

Agenda
Rio Linda / Elverta Community Water District
Executive Committee

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

December 2, 2019
6:00 p.m.

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

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

In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability related modification or accommodation to participate in this meeting, then please contact the District office at (916) 991-1000. Requests must be made as early as possible and at least one full business day before the start of the meeting.

Call to Order

Public Comment

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

Items for Discussion:

1. Review and discuss the expenditures of the District for the Month of October 2019.
2. Review and discuss the financial reports for the Month of October 2019.
3. Discuss the annual process for adjusting RLECWD Capacity Fees.
4. Discuss the need and process for revising the District's policies associated with construction of Accessory Dwelling Units (ADUs).
5. Update from Contract District Engineer.
6. Discuss the potential for cancelling the January 6, 2020 Executive Committee meeting, e.g. if the Chair and Board do not appoint 2020 Executive Committee Members at the December 16th regular Board meeting.

Directors' and General Manager Comments

Items Requested for Next Month's Committee Agenda

- Written policies and new practices to comply with SB-998.

Adjournment

Next Executive Committee meeting: Monday, January 6, 2020 at 6:00 p.m. (unless cancelled due to timing of annual appointments)

ADA COMPLIANCE STATEMENT

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



Executive Committee Agenda Item: 1

Date: December 2, 2019

Subject: Expenditure Summary

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

It is recommended that the Executive Committee review the expenditures for October 2019, then forward the item to the December 16th Board agenda, consent section, with a recommendation for approval.

Current Background and Justification:

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

Conclusion:

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

**Rio Linda Elverta Community Water District
Expenditure Report
October 2019**

Type	Date	Num	Name	Memo	Amount
Liability Check	10/01/2019	EFT	QuickBooks Payroll Service	For PP Ending 09/30/2019 Paydate 10/04/2019	21,035.89
Liability Check	10/04/2019	EFT	CalPERS	For PP Ending 09/30/2019 Paydate 10/04/2019	2,144.72
Liability Check	10/04/2019	EFT	CalPERS	For PP Ending 09/30/2019 Paydate 10/04/2019	2,097.20
Liability Check	10/04/2019	EFT	Nationwide	Deferred Compensation Plan	1,369.00
Liability Check	10/04/2019	EFT	Nationwide	Deferred Compensation Plan	75.00
Bill Pmt -Check	10/04/2019	EFT	Adept Solutions	Computer Maintenance	1,333.00
Bill Pmt -Check	10/04/2019	EFT	Comcast	Phone/Internet	227.22
Bill Pmt -Check	10/04/2019	EFT	Republic Services	Utilities	87.02
Liability Check	10/04/2019	EFT	Internal Revenue Service	Employment Taxes	7,331.38
Liability Check	10/04/2019	EFT	Employment Development	Employment Taxes	1,447.76
Bill Pmt -Check	10/04/2019	EFT	Voyager Fleet Commander	Transportation Fuel	208.72
Transfer	10/04/2019	EFT	RLECWD	Umpqua Bank Monthly Debt Service Transfer	16,500.00
Check	10/04/2019	6096	Franchise Tax Board	Employee Garnishment	800.10
Check	10/04/2019	6097	Customer	Final Bill Refund	88.96
Bill Pmt -Check	10/04/2019	6098	Association of California Water Agencies	Annual Dues	9,640.00
Bill Pmt -Check	10/04/2019	6099	ACWA/JPIA	General Liability Insurance Premiums 19-20	22,775.00
Bill Pmt -Check	10/04/2019	6100	ACWA/JPIA	EAP	23.50
Bill Pmt -Check	10/04/2019	6101	AMSI/PSC	Office Expense	27.00
Bill Pmt -Check	10/04/2019	6102	Buckmaster Office Solutions	Office Equipment Expense	111.84
Bill Pmt -Check	10/04/2019	6103	Cintas Corporation	Safety	28.55
Bill Pmt -Check	10/04/2019	6104	EKI Environment & Water	Engineering - September 2019	5,000.00
Bill Pmt -Check	10/04/2019	6105	Elk Grove Security Systems	Security	84.00
Bill Pmt -Check	10/04/2019	6106	Henrici, Mary	Retiree Insurance	900.00
Bill Pmt -Check	10/04/2019	6107	Intermedia.net, Inc.	Phone/Internet	91.51
Bill Pmt -Check	10/04/2019	6108	Kurey & Associates	Professional Services	225.00
Bill Pmt -Check	10/04/2019	6109	Phelan, Michael	Retiree Insurance	3,150.00
Bill Pmt -Check	10/04/2019	6110	Quill	Office Expense	65.99
Bill Pmt -Check	10/04/2019	6111	Rio Linda Hardware & Building Supply	Shop Supplies	1,031.88
Bill Pmt -Check	10/04/2019	6112	RW Trucking	Distribution Expense	643.05
Bill Pmt -Check	10/04/2019	6113	Sierra Chemical Company	Treatment	861.30
Bill Pmt -Check	10/04/2019	6114	SMUD	Utilities	25,215.28
Bill Pmt -Check	10/04/2019	6115	USA BlueBook	Treatment	941.57
Bill Pmt -Check	10/04/2019	6116	Vanguard Cleaning Systems	Janitorial	195.00
Bill Pmt -Check	10/04/2019	6117	WellTec, Inc.	Pumping Maintenance	437.50
Liability Check	10/16/2019	EFT	WageWorks	FSA Administration Fee	71.00
Check	10/17/2019	EFT	ARCO	Transportation: Fuel	944.97
Liability Check	10/17/2019	EFT	QuickBooks Payroll Service	For PP Ending 10/15/19 Pay date 10/18/19	19,795.50
Liability Check	10/18/2019	EFT	AFLAC	Employee Paid Insurance	651.04
Liability Check	10/18/2019	EFT	CalPERS	For PP Ending 10/15/19 Pay date 10/18/19	2,189.31
Liability Check	10/18/2019	EFT	CalPERS	For PP Ending 10/15/19 Pay date 10/18/19	2,097.20
Liability Check	10/18/2019	EFT	Internal Revenue Service	Employment Taxes	7,126.98
Liability Check	10/18/2019	EFT	Employment Development	Employment Taxes	1,457.71
Liability Check	10/18/2019	EFT	Employment Development	Employment Taxes	275.67

**Rio Linda Elverta Community Water District
Expenditure Report
October 2019**

Type	Date	Num	Name	Memo	Amount
Liability Check	10/18/2019	EFT	Nationwide	Deferred Compensation Plan	1,298.29
Liability Check	10/18/2019	EFT	Nationwide	Deferred Compensation Plan	75.00
Liability Check	10/18/2019	EFT	Kaiser Permanente	Health Insurance	1,051.12
Liability Check	10/18/2019	EFT	Principal	Dental & Vision Insurance	1,875.04
Liability Check	10/18/2019	EFT	Western Health Advantage	Health Insurance	12,027.17
Bill Pmt -Check	10/18/2019	EFT	Adept Solutions	Computer Maintenance	563.73
Bill Pmt -Check	10/18/2019	EFT	Verizon	Field Communication	379.04
Check	10/18/2019	EFT	RLECWD - SURCHARGE ACCOUNT 1	Current Monthly Transfer	45,001.61
Check	10/18/2019	EFT	RLECWD - SURCHARGE ACCOUNT 2	Bi-Monthly Transfer	72,892.29
Check	10/18/2019	EFT	RLECWD - Capital Improvement	Current Monthly Transfer	34,000.00
Bill Pmt -Check	10/18/2019	EFT	Umpqua Bank Credit Card	Computer, Distr Supplies, Meeting, Office, Postage, Safety, Shop	3,804.29
Liability Check	10/18/2019	1002	Teamsters Local #150	Union Dues	621.00
Check	10/18/2019	1003	Customer	Deposit Refund	887.50
Check	10/18/2019	1004	Customer	Final Bill Refund	58.75
Bill Pmt -Check	10/18/2019	1005	Central Valley Engineering & Asphalt	Contract Repairs	8,500.00
Bill Pmt -Check	10/18/2019	1006	Churchwell White	Legal Fees	685.50
Bill Pmt -Check	10/18/2019	1007	CoreLogic Solutions	Metro Scan	134.75
Bill Pmt -Check	10/18/2019	1008	DirectHit Pest Control	Building Maintenance	75.00
Bill Pmt -Check	10/18/2019	1009	Fechter & Company CPA	Auditor Fees	10,712.00
Bill Pmt -Check	10/18/2019	1010	ICONIX Waterworks	Distribution Supplies	2,848.41
Bill Pmt -Check	10/18/2019	1011	PG&E	Utilities	34.45
Bill Pmt -Check	10/18/2019	1012	Quill	Office Expense	62.57
Bill Pmt -Check	10/18/2019	1013	Rio Linda Elverta Recreation & Park Dist	Meeting Fees	50.00
Bill Pmt -Check	10/18/2019	1014	Todd, John - Rio Linda Online	Computer Maintenance	948.00
Bill Pmt -Check	10/18/2019	1015	Sacramento County	Permits & Fees	120.52
Bill Pmt -Check	10/18/2019	1016	Spok Inc.	Field Communication	15.28
Bill Pmt -Check	10/18/2019	1017	Unifirst Corporation	Uniforms	207.08
Bill Pmt -Check	10/18/2019	1018	Void	Void	0.00
Total 10000 · Bank - Operating Account					<u>359,731.71</u>

**Rio Linda Elverta Community Water District
Expenditure Report
October 2019**

Type	Date	Num	Payee	Memo	Amount
Transfer	10/04/2019	EFT	RLECW	Transfer Loan Payment paid by Operating Funds	114,389.24
10375 · Surcharge Account 2					<u>114,389.24</u>



Executive Committee Agenda Item: 2

Date: December 2, 2019

Subject: Financial Reports

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee should review the Finance Reports of the District for the month of October 2019, then forward the report onto the December 16th Board agenda with the Committee's recommendation for Board approval.

Current Background and Justification:

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

Conclusion:

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

Rio Linda Elverta Community Water District
Balance Sheet
 As of October 31, 2019

ASSETS

Current Assets

Checking/Savings

100 · Cash & Cash Equivalents

10000 · Operating Account

10005 · Operating Fund-CB&Trust 126,103.46

10020 · Operating Fund-Umpqua 553,658.31

Total 10000 · Operating Account 679,761.77

10475 · Capital Improvement

10480 · General 1,596,634.71

10485 · Vehicle Replacement Reserve 15,000.00

Total 10450 · Capital Improvement 1,611,634.71

Total 100 · Cash & Cash Equivalents 2,291,396.48

102 · Restricted Assets

102.1 · Restricted Capital Improvements

10700 · ZIONS Inv/Surcharge Reserve 507,807.92

Total 102.1 · Restricted Capital Improvements 507,807.92

102.2 · Restricted for Debt Service

10300 · Surcharge 1 Account 731,929.04

10325 · Community Business Bank 5,818.96

10350 · Umpqua Bank Debt Service 106,300.38

10380 · Surcharge 2 Account 198,604.42

10385 · OpusBank Checking 3,200,026.28

Total 102.2 · Restricted for Debt Service 4,242,679.08

102.4 · Restricted Other Purposes

10600 · LAIF Account 205,495.39

10650 · Operating Reserve Fund 301,001.84

Total 102.4 · Restricted Other Purposes 506,497.23

Total 102 · Restricted Assets 5,256,984.23

Total Checking/Savings 7,548,380.71

Accounts Receivable 0.00

Other Current Assets

12000 · Water Utility Receivable 95,706.86

12200 · Accrued Revenue 150,000.00

12250 · Accrued Interest Receivable 2,616.28

15000 · Inventory Asset 56,276.61

16000 · Prepaid Expense 79,525.28

Total Other Current Assets 384,125.03

Total Current Assets 7,932,505.74

Fixed Assets

17000 · General Plant Assets 727,153.00

17100 · Water System Facilites 20,760,310.67

17300 · Intangible Assets 373,043.42

17500 · Accum Depreciation & Amort -9,282,773.19

18000 · Construction in Progress 1,313,099.20

18100 · Land 576,673.45

Total Fixed Assets 14,467,506.55

Other Assets

19000 · Deferred Outflows 262,764.00

19900 · Suspense Account 0.00

Total Other Assets 262,764.00

TOTAL ASSETS 22,662,776.29

Rio Linda Elverta Community Water District
Balance Sheet
 As of October 31, 2019

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable	39,134.24
Credit Cards	60.00
Other Current Liabilities	568,036.37

Total Current Liabilities	607,230.61
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Long Term Liabilities

23000 · OPEB Liability	211,573.00
23500 · Lease Buy-Back	705,797.27
25000 · Surcharge 1 Loan	4,189,831.90
25050 · Surcharge 2 Loan	3,210,040.16
26000 · Water Rev Refunding	1,952,591.00
27000 · Community Business Bank	294,204.88
29000 · Net Pension Liability	987,630.00
29500 · Deferred Inflows-Pension	5,192.00
29600 · Deferred Inflows-OPEB	26,811.00

Total Long Term Liabilities	11,583,671.21
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Total Liabilities	12,190,901.82
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Equity

31500 · Invested in Capital Assets, Net	7,681,067.46
32000 · Restricted for Debt Service	702,232.24
38000 · Unrestricted Equity	1,674,622.00
Net Income	413,952.77

Total Equity	10,471,874.47
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TOTAL LIABILITIES & EQUITY	22,662,776.29
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Rio Linda Elverta Community Water District
Operating Profit & Loss Budget Performance
 As of October 31, 2019

	<u>Annual Budget</u>	<u>Oct 19</u>	<u>Jul 19-Oct 19</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
Ordinary Income/Expense					
Income					
Total 40000 · Operating Revenue	2,714,575.00	158,322.79	878,952.17	32.38%	1,835,622.83
41000 · Nonoperating Revenue					
41110 · Investment Revenue					
41112 · Interest Revenue	400.00	255.47	1,200.57	300.14%	-800.57
Surcharg Total 41110 · Investment Revenue	400.00	255.47	1,200.57	300.14%	-800.57
41120 · Property Tax	81,856.00	0.00	2,117.03	2.59%	79,738.97
Total 41000 · Nonoperating Revenue	82,256.00	255.47	3,317.60	4.03%	78,938.40
Total Income	<u>2,796,831.00</u>	<u>158,578.26</u>	<u>882,269.77</u>	<u>31.55%</u>	<u>1,914,561.23</u>
Gross Income	2,796,831.00	158,578.26	882,269.77	31.55%	1,914,561.23
Expense					
60000 · Operating Expenses					
60010 · Professional Fees	170,731.00	19,348.20	31,878.04	18.67%	138,852.96
60100 · Personnel Services					
60110 · Salaries & Wages	711,238.00	59,368.00	206,384.30	29.02%	504,853.70
60150 · Employee Benefits & Expense	456,863.00	32,538.41	130,376.38	28.54%	326,486.62
Total 60100 · Personnel Services	<u>1,168,101.00</u>	<u>91,906.41</u>	<u>336,760.68</u>	<u>28.83%</u>	<u>831,340.32</u>
60200 · Administration	224,313.00	17,865.93	88,825.76	39.60%	135,487.24
64000 · Conservation	300.00	0.00	0.00	0.00%	300.00
65000 · Field Operations	492,200.00	38,216.59	169,347.92	34.41%	322,852.08
Total 60000 · Operating Expenses	2,055,645.00	167,337.13	626,812.40	30.49%	1,428,832.60
69000 · Non-Operating Expenses					
69010 · Debt Service					
69100 · Revenue Bond					
69105 · Principle	139,015.00	0.00	0.00	0.00%	139,015.00
69110 · Interest	61,717.00	0.00	0.00	0.00%	61,717.00
Total 69100 · Revenue Bond	<u>200,732.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>	<u>200,732.00</u>
69125 · AMI Meter Loan					
69130 · Principle	48,281.00	0.00	23,954.67	49.62%	24,326.33
69135 · Interest	10,233.00	0.00	5,302.29	51.82%	4,930.71
Total 69125 · AMI Meter Loan	<u>58,514.00</u>	<u>0.00</u>	<u>29,256.96</u>	<u>50.00%</u>	<u>29,257.04</u>
Total 69010 · Debt Service	<u>259,246.00</u>	<u>0.00</u>	<u>29,256.96</u>	<u>11.29%</u>	<u>229,989.04</u>
69400 · Other Non-Operating Expense	2,000.00	0.00	-3.14	-0.16%	2,003.14
Total 69000 · Non-Operating Expenses	<u>261,246.00</u>	<u>0.00</u>	<u>29,253.82</u>	<u>11.20%</u>	<u>231,992.18</u>
Total Expense	<u>2,316,891.00</u>	<u>167,337.13</u>	<u>656,066.22</u>	<u>28.32%</u>	<u>1,660,824.78</u>
Net Ordinary Income	<u>479,940.00</u>	<u>-8,758.87</u>	<u>226,203.55</u>		
Net Income	<u>479,940.00</u>	<u>-8,758.87</u>	<u>226,203.55</u>		

Rio Linda Elverta Community Water District
CAPITAL BUDGET VS ACTUAL FISCAL YEAR 2019-20
 As of October 31, 2019

	GENERAL		CHROMIUM MITIGATION & NEW WELLS		VEHICLE REPLACEMENT	
	Annual Budget	YTD Actual	Annual Budget	YTD Actual	Annual Budget	YTD Actual
BEGINNING FUND BALANCE	\$ 1,903,391.00	\$ 1,903,391.00	\$ (29,592.00)	\$ (29,592.00)	\$ 10,000.00	\$ 10,000.00
FUNDING SOURCES						
Fund Transfers						
Operating Fund Transfers In	409,940.00	136,000.00	-	-	-	-
CIP Fund Intrafund Transfers	(5,000.00)	(5,000.00)	-	-	5,000.00	5,000.00
Surcharge 2 Surplus Repayment	-	-	110,201.00	-	-	-
Contributed Funding						
Contributed Facilities (Developers)	-	-	-	-	-	-
Grant Revenue	-	-	516,500.00	-	-	-
Loan Proceeds	-	-	2,033,500.00	-	-	-
Investment Revenue	350.00	1,592.01	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-
TOTAL FUNDS AVAILABLE FOR CIP PROJECTS	2,308,681.00	2,035,983.01	2,630,609.00	(29,592.00)	15,000.00	15,000.00
PROJECTS						
A · WATER SUPPLY						
A-1 · Well XX - Cr6 Treatment/Design	-	-	50,000.00	-	-	-
A-2 · Well 16	-	-	2,500,000.00	-	-	-
A-3 · Miscellaneous Pump Replacements	40,000.00	-	-	-	-	-
Total A · WATER SUPPLY	40,000.00	-	2,550,000.00	-	-	-
B · WATER DISTRIBUTION						
B-1 · Service Replacements	30,000.00	-	-	-	-	-
B-2 · Large Meter Replacements	5,000.00	-	-	-	-	-
Total B · WATER DISTRIBUTION	35,000.00	-	-	-	-	-
C · CONTINGENCY						
C-1 · Contingency (10% of Est A,B,& M)	7,500.00	-	255,000.00	-	-	-
TOTAL BUDGETED PROJECT EXPENDITURES	82,500.00	-	2,805,000.00	-	-	-
ENDING FUND BALANCE	\$ 2,226,181.00	\$ 2,035,983.01	\$ (174,391.00)	\$ (29,592.00)	\$ 15,000.00	\$ 15,000.00



Executive Committee Agenda Item: 3

Date: December 2, 2019

Subject: Annual Capacity Fee Adjustments

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive committee should review supporting documentation and recommend authorizing the annual adjustment to the RLECWD capacity fees at the December 16th Board meeting pursuant to Ordinance 2016-01.

Current Background and Justification:

Ordinance 2016-01 stipulates an annual adjustment for the RLECWD capacity fees be implemented on January 1st each year. In order to adjust the capacity fees, as delineated in the Ordinance, the Board needs to review the construction cost index report provided by the Contract District Engineer at the December Board meeting.

Conclusion:

I recommend the Committee forward the consideration of the annual capacity fee adjustment onto the December 16th Board meeting agenda.

RESOLUTION NO. 2019-10

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RIO LINDA/ ELVERTA COMMUNITY WATER DISTRICT TO AMEND EXHIBIT 1, WATER SERVICE CAPACITY FEES; EXHIBIT 2, FIRE PROTECTION FACILITIES FEES; AND EXHIBIT 3, WATER SERVICE INSTALLATION CHARGES, OF ORDINANCE 2016-01

WHEREAS, pursuant to California Government Code sections 66013 and 66016, the District Board of Director's approved Ordinance 2016-01 on September 19, 2016. The Ordinance stated the Water Service Capacity Fees and Fire Protection Facilities Fees would be adjusted annually based on the Construction Cost Index ("CCI") for California that is published in the Engineering News Record ("ENR") magazine each year; and

WHEREAS, the ENR magazine has published the CCI for California for the 12-months period ending December 2019, which was **X.X%**; and

WHEREAS, as indicated in the Bartle Wells Associates, Water Rate and Capacity Fee Study for the Rio Linda/Elverta Community Water District, Water Rate and Capacity Fee Study, completed on March 4, 2016, adjusting the Water Service Capacity Fees and Fire Protection Facilities Fees regularly is required to ensure that the fees charged for constructing additional facilities do not fall behind the cost of actually constructing those facilities.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Rio Linda/Elverta Community Water District as follows:

Effective January 1, 2020, the fees detailed in Exhibit 1 and Exhibit 2 of Ordinance 2016-01 shall increase by **X.X%**, based on the memorandum provided by the Contract District Engineer, which is based on the stipulated index published in Engineering News-Record ("ENR") magazine.

APPROVED AND ADOPTED by the Board of Directors of the Rio Linda / Elverta Community Water District on this 16th day of December 2019. By the following vote: 5-0-0

AYES: .
NAYS: None
ABSENT: None
ABSTAIN: None

ATTEST:

Asyet Unnamed
President, Board of Directors

Timothy R. Shaw
Secretary of the Board of Directors

SAMPLE

EXHIBIT 1

WATER SERVICE CAPACITY FEES

The provisions of Exhibit 1 of Ordinance No. 2016-01 are hereby amended and superseded by the following:

Water Service Capacity Fees

METER SIZE (IN INCHES)	DEVELOPER FEE
5/8	N/A*
3/4	N/A*
1	\$14,062.01
1 1/2	\$28,124.02
2	\$44,998.65
3	\$98,434.08
4	\$177,180.91
6	\$393,736.31
8	\$674, 976.54
Greater than 8 inches	The fees shall reflect the actual costs of providing service capacity, and shall be approved through an agreement with the Board of Directors

*Uniform Fire Code requires higher capacity so no less than 1” will be installed.

The above fees shall be charged based on the meter size installed at the service location in accordance with § 4.07.012 (2) of the Water Systems Regulations. In the event an existing service is upsized, the applicant shall pay the difference between the current rate for the existing meter size and the appropriate rate charged for the new meter size.

All Water Service Capacity Fees shall be paid prior to plan approval by the General Manager. Provided, however, commercial or industrial projects and residential projects or subdivisions involving more than four (4) units may be phased in accordance with an agreement approved by the Board of Directors. Water service will not be turned on prior to the receipt of the fees and the fee charged shall be that which is in effect at the time of receipt of payment by District.

The fees in this “EXHIBIT 1” shall increase annually based on the change in Engineering News Record (“ENR”) magazine Construction Cost Index (“CCI”) for California each January 1, beginning January 1, 2017.

EXHIBIT 2

FIRE PROTECTION FACILITIES FEES

The provisions of Exhibit 2 of Ordinance No. 2016-01 are hereby amended and superseded by the following:

Fire Protection Capacity Fees

PRIVATE FIRE HYDRANTS	SPRINKLER SYSTEM LINES
6 INCH (minimum) - \$18,151.23	1 inch (minimum) - \$647.99
8 INCH - \$31,116.40	1½ inch - \$1,297.05
10 INCH - \$49,267.63	2 inch - \$2,074.21
12 INCH - \$64,825.83	3 inch - \$4,538.08
GREATER THAN 12 INCH – The fees shall be relative to the charges above and increase in proportion to the size of the pipe. The fee shall be approved through an agreement with the Board of Directors.	4 inch - \$8,167.68
Penalty for Unauthorized Use of Fire Lines	6 inch - \$18,151.23
	8 inch - \$31,116.40
Use of fire lines for purposes other than fire suppression, system testing or system repair shall constitute unauthorized use. Such unauthorized use shall be subject to a \$105.00 fee. Any subsequent violations shall be subject to a \$165.00 Fee and the water shall be turned-off until brought into compliance.	Greater than 8 inch – The fees shall be relative to the charges above and increase in proportion to the size of the pipe. The fee shall be approved through an agreement with the Board of Directors.

The fees above shall be for dedicated fire service only. No other use is allowed on these water lines. In the event the private fire protection facilities are used for other purposes, the normal “Water Service Capacity” fee shall apply. Applicants shall be required to install meters and/or detector check valves and backflow devices to the satisfaction of the General Manager on all fire protection facilities. Minimum pipe sizes as indicated above shall be enforced.

Installation of Fire Protection Facilities shall be in accordance with Chapter 4.21 of the Water System Regulations as amended by **Resolution No. 2002-01-01**.

With the exception of the Fire Protection Facilities Flat Rate Charge, the fees in this “EXHIBIT 2” shall increase annually based on the change in Engineering News Record (“ENR”) magazine Construction Cost Indices (“CCI”) for California each January 1, beginning January 1, 2017.



Executive Committee

Agenda Item: 4

Date: December 2, 2019

Subject: Consider Policy/Practice Changes Associated with SB 13, Accessory Dwelling Units

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive committee should review supporting documentation and direct staff to place item(s) on a future Board meeting agenda to have the Board consider approving new and/or revised District policies for Accessory Dwelling Units (ADUs).

Current Background and Justification:

SB 13 was signed into law in October 2019. The legislator's intent is to help mitigate the current affordable housing crisis through promoting the feasibility and decreasing the overhead costs associated with constructing new ADUs. SB 13 makes many comprehensive changes to existing codes and statutes.

Included in the changes imparted by SB 13 are the stipulation requiring mandatory fire sprinkler systems in all new residential construction after January 1, 2011. SB-13 exempts this mandate for ADUs if the main dwelling units is not equipped with fire sprinklers.

Prior to the passage of SB 13, without the exemption in SB 13 for mandatory fire sprinklers, the District had no choice but to require new connections to the distribution system (and associated assessment of capacity fees) for all new construction. Language in SB 13 now stipulates the District "may" require new connections (and associated fees) for detached ADUs, but must NOT require such for attached ADUs, e.g. converting an attached garage into a dwelling unit.

Even if the District establishes a policy to be consistent with the spirit of SB 13 and allows detached ADUs to be constructed without requiring a new connection, tapping into an existing main dwelling unit supply may be infeasible from a minimum flowrate perspective, e.g. a 5/8

inch connection split will result in neither dwelling unit with usable flow. Additionally, the new termination of service and existing land lord - tenant statutes create a potential for awkward scenarios if/when the mail dwelling unit fails to pay the water bill.

Conclusion:

I recommend the Committee forward the consideration the need to adopt and/or revise District policies associated with Accessory Dwelling Units onto a future Board meeting agenda.



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New Laws of 2020 Series: New Development Impact Fee Restrictions and Reporting Requirements

By CSDA ADMIN posted 2 days ago

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By Blair Aas, SCI Consulting Group

The 2019 California Legislative Session produced three new laws affecting special districts that received revenue from development impact fees: [SB 13 \(Wieckowski\)](#), [SB 330 \(Skinner\)](#), and [AB 1483 \(Grayson\)](#). This article will overview each of these new laws and offer some general guidance for special districts that must now comply. Special districts will need to review and potentially revise their impact fee schedules, establish new collection procedures, and update their district websites.



Many of the new laws established by SB 13, SB 330, and AB 1483 stem from a study bill in 2017, [AB 879 \(Grayson\)](#), which directed the California Department of Housing and Community Development (HCD) to review current practices and provide policy considerations for improving residential development impact fee (DIF) programs in for the purpose of increasing housing production in California. UC Berkeley's Turner Center for Housing Innovation conducted the study for HCD and released their report, [Residential Impact Fees in California](#), in August 2019. The report recommended improvements in fee transparency, fee structure, fee design, and alternative funding options to spur housing growth and affordability.

SB 13 (Wieckowski) Accessory Dwelling Units

Over the past few years, the State Legislature has sought to reduce regulations on the construction of accessory dwelling units (ADUs) to help with California's affordable housing crisis. An ADU, often referred to as a "granny flat" or a "mother-in-law unit," is a secondary housing unit on the same parcel as a single-family home. Affordable housing advocates have long recognized ADUs as an affordable housing option.

[SB 13](#), among other regulatory changes, exempts DIFs for smaller ADUs and requires a specific method of fee determination for larger ADUs. Specifically, DIFs and Quimby in-lieu fees may not be imposed on the construction of ADUs less than 750 square feet. ADUs of 750 square feet or more must be charged proportionately in relation to the square footage of the existing primary dwelling unit on the parcel. Water/sewer connection fees and capacity charges are exempt from these restrictions. However, please note that existing law requires that ADUs may not be considered a new residential use in the determination of water/sewer connection fees and capacity charges.

For example, the calculation of a DIF for the construction of a 750 square foot ADU on a parcel with an existing 2,250 square foot single-family home would be 33.3% ($750 / 2,250$) of the same DIF for a single-family home. The construction of a 600 square foot ADU would be exempt.

To comply with SB 13, special districts that include ADUs in their current fee schedules should coordinate with their respective city/county to adopt revised fee schedules reflecting the exemption for ADUs less than 750 square feet and the mandated fee determination method for ADUs of 750 square foot or more. Likewise, water and sewer districts should consider revising their connection fees

and capacity charges if ADUs are charged separately.

SB 330(Skinner) Housing Crisis Act of 2019

Under SB 330, increases in DIFs and exactions are not allowed during a project's application period – effectively serving to lock-in fees for a project when the project application is submitted. However, such increases are allowed if the resolution or ordinance establishing the fee authorizes automatic inflationary adjustments of the fee over time. Moreover, if construction doesn't commence within 2 ½ years of final approval or the development project is modified to include 20 percent or more housing units or assessable square footage, then the project would become subject to the current fee.

Special districts should work with their respective city/county to ensure that their fee programs authorize automatic inflationary adjustments. Otherwise, a special district could potentially lose out on impact fee revenue by having to impose outdated fees and fee collection departments could incur a greater administrative burden.

For special districts with fee programs with no authorized inflationary adjustment, the fee collection department needs to evaluate the history of the development project to determine the appropriate fee to charge. Upon collection of the fee, the fee collection department would need to confirm the submittal date of the project application, determine if 2 ½ years have passed since the project was approved, and if there has been a 20 percent or more increase in housing units or assessable space, or collect the fee in effect at that time. For this reason, and to satisfy AB 1483 transparency requirements, special districts should post their fees to their websites in effect on January 1, 2018 and any subsequent increases to the fee.

AB 1483 (Grayson) Housing Data: Collection and Reporting

Under AB 1483, special districts with websites must now clearly post their current schedule of fees and exactions and associated justification studies and annual accounting reports. Any updates should be

posted within 30 days of any change. Specifically, the types of fees and exactions subject to these transparency requirements include development impact fees, water/sewer connection fees and capacity charges, Quimby land dedication requirements and in-lieu fees, public art in-lieu fees, cost of service fees, construction excise taxes, and Mello-Roos Community Facilities District special taxes.

For these fees and exactions, a special district's website must now include the following information:

- Current schedule of fees and exactions. (Special districts should also provide effective dates and any relative information for an applicant to calculate their payment. Note that the effective date of a development impact fee is not when the special district governing board approves the fee, but when they are adopted by the respective city/county on behalf of the special district.)
- Current and five previous annual accounting reports.
- All associated impact fee nexus studies, cost of service studies, or equivalent justification documents, conducted on or after January 1, 2018. (Although not required, special districts should consider posting the justification documents supporting their current fees and exactions even if conducted before January 1, 2018.)

This article was written by Blair Aas with SCI Consulting Group as part of CSDA's New Laws Series, where experts explain legislation passed in 2019 and how it will impact special districts moving forward. This article is provided for general information only and is not offered or intended as legal advice. Readers should seek the advice of an attorney when confronted with legal issues, and attorneys should perform an independent evaluation of the issues raised in these materials.

Stay tuned to the New Laws Series in CSDA's E-News for more in-depth analyses on new laws affecting special districts.

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Executive Committee

Agenda Item: 5

Date: December 2, 2019
Subject: General Status Update from the District Engineer
Staff Contact: Mike Vasquez, PE, PLS, Contract District Engineer

Recommended Committee Action:

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

Current Background and Justification:

Subjects anticipated for discussion include:

- Well 16 Pumping Station
 - Solicitation for Bids
 - Schedule
- Proposition 84 RWA/DWR \$505K Grant Agreement
- Capital Improvement Projects List
- Elmwood Avenue Development

Staff recommendation:

I recommend the Executive Committee receive the status report from the Contract District Engineer. Then, if necessary and appropriate, forward an item(s) onto the December 16, 2019 Board of Directors Meeting agenda with recommendations as necessary.



Executive Committee

Agenda Item: 6

Date: December 2, 2019

Subject: Potential for Cancellation of the January 6, 2020 Executive Committee Meeting.

Staff Contact: Tim Shaw, General Manager

Recommended Committee Action:

There are no recommended committee actions. This item is advisory/reminder in nature.

Current Background and Justification:

District policy stipulates that annual committee assignments must be approved by the Board. The 2020 Board officers are to be elected at the December 16th meeting. The oncoming Chair may recommend new Board Member assignments at the December 16th meeting, but history has shown that the Board has not always been ready to authorize the assignment in time for the subsequent committee meeting on the first Monday in January. All the seasonal activities between the December Board meeting and January committee meeting have shown to be a limiting factor.

If the Executive Committee assignments are NOT approved by the Board at the December 16th meeting, cancellation of the January 6, 2020 Executive Committee meeting would be appropriate.

Staff recommendation:

None, this item is advisory.