this item. The Exhibit to the Resolution is currently blank because the details for the parcels with qualifying delinquencies are yet to be compiled. Further, notices to the delinquent accounts parcel owners is a prerequisite to the required Board findings stipulated in the Resolution. The District will need to adopt the draft Resolution at its July 18, 2022 Board meeting to comply with then annual deadlines on August 10th.

Conclusion:

As recommended by the Executive Committee, the Board should approve the form of Resolution for direct assessment of delinquent accounts and direct staff to execute all notice requirements needed to enable Board adoption of the Resolution at the July 18th Board meeting.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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

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

RESOLUTION NO. 2022-06

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
ADOPTING A REPORT OF DELINQUENT UTILITY CHARGES
AND AUTHORIZING COLLECTION ON COUNTY TAX ROLL**

WHEREAS, the Olivehurst Public Utility District (District) levies and collects water and sewer service charges from District utility customers to pay for the operation, maintenance and related costs of the District water and sewer systems and services;

WHEREAS, District water and sewer service charges are calculated and levied based on the rate schedules adopted by the District Board and they are not levied based on the value of the customer's real property;

WHEREAS, District water and sewer service charges have been adopted in compliance with applicable laws, including California Constitution article XIII D, section 6 and California Water Code sections 31007, 31025 and 31101;

WHEREAS, some District customers from time to time become delinquent in their payment of water and sewer service charges;

WHEREAS, the District Financial Manager has prepared and filed the Written Report for Delinquent Sewer and Water Service Charges for Fiscal Year Prior to 2018-2019 (the "Report") and published and mailed notice of filing of the Report in accordance with the requirements of the Health and Safety Code; and,

WHEREAS, the District Board of Directors has conducted a duly noticed public hearing concerning the Report, considered any comments or protests received at the hearing, and determined that there has not been a majority protest against the adoption of the Report;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Olivehurst Public Utility District as follows:

1. The Board adopts the Report (Exhibit A) as presented. The Board authorizes and directs that the delinquent utility charges listed in the Report be collected on the County of Yuba property tax roll.
2. The Board authorizes and directs the District Clerk to file a copy of the Report, together with a statement that the District Board has adopted the Report, with the Yuba County Auditor and request the Auditor to enter the delinquent charge amounts against the respective parcels of land as they appear on the property tax assessment roll and collect the delinquent amounts at the same time and in the same manner as general property taxes.

APPROVED AND ADOPTED by the Board of Directors of the Rio Linda / Elverta Community Water District on this 18th day of July 2022. By the following vote:

AYES:
NAYS:
ABSENT:
ABSTAIN:

ATTEST:

Jason Green
President, Board of Directors

Timothy R. Shaw
Secretary of the Board of Directors

EXHIBIT A
WRITTEN REPORT FOR DELINQUENT WATER SERVICE CHARGES FOR FISCAL YEAR 2021-2022

Rio Linda Elverta Community Water District, Sacramento County, California presents herewith its written report on delinquent water service charges to be collected on the County Tax Roll of Sacramento County, California, for the fiscal year 2021-2022.

Said charges were imposed and collected pursuant to and at the rates established therefore in ordinances and resolutions which were heretofore duly passed and adopted by the Board of Directors of the District. These charges were levied without regard to property valuation.

This report contains a description of each parcel of real property receiving such services and facilities with respect to which charges are delinquent and the amount of the delinquent charges for each parcel, computed in conformity with the charges prescribed by said ordinances and resolutions.

NOTICES OF THE HEARING on this report has been duly given in the manner provided by law, and after having made such revision, changes, reductions or modifications of any charge or charges deemed necessary or proper, the Board of Directors has made its determination on each charge as now described herein and has finally adopted this report.

The names and addresses of the owners of said properties , of the names of the owners where no addresses are available, and the description of said properties as shown on the last equalized assessment roll of the County of Sacramento, State of California, together with the amount of delinquent water charges set opposite each, are as hereafter set forth to with:

Name	Address	City	Parcel #	Amount



Items for Discussion and Action

Agenda Item: 4.6

Date: June 29, 2022

Subject: Revisions to Policy 2.20.140

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee discussed this item and forwarded it to the June 29th Board agenda with the Committee's Recommendation for Board approval.

Current Background and Justification:

At the May 16th Board meeting, Director Harris requested an item be placed on the next regular meeting agenda to enable board consideration of revisions to Policy 2.20.140. The specific objectionable content in the current version of the policy expressed by Director Harris included:

- The policy does not authorize Board Member compensation for Sacramento Groundwater Authority (SGA) special meetings. Beginning in the fall of 2021, SGA has conducted a special meeting every other month.
- Director Harris deemed the current language in Policy 2.20.140 to be "confusing" because of the inclusion of the term "travel" in the current policy

A preliminary review of the Board Member Compensation records for the past year indicate that Director Harris was erroneously compensated for one SGA special meeting.

Conclusion:

As recommended by the Executive Committee, the Board should approve the revisions to Policy 2.20.140, included as a document associated with this item.

Board Action / Motion

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

2.20.100 COMPENSATION OF DIRECTORS

(Amended by Resolution 2003-05 adopted on July 21, 2003)

2.20.110 Compensation for Board Meetings. Each Director shall receive compensation in accordance with Section 2.01.050 of the Administration and Personnel Policy for each day's attendance at regular and special meetings of the Board of Directors.

2.20.120 Compensation for Attendance at District-Related Functions. Each Director shall receive compensation in accordance with Section 2.01.050 of the Administration and Personnel Policy for each day's attendance at approved conferences, meetings and seminars subject to the policies and limitations contained in this Chapter 2.20. Such compensation shall not include travel days, unless the Director was in attendance at the approved function on the day of travel.

2.20.130 Policy on Director Travel. Individual Board members may attend any meeting, conference or seminar of their choosing, but shall only officially represent the District and **receive compensation and/or travel reimbursement for approved travel.** Approved travel shall consist of attendance at meetings, conferences and seminars by an appointed representative or alternate as identified in Section 2.20.140, or which the **Board of Directors has approved by majority vote at a regular or special meeting.** Directors attending a meeting, conference or seminar shall provide information regarding their attendance at the next regular Board meeting.

2.20.140 Pre-Approved Compensation for Assigned District Representatives.

(Revised 6-29-2022, Reference California AB 1234 Local Agencies Compensation and Ethics)

The Board President may appoint, with confirmation by a majority of the Board Members, one Director to be the primary representative and one Director as the alternate to the following organizations:

Sacramento Groundwater Authority (SGA), , California Special Districts Association (CSDA), Association of California Water Agencies (ACWA) and/or ACWA/Joint Powers Insurance Authority (ACWA/JPIA) The Board may nominate a representative to Sacramento County LAFCo This policy authorizes the primary representative or the alternate when the primary representative is not able to be present and requests that the alternate attend, may attend and be compensated for the following meetings:

- SGA- Regular and Special meetings held in compliance with the Ralph M. Brown Act.
- ACWA / ACWA JPIA – Meetings held in the Sacramento area (within a 30-mile radius of the RLECWD office).
- Sacramento County LAFCo – Regular and Special meetings held in compliance with the Ralph M. Brown Act.

All other meetings, conferences and seminars shall require prior Board approval if the Director wishes to be compensated for attendance and/or receive travel reimbursement.

2.20.100 COMPENSATION OF DIRECTORS*(Amended by Resolution 2003-05 adopted on July 21, 2003)*

2.20.110 Compensation for Board Meetings. Each Director shall receive compensation in accordance with Section 2.01.050 of the Administration and Personnel Policy for each day's attendance at regular and special meetings of the Board of Directors.

2.20.120 Compensation for Attendance at District-Related Functions. Each Director shall receive compensation in accordance with Section 2.01.050 of the Administration and Personnel Policy for each day's attendance at approved conferences, meetings and seminars subject to the policies and limitations contained in this Chapter 2.20. Such compensation shall not include travel days, unless the Director was in attendance at the approved function on the day of travel.

2.20.130 Policy on Director Travel. Individual Board members may attend any meeting, conference or seminar of their choosing, but shall only officially represent the District and **receive compensation and/or travel reimbursement for approved travel.** Approved travel shall consist of attendance at meetings, conferences and seminars by an appointed representative or alternate as identified in Section 2.20.140, or which the **Board of Directors has approved by majority vote at a regular or special meeting.** Directors attending a meeting, conference or seminar shall provide information regarding their attendance at the next regular Board meeting.

2.20.140 Pre-Approved Travel for Compensation for Assigned District Representatives.*(Revised 6-29-2022, Reference California AB 1234 Local Agencies Compensation and Ethics)*

~~The Board President shall may appoint, with confirmation by a majority of the Board Members, one Director to be the primary representative and one Director as the alternate to the following organizations: Sacramento Groundwater Authority (SGA), Regional Water Authority (RWA), California Special Districts Association (CSDA), Association of California Water Agencies (ACWA) and/or ACWA/Joint Powers Insurance Authority (ACWA/JPIA). The Board may nominate a representative to Sacramento County LAFCo and such other ad hoc or special committees approved by a majority of the Board of Directors. This policy authorizes ~~the~~ the Primary representative or the alternate when the primary representative is not able to be present and requests that the alternate attend, may attend and be compensated for the following the "regular meetings":~~

- SGA- Regular and Special meetings held in compliance with the Ralph M. Brown Act.
- ACWA / ACWA JPIA – Meetings held in the Sacramento area (within a 30-mile radius of the RLECWD office).
- Sacramento County LAFCo – Regular and Special meetings held in compliance with the Ralph M. Brown Act.

~~of the assigned organization and receive compensation and travel reimbursement without prior approval of the Board of Directors. A "regular meeting" shall only include those recurring scheduled business meetings of the organization on which the District representative sits on the governing board, or the twice-annual general membership conferences held by statewide organizations. All other meetings, conferences and seminars shall require prior Board approval if the Director wishes to be compensated for attendance and/or receive travel reimbursement.~~

Water Code - WAT

DIVISION 12. COUNTY WATER DISTRICTS [30000 - 33901] (Division 12 added by Stats. 1949, Ch. 274.)

PART 3. INTERNAL ORGANIZATION [30500 - 30586] (Part 3 added by Stats. 1949, Ch. 274.)

CHAPTER 1. Officers and Employees Generally [30500 - 30547] (Chapter 1 added by Stats. 1949, Ch. 274.)

ARTICLE 1. Directors [30500 - 30516] (Article 1 added by Stats. 1949, Ch. 274.)

30507.

Each director shall receive compensation in an amount not to exceed one hundred dollars (\$100) per day for each day's attendance at meetings of the board ~~or~~ for each day's service rendered as a director by request of the board, not exceeding a total of six days in any calendar month, together with any expenses incurred in the performance of his or her duties required or authorized by the board. For purposes of this section, the determination of whether a director's activities on any specific day are compensable shall be made pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code. Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3 of the Government Code.

(Amended by Stats. 2005, Ch. 700, Sec. 30. Effective January 1, 2006.)

Government Code - GOV

TITLE 5. LOCAL AGENCIES [50001 - 57607]

DIVISION 2. CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 55821]

PART 1. POWERS AND DUTIES COMMON TO CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 54999.7]

CHAPTER 2. Officers and Employees [53200 - 53299]

ARTICLE 2.3. Compensation [53232 - 53232.4]

53232.

For the purposes of this article, the following terms have the following meanings:

- (a) "Governing body" means the board of supervisors in the case of a county or a city and county, the city council or board of trustees in the case of a city, and the board of directors or other governing body in the case of a special district.
- (b) "Legislative body" has the same meaning as specified in Section 54952.
- (c) "Local agency" means a city, county, city and county, charter city, charter county, charter city and county, or special district.
- (d) "Meeting" has the same meaning as specified in subdivision (a) of Section 54952.2.

(Added by Stats. 2005, Ch. 700, Sec. 3. Effective January 1, 2006.)

53232.1.

(a) When compensation is otherwise authorized by statute, a local agency may pay compensation to members of a legislative body for attendance at the following occurrences:

- (1) A meeting of the legislative body.
- (2) A meeting of an advisory body.
- (3) A conference or organized educational activity conducted in compliance with subdivision (c) of Section 54952.2, including, but not limited to, ethics training required by Article 2.4 (commencing with Section 53234).

(b) A local agency may pay compensation for attendance at occurrences not specified in subdivision (a) only if the governing body has adopted, in a public meeting, a written policy specifying other types of

occasions that constitute the performance of official duties for which a member of the legislative body may receive payment.

(c) This section shall not apply to any local agency that pays compensation in the form of a salary to members of a legislative body, including, but not limited to, those local agencies whose legislative bodies' compensation is subject to Section 36516 or 36516.1, subparagraph (B) or (C) of paragraph (2) of subdivision (a) of Section 21166 or Section 22840 of the Water Code, Section 11908.1 of the Public Utilities Code, Section 6060 of the Harbors and Navigation Code, or subdivision (b) of Section 1 or Section 5 of Article XI of the California Constitution.

(Added by Stats. 2005, Ch. 700, Sec. 3. Effective January 1, 2006.)

53232.2.

(a) When reimbursement is otherwise authorized by statute, a local agency may reimburse members of a legislative body for actual and necessary expenses incurred in the performance of official duties, including, but not limited to, activities described in Article 2.4 (commencing with Section 53234).

(b) If a local agency reimburses members of a legislative body for actual and necessary expenses incurred in the performance of official duties, then the governing body shall adopt a written policy, in a public meeting, specifying the types of occurrences that qualify a member of the legislative body to receive reimbursement of expenses relating to travel, meals, lodging, and other actual and necessary expenses.

(c) The policy described in subdivision (b) may also specify the reasonable reimbursement rates for travel, meals, and lodging, and other actual and necessary expenses. If it does not, the local agency shall use the Internal Revenue Service rates for reimbursement of travel, meals, lodging, and other actual and necessary expenses as established in Publication 463, or any successor publication.

(d) If the lodging is in connection with a conference or organized educational activity conducted in compliance with subdivision (c) of Section 54952.2, including, but not limited to, ethics training required by Article 2.4 (commencing with Section 53234), lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available to the member of a legislative body at the time of booking. If the group rate is not available, the member of a legislative body shall use comparable lodging that is consistent with the requirements of subdivisions (c) and (e).

(e) Members of the legislative body shall use government and group rates offered by a provider of transportation or lodging services for travel and lodging when available.

(f) All expenses that do not fall within the adopted travel reimbursement policy or the Internal Revenue Service reimbursable rates as provided in subdivision (c), shall be approved by the governing body, in a public meeting before the expense is incurred, except as provided in subdivision (d).

(g) If a member of a legislative body chooses to incur additional costs that are above the rates established pursuant to this section and those costs have not been approved pursuant to subdivision (f), then the member of a legislative body may do so at his or her own expense.

(h) This section shall not supersede any other laws establishing reimbursement rates for local agencies.

(Amended by Stats. 2006, Ch. 643, Sec. 10. Effective January 1, 2007.)

53232.3.

(a) If a local agency reimburses members of a legislative body for actual and necessary expenses incurred in the performance of official duties, then a local agency shall provide expense report forms to be filed by the members of the legislative body for reimbursement for actual and necessary expenses incurred on behalf of the local agency in the performance of official duties. Reimbursable expenses shall include, but not be limited to, meals, lodging, and travel.

(b) Expense reports shall document that expenses meet the existing policy, adopted pursuant to Section 53232.2, for expenditure of public resources.

(c) Members of a legislative body shall submit expense reports within a reasonable time after incurring the expense, as determined by the legislative body, and the reports shall be accompanied by the receipts documenting each expense.

(d) Members of a legislative body shall provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

(e) All documents related to reimbursable agency expenditures are public records subject to disclosure under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1).

(Added by Stats. 2005, Ch. 700, Sec. 3. Effective January 1, 2006. Superseded on January 1, 2023; see amendment by Stats. 2021, Ch. 615.)

53232.3.

(a) If a local agency reimburses members of a legislative body for actual and necessary expenses incurred in the performance of official duties, then a local agency shall provide expense report forms to be filed by the members of the legislative body for reimbursement for actual and necessary expenses incurred on behalf of the local agency in the performance of official duties. Reimbursable expenses shall include, but not be limited to, meals, lodging, and travel.

(b) Expense reports shall document that expenses meet the existing policy, adopted pursuant to Section 53232.2, for expenditure of public resources.

(c) Members of a legislative body shall submit expense reports within a reasonable time after incurring the expense, as determined by the legislative body, and the reports shall be accompanied by the receipts documenting each expense.

(d) Members of a legislative body shall provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

(e) All documents related to reimbursable agency expenditures are public records subject to disclosure under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1). *(Amended by Stats. 2021, Ch. 615, Sec. 195. (AB 474) Effective January 1, 2022. Operative January 1, 2023, pursuant to Sec. 463 of Stats. 2021, Ch. 615.)*

53232.4.

Penalties for misuse of public resources or falsifying expense reports in violation of expense reporting policies may include, but are not limited to, the following:

(a) The loss of reimbursement privileges.

(b) Restitution to the local agency.

(c) Civil penalties for misuse of public resources pursuant to Section 8314.

(d) Prosecution for misuse of public resources, pursuant to Section 424 of the Penal Code.

(Added by Stats. 2005, Ch. 700, Sec. 3. Effective January 1, 2006.)

Government Code - GOV

TITLE 5. LOCAL AGENCIES [50001 - 57607]

DIVISION 2. CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 55821]

PART 1. POWERS AND DUTIES COMMON TO CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 54999.7]

CHAPTER 9. Meetings [54950 - 54963]

54952.2.

(a) As used in this chapter, "meeting" means any congregation of a majority of the members of a legislative body at the same time and location, including teleconference location as permitted by Section 54953, to hear, discuss, deliberate, or take action on any item that is within the subject matter jurisdiction of the legislative body.

Assembly Bill No. 1234

CHAPTER 700

An act to amend Sections 25008 and 36514.5 of, and to add Article 2.3 (commencing with Section 53232) and Article 2.4 (commencing with Section 53234) to Chapter 2 of Part 1 of Division 2 of Title 5 of, the Government Code, to amend Sections 6060 and 7047 of the Harbors and Navigation Code, to amend Sections 2030, 2851, 4733, 4733.5, 6489, 9031, 13857, 13866, and 32103 of the Health and Safety Code, to amend Section 1197 of the Military and Veterans Code, to amend Sections 5536, 5536.5, 5784.15, and 9303 of the Public Resources Code, to amend Sections 11908, 11908.1, 11908.2, 16002, and 22407 of the Public Utilities Code, and to amend Sections 20201, 21166, 30507, 30507.1, 34741, 40355, 50605, 55305, 56031, 60143, 70078, 71255, and 74208 of, and to add Section 20201.5 to, the Water Code, relating to local agencies.

[Approved by Governor October 07, 2005. Filed with Secretary of State October 07, 2005.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1234, Salinas. Local agencies: compensation and ethics.

Existing law provides for the establishment and operations of cities, counties, cities and counties, districts, and other local government agencies, the composition of their governing bodies, and the payment of governing body members for attending meetings and performing other duties, and prescribes conflicts of interest.

This bill would require a local agency that provides reimbursement for expenses to members of its legislative body to adopt a written policy on the duties for which legislative body members may receive compensation, other than meetings of the legislative body or an advisory body or attendance at a conference or organized educational activity. The bill would require such a governing body to adopt a written policy concerning what occurrences qualify a member to receive reimbursement of expenses for travel, meals, and lodging and would impose related requirements, including the filing of expense reports, which would be public records.

This bill would also require that if a local agency provides any type of compensation, salary, or stipend to, or reimburses the expenses of, a member of the legislative body, all local agency officials, except a member whose term of office ends before January 1, 2007, in local agency service as of January 1, 2006, or thereafter receive training in ethics, as specified. This bill would provide that if any entity develops criteria for the ethics training, then the Fair Political Practices Commission and the Attorney General shall be consulted regarding any proposed course content. This bill would specify, with respect to certain special districts, how a director's activities on a specific day are determined to be compensable and would make related changes.

Bill Text**THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:****SECTION 1.**

Section 25008 of the Government Code is amended to read:

25008.

Members shall be allowed their actual expenses in going to, attendance upon, and returning from state association meetings and their actual and necessary traveling expenses when traveling outside their counties on official business. Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3.

SEC. 2.

Section 36514.5 of the Government Code is amended to read:

36514.5.

City council members may be reimbursed for actual and necessary expenses incurred in the performance of official duties. Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3.

SEC. 3.

Article 2.3 (commencing with Section 53232) is added to Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code, to read:

Article 2.3.Compensation

53232.

For the purposes of this article, the following terms have the following meanings:

- (a)“Governing body” means the board of supervisors in the case of a county or a city and county, the city council or board of trustees in the case of a city, and the board of directors or other governing body in the case of a special district.
- (b)“Legislative body” has the same meaning as specified in Section 54952.
- (c)“Local agency” means a city, county, city and county, charter city, charter county, charter city and county, or special district.
- (d)“Meeting” has the same meaning as specified in subdivision (a) of Section 54952.2.

53232.1.

(a)When compensation is otherwise authorized by statute, a local agency may pay compensation to members of a legislative body for attendance at the following occurrences:

- (1)A meeting of the legislative body.
- (2)A meeting of an advisory body.
- (3)A conference or organized educational activity conducted in compliance with subdivision (c) of Section 54952.2, including, but not limited to, ethics training required by Article 2.4 (commencing with Section 53234).
- (b)A local agency may pay compensation for attendance at occurrences not specified in subdivision (a) only if the governing body has adopted, in a public meeting, a written policy specifying other types of occasions that constitute the performance of official duties for which a member of the legislative body may receive payment.
- (c)This section shall not apply to any local agency that pays compensation in the form of a salary to members of a legislative body, including, but not limited to, those local agencies whose legislative bodies’ compensation is subject to Section 36516 or 36516.1, subparagraph (B) or (C) of paragraph (2) of subdivision (a) of Section 21166 or Section 22840 of the Water Code, Section 11908.1 of the Public Utilities Code, Section 6060 of the Harbors and Navigation Code, or subdivision (b) of Section 1 or Section 5 of Article XI of the California Constitution.

53232.2.

- (a)When reimbursement is otherwise authorized by statute, a local agency may reimburse members of a legislative body for actual and necessary expenses incurred in the performance of official duties, including, but not limited to, activities described in Article 2.4 (commencing with Section 53234).
- (b)If a local agency reimburses members of a legislative body for actual and necessary expenses incurred in the performance of official duties, then the governing body shall adopt a written policy, in a public meeting, specifying the types of occurrences that qualify a member of the legislative body to receive reimbursement of expenses relating to travel, meals, lodging, and other actual and necessary expenses.
- (c)The policy described in subdivision (b) may also specify the reasonable reimbursement rates for travel, meals, and lodging, and other actual and necessary expenses. If it does not, the local agency shall use the Internal Revenue Service rates for reimbursement of travel, meals, lodging, and other actual and necessary expenses as established in Publication 463, or any successor publication.
- (d)If the lodging is in connection with a conference or organized educational activity conducted in compliance with subdivision (c) of Section 54952.2, including, but not limited to, ethics training required by Article 2.4 (commencing with Section 53234), lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available to the member of a legislative body at the time of booking. If the group rate is not available, the member of a legislative body shall use comparable lodging that is consistent with the requirements of subdivisions (c) and (e).

(e) Members of the legislative body shall use government and group rates offered by a provider of transportation or lodging services for travel and lodging when available.

(f) All expenses that do not fall within the adopted travel reimbursement policy or the Internal Revenue Service reimbursable rates as provided in subdivision (c), shall be approved by the governing body, in a public meeting before the expense is incurred, except as provided in subdivision (d).

(g) This section shall not supersede any other laws establishing reimbursement rates for local agencies.

53232.3.

(a) If a local agency reimburses members of a legislative body for actual and necessary expenses incurred in the performance of official duties, then a local agency shall provide expense report forms to be filed by the members of the legislative body for reimbursement for actual and necessary expenses incurred on behalf of the local agency in the performance of official duties. Reimbursable expenses shall include, but not be limited to, meals, lodging, and travel.

(b) Expense reports shall document that expenses meet the existing policy, adopted pursuant to Section 53232.2, for expenditure of public resources.

(c) Members of a legislative body shall submit expense reports within a reasonable time after incurring the expense, as determined by the legislative body, and the reports shall be accompanied by the receipts documenting each expense.

(d) Members of a legislative body shall provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

(e) All documents related to reimbursable agency expenditures are public records subject to disclosure under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1).

53232.4.

Penalties for misuse of public resources or falsifying expense reports in violation of expense reporting policies may include, but are not limited to, the following:

(a) The loss of reimbursement privileges.

(b) Restitution to the local agency.

(c) Civil penalties for misuse of public resources pursuant to Section 8314.

(d) Prosecution for misuse of public resources, pursuant to Section 424 of the Penal Code.

4. Entertainment expenses, including theater, movies (either in-room or at the theater), sporting events (including gym, massage and/or golf related expenses), or other cultural events;
5. Non-mileage personal automobile expenses, including repairs, traffic citations, insurance or gasoline; and
6. Personal losses incurred while on *city/county/district* business. Any questions regarding the propriety of a particular type of expense should be resolved by the approving authority before the expense is incurred.

Meeting Stipends¹⁹

General

Consistent with _____,²⁰ directors receive \$ _____²¹ per day ("daily

¹⁹ This section should only be included for those local agencies whose enabling acts provide for per-day meeting stipends.

²⁰ Insert relevant code section establishing meeting stipend amounts and limits for type of agency.

²¹ Insert amount that does not exceed statutory limits. State law limits direct compensation for some local officials. These limits do not apply to any local agency that pays compensation in the form of a salary, including members of the board of directors of irrigation districts which provide electricity, directors of utility districts with boards having seven members and harbor district directors. The limits apply primarily to officials of independent districts who do not fall within these last two exceptions. With regard to nonsalaried officials, a stipend for attending a meeting or for a day of service can be paid for: a meeting of any "legislative body" of the agency (as Government Code section 54952 defines that term), a meeting of an advisory body (such as a less-than-a-quorum, temporary, *ad hoc* advisory subcommittee of a legislative body), and conference attendance including ethics training conferences, assuming that the stipend is authorized by another statute. Cal. Gov't Code § 53232.1(a). If the agency wishes to compensate officials for attendance at other events, it may do so "only if the governing body has adopted, in a public meeting, a written policy specifying" the other events which constitute "the performance of official duties" allowing compensation. Cal. Gov't Code § 53232.1(b).

City councils fix the compensation of all appointive officers and employees by resolution or ordinance. Cal. Gov't Code § 36506. We believe this statute provides authority to compensate city appointive officers and employees and reimburse expenses. For counties, the board of supervisors prescribes the compensation of all county officers and shall provide for the number, compensation, tenure, appointment and conditions of employment of county employees. Except as otherwise required by Article XI of the California Constitution, such action may be taken by resolution of the board of supervisors as well as by ordinance. Cal. Gov't Code § 25300.

Note, however, that unless specifically authorized by another statute, a city council may not enact an ordinance providing for compensation to elected city council members in excess of the schedules authorized under the Government Code. *See* Cal. Gov't Code § 36516(d). If a statute provides for additional council member compensation for serving on a commission--but that statute does not specify an amount of compensation-- the compensation is \$150 per month. *See* Cal. Gov't Code § 36516(d). If a community development commission is formed to oversee redevelopment functions, commissioner compensation may not exceed \$75 per commissioner per meeting, with a maximum of two meetings (\$150) per month. *See* Cal. Health & Safety Code §34130.5(b). If a community development commission is

meeting stipend”) for each day’s attendance at meetings, as defined in this policy. Such compensation is in addition to any reimbursement for meals, lodging, travel and expenses consistent with this policy.

Meetings and Service Subject To Daily Stipend

To be entitled to a daily stipend under this policy, the event in question must constitute one of the following:

1. A meeting of the district board within the meaning of Government Code section 54952.2(a);²²
2. A meeting of a district committee within the meaning of Government Code section 54952(b);²³
3. An advisory body meeting within the meaning of Government Code section 54952(b);²⁴ or
4. A conference or organized educational activity conducted in compliance with Government Code section 54952.2(c), including ethics training required by Government Code sections 53234 and following.²⁵
5. A meeting of any multi-jurisdictional governmental body on which the district

formed to oversee both redevelopment and housing authority functions, commissioner compensation may not exceed \$150 per commissioner per meeting, with a maximum of two meetings (\$300) per month. *See* Cal. Health & Safety Code §34130.5(c).

²² *See* Cal. Gov’t Code § 53232.1(a)(1) (authorizing that compensation be paid at meeting of a legislative body and tying it to the definition of meeting in section 54952.2(a), which reads as follows:

As used in this chapter, “meeting” includes any congregation of a majority of the members of a legislative body at the same time and place to hear, discuss, or deliberate upon any item that is within the subject matter jurisdiction of the legislative body or the local agency to which it pertains.)

²³ That section reads as follows:

A commission, committee, board, or other body of a local agency, whether permanent or temporary, decision-making or advisory, created by charter, ordinance, resolution, or formal action of a legislative body. However, advisory committees, composed solely of the members of the legislative body that are less than a quorum of the legislative body are not legislative bodies, except that standing committees of a legislative body, irrespective of their composition, which have a continuing subject matter jurisdiction, or a meeting schedule fixed by charter, ordinance, resolution, or formal action of a legislative body are legislative bodies for purposes of this chapter.

See Cal. Gov’t Code § 53232.1(a)(2).

²⁴ *See* Cal. Gov’t Code § 53232.1(a)(2) (authorizing that compensation be paid at meeting of an advisory body). *See also* Cal. Gov’t Code § 54952(b) (“advisory committees, composed solely of the members of the legislative body that are less than a quorum of the legislative body”).

²⁵ *See* Cal. Gov’t Code § 53232.1(a)(3) (authorizing that compensation be paid at conferences or organized educational activities).

director serves as the district's designated representative.²⁶

6. Any meeting attended or service provided on a given day at the formal request of the district board and for which the district board approves payment of a daily meeting stipend.²⁷

Aggregate Limits

The number of days for which a district director receives a daily stipend will not exceed the aggregate limits established by state law.²⁸

Cost Control²⁹

To conserve *city/county/district* resources and keep expenses within community standards for public officials, expenditures should adhere to the following guidelines. In the event that expenses are incurred which exceed these guidelines, the cost borne or reimbursed by the *city/county/district* will be limited to the costs that fall within the guidelines.

Transportation³⁰

²⁶ See Cal. Gov't Code § 54952.2(a). That section reads as follows:

(a) As used in this chapter, "meeting" includes any congregation of a majority of the members of a legislative body at the same time and place to hear, discuss, or deliberate upon any item that is within the subject matter jurisdiction of the legislative body or the local agency to which it pertains.

Note that this is the test for meeting suggested by the Association for California Water Agencies in its sample policy on directors' compensation and expense reimbursement. See Cal. Gov't Code § 53232.1(a)(3).

²⁷ Check to make sure your district's enabling act includes authorization for payment of a daily stipend for non-meeting expenses.

²⁸ See footnote 19 above for examples.

²⁹ Some agencies have chosen (usually through a request for proposals process) to work with a single travel agency to promote cost control and accountability on airline flights and lodging. Another option is to limit the number of staff who can contact the travel agency to book or change travel plans.

³⁰ The sample policy reflects the requirement that local reimbursement policies either specify reasonable reimbursement rates or use IRS rates for travel, meals, lodging and other authorized expenses. See Cal.

Authorized Expenses⁵

City/County/District funds, equipment, supplies (including letterhead), titles,⁶ and staff time must only be used for authorized *city/county/district* business.⁷ Expenses incurred in connection with the following types of activities generally constitute authorized expenses, as long as the other requirements of this policy are met:

1. Communicating with representatives of regional, state and national government on *city/county/district* adopted policy positions;⁸
2. Attending educational seminars designed to improve officials' skill and information levels;⁹
3. Participating in regional, state and national¹⁰ organizations whose activities affect the *city's/county's/district's* interests;
4. Recognizing service to the *city/county/district* (for example, thanking a longtime employee with a retirement gift or celebration of nominal value and cost);¹¹
5. Attending *city/county/district* events;¹²

⁵ This section is designed to satisfy Government Code section 53232.2(b), which requires local agencies to specify what types of occurrences qualify for reimbursement.

⁶ Some agencies allow elected officials to use their titles "for identification purposes only" as long as the communication makes it clear that the use of the title does not imply agency participation in or endorsement of a communication.

⁷ State law prohibits personal use of public resources. *See, e.g.*, Cal. Gov't Code § 8314 (making it unlawful for state or local officials to use public resources for personal or campaign purposes).

⁸ *See* Cal. Gov't Code §§ 50023 (legislative bodies of cities and counties may directly or through a representative attend legislative bodies and meet with representatives of executive agencies, and present information; cost and expense incident to such meetings are proper charges against the local agency); 53060.5 (cost of "attending" the Legislature and presenting information are proper charges against special districts; each district board member is allowed \$.11 per mile for automobile travel and actual traveling expenses when traveling by public conveyance).

⁹ *See Madden v. Riley*, 53 Cal. App. 2d 814, 823, 128 P.2d 602, 607 (1942) (propriety of conference expenses for networking purposes).

¹⁰ Some agencies may want to limit pre-approved travel to in-state travel only. This may be accomplished in the section that follows by requiring pre-approval for all out-of-state-travel.

¹¹ Counties have specific statutory authority to honor those who have performed unique or noteworthy public service. *See* Cal. Gov't Code § 26206 (specifying that such honors must be of nominal value and cost). *See also* 10 Cal. Op. Att'y Gen. 18 (1947) (school district may issue recognition pins).

¹² Agency officials may wish to consider whether attending certain agency events are expenses that officials should bear personally (or through their officeholder accounts under the Political Reform Act), particularly if attendance at such events is politically advantageous.

6. Implementing a *city/county/district*-approved strategy for attracting or retaining businesses to the *city/county/district*, which will typically involve at least one staff member; and¹³

7. *[For those agencies that pay meeting stipends, for example, water districts]* Meetings such as those listed above for which a meeting stipend is expressly authorized under this policy.

All other expenditures require prior approval by the *city/county/district* governing body.¹⁴

The following expenses also require prior governing body approval:

1. International *[and out-of-state]*¹⁵ travel;
2. Expenses which exceed the annual limits established for each office holder;¹⁶ and
3. Expenses exceeding \$_____ per trip.¹⁷

Examples of personal expenses that the *city/county/district* will not reimburse include, but are not limited to:

1. The personal portion of any trip;
2. Political or charitable contributions or events;
3. Family expenses, including partner's expenses when accompanying official on agency-related business, as well as children- or pet-related expenses;¹⁸

¹³ A consensus among the peer reviewers was that such meetings typically ought to involve the agency's economic development staff or chief administrative officer to insure the meetings are maximally productive.

¹⁴ Any expense not authorized by the agency's expense reimbursement policy must be approved in advance at a public meeting of the governing body. See Cal. Gov't Code §53232.2(f).

¹⁵ For some agencies, pre-approval of out-of-state travel may not make sense, given the frequency with which such travel occurs or the proximity of state lines.

¹⁶ Some jurisdictions find it useful to set an annual per office holder "budget" for such expenses. Such a budget does not, however, excuse agency officials from making a determination that each expense complies with the agency's policy, the law and ethical considerations. A strong argument can be made that, effective January 1, 2006, agencies may not pay flat monthly mileage allowances without requiring a mileage log or other proof of travel. See Cal. Gov't Code §53232.3(a)-(c).

¹⁷ The threshold for pre-approval of travel over a certain amount for any kind of travel is subject to community standards.

¹⁸ 75 Cal. Op. Att'y Gen. 20 (1992) (concluding there is no substantial public purpose associated with a public agency paying for spouse travel expenses).

4. Entertainment expenses, including theater, movies (either in-room or at the theater), sporting events (including gym, massage and/or golf related expenses), or other cultural events;
5. Non-mileage personal automobile expenses, including repairs, traffic citations, insurance or gasoline; and
6. Personal losses incurred while on *city/county/district* business. Any questions regarding the propriety of a particular type of expense should be resolved by the approving authority before the expense is incurred.

Meeting Stipends¹⁹

General

Consistent with _____,²⁰ directors receive \$ _____²¹ per day ("daily

¹⁹ This section should only be included for those local agencies whose enabling acts provide for per-day meeting stipends.

²⁰ Insert relevant code section establishing meeting stipend amounts and limits for type of agency.

²¹ Insert amount that does not exceed statutory limits. State law limits direct compensation for some local officials. These limits do not apply to any local agency that pays compensation in the form of a salary, including members of the board of directors of irrigation districts which provide electricity, directors of utility districts with boards having seven members and harbor district directors. The limits apply primarily to officials of independent districts who do not fall within these last two exceptions. With regard to nonsalaried officials, a stipend for attending a meeting or for a day of service can be paid for: a meeting of any "legislative body" of the agency (as Government Code section 54952 defines that term), a meeting of an advisory body (such as a less-than-a-quorum, temporary, *ad hoc* advisory subcommittee of a legislative body), and conference attendance including ethics training conferences, assuming that the stipend is authorized by another statute. Cal. Gov't Code § 53232.1(a). If the agency wishes to compensate officials for attendance at other events, it may do so "only if the governing body has adopted, in a public meeting, a written policy specifying" the other events which constitute "the performance of official duties" allowing compensation. Cal. Gov't Code § 53232.1(b).

City councils fix the compensation of all appointive officers and employees by resolution or ordinance. Cal. Gov't Code § 36506. We believe this statute provides authority to compensate city appointive officers and employees and reimburse expenses. For counties, the board of supervisors prescribes the compensation of all county officers and shall provide for the number, compensation, tenure, appointment and conditions of employment of county employees. Except as otherwise required by Article XI of the California Constitution, such action may be taken by resolution of the board of supervisors as well as by ordinance. Cal. Gov't Code § 25300.

Note, however, that unless specifically authorized by another statute, a city council may not enact an ordinance providing for compensation to elected city council members in excess of the schedules authorized under the Government Code. *See* Cal. Gov't Code § 36516(d). If a statute provides for additional council member compensation for serving on a commission--but that statute does not specify an amount of compensation-- the compensation is \$150 per month. *See* Cal. Gov't Code § 36516(d). If a community development commission is formed to oversee redevelopment functions, commissioner compensation may not exceed \$75 per commissioner per meeting, with a maximum of two meetings (\$150 per month. *See* Cal. Health & Safety Code §34130.5(b). If a community development commission is



Items for Discussion and Action

Agenda Item: 4.7

Date: June 29, 2022

Subject: Preliminary Budget for Fiscal Year 2022-2023

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee discussed this item and forwarded it to the June 29th Board agenda with the Committee's Recommendation for Board approval.

Current Background and Justification:

District policy recommends a preliminary budget adoption just prior to the beginning of each fiscal year. The essence of this practice is to allow for Board authorized spending after July 1st (beginning of the next fiscal year), but before the prior fiscal year end balances are available due to invoices and revenues received at or near June 30th. The year-end balances and payment of invoices at the end of the fiscal year are integral details needed for adoption of a final budget.

Conclusion:

As recommended by the Executive Committee, the Board should adopt the fiscal year 2022-2023 preliminary budget.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla: ___ Harris: ___ Jason Green ___ Gifford ___.

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

40

RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
PRELIMINARY OPERATING BUDGET
2022-2023

Agenda Item 4.7

		2021-2022 ACTUAL JULY 21-MAR 22	2021-2022 BUDGET	2022-2023 BUDGET	DIFFERENCE	EXPLANATION
REVENUE						
40000 OPERATING REVENUE						
40100 Water Service Rates						
40101	Basic Service Charge	821,206.00	1,242,605.00	1,110,746.00	(131,859.00)	Per Water Rate Study
40102	Usage Charge	1,031,769.00	1,448,065.00	1,753,654.00	305,589.00	Per Water Rate Study
40105	Backflow Charge	23,326.00	28,300.00	29,600.00	1,300.00	Per Water Rate Study
40106	Fire Prevention	17,299.00	20,400.00	23,300.00	2,900.00	Per Water Rate Study
	Total Water Service Rates	1,893,600.00	2,739,370.00	2,917,300.00	177,930.00	
40200 Water Service Fees						
40201	Application Fees	8,325.00	6,500.00	6,500.00	0.00	
40202	Delinquency	72,480.00	90,000.00	90,000.00	0.00	
40209	Misc. Charges	4,847.00	7,000.00	7,000.00	0.00	
	Total Water Services	85,652.00	103,500.00	103,500.00	0.00	
40300 Other Water Service Fees						
40301	New Construction QC	8,831.00	4,000.00	4,000.00	0.00	
40302	Service Connection Fees	19,440.00	10,000.00	10,000.00	0.00	
40304	Other Operating Revenue	0.00	31,650.00	6,000.00	(25,650.00)	Decreased for Surplus items sold in previous FY
40305	Grant Revenue-Operating	0.00	0.00	0.00	0.00	
	Total Other Water Service Fees	28,271.00	45,650.00	20,000.00	(25,650.00)	
	TOTAL OPERATING REVENUE	2,007,523.00	2,888,520.00	3,040,800.00	152,280.00	
41000 NON-OPERATING REVENUES						
41110	Investment Revenue	28.00	300.00	35.00	(265.00)	Decreased based on prior FY average
41120	Property Taxes & Assessments	63,434.00	95,700.00	109,100.00	13,400.00	Increased based on prior year actual
	TOTAL NON-OPERATING REVENUE	63,462.00	96,000.00	109,135.00	13,135.00	
	TOTAL REVENUE	\$2,070,985.00	\$2,984,520.00	\$3,149,935.00	165,415.00	

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
PRELIMINARY OPERATING BUDGET
2022-2023**

Agenda Item 4.7

			2021-2022 ACTUAL JULY 21-MAR 22	2021-2022 BUDGET	2022-2023 BUDGET	DIFFERENCE	EXPLANATION
OPERATING EXPENSE							
60010 PROFESSIONAL FEES							
	60011	General Counsel fees-Legal	\$7,353.00	\$15,000.00	\$15,000.00	\$0.00	
	60012	Auditor Fees	12,050.00	12,050.00	18,000.00	5,950.00	Increased to adjust for projected increase annual financial audit
	60013	Engineering Services	40,000.00	70,000.00	70,000.00	0.00	
	60015	Other Professional Fees	2,827.00	3,000.00	0.00	(3,000.00)	Decreased to for prior FY Rate Study Consultant
	TOTAL PROFESSIONAL FEES		62,230.00	100,050.00	103,000.00	2,950.00	
60100 PERSONNEL SERVICES							
60110 Salaries & Wages							
	60111	Salary - General Manager	87,820.00	119,846.00	120,759.00	913.00	Increased to adjust for projected cost per contract
	60112	Staff Regular Wages	420,779.00	623,806.00	642,178.00	18,372.00	Increased to adjust per MOU 11-12-21; COLA 3.5% Assumed
	60113	Contract Extra Help	0.00	0.00	0.00	0.00	
	60114	Staff Standby Pay	14,000.00	18,250.00	18,250.00	0.00	
	60115	Staff Overtime Pay	6,591.00	8,500.00	8,500.00	0.00	
	Total Salaries & Wages		529,190.00	770,402.00	789,687.00	19,285.00	
60150 Employee Benefits and Expenses							
	60151	PERS Retirement	79,955.00	113,300.00	127,407.00	14,107.00	Increased to adjust for projected costs
	60152	Workers Compensation	8,331.00	13,022.00	13,029.00	7.00	Actual Annual Contribution Change
	60153	Medical & Benefit Insurance	120,231.00	209,005.00	224,760.00	15,755.00	Increased to adjust for MOU Renewal 11-12-21
	60154	Retirees Insurance	10,350.00	36,200.00	36,200.00	0.00	
	60155	Staff Training	1,194.00	5,000.00	5,000.00	0.00	
	60157	Uniforms	3,940.00	5,400.00	6,750.00	1,350.00	Increased to adjust for projected costs
	60158	Payroll Taxes	44,030.00	60,107.00	63,939.00	3,832.00	
	60159	Payroll Services	967.00	1,400.00	1,400.00	0.00	
	60160	457 Employer Contribution	11,425.00	15,000.00	18,075.00	3,075.00	Increased to adjust for MOU Renewal 11-12-21 and GM Contract
	Total Employee Benefits and Expenses		280,423.00	458,434.00	496,560.00	38,126.00	
	TOTAL PERSONNEL SERVICES		\$809,613.00	\$1,228,836.00	\$1,286,247.00	\$57,411.00	

41

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
PRELIMINARY OPERATING BUDGET
2022-2023**

Agenda Item 4.7

		2021-2022 ACTUAL JULY 21-MAR 22	2021-2022 BUDGET	2022-2023 BUDGET	DIFFERENCE	EXPLANATION
60200 ADMINISTRATION						
60205	Bank and Merchant Fees	\$1,608.00	\$3,500.00	\$3,500.00	\$0.00	
60207	Board Member/Meeting Expense	10,100.00	11,370.00	14,100.00	2,730.00	Increased to adjust for board member compensation previous FY
60210	Building Expenses					
60211	Office Utilities	4,807.00	6,750.00	6,750.00	0.00	
60212	Janitorial	1,755.00	2,340.00	2,340.00	0.00	
60213	Maintenance	2,267.00	3,200.00	3,200.00	0.00	
60214	Security	252.00	775.00	775.00	0.00	
	Total Building Expenses	9,081.00	13,065.00	13,065.00	0.00	
60220	Computer & Equipment Maint.					
60221	Computer Systems	18,493.00	30,000.00	25,000.00	(5,000.00)	Decreased to adjust for projected costs
60222	Office Equipment	643.00	2,160.00	875.00	(1,285.00)	Decreased to adjust for meeting equipment purchase in prior FY
	Total Computer & Equipment Maint.	19,136.00	32,160.00	25,875.00	(6,285.00)	
60230	Office Expense	3,156.00	5,225.00	5,225.00	0.00	
60240	Postage and Delivery	14,226.00	20,000.00	20,000.00	0.00	
60250	Printing	5,411.00	7,000.00	7,000.00	0.00	
60255	Meetings & Conferences	35.00	500.00	500.00	0.00	
60260	Publishing	735.00	735.00	735.00	0.00	
60270	Telephone & Internet	3,219.00	4,200.00	4,200.00	0.00	
60430	Insurance					
60431	General Liability	19,723.00	25,000.00	27,500.00	2,500.00	Increased to reflect estimated premium
60432	Property	5,366.00	7,200.00	7,200.00	0.00	Increased to reflect estimated premium
	Total Insurance	25,089.00	32,200.00	34,700.00	2,500.00	
60500	Water Memberships					
60503	SGA	29,955.00	29,955.00	30,777.00	822.00	Increase per published membership rate
60504	ACWA	11,140.00	11,140.00	11,697.00	557.00	Increase includes 5% annual increase
60505	CSDA	7,615.00	7,615.00	7,996.00	381.00	Increase includes 5% annual increase
60507	CRWA	1,367.00	1,367.00	1,435.00	68.00	Increase includes 5% annual increase
	Total Water Memberships	50,077.00	50,077.00	51,905.00	1,828.00	
60550	Permits & Fees	36,532.00	37,000.00	37,000.00	0.00	
60555	Subscriptions & Licensing	1,483.00	2,120.00	2,120.00	0.00	
60560	Elections	0.00	0.00	3,000.00	3,000.00	Increased for Election Year
60565	Uncollectable Accounts	0.00	2,250.00	2,250.00	0.00	
60570	Other Operating Expenditures	0.00	500.00	500.00	0.00	
TOTAL ADMINISTRATION		\$179,888.00	\$221,902.00	\$225,675.00	\$3,773.00	

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
PRELIMINARY OPERATING BUDGET
2022-2023**

Agenda Item 4.7

			2021-2022 ACTUAL JULY 21-MAR 22	2021-2022 BUDGET	2022-2023 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	\$3,000.00	\$3,000.00	\$3,000.00	\$0.00	
	65120	Construction Equipment Maintenance	2,566.00	9,000.00	9,000.00	0.00	
	65130	Field Communication	1,821.00	3,400.00	3,400.00	0.00	
	65140	Field IT	17,419.00	35,000.00	35,000.00	0.00	
	65150	Laboratory Services	7,387.00	24,000.00	24,000.00	0.00	
	65160	Safety Equipment	49.00	5,000.00	5,000.00	0.00	
	65170	Shop Supplies	2,245.00	7,000.00	7,000.00	0.00	
		Total Other Field Operations	34,487.00	86,400.00	86,400.00	0.00	
	65200	Treatment	15,100.00	25,000.00	25,000.00	0.00	
		65300 Pumping					
	65310	Maintenance	6,904.00	25,000.00	25,000.00	0.00	
	65320	Electricity and Fuel	157,885.00	260,000.00	260,000.00	0.00	
		Total Pumping	164,789.00	285,000.00	285,000.00	0.00	
		65400 Transmission & Distribution					
	65410	Distribution Supplies	34,454.00	59,950.00	59,950.00	0.00	
	65430	Tank Maintenance	850.00	850.00	850.00	0.00	
	65440	Contract Repairs	0.00	20,000.00	20,000.00	0.00	
	65450	Valve Replacements	0.00	15,000.00	15,000.00	0.00	
	65460	Paving Repairs	0.00	25,000.00	25,000.00	0.00	
		Total Transmission & Distribution	35,304.00	120,800.00	120,800.00	0.00	
		65500 Transportation					
	65510	Fuel	9,559.00	15,000.00	15,000.00	0.00	
	65520	Maintenance	1,701.00	6,000.00	6,000.00	0.00	
		Total Transportation	11,260.00	21,000.00	21,000.00	0.00	
		TOTAL FIELD OPERATIONS	\$260,940.00	\$538,200.00	\$538,200.00	\$0.00	

42

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
PRELIMINARY OPERATING BUDGET
2022-2023**

Agenda Item 4.7

			2021-2022 ACTUAL JULY 21-MAR 22	2021-2022 BUDGET	2022-2023 BUDGET	DIFFERENCE	EXPLANATION
TOTAL OPERATING EXPENSES			\$1,312,671.00	\$2,089,288.00	\$2,153,422.00	\$64,134.00	
NON OPERATING EXPENSES							
	69010 Debt Service						
	69100	Revenue Bond 2015					
	69105	Revenue Bond 2015-Principle	61,158.00	148,158.00	151,273.00	3,115.00	Per Loan Payment Schedule
	69120	Interest	27,012.00	53,111.00	48,650.00	(4,461.00)	Per Loan Payment Schedule
		Total Revenue Bond 2015	88,170.00	201,269.00	199,923.00	(1,346.00)	
	69125	AMI Meter Loan					
	69130	Principle	51,344.00	51,344.00	52,948.00	1,604.00	Per Loan Payment Schedule
	69135	Interest	7,170.00	7,170.00	5,566.00	(1,604.00)	Per Loan Payment Schedule
		Total AMI Meter Loan	58,514.00	58,514.00	58,514.00	0.00	
	69200	PERS ADP Loan					
	69205	Principle	0.00	30,000.00	30,000.00	0.00	Per Loan Payment Schedule
	69210	Interest	0.00	1,850.00	1,739.00	(111.00)	Per Loan Payment Schedule
		Total PERS ADP Loan	0.00	31,850.00	31,739.00	(111.00)	
	69400 Other Non Operating Expense		2,767.00	3,000.00	3,000.00	0.00	
TOTAL NON OPERATING EXPENSES			\$149,451.00	\$294,633.00	\$293,176.00	-\$1,457.00	
TOTAL EXPENSE			\$1,462,122.00	\$2,383,921.00	\$2,446,598.00	\$62,677.00	

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
PRELIMINARY OPERATING BUDGET
2022-2023**

Agenda Item 4.7

			2021-2022 ACTUAL JULY 21-MAR 22	2021-2022 BUDGET	2022-2023 BUDGET	DIFFERENCE	EXPLANATION
NET INCOME (Income-Expense)			\$608,863.00	\$600,599.00	\$703,337.00	\$102,738.00	
OPERATING FUND BALANCE							
	Operating Account Balance June 30			\$1,034,664.00	\$997,613.00		
	Net Revenue			\$600,599.00	\$703,337.00		
	Transfer to GL 10010 Operating Reserve			(\$7,300.00)	(\$28,273.00)	20,973.00	Increased to adjust per policy
	Transfer to Future Imp Projects			(\$28,000.00)	(\$361,737.00)	333,737.00	Decreased no additional funds needed for Annual Pipeline Replacement
	Transfer Surplus Sales to Capital Improvement: Large Equipment Replacement			(\$25,650.00)	\$0.00	(25,650.00)	Decreased to adjust for prior year surplus revenue.
	Transfer to Capital Improvement Funds			(\$76,700.00)	(\$94,000.00)	17,300.00	Increased to adjust per rate study
	Estimated Operating Fund Balance June 30			\$997,613.00	\$716,940.00		
SURCHARGE 1 FUND BALANCE							
	Surcharge 1 Fund Balance June 30			\$663,940.00	\$726,359.00		
	43010	Surcharge Revenue		523,374.00	523,374.00	0.00	
	41110	Investment Revenue		2,500.00	2,500.00	0.00	Decreased to adjust for projected revenue
	69155	SRF Principle		(369,821.00)	(379,414.00)	9,593.00	Per Loan Payment Schedule
	69160	SRF Interest		(91,534.00)	(81,940.00)	(9,594.00)	Per Loan Payment Schedule
	69220	SRF Administration		(2,100.00)	(2,300.00)	200.00	Increased for projected costs
	Estimated Surcharge 1 Fund Balance June 30			\$726,359.00	\$788,579.00		
SURCHARGE 2 FUND BALANCE							
	Surcharge 2 Fund Balance June 30			\$224,645.00	\$255,085.00		
	43050	Surcharge 2 Revenue		439,019.00	439,019.00	0.00	
	41110	Investment Revenue		800.00	800.00	0.00	
	Surcharge 2 Surplus Repayment			(79,747.00)	0.00	(79,747.00)	Last repayment in prior fiscal year
	69180	Principle		(225,000.00)	(230,000.00)	5,000.00	Per Loan Payment Schedule
	69185	Interest		(104,632.00)	(97,170.00)	(7,462.00)	Per Loan Payment Schedule
	Estimated Surcharge 2 Fund Balance June 30			\$255,085.00	\$367,734.00		
LAIF FUND (CAPACITY FEES) BALANCE							
	LAIF Fund Balance June 30			\$304,201.00	\$805,601.00		
	44100	Capacity Fee Revenue		500,000.00	500,000.00	0.00	
	41110	Investment Revenue		1,400.00	1,400.00	0.00	
	Estimated LAIF Fund Balance June 30			\$805,601.00	\$1,307,001.00		

43

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
PRELIMINARY CAPITAL BUDGET
2022-2023**

Agenda Item 4.7

		GENERAL	FUTURE CAPITAL IMPROVEMENT PROJECTS	VEHICLE & LARGE EQUIPMENT REPLACEMENT	TOTAL
FUNDING SOURCES					
Fund Transfers					
	Operating Fund Transfers In	594,000.00	0.00	0.00	594,000.00
	CIP Fund Intrafund Transfers	(371,737.00)	361,737.00	10,000.00	0.00
	Investment Revenue	85.00	110.00	0.00	195.00
TOTAL FUNDS AVAILABLE FOR CIP PROJECTS		490,133.00	2,542,212.00	27,948.00	3,060,293.00
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	30,000.00	0.00	0.00	30,000.00
	B-2 · Small Meter Replacements	120,000.00	0.00	0.00	120,000.00
	B-3 · Large Meter Replacements	5,000.00	0.00	0.00	5,000.00
	B-4 · Pipeline Replacement	0.00	478,844.00	0.00	478,844.00
Total B · WATER DISTRIBUTION		155,000.00	478,844.00	0.00	633,844.00
M · GENERAL PLANT ASSETS					
	M-1 · Urban Water Management Plan	50,000.00	0.00	0.00	50,000.00
Total M · GENERAL PLANT ASSETS		50,000.00	0.00	0.00	50,000.00
TOTAL BUDGETED PROJECT EXPENDITURES		245,000.00	478,844.00	0.00	723,844.00



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

Date: June 29, 2022
Subject: Ranked List of Legal Services Respondents
Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Legal Service Interview Ad Hoc Committee recommends Board approval of the ranked list of respondents.

Current Background and Justification:

At the May 16th Board of Directors meeting, the Board established an ad hoc committee for interviewing legal services respondents to the Request For Proposals (RFP). Three of the four respondents are scheduled for interviews on June 24th. The fourth respondent is scheduled for June 28th.

Due to the timing of the interviews, a ranked list representing the Ad Hoc Committee’s recommended rankings will need to be a handout document at the June 29th Board meeting.

Following Board adoption of the ranked list, staff will open the separate document detailing the schedule of charges proposed by the highest ranked respondent law firm. If the schedule of charges is reasonable, staff can begin negotiating an engagement agreement with the highest ranked and reasonably priced respondent or, if necessary (due to unreasonableness of charges) , explore the respondent’s receptiveness to modifying the schedule of charges to attain a finding of reasonableness. If the number one ranked respondent’s charges are deemed unreasonable, staff will move onto the same process with the second highest ranked respondent and so on.

Conclusion:

The Board should consider engage in discussions with the Legal Services Interview Ad Hoc Committee, then approve a ranked list of respondents, either as is or modified per the consensus of the entire Board.

Board Action / Motion

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



Items for Discussion and Action Agenda Item: 4.9

Date: June 29, 2022
Subject: Doubtful Recovery Accounts
Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee discussed this item and forwarded it to the June 29th Board agenda with the Committee's Recommendation for Board approval of the list of doubtful recovery debt.

Current Background and Justification:

The District is a tax-exempt, non-profit government agency owned by the Rio Linda/Elverta community. When customers do not pay for the water services provided, and for which the District has incurred costs (payroll, energy, materials, etc.), the District has a responsibility to recover the costs via all reasonable methods. Failure to collect the cost of providing service results in transferring the cost burden from the non-paying customers to the paying customers. Pursuant to statutory requirements and District policy, the District must make all reasonable efforts to recover the cost of providing service. The various means to compel payment include:

1. Discontinuation of service until the unpaid balance is addressed. (statistically the most effective, but now more complex with the implementation of SB 998 and the Governor's Executive Order on discontinuation of service during the pandemic)
2. Recording a lien against the property (effectiveness limited by property sale, many customers ignore the lien if sale of the property is not anticipated)
3. Direct Assessment places a charge directly on the property owner's tax bill. If the charge remains unpaid for several years, the County has the authority to auction off the property for at least the amount of unpaid taxes. (effective but limited to once per calendar year. Additionally, this was a gray area in prior years due to the Executive Orders on discontinuation of service and evictions during the pandemic).

Sometimes, despite all reasonable efforts, the District cannot recover the cost of providing service within the time constraints and property ownership limitations. Circumstances leading to non-recovery of costs include; bankruptcy declarations, short sells and other means of transferring property ownership faster than the District can record liens, failure by the District to exercise all reasonable efforts within the statutory time limits and/or pursuant to statutory requirements.

In the circumstances where the district cannot recover the cost of providing service, the District is compelled to declare the debt as “doubtful recovery” AKA write off (although the term write off is prone to connote the private sector accounting principle of writing off the loss as a tax deduction. The District, a tax-exempt entity, has no such benefit. Failure to declare doubtful recovery debt has the potential to lead to findings in our annual, independent audit because the District’s financial records could fail to reflect the District’s financial position fairly and accurately.

Conclusion:

As recommended by the Executive Committee, the Board should approve the list of doubtful debt recovery included as a document associated with this item.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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

Agenda Item 4.9

Account Nr	Loc	Cust	Status	Service	Current	1-30 Days	31 - 60 Day	61 - 90 Day	91 - 120 D	>120 Days	Balance
1119101	64	BILL	Final	WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$66.33	\$66.33
3044406	21	ELIZ	Final	WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$199.18	\$199.18
11093101	65	DOF	Final	WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$63.18	\$63.18
11101100	74	HAC	Final	WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$178.65	\$178.65
13086002	84	KAY	Final	WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8.00	\$8.00
13110105	40	TRA	Final	WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$41.10	\$41.10
14083205	21	DAV	Final	WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$50.49	\$50.49
14471001	67	ROB	Final	WATER	\$0.00	\$0.00	\$0.00	\$4.05	\$0.00	\$0.00	\$4.05
15007001	44	THC	Final	WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$56.80	\$56.80
15024105	64	ALB	Final	WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$140.86	\$140.86
16079002	74	PAT	Final	WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$120.72	\$120.72
17156002	70	MAI	Final	WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$87.45	\$87.45
18003103	10	DAN	Final	WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$38.14	\$38.14
18032100	11	LAW	Final	WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8.89	\$8.89
18093103	70	KEV	Final	WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$33.94	\$33.94
18128103	10	LAN	Final	WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$189.23	\$189.23
20003203	73	WE	Final	WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$39.56	\$39.56
20141405	72	FELI	Final	WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$382.16	\$382.16
22043708	10	CAR	Final	WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$23.16	\$23.16
24300101	57	DAV	Final	WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$15.45	\$15.45
25106000	56	PAT	Final	WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$456.35	\$456.35
25368000	25	MIK	Final	WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$304.90	\$304.90
25440000	61	CLA	Final	WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$30.96	\$30.96
25550204	65	CHA	Final	WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$48.03	\$48.03
25628000	64	MAI	Final	WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$247.28	\$247.28
					\$0.00	\$0.00	\$0.00	\$4.05	\$0.00	\$2,830.81	\$2,834.86



47

Items for Discussion and Action
Agenda Item: 4.10

Date: June 29, 2022

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

Staff Contact: Timothy R. Shaw

Recommended Committee Action:

N/A

Current Background and Justification:

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

Conclusion:

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

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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



Information Items
Agenda Item: 5.1

Date: June 29, 2022

Subject: District Reports

Staff Contact: Timothy R. Shaw, General Manager

DISTRICT ACTIVITY REPORTS

1. Operations Report
2. Completed and Pending Items Report
3. Conservation Report
4. Leak Repair Status Report
5. Minor Budget Revision

RIO LINDA/ELVERTA C.W.D. 2022

REPORT OF DISTRICT OPERATIONS

40

SOURCE WATER DATA

Water Production (Million Gallons)

January	February	March	April	May	June	Year To Date
40.7	40.9	53.6	57	88.2		
40,708,764	40,949,074	53,558,498	57,044,990	88,179,174		
July	August	Sept.	Oct.	Nov.	Dec.	
						280.40

	Monthly Total					
Gallons = Multiply M.G. by: 1,000,000	88,179,174	Gallons	280,440,600			
Cubic Feet = Divide gallons by: 7.48	11,788,660	Cubic Feet	37,492,045			
Hundred Cu Ft. = Divide cu. ft. by: 100	117,887	Hundred Cubic Feet	374,920			
Acre Ft. = Divide gallons by: 325,829	270.63	Acre Ft.	861			

DISTRIBUTION SYSTEM DATA

Water Quality Complaints

Complaints Total (Low Psi Complaints)

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

New Services

New Construction	0		2
Existing Homes	0		1
Paid prior to increase. (2 not installed)	0		0
Total of Service Connections to Date ----->			4651

Distribution System Failures/Repairs

Deterioration May 1 thru 31	3		28
Damaged May 1 thru 31	0		2

Bacteriological Sampling

Routine Bacteriological Samples (Distribution System)	20		88
Raw Water Bacteriological Samples (at Wells)	1		17

May 1, 2022 - May 31, 2022

2 - Distribution leaks repaired by District staff, 1 - by Contractor or with Contractor assistance.		
Work Orders Issued - 71	Work Orders Completed - 38	USA's Issued - 178
Change Out Meter - 34	Change Out Meter - 5	
Conservation - 1	Disconnect Service - 5	
Disconnect Service - 5	Flow Test - 2	
Disconnect Service - 5	Get Current Read - 1	
Flow Test - 2	Line Leak - 4	
Get Current Read - 1	Other Work - 1	
Line Leak - 2	Possible Leak - 2	
Other Work - 1	Water Quality Complaint - 1	
Possible Leak - 5	Tag Property - 1	
Pressure Complaint - 1	Turn Off Service - 8	
Water Quality Complaint - 1	Turn On Service - 5	
Repair - 1	Water Waster - 1	
Tag Property - 2		
Turn Poff Service - 8		
Turn On Service - 5		
Water Waster - 2		

RIO LINDA/ELVERTA C.W.D.

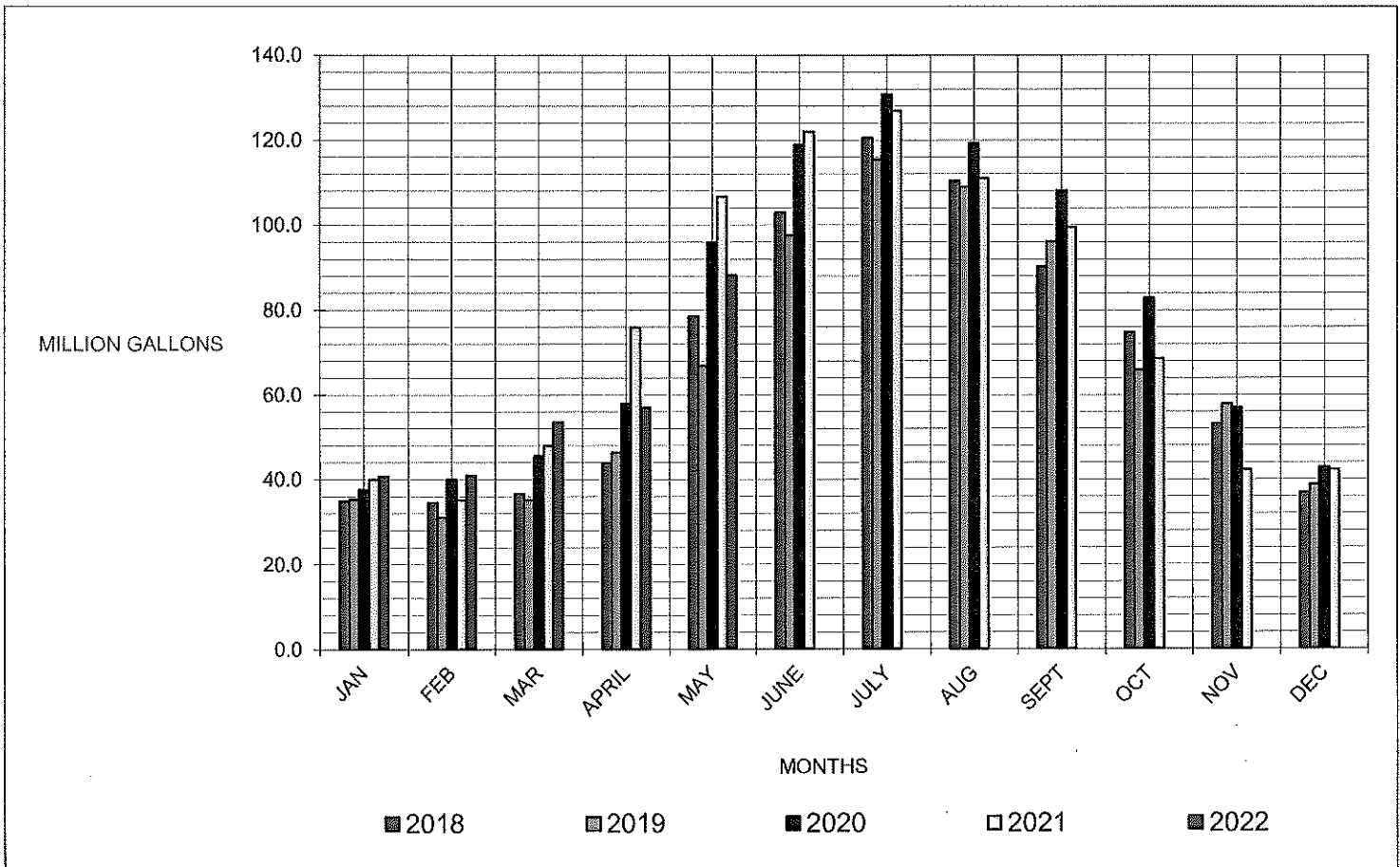
WATER PRODUCTION

2018 \ 2022

Water Production in Million Gallons

SSWD Water Purchases

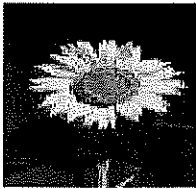
Month	2018	2019	2020	2021	2022	Avg.	2018	2019	2020	2021	2022
JAN	34.8	35.3	37.6	39.9	40.7	37.7	0.0	0.0	0.0	0.0	0.0
FEB	34.5	31.1	40.0	35.2	40.9	36.3	0.0	0.0	0.0	0.0	0.0
MAR	36.5	35.1	45.5	47.9	53.5	43.7	0.0	0.0	0.0	0.0	0.0
APRIL	43.7	46.3	57.9	75.8	57.0	56.1	0.0	0.0	0.0	0.0	0.0
MAY	78.5	66.8	95.9	106.6	88.2	87.2	0.0	0.0	0.0	0.0	0.0
JUNE	102.9	97.5	118.9	121.9		110.3	0.0	0.0	0.0	0.0	
JULY	120.5	115.4	130.7	126.8		123.4	0.0	0.0	0.0	0.0	
AUG	110.3	108.9	119.2	110.9		112.3	0.0	0.0	0.0	0.0	
SEPT	90.1	96.1	108.1	99.4		98.4	0.0	0.0	0.0	0.0	
OCT	74.7	65.8	82.8	68.5		73.0	0.0	0.0	0.0	0.0	
NOV	53.1	57.8	56.9	42.2		52.5	0.0	0.0	0.0	0.0	
DEC	36.8	38.7	42.7	42.2		40.1	0.0	0.0	0.0	0.0	
TOTAL	816.4	794.8	936.2	917.3	280.3	866.2	0.0	0.0	0.0	0.0	0.0





**PENDING AND COMPLETED ITEMS
6-29-2022 BOARD OF DIRECTORS MEETING**

1. **SB-606 and AB-1668 planning for compliance** – There is limited data to reflect the influence of the new rate structure on water use efficiency. Since most of the capacity for increasing water use efficiency stems from changes to outdoor irrigation practices, we will apply more focus to consumption during warmer months with longer daylight periods. The May 2022 data indicates the District conserved 8% compared to May 2020. **Pending**
2. **Hexavalent Chromium MCL economic feasibility** The State Water Resources Control Board (SWRCB) published the draft notice proposing the re-adoption of the MCL at 10-parts per billion. public comment period concluded at the end of April. SWRCB has not yet published the results of the public comment period. **Pending**
3. **District outreach to customers following implementation of a new rate structure focused on consumption in compliance with SB 606 / AB 1668 requirements** – The Customer Service / Conservation Coordinator and I completed and distributed the notice to all Innov8 pilot test customers. The next step will be to determine how many units we need to satisfy demand. This should also be sequenced to follow additional outreach to our customers. **Pending**
4. **Declaration of Doubtful Recovery Debt** – There is an item on the June 29th agenda to enable Board consideration of the annual Doubtful Recovery Debt list. **Pending**
5. **Direct Assessments for Delinquent Accounts** – As previously discussed and planned, the District needs to implement the practice of directly assessing property owners for unpaid water bills. The current practice is to lien property owners for unpaid water bills. The limitation for debt recovery via liens is that the District only gets paid if the property is sold. Many long-term unpaid accounts have been had a recorded lien for more than 10-years. There is an item on the June 29th agenda to enable Board consideration of the Resolution we may use for the Direct Assessment process in August. **Pending**
6. **Filling the Board Member Vacancy** – The Board has elected to fill the vacancy via the November election. **Completed**
7. **Replacing the 2006 Jeep** – The 2019 Ford Fusion was delivered. **Completed**
8. **Preliminary Water Supply / Demand Assessment** – One aspect of the Governor’s Executive Order N-7-22 is an acceleration of the due date for Water Supply / Demand Assessments required by the 2018 Water Use Efficiency legislation (SB 606 & AB 1668). The preliminary Water Supply / Demand Assessment was completed and submitted ahead of the June 1st deadline. **Completed**
9. **Alternate Meeting Date and Location for July Executive Committee Meeting** – Director Gifford was able to arrange for an alternate meeting site for the July 7th Executive Committee – New Beginnings Fellowship at 7008 10th St. Rio Linda. **Completed.**



Conservation Report May 2022



Supplies (kits):	Shower heads(0) Kitchen Aerators(0) Bathroom Aerators(0) Shower Timer(0) Nozzle(1) Toilet Tabs(7) Moisture Meters(0) Water Bottles(0) Toilet Tummy(1) Retro-Fit Kits(0) Welcome Kits(0) Kids Kit(0)
Water Waste	0 Water Waste Call(s)
Water Waste Violation	1 Water Waste Violation
(calls, emails, letter, leaks detected, and fixed):	240 contacts about possible leaks using the AMI system - 9 were called, 0 was mailed, 231 was emailed, 0 tag was hung 47 were confirmed resolved
Water Schedule:	given to customers with all violation letters and new applications
Surveys	0
Workshops, Webinar, Meetings:	None
Fines:	None
Other Tasks:	<ul style="list-style-type: none"> ● Assisted with new customers ● Created/completed work orders ● Disconnect properties with no service application ● Notified and offered customers the ACH payment method ● Closed accounts and final billed customers ● Printed stamps ● Mailed out application requests to new owners ● Scanned and uploaded documents into UMS ● Reached out to customers with higher than normal water usage ● Verbal Demands ● Created Report for High Usage Exceptions ● Rereads for 5/20/22 billing cycle ● Created Newsletter for 5/20/22 billing cycle
Grant	None

2022 Leak - Repair Tracking

Work Order #	Leak Type	Street	Date Reported	Date Repaired	Days	
1	22863	Service Line	Beamer Way	12/27/2021	1/11/2022	16
2	23003	Service Line	Elwyn Ave	12/16/2022	1/6/2022	20
3	23052	Service Line	24th Street	1/12/2022	1/13/2022	2
4	None	Main	Elkhorn - W2nd St	1/13/2022	1/13/2022	1Hr
5	23106	Service Line	G Street	1/24/2022	1/25/2022	2
6	23109	Service Line	G Street	1/25/2022	1/25/2022	1
7	23110	Service Line	Front Street	1/26/2022	2/3/2022	8
8	23119	Service Line	Elwyn Ave	2/2/2022	2/2/2022	1
9	23120	Service Line	Lilac Ln	2/2/2022	2/5/2022	3
10	23127	Service Line	Blacktop Rd.	2/7/2022	2/7/2022	1
11	23130	Service Line	I Street	2/8/2022	2/9/2022	2
12	23147	Service Line	8th Street	2/16/2022	2/16/2022	1
13	23148	Service Line	Lilac Ln	2/16/2022	2/16/2022	1
14	23152	Service Line	Fallon Woods Wy	2/23/2022	2/28/2022	5
15	23153	Service Line	West U Street	2/24/2022	2/28/2022	4
16	23154	Service Line	Q Street	2/24/2022	2/24/2022	1
17	23168	Service Line	W. 2nd Street	3/9/2022	3/9/2022	1
18	23223	Service Line	K Street	3/21/2022	3/21/2022	1
19	23240	Service Line	10th Street	3/23/2022	3/29/2022	6
20	23225	Service Line	C Street	3/28/2022	3/29/2022	2
21	23225	Service Line	W. E Street (Damaged)	3/29/2022	3/29/2022	0
22	23167	Service Line	G Street	4/10/2022	4/19/2022	9
23	23178	Service Line	Quadra Ave	3/14/2022	4/6/2022	23
24	23273	Service Line	Rio Linda Blvd	4/8/2022	4/8/2022	0
25	23276	Service Line	K Street	4/12/2022	4/12/2022	0
26	23310	Service Line	W 2nd Street	4/29/2022	4/29/2022	0
27	23303	Service Line	Elkhorn Blvd	4/28/2022	4/28/2022	0
28	23318	Service Line	Dry Creek Rd	5/4/2022	5/4/2022	1
29	23329	Service Line	Fallon Place Ct.	5/17/2022	5/17/2022	1
30	N/A* GM Const.	Service Line	Elkhorn Blvd	5/24/2022	5/28/2022	4
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
OPERATING BUDGET 2021-2022**

June 29, 2022

3.07.500 Minor Revisions and reallocations between line items by General Manager; June 29, 2022 Revision 3

			CURRENT 2021-2022 BUDGET	REVISED 2021-2022 BUDGET	DIFFERENCE	EXPLANATION
REVENUE						
40000 OPERATING REVENUE						
40100 Water Service Rates						
	40101	Basic Service Charge	1,242,605.00	1,242,605.00	0.00	
	40102	Usage Charge	1,448,065.00	1,448,065.00	0.00	
	40105	Backflow Charge	28,300.00	28,300.00	0.00	
	40106	Fire Prevention	20,400.00	20,400.00	0.00	
		Total Water Service Rates	2,739,370.00	2,739,370.00	0.00	
40200 Water Service Fees						
	40201	Application Fees	6,500.00	6,500.00	0.00	
	40202	Delinquency	90,000.00	90,000.00	0.00	
	40209	Misc. Charges	7,000.00	7,000.00	0.00	
		Total Water Services	103,500.00	103,500.00	0.00	
40300 Other Water Service Fees						
	40301	New Construction QC	4,000.00	4,000.00	0.00	
	40302	Service Connection Fees	10,000.00	10,000.00	0.00	
	40304	Other Operating Revenue	31,650.00	31,650.00	0.00	
	40305	Grant Revenue-Operating	0.00	0.00	0.00	
		Total Other Water Service Fees	45,650.00	45,650.00	0.00	
		TOTAL OPERATING REVENUE	2,888,520.00	2,888,520.00	0.00	
41000 NON-OPERATING REVENUES						
	41110	Investment Revenue	300.00	300.00	0.00	
	41120	Property Taxes & Assessments	95,700.00	95,700.00	0.00	
		TOTAL NON-OPERATING REVENUE	96,000.00	96,000.00	0.00	
TOTAL REVENUE			\$2,984,520.00	\$2,984,520.00	0.00	

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
OPERATING BUDGET 2021-2022**

June 29, 2022

3.07.500 Minor Revisions and reallocations between line items by General Manager; June 29, 2022 Revision 3

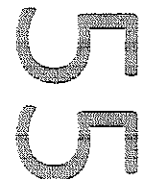
			CURRENT 2021-2022 BUDGET	REVISED 2021-2022 BUDGET	DIFFERENCE	EXPLANATION
OPERATING EXPENSE						
60010 PROFESSIONAL FEES						
	60011	General Counsel fees-Legal	\$15,000.00	\$15,000.00	\$0.00	
	60012	Auditor Fees	12,050.00	12,050.00	0.00	
	60013	Engineering Services	70,000.00	70,000.00	0.00	
	60015	Other Professional Fees	3,000.00	3,000.00	0.00	
		TOTAL PROFESSIONAL FEES	100,050.00	100,050.00	0.00	
60100 PERSONNEL SERVICES						
60110 Salaries & Wages						
	60111	Salary - General Manager	119,846.00	119,846.00	0.00	
	60112	Staff Regular Wages	623,806.00	623,806.00	0.00	
	60113	Contract Extra Help	0.00	0.00	0.00	
	60114	Staff Standby Pay	18,250.00	18,250.00	0.00	
	60115	Staff Overtime Pay	8,500.00	11,000.00	2,500.00	Increased to adjust for projected costs
		Total Salaries & Wages	770,402.00	772,902.00	2,500.00	
60150 Employee Benefits and Expenses						
	60151	PERS Retirement	113,300.00	113,300.00	0.00	
	60152	Workers Compensation	13,022.00	13,022.00	0.00	
	60153	Medical & Benefit Insurance	209,005.00	202,480.00	(6,525.00)	Decreased to adjust for GL 60115, 60160, 60270,60431,60555, 60565
	60154	Retirees Insurance	36,200.00	36,200.00	0.00	
	60155	Staff Training	5,000.00	5,000.00	0.00	
	60157	Uniforms	5,400.00	5,400.00	0.00	
	60158	Payroll Taxes	60,107.00	60,107.00	0.00	
	60159	Payroll Services	1,400.00	1,400.00	0.00	
	60160	457 Employer Contribution	15,000.00	16,150.00	1,150.00	Increased to adjust for projected costs
		Total Employee Benefits and Expenses	458,434.00	453,059.00	(5,375.00)	
		TOTAL PERSONNEL SERVICES	\$1,228,836.00	\$1,225,961.00	(\$2,875.00)	

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
OPERATING BUDGET 2021-2022**

June 29, 2022

3.07.500 Minor Revisions and reallocations between line items by General Manager; June 29, 2022 Revision 3

			CURRENT 2021-2022 BUDGET	REVISED 2021-2022 BUDGET	DIFFERENCE	EXPLANATION
60200 ADMINISTRATION						
	60205	Bank and Merchant Fees	\$3,500.00	\$3,500.00	\$0.00	
	60207	Board Meeting Expense	11,370.00	14,370.00	3,000.00	Increased to adjust for projected costs
	60210	Building Expenses				
	60211	Office Utilities	6,750.00	6,750.00	0.00	
	60212	Janitorial	2,340.00	2,340.00	0.00	
	60213	Maintenance	3,200.00	3,200.00	0.00	
	60214	Security	775.00	775.00	0.00	
		Total Building Expenses	13,065.00	13,065.00	0.00	
	60220	Computer & Equipment Maint.				
	60221	Computer Systems	30,000.00	27,000.00	(3,000.00)	Decreased to adjust for GL 60207
	60222	Office Equipment	2,160.00	2,160.00	0.00	
		Total Computer & Equipment Maint.	32,160.00	29,160.00	(3,000.00)	
	60230	Office Expense	5,225.00	5,225.00	0.00	
	60240	Postage and Delivery	20,000.00	20,000.00	0.00	
	60250	Printing	7,000.00	7,000.00	0.00	
	60255	Meetings & Conferences	500.00	500.00	0.00	
	60260	Publishing	735.00	735.00	0.00	
	60270	Telephone & Internet	4,200.00	4,450.00	250.00	Increased to adjust for projected costs
	60430	Insurance				
	60431	General Liability	25,000.00	26,540.00	1,540.00	Increased to adjust for projected costs
	60432	Property	7,200.00	7,200.00	0.00	
		Total Insurance	32,200.00	33,740.00	1,540.00	
	60500	Water Memberships				
	60501	SAWWA	0.00	0.00	0.00	
	60503	SGA	29,955.00	29,955.00	0.00	
	60504	ACWA	11,140.00	11,140.00	0.00	
	60505	CSDA	7,615.00	7,615.00	0.00	
	60507	CRWA	1,367.00	1,367.00	0.00	
		Total Water Memberships	50,077.00	50,077.00	0.00	
	60550	Permits & Fees	37,000.00	37,500.00	500.00	Increased to adjust for projected costs
	60555	Subscriptions & Licensing	2,120.00	2,120.00	0.00	
	60560	Elections	0.00	0.00	0.00	
	60565	Uncollectable Accounts	2,250.00	2,835.00	585.00	Increased to adjust for projected costs
	60570	Other Operating Expenditures	500.00	500.00	0.00	
		TOTAL ADMINISTRATION	\$221,902.00	\$224,777.00	\$2,875.00	



**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
OPERATING BUDGET 2021-2022**

June 29, 2022

3.07.500 Minor Revisions and reallocations between line items by General Manager; June 29, 2022 Revision 3

			CURRENT 2021-2022 BUDGET	REVISED 2021-2022 BUDGET	DIFFERENCE	EXPLANATION
64000 CONSERVATION						
	64001	Community Outreach	300.00	300.00	0.00	
	64005	Other Conservation Programs	0.00	0.00	0.00	
TOTAL CONSERVATION			300.00	300.00	0.00	
65000 FIELD OPERATIONS						
	65100	Other Field Operations				
	65110	Backflow Testing	\$3,000.00	\$3,000.00	\$0.00	
	65120	Construction Equipment Maintenance	9,000.00	9,000.00	0.00	
	65130	Field Communication	3,400.00	3,400.00	0.00	
	65140	Field IT	35,000.00	35,000.00	0.00	
	65150	Laboratory Services	24,000.00	24,000.00	0.00	
	65160	Safety Equipment	5,000.00	5,000.00	0.00	
	65170	Shop Supplies	7,000.00	7,000.00	0.00	
		Total Other Field Operations	86,400.00	86,400.00	0.00	
	65200	Treatment	25,000.00	25,000.00	0.00	
	65300	Pumping				
	65310	Maintenance	25,000.00	25,000.00	0.00	
	65320	Electricity and Fuel	260,000.00	260,000.00	0.00	
		Total Pumping	285,000.00	285,000.00	0.00	
	65400	Transmission & Distribution				
	65410	Distribution Supplies	59,950.00	59,950.00	0.00	
	65430	Tank Maintenance	850.00	850.00	0.00	
	65440	Contract Repairs	20,000.00	20,000.00	0.00	
	65450	Valve Replacements	15,000.00	15,000.00	0.00	
	65460	Paving Repairs	25,000.00	25,000.00	0.00	
		Total Transmission & Distribution	120,800.00	120,800.00	0.00	
	65500	Transportation				
	65510	Fuel	15,000.00	15,000.00	0.00	
	65520	Maintenance	6,000.00	6,000.00	0.00	
		Total Transportation	21,000.00	21,000.00	0.00	
TOTAL FIELD OPERATIONS			\$538,200.00	\$538,200.00	\$0.00	

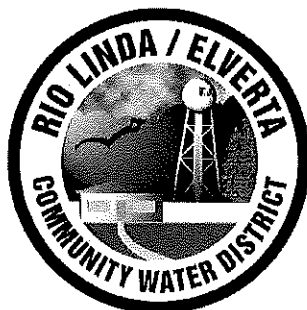
**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
OPERATING BUDGET 2021-2022**

June 29, 2022

3.07.500 Minor Revisions and reallocations between line items by General Manager; June 29, 2022 Revision 3

			CURRENT 2021-2022 BUDGET	REVISED 2021-2022 BUDGET	DIFFERENCE	EXPLANATION
TOTAL OPERATING EXPENSES			\$2,089,288.00	\$2,089,288.00	\$0.00	
NON OPERATING EXPENSES						
	69010 Debt Service					
	69100	Revenue Bond 2015				
	69105	Revenue Bond 2015-Principle	148,158.00	148,158.00	0.00	
	69120	Interest	53,111.00	53,111.00	0.00	
		Total Revenue Bond 2015	201,269.00	201,269.00	0.00	
	69125	AMI Meter Loan				
	69130	Principle	51,344.00	51,344.00	0.00	
	69135	Interest	7,170.00	7,170.00	0.00	
		Total AMI Meter Loan	58,514.00	58,514.00	0.00	
	69200	PERS ADP Loan				
	69205	Principle	30,000.00	30,000.00	0.00	
	69210	Interest	1,850.00	1,850.00	0.00	
		Total PERS ADP Loan	31,850.00	31,850.00	0.00	
		69400 Other Non Operating Expense	3,000.00	3,000.00	0.00	
TOTAL NON OPERATING EXPENSES			\$294,633.00	\$294,633.00	\$0.00	
TOTAL EXPENSE			\$2,383,921.00	\$2,383,921.00	\$0.00	
NET INCOME (Income-Expense)			\$600,599.00	\$600,599.00	\$0.00	

56



Information Items

Agenda Item: 5.2

Date: June 29, 2022

Subject: Board Reports

Staff Contact: Timothy R. Shaw, General Manager

BOARD REPORTS

1. Report ad hoc committee(s) dissolved by requirements in Policy 2.01.065
2. Sacramento Groundwater Authority (Harris (primary)
3. Sacramento Groundwater Authority 3 X 3 Ad Hoc (Harris)
4. Sacramento Groundwater Authority / Sacramento Central Groundwater Authority 3 X 3
5. Executive Committee – Ridilla, Green
6. ACWA/ACWA JPIA

SACRAMENTO GROUNDWATER AUTHORITY**REGULAR MEETING OF THE BOARD OF DIRECTORS**

Thursday, June 9, 2022; 9:00 a.m.

AGENDA

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

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

Meeting Information:

SGA Board Meeting

Thu, Jun 9, 2022 9:00 AM - 12:00 PM (PDT)

Please join my meeting from your computer, tablet or smartphone.<https://meet.goto.com/644426517>**You can also dial in using your phone.**United States: [+1 \(224\) 501-3412](tel:+12245013412)**Access Code:** 644-426-517

- 1. CALL TO ORDER AND ROLL CALL**
- 2. PUBLIC COMMENT:** Members of the public who wish to address the Board may do so at this time. Please keep your comments to less than three minutes.
- 3. CONSENT CALENDAR:** All items listed under the Consent Calendar are considered and acted upon by one motion. Board members may request an item be removed for separate consideration.
 - a. Extend Resolution 2021-02, including requisite findings, to renew authorization to hold meetings of the Board of Directors via teleconference pursuant to Assembly Bill 361 until such time as the State of Emergency resulting from the COVID-19 pandemic no longer impacts the ability of Board members and the public to safely meet in person.
 - b. Approve the minutes of April 7, 2022 Board meeting

Action: Approve Consent Calendar Items

4. SACRAMENTO CENTRAL GROUNDWATER AUTHORITY AND SACRAMENTO GROUNDWATER AUTHORITY – PHASE 2 (GOVERNANCE)

Information and Discussion: Marcus Yasutake (Chair), Randy Marx (Vice Chair), and Mary Harris

Action: Provide Direction to the 3x3 Committee Members

5. GROUNDWATER SUSTAINABILITY PROGRAM UPDATE

Information and Presentation: Rob Swartz, Manager of Technical Services

6. LEGISLATIVE/REGULATORY UPDATE

Information and Presentation: Ryan Ojakian, Legislative and Regulatory Affairs Manager

7. EXECUTIVE DIRECTOR'S REPORT

8. DIRECTORS' COMMENTS

ADJOURNMENT

Next SGA Board of Director's Meetings:

August 11, 2022, 9:00 a.m. at the RWA/SGA office, 5620 Birdcage Street, Ste. 110, Citrus Heights, the location is subject to change depending on the COVID-19 emergency.

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

SCGA – SGA – RWA

Summary: 3x3 Ad Hoc Committee

May 18, 2022 (Meeting 4)

Meeting in Brief

Mary Harris joined the 3x3 Ad Hoc to take the SGA seat of Bob Reisig who recently passed away.

The 3x3 discussed SGA Board feedback from the May 17 SGA special meeting. Seven SGA members supported further investigation of governance option 2, which entails establishing a single board, either by combining existing boards or through a reconfiguration. Two SGA members encouraged investigation into Option 3, “eliminate the existing JPA and re-form under SGMA.”

The 3x3 continued to discuss pros and cons of the governance structures under consideration. Based on feedback from SGA and discussion of the options, the 3x3 will delve further into Option 2, a single board, at its subsequent meeting.

Members are committed to bringing governance structures with as much qualifying and disqualifying information as possible to the Authorities’ boards. The briefing document and meeting summaries are meant to capture the governance structures and other considerations for the 3x3 and the Boards.

Welcoming Mary Harris to the 3x3

The 3x3 welcomed Mary Harris, SGA, to the 3x3 Ad Hoc, to take the seat of Bob Reisig who passed away before meeting 3. Jim Peifer will send M. Harris a copy of the current JPA.

SGA Board Feedback - 5/17/2022

The SGA held a special meeting on May 17 to discuss the progress of the 3x3 and review the governance options the 3x3 has been exploring at this point. CBI provided a summary of feedback received (see appendix.) SGA representatives reported that seven SGA members seemed to support further investigation of Option 2, which entails establishing a single board, either by combining existing boards or through a reconfiguration. Two SGA members who were present supported a variation of Option 3, “eliminate the existing JPA and re-form under SGMA,” perhaps with two JPAs or a large-scale Community Service District (CSD). The SGA 3x3 representatives also noted that several SGA directors expressed support of the current JPA. Option 1, to establish a board with active subbasin councils, did not garner significant discussion in the SGA meeting.

Continue Discussing Proposals for Potential Structure

In response to the feedback from the previous day’s SGA meeting, the 3x3 discussed the merits of the three governance structure options, including the additional variations suggested by the SGA Board. 3x3 representatives also recalled an option discussed before the 3x3’s convening of a

“subscription program,” in which RWA staff could conduct groundwater management, and RWA could implement certain activities on behalf of another entity. In a subscription program, RWA would be head of groundwater management in the SCGA area. SCGA has not been supportive of this “subscription” model in the past.

The pros and cons for each option are included below. After discussion, the 3x3 agreed to spend the next meeting focused on Option 2, the single board. Members of the group think that Option 2 is the most likely to address the interests of the Authorities’ boards as currently understood.

CBI will investigate what the formation of a CSD entails and provide that information to the 3x3 in a subsequent document. CBI continues to document the reasons for supporting, or setting aside as untenable, various options, as part of the 3x3 process.

Option 2: Establish Single Board

Either combining existing boards or a reconfiguration.

<p>Board Responsibilities</p> <ul style="list-style-type: none"> ▪ Approve annual budgets and report ▪ Approve staffing levels ▪ Assess fees ▪ Approve audits ▪ Approve contracts ▪ Serve as GSA Board for each subbasin ▪ Adopt GSP updates ▪ Approve policies ▪ Responsible basin management ▪ Can form committees, including one for each subbasin

Pros / Cons of Option 2: Single Board		
<i>Topic-specific subcommittees would be the forum for regional issues and stakeholder engagement</i>		
<p>Pros</p> <ul style="list-style-type: none"> ▪ Easier to keep board informed ▪ Potentially more streamlined structure ▪ Likely most cost-effective ▪ Could modify existing JPA; the existing JPAs have been efficient and worked well 	<p>Cons</p> <ul style="list-style-type: none"> ▪ Would require large and possibly duplicative board to represent all the representative interests ▪ Concern for less (or diluted) local control and engagement in technical issues ▪ Requires delegation of authority to non-public agencies 	<p>Other Considerations</p> <ul style="list-style-type: none"> ▪ Board could form topic-specific committees ▪ “Roll call” system could provide regional emphasis ▪ Can add “guardrails” to address specific interests / concerns associated with forming JPA ▪ New entity could incorporate or adopt SGMA authorities

		<ul style="list-style-type: none"> ▪ If two subbasins combine, there may be justification to combine the whole Sacramento Valley basin – where are the “firewalls”?
--	--	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Option 1: Establish Board with Active Subbasin Councils
 Either combining existing boards or a reconfiguration.

<p>Board Responsibilities</p> <ul style="list-style-type: none"> ▪ Approve annual budgets ▪ Approve staffing levels ▪ Assess fees ▪ Approve audits ▪ Approve contracts ▪ Serve as GSA Board for each subbasin ▪ Adopt GSP updates ▪ Approve policies 	<p>Councils’ Responsibilities</p> <ul style="list-style-type: none"> ▪ Oversee basin management ▪ Recommend annual budget and fees to Board ▪ Recommends to Board adoption of GSP updates ▪ Oversee development of annual report ▪ Advises Board on SGMA issues
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<p>Pros / Cons of Option 1: Board with Active Subbasin Councils <i>Subbasin councils would provide a forum for subbasin-specific groundwater issues and targeted stakeholder engagement</i></p>		
<p>Pros</p> <ul style="list-style-type: none"> ▪ Subbasin councils provide in-depth discussion forum on specific GW issues ▪ Basin councils retain expertise ▪ Preserves some functional elements of SGA & SCGA ▪ Allows flexible response to local needs 	<p>Cons</p> <ul style="list-style-type: none"> ▪ Bifurcation does not necessarily support co-managing groundwater resources to the benefit of everyone ▪ Potential inefficiencies with multiple authorities and meetings ▪ Complication identifying what issues apply to only one basin vs. both basins 	<p>Other Considerations</p> <ul style="list-style-type: none"> ▪ Current JPA could change ▪ Shared staff and coordinated meetings would help with consistency of information ▪ Would representatives that pump from both basins have more votes or power?

Option 3 “SGMA Model”
 Eliminate existing JPA Authority and Re-form under SGMA

Option 3-MOA: Memorandum of Agreement would serve as the legal agreement to form the entity.

Option 3-JPA: A JPA would serve as the legal agreement to form the entity. A JPA would require an additional agreement with investor-owned utilities.

Option 3-CSD: Entities would seek to form an independent Community Services District to serve as the legal entity.

Pros and Cons of Option 3: SGMA Model		
The 3x3 will continue to explore the pros and cons of these options with the Authorities' Boards.		
<p>Pros</p> <ul style="list-style-type: none"> ▪ Could eliminate some of the minor inconsistencies between SGMA authority and existing JPA limitations ▪ Under MOA, participants would have more flexibility in appointing representatives 	<p>Cons</p> <ul style="list-style-type: none"> ▪ Under MOU, each participating entity must approve the GSP and implementation plan – reducing efficiency and increasing uncertainty ▪ Forming a new entity would be a very heavy lift and might not provide more benefits than other options ▪ Concern that forming a new entity is outside SCGA Board's direction on consolidation ▪ Under MOU, would lose police powers on well permitting provided for under JPA 	<p>Other Considerations</p> <ul style="list-style-type: none"> ▪ A MOA or CSD would likely dissolve PERS benefits for current SCGA employees ▪ A JPA may allow employees to still be classic CalPERS employees (like in transition from Sac Metro Water Authority to RWA) and fulfill intent of SGMA model ▪ A new entity could have a separate contract on liabilities (retirement, benefits, unfunded liability costs)

Option 4: Subscription Model

The RWA's JPA allows for the creation of subscription programs between two or more RWA members. Under a subscription program, the RWA would provide staffing services to provide groundwater management activities. Under this proposal, the RWA Board of Directors would be in charge of employees performing those services, and ultimately in charge of the work that is performed for groundwater management activities in the SCGA area.

Pros and Cons of Option 4: Subscription Model		
The 3x3 will continue to explore the pros and cons of these options with the Authorities' Boards.		
<p>Pros</p> <ul style="list-style-type: none"> ▪ Would provide staff to SCGA without requiring a consolidation 	<p>Cons</p> <ul style="list-style-type: none"> ▪ SCGA board approved consolidation as the path forward 	<p>Other Considerations</p> <p>Would SCGA members create a GSA under an MOU or would RWA become a GSA?</p>

Proposed Additional Criterion

Brett Ewart suggested an additional criterion to weigh governance structures, but after some discussion withdrew his suggestion. There was no strong opposition to the additional criteria, only more questions about how to incorporate it, and B. Ewart deemed the change to not be essential enough to take up time in an already tightly timed process.

The suggestion was:

Integrated Resource Management: Is mindful of how climate change, the demand for reliable safe water, and surface water availability can create either opportunities or pressure on effective groundwater management.

Refining 3x3 Operating Guidelines

The 3x3 agreed to update the first sentence of its operating guidelines by replacing the word “develop” with the words “facilitate and propose.” The group implemented this change to emphasize that all decision-making power about a potential consolidated governance structure sits with the boards of SCGA and SGA; the 3x3 is not a decision-making body.

The approved sentence now reads:

The purpose of the 3x3 Ad Hoc Committee is to facilitate and propose a recommended governance structure for a consolidated SGA – SCGA.

SGA General Manager Jim Peifer highlighted that to follow the Brown Act, the 3x3 can only “jointly explore and independently evaluate” governance options. Each Authority’s board must independently evaluate any proposed governance structure. He noted that it is acceptable, however, for the three 3x3 representatives of each board, separate from the other boards’ representatives, to evaluate proposed options and provide a recommendation to their respective boards.

Next Steps

3x3 members should come to the next meeting on May 24 with suggestions to inform a discussion on potential board composition. To prepare, CBI will distribute a list of all representatives on the decision-making entities.

SCGA - SGA Potential Consolidation

SGA Board Feedback Summary

Special Meeting Held May 17, 2022

Highlights

Seven SGA Board members expressed preference for Option 2 while two members preferred Option 3 (SGMA model), two were not ready to state preference, and five were absent at this point in the discussion.

Generally, the board seemed to support a JPA as legal entity. One director recommending a community services district (CSD) as the legal structure, and another director recommended a CSD be examined.

Feedback on Preferred Options

Option 2 - Board has primary responsibility for operations and groundwater management

Total: 7

- **Director appreciates that in Option 2 the Board votes on everything and designates committee for specific tasks. Avoids any potential conflict across subbasins.**
- **Option 2 creates economies of scale and is cost efficient.**
- **Preference expressed for Option 2 with recommendation to add an executive committee. Option 2 mirrors the existing structure, which works well.**

Option 3 - SGMA Model

Total: 2

- **Support expressed for Option 3 with a community services district as the legal entity.**
- **Support expressed for Option 3 to be modified to form 2 GSAs under a two JPAs. RWA would fold into each.**

Not ready to state preference

Total: 2

Absent at this point in the discussion

Total: 5

Citrus Heights Water District, Fair Oaks Water District, Sacramento Suburban Water District, Agriculture, and Self-Supplied Industry directors.

SCGA – SGA – RWA

Summary: 3x3 Ad Hoc Committee

May 24, 2022 (Meeting 5)

Meeting in Brief

The 3x3 began discussing proposals for board composition and representation for a single combined board (proposed governance structure Option 2). The group discussed a direct consolidation of the existing SGA and SCGA boards and options for streamlining board seats to reduce size and improve efficiencies. Members suggested that all water purveyors should sit on a consolidated board and discussed different constellations for appropriate representation for JPA signatories and interest groups.

To better reflect its intent, the 3x3 refined the first sentence of its operating guidelines to read “The purpose of the 3x3 Ad Hoc Committee is to jointly explore effective and appropriate governance structures for the consolidation of SGA and SCGA,” to emphasize that the 3x3 is an investigatory ad hoc committee, not a decision-making body.

Next Steps

The facilitator will work with staff to consolidate the suggestions from the discussion into updated proposals on board composition.

A member suggested that Tony Firenzi and Andy Fecko would be good resources to learn from about consolidating smaller agencies. T. Firenzi is a 3x3 member but is currently on vacation.

The 3x3 will meet on June 2 from 8:00 to 9:30 a.m. to continue to discuss refinements, the 3x3’s criteria, and proposed board composition and voting for Option 2.

Additional Information on Governance Options

Facilitator Gina Bartlett, CBI, reviewed additional information on governance options under exploration that she added to the briefing document since the May 18 meeting, including:

- Two options for a consolidated board, as discussed in assessment interviews before the convening of the 3x3:
 - A large, 23-member board composed of all existing board members
 - A small board with membership revised to focus on policy and fiduciary matters
- Preliminary considerations for potential legal agreements/structures under Option 3 “Eliminate existing JPA Authority and Re-form under SGMA,” per past discussions with the 3x3:
 - Memorandum of Understanding (MOU)
 - Joint Powers Agreement (JPA)
 - Community Service District (CSD)
- A new option – a subscription model introduced before the formation of the 3x3.

The facilitator noted that CBI's preliminary research into CSDs, per interest by SGA members, indicated that a CSD would not be a viable option since CSDs are limited to unincorporated areas of a county and would not include municipalities.

Discuss Proposals for Board Composition & Representation for Option 2

Because Governance Option 2, "establish a single board, either [by] combining existing boards or a reconfiguration," garnered the most interest at the past two 3x3 meetings and at the May 17 SGA meeting, the 3x3 began discussing potential representation on a consolidated board. General board composition concepts posed by the 3x3 are described in the table, with further detail in the narrative. In this summary, CBI is outlining ideas posed by 3x3 members; none of the discussion items outlined below represents any decisions made.

Combined Board

Combining the existing SGA and SCGA boards appealed to 3x3 members as a simple and transparent option for consolidation. The 3x3 noted that a large board could be unwieldy and discussed options to reduce the number of seats while maintaining meaningful representation.

Board with Water Purveyors and / or Interests

The other concept floated was to narrow the board to water purveyors only and / or with interest seats as well. Sacramento County and the Cities of Citrus Heights, Rancho Cordova, and Elk Grove might not have seats on the board, but could have other roles as the JPA signatories. Current board members who might not be on a consolidated smaller board could shift to have seats on active advisory committees, such as a budget committee.

Other Discussion

Sacramento County Water Agency (SACWA) and Sacramento County could each have a seat. However, SACWA and Sacramento County both having seats would mean two votes for the county. This should be considered given implications for other representative interests.

Sacramento Regional County Sanitation District (Regional San) might not need a board seat because it is already an agency made up of the cities and county that are JPA signatories.

Instead of individual interest seats, all interests could be represented by a single Sacramento County seat, perhaps a planner. The special interest representatives bring knowledge and perspective that a single County representative wouldn't. Agriculture (Ag) and Agricultural- Residential (Ag Res) should have seats on the board because they are groundwater pumpers. Ag and Ag Res could have a combined seat. However, Ag-Res interests are paying as groundwater users, which might merit a seat.

The public agencies self-supplied and industry categories could be removed; they represent small groups of stakeholders.

The conservation land owner seat is intended to be an environmental representative and should be identified as such.

Board Composition	Only the existing water purveyors	All the existing water purveyors, with Sac County representing other interests	All existing water purveyors plus interest seats
	<p>No SEATS for: Sac County City of Citrus Heights City of Rancho Cordova City of Elk Grove</p> <p><i>JPA members may sit on advisory or budget committee/s</i></p> <p><i>Or consider annual meeting for JPA members not on board to provide input</i></p>	<p>No SEATS for: City of Citrus Heights City of Rancho Cordova City of Elk Grove</p> <p><i>JPA members may sit on advisory or budget committee/s</i></p> <p><i>Consider annual meeting for JPA members not on board to provide input</i></p>	<p>No SEATS for: Sac County City of Citrus Heights City of Rancho Cordova City of Elk Grove</p> <p><i>Consider annual meeting for JPA members not on board to provide input</i></p>
Interests	<p>No interest group seats</p> <p><i>Interest group representatives may sit on advisory or budget committee/s</i></p> <p><i>Note: Dropping interest seats may not be viable</i></p>	<p>One Sac County seat represents interests</p> <p><i>Note: Dropping interest seats may not be viable</i></p>	<p>Adjust Interest Reps</p> <ul style="list-style-type: none"> • Remove Public Agency & Industry Self-Supplied seats • Rename Conservation Land Owner seat as Environmental seat

A suggestion that the consolidated board could plan from its inception to reduce its size over the years, elicited interest from the 3x3.

A member also noted that the special interest considerations for the consolidated entity could change in the near future, as Omoichumne Hartnell Water District (OHWD) may annex the lower end of SCGA's geography. The annexation would:

- reduce the agricultural land in SCGA's area,
- remove the conservation land from the new board's service area, and
- reduce the area in SCGA served by Sacramento County Regional Sanitation.

Board Features depending on Composition

Members discussed different features of a combined board that could make the board run more smoothly or address issues and concerns. The 3x3 did not settle on any of these features.

- A consolidated board could operate after refining the existing JPA or rely on a new JPA while in the interim working under the existing JPA with the current signatories as decision-makers.
- JPA signatories that are not serving on the board could serve on an advisory committee or hold an annual review meeting to concur on the agency budget and work.
- An executive committee could be formed as a small nimble body that vets materials while the full board makes decisions. The executive committee could meet monthly, and the full board meet quarterly.
- The board could form a subcommittee to support organizational integration and consider modifications to the governance structure over the first 2-3 years. The subcommittee might consider further refinements in the board composition, including reducing the size of the board, depending on function and board observations. The governing board would be the final decision maker on any modifications.

Board Members

3x3 members discussed whether senior staff or elected officials should sit on a potential consolidated board, making the following points:

- Having a board of general managers or senior staff could put the most knowledgeable people in charge of decision-making.
- A board of general managers could create difficulty abiding by the Brown Act.
- Elected officials have valuable political skill that may serve organization better than the general managers' skill.

Refinement to 3x3 Operating Guidelines

In the previous meeting on May 18, the 3x3 agreed to update the first sentence of their operating guidelines to emphasize that all decision-making power about a potential consolidated governance structure sits with SCGA, SCA, and RWA, and the 3x3 is not a decision-making body.

In the May 24 meeting, Jim Peifer suggested a further revision, to ensure the operating guidelines reflect that the intent and legal approach of the 3x3 complies with the Brown Act:

The purpose of the 3x3 Ad Hoc Committee is to jointly explore effective and appropriate governance structures for the consolidation of SGA and SCGA.

The 3x3 approved the language change.

Briefing Material: SCGA and SGA Consolidation

Updated 6/2/2022

Contents

INTRODUCTION	2
2022 AD HOC 3X3 COMMITTEE MEMBERS	2
PROCESS ROADMAP	3
AD HOC 3X3 MEETINGS AND ANTICIPATED TOPICS	4
VISION FOR A CONSOLIDATED ENTITY – WORKING PROPOSAL	5
CRITERIA TO WEIGH GOVERNANCE OPTIONS	6
GOVERNANCE UNDER EXPLORATION	7
OPTION 2: ESTABLISH SINGLE BOARD	7
BOARD COMPOSITION PROPOSAL	8
VOTING	9
POTENTIAL FEATURES DEPENDING ON BOARD COMPOSITION	9
LEGAL AGREEMENTS / STRUCTURES	11
COMMUNITY SERVICES DISTRICT (CSD)	11
JOINT POWERS AGREEMENT (JPA)	11
MEMORANDUM OF AGREEMENT / UNDERSTANDING (MOA / MOU)	11
BOARD MEMBER REPRESENTATION ACROSS AUTHORITIES	12
EXISTING JOINT POWERS AGREEMENT SIGNATORIES	13
STAFFING CONCEPT – WORKING PROPOSAL	14
COST ESTIMATES – WORKING PROPOSAL	15
OPTIONS EXPLORED BY 3X3	16
OPTION 1: ESTABLISH BOARD WITH ACTIVE SUBBASIN COUNCILS	16
OPTION 3 "SGMA MODEL" - ELIMINATE EXISTING JPA AUTHORITY AND RE-FORM UNDER SGMA	17
OPTION 4: SUBSCRIPTION MODEL	18
OTHER OPTIONS CONSIDERED AND RATIONALE FOR SETTING ASIDE	18
"TRIANGLE" OPTION – RWA PROVIDES STAFF TO SGA AND SCGA	18
TIMELINE OF ACTIVITIES TO DATE	19
[3X3] AD HOC COMMITTEE OPERATING GUIDELINES	20

Minutes
Rio Linda / Elverta Community Water District
Executive Committee

June 6, 2022 @ 6:00 P.M. **65**

New Beginnings Fellowship Church
7008 10th Street
Rio Linda, CA 95673

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

Call to Order: 6:00 P.M.

Public Comment: *There were no members of the public in attendance*

Items for Discussion:

1. Engineers Update
<i>The Contract District Engineer presented his written report and provided augmenting details for the Urban Water Management Plan and the Bell Aqua project.</i>
2. Discuss Proposed Revisions to District Policy 2.20.140, Board Member Compensation for Meetings.
<i>The General Manager presented his written report and provided additional perspective of the statutory elements for compensating elected Board Members with public resources.</i> <i>The Executive Committee forwarded the proposed revision of Policy 2.20.140 onto the June 29th Board agenda with the Committee's recommendation for Board approval.</i>
3. Discuss Preliminary Budget for Fiscal Year 2022-2023.
<i>The General Manager presented his written report. Director Ridilla reviewed the preliminary budget page by page and requesting clarifications and confirmations for many of the budget items.</i> <i>The Executive Committee forwarded the preliminary budget onto the June 29th Board agenda with the Committee's recommendation for Board approval.</i>
4. Status Report on Interviewing Law Firms (respondents to legal services RFP).
<i>The General Manager provided a status report of the process of interviewing prospective law firms. 3 of the 4 law firms will be interviewed on June 24th. The fourth law firm interview is scheduled for June 28th.</i>
5. Discuss Implementing Direct Assessments for Delinquent Accounts.
<i>The General Manager presented his written report and expounded upon the additional motivation to accomplish this goal this year due to the influence of SB 998 on termination of residential water service for nonpayment. The General Manager further expressed the preference for having established the law firm to represent the District through this process.</i> <i>The Executive Committee forwarded an item onto the June 29th Board agenda with the Committee's recommendation for Board approval.</i>
6. Discuss Annual Declaration of Doubtful Recovery Debt.
<i>The General Manager presented his written report and the draft list of doubtful recovery debt.</i> <i>The Executive Committee forwarded the item onto the June 29th Board agenda with the Committee's recommendation for Board approval.</i>

7.	Discuss Date/Time/Location for July Executive Committee Meeting (July 4 th falls on the 1 st Monday).
	<i>The General Manager presented his written report detailing the need to change the date of the July Executive Committee meeting. Director Gifford suggested we hold the July meeting at 6:00 P.M. on July 7th at the New Beginnings Fellowship, 7008 10th St. Rio Linda. Director Ridilla agreed.</i>
8.	Discuss Expenditures for April 2022.
	<i>The Executive Committee forwarded the April Expenditures report onto the June 29th Board agenda with the Committee's recommendation for Board approval.</i>
9.	Discuss Financial Reports for April 2022.
	<i>The Executive Committee forwarded the April Financials report onto the June 29th Board agenda with the Committee's recommendation for Board approval.</i>

Directors' and General Manager Comments:

The General Manager shared that he will need to take a few days this month due to family matters.

Items Requested for Next Month's Committee Agenda

None

Adjournment 6:46 P.M.