

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

March 15, 2021 (6:30 p.m.)

NOTICE: THIS MEETING WILL BE HELD IN ACCORDANCE WITH EXECUTIVE ORDER N-29-20, ISSUED BY CALIFORNIA GOVERNOR GAVIN NEWSOM ON MARCH 17, 2020, THE RALPH M. BROWN ACT (CALIFORNIA GOVERNMENT CODE SECTION 54950, ET SEQ.), AND THE FEDERAL AMERICANS WITH DISABILITIES ACT.

THIS MEETING WILL NOT BE PHYSICALLY OPEN TO THE PUBLIC. ALL MEMBERS OF THE PUBLIC MAY PARTICIPATE IN THE MEETING VIA VIDEO CONFERENCE OR BY TELEPHONE

Join Zoom Meeting
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Meeting ID: 824 8906 7692
Passcode: 577859
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Our Mission is to provide a safe and reliable water supply in a cost-effective manner.

AGENDA

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

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

1. CALL TO ORDER, ROLL CALL

2. PUBLIC COMMENT

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

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

3.1. Minutes

February 22, 2021

The Board is being asked to approve the Minutes from the February 22, 2021 Regular Board Meeting.

3.2. Expenditures

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

3.3. Financial Reports

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

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

4.1. GM Report

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

4.2. District Engineer’s Report

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

4.2.2. Consider rejecting all responses to the Request for Proposals (RFP) for pipe replacement.

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

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

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

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

5. INFORMATION ITEMS

5.1. District Activities Reports

5.1.1. Water Operations Report

5.1.2. Conservation Report

5.1.3. Completed and Pending Items Report

5.2. Board Member Reports

5.2.1. Report any ad hoc committees dissolved by requirements in Policy 2.01.065

5.2.2. Sacramento Groundwater Authority – Harris (primary), Reisig

5.2.3. Sacramento Groundwater Authority (with RWA and SCGA) 3x3- Reisig

5.2.4. Executive Committee – Jason Green, Robert Reisig

5.2.5. ACWA/JPIA – Ridilla

5.2.6. Sacramento County LAFCo, Special Districts Advisory Committee - Reisig

6. DIRECTORS’ AND GENERAL MANAGER COMMENTS

7. ADJOURNMENT

Upcoming meetings:

Executive Committee

April 5, 2021, Monday, 6:00 pm remote meeting, in-person attendance option to be determined.

Board Meeting

April 19, 2021, Monday, 6:30 pm remote meeting, in-person attendance option to be determined.



**Consent Calendar
Agenda Item: 3.1**

Date: March 15, 2021

Subject: Minutes

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

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

Current Background and Justification:

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

Conclusion:

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

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla:_____ Harris:_____ Jason Green_____ Gifford_____ Reisig_____.

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

**MINUTES OF THE FEBRUARY 22, 2021
BOARD OF DIRECTORS REGULAR MEETING
OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT**

1. CALL TO ORDER, ROLL CALL

The February 22, 2021 meeting of the Board of Directors of the Rio Linda/Elverta Community Water District called to order at 6:34 p.m. via Zoom Video Conference. (late due to technical difficulties experienced by Board Member seeking to participate) This meeting was held in accordance with executive order n-29-20, issued by California governor Gavin Newsom on March 17, 2020, the Ralph M. Brown act (California government code section 54950, et seq.), and the federal Americans with disabilities act. General Manager Tim Shaw took roll call of the Board of Directors. President Jason Green, Director Robert Reisig, Director Mary Harris, Director Chris Gifford, Director Ridilla and General Manager Tim Shaw, and Legal Counsel Kerry Fuller were present. Public Member (Stephanie Suela) was present.

2. PUBLIC COMMENT

No public comment.

3. CONSENT CALENDAR

3.1 Minutes – January 25, 2021

3.2 November Expenditures

3.3 November Financial Reports

GM Shaw indicated that staff has discovered an error in the expenditures report approved/forwarded by the error, which was inadvertent, misnumbered a check in the original report. The GM provided a corrected report and recommended the Board consider approving the corrected version.

Director Harris indicated that the draft minutes of the January 25th RLECWD Board meeting were inaccurate. Director Harris specifically indicated that Item 4.4 on the 1-25-2021 minutes should read that the action taken by the Board was to postpone consideration of the customer water consumption data access options until staff has completed customer outreach to determine the number of customers who may be interested in accessing their water consumption data. Director Ridilla, who had made the motion for item 4.4 at the 1-25-2021 meeting, agreed with Director Harris on the intent of his motion.

It was moved by Director Harris and seconded by Director Ridilla to approve the Consent Calendar with the Expenditure Report and the corrected minutes of the 1-25-2021 meeting. Directors Green, Ridilla, Gifford and Harris voted yes. The motion carried with a roll call vote of 4-0-0. Director Reisig unable to participate due to technical difficulties.

REGULAR CALENDAR

4. ITEMS FOR DISCUSSION AND ACTION

4.1 General Manager's Report

GM Shaw provided a written report.

Director Harris inquired about the "new office phone system consultant". GM Shaw explained that the previous office phone system consultant departed under confrontational circumstances, which included a period of time where the phone system was inaccessible and completely dysfunctional. The new consultant helped the District recover its phone system and is being asked to evaluate the feasibility of features the original consultant could not properly configure. Director Harris expressed questions about

the status of SB 606 and AB 1668 (so called water use efficiency mandates). GM Shaw responded that SB 606 and AB 1668 have been law for awhile now. The 55-gals per day per person for indoor use has received most of the media attention. However, the state continues to work on establishing the definitions for efficient outdoor water use. The messaging and details provided by the state indicate the key elements of outdoor water efficiency will be irrigable acreage and climate within the service areas of the water purveyors.

The Board made no action on this item.

4.2 District Engineer's Report – Mike Vasquez

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

Director Green had some questions/requested confirmations on the Fox Hallow project, e.g., where it's planned and when it was originally approved by Sacramento County Planning. Engineer Vasquez had additional updates on the status of the Well 16 Pumping Station. Director Harris asked about the Hexavalent Chromium analysis results for Well 16. Engineer Vasquez responded the results were 6.4 parts per billion (PPB), which is below the anticipated re-established Maximum Contaminant Level (MCL) for Hexavalent Chromium.

The Board made no action on this item.

4.3 Consider selecting and authorizing an option for providing water consumption data to RLECWD customers.

At the January 25th Board meeting, the Board declined to authorize moving forward with phase 2 of the Innov8 /WaterScope pilot study. Consequently, several months of effort toward evaluating a scalable option for customer access to consumption data has been parked. The only other option for consumption data is not scalable. As such, a non-scalable option requires a rate increase.

The absence of any consumption data tool equates to the District poised to perform a rate restructuring which will increase the relevance of the volume of each customer's consumption without providing those customers with a tool to evaluate the ways and means for changing their water consumption patterns. Additional discussion at the 2-8-2021 Executive Committee is documented in the minutes of that meeting (included with your Board packet documents).

The Executive Committee remains in support of exploring and promulgating the scalable option for providing customers with water consumption data, Innov8 / WaterScope. The Executive Committee is mindful of the concerns expressed by other Board Members at the January 25th meeting. Accordingly, the Executive Committee supports purchasing an additional 25 Innov8 devices (down from 50 devices discussed at the January 25th Board meeting). Metron Farnier has confirmed that 25 new devices is reasonable for confirming the integration of Innov8 / WaterScope with the District's billing software, CUSI. If phase 2 of the Innov8/pilot test confirms compatibility with CUSI, the Executive Committee is confident there will be at least thirty (25 new devices + 5 existing devices) customers who will enroll to receive consumption data.

The Executive Committee opines the Board should select one of three options on consumption data at the February 22nd Board meeting:

1. Phase 2 of the pilot study for Innov8 / Water Scope (scalable option funded by a bimonthly fee to only the customers enrolling in the option).
2. Non-scalable consumption data software, e.g., DropCountr, funding for such to be from rates. The Rate Study / Cost of Services Analysis would need to be revised to add approximately \$0.50 (50-cents) of fixed cost to every customer's bimonthly charge.

3. Intentionally decline to provide any consumption data to customers, knowing that the proposed rate restructuring with emphasis shifted to the volumetric portion of rates will likely inspire customer demand for consumption data.

Directors Comments-

Director Harris stated she did not understand why the February 8th Executive Committee forwarded this item onto tonight's agenda given that outreach to gauge customer interest in consumption data was not completed. General Manager Shaw explained that the District is on the cusp of implementing a rate restructuring, which will shift the emphasis for the water bills toward the volumetric component. The Executive Committee has repeatedly expressed a preference for providing customers with access to their water consumption data at or before the time the rates are restructured. Director Harris asked the General Manager, "when have you scheduled the rate increase to begin". Director Ridilla responded to request that Director Harris and the District refer to the process as rate restructuring because the majority of the District's customers will experience a lowering of their bills. General Manager Shaw responded that shortly after the Board voted to engage the rate study / cost of service consultant, the consultant asked the Board to stipulate the timing for rate structure adjustment. The General Manager explained that the Board voted to plan for implementing the rate structure adjustment with an effective date of July 1, 2021. Such adjustment is subject to a Proposition 218 process and timing. Director Harris conveyed that she believes it is irresponsible of the District to implement a rate increase during a pandemic when public members cannot attend the meetings in-person. No public comment on this item.

Public Comments-

Public Member Suela expressed agreement with Director Harris. Directors Green, Ridilla and Reisig expressed opposing arguments including the ongoing drought, the disproportionate fixed charge components in the existing rate structure and the appropriateness of charging more for inefficient water use than for efficient water use. Helping currently inefficient water use customers make the necessary water consumption habits changes by providing access to consumption data details is why we are exploring options.

Directors Comments-

Director Ridilla expressed that he had concerns about purchasing too many devices too soon, which had been influenced his opposing moving forward with he item on the 1-25-2021 agenda. Director Green opined that he is confident at least 25 customers will seek the benefits of the Innov8 devices and software.

Public Comments-

Public Member Suela opined that the District's decision to decline to pay \$10,000 to Neptune for transferring consumption data from the on-site Neptune server to the Neptune cloud is inconsistent with the values expressed for consumption data.

General Manager Comments-

GM Shaw responded that Neptune dictated the change to cloud service, it was not an option given to the District. At the end of the transition to the cloud, Neptune provided a quote (\$10,000) to transfer consumption data, which would be limited to only the bimonthly read data, which is also likely available in our CUSI billing system. The old Neptune data is not as detailed as the current every 15-minutes of readings available through the Neptune 360 software.

Public Comments-

Public Member Suela asked for a list of neighboring water purveyors who are using Innov8 registers and WaterScope software.

General Manager Comments-

GM Shaw responded to indicate many of the neighboring agencies that are providing consumption data access are doing so with the leading software WaterSmart. The General Manager indicate that is a legitimate option, but one that must be funded via a rate increase, where every ratepayer will pay more even if only a

few ratepayers enroll to receive access to the consumption data. Furthermore, WaterSmart was originally only offered to water purveyors with more than 10,000 connections (more than double then number of RLECWD connections).

Director Comments-

Director Harris suggested that the District could use the \$10,000 saved by not funding the consumption data export from on-site Neptune server to the Neptune Cloud.

General Manager Comments-

GM Shaw responded that savings is only possible if the District had ever budgeted for the export cost. Neptune did NOT inform the District of the eventual cost, and the District did not budget for the expenditure. So, there is no \$10,000 excess funding to use.

It was moved by Director Ridilla and seconded by Director Green to authorize the purchase of the additional twenty-five (25) Innov8 devices in accordance with the Terms and Conditions included with the Innov8 Warranty document. Directors Reisig, Ridilla, Gifford and Green voted yes. Director Harris voted No. The motion carried with roll call vote of 4-1-0.

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

No Public Comment on this item.

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

5 INFORMATION ITEMS

5.1. DISTRICT ACTIVITY REPORT

5.1.1. Water Operations - Report provided.

5.1.2. Conservation - Report Provided.

5.1.3 Completed and Pending Items Report- Report provided.

Director Comments- Director Green asked for clarifications on the reasons for meter replacement (Operations Report Agenda Item 5.1.1)

5.2. BOARD REPORTS

5.2.1. Report any ad hoc committees dissolved by requirements in Policy 2.01.065

5.2.2. Sacramento Groundwater Authority – Harris, Reisig.

5.2.3. Sacramento Groundwater Authority (RWA and SCGA) 3x3- Reisig- No Meeting.

5.2.4 Executive Committee – Green, Reisig - Minutes provided.

5.2.4. ACWA/JPIA – Ridilla - No Report

There was general discussion from the Board on the SGA meeting on the topics of the proposed staff increases and corresponding dues increases for member agencies. Director Reisig provided summation of corresponding dialog at the 3X3 Committee (RWA, SGA, SCGA). Director Reisig shared that staffing models have been identified as key attributes for moving forward and further shared that a facilitator has been engaged to help find a consensus. However, it's less definitive as to whether the facilitator should meet with just SGA Board Members, just SGA executive staff, or all of the SGA and SCGA Board Members and staff at the same time.

Comments from Directors and Staff: Director Ridilla shared that he and the other Board members recently received the reminder from Sacramento County about the annual filing of Statement of Economic

Interests (Form 700). Director Harris expressed the challenges she incurs from accessing the Sacramento County Form 700 website from her new computer.

6. DIRECTORS' AND GENERAL MANAGER COMMENTS –

7. ADJOURNMENT

Director Green adjourned the meeting at 8:05 p.m.
Respectfully submitted,

Timothy R. Shaw, Secretary

Jason Green, President of the Board



**Consent Calendar
Agenda Item: 3.2**

Date: March 15, 2021

Subject: Expenditures

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

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

Current Background and Justification:

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

Conclusion:

I recommend the Board approve the Expenditures for January 2021.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla:____Harris:____ Jason Green _____ Gifford_____Reisig_____.

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

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

Type	Date	Num	Name	Memo	Amount
Liability Check	01/13/2021	EFT	QuickBooks Payroll Service	For PP Ending 01/09/21 Pay date 01/14/21	17,349.71
Bill Pmt -Check	01/14/2021	EFT	WageWorks	FSA Administration Fee	76.25
Liability Check	01/14/2021	EFT	CalPERS	For PP Ending 01/09/21 Pay date 01/14/21	2,912.57
Liability Check	01/14/2021	EFT	CalPERS	For PP Ending 01/09/21 Pay date 01/14/21	1,119.77
Liability Check	01/14/2021	EFT	Internal Revenue Service	Employment Taxes	6,933.52
Liability Check	01/14/2021	EFT	Employment Development	Employment Taxes	1,399.20
Bill Pmt -Check	01/14/2021	EFT	Adept	Computer Maintenance	1,208.00
Bill Pmt -Check	01/14/2021	EFT	Comcast	Phone/Internet	236.57
Liability Check	01/14/2021	EFT	Empower	Deferred Compensation Plan: Employer & Employee Share	1,847.44
Bill Pmt -Check	01/14/2021	EFT	PG&E	Utilities	216.88
Bill Pmt -Check	01/14/2021	EFT	Republic Services	Utilities	84.71
Bill Pmt -Check	01/14/2021	EFT	Umpqua Bank CC	Computer, Postage	252.96
Bill Pmt -Check	01/14/2021	EFT	Verizon	Field Communication, Field IT	538.96
Bill Pmt -Check	01/14/2021	EFT	Voyager Fleet Commander	Transportation Fuel	104.94
Bill Pmt -Check	01/17/2021	EFT	ARCO	Transportation Fuel	517.58
Transfer	01/14/2021	EFT	RLECWD	Umpqua Bank Monthly Debt Service Transfer	16,500.00
Transfer	01/14/2021	EFT	RLECWD - Capital Improvement	Current Monthly Transfer	45,750.00
Check	01/14/2021	1551	Suncrest Bank	Meter Loan Payment	29,256.96
Liability Check	01/14/2021	1552	Teamsters Local	Union Dues-Employee Paid	686.00
Check	01/14/2021	1553	Customer	Hydrant Meter Refund	100.20
Bill Pmt -Check	01/14/2021	1554	ABS Direct	Postage & Printing	263.45
Bill Pmt -Check	01/14/2021	1555	ACWA/JPIA Powers Insurance Authority	EAP	25.70
Bill Pmt -Check	01/14/2021	1556	BSK Associates	Lab Fees	405.00
Bill Pmt -Check	01/14/2021	1557	Buckmaster Office Solutions	Office Equipment Expense	37.93
Bill Pmt -Check	01/14/2021	1558	Continental Utility Solutions	Annual Maintenance Service	2,000.00
Bill Pmt -Check	01/14/2021	1559	CoreLogic Solutions	Metro Scan	134.75
Bill Pmt -Check	01/14/2021	1560	EKI Environmental & Water	Engineering	5,000.00
Bill Pmt -Check	01/14/2021	1561	Elk Grove Security	Security	84.00
Bill Pmt -Check	01/14/2021	1562	ICONIX Waterworks	Distribution Supplies	986.99
Bill Pmt -Check	01/14/2021	1563	Intermedia.net	Phone/Internet	93.18
Bill Pmt -Check	01/14/2021	1564	Mitch's Certified Classes	Backflow	700.00
Bill Pmt -Check	01/14/2021	1565	O'Reilly Automotive	Transportation Maintenance	176.30
Bill Pmt -Check	01/14/2021	1566	Pacific Shredding	Office Expense	27.00
Bill Pmt -Check	01/14/2021	1567	Phefan, Michael	Retiree Insurance	3,150.00
Bill Pmt -Check	01/14/2021	1568	Rio Linda Elverta Recreation & Park	Meeting Fee	50.00
Bill Pmt -Check	01/14/2021	1569	Rio Linda Hardware & Building Supply	Shop Supplies	311.16
Bill Pmt -Check	01/14/2021	1570	Sacramento Business Journal	Subscription	110.00
Bill Pmt -Check	01/14/2021	1571	Sacramento County Utilities	Utilities	113.70
Bill Pmt -Check	01/14/2021	1572	Safety-Kleen Systems	Transportation Maintenance	348.20
Bill Pmt -Check	01/14/2021	1573	SMUD	Utilities	15,661.18
Bill Pmt -Check	01/14/2021	1574	State Water Resources Control Board	Permit	20,421.50
Bill Pmt -Check	01/14/2021	1575	Unifirst Corporation	Uniforms	227.64



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

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	01/14/2021	1576	Vanguard Cleaning Systems	Janitorial	195.00
Bill Pmt -Check	01/14/2021	1577	WellTec, Inc	Pumping Maintenance	2,303.40
Bill Pmt -Check	01/14/2021	1578	Anvil Builders	Capital Improvement: Well 16	408,928.01
Bill Pmt -Check	01/14/2021	1579	Ferguson Enterprises	Capital Improvement: Small Meter Replacement	27,721.92
Liability Check	01/27/2021	EFT	QuickBooks Payroll Service	For PP Ending 01/23/21 Pay date 01/28/21	17,236.26
Liability Check	01/28/2021	EFT	CalPERS	For PP Ending 01/23/21 Pay date 01/28/21	2,912.57
Liability Check	01/28/2021	EFT	CalPERS	For PP Ending 01/23/21 Pay date 01/28/21	1,119.77
Liability Check	01/28/2021	EFT	Internal Revenue Service	Employment Taxes	6,891.10
Liability Check	01/28/2021	EFT	Employment Development	Employment Taxes	1,369.99
Liability Check	01/28/2021	EFT	Empower	Deferred Compensation Plan: Employer & Employee Share	1,835.83
Liability Check	01/28/2021	EFT	Kaiser Permanente	Health Insurance	2,654.19
Liability Check	01/28/2021	EFT	Principal	Dental & Vision Insurance	1,587.66
Liability Check	01/28/2021	EFT	Western Health Advantage	Health Insurance	9,491.61
Bill Pmt -Check	01/28/2021	EFT	Voyager	Transportation Fuel	49.11
Transfer	01/28/2021	EFT	RLECWD - LAIF	Capacity Fee Transfer	15,000.00
Bill Pmt -Check	01/28/2021	1580	BSK Associates	Lab Fees	510.00
Bill Pmt -Check	01/28/2021	1581	Buckmaster Office Solutions	Office Equipment Expense	27.65
Bill Pmt -Check	01/28/2021	1582	Churchwell White	Legal Fees	364.80
Bill Pmt -Check	01/28/2021	1583	GM Construction & Developers	Contract Repairs	1,200.00
Bill Pmt -Check	01/28/2021	1584	Sierra Chemical Company	Chemical Supplies	861.30
Bill Pmt -Check	01/28/2021	1585	Spok, Inc	Field Communication	15.40
Bill Pmt -Check	01/28/2021	1586	Staples	Office Expense	113.78
Bill Pmt -Check	01/28/2021	1587	UniFirst Corporation	Uniforms	265.94
Bill Pmt -Check	01/28/2021	1588	WellTec, Inc	Pumping Maintenance	4,517.29
Total 10000 - Bank - Operating Account					<u>684,592.48</u>

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

Type	Date	Num	Payee	Memo	Amount
Transfer	01/14/2021	EFT	RLECWD	CIP Expense Transfer: Refer to operating check numbers: 1549, 1550, 1578 & EFT Payment to Adept Solutions	412,970.10
10385 · Pacific Premier Bank Checking					<u>412,970.10</u>
Type	Date	Num	Payee	Memo	Amount
Transfer	01/14/2021	EFT	RLECWD	CIP Expense Transfer: Refer to operating check numbers: 1579	27,721.92
10475 · Capital Improvement-Umpqua Bank					<u>27,721.92</u>





Consent Calendar Agenda Item: 3.3

Date: March 15, 2021

Subject: Financial Reports

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

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

Current Background and Justification:

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

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

Conclusion:

I recommend the Board approve the Financial Reports for December 2020.

Board Action / Motion

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

Rio Linda Elverta Community Water District

Balance Sheet

As of January 31, 2021

9

ASSETS

Current Assets

Checking/Savings

100 · Cash & Cash Equivalents	
10000 · Operating Account	
10020 · Operating Fund-Umpqua	788,944.48
Total 10000 · Operating Account	<u>788,944.48</u>
10475 · Capital Improvement	
10480 · General	321,297.26
10485 · Vehicle Replacement Reserve	15,000.00
Total 10450 · Capital Improvement	<u>336,297.26</u>
10490 · Future Capital Imp Projects	1,397,008.59
Total 100 · Cash & Cash Equivalents	<u>2,522,250.33</u>

102 · Restricted Assets

102.2 · Restricted for Debt Service	
10700 · ZIONS Inv/Surcharge Reserve	526,151.16
10300 · Surcharge 1 Account	695,499.97
10350 · Umpqua Bank Debt Service	64,296.48
10380 · Surcharge 2 Account	283,849.89
10385 · OpusBank Checking	876,412.24
Total 102.2 · Restricted for Debt Service	<u>2,446,209.74</u>
102.4 · Restricted Other Purposes	
10600 · LAIF Account	335,435.40
10650 · Operating Reserve Fund	301,757.65
Total 102.4 · Restricted Other Purposes	<u>637,193.05</u>

Total 102 · Restricted Assets 3,083,402.79

Total Checking/Savings 5,605,653.12

Accounts Receivable 505,200.00

Other Current Assets

12000 · Water Utility Receivable	530,591.28
12200 · Accrued Revenue	0.00
12250 · Accrued Interest Receivable	987.62
15000 · Inventory Asset	68,727.94
16000 · Prepaid Expense	72,777.34
Total Other Current Assets	<u>673,084.18</u>

Total Current Assets 6,783,937.30

Fixed Assets

17000 · General Plant Assets	709,029.25
17100 · Water System Facilities	22,408,890.57
17300 · Intangible Assets	373,043.42
17500 · Accum Depreciation & Amort	-9,894,836.59
18000 · Construction in Progress	2,498,738.27
18100 · Land	576,673.45
Total Fixed Assets	<u>16,671,538.37</u>

Other Assets

19000 · Deferred Outflows	227,638.00
19900 · Suspense Account	0.00
Total Other Assets	<u>227,638.00</u>

TOTAL ASSETS 23,683,113.67

Rio Linda Elverta Community Water District

Balance Sheet

As of January 31, 2021

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable	4,246.16
Credit Cards	60.00
Other Current Liabilities	841,010.87

Total Current Liabilities 845,317.03

Long Term Liabilities

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

Total Long Term Liabilities 10,605,992.84

Total Liabilities 11,451,309.87

Equity

31500 · Invested in Capital Assets, Net	8,842,880.46
32000 · Restricted for Debt Service	705,225.24
38000 · Unrestricted Equity	2,121,845.12
Net Income	561,852.98

Total Equity 12,231,803.80

TOTAL LIABILITIES & EQUITY 23,683,113.67

Rio Linda Elverta Community Water District
 Operating Profit & Loss Budget Performance
 As of January 31, 2021

10

	<u>Annual Budget</u>	<u>Jan 21</u>	<u>Jul 20-Jan 21</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
Ordinary Income/Expense					
Income					
Total 40000 · Operating Revenue	2,719,575.00	241,695.14	1,619,539.72	59.55%	1,100,035.28
41000 · Nonoperating Revenue					
41110 · Investment Revenue					
41112 · Interest Revenue	400.00	534.16	673.72	168.43%	-273.72
Surcharge Total 41110 · Investment Revenue	400.00	534.16	673.72	168.43%	-273.72
41120 · Property Tax	88,500.00	58,059.90	60,478.30	68.34%	28,021.70
Total 41000 · Nonoperating Revenue	88,900.00	58,594.06	61,152.02	68.79%	27,747.98
Total Income	<u>2,808,475.00</u>	<u>300,289.20</u>	<u>1,680,691.74</u>	<u>59.84%</u>	<u>1,127,783.26</u>
Gross Income	2,808,475.00	300,289.20	1,680,691.74	59.84%	1,127,783.26
Expense					
60000 · Operating Expenses					
60010 · Professional Fees	135,000.00	6,056.26	60,938.75	45.14%	74,061.25
60100 · Personnel Services					
60110 · Salaries & Wages	729,867.00	54,548.06	407,693.44	55.86%	322,173.56
60150 · Employee Benefits & Expense	489,145.00	32,382.78	238,842.17	48.83%	250,302.83
Total 60100 · Personnel Services	1,219,012.00	86,930.84	646,535.61	53.04%	572,476.39
60200 · Administration	205,010.00	10,997.26	125,710.07	61.32%	79,299.93
64000 · Conservation	300.00	0.00	0.00	0.00%	300.00
65000 · Field Operations	436,400.00	27,556.45	238,756.14	54.71%	197,643.86
Total 60000 · Operating Expenses	1,995,722.00	131,540.81	1,071,940.57	53.71%	923,781.43
69000 · Non-Operating Expenses					
69010 · Debt Service					
69100 · Revenue Bond					
69105 · Principle	145,736.00	0.00	59,736.00	40.99%	86,000.00
69110 · Interest	57,490.00	0.00	29,191.24	50.78%	28,298.76
Total 69100 · Revenue Bond	203,226.00	0.00	88,927.24	43.76%	114,298.76
69125 · AMI Meter Loan					
69130 · Principle	48,281.00	25,085.92	49,788.94	103.12%	-1,507.94
69135 · Interest	10,233.00	4,171.04	8,724.98	85.26%	1,508.02
Total 69125 · AMI Meter Loan	58,514.00	29,256.96	58,513.92	100.00%	0.08
Total 69010 · Debt Service	261,740.00	29,256.96	147,441.16	56.33%	114,298.84
69400 · Other Non-Operating Expense	2,000.00	0.00	0.00	0.00%	2,000.00
Total 69000 · Non-Operating Expenses	263,740.00	29,256.96	147,441.16	55.90%	116,298.84
Total Expense	<u>2,259,462.00</u>	<u>160,797.77</u>	<u>1,219,381.73</u>	<u>53.97%</u>	<u>1,040,080.27</u>
Net Ordinary Income	<u>549,013.00</u>	<u>139,491.43</u>	<u>461,310.01</u>		
Net Income	<u>549,013.00</u>	<u>139,491.43</u>	<u>461,310.01</u>		

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

	GENERAL		VEHICLE REPLACEMENT		FUTURE CAPITAL IMPROVEMENT PROJECTS	
	Annual Budget	YTD Actual	Annual Budget	YTD Actual	Annual Budget	YTD Actual
FUNDING SOURCES						
Fund Transfers						
Operating Fund Transfers In	549,013.00	320,250.00	-	-	-	-
CIP Fund Intrafund Transfers	(456,670.00)	-	75,000.00	-	381,670.00	-
Beginning Balance Redistribution	(1,396,338.00)	(1,396,338.00)	-	-	1,396,338.00	1,396,338.00
Surcharge 2 Surplus Repayment	107,171.00	-	-	-	-	-
Investment Revenue	-	106.66	-	-	3,500.00	777.25
PROJECTS						
A - WATER SUPPLY						
A-1 - Miscellaneous Pump Replacements	40,000.00	-	-	-	-	-
Total A - WATER SUPPLY	40,000.00	-	-	-	-	-
B - WATER DISTRIBUTION						
B-1 - Service Replacements	30,000.00	9,114.98	-	-	-	-
B-2 - Small Meter Replacements	120,000.00	67,932.39	-	-	-	-
B-3 - Large Meter Replacements	5,000.00	-	-	-	-	-
Total B - WATER DISTRIBUTION	155,000.00	77,047.37	-	-	-	-
TOTAL BUDGETED PROJECT EXPENDITURES	195,000.00	77,047.37	-	-	-	-



Items for Discussion and Action Agenda Item: 4.1

Date: March 15 , 2021
Subject: General Manager's Report
Staff Contact: Timothy R. Shaw

Recommended Committee Action:

N/A this item is not reviewed by committee.

Current Background and Justification:

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

Conclusion:

No Board action is anticipated for this item.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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



Date: March 15, 2021

Subject: General Manager Report

Staff Contact: Timothy R. Shaw, General Manager

For the given month, I participated in the following reoccurring meetings and special events: H.R. tasks and responsibilities demanded my attention for this reporting period. One of the issues that unexpectedly consumed District resources is the continued degradation of postal service. The number of parcels that the District mails, but that are returned to the District as “undeliverable” for a host of arbitrary, invalid reasons reached the untenable level. An emblematic example was a parcel mailed from the District to the State Water Resources Control Board in the pre-addressed, postage paid envelop provided by the State Water Resources Control Board. The returned mail was stamped, “undeliverable as addressed”.

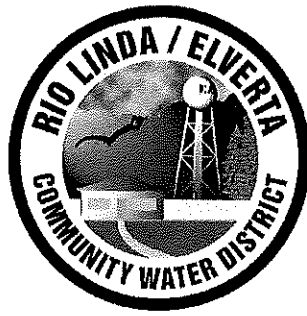
1. On Feb 23rd, the Operations Superintendent and I met Mike Heller, GM of the Parks District. We discussed the side-by-side comparisons of various parks water bills under the existing rate structure and under the proposed new rate structure. We also discussed Babe Best Park consumption, which endured about 6-weeks of very high water usage in October and November, then a sudden drop back to reasonable volumes. The phenomenon becomes more noteworthy given that one of the Innov8 phase 1 devices is installed at Babe Best, but no notifications structure had been implemented.
2. On Mar 1st, the Operations Superintendent, the Contract District Engineer and I met to review the status of negotiations with the respondent to the pipe replacement Request for Proposals (RFP).
3. On Mar 2nd, I participated in a Water Forum, Water Caucus meeting.
4. On Mar 4th, I participated in an ACWA Groundwater Committee meeting. There were, at one point 106 participants in the virtual meeting. The meeting was long, and oddly sans an agenda. It seemed as if ACWA felt it had been too long since its last meeting, so they called a meeting without necessarily needing a meeting. One common theme among the speakers was the drought/climate change.
5. On Mar 8th, our 457 Deferred Compensation administrator was on site to help the new employee set up his investments and answer any questions from existing employees.
6. On Mar 10th (morning), I met with Allison Lechowicz, the District’s rate study consultant to discuss minor refinements of her rate study presentation.

7. On Mar 10th (afternoon), I met with Sacramento County Planning regarding the Elverta Specific Plan.

Additional items of interest:

The meeting requested by Sacramento County Planning on March 10th was a precursor to a planned upcoming meeting with the Sacramento County Board of Supervisors, where the Board of Supervisors may review the actions taken regarding the Elverta Specific Plan and the project's compliance with the alternative criteria for PF-8.

Although RLECWD is no longer a member agency of the Regional Water Authority (RWA), there are some interesting documents included in the March 11th RWA meeting packet. The Executive Directors Report includes correspondence between Elk Grove Water District and Jim Peifer (RWA/SGA) and John Woodling (SCGA).



Items for Discussion and Action Agenda Item: 4.2

Date: March 15, 2021
Subject: District Engineer's Report
Staff Contact: Mike Vasquez, District Engineer

Recommended Committee Action:

N/A this item is not discussed at committees.

Current Background and Justification:

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

Conclusion:

There is no Board action anticipated for this item.

10 March 2021

DISTRICT ENGINEER'S REPORT

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

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

Subject: **District Engineer's Report for the 15 March 2021 Board of Directors Meeting**

The District Engineer is pleased to submit this brief update of duties and tasks performed for the period of 18 February 2021 to 10 March 2021:

1. General District Engineering:

- Electric Avenue Development (7 Lots between Cypress Street and Elverta Road): Staff has reviewed improvement plans submitted by the developer and have deemed them complete. Staff is waiting for the developer to submit hard copies of the improvement plans for General Manager signature.
- Fox Hollow Development (28 lots 6th Street between Q Street and S Street): The General Manager signed the development's improvement plans on 2/8/2021. The next step is for the developer to notify the District when/if they intend to begin construction.
- 428 West Delano Street Development (5 lots, between El Rio Avenue and Marindell Street): This is the same developer as the Electric Avenue Development. The developer has not submitted improvement plans to the District for review.
- 6515 & 6533 14th Street Development (2 lots, between Elkhorn Boulevard and K Street): Staff has reviewed improvement plans submitted by the developer and have deemed them complete. Staff is waiting for the developer to submit hard copies of the improvement plans for General Manager signature.
- Archway Avenue Extension (2 lots, west of Paladin Way): The developer submitted draft improvement plans for the extension of water main facilities. Staff provided comments and is waiting for the developer to resubmit plans. The developer is currently coordinating with the Sacramento Metropolitan Fire District to determine required fire flows for the development, which could result in the developer's responsibility to upsize the District's water system in the project area should the development be deemed feasible.
- Shingle Wood Way Residential Development (24 lots, between O Street and Q Street): A potential developer inquired about the District's existing water infrastructure near the site. This development has been proposed in the past. The developer has not submitted improvement plans to the District for review.

Tim Shaw, General Manager, RL/ECWD
District Engineer's Report
10 March 2021
Page 2 of 2



2. Well 16 Pump Station Construction Project:

- The Well 16 Pump Station Construction Project is substantially complete. Staff is currently working with the construction contractor to obtain final construction closeout documentation.
- The Operations Superintendent and District Engineer met with State Water Resources Control Board Division of Drinking Water staff on 2/22/2021 to coordinate final Water Board review and approval of Well 16's permanent connection to the District's distribution system. It is anticipated for the District to receive final approval and operation permit from the Water Board in late March.

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

Very truly yours,

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



Items for Discussion and Action

Agenda Item: 4.2.2

Date: March 15, 2021

Subject: Consider Rejecting all Responses for 2020-2021 Pipe Replacement Project

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

Recommended Committee Action:

The Executive Committee forwarded an item onto the March 15, 2021 Board agenda to allow Board consideration to:

- 1.Reject all responses to the 2020/2021 Pipe Replacement Project Request for Proposals (RFP) and,
- 2.Direct staff to prepare a new RFP that will solicit responses from contractors to perform construction services for a new Pipe Replacement Project by combining Capital Improvement Program (CIP) Annual Pipe Replacement Project budgets for fiscal years 2020/2021 and 2021/2022.

Current Background and Justification:

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

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

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

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

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

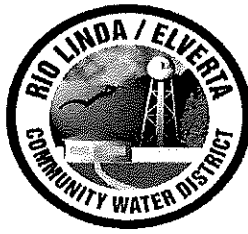
Conclusion:

I recommend the Board reject all responses received for the 2020/2021 Pipe Replacement Project RFP and direct staff to prepare a new RFP that will solicit responses from contractors to perform construction services for a new Pipe Replacement Project by combining CIP Annual Pipe Replacement Project budgets for fiscal years 2020/2021 and 2021/2022.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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



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

Date: March 15, 2021

Subject: In-Person Public Meetings for RLECWD

Staff Contact: Timothy R. Shaw

Recommended Committee Action:

The Executive Committee forwarded this item onto the March 15th Board agenda. The Executive Committee intentionally withheld any recommendation for Board action.

Current Background and Justification:

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

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

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

Conclusion:

The Board can take action to resume in-person public meeting options. However, if such Board action is taken, the Board should also stipulate the mandate minimum social distancing and wearing of masks. Further, the Board should consider the additional costs of paying an employee to serve as virtual meeting administrator during the meetings.

Board Action / Motion

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

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

RLECWD Agenda Item Checklist

Item 4.3

Date

Initial Potential Meeting Date

03/15/2021

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

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

02/25/2021

Staff Work Completed

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

Committee Review of Item and Staff Work

03/01/2021

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

Formal Legal Counsel Review

N/A

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

GM Review

03/11/2021

Actual Meeting Date Set for Agenda Item

03/15/2021



Items for Discussion and Action

Agenda Item: 4.4

Date: March 15, 2021
Subject: Rate Study / Cost of Service Analysis
Staff Contact: Timothy R. Shaw

Recommended Committee Action:

The Executive Committee forwarded this item onto the March 15th Board agenda with the Committee's recommendation for Board approval.

Current Background and Justification:

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

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

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

Conclusion:

The Executive Committee and I recommend the Board approve the Rate Study / Cost of Service Analysis.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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

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

RLECWD Agenda Item Checklist

Item 4.4

Date

Initial Potential Meeting Date

03/15/2021

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

Consider approving the Rate Study / Cost of Service Analysis.

Staff Work Completed

02/25/2021

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

Committee Review of Item and Staff Work

03/01/2021

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

Formal Legal Counsel Review

N/A

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

GM Review

03/11/2021

Actual Meeting Date Set for Agenda Item

03/15/2021

Rio Linda Elverta CWD

Rate Study / Cost of Service Study



March 15, 2021



LECHOWICZ + TSENG
MUNICIPAL CONSULTANTS

Alison Lechowicz
Project Manager

20



Background

Agenda Item 4.4

- Water rates are subject to Proposition 218
- Rates must be based on the reasonable cost of service
- Rates must proportionally recover costs based on how customers take service
- Covers rates over a maximum 5-year period
- Procedural requirements: conduct a rate study, mail a notice to property owners, hold a hearing a minimum of 45 days later, subject to protest vote



Rate Study Goals

Agenda Item 4.4

- Update the cost of service
 - Collect sufficient funds to cover:
 - Operations
 - Debt obligations
 - Repair and replacement of infrastructure
 - Funding of reserves for emergencies
 - Meet legal requirements
 - Prop 218
 - Water conservation requirements (SB 606/AB1668 and SB 555)
 - New rates effective July 1, 2021
- This rate study does not evaluate:
 - Existing capital surcharges that are pledged to repay debt
 - Standby fire protection charges that were analyzed in 2018



Financial Position

Agenda Item 4.4

- Current operating reserves of about \$773,300 which is well in excess of target of 1 month of expenses (approx. \$164,000)
- Current total expenses of \$2.81M:
 - \$2.0M operations
 - \$261,700 in 2015 Umpqua Loan and AMI meter loan debt service
 - \$551,000 in capital improvements and misc. expenses
- Current total revenues of \$2.83M

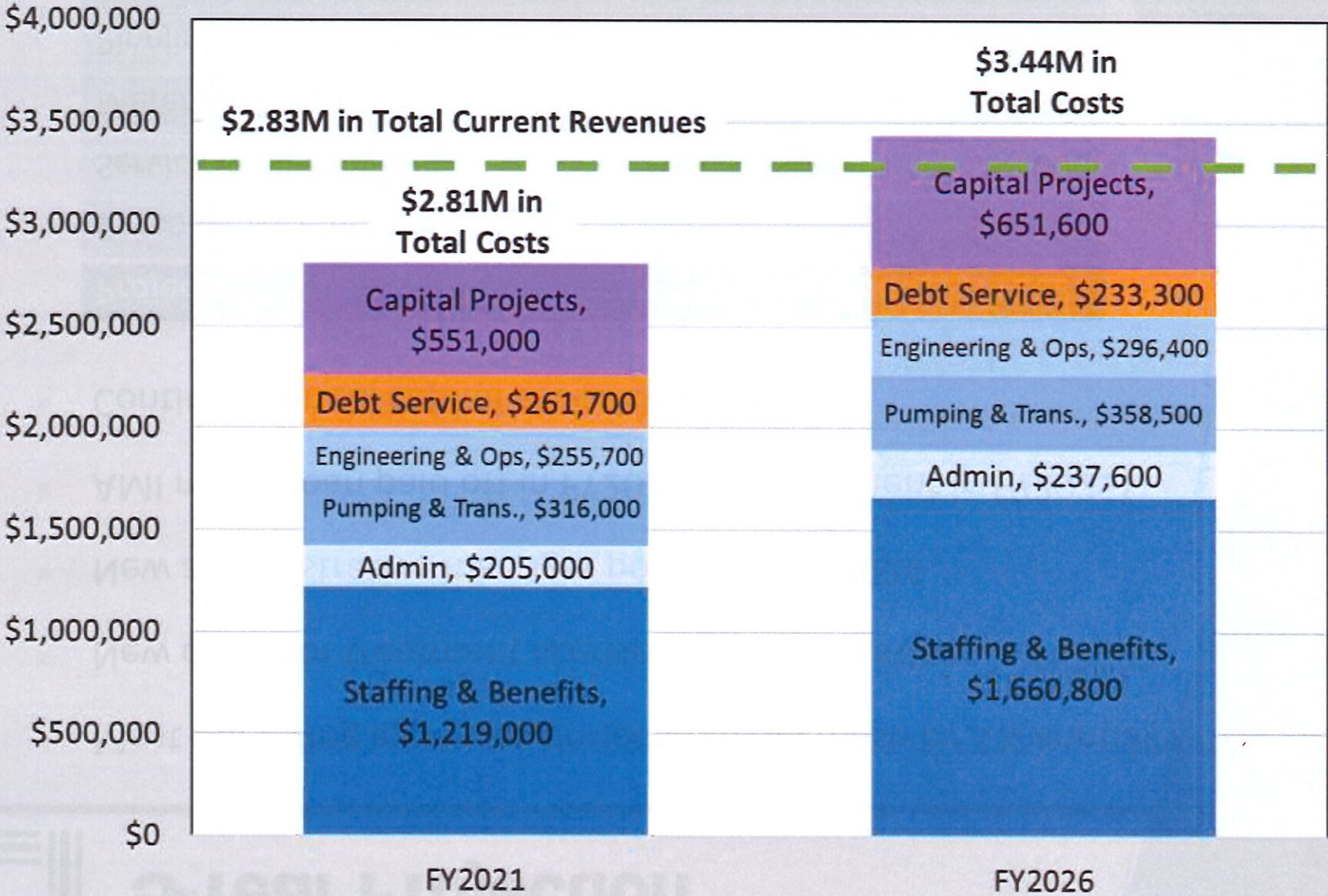


5-Year Projection

- Most operating expenses projected to increase by 3% annually
- New operator treatment licenses and certifications in FY2022
- New administrative manager position in FY2024
- AMI meter loan paid off in FY2026 (half payment in FY2025)
- Continue annual capital set-asides +3%/yr:

Project	Annual Funding FY2022
Pump Replacements	\$40,000
Service Replacements	\$30,000
Meter Replacements	\$125,000
Pipeline Replacements	\$211,200
Well 12A	<u>\$170,470</u>
Total	\$576,670

Water Operations Revenues and Expenses



Water Operations Revenues and Expenses

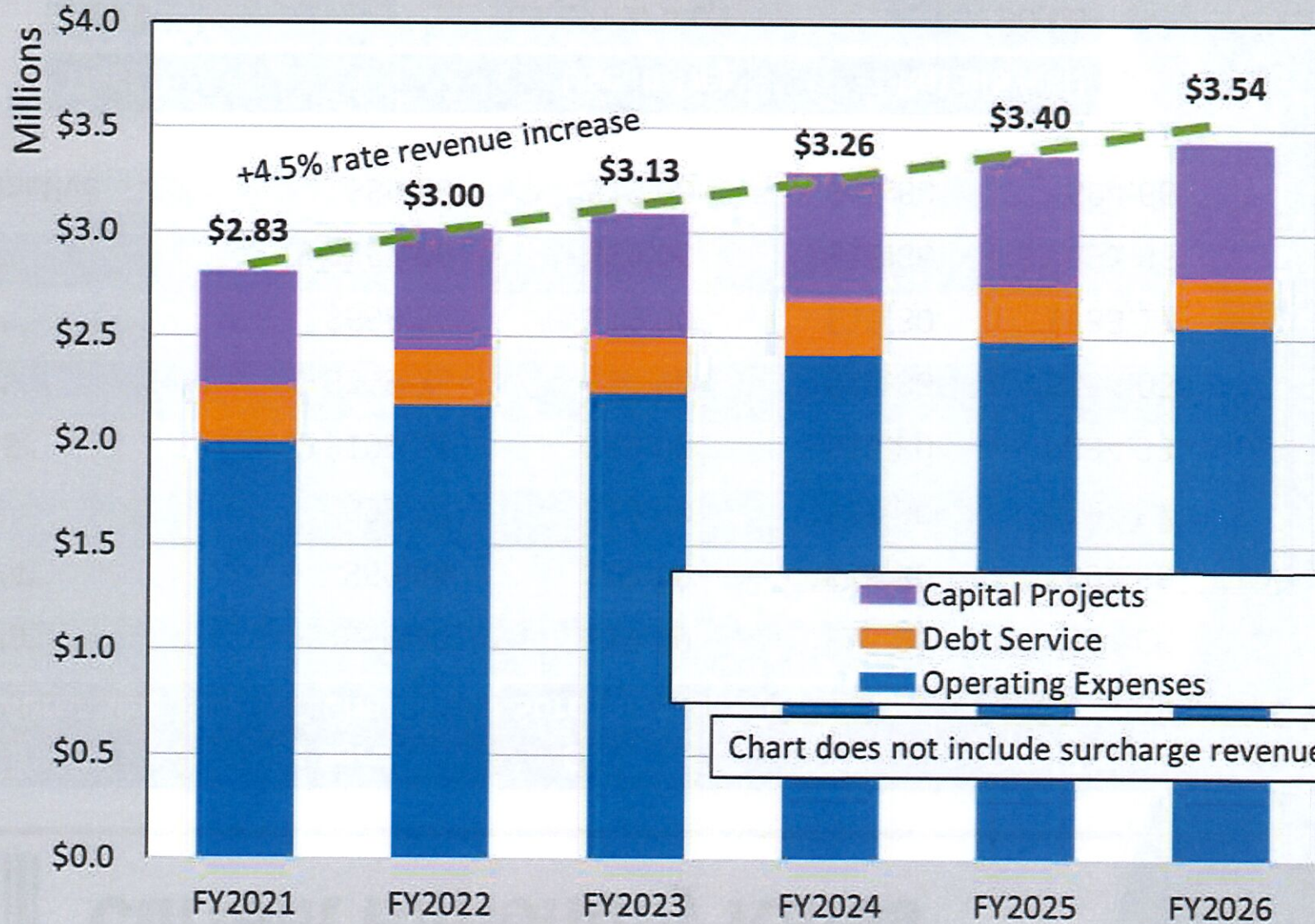


Chart does not include surcharge revenues



Current Bimonthly Rates

Agenda Item 4.4

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

Tier	Use in Tier	Rate (\$/ccf)
Tier 1	0 to 6 ccf	\$0.00
Tier 2	Above 6 ccf	\$0.81



Current Fire and Backflow Rates

Agenda Item 4.4

Standby Fire Protection	Service Charge
1.5"	\$4.12
4"	\$40.00
6"	\$60.00
8"	\$80.00

Backflow Prevention	Service Charge
Per device	\$8.33



Rate Design Considerations

Agenda Item 4.4

- Capital surcharges are not proposed to be adjusted
- Implement fire protection rates calculated in the 2018 memo
- Formalize inoperable meter fixed charges
- Reduce fixed fees and recover a higher % of revenue from volume rates
- Utilize industry standard methodology – American Water Works Association “base + extra”
- Adopt a rate structure compliant with water conservation mandates



Rate Design Continued

Agenda Item 4.4

- Review a tiered rate structure - not illegal but must be cost-justified per the San Juan Capistrano legal ruling
- SB 606, AB 1668 – target indoor water use of 52.5 gallons per capita per day by 2025
 - Single Family Tier 1: 0 to 17ccf per bimonthly period – 52.5 gallons per capita per day for a 4 person household
 - Single Family Tier 2: use above 17 ccf
- SB 555 – water audits
 - Utilities must conduct water audits and report non-billed water
 - Eliminate the free allotment of 6 ccf per bimonthly period



Rate Design Proposal

Agenda Item 4.4

- Single family
 - Tier 1 = recovers costs for base, average day use
 - Tier 2 = recovers costs for some base, average day use plus peak use
- Peaking costs include engineering, debt service, and capital costs associated with providing service at maximum demands on the system
- Commercial, industrial, and institutional (CII) and irrigation are proposed to each have a single rate that recovers costs for both base and peak use. Irrigation customers have high peaking costs.
- Fixed charges are reduced
- Inoperable meter charges = typical bill for the season (warm or cold weather)



Current and Proposed Rates

Agenda Item 4.4

Meter Size	Current Fee	July 1 Proposed
5/8"	\$59.86	\$33.65
3/4"	\$59.86	\$33.65
1"	\$99.77	\$53.11
1.5"	\$199.53	\$101.76
2"	\$319.25	\$160.14
3"	\$698.37	\$345.01
4"	\$1,257.06	\$617.45
Inactive	\$59.86	\$33.65

Current Tier	\$/ccf
Tier 1: 0 to 6 ccf	\$0.00
Tier 2: above 6 ccf	\$0.81

Proposed SF Tier	\$/ccf
Tier 1: 0 to 17 ccf	\$1.65
Tier 2: above 17 ccf	\$2.09

Proposed Class	\$/ccf
Commercial, industrial, institutional	\$1.86
Irrigation	\$2.13



Current and Proposed Rates

Agenda Item 4.4

Fire and Backflow	Current	Proposed
Fire 1.5"	\$4.12	\$4.12
Fire 4"	\$40.00	\$54.38
Fire 6"	\$60.00	\$157.96
Fire 8"	\$80.00	\$157.96
Backflow Prevention	\$8.33	\$9.00

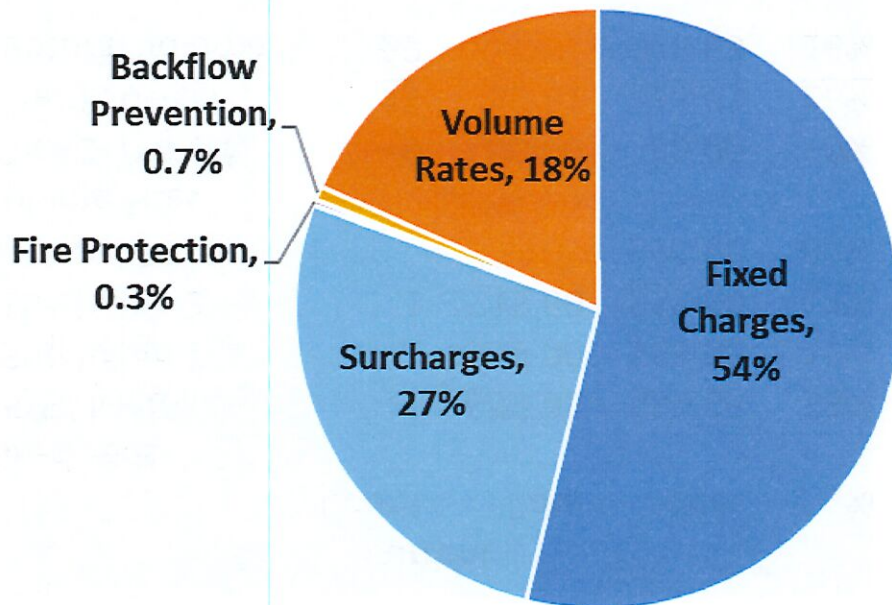
Inoperable Meter Fees	Proposed
5/8" - Cold Weather (19 ccf)	\$65.88
5/8" - Warm Weather (43 ccf)	\$116.04
3/4" - Cold Weather (19 ccf)	\$65.88
3/4" - Warm Weather (43 ccf)	\$116.04
1" - Cold Weather (19 ccf)	\$85.34
1" - Warm Weather (43 ccf)	\$135.50



Current and Proposed Rate Revenue

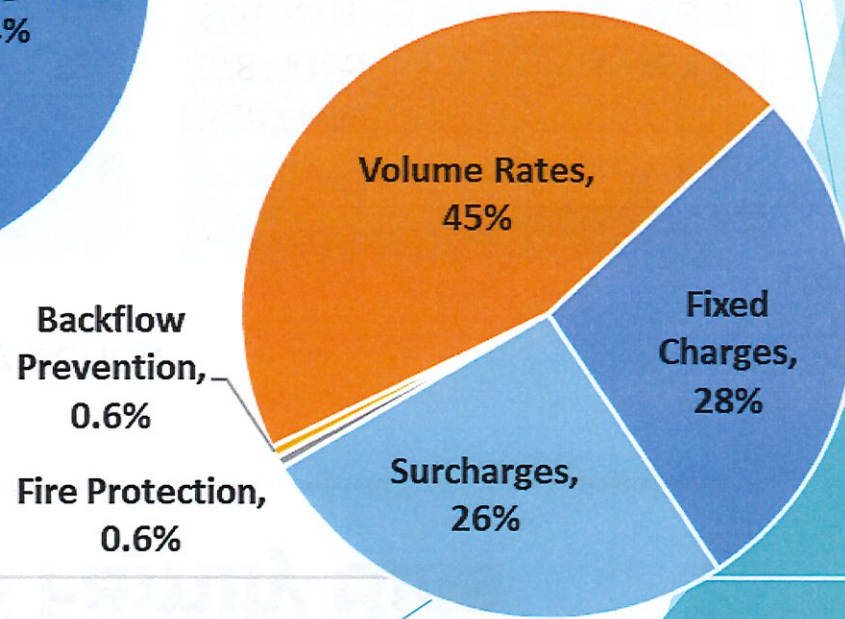
Agenda Item 4.4

Current - \$3.58M



NOTE: Graphs include surcharges; do not include non-rate revenue

Proposed FY2022 - \$3.70M





Typical Single Family Bills

Agenda Item 4.4

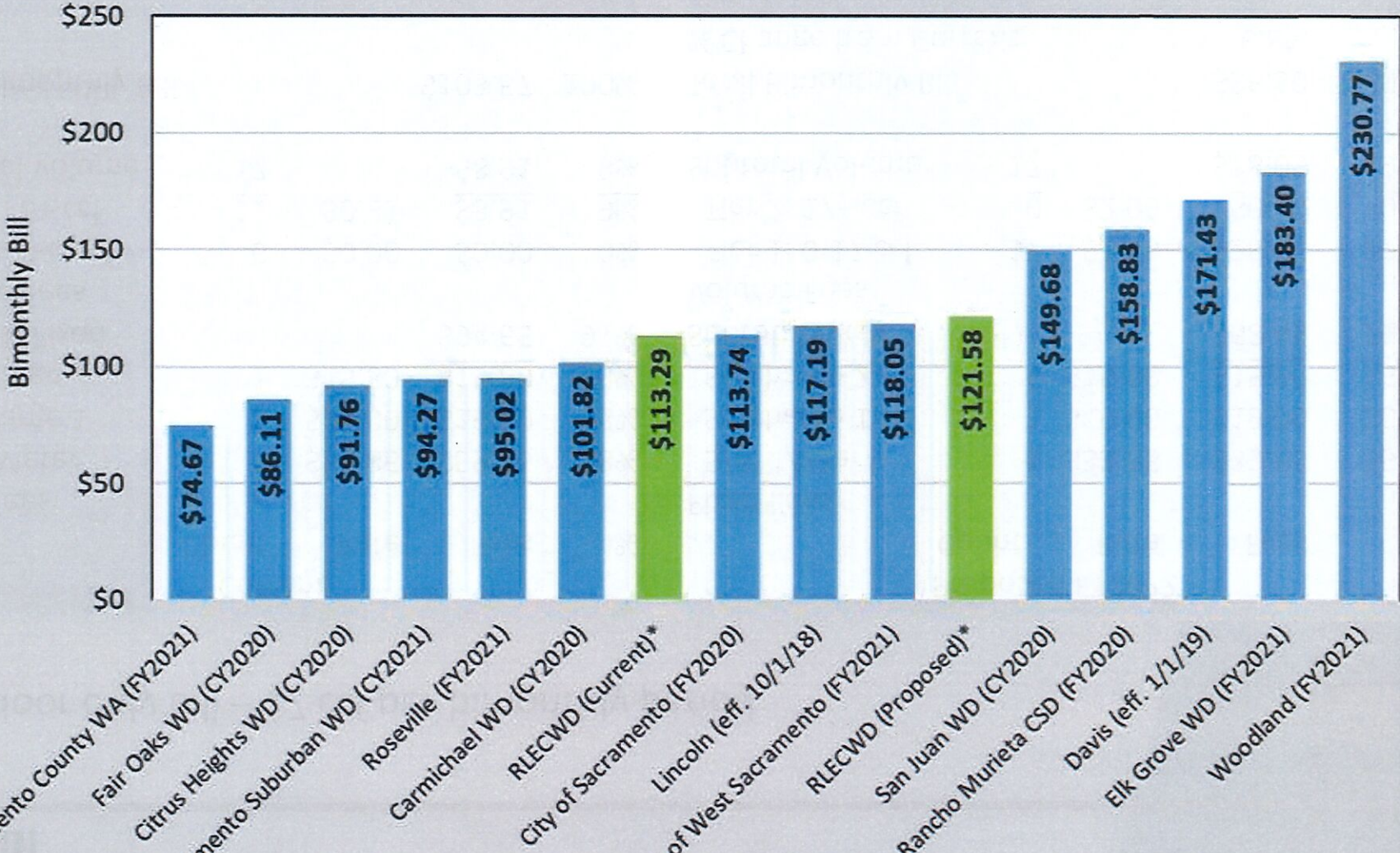
Typical bill – 29 ccf per bimonthly period

Current				
	Count	Rate	Fees	%
Fixed Fees				
5/8" Meter	1	\$59.86	\$59.86	53%
Surcharge 1	1	\$19.00	\$19.00	17%
Surcharge 2	1	\$15.80	<u>\$15.80</u>	<u>14%</u>
Subtotal Fixed			\$94.66	84%
Volume Fees				
Tier 1: 0-6 ccf	6	\$0.00	\$0.00	0%
Tier 2: 6+ ccf	<u>23</u>	\$0.81	<u>\$18.63</u>	<u>16%</u>
Subtotal Volume	29		\$18.63	16%
Total Bimonthly			\$113.29	100%
Monthly Bill			\$56.65	

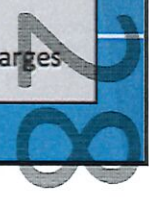
Proposed FY2022				
	Count	Rate	Fees	%
Fixed Fees				
5/8" Meter	1	\$33.65	\$33.65	27%
Surcharge 1	1	\$19.00	\$19.00	16%
Surcharge 2	1	\$15.80	<u>\$15.80</u>	<u>13%</u>
Subtotal Fixed			\$68.45	56%
Volume Fees				
Tier 1: 0-17 ccf	17	\$1.65	\$28.05	23%
Tier 2: 17+ ccf	<u>12</u>	\$2.09	<u>\$25.08</u>	<u>21%</u>
Subtotal Volume	29		\$53.13	44%
Total Bimonthly Bill			\$121.58	100%
% Change from Current			7.3%	
Monthly Bill			\$60.79	

Bimonthly Residential Water Rate Survey

Based on 29 ccf of monthly water use and a 5/8" meter (or smallest meter)



*includes \$34.80 capital surcharges





Typical Single Family Bills

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Indoor only bill – 17 ccf per bimonthly period

	Current			
	Count	Rate	Fees	%
Fixed Fees				
5/8" Meter	1	\$59.86	\$59.86	58%
Surcharge 1	1	\$19.00	\$19.00	18%
Surcharge 2	1	\$15.80	<u>\$15.80</u>	<u>15%</u>
Subtotal Fixed			\$94.66	91%
Volume Fees				
Tier 1: 0-6 ccf	6	\$0.00	\$0.00	0%
Tier 2: 6+ ccf	<u>11</u>	\$0.81	<u>\$8.91</u>	<u>9%</u>
Subtotal Volume	17		\$8.91	9%
Total Bimonthly Bill			\$103.57	100%
Monthly Bill			\$51.79	

	Proposed FY2022			
	Count	Rate	Fees	%
Fixed Fees				
5/8" Meter	1	\$33.65	\$33.65	35%
Surcharge 1	1	\$19.00	\$19.00	20%
Surcharge 2	1	\$15.80	<u>\$15.80</u>	<u>16%</u>
Subtotal Fixed			\$68.45	71%
Volume Fees				
Tier 1: 0-17 ccf	17	\$1.65	\$28.05	29%
Tier 2: 17+ ccf	<u>0</u>	\$2.09	<u>\$0.00</u>	<u>0%</u>
Subtotal Volume	17		\$28.05	29%
Total Bimonthly Bill			\$96.50	100%
% Change from Current			-6.8%	
Monthly Bill			\$48.25	



Typical Single Family Bills

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Approximate “break even” bill – 22 ccf per bimonthly period

Current				
	Count	Rate	Fees	%
Fixed Fees				
5/8" Meter	1	\$59.86	\$59.86	56%
Surcharge 1	1	\$19.00	\$19.00	18%
Surcharge 2	1	\$15.80	<u>\$15.80</u>	<u>15%</u>
Subtotal Fixed			\$94.66	88%
Volume Fees				
Tier 1: 0-6 ccf	6	\$0.00	\$0.00	0%
Tier 2: 6+ ccf	<u>16</u>	\$0.81	<u>\$12.96</u>	<u>12%</u>
Subtotal Volume	22		\$12.96	12%
Total Bimonthly Bill			\$107.62	100%
Monthly Bill			\$53.81	

Proposed FY2022				
	Count	Rate	Fees	%
Fixed Fees				
5/8" Meter	1	\$33.65	\$33.65	31%
Surcharge 1	1	\$19.00	\$19.00	18%
Surcharge 2	1	\$15.80	<u>\$15.80</u>	<u>15%</u>
Subtotal Fixed			\$68.45	64%
Volume Fees				
Tier 1: 0-17 ccf	17	\$1.65	\$28.05	26%
Tier 2: 17+ ccf	<u>5</u>	\$2.09	<u>\$10.45</u>	<u>10%</u>
Subtotal Volume	22		\$38.50	36%
Total Bimonthly Bill			\$106.95	100%
% Change from Current			-0.6%	
Monthly Bill			\$53.48	



Typical Single Family Bills

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Typical summer bill – 43 ccf per bimonthly period

Current				
	Count	Rate	Fees	%
Fixed Fees				
5/8" Meter	1	\$59.86	\$59.86	48%
Surcharge 1	1	\$19.00	\$19.00	15%
Surcharge 2	1	\$15.80	<u>\$15.80</u>	<u>13%</u>
Subtotal Fixed			\$94.66	76%
Volume Fees				
Tier 1: 0-6 ccf	6	\$0.00	\$0.00	0%
Tier 2: 6+ ccf	<u>37</u>	\$0.81	<u>\$29.97</u>	<u>24%</u>
Subtotal Volume	43		\$29.97	24%
Total Bimonthly Bill			\$124.63	100%
Monthly Bill			\$62.32	

Proposed FY2022				
	Count	Rate	Fees	%
Fixed Fees				
5/8" Meter	1	\$33.65	\$33.65	22%
Surcharge 1	1	\$19.00	\$19.00	13%
Surcharge 2	1	\$15.80	<u>\$15.80</u>	<u>10%</u>
Subtotal Fixed			\$68.45	45%
Volume Fees				
Tier 1: 0-17 ccf	17	\$1.65	\$28.05	19%
Tier 2: 17+ ccf	<u>26</u>	\$2.09	<u>\$54.34</u>	<u>36%</u>
Subtotal Volume	43		\$82.39	55%
Total Bimonthly Bill			\$150.84	100%
% Change from Current			21.0%	
Monthly Bill			\$75.42	



Typical Single Family Bills

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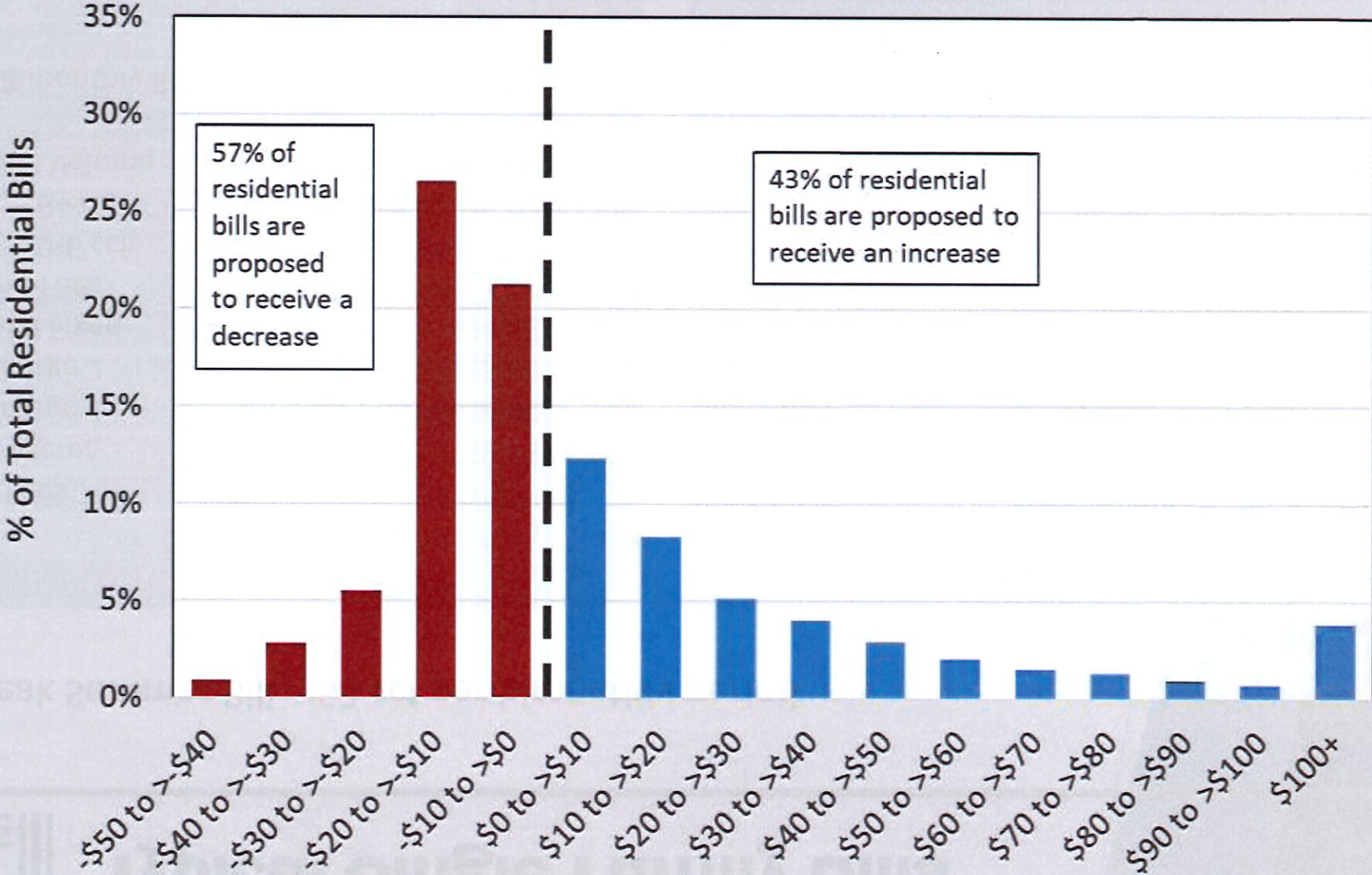
Peak Summer Bill – 53 ccf per bimonthly period

Current				
	Count	Rate	Fees	%
Fixed Fees				
5/8" Meter	1	\$59.86	\$59.86	45%
Surcharge 1	1	\$19.00	\$19.00	14%
Surcharge 2	1	\$15.80	<u>\$15.80</u>	<u>12%</u>
Subtotal Fixed			\$94.66	71%
Volume Fees				
Tier 1: 0-6 ccf	6	\$0.00	\$0.00	0%
Tier 2: 6+ ccf	<u>47</u>	\$0.81	<u>\$38.07</u>	<u>29%</u>
Subtotal Volume	53		\$38.07	29%
Total Bimonthly Bill			\$132.73	100%
Monthly Bill			\$66.37	

Proposed FY2022				
	Count	Rate	Fees	%
Fixed Fees				
5/8" Meter	1	\$33.65	\$33.65	20%
Surcharge 1	1	\$19.00	\$19.00	11%
Surcharge 2	1	\$15.80	<u>\$15.80</u>	<u>9%</u>
Subtotal Fixed			\$68.45	40%
Volume Fees				
Tier 1: 0-17 ccf	17	\$1.65	\$28.05	16%
Tier 2: 17+ ccf	<u>36</u>	\$2.09	<u>\$75.24</u>	<u>44%</u>
Subtotal Volume	53		\$103.29	60%
Total Bimonthly Bill			\$171.74	100%
% Change from Current			29.4%	
Monthly Bill			\$85.87	

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Single Family Residential Bill Impacts





Pros and Cons

Pros

- Compliant with water conservation mandates
- Free water allotment is eliminated – complies with SB555
- Encourages conservation from 0 to 6 ccf of use
- Equity: higher water users pay more and lower water users pay less
- Customers have greater control over their bills
- More in-line with fees charged by surrounding water agencies

Cons

- Less fixed revenue = greater potential revenue volatility
- High water users will have higher bill increases
- Tiers assume a 4-person household; larger households will have higher bill impacts



Rate Study Timeline

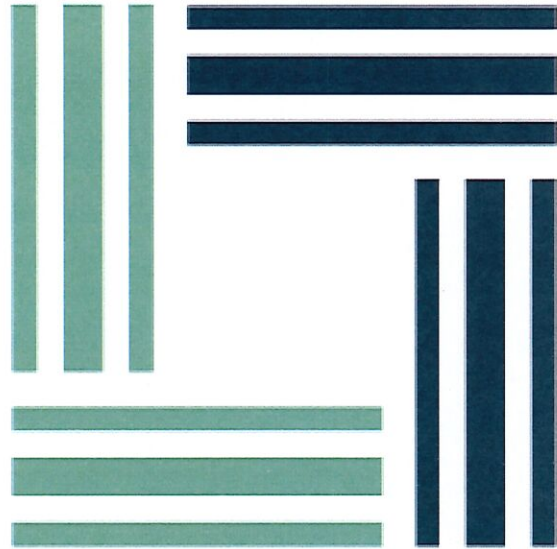
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- Informational workshops with the Board Fall 2020 and Spring 2021
- Proposition 218 notices mailed to customers in April
 - Customers have the right to protest the water rates, sewer rates, or both
 - Protests must be in writing and be received by the end of the public hearing
 - If more than 50% of property owners protest, rates cannot be implemented
- Public hearing in June (at least 45 days after the postmark date)
- If approved, rates will go into effect July 1
- Each year, Board will review the budget and rates (if approved). Board has the option to adopt lower rates without additional hearings.



Questions?

Agenda Item 4.4





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

**DRAFT REPORT
October 14, 2020**



LECHOWICZ + TSENG
MUNICIPAL CONSULTANTS

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DRAFT

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SECTION 1: INTRODUCTION AND EXECUTIVE SUMMARY

1.1 Background

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

1.1 Requirements of Proposition 218

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

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

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

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

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

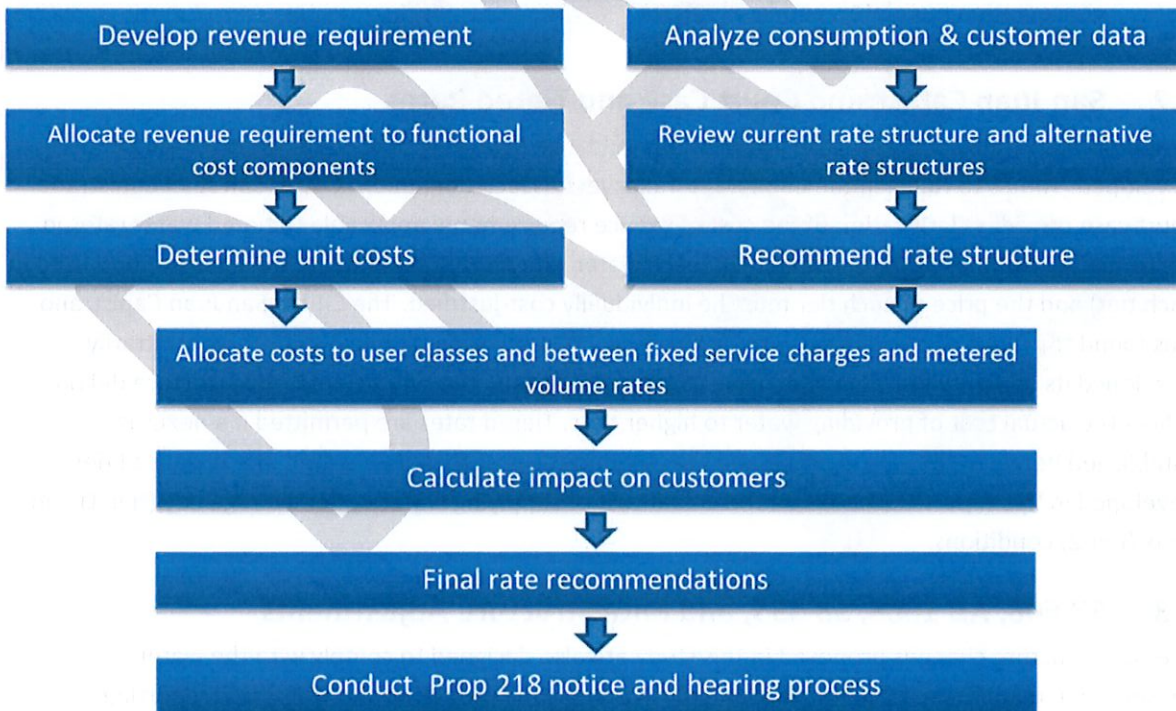
3. **Proportional Cost Recovery** – The amount of the fee or charge levied on any customer shall not exceed the proportional cost of service attributable to that customer.
4. **Availability of Service** – No fee or charge may be imposed for a service unless that service is used by, or immediately available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

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

1.2 Rate Study Process

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

Figure 1: Comprehensive Cost of Service Study Process



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

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

1.2 San Juan Capistrano Court Case and Tiered Rates

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

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

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

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

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

1.4 Proposed Rates and Bill Impacts

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

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

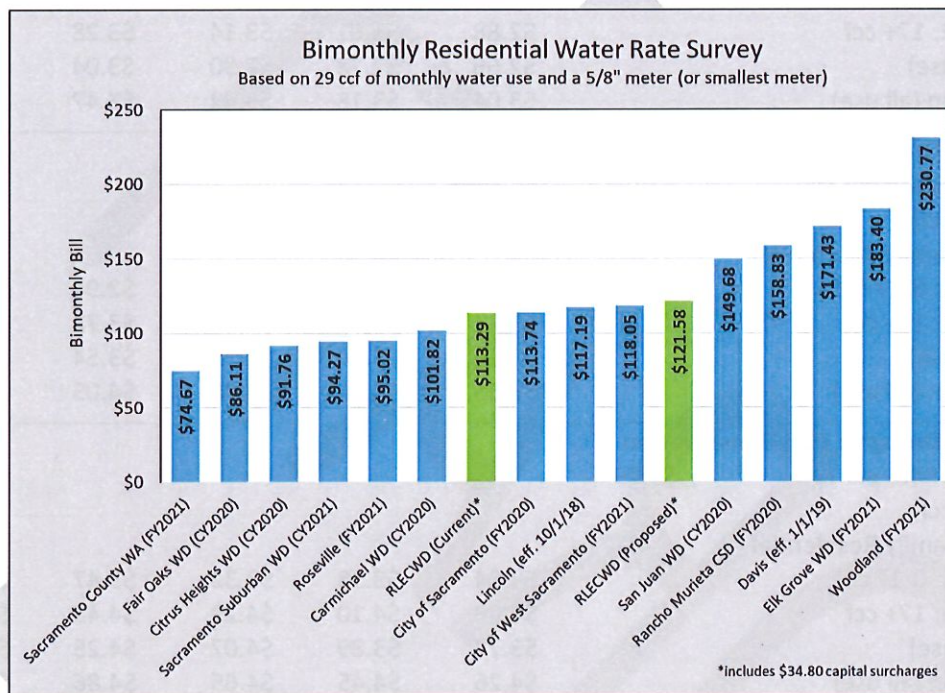
Meter Size	Current	Proposed				
	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
5/8"	\$59.86	\$33.65	\$35.11	\$36.64	\$38.23	\$39.88
3/4"	\$59.86	\$33.65	\$35.11	\$36.64	\$38.23	\$39.88
1"	\$99.77	\$53.11	\$55.42	\$57.83	\$60.34	\$62.94
1.5"	\$199.53	\$101.76	\$106.18	\$110.79	\$115.60	\$120.59
2"	\$319.25	\$160.14	\$167.10	\$174.35	\$181.92	\$189.77
3"	\$698.37	\$345.01	\$360.02	\$375.63	\$391.94	\$408.84
4"	\$1,257.06	\$617.45	\$644.31	\$672.24	\$701.43	\$731.68
Inactive	\$59.86	\$33.65	\$35.11	\$36.64	\$38.23	\$39.88
Single Family Residential Inoperable Meter Rates (fixed bimonthly fee, no additional volume charges)						
5/8" - Cold Weather		\$65.88	\$68.73	\$71.80	\$74.95	\$78.18
5/8" - Warm Weather		\$116.04	\$121.29	\$126.52	\$132.07	\$137.94
3/4" - Cold Weather		\$65.88	\$68.73	\$71.80	\$74.95	\$78.18
3/4" - Warm Weather		\$116.04	\$121.29	\$126.52	\$132.07	\$137.94
1" - Cold Weather		\$85.34	\$89.04	\$92.99	\$97.06	\$101.24
1" - Warm Weather		\$135.50	\$141.60	\$147.71	\$154.18	\$161.00
CII and Irrigation inoperable meter rates may be based on past average consumption						
Volume Rates \$/ccf						
Current Rate per ccf (over 6ccf)	\$0.81					
Single Family Residential						
Tier 1: 0-17 ccf		\$1.65	\$1.72	\$1.80	\$1.88	\$1.96
Tier 2: 17+ ccf		\$2.09	\$2.19	\$2.28	\$2.38	\$2.49
CII (all use)		\$1.86	\$1.95	\$2.03	\$2.12	\$2.22
Irrigation (all use)		\$2.13	\$2.23	\$2.33	\$2.43	\$2.54
Standby Fire Protection - Fixed Bimonthly Charge						
1.5"	\$4.12	\$4.12	\$4.31	\$4.50	\$4.70	\$4.91
4"	\$40.00	\$54.38	\$56.83	\$59.39	\$62.06	\$64.85
6"	\$60.00	\$157.96	\$165.07	\$172.50	\$180.26	\$188.37
8"	\$80.00	\$157.96	\$165.07	\$172.50	\$180.26	\$188.37
Backflow Prevention - Fixed Bimonthly Charge						
Per device	\$8.33	\$9.00	\$9.27	\$9.55	\$9.84	\$10.14

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

	Current	Proposed				
	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Stage 2 Drought: 30% Conservation		Volume Rates \$/ccf				
Current Rate per ccf (over 6ccf)	\$0.92					
Single Family Residential						
Tier 1: 0-17 ccf		\$2.25	\$2.35	\$2.45	\$2.56	\$2.67
Tier 2: 17+ ccf		\$2.88	\$3.01	\$3.14	\$3.28	\$3.43
CI (all use)		\$2.66	\$2.78	\$2.90	\$3.04	\$3.17
Irrigation (all use)		\$3.04	\$3.18	\$3.32	\$3.47	\$3.63
Stage 3 Drought: 40% Conservation						
Current Rate per ccf (over 6ccf)	\$1.08					
Single Family Residential						
Tier 1: 0-17 ccf		\$2.58	\$2.69	\$2.81	\$2.94	\$3.07
Tier 2: 17+ ccf		\$3.32	\$3.46	\$3.62	\$3.78	\$3.95
CI (all use)		\$3.10	\$3.24	\$3.39	\$3.54	\$3.70
Irrigation (all use)		\$3.55	\$3.71	\$3.88	\$4.05	\$4.24
Stage 4 Drought: 50% Conservation						
Current Rate per ccf (over 6ccf)	\$1.29					
Single Family Residential						
Tier 1: 0-17 ccf		\$3.04	\$3.18	\$3.32	\$3.47	\$3.62
Tier 2: 17+ ccf		\$3.93	\$4.10	\$4.29	\$4.48	\$4.68
CI (all use)		\$3.72	\$3.89	\$4.07	\$4.25	\$4.44
Irrigation (all use)		\$4.26	\$4.45	\$4.65	\$4.86	\$5.08

The average total bimonthly water use of a single family customer is 29 ccf per bimonthly billing period, and the most common residential meter size is 5/8". Based on these parameters plus surcharges of \$34.80, the District's current typical water bill is \$113.29 per bimonth. After the proposed increase, the typical residential bill would increase to \$121.58 per bimonth—an increase of about 7%.

Figure 2: Single Family Residential Bill Survey



SECTION 2: CURRENT RATES AND CUSTOMER BASE

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

2.1 Current Rates

2.1.1 Fixed Charges

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

2.1.2 Volume Rates

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

2.1.3 Standby Fire Protection and Backflow Prevention

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

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

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

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

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

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

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

ccf - hundred cubic feet; 1 ccf = 748 gallons

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

2.2 Customer Base

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

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

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

2.3 Current Revenues

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

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

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

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

SECTION 3: COST OF SERVICE AND FINANCIAL PLAN

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

3.1 Revenues

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

3.2 Expenses

3.2.1 Operating Expenses

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

3.2.2 Capital Improvements

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

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

Project Name	Project Budget Amount	Beginning Fund Balance	Accumulated Funding Balance	Years to Implementation Date (as of 7/1/2020)	Annualized Cost
Miscellaneous Pump Replacements				Annually	\$40,000
Service Replacements				Annually	\$30,000
Small Meter Replacements				Annually	\$120,000
Large Meter Replacements				Annually	\$5,000
Annual Pipeline Replacement	\$211,200	\$0	\$211,200	Annually	\$211,200
Well 12A Design	\$500,000	\$167,561	\$189,724	15	\$22,163
Well 12A Construction	<u>\$3,750,000</u>	<u>\$1,228,777</u>	<u>\$1,377,084</u>	17	<u>\$148,307</u>
Total	\$4,461,200	\$1,396,338	\$1,778,008		\$576,670

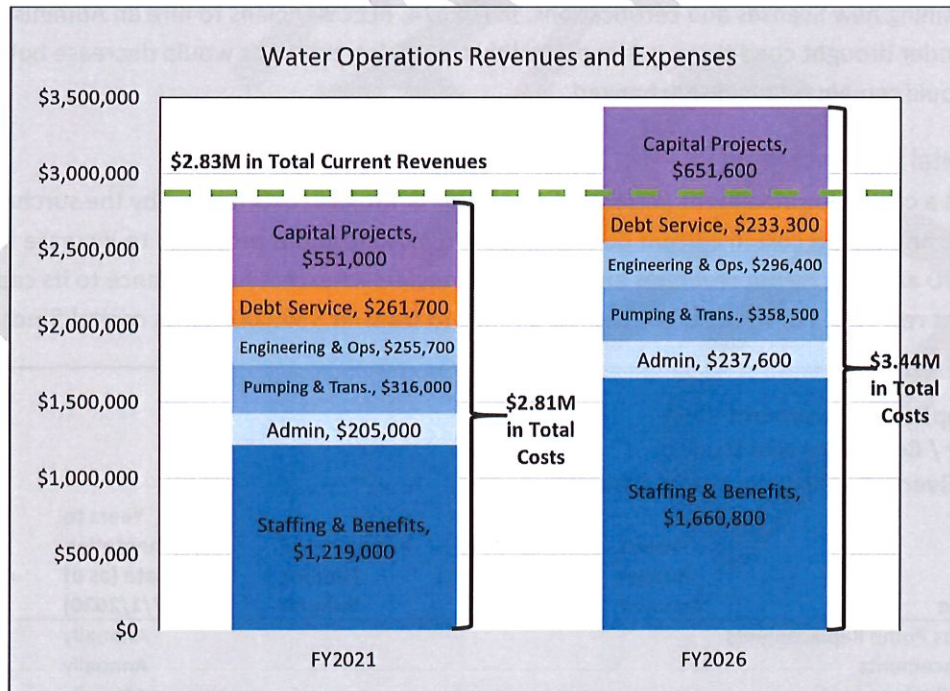
3.2.3 Debt Service

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

3.2.4 5-Year Summary

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

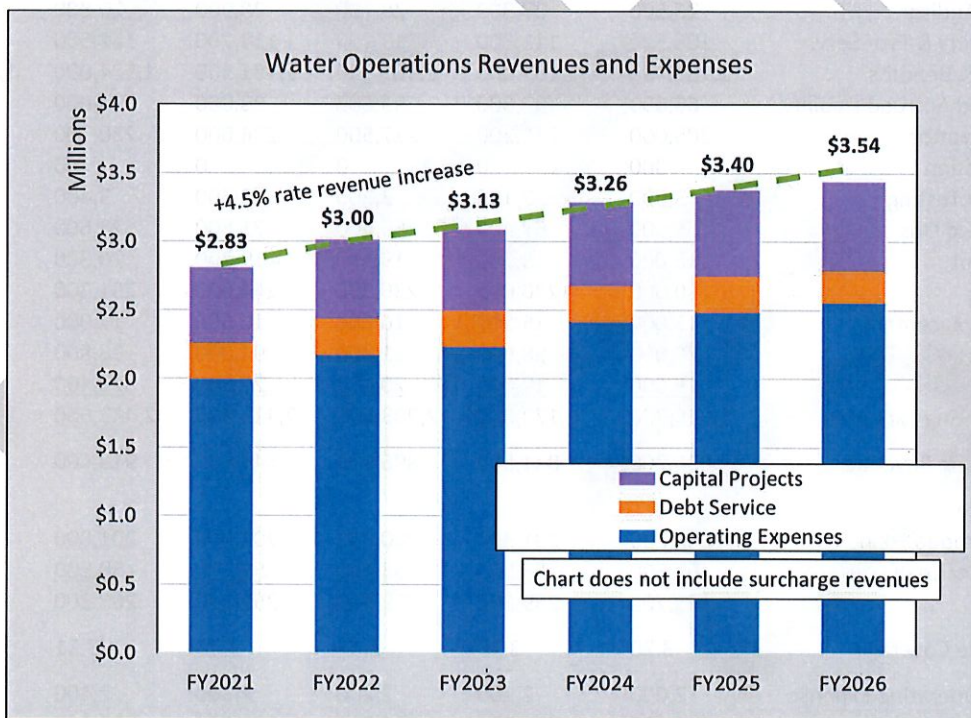
Figure 3: FY2026 Estimated Cost of Service



3.3 Cash Flows

Water fund cash flows with proposed revenue increases beginning in FY2022 and spanning the next five years are provided in Figure 4 and Table 7. The cash flow includes rate and non-rate revenues, operating costs, debt service costs and coverage, and capital projects costs that are applicable to the Operations Fund. The District began FY2021 with a balance of \$773,300. The minimum fund balance target for each subsequent year is based on one month of operating expenses, per RLECW’s Fiscal Policy. The District is projected to meet this ending balance target in each of the five years in the study period. Rate revenue increases of 4.5% annually over the 5-year study period are proposed to cover expenses, maintain debt service coverage, and maintain fund reserves. Not every customer will receive a rate increase equal to 4.5%—the rate change for individual customers will depend on customer class (residential, commercial, irrigation) and water usage.

Figure 4: Water Operations Summary Cash Flow



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

	Budget	Projection				
	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Beginning Fund Balance	\$773,300	\$796,800	\$789,700	\$830,200	\$801,200	\$821,900
Proposed Rate Increase		4.50%	4.50%	4.50%	4.50%	4.50%
		Jul 1, 2021	Jul 1, 2022	Jul 1, 2023	Jul 1, 2024	Jul 1, 2025
Revenues						
Service Charges [1]	2,582,200	2,741,100	2,864,400	2,993,300	3,128,000	3,268,800
Backflow	26,500	28,700	29,600	30,500	31,400	32,300
Fire Protection	10,800	22,300	23,300	24,300	25,400	26,600
Delinquency Fees	90,000	90,000	90,000	90,000	90,000	90,000
Misc., interest & other	33,900	33,900	33,900	33,900	33,900	33,900
Taxes & Assessments	<u>88,500</u>	<u>88,500</u>	<u>88,500</u>	<u>88,500</u>	<u>88,500</u>	<u>88,500</u>
Total Revenues	2,831,900	3,004,500	3,129,700	3,260,500	3,397,200	3,540,100
Operating Expenses		3%	3%	3%	3%	3%
Legal & Auditor	26,500	27,300	28,100	28,900	29,800	30,700
Engineering & Prof Serv.	108,500	111,800	115,200	118,700	122,300	126,000
Salaries & Benefits	1,150,400	1,287,000	1,323,700	1,481,500	1,524,000	1,567,800
Unfunded Accrued Liability	68,600	93,000	93,000	93,000	93,000	93,000
Administration	205,000	211,200	217,500	224,000	230,700	237,600
Conservation	300	0	0	0	0	0
Backflow Testing	3,000	3,100	3,200	3,300	3,400	3,500
Other Field Ops	65,400	67,400	69,400	71,500	73,600	75,800
Treatment	18,000	18,500	19,100	19,700	20,300	20,900
Pumping	230,000	230,000	236,900	244,000	251,300	258,800
Valve Replacement	15,000	15,500	16,000	16,500	17,000	17,500
Transmission & Dist.	86,000	88,600	91,300	94,000	96,800	99,700
Transportation	<u>19,000</u>	<u>19,600</u>	<u>20,200</u>	<u>20,800</u>	<u>21,400</u>	<u>22,000</u>
Total Operating Expenses	1,995,700	2,173,000	2,233,600	2,415,900	2,483,600	2,553,300
Net Operating Revenue	836,200	831,500	896,100	844,600	913,600	986,800
Debt Service						
2015 Umpqua Loan	203,200	201,300	200,900	201,000	201,800	204,000
AMI Meter Loan	<u>58,500</u>	<u>58,500</u>	<u>58,500</u>	<u>58,500</u>	<u>58,500</u>	<u>29,300</u>
Total Debt	261,700	259,800	259,400	259,500	260,300	233,300
Debt Service Coverage	3.20	3.20	3.45	3.25	3.51	4.23
Misc Non-Operating Expense	2,000	2,100	2,200	2,300	2,400	2,500
Capital Improvements	<u>549,000</u>	<u>576,700</u>	<u>594,000</u>	<u>611,800</u>	<u>630,200</u>	<u>649,100</u>
Total Non-Operating	551,000	578,800	596,200	614,100	632,600	651,600
Net Revenue	23,500	(7,100)	40,500	(29,000)	20,700	101,900
Ending Fund Balance	\$796,800	\$789,700	\$830,200	\$801,200	\$821,900	\$923,800
Fund Target [2]	166,300	181,100	186,100	201,300	207,000	212,800
Target Met?	YES	YES	YES	YES	YES	YES

1 - Includes meter fees and volume rate revenues

2 - One month of operating expenses per District policy

SECTION 4: COST ALLOCATION

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

4.1 Methodology and Peaking Factors

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

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

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

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

4.2 Backflow Prevention

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

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

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

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

4.3 Cost Allocation

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

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

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

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

4.4 Fixed Unit Cost Calculation

The cost allocation percentages determined in the prior table are applied to the FY2022 service charge revenue requirement of \$2,741,100 in Table 11. The base and extra categories, representing 61.2% of the revenue requirement, are proposed to be recovered from volume rates.

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

**Table 11: FY2022 Fixed Unit Cost Calculation
Rate Study / Cost of Service Study
Rio Linda Elverta Community Water District**

	Total	Base	Extra	Meters & Services	Customer Service
FY2022 Revenue Requirement	\$2,741,100	\$1,056,875	\$621,292	\$940,199	\$122,826
Cost Allocation	100.0%	38.6%	22.7%	34.3%	4.5%
FY2022 Units of Service				5,368 meter equivalents	4,594 # of meters
FY2022 Unit Cost				\$29.19 \$/meter equiv./bimo	\$4.46 \$/meter/bimo

SECTION 5: RATE DESIGN

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

5.1 Proposed Fixed Charges

Table 12 displays the calculation of bimonthly fixed charges. The meter equivalent charges are first calculated by scaling the base metering and services fee of \$29.19 by the equivalent meter ratio. The customer service charge of \$4.46 is then added to each fee regardless of meter size. The total proposed FY2022 fixed charge for 5/8" meters is \$33.65, a reduction from the current fee of \$59.86.

**Table 12: FY2022 Total Fixed Charges
Rate Study / Cost of Service Study
Rio Linda Elverta Community Water District**

Meter Size	Ratio	Meter Charge		Customer Service Charge		Total Fixed Bimonthly Fee
5/8"	1.00	\$29.19	+	\$4.46	=	\$33.65
3/4"	1.00	\$29.19	+	\$4.46	=	\$33.65
1"	1.67	\$48.65	+	\$4.46	=	\$53.11
1.5"	3.33	\$97.30	+	\$4.46	=	\$101.76
2"	5.33	\$155.68	+	\$4.46	=	\$160.14
3"	11.67	\$340.55	+	\$4.46	=	\$345.01
4"	21.00	\$612.99	+	\$4.46	=	\$617.45

The fixed service charge for backflow prevention is calculated as \$26,500 (the revenue requirement established in Table 9) divided by 531 devices over six annual billing periods, rounded up for ease in billing. The resulting charge is \$9.00 bimonthly per device.

5.2 Proposed Volume Rates

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

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

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

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

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

	Average Bimonth		Peak Bimonth		Peaking Factor
SFR Residential	136,105	85%	231,213	84%	1.70
CII	22,450	14%	40,191	15%	1.79
Irrigation	<u>1,591</u>	1%	<u>4,074</u>	1.5%	<u>2.56</u>
Total ccf	160,147		275,478		1.72
	Base		Extra		Total
SFR Residential	\$898,217	85%	\$521,460	84%	\$1,419,676
CII	\$148,159	14%	\$90,644	15%	\$238,803
Irrigation	<u>\$10,499</u>	1.0%	<u>\$9,188</u>	1.5%	<u>\$19,687</u>
Total Allocated FY2022 Revenue Requirement	\$1,056,875		\$621,292		\$1,678,166

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

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

**Table 15: FY2022 Volume Rate Calculation
Rate Study / Cost of Service Study
Rio Linda Elverta Community Water District**

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

SFR Residential	Base		Extra	Total
Allocated Revenue	\$898,217		\$521,460	\$1,419,676
	Indoor	Outdoor	Extra	
	59%	41%	100%	
Suballocated Revenue	\$526,541	\$371,676	\$521,460	\$1,419,676
Tier	Tier 1		Tier 2	
Revenue in Tier	\$526,541	\$893,135		\$1,419,676
Breakpoint	0-17 ccf/bimo		17+ccf/bimo	
Water Use (ccf)	318,798		426,593	745,391
Rate (\$/ccf)	\$1.65		\$2.09	

CII	Base		Extra	Total
Allocated Revenue	\$148,159		\$90,644	\$238,803
Water Use (ccf)				128,254
Rate (\$/ccf)				\$1.86

Irrigation	Base		Extra	Total
Allocated Revenue	\$10,499		\$9,188	\$19,687
Water Use (ccf)				9,238
Rate (\$/ccf)				\$2.13

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

5.3 Projection of Customer Billing Units

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

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

	Current	FY2022	FY2023	FY2024	FY2025	FY2026
New Customers [1]		5	5	5	5	5
Cumulative		5	10	15	20	25
Water Meters	4,589	4,594	4,599	4,604	4,609	4,614
Meter Equivalents	5,360	5,368	5,377	5,385	5,393	5,402
Water Use [2]						
Single Family Residential						
SFR Tier 1: 0-17	349,817	318,798	319,308	319,818	320,328	320,838
SFR Tier 2: 17+	468,424	426,593	426,953	427,313	427,673	428,033
Non-SFR Water Use						
CII	140,939	128,254	128,254	128,254	128,254	128,254
Irrigation	<u>10,152</u>	<u>9,238</u>	<u>9,238</u>	<u>9,238</u>	<u>9,238</u>	<u>9,238</u>
Total	969,332	882,884	883,754	884,624	885,494	886,364

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

2 - Water use reduced in FY2022 as customers adjust to the new rate structure

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

The usage rate calculation shown in Table 15 was repeated for years FY2023 through FY2026 as shown in Table 17. Table 18 through Table 20 provide usage rate calculations under drought conditions ranging from a 30% to 50% water cutback. Under drought conditions, it is assumed that the District’s pumping expense would be reduced proportionately to the water cutback (i.e. a 30% reduction in usage would result in a 30% reduction in pumping expenses). RLECWD reviewed its expenses and determined that there would be no other reductions in operating expenses during a drought. To calculate drought rates, the revenue requirement of each customer class is reduced by a pumping discount and then divided by estimated water use under the water cutback.

**Table 17: Usage Rate Calculation - Normal Water Year
Rate Study / Cost of Service Study
Rio Linda Elverta Community Water District**

	FY2022	FY2023	FY2024	FY2025	FY2026
SFR Tier 1 Rev Req.	\$526,541	\$550,226	\$574,986	\$600,861	\$627,907
SFR Tier 1 Use (ccf)	318,798	319,308	319,818	320,328	320,838
Tier 1 Rate	\$1.65	\$1.72	\$1.80	\$1.88	\$1.96
SFR Tier 2 Rev Req.	\$893,135	\$933,310	\$975,310	\$1,019,199	\$1,065,076
SFR Tier 2 Use (ccf)	426,593	426,953	427,313	427,673	428,033
Tier 2 Rate	\$2.09	\$2.19	\$2.28	\$2.38	\$2.49
CII Rev Req.	\$238,803	\$249,545	\$260,774	\$272,509	\$284,776
CII Use (ccf)	128,254	128,254	128,254	128,254	128,254
CII Rate	\$1.86	\$1.95	\$2.03	\$2.12	\$2.22
Irrigation Rev Req.	\$19,687	\$20,573	\$21,499	\$22,466	\$23,478
Irrigation Use (ccf)	9,238	9,238	9,238	9,238	9,238
Irrigation Rate	\$2.13	\$2.23	\$2.33	\$2.43	\$2.54

Rev Req. – revenue requirement

**Table 18: Volume Rate Calculation - Stage 2 Drought 30% Conservation
Rate Study / Cost of Service Study
Rio Linda Elverta Community Water District**

	FY2022	FY2023	FY2024	FY2025	FY2026
SFR Tier 1 Rev Req.	\$526,541	\$550,226	\$574,986	\$600,861	\$627,907
Less Pumping Discount	<u>(\$24,915)</u>	<u>(\$25,678)</u>	<u>(\$26,464)</u>	<u>(\$27,272)</u>	<u>(\$28,103)</u>
Total Rev	\$501,626	\$524,547	\$548,522	\$573,588	\$599,804
SFR Tier 1 Use (ccf)	223,158	223,515	223,872	224,229	224,586
Tier 1 Rate	\$2.25	\$2.35	\$2.45	\$2.56	\$2.67
SFR Tier 2 Rev Req.	\$893,135	\$933,310	\$975,310	\$1,019,199	\$1,065,076
Less Pumping Discount	<u>(\$33,340)</u>	<u>(\$34,335)</u>	<u>(\$35,359)</u>	<u>(\$36,412)</u>	<u>(\$37,493)</u>
Total Rev	\$859,796	\$898,976	\$939,951	\$982,788	\$1,027,583
SFR Tier 2 Use (ccf)	298,615	298,867	299,119	299,371	299,623
Tier 2 Rate	\$2.88	\$3.01	\$3.14	\$3.28	\$3.43
CII Rev Req.	\$238,803	\$249,545	\$260,774	\$272,509	\$284,776
Less Pumping Discount	<u>(\$10,023)</u>	<u>(\$10,314)</u>	<u>(\$10,613)</u>	<u>(\$10,919)</u>	<u>(\$11,234)</u>
Total Rev	\$228,779	\$239,231	\$250,162	\$261,590	\$273,541
CII Use (ccf)	89,778	89,778	89,778	89,778	89,778
CII Rate	\$2.66	\$2.78	\$2.90	\$3.04	\$3.17
Irrigation Rev Req.	\$19,687	\$20,573	\$21,499	\$22,466	\$23,478
Less Pumping Discount	<u>(\$722)</u>	<u>(\$743)</u>	<u>(\$764)</u>	<u>(\$787)</u>	<u>(\$809)</u>
Total Rev	\$18,965	\$19,830	\$20,734	\$21,680	\$22,668
Irrigation Use (ccf)	6,467	6,467	6,467	6,467	6,467
Irrigation Rate	\$3.04	\$3.18	\$3.32	\$3.47	\$3.63

**Table 19: Volume Rate Calculation - Stage 3 Drought 40% Conservation
Rate Study / Cost of Service Study
Rio Linda Elverta Community Water District**

	FY2022	FY2023	FY2024	FY2025	FY2026
SFR Tier 1 Rev Req.	\$526,541	\$550,226	\$574,986	\$600,861	\$627,907
Less Pumping Discount	<u>(\$33,220)</u>	<u>(\$34,238)</u>	<u>(\$35,285)</u>	<u>(\$36,363)</u>	<u>(\$37,471)</u>
Total Rev	\$493,321	\$515,988	\$539,701	\$564,498	\$590,436
SFR Tier 1 Use (ccf)	191,279	191,585	191,891	192,197	192,503
Tier 1 Rate	\$2.58	\$2.69	\$2.81	\$2.94	\$3.07
SFR Tier 2 Rev Req.	\$893,135	\$933,310	\$975,310	\$1,019,199	\$1,065,076
Less Pumping Discount	<u>(\$44,453)</u>	<u>(\$45,780)</u>	<u>(\$47,145)</u>	<u>(\$48,549)</u>	<u>(\$49,991)</u>
Total Rev	\$848,683	\$887,531	\$928,165	\$970,651	\$1,015,086
SFR Tier 2 Use (ccf)	255,956	256,172	256,388	256,604	256,820
Tier 2 Rate	\$3.32	\$3.46	\$3.62	\$3.78	\$3.95
CII Rev Req.	\$238,803	\$249,545	\$260,774	\$272,509	\$284,776
Less Pumping Discount	<u>(\$13,365)</u>	<u>(\$13,752)</u>	<u>(\$14,150)</u>	<u>(\$14,559)</u>	<u>(\$14,979)</u>
Total Rev	\$225,438	\$235,793	\$246,624	\$257,950	\$269,796
CII Use (ccf)	76,953	76,953	76,953	76,953	76,953
CII Rate	\$3.10	\$3.24	\$3.39	\$3.54	\$3.70
Irrigation Rev Req.	\$19,687	\$20,573	\$21,499	\$22,466	\$23,478
Less Pumping Discount	<u>(\$963)</u>	<u>(\$991)</u>	<u>(\$1,019)</u>	<u>(\$1,049)</u>	<u>(\$1,079)</u>
Total Rev	\$18,725	\$19,583	\$20,480	\$21,418	\$22,399
Irrigation Use (ccf)	5,543	5,543	5,543	5,543	5,543
Irrigation Rate	\$3.55	\$3.71	\$3.88	\$4.05	\$4.24

**Table 20: Volume Rate Calculation - Stage 4 Drought 50% Conservation
Rate Study / Cost of Service Study
Rio Linda Elverta Community Water District**

	FY2022	FY2023	FY2024	FY2025	FY2026
SFR Tier 1 Rev Req.	\$526,541	\$550,226	\$574,986	\$600,861	\$627,907
Less Pumping Discount	<u>(\$41,525)</u>	<u>(\$42,797)</u>	<u>(\$44,107)</u>	<u>(\$45,454)</u>	<u>(\$46,839)</u>
Total Rev	\$485,016	\$507,429	\$530,880	\$555,407	\$581,068
SFR Tier 1 Use (ccf)	159,399	159,654	159,909	160,164	160,419
Tier 1 Rate	\$3.04	\$3.18	\$3.32	\$3.47	\$3.62
SFR Tier 2 Rev Req.	\$893,135	\$933,310	\$975,310	\$1,019,199	\$1,065,076
Less Pumping Discount	<u>(\$55,566)</u>	<u>(\$57,225)</u>	<u>(\$58,932)</u>	<u>(\$60,686)</u>	<u>(\$62,488)</u>
Total Rev	\$837,570	\$876,086	\$916,379	\$958,513	\$1,002,588
SFR Tier 2 Use (ccf)	213,297	213,477	213,657	213,837	214,017
Tier 2 Rate	\$3.93	\$4.10	\$4.29	\$4.48	\$4.68
CII Rev Req.	\$238,803	\$249,545	\$260,774	\$272,509	\$284,776
Less Pumping Discount	<u>(\$16,706)</u>	<u>(\$17,190)</u>	<u>(\$17,688)</u>	<u>(\$18,199)</u>	<u>(\$18,724)</u>
Total Rev	\$222,097	\$232,355	\$243,086	\$254,310	\$266,052
CII Use (ccf)	64,127	64,127	64,127	64,127	64,127
CII Rate	\$3.72	\$3.89	\$4.07	\$4.25	\$4.44
Irrigation Rev Req.	\$19,687	\$20,573	\$21,499	\$22,466	\$23,478
Less Pumping Discount	<u>(\$1,203)</u>	<u>(\$1,238)</u>	<u>(\$1,274)</u>	<u>(\$1,311)</u>	<u>(\$1,349)</u>
Total Rev	\$18,484	\$19,335	\$20,225	\$21,155	\$22,129
Irrigation Use (ccf)	4,619	4,619	4,619	4,619	4,619
Irrigation Rate	\$4.26	\$4.45	\$4.65	\$4.86	\$5.08

5.5 5-Year Schedule of Proposed Rates

Table 21 provides a summary of proposed meter fees, standby fire protection fees, backflow prevention charges, and normal water year volume rates. Table 22 provides drought rates.

Table 21 also provides inoperable meter fees for the next five years. The fees are calculated as the meter charge plus typical water use for the season - warm weather or cold weather. The warm weather fee is intended to be implemented from May to October and includes average use of 43 ccf per bimonthly period. The cold weather fee is intended to be implemented from November to April and includes average use of 19 ccf. CII and Irrigation inoperable meter rates may be based on past average consumption.

**Table 21: Proposed Bimonthly Water Rates - Normal Water Year
Rate Study / Cost of Service Study
Rio Linda Elverta Community Water District**

Meter Size	Current	Proposed				
	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
5/8"	\$59.86	\$33.65	\$35.11	\$36.64	\$38.23	\$39.88
3/4"	\$59.86	\$33.65	\$35.11	\$36.64	\$38.23	\$39.88
1"	\$99.77	\$53.11	\$55.42	\$57.83	\$60.34	\$62.94
1.5"	\$199.53	\$101.76	\$106.18	\$110.79	\$115.60	\$120.59
2"	\$319.25	\$160.14	\$167.10	\$174.35	\$181.92	\$189.77
3"	\$698.37	\$345.01	\$360.02	\$375.63	\$391.94	\$408.84
4"	\$1,257.06	\$617.45	\$644.31	\$672.24	\$701.43	\$731.68
Inactive	\$59.86	\$33.65	\$35.11	\$36.64	\$38.23	\$39.88
Single Family Residential Inoperable Meter Rates (fixed bimonthly fee, no additional volume charges)						
5/8" - Cold Weather		\$65.88	\$68.73	\$71.80	\$74.95	\$78.18
5/8" - Warm Weather		\$116.04	\$121.29	\$126.52	\$132.07	\$137.94
3/4" - Cold Weather		\$65.88	\$68.73	\$71.80	\$74.95	\$78.18
3/4" - Warm Weather		\$116.04	\$121.29	\$126.52	\$132.07	\$137.94
1" - Cold Weather		\$85.34	\$89.04	\$92.99	\$97.06	\$101.24
1" - Warm Weather		\$135.50	\$141.60	\$147.71	\$154.18	\$161.00
CII and Irrigation inoperable meter rates may be based on past average consumption						
Volume Rates \$/ccf						
Current Rate per ccf (over 6ccf)	\$0.81					
Single Family Residential						
Tier 1: 0-17 ccf		\$1.65	\$1.72	\$1.80	\$1.88	\$1.96
Tier 2: 17+ ccf		\$2.09	\$2.19	\$2.28	\$2.38	\$2.49
CII (all use)		\$1.86	\$1.95	\$2.03	\$2.12	\$2.22
Irrigation (all use)		\$2.13	\$2.23	\$2.33	\$2.43	\$2.54
Standby Fire Protection - Fixed Bimonthly Charge						
1.5"	\$4.12	\$4.12	\$4.31	\$4.50	\$4.70	\$4.91
4"	\$40.00	\$54.38	\$56.83	\$59.39	\$62.06	\$64.85
6"	\$60.00	\$157.96	\$165.07	\$172.50	\$180.26	\$188.37
8"	\$80.00	\$157.96	\$165.07	\$172.50	\$180.26	\$188.37
Backflow Prevention - Fixed Bimonthly Charge						
Per device	\$8.33	\$9.00	\$9.27	\$9.55	\$9.84	\$10.14

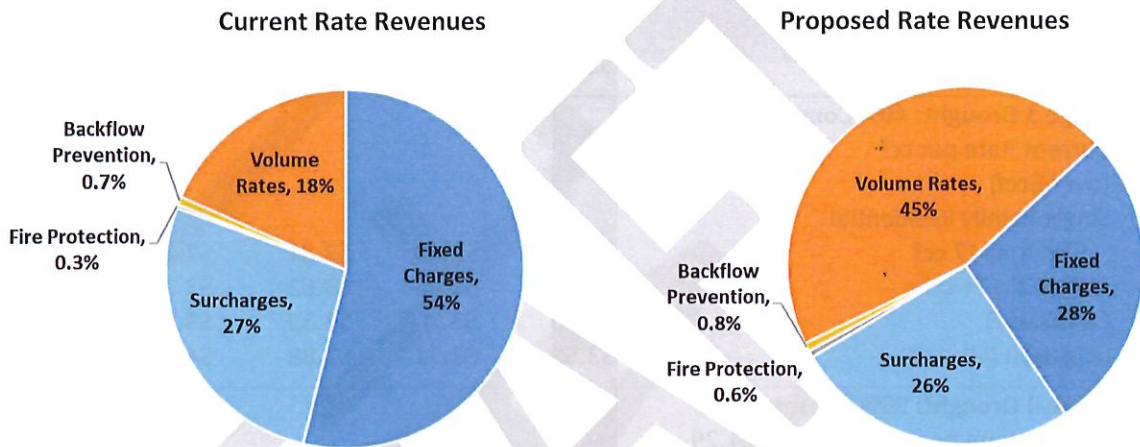
Table 22: Proposed Bimonthly Water Rates – Drought Conditions
Rate Study / Cost of Service Study
Rio Linda Elverta Community Water District

	Current	Proposed				
	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Stage 2 Drought: 30% Conservation		Volume Rates \$/ccf				
Current Rate per ccf (over 6ccf)	\$0.92					
Single Family Residential						
Tier 1: 0-17 ccf		\$2.25	\$2.35	\$2.45	\$2.56	\$2.67
Tier 2: 17+ ccf		\$2.88	\$3.01	\$3.14	\$3.28	\$3.43
CII (all use)		\$2.66	\$2.78	\$2.90	\$3.04	\$3.17
Irrigation (all use)		\$3.04	\$3.18	\$3.32	\$3.47	\$3.63
Stage 3 Drought: 40% Conservation						
Current Rate per ccf (over 6ccf)	\$1.08					
Single Family Residential						
Tier 1: 0-17 ccf		\$2.58	\$2.69	\$2.81	\$2.94	\$3.07
Tier 2: 17+ ccf		\$3.32	\$3.46	\$3.62	\$3.78	\$3.95
CII (all use)		\$3.10	\$3.24	\$3.39	\$3.54	\$3.70
Irrigation (all use)		\$3.55	\$3.71	\$3.88	\$4.05	\$4.24
Stage 4 Drought: 50% Conservation						
Current Rate per ccf (over 6ccf)	\$1.29					
Single Family Residential						
Tier 1: 0-17 ccf		\$3.04	\$3.18	\$3.32	\$3.47	\$3.62
Tier 2: 17+ ccf		\$3.93	\$4.10	\$4.29	\$4.48	\$4.68
CII (all use)		\$3.72	\$3.89	\$4.07	\$4.25	\$4.44
Irrigation (all use)		\$4.26	\$4.45	\$4.65	\$4.86	\$5.08

5.6 Revenue and Customer Impacts

Current and proposed revenues including surcharge revenues are shown in Table 23 and summarized in Figure 5. Current revenues total about \$3.58 million and are made up of about 82% fixed charge revenues and 18% volume rate revenues. Under the proposed rates, about 55% of revenues are made up of fixed fee revenues and 45% of revenues are generated by volume rates.

Figure 5: Revenue Recovery from Fixed Charges and Volume Rates



**Table 23: Comparison of Current and Proposed Service Charge Revenues
Rate Study / Cost of Service Study
Rio Linda Elverta Community Water District**

Meter Size	Current				Proposed			
	FY2021	Count	Revenue	% of Total	FY2022	Count	Revenue	% of Total
5/8"	\$59.86	3,746	\$1,345,413	38%	\$33.65	3,746	\$756,317	20%
3/4"	\$59.86	44	\$15,803	0.4%	\$33.65	44	\$8,884	0.2%
1"	\$99.77	680	\$407,062	11%	\$53.11	685	\$218,282	6%
1.5"	\$199.53	18	\$21,549	1%	\$101.76	18	\$10,990	0%
2"	\$319.25	23	\$44,057	1%	\$160.14	23	\$22,099	1%
3"	\$698.37	9	\$37,712	1%	\$345.01	9	\$18,631	0%
4"	\$1,257.06	4	\$30,169	1%	\$617.45	4	\$14,819	0%
Inactive	\$59.86	65	\$23,345	1%	\$33.65	65	\$13,124	0%
Surcharge 1	\$19.00	4,589	\$523,146	15%	\$19.00	4,594	\$523,716	14%
Surcharge 2	\$15.80	4,589	\$435,037	12%	\$15.80	4,594	\$435,511	12%
Standby Fire Protection – Fixed Bimonthly Charge								
1.5"	\$4.12	1	\$25	0.0%	\$4.12	1	\$25	0.0%
4"	\$40.00	13	\$3,120	0.1%	\$54.38	13	\$4,242	0.1%
6"	\$60.00	12	\$4,320	0.1%	\$157.96	12	\$11,373	0.3%
8"	\$80.00	7	\$3,360	0.1%	\$157.96	7	\$6,634	0.2%
Backflow Prevention – Fixed Bimonthly Charge								
Per device	\$8.33	531	\$26,539	0.7%	\$9.00	531	\$28,674	0.8%
Subtotal Fixed Fees			\$2,920,658	82%			\$2,073,320	55%
Current Rate per ccf (over 6ccf)	\$0.81	811,175	\$657,052	18%				
Single Family Residential								
Tier 1: 0-17 ccf					\$1.65	318,798	\$526,016	
Tier 2: 17+ ccf					\$2.09	426,593	\$891,580	
CII (all use)					\$1.86	128,254	\$238,553	
Irrigation (all use)					\$2.13	9,238	\$19,678	
Subtotal Volume Rates			\$657,052	18%			\$1,675,827	45%
Total			\$3,577,710	100%			\$3,749,148	100%

Table 24 provides sample single family residential bills comparing the current and proposed bills under various levels of use. With use of 29 ccf per billing period and a 5/8" meter, the typical customer bill will increase from \$113.29 to \$121.58, an increase of about 7%.

**Table 24: Comparison of Current and Proposed Single Family Bills
Rate Study / Cost of Service Study
Rio Linda Elverta Community Water District**

Current					Proposed FY2022				
	Count	Rate	Fees	%		Count	Rate	Fees	%
Average SFR - 29 ccf					Average SFR - 29 ccf				
Fixed Fees					Fixed Fees				
5/8" Meter	1	\$59.86	\$59.86	53%	5/8" Meter	1	\$33.65	\$33.65	28%
Surcharge 1	1	\$19.00	\$19.00	17%	Surcharge 1	1	\$19.00	\$19.00	16%
Surcharge 2	1	\$15.80	<u>\$15.80</u>	<u>14%</u>	Surcharge 2	1	\$15.80	<u>\$15.80</u>	<u>13%</u>
Subtotal Fixed			\$94.66	84%	Subtotal Fixed			\$68.45	56%
Volume Fees					Volume Fees				
Tier 1: 0-6 ccf	6	\$0.00	\$0.00	0%	Tier 1: 0-17 ccf	17	\$1.65	\$28.05	23%
Tier 2: 6+ ccf	<u>23</u>	\$0.81	<u>\$18.63</u>	<u>16%</u>	Tier 2: 17+ ccf	<u>12</u>	\$2.09	<u>\$25.08</u>	<u>21%</u>
Subtotal Volume	29		\$18.63	16%	Subtotal Volume	29		\$53.13	44%
Total Bimonthly Bill			\$113.29	100%	Total Bimonthly Bill			\$121.58	100%
					% Change from Current			7.3%	
Indoor-only SFR - 17 ccf					Indoor-only SFR - 17 ccf				
Fixed Fees					Fixed Fees				
5/8" Meter	1	\$59.86	\$59.86	58%	5/8" Meter	1	\$33.65	\$33.65	35%
Surcharge 1	1	\$19.00	\$19.00	18%	Surcharge 1	1	\$19.00	\$19.00	20%
Surcharge 2	1	\$15.80	<u>\$15.80</u>	<u>15%</u>	Surcharge 2	1	\$15.80	<u>\$15.80</u>	<u>16%</u>
Subtotal Fixed			\$94.66	91%	Subtotal Fixed			\$68.45	71%
Volume Fees					Volume Fees				
Tier 1: 0-6 ccf	6	\$0.00	\$0.00	0%	Tier 1: 0-17 ccf	17	\$1.65	\$28.05	29%
Tier 2: 6+ ccf	<u>11</u>	\$0.81	<u>\$8.91</u>	<u>9%</u>	Tier 2: 17+ ccf	<u>0</u>	\$2.09	<u>\$0.00</u>	<u>0%</u>
Subtotal Volume	17		\$8.91	9%	Subtotal Volume	17		\$28.05	29%
Total Bimonthly Bill			\$103.57	100%	Total Bimonthly Bill			\$96.50	100%
					% Change from Current			-6.8%	
Median Bill SFR - 20 ccf					Median Bill SFR - 20 ccf				
Fixed Fees					Fixed Fees				
5/8" Meter	1	\$59.86	\$59.86	56%	5/8" Meter	1	\$33.65	\$33.65	33%
Surcharge 1	1	\$19.00	\$19.00	18%	Surcharge 1	1	\$19.00	\$19.00	18%
Surcharge 2	1	\$15.80	<u>\$15.80</u>	<u>15%</u>	Surcharge 2	1	\$15.80	<u>\$15.80</u>	<u>15%</u>
Subtotal Fixed			\$94.66	89%	Subtotal Fixed			\$68.45	67%
Volume Fees					Volume Fees				
Tier 1: 0-6 ccf	6	\$0.00	\$0.00	0%	Tier 1: 0-17 ccf	17	\$1.65	\$28.05	27%
Tier 2: 6+ ccf	<u>14</u>	\$0.81	<u>\$11.34</u>	<u>11%</u>	Tier 2: 17+ ccf	<u>3</u>	\$2.09	<u>\$6.27</u>	<u>6%</u>
Subtotal Volume	20		\$11.34	11%	Subtotal Volume	20		\$34.32	33%
Total Bimonthly Bill			\$106.00	100%	Total Bimonthly Bill			\$102.77	100%
					% Change from Current			-3.0%	

Peak Summer Bill SFR - 53 ccf					Peak Summer Bill SFR - 53 ccf				
Fixed Fees					Fixed Fees				
5/8" Meter	1	\$59.86	\$59.86	45%	5/8" Meter	1	\$33.65	\$33.65	20%
Surcharge 1	1	\$19.00	\$19.00	14%	Surcharge 1	1	\$19.00	\$19.00	11%
Surcharge 2	1	\$15.80	<u>\$15.80</u>	<u>12%</u>	Surcharge 2	1	\$15.80	<u>\$15.80</u>	<u>9%</u>
Subtotal Fixed			\$94.66	71%	Subtotal Fixed			\$68.45	40%
Volume Fees					Volume Fees				
Tier 1: 0-6 ccf	6	\$0.00	\$0.00	0%	Tier 1: 0-17 ccf	17	\$1.65	\$28.05	16%
Tier 2: 6+ ccf	<u>47</u>	\$0.81	<u>\$38.07</u>	<u>29%</u>	Tier 2: 17+ ccf	<u>36</u>	\$2.09	<u>\$75.24</u>	<u>44%</u>
Subtotal Volume	53		\$38.07	29%	Subtotal Volume	53		\$103.29	60%
Total Bimonthly Bill					Total Bimonthly Bill				
			\$132.73	100%				\$171.74	100%
					% Change from Current			29.4%	

For customers with 5/8" or 3/4" meters, bimonthly use of up to 22 ccf results in a bill decrease and bimonthly use of 23 ccf or more results in an increase. Figure 6 provides an analysis of single family residential bill impacts following the rate change. The analysis was based on actual bills and water use per billing cycle for each customer over the past two years. Under the proposed rates, about 57% of bills are expected to decrease and about 43% of bills are expected to increase. The average single family customer will experience bill decreases in the winter and bill increases in the summer.

Figure 6: Distribution of Single Family Bill Impacts Under Proposed Rates

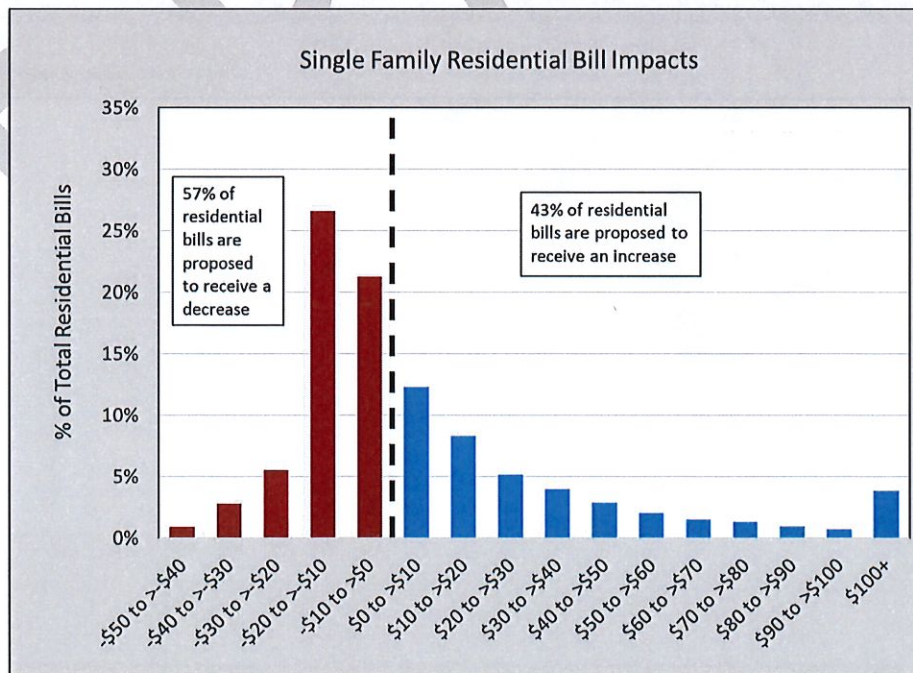
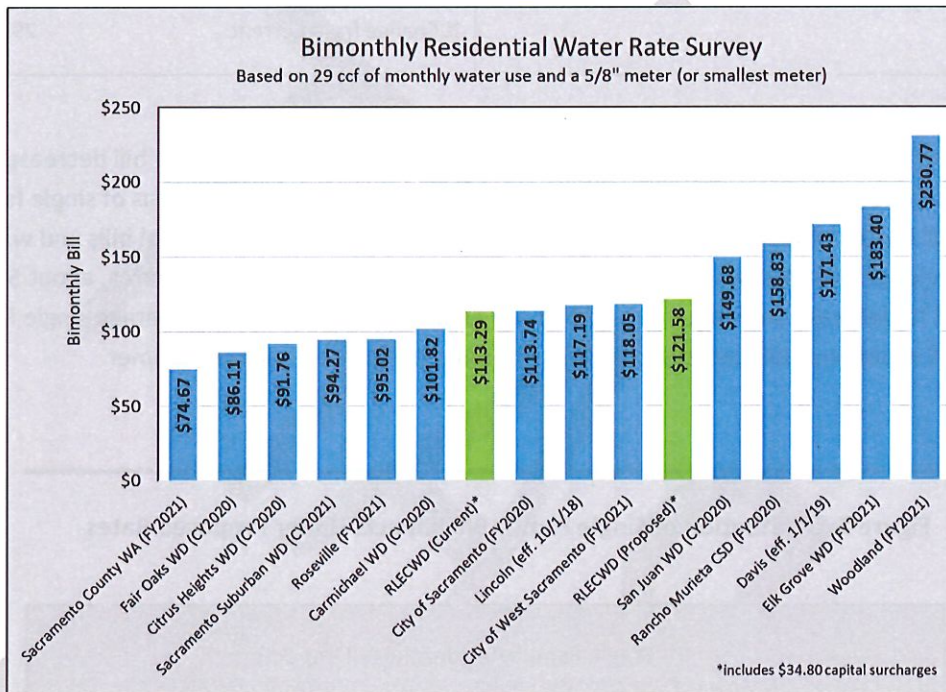
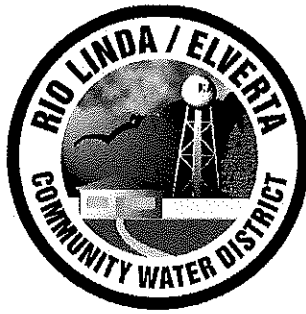


Figure 7 provides a bill survey comparing RLECWD’s current and proposed typical residential bill with bills charged by other local water purveyors. The District’s current bill is in the mid-range of surveyed agencies and will remain in the mid-range following the proposed rate adjustment.

Figure 7: Single Family Residential Bill Survey





Items for Discussion and Action Agenda Item: 4.5

Date: March 15, 2021

Subject: Exploring Property & Liability Insurance Options

Staff Contact: Timothy R. Shaw

Recommended Committee Action:

The Executive Committee did not discuss this item, which is in its preliminary exploration stage.

Current Background and Justification:

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

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

The subject has been indirectly discussed by past RLECWD Boards. The context of such Board dialog was during the annual budget adoption process where the list of District memberships and corresponding aggregate dues amount was appropriately questioned. In staff's opinion, the discussion of consolidating insurance and possibly eliminating the ACWA membership dues was still influenced by emotions stemming from ACWA helping the District when seemingly no one else would.

Time has passed. The value of ACWA membership has diminished. The value of spending admin dollars as efficiently as possible remains. Nevertheless, it behooves staff to gage Board interest in consolidating P&L insurance with workers compensation insurance (thus possibly terminating ACWA membership and corresponding dues) prior to expending District resources on exploring options and corresponding potential savings.

Conclusion:

The Board should engage in dialog to gage interest in exploring P&L insurance options, then Direct staff as appropriate.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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

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

RLECWD Agenda Item Checklist

Item 4.5

Date

Initial Potential Meeting Date

03/15/2021

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

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

Staff Work Completed

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

N/A

Committee Review of Item and Staff Work

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

N/A

Formal Legal Counsel Review

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

N/A

GM Review

03/11/2021

Actual Meeting Date Set for Agenda Item

03/15/2021



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

Date: March 15, 2021

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

Staff Contact: Timothy R. Shaw

Recommended Committee Action:

N/A

Current Background and Justification:

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

Conclusion:

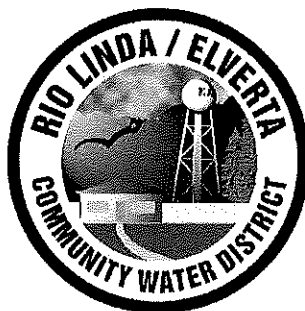
I recommend the Board consider approving any specific nominations and assignments as may be deemed necessary and appropriate.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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

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



Information Items Agenda Item: 5.1

Date: March 15, 2021

Subject: District Reports

Staff Contact: Timothy R. Shaw, General Manager

1. DISTRICT ACTIVITY REPORT

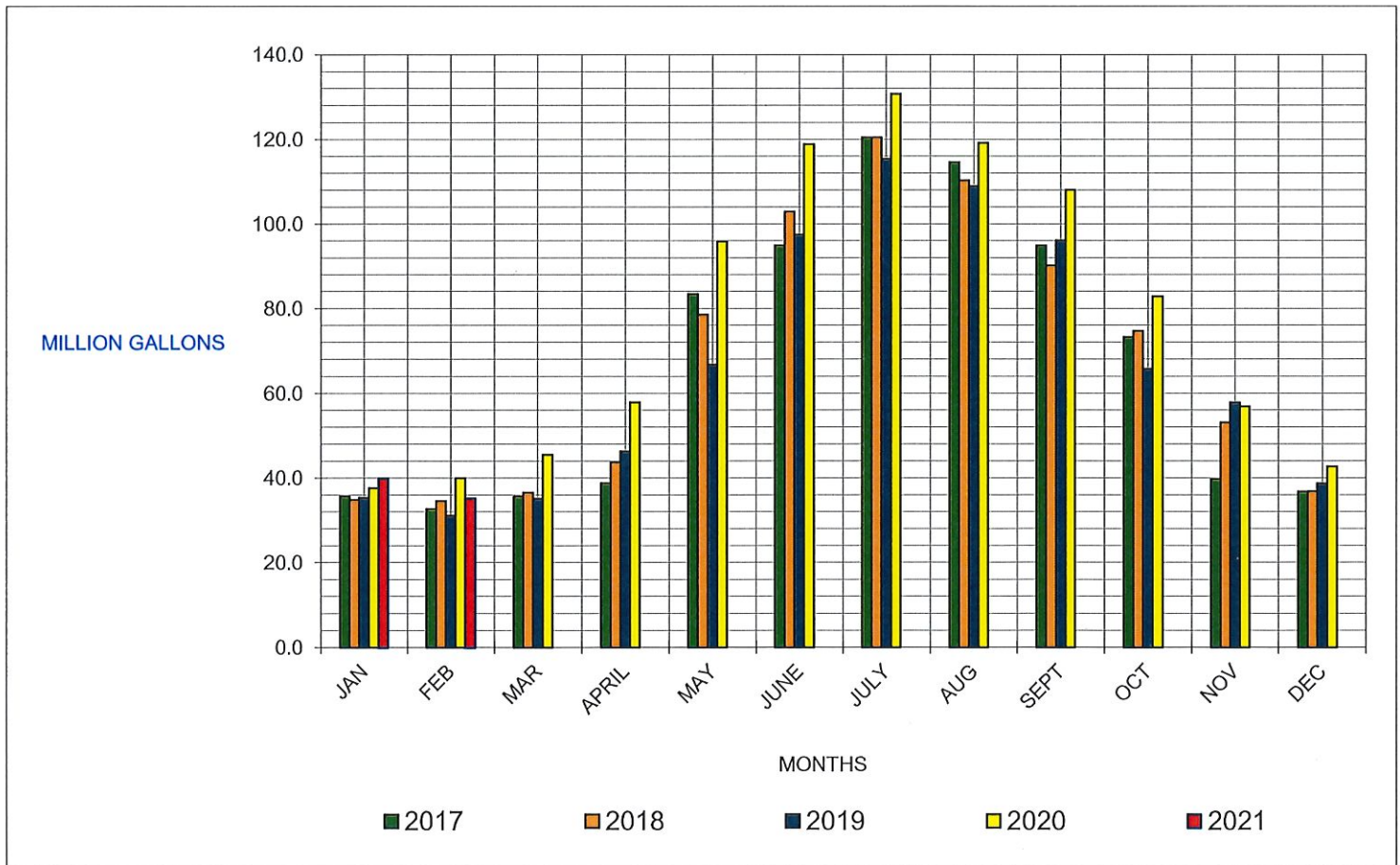
1. Operations Report
2. Conservation Report
3. Completed and Pending Items Report

RIO LINDA/ELVERTA C.W.D.

WATER PRODUCTION

2017 \ 2021

Month	Water Production in Million Gallons					Avg.	SSWD Water Purchases				
	2017	2018	2019	2020	2021		2017	2018	2019	2020	2021
JAN	35.6	34.8	35.3	37.6	39.9	36.6	0.0	0.0	0.0	0.0	0.0
FEB	32.7	34.5	31.1	40.0	35.2	34.7	0.0	0.0	0.0	0.0	0.0
MAR	35.6	36.5	35.1	45.5		38.2	0.0	0.0	0.0	0.0	
APRIL	38.8	43.7	46.3	57.9		46.7	0.0	0.0	0.0	0.0	
MAY	83.4	78.5	66.8	95.9		81.2	0.0	0.0	0.0	0.0	
JUNE	94.9	102.9	97.5	118.9		103.6	0.0	0.0	0.0	0.0	
JULY	120.5	120.5	115.4	130.7		121.8	0.0	0.0	0.0	0.0	
AUG	114.6	110.3	108.9	119.2		113.3	0.0	0.0	0.0	0.0	
SEPT	94.9	90.1	96.1	108.1		97.3	0.0	0.0	0.0	0.0	
OCT	73.2	74.7	65.8	82.8		74.1	0.0	0.0	0.0	0.0	
NOV	39.7	53.1	57.8	56.9		51.9	0.0	0.0	0.0	0.0	
DEC	36.7	36.8	38.7	42.7		38.7	0.0	0.0	0.0	0.0	
TOTAL	800.6	816.4	794.8	936.2	75.1	837.0	0.0	0.0	0.0	0.0	0.0





Conservation Report *February 2021*

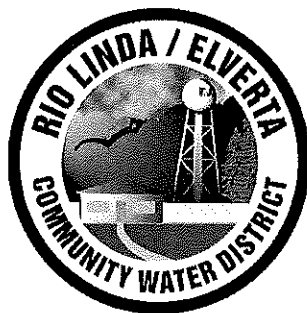


Supplies (kits):	Shower heads(0) Kitchen Aerators(0) Bathroom Aerators(0) Shower Timer(0) Nozzle(0) Toilet Tabs(0) Moisture Meters(0) Water Bottles(0) Toilet Tummy(0) Retro-Fit Kits(0) Welcome Kits(0) Kids Kit(0)
Water Waste (calls, emails, letter, leaks detected, and fixed):	0 Water Waste Call(s) 24 were contact about possible leaks using the AMI system - 2 were called, 0 was mailed, 22 was emailed 3 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 payments and 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 put to customers with higher than normal water usage ● Verbal Demands ● Created Side-by-Side Comparisons ● Reviewed/added revenue class category for irrigation accounts
Grant Updates:	None



**PENDING AND COMPLETED ITEMS
3-15-2021 BOARD OF DIRECTORS MEETING**

1. **Rate Study / Cost of Service Analysis.** With the consumption data options refined, the focus can now turn to consideration of approving the Rate Study / Cost of Service Analysis, which is on the March 15th Board agenda. **Pending**
2. **SB-606 and AB-1668 planning for compliance** – See status of pending item 1, which is directly prerequisite to completing this item. **Pending**
3. **Hexavalent Chromium MCL economic feasibility** all meetings, workshops and public participation process are proceeding according to the state's current schedule. The anticipated re-adoption of a Hexavalent Chromium Maximum Contaminant Level (MCL) is anticipated to be complete later this year. I attended an ACWA Water Quality Committee meeting, but there was zero discussion of ongoing water quality items. **Pending**
4. **District outreach to customers in anticipation of implementing a new rate structure focused on consumption in compliance with SB 606 / AB 1668 requirements** – We met with the Parks District and reviewed the side-by-side analyses of current vs. proposed rate structures for a number of Parks water meters. Parks understood the scope and impact. Parks indicated they wanted the GM to attend an upcoming Parks committee meeting, but not further details have been provided. Parks also indicated they would share their side-by-side reports with the School District, and that we would likely be hearing from the School District following their review of highly tangible side-by-side reports. So far not contact from the School District. **Pending**
5. **Procuring a replacement for the existing 25-year-old dump truck** – staff began outreach and exploration of options for procurement through CMAS and NJPA (government bid programs). There are no dump trucks available through CMAS (California only bid program) Ironically, the NJPA vehicles cost more than a few we've found advertised from private sector dealerships. To get the best deal for our ratepayers, we may need to have the Board consider authorizing the purchase and bypassing the more expensive bid process. Such will be discussed at the April 5th Executive Committee **Pending**
6. **Engaging a new Independent Auditor**, see details in the minute of the March 1st Executive Committee. Staff is working on preparing a Request for Proposals (RFP) for Board consideration at the April 19th meeting. **Pending**



Information Items Agenda Item: 5.2

Date: March 15, 2021

Subject: Board Reports

Staff Contact: Timothy R. Shaw, General Manager

5.2 BOARD REPORTS

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

Minutes
Rio Linda / Elverta Community Water District
Executive Committee

60

March 1, 2021
6:00 P.M.

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

Call to Order 6:00 P.M.

Public Comment: None

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

Items for Discussion:

1.	Update from Contract District Engineer
	<i>The Contract District Engineer presented his written report and expounded on the Well 16 Pumping Station and annual pipe replacement project. The negotiations with the Request for Proposals (RFP) respondent and not proceeding favorably. The Executive Committee agrees that the project should be re-solicited as a consolidation of this year's project and next fiscal year's project, i.e. accrue the FY 2020/2021 funding into the FY 2021/2022 project. Otherwise, this year's project would be unreasonably truncated, e.g. 600-foot project instead of 1,000-feet.</i>
2.	Discuss funding methods for Innov8 / WaterScope consumption data phase 2 pilot study.
	<i>The General Manager provided further explanation of his written report, which recommends the funding for the phase 2 of the Innov8/Waterscope pilot study be funded from the admin component of capacity fees. Phase 2 will have a pronounce emphasis on Commercial Industrial Institutional (CII) customers. Staff reasonably anticipates the granular consumption data provided to CII consumers will impact the consumption practices of CII customers, which will refine the amount of existing capacity in the RLECWD water distribution system. Further, if the phase 2 proceeds well, and the District transitions into deployment of Innov8/Waterscope, the funding for the 25-devices (or some lesser number of devices) can be repaid to the capacity fee account. If ultimate deployment does not come to fruition, the Innov8 devices will continue to be tools the District can use for granular analysis of CII accounts.</i>
3.	Discuss the final draft Rate Study / Cost of Service Analysis.
	<i>The final draft of the Rate Study / Cost of Service Analysis was distributed on February 23rd. The General Manager summarized his written report. Director Reisig asked whether the rate restructuring would be considered at a "public hearing". The General Manager confirmed that it would and further discussed the timeline / sequence of District actions leading up to the public hearing. The first step is for the Board to consider approving the Rate Study / Cost of Service Analysis at the March 15th regular meeting. Then, the Board can consider authorizing a Proposition 2018 Notice at the April 19th meeting. This would enable the Board to consider adopting the new rate structure at a public hearing on June 21st. The Executive Committee forwarded an item onto the March 15th Board Agenda with the Committee's recommendation for Board approval of the Rate Study / Cost of Service Analysis</i>
4.	Discuss timing and methods for procuring a replacement of 25-yr old dump truck.
	<i>The General Manager reviewed his written report with the Committee. He explained that District policy stipulates a competitive bid process for items over \$25,000. The General Manager further</i>

explained that the competitive bidding process, with Board adopted bid specification and solicitation of responses represents a cost and resources expenditure. This is why government agencies use a collective bid process, e.g., California Multiple Award Schedules (CMAS) and National Joint Powers Alliance (NJPA).

Staff have begun exploring the availability of suitable vehicles (dump trucks) through CMAS and NJPA (now known as Sourcwell). Staff will update the Committee as more information becomes available.

5. Discuss the Request for Proposals process for engaging a new independent auditor service.

The General Manager reviewed his written report with the Executive Committee focusing on the statutory requirement to limit the engaged auditor for a limited number of consecutive audits. The Executive Committee discussed the solicitation process and the approaches to length of contracts/engagements.

The Executive Committee forwarded this item onto an upcoming Board meeting agenda, noting that the Request for Proposals (RFP) may not be ready for the Marcy 15th agenda.

6. Preliminary discussion of means for complying with California Labor Code Sections 1030-1034 Lactation Accommodations.

The Executive Committee engaged in preliminary discussion of lactation accommodations.

7. Discuss timing for resumption of in-person public meetings.

The Executive Committee forwarded this item onto the March 15th Board agenda. The Committee intentionally withheld a recommendation for Board action.

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

The Executive Committee forwarded January Expenditures Report onto the March 15th Board agenda with the Committee's recommendation for Board approval

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

The Executive Committee forwarded the January Financial Reports onto the March 15th Board agenda with the Committee's recommendation for Board approval.

Directors' and General Manager Comments: None.

Items Requested for Next Month's Committee Agenda: None.

Adjournment: 7:40 P.M.