

**MINUTES OF THE OCTOBER 17, 2022
BOARD OF DIRECTORS REGULAR MEETING
OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT**

1. CALL TO ORDER, ROLL CALL

The October 17, 2022 meeting of the Board of Directors of the Rio Linda/Elverta Community Water District called to order at 6:30 p.m. Visitor Depot Center 6730 Front St., Rio Linda, CA 95673. This meeting will be physically open to the public with some reasonable limitations pursuant to current state and county guidelines. All in-person attendees are required to wear masks pursuant to the Sacramento County public health order and the federal Americans with Disabilities Act. Director Gifford led the pledge of allegiance.

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

2. PUBLIC COMMENT – Public member commented that the new water bill mailed to customers doesn't have the District phone number on it.

Public member commented regarding a conversation she had with the office staff concerning the amount of her recent water bill. The bill consisted of charges for an inoperable meter, and a leak and felt the charges were too high.

3. CONSENT CALENDAR

3.1. Minutes September 19, 2022

3.2 August Expenditures

3.3 August Financials

Public member requested the minutes within the public comment section from the previous meeting and future meetings contain more detailed information. Director Ridilla commented to correct the record of information on a case by case basis.

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

4. REGULAR CALENDAR
ITEMS FOR DISCUSSION AND ACTION

4.1 GM Report.

The General Manager, Tim Shaw provided his monthly report to the Board of Directors.
The Board took no action on this item.

GM Shaw answered Director Harris's inquiry concerning the Elverta Specific Plan. GM Shaw explained he had a meeting with County Planning Department and they clarified that none of the projects can move forward without a water supply agreement. Director Harris asked about the Cola Negotiation Ad Hoc Committee. GM Shaw stated the committee is Director Chris Gifford and Director John Ridilla appointed by the chair at a public Executive Committee meeting.

4.2 District Engineer's Report.

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

The Board took no action on this item.

4.3 Consider Customer Request for Board Consideration of Billing Issues, Account # 7026001

The customer's request was submitted the same day as the Executive Committee, 10-3-2022, i.e., not in time to be included with the agenda documents for the Executive Committee.

The customer is essentially requesting the estimated difference between their typical bill and the bill they received after their water softener malfunctioned resulting in a high volume of water consumption. The customer indicates they experienced the same issue before, however, the customer indicated they did not receive a courtesy phone call this time when their water softener malfunctioned.

Algorithms in the metering software generate reports, which the Conservation Coordinator uses for outreach to customers with continuous consumption, e.g., leaks. A malfunctioning water softener can result in such, however, it depends on the symptoms of the softener malfunction. Some softeners are programmed to regenerate the media only during hours of the day when household water use is unlikely, e.g., after midnight. Continuous flow for a few hours may or may not trigger the continuous use software flag.

Comments/Questions – No public comment.

Director Ridilla questioned the follow up procedure of staff with no response from a customer notified of a high consumption email or phone call.

It was moved by Director Harris and seconded by Director Ridilla to reimburse the customer \$450.00. Directors Green, Gifford, Harris and Ridilla voted yes. The motion carried with a roll call vote of 4-0-0.

4.4 Consider Adopting Proposed Capacity Fee Payment Plan Agreement.

In the past year, the District has received interest from a few residents within the District's service area for a capacity fee payment plan. These residents are not currently connected to the water distribution system. Typically, they have/had a private well that is failing/has failed for one reason or another. The current drinking water capacity fee for a 1-inch service is nearly \$16,000 (excluding excavation and plumbing costs), which can represent a financial barrier for those not building a new house and incorporating the capacity fee into the total construction costs loan financing.

Earlier this month, the District became aware of a disadvantaged resident, who has a collapsed well and substantive financial limitations. A new well costs at least \$30,000. This disadvantaged resident has no means to pay an upfront cost of \$30,000 for a new well but might be able to afford the 1-inch service ~ \$16,000 capacity fee (excluding excavation and plumbing cost to physically connect pipes) via a payment plan. Alternatively, since this resident would not be subject to the mandatory residential fire sprinkler requirements, the capacity fee for a 5/8-inch service is approximately \$6,350 (again excluding excavation and plumbing).

For example, for 5/8-inch service, \$6,350 for capacity fee plus around \$3,000 for excavation/plumbing equals \$9,350. If the Board and the resident agree to a 5-year monthly payment plan. The monthly installments would be approximately \$168. This charge would be in addition to the bimonthly service charge for water service.

The draft payment plan agreement is a document associated with this item and included in the packets. If the Board finds it appropriate to approve the proposed capacity fee payment plan agreement form, the Board would separately (at future public meetings) consider residents' request for payment agreements, i.e., Board approval of the form does not correspond to blanket approval for all requesting residents.

Comments/Questions – Public member requested that this payment plan be added as a policy of the District. This public member had further questions on the Payment Plan agreement presented. Public member asked how this would impact the budget of the District. GM Shaw explained these are restricted funds to be only used for capacity and this agreement will be recorded with the County of Sacramento.

It was moved by Director Ridilla and seconded by Director Harris to adopt the Proposed Capacity Fee Payment Plan Agreement. Directors Harris, Ridilla, Green, and Gifford voted yes. The motion carried with a roll call vote of 4-0-0.

4.5 Consider Approving Revisions to the Discontinuation of Residential Water Service for Nonpayment Policy

The Executive Committee directed staff to simplify this report. For those who wish to review the more detailed report, it can be accessed via www.rlecwd.com.

SB was signed into law in September 2018 and stipulated an effective date of February 2020 (one month prior to the onset of the COVID 19 pandemic. The pandemic provoked several Executive Orders from the Governor, including an order declaring a moratorium on discontinuing residential water service for non-payment. The moratorium on water service termination lasted 2-years. Now that the moratorium was lifted, the District has observed needed improvements.

The total person-hours needed to provide all of the notices and customer outreach prescribed in the current Discontinuation of Residential Water policy exceeds the service fees. The current policy and practice include the following notices:

1. The bill, meters are read, and the bills are mailed every two months.
2. Reminder Notice, mailed out at least 19-days after the bills are mailed. Reminder notices entail a \$5 charge to the account holder for the cost of preparing and mailing the notice.. The Reminder Notice correlates to customers who do not pay prior to the fee free deadline.
3. A “48-hour” notice, is physically hung at the residence where water service is provided. The “48-hour” notice entails a \$40 fee for the cost of preparing and distributing the notice. The “48-hour” notice provides much of the stipulated information required by SB 998.
4. A service termination notice (tag), is also physically hung at the service address. The service termination tag is hung by RLECWD staff at the time the staff shuts off the service valve. The termination tag also correlates to a \$40 fee to cover the cost of tag preparation and person-hours shutting off service (and subsequently turning on after the non-payment issues are resolved).

SB 998 stipulates that customers with incomes less than 200% of the federal poverty line (around \$36,000 per year for a household of two persons) must not be charged more than \$50 to have their water service recontinued after shut off for non-payment. Instead of expanding the duties and training for current RLECWD staff to document income levels of affected customers, the RLECWD adopted policy presumes every customer qualifies for the \$50 limit. However, staff feedback, who are observing that the District is expending far more than \$50 in person-hours alone are raising virtual alarm bells, e.g., “we cannot keep this up without staffing augmentations and or other priorities being subjugated to the SB 998 process.

The District can take the following mitigating measures to improve the process and reduce superfluous notices currently exacerbating the mismatch of fees and costs:

Eliminate the service termination tags and modify the “48-hour” and Reminder Notices. The Reminder Notice revision would place the bulk of the SB 998 required information. The Reminder Notice would include information on; how to request a payment plan, how to appeal to the Board, how to get a copy of the Discontinuation of Water Service policy etc. Although not required, I support also including contact information for the Low Income Household Water Assistance Program, which is a 3rd party non-profit helping disadvantaged residents with paying past due utility bills.

The modifications to the “48-hour” notices would be such that the notices could not be called 48-hours. The name change could be “Final Notice” or similar. Pursuant to SB 998 these notices must be distributed (mailed) no less than 7-days prior to the discontinuation of service. The Final Notice should convey to the customer how much payment is required to avoid service termination and the cost to restore service after termination has occurred. These Final Notices would be formatted to stipulate the charge for resuming service after service has been terminated will require payment the past due balance and an additional \$50 (total cost to shut off then subsequently turn back on after payment is received.

The consequences for discontinuing water service in violation of SB 998, 2) include up to \$1,000 per day fine to the District for each day the customer was shutoff without compliance with SB 998 requirements.

Comments/Questions – Public member asked about rented properties getting notices.

It was moved by Director Gifford and seconded by Director Ridilla to approve the revisions to the Discontinuation of Residential Water Service for Nonpayment Policy. Directors Green, Gifford, Harris, and Ridilla voted yes. The motion carried with a roll call vote of 4-0-0.

4.6 Consider Ratifying the 2022 COLA Negotiations Ad Hoc Committee Assignment.

At the September 19th Board meeting, the Board postponed the action recommended by the Executive Committee, i.e., the Board did not authorize the formation of an ad hoc committee to begin negotiations with Teamster Local 150 for the 2022 COLA.

Subsequent to the September 19th Board meeting, the District received correspondence from Teamster Local 150 requesting to begin negotiations and further requesting available negotiations meeting dates from the District. In response, the Chair, Legal Counsel and the GM reviewed relevant District policies, then the Chair (with concurrence from the GM and Legal Counsel) assigned an ad hoc committee consisting of Board Members Green and Gifford, to begin the negotiations process.

In accordance with District policy (2.01.065), it is necessary to request Board retroactive approval of the ad hoc committee assignments.

Director Harris commented to the Board that she felt this was a violation of the Brown Act, since the committee was not appointed a public Board Meeting. General Counsel disagreed with the Director. GM Shaw emphasized that it was causing strife that the Board had asked to postpone the negotiations until the new Board members are seated, which the CPI is established in November going into effect in December and the new Board doesn't seat until December.

Comments/Questions – Public member asked who was on the Ad Hoc Committee. GM Shaw answered Director Green and Gifford. Public member asked about if the agenda is about union negotiations. Legal Counsel clarified that this item is about establishing an Ad Hoc Committee.

It was moved by Director Ridilla and seconded by Director Green to ratify the Ad Hoc Committee. Directors Green, Gifford, and Ridilla voted yes. Director Harris abstained. The motion carried with a roll call vote of 3-0-1.

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

Director Harris was nominated to serve on the SGA Officer Nominating Committee.

It was moved by Director Gifford and seconded by Director Green to approve the appointment of Director Harris to the SGA Officer Nominating Committee. Directors Green, Gifford, Harris and Ridilla voted yes. The motion carried with a roll call vote of 4-0-0.

It was moved by Director Ridilla and seconded by Director Green to approve for Director Harris's attendance for the cost of the ticket to the SGA social event. Directors Green, Gifford, Harris and Ridilla voted yes. The motion carried with a roll call vote of 4-0-0.

5. INFORMATION ITEMS

5.1 District Activities Reports

- 5.1.1** Water Operations Report – Written report provided.
- 5.1.2** Completed and Pending Items Report – Written report provided.
- 5.1.3** Conservation Report – Written report provided.
- 5.1.4** Leak Repair Report – Report provided.
- 5.1.5** SB 1439 New Conflict of Interest Requirements (substantial)– Information provided.
- 5.1.6** Water Loss Audit– Information provided. Public member asked if the report included loss of water stolen from fire hydrants.

5.2 Board Member Report

- 5.2.1** Report any ad hoc committees dissolved by requirements in Policy 2.01.065 – No action taken.
- 5.2.2** Sacramento Groundwater Authority – Harris (primary) – Director Harris gave a verbal report.
- 5.2.3** Executive Committee – Gifford, Ridilla – Minutes provided.

5.2.4 ACWA/JPIA – Ridilla – GM Shaw stated they may have on the November Executive Committee to move Workers Compensation Insurance from JPIA to ACWA.

5.2.5. Ad Hoc – COLA Committee

5.2.6. Ad Hoc – GM Evaluation Committee – Future meeting will take place.

Closed Session will not take place since the GM Evaluation Committee has not met.

The GM Evaluation Ad Hoc Committee discussed meeting Thursday, October 20th at 5:00pm.

6. Public Comment Prior to Closed Session

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

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

8. RECONVENE IN OPEN SESSION 8.1. Announce any reportable actions authorized in closed session.

9. DIRECTORS’ AND GENERAL MANAGER COMMENTS – Director Ridilla made a comment he has one more meeting.

10. ADJOURNMENT - The meeting was adjourned at 7:28pm.

Respectfully submitted,

Signature on File
Timothy R. Shaw, Secretary

Signature on File
Jason Green, President of the Board