

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

JUNE 21, 2021 (6:30 p.m.)

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

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 ALSO BE PHYSICALLY OPEN TO THE PUBLIC WITH SOME REASONABLE LIMITATIONS PURSUANT TO CURRENT STATE GUIDELINES. ALL IN-PERSON ATTENDEES WHO ARE **NOT** VACCINATED FOR COVID-19 ARE REQUIRED TO WEAR MASKS. MEMBERS OF THE PUBLIC MAY ALTERNATIVELY PARTICIPATE IN THE MEETING VIA VIDEO CONFERENCE OR BY TELEPHONE

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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. PUBLIC HEARING TO CONSIDER ADOPTING RESOLUTION NO. 2021-02 A SCHEDULE OF RATES FOR BIMONTHLY WATER SERVICE CHARGES COMMENCING WITH FISCAL YEAR 2021-2022

- 3.1. Open Public Hearing
- 3.2. Presentation of the item by staff
- 3.3. Public Comment
- 3.4. Close Public Hearing
- 3.5. Consider Adoption of Resolution No. 2021-02 A Schedule Of Rates For Bimonthly Water Service Charges Commencing With Fiscal Year 2021-2022.

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

4.1. Minutes

May 17, 2021

The Board is being asked to approve the Minutes from the May 17, 2021 Regular Board Meeting.

4.2. Expenditures

The Executive Committee recommends the Board approve the April Expenditures.

4.3. Financial Reports

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

REGULAR CALENDAR

5. ITEMS FOR DISCUSSION AND ACTION

5.1. GM Report.

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

5.2. District Engineer's Report.

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

5.3. Consider Preliminary Budget Adoption for Fiscal Year 2021-2022.

5.4. Consider adopting policies needed to enable re-opening of the customer service lobby.

5.5. Consider directing staff on the types of public meetings (Board and Committee) to be held.

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

5.6.1. General Manager annual performance review ad hoc committee.

6. INFORMATION ITEMS

6.1. District Activities Reports

6.1.1. Water Operations Report

6.1.2. Completed and Pending Items Report

6.1.3. Sacramento County Board of Supervisors workshop on Elverta Specific Plan

6.2. Board Member Reports

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

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

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

6.2.4. Executive Committee – Jason Green, Robert Reisig

6.2.5. ACWA/JPIA – Ridilla

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

7. DIRECTORS' AND GENERAL MANAGER COMMENTS

8. ADJOURNMENT

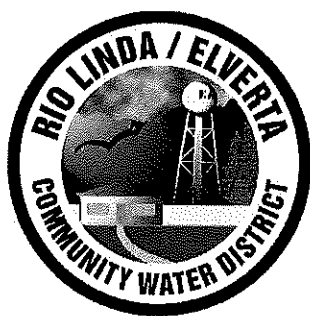
Upcoming meetings:

Executive Committee

July 6, 2021, Tuesday, 6:00 pm remote meeting, in-person attendance option to be determined.

Board Meeting

July 19, 2021, Monday, 6:30 pm remote meeting and in-person attendance option anticipated per Governor's announcement.



Items for Discussion and Action

Agenda Item: 3.5

Date: June 21, 2021

Subject: Resolution 2021-02 Rates Adjustment

Staff Contact: Timothy R. Shaw

Recommended Committee Action:

The Executive Committee forwarded this item with the Committee's recommendation for Board approval.

Current Background and Justification:

The District has been engaged in the process of restructuring its rates for more than then past year. A rate study has been adopted by the Board of Directors at the March 15, 2021 meeting. A Proposition 218 Notice has been distributed and posted in conformance with all requirements. A public hearing announcement has been published in a newspaper of general circulation.

The District's current rate structure was adopted in 2016. In 2018, when the State of California signed SB 606 and AB 1668 into law, the District's rate structure and the state mandates for water use efficiency commenced divergent paths. The District's existing rate structure does NOT encourage and support water use efficiency. See the *SWRWCB Report of Rate Structure Recommendations Guide (customized)*¹ included with the documents associated with this item. Further, the existing District rate structure does not support water affordability for RLECWD disadvantaged ratepayers, whereas the proposed rate restructuring results in a rate decrease for approximately 60% of the District's ratepayers. The existing District rate structure disproportionately charges water customers who already use water efficiently and correspondingly undercharges inefficient water users. The far above average fixed charge component of the current rate structure further contributes to the unaffordability of water service form the District's disadvantaged ratepayers.

Recently, the Governor declared a drought state of emergency for 41 California counties, including Sacramento. One of the recitals in the formal declaration of drought emergency acknowledges that the State (as a whole) continues to make conservation a permanent way of life by conserving 18 percent compared to what water purveyors on average used in the base year, 2013. RLECWD is an outlier to the recital of facts because RLECWD is using 14 percent more water than it did in 2013. This

corroborates the divergent paths between state mandates and RLECWD performance, i.e., inefficient water use.

The Board of Directors took action at the April 17, 2021 Board meeting to initiate the Request for Proposals process for engaging a professional services consultant for preparation of the 2020 Urban Water Management Plan (2020 UWMP). The preliminary estimate of the costs for preparing, adopting and submittal of the District's 2020 UWMP is \$50,000. Among the stated justifications expressed by Board Members at the April 17th Board meeting was the prerequisite for an adopted and approved 2020 UWMP for receiving state grants and low interest loans. The published guidelines for 2020 UWMPs includes conformance with the water use efficiency mandates and water loss standards. The water use efficiency mandates of SB 606 / AB 1668 and the water loss standards of SB 555 are virtually infeasible under the District's current rate structure.

The state is on track for re-adopting the Maximum Contaminant Level (MCL) for Hexavalent Chromium later this calendar year. The existing rates do NOT account for the increased cost of service associated with employing Water Treatment Operators for Hexavalent Chromium treatment. The proposed new rate structure and the multi-year adjustment format would enable the Board to authorize a correlated rate increase at the appropriate time with the prescribed future Board action.

The Board of Directors has authorized the now completed Rate Study / Cost of Service Analysis (approximately \$35,000). The Board of Directors has initiated the 2020 UWMP RFP process (approximately \$50,000). The District would likely incur zero benefit for a substantial collective cost if the proposed rate restructuring does not come to fruition. In any scenario where the divergent path of the water use inefficiency is not course corrected, the zero benefit / substantial cost consequence will further be compounded with the \$10,000 per day fines (during declared drought) for failing to achieve water use efficiency standards.

Lastly, when the state readopts the Hexavalent Chromium MCL this year, the existing rate structure has no funding for increased operating costs associated with treatment of Hexavalent Chromium. In the scenario where the state readopts the MCL the state will compel RLECWD to comply of face the consequences including compliance orders, including rate increases to fund treatment operating cost.

It is beyond the jurisdiction of the RLECWD Board of Director to exempt itself from state mandates and new (re-adopted MCLs). Failure to comply has very real and very substantive consequences. Resolution 2021-02 for adopting the proposed new rate structure is included with the packet of Board documents. Subject to the Proposition 218 majority protest preclusions, for all the above stated reasons, it is imperative that the Board adopt the Resolution to implement the rate restructuring and adjustments.

Note 1: I have slightly modified the SWRCB Rates Structure Guide to add the RLECWD details to the list and graphics already included in the Guide.

Conclusion:

Subject to Proposition 218 majority protest preclusion, I recommend the Board adopt Resolution 2021-02 implementing a new rate structure for water service beginning July 1, 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 CWD

Rate Study / Cost of Service Study



June 21, 2021



LECHOWICZ + TSENG
MUNICIPAL CONSULTANTS

Alison Lechowicz
Project Manager



Rate Study Background

Agenda Item 3.5

Water rates are subject to Proposition 218

Rates must be based on the reasonable cost of service

District budgets and audits

Inflationary cost increases

New licenses for operators and new proposed staff member

Capital projects



District cash flow and financial plan

Rates must proportionally recover costs based on how customers take service



Rate design

Covers rates over a maximum 5-year period

Procedural requirements: conduct a rate study, mail a notice to customers, hold a hearing a minimum of 45 days later, subject to protest vote



Current Bimonthly Rates

Agenda Item 3.5

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

1 ccf = 100 cubic feet, equal to about 748 gallons





Current Fire and Backflow Rates

Agenda Item 3.5

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

Agenda Item 3.5

Review a tiered rate structure - not illegal but must be cost-justified per the San Juan Capistrano legal ruling

SB 555 – water audits

- Utilities must conduct water audits and report non-billed water

- Eliminate the unbilled allotment of 6 ccf per bimonthly period

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



Rate Design Proposal

Agenda Item 3.5

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)

Rate study includes drought rates for periods of water cutbacks



Current and Proposed Rates

Agenda Item 3.5

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 July 1
Commercial, industrial, institutional	\$1.86
Irrigation	\$2.13



Current and Proposed July 1 Rates

Agenda Item 3.5

Fire and Backflow	Current	July 1 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	July 1 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



5-Year Rate Plan

Agenda Item 3.5

Meter Size	Current	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
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



5-Year Rate Plan

Agenda Item 3.5

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

Proposed Single Family Tiers	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
Tier 1: 0 to 17 ccf	\$1.65	\$1.72	\$1.80	\$1.88	\$1.96
Tier 2: above 17 ccf	\$2.09	\$2.19	\$2.28	\$2.38	\$2.49

Proposed Class (all use)	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
Commercial, industrial, institutional	\$1.86	\$1.95	\$2.03	\$2.12	\$2.22
Irrigation	\$2.13	\$2.23	\$2.33	\$2.43	\$2.54



Typical Single Family Bill

Agenda Item 3.5

Typical bill – 29 ccf per bimonthly period

Current			
	Count	Rate	Fees
Fixed Fees			
5/8" Meter	1	\$59.86	\$59.86
Surcharge 1	1	\$19.00	\$19.00
Surcharge 2	1	\$15.80	<u>\$15.80</u>
Subtotal Fixed			\$94.66
Volume Fees			
Tier 1: 0-6 ccf	6	\$0.00	\$0.00
Tier 2: 6+ ccf	<u>23</u>	\$0.81	<u>\$18.63</u>
Subtotal Volume	29		\$18.63
Total Bimonthly			\$113.29

Proposed July 1, 2021			
	Count	Rate	Fees
Fixed Fees			
5/8" Meter	1	\$33.65	\$33.65
Surcharge 1	1	\$19.00	\$19.00
Surcharge 2	1	\$15.80	<u>\$15.80</u>
Subtotal Fixed			\$68.45
Volume Fees			
Tier 1: 0-17 ccf	17	\$1.65	\$28.05
Tier 2: 17+ ccf	<u>12</u>	\$2.09	<u>\$25.08</u>
Subtotal Volume	29		\$53.13
Total Bimonthly Bill			\$121.58
% Change from Current			7.3%

“Break even” bill is about 22 ccf per bimonthly period

About 57% of residential customer bills are proposed to decrease

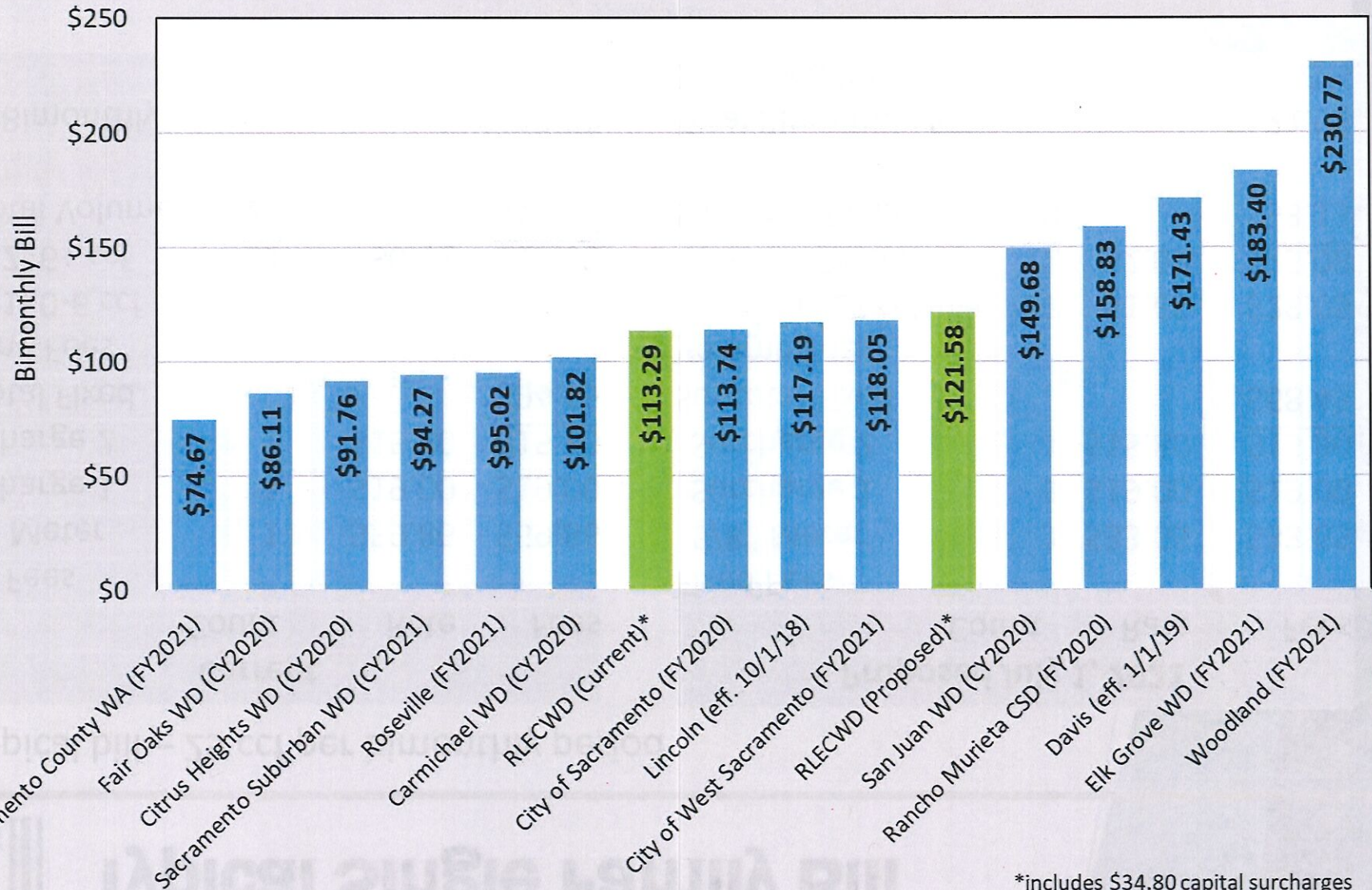
About 43% of residential customer bills are proposed to increase

Survey conducted
October 2020

Agenda Item 3.5

Bimonthly Residential Water Rate Survey

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



*includes \$34.80 capital surcharges

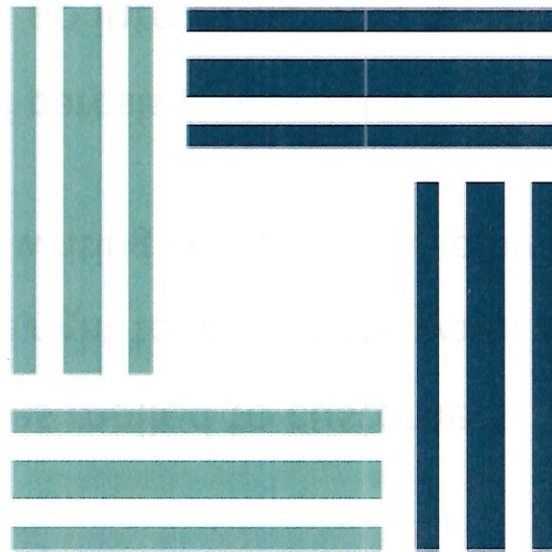


Rate Study Timeline

Agenda Item 3.5

- Informational workshops with the Board Fall 2020 and Spring 2021
- Proposition 218 notices mailed to customers
 - Customers have the right to protest the water rates
 - Protests must be in writing and be received by the end of the public hearing
 - If more than 50% of parcels protest, rates cannot be implemented
- 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.





RESOLUTION 2021-02

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RIO LINDA ELVERTA COMMUNITY WATER DISTRICT ADOPTING A SCHEDULE OF RATES FOR BIMONTHLY WATER SERVICE CHARGES COMMENCING WITH FISCAL YEAR 2021-2022

Whereas, the Rio Linda Elverta Community Water District (the “District”) is organized and operates pursuant to the County Water District Law, Division 12 of the California Water Code, commencing with Section 30000 thereof; and

Whereas, the District provides water service throughout its service area, and is authorized under the County Water District Law, including without limitation Water Code section 31025, to fix and collect charges for the provision of water service pursuant; and

Whereas, the rate structure for the District’s water service charges is comprised of three components: (1) a bimonthly fixed service charge, which is established on the basis of the size of the service line(s) serving the parcel of property; (2) a Commodity Charge, which is determined on the basis of the amount of water served to a parcel of property in hundreds of cubic feet (“CCF”); and (3) Surcharges with expressly specific use to service debt incurred from compliance with State of California mandates to fund facilities improvements (Surcharge #1) and hexavalent chromium mitigation (Surcharge #2); and

Whereas, in addition the District imposes and proposes to continue to impose a fixed fire meter service charge on private fire services as well as inactive service charges; and

Whereas, the District proposes to adopt a schedule of charges to be imposed when the water meter associated with water service to a parcel of property becomes temporarily inoperable or otherwise incapable of rendering an accurate measure of the water volume consumed; and

Whereas, proposed rate adjustments to water service charges (the “Charges”) have been presented to the District Board of Directors. The Charges are designed to proportionately allocate the cost of providing water service among the District’s customer classes, all of which are more fully set forth in the schedule of Water Service Charges attached as Exhibit “A”; and

Whereas, the District’s rates for Charges are calculated to recover the costs of the District in providing water services and to proportionately allocate those costs among the water customers; and

Whereas, the revenue derived from the Charges will not exceed the funds required to provide water services and shall be used exclusively for providing water service; and

Whereas, the Charges will not exceed the proportional cost of the services attributable to each parcel upon which they are imposed; and

Whereas, the Charges will not be imposed on a parcel unless the water services are actually used by, or immediately available to, the parcel of property; and

Whereas, pursuant to California Constitution Article XIII D, Section 6, the District provided written notice (“the Notice”) by mail of: (1) the proposed adjustments to the rates for the Charges to the parcel of property upon which the Charges are proposed for imposition and any account holder of record directly liable for the payment of the Charges; (2) the amount of the Charges proposed to be imposed on each parcel; (3) the basis upon which the Charges were calculated; (4) the reason for the proposed adjustments

Rio Linda / Elverta Community Water District
Resolution No. 2021-02

to the Charges; and (5) the date, time, and location of a public hearing (the "Hearing") on the proposed Charges; and

Whereas, the District provided such Notice not less than forty-five days prior to the Hearing on the proposed Charges; and

Whereas, the Hearing was held on this day, June 21, 2021; and

Whereas, at the Hearing, the Board of Directors heard all oral testimony and considered all written materials, and written protests concerning the establishment and imposition of the proposed rate adjustments for the Charges, and at the close of the Hearing, the District did not receive written protests against the establishment and imposition of the proposed rate adjustments for the Charges from a majority of the affected property owners and tenants directly liable for the payment of the Charges; and

Whereas, the Board of Directors has determined to adopt the rates for the Charges set forth in Exhibit "A" hereto; and

Whereas, the Charges established by this Resolution and set forth in Exhibit "A" are for the purpose of: (A) meeting the operational expenses, including employment costs; (B) compliance with the water use efficiency mandates prescribed in Division 6 of the California Water Code (codification of SB 606 and AB 1668); (C) meeting the financial reserve needs and requirements; and (D) obtaining funds for capital projects necessary to maintain service within the existing service areas as set forth in this Resolution, and, therefore, the establishment of such Charges is not subject to the California Environmental Quality Act.

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

1. The matters set forth in the recitals to this Resolution are true and correct statements and by this reference are incorporated herein and made findings and determinations of the Board of Directors.
2. The Board of Directors hereby adopts the Charges in the amounts and at the rates set forth in Exhibit "A" hereto. The Charges in Exhibit "A" shall be effective for all services provided on and after July 1, 2021. The General Manager, or his designee, is hereby authorized and directed to collect the Charge for services provided on or after July 1, 2021, according to the rates set forth in Exhibit "A" and to increase the rates subsequent to annual confirmation by action of the Board of Directors on July 1st thereafter, commencing July 1, 2022, and continuing through July 1, 2025, as set forth in Exhibit "A" hereto. The General Manager is further authorized and directed to take all actions necessary to effectuate and collect the rates for Charges and other authorizations set forth herein.
3. All ordinances, resolutions or administrative actions by the Board of Directors, or parts thereof that are inconsistent with any provision of this Resolution are hereby suspended only by this Resolution to the extent of such inconsistency.
4. If any section, subsection, clause, sentence, or phrase in this Resolution is for any reason held invalid, the validity of the remainder of this Resolution shall not be affected thereby. The Board of Directors hereby declares it would have passed this Resolution and each section, sentence, clause, or phrase thereof, irrespective of the fact that all or more sections, subsections, sentences, or phrases are held invalid.
5. This Resolution shall take effect immediately upon its adoption.

Rio Linda / Elverta Community Water District
Resolution No. 2021-02

Agenda Item 3.5
June 21, 2021

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ADOPTED, SIGNED, AND APPROVED this 21st day of June, 2021.

Ayes:

Noes:

Abstain:

Absent:

Jason Green, President

Board of Directors

Attested

Timothy R. Shaw

Secretary to the Board of Directors

DRAFT

Rev. 0 Effective Date 7-1-2021

Exhibit A

Water Rates

**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

Rev. 0 Effective Date 7-1-2021

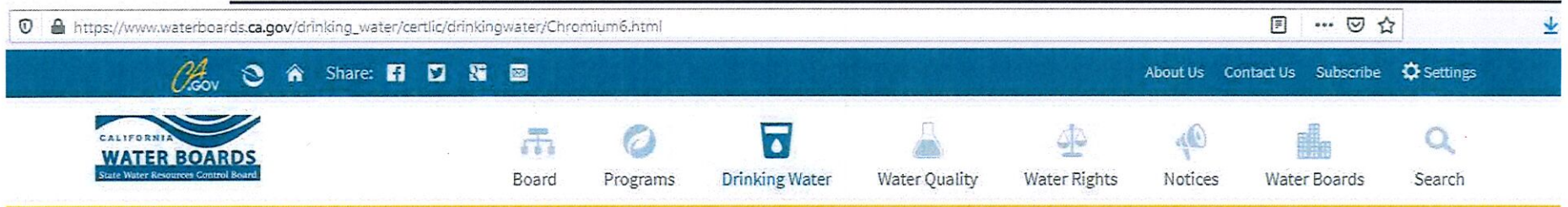
Exhibit A (continued)

Water Rates

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

SWRCB Website Accessed 6-2-2021



Home | Drinking Water | Certlic | Drinkingwater | Chromium6

Chromium-6 Drinking Water MCL

Announcements

In February 2020, the State Water Board staff published the White Paper Discussion on Economic Feasibility Analysis in Consideration of a Hexavalent Chromium Maximum Contaminant Level. On April 27, 2020, State Water Board staff held a public workshop on the White Paper. The public comment period ended on May 15, 2020. [Download the White Paper.](#) Preliminary occurrence data and treatment cost estimates were released in October and November 2020, with public workshops on the cost estimates held on December 8 and 9, 2020.

- [Occurrence Data](#)
- [Treatment Costs](#)
 - [Cost Estimates Notice](#)
 - [Methodology and Assumptions](#)
 - [Treatment Costs Data](#)
 - [Treatment Costs Equations](#)
 - [Sources, Service Connections, and Population](#)
 - [Community Water Systems Costs](#)
 - [NTNC Water Systems Costs](#)
 - [Health Effects](#)
 - [Treatment Costs Figures](#)
 - [Public Workshop Recording](#)

State Water Board is evaluating comments received regarding treatment technologies and cost estimating methodology. Publication of a Notice of Proposed Rulemaking is projected for late spring or early summer 2021.

Recommendations for
Implementation of a Statewide
Low-Income Water Rate
Assistance Program
APPENDICES

*State Water Resources Control Board
February 25, 2020*

substantially reducing their bill. If fully successful, as with rate structure changes, such water use reductions could lessen or eliminate the need for direct affordability assistance.

Disadvantages of water use reduction strategies as affordability assistance

There are several conceptual and practical limitations to implementing water use reduction strategies as affordability assistance.

There are significant limitations to using water use reduction strategies as an affordability assistance strategy. In all but the systems with the most progressive rate structures (still relatively few in California), households cannot realize enough financial savings by limiting their water use through conservation to make their water bill affordable. In some cases, in households already using little water and served by systems with substantial fixed charges, conserving additional water may yield very little net financial benefit. The second practical problem with relying on water use reduction strategies as a state-wide affordability assistance solution is that the offering of conservation rebates, much less leak detection and repair services, is highly variable across the state. Large urban water systems, over small rural systems, are more likely to offer these services, and it is easier for moderate- and higher-income households to take advantage of rebate programs than low-income households due to cash flow constraints.

The final disadvantage of relying on place-based water use reduction strategies to ensure drinking water affordability for low-income households is that the average U.S. household moves every five years, and low-income households may move even more often.⁸⁶ When a household moves, it cannot take the physical water conservation technology investment made in their home or property with them. The next resident who may or may not be low-income, will experience the benefit of this investment which thus may have no long-term impact on drinking water affordability.

Progressive Rate Structures

Advantages of progressive rate structures for indirect affordability assistance

Drinking water systems generally have discretion over the structure of their residential rates and billing components. In California, public entities providing retail water service must comply with cost of service requirements of Proposition 218, whereas investor-owned utilities (IOUs) must comply with California Public Utilities Commission (CPUC) regulations. Water rate structures are generally classified into three categories: only fixed fees, fixed fee and variable quantity rates, and only variable quantity rates (which may be either uniform or tiered based on quantity thresholds). A fixed or flat fee structure charges customers the same amount regardless of how much water they use, which does not incentivize conservation or enable customers to adjust their expenditure by altering water consumption. An exclusively variable rate charges

⁸⁶ For instance, see Phinney, R. (2013). Exploring residential mobility among low-income families. *Social Service Review*, 87(4), 780-815.

customers exactly in proportion to how much water they use, which provides customers the largest opportunity to reduce their water cost (by as much as they can reduce consumption) but also leaves the water system vulnerable to shortfalls.

There is no “typical” rate structure or residential water bill type across the state.⁸⁷ There is also no comprehensive database of residential rate structures or billing components for drinking water systems across the state. Consequently, the proposed plan uses data obtained directly from CWS electronic annual reports (EAR) which were submitted to the State Water Resources Control Board’s (Board) Division of Drinking Water in 2015.⁸⁸ The proposed plan uses verified data on 441 systems (serving at least 62% of state’s population) to characterize, as best as possible, the prevalence of rate structures and billing components across California.⁸⁹ This data included information about system retail pricing levels for the single-family residential customer class, retail pricing structures, and expenditure data at three consumption levels (6, 12, and 24 CCF).⁹⁰ Rate structure data from 705 systems was reported to the Board through the EAR in 2015, however, not all of the data was usable due to errors or incomplete reporting.

Table 16 uses this rate structure data to show the percentage of systems reporting each of these three billing types. It suggests that most rate structures have a fixed and variable component (hereafter, mixed bills), but a significant proportion of systems maintain only fixed fees or only variable rates, and some report using other types or no rate structures. Seventy-three percent of all systems’ residential bills contain some fixed charge component.

Table 16. California Water Systems’ Self-Reported Rate Structure Type

Rate Structure Type	Proportion of Reporting Systems
Mixed	65%
Volumetric Only	12%
Fixed Only	8%
Other	8%
No Rate Provided	6%

Source: 2015 EAR data

⁸⁷ Due to the inconsistency in billing practices across systems, credits or benefits applied uniformly to the fixed or variable charge segments across all bill types will also result in different impacts on customer consumption behavior. Accordingly, assistance assigned as a percentage of a household’s total bill (including both fixed and variable charges, but excluding other charges and fees) is deemed more equitable than flat discounts. The strength of this benefit type is its ability to equitably distribute assistance regardless of differences in rate structures and levels, ensuring that each household receives assistance relative to their total expenditure burden.

⁸⁸ See <https://drinc.ca.gov/ear/>.

⁸⁹ The EAR distinguishes between volumetric and non-volumetric billing types in 10+ categories. The Board simplified this information into three usable categories.

⁹⁰ Water systems often bill using a unit of 100 cubic feet (CCF), which is equivalent to 748 gallons.

Beyond the broad type of rate structure which a water system employs, the emphasis placed on the fixed versus variable components of a bill can change its financial burden or affordability to customers— particularly for low-income households. Generally, rate structures which place a greater emphasis on recovering revenue through the variable component of the bill, charge lower variable rates for lower levels of consumption (increasing block rates) and are classified as progressive rate structures. Even though they are applied to all ratepayers and not low-income ratepayers per se, well-designed progressive rate structures may lessen or eliminate the need for direct affordability assistance by keeping rates low for low-income households that consume low levels of water.⁹¹

Accordingly, a means of potential statewide affordability assistance could involve extending guidance to water systems to use very progressive rate structures. To be considered progressive, billing rates would need to use “lifeline” or “budget-based”⁹² structures which offered a free or steeply discounted rate for an initial or baseline quantity of water that would cover a typical household’s basic needs. After this volume was consumed, progressively higher variable rates begin to apply at different consumption levels.

Proposition 218 imposes a cost-of-service requirement on publicly owned water systems charging fees for water service as an incident of property ownership.⁹³ For instance, water systems must ensure that fees do not exceed the proportional cost of service attributable to the parcel, and that revenues derived from such fees do not exceed the funds required to provide the service.⁹⁴ When setting rates, publicly owned water systems must ensure that progressive rate structures comport with these constitutional requirements.

The benefit of providing affordability assistance through progressive rate structure design is that it incentivizes all households to conserve water. If successful, such rate structure designs can also eliminate or reduce the need for a transfer of rate revenue from one set of (higher-income) customers to fund a subsidy for another set of (lower-income) customers. This reduces administrative costs while avoiding resistance to cross-subsidies.

⁹¹ For instance, see Baerenklau, K. A., Schwabe, K. A., & Dinar, A. (2014). The residential water demand effect of increasing block rate water budgets. *Land Economics*, 90(4), 683-699.

⁹² Budget-based structures have the advantage of adjusting for household size in their first-tier allocations. The downside of lifeline rates not adjusted for household size is that they assume low-income households consume little water, whereas the relationship between water consumption and income is not linear (for instance, see Whittington, D., Nauges, C., Fuente, D., & Wu, X. (2015). A diagnostic tool for estimating the incidence of subsidies delivered by water utilities in low- and medium-income countries, with illustrative simulations. *Utilities Policy*). While income and water consumption are positively, strongly correlated, one cannot assume that households that are most in need of a subsidy will need a small quantity of water.

⁹³ Cal. Const., art. XIII D, §6(b).

⁹⁴ *Ibid.*

Disadvantages of Progressive Rate Structures for Indirect Affordability Assistance

A practical obstacle to relying on progressive rate structures to provide affordability assistance is that, despite efforts by some systems, very few systems in the state employ sufficiently progressive rate structures to ensure affordability for low-income households. In other words, more systems would need to adapt their current rate structures to be more progressive or adopt new rate structures to support household-level affordability.

There are two major reasons for systems to keep non-progressive rate structures. First, some water systems prioritize revenue stability, which can be more easily achieved through imposing less progressive rates. To ensure that they can cover their fixed costs even in the context of lower consumption, such as occurs during droughts or economic downturns, these systems will put more emphasis in their rate structures on high fixed charges that they can collect regardless of consumption levels.⁹⁵

Second, some systems would face significant opposition from high-use customers if they attempted to impose more progressive rate structures. Ensuring affordability through sufficiently progressive rates statewide would be challenging and would likely be widely opposed by many California water systems. Even if standardization in progressive rates could be achieved across the state, the rate design would need to be constantly monitored and adjusted to ensure minimal impact on water systems' finances if water consumption is reduced further in the future, as seen in the most recent drought. Finally, and as detailed more throughout the report, a substantial proportion of the state's low-income households do not receive a water bill directly. The benefits of progressive rate design for single-account residential customers may not be experienced by these households.

Without implementing standardized rate designs, there are disadvantages to relying on existing progressive rate structures to provide affordability assistance to low-income households. Even more important for household-level affordability than the presence or absence of a fixed charge on the bill, is the magnitude of the fixed charge as a proportion of the total bill. The Board measures this as a percent of a residential customer's bill which goes to pay fixed charges levied by the system. The Board estimates the average proportion of the total customer payment going towards fixed charges at the 12 CCF consumption level is 44%, or nearly half the bill. Table 17 illustrates the prevalence of systems using fixed charges with the percent of systems (for which the Board has data) in which households would pay above 25% of their bill on fixed charges at both the 6 and 12 CCF consumption levels. In more than one-third of systems, customers using 12 CCF per month would pay more than 50% of their bill in fixed charges.

⁹⁵ For instance, see Dinar, Ariel, and Ashok Subramanian. "Policy implications from water pricing experiences in various countries." *Water Policy* 1, no. 2 (1998): 239-250; Winpenny, J. (2005). *Managing water as an economic resource*. Routledge.

Table 17. Distribution of California Systems Based on the Share of the Fixed Charge Component in their Rates⁹⁶ at 6 and 12 CCF Consumption Levels

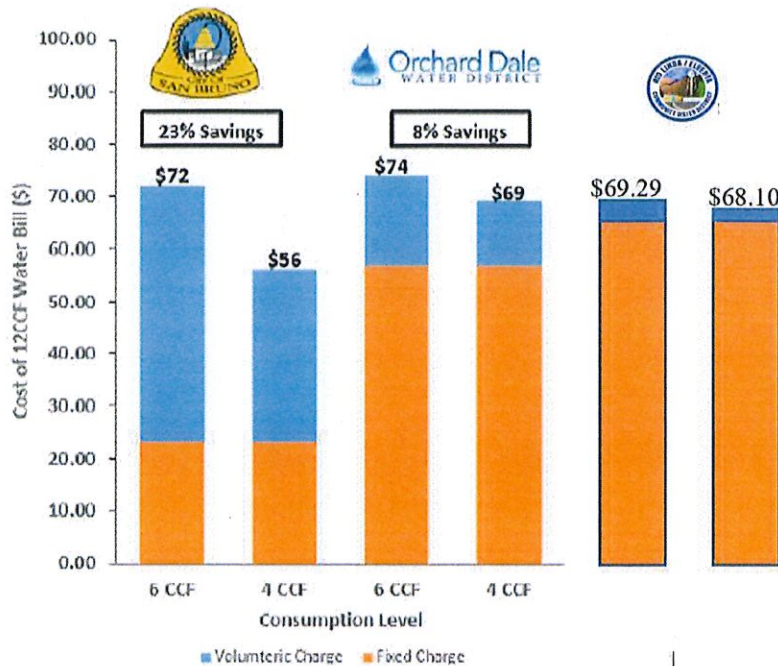
Share of Fixed Charge Component in Water Systems' Rates	6 CCF Fixed Charges	12 CCF Fixed Charges
0-25%	17%	26%
26-50%	25%	38%
51-99%	43%	24%
100%	15%	12%
RLECWD Current	98%	90%

This demonstrates that relying on current water system rate structures to provide affordability assistance to low-income households in California may not be effective as many systems have only mildly progressive rate structures. Because of relatively high fixed costs, systems with only mildly progressive rate structures may not yield enough potential rate relief to low-income households to be deemed a sufficient means of affordability assistance. In other words, under existing rate structures, households cannot realize enough savings by limiting their water use through conservation to make their water bill affordable.

The proposed plan illustrates the impact of fixed charges using the example of two water systems which have very similar total charges for residential customers using 6 CCF of water in a month: the City of San Bruno (\$72) and Orchard Dale Water District (\$74). While total charges are comparable, the two systems maintain vastly different balances between fixed and variable charges. The former has a lower proportion of their 6 CCF bill attributed to fixed charge at 32%, whereas the Orchard Dale Water District's proportion is at 77%. The two systems' different emphases on the fixed charge component of the total bill means that when customers lower their consumption to 4 CCF (a 33% reduction), their monetary savings are dramatically different. Customers of the City of San Bruno would experience a 23% reduction in the cost of their bill by reducing consumption by 33%. Customers of the Orchard Dale Water District would experience only a 8% reduction in the cost of their bill by reducing consumption by 33%. In short, systems with lower fixed charges as a percentage of the total bill provide greater ability and incentive to low-income households to conserve and make their monthly water bill affordable as shown in Figure 3.

⁹⁶ The percentage of households served by systems moderately or heavily reliant on fixed charges is different than the percentage of systems shown in Table 17. In our sample, it appears that large systems are more likely to rely on fixed charges as a percent of the total bill in the 51-99% range at the 6 CCF level, and in the 26-50% range at the 12 CCF level. At both levels, large systems are much less likely to use an exclusive fixed charge (100% of the bill) approach.

Figure 3. Simulated Savings for 2 CCF Reduction Proportional to 6 CCF Bill, Comparison of the City of San Bruno and Orchard Dale Water District Water Systems



This analysis does not attempt to fully explain the complexity of rate structure design and the constraints which different types of CWS face in rate design and revenue recovery. Thus, the above example of contrasting rate structures is provided only as an illustration, without attempting to control for the multitude of factors which influence differences in system rate structure decisions. Certainly, in some systems, especially those experiencing large transient, tourist populations (and therefore seasonal water use), instituting high fixed charges may be prudent for maintaining year-round system operations. Nevertheless, this example illustrates the principle that fixed costs can significantly impact the value of water use reduction strategies in providing water affordability. Specifically, the presence of a sizable fixed charge component prevents low-income households from being able to proportionately reduce their bill by conserving water. Recognizing that a high proportion of the state’s water systems currently employ mixed billing with a substantial fixed charge component, only mandatory state or federal standards regarding drinking water system rate design can overcome this obstacle.

Thus, one of the Board’s proposals is for the Legislature to evaluate (or direct the Board to evaluate) options for additional state oversight and direction on how public water systems set rates. During the drought, Governor Brown directed the Board to examine rate structures via Executive Order B-29-15.⁹⁷ The Board has determined that there are multiple ways the state

⁹⁷ Governor’s Exec. Order No. B-29-15 (April 1, 2015). See: https://www.ca.gov/archive/gov39/wp-content/uploads/2017/09/4.1.15_Executive_Order.pdf.

Rio Linda/Elverta Community Water District

Legacy of Dysfunction

Summary

Numerous citizen complaints about the Rio Linda/Elverta Community Water District (RLECWD or the District) have been brought to the attention of the Sacramento County Grand Jury. This grand jury found mismanagement of the District, its personnel, and finances. Dating back to 2007, the District failed to fulfill the California Department of Public Health (CDPH) compliance orders to provide adequate water supply and pressure. In the last year, CDPH issued two citations. A review of the financial documentation suggests the District may be in financial jeopardy, and leaves its continued financial viability in doubt. Ultimately, the direction and management of the District is the responsibility of the board of directors. The grand jury found grave concerns about the performance of the board of directors (the Old Board) that held office until December 2010. Whether the board that took office in December (the New Board) will be able to overcome the legacy of dysfunction and improve the District is uncertain.

Foreword

The Rio Linda/Elverta Community Water District (RLECWD) is an independent special district formed to deliver the essential and desirable public service of providing water to its geographic area. It is formed under and enabled by state law. It is governed by a five member board of directors whose members are elected by voters residing within the district. The District is a local government agency and is within Sacramento County. It is, therefore, subject to review by the Sacramento County Grand Jury.

Issues and Reasons for Investigation

One year after the 2009–2010 Sacramento County Grand Jury issued its report on the Rio Linda/Elverta Community Water District that stated it faces an “uncertain future,” that future is still in doubt. Most of the recommendations made in that report have not been implemented because the District’s board of directors has not taken the required actions.

The major issues for this year’s investigation are as follows:

- The continued mismanagement by the RLECWD Board of Directors
- The inability of a parade of general managers and interim general managers to manage the District’s operations
- The internal conflicts among staff, the general manager and the board of directors which interfere with the operation of the District
- The uncertain financial viability of the District.

Citizen complaints are still being received by the Sacramento County Grand Jury. Their main concerns are with the management’s inability to alleviate the volume and pressure inadequacies of the water system. Further concerns are with the mismanagement and

contentious atmosphere exhibited by the District's board of directors, the general managers, and the field and office staff.

The grand jury will also comment on how the regulatory agencies, the California Department of Public Health (CDPH) and the Sacramento Local Agency Formation Commission (LAFCo), are trying to help the District overcome its problems.

Method of Investigation

The grand jury interviewed RLECWD ratepayers, past general managers, past and present board members, the District's legal counsel, financial auditors and former employees. The grand jury also met with representatives of CDPH and the Sacramento LAFCo, and subpoenaed and reviewed relevant documents from the District and other agencies. Grand jury members attended many District board meetings, LAFCo hearings and meetings of an adjacent water district.

Background and Facts

The Rio Linda Water District was formed in 1948 to provide water services to citizens in the unincorporated community of Rio Linda. In 1988, the water district annexed Elverta, and in 1998 changed its name to the Rio Linda/Elverta Community Water District. A new development was proposed under the Elverta Specific Plan and approved in 2007. If this development were to be completed, it has the potential to double the number of service connections.

The water supply is entirely groundwater. The nine active wells are connected to 16.2 miles of pipeline, much of which is over 50 years old. There are about 4,600 connections to the system, most being residential. The population of the area is almost 15,000. Unlike most other water districts in the county, in this District there are a substantial number of residents who rely on their own private wells. These non-ratepayers are allowed to vote for, as well as to serve on, the board of directors.

The area served by the District covers 17.8 square miles. Adjacent water suppliers include the Placer County Water Agency to the north, the City of Sacramento to the south, the Sacramento Suburban Water District (SSWD) to the southeast and the California American Water Company (CalAm) to the northeast. The Sacramento County Water Authority provides water in a nearby area. The District maintains an inter-connection with SSWD that can be opened in emergency situations.

In 2006, when two RLECWD wells were taken off-line for exceeding new federal arsenic standards, the District fell short of being able to supply adequate water for periods of peak demand. Since 2007, CDPH issued two compliance orders and two citations against the District. On November 19, 2007, CDPH filed a compliance orderⁱ against the District for "...inadequate source capacity and inadequate water pressure in its distribution system." This order imposed a moratorium on all new connections within the system. A second compliance orderⁱⁱ, issued on December 28, 2009, incorporated the outstanding directives of the first order, cited two ensuing years of violations, specified that the District install three new wells, and set a timetable for compliance.

On May 6, 2010, CDPH issued a citationⁱⁱⁱ to the District. This citation required immediate reporting of several routine tests and the test results for about 500 backflow

prevention devices in the district. In this citation CDPH also requested an analysis of the adequacy of the District's staff/operator levels for the water system and an updated Operations and Maintenance (O&M) Plan. On March 30, 2011, CDPH cited^{IV} the District for not meeting the deadlines imposed in the previous citation. The District failed to meet deadlines for two important elements in the District's O & M Plan: schedules and procedures for flushing dead end mains and schedules and procedures for routine exercising of water main valves. This citation could result in fines of up to \$100 per day per issue unless the District complies.

The District needs to construct three wells to satisfy CDPH compliance orders. The new wells will provide increased water supply and pressure to meet peak water demands and fire safety concerns. Drilling of the first well (#15) commenced in April 2011.

The District is eligible to obtain a \$7.5M loan from the Safe Drinking Water State Revolving Fund (SRF), but only if it can show that it can afford to pay off the loan and to keep an amount in reserve to ensure loan repayment. In May 2009, the Old Board implemented a surcharge on all ratepayers. Based on the District's own financial records, which show several years of deficits, CDPH determined that the amount of the surcharge was inadequate to provide for loan repayment. CDPH stated that the District would need to collect an additional average of \$5.46 per connection per month to secure the SRF loan. The Board commissioned a rate study as prescribed by Proposition 218. The rate study recommended an average rate increase of \$8.90 per connection per month to adequately repay the loan and finance long delayed capital improvements.

The situation at the district remains in flux. After the required public hearing in March 2011, the Board agreed to a rate increase that is enough to satisfy the minimum requirements of the loan, but not enough to pay for capital improvements. Citizens are challenging the amount of the rate increase as well as the legality of the procedures used to establish the rate increase.

The Board of Directors

The grand jury found that many problems of the District, reported last year, have existed for many years and continue to exist. The Old Board failed to provide clear, short term and long term vision and directions, even in the face of compliance orders and citations. Not enough was done to correct the problems identified by CDPH and the 2009–2010 Sacramento County Grand Jury report. The problems and bickering that consumed the Old Board is a legacy that continues to interfere with the conduct of District business.

A successful board of directors provides direction and oversight by selection of a competent general manager, scrutiny of budget and expenditures, and establishment of policies. In contrast, the Old Board has not been successful in doing any of these things. In the last 12 months the District had multiple short term general managers. Also, the Board lacked a thorough understanding of its financial situation and did not follow its own policy manual.

The continual turnover in general managers documented in the previous grand jury report persisted in the past twelve months. In the last year, two general managers were fired: one an interim manager who was hired and fired by the Old Board, and the other a manager hired by the Old Board just after the November 2010 election and fired just six



SUPERIOR COURT OF CALIFORNIA
 COUNTY OF SACRAMENTO
 Grand Jury

Don Prange Sr.
Foreman

Ronald Bargones

Russ Campbell

Bernard Donnelly

Robert Garbutt

Carol Goldberg

Cecil Gordy

Lois Graham

LuAnne Hansen

Barbara Henderson

Betty Knopf

Joe Koopman

Adrienne Leach

Arnold Maldonado

Jim Monteton

William Olmsted

Judith Parise

H. Joseph Perrin Sr.

Karen Richmond

May 16, 2011

Honorable Raymond M Cadei
 Sacramento Superior Court
 720 Ninth St.
 Sacramento, California 95814

Dear Judge Cadei and the Citizens of Sacramento County:

The Sacramento County Grand Jury began their term on July 1, 2010. We reviewed the final report by the previous grand jury which included a report on the Rio Linda/Elverta Community Water District with findings and recommendations. The water district was to answer the findings and recommendations in the manner required by law. While the district responded in a timely manner, this grand jury believed the responses did not adequately address the issues.

The current grand jury received several complaints about the sitting water board. The infighting we witnessed while attending board meetings reminded some of us of the "Hatfields and McCoys." Complaints were hurled back and forth during the meetings, and members of the grand jury witnessed this sideshow several times. After careful review of these complaints about this district, the grand jury voted to open an investigation into the allegations and problems. The complainants were subpoenaed and interviewed. Complaints ranged from interference by the board members with the general manager, who they fired before year end, and meddling and trying to micro manage the employees on a daily and weekly basis. Some board members decided to spend many hours during the week in the office for one reason or another. The board fired the general manager just before the November election, and then hired a new general manager with no water district credentials after the election. His contract was so structured that he would receive thousands of dollars if fired by the new board.

Naturally, when the new board was sworn in they did fire the newly hired manager. The grand jury subpoenaed the old board, the new board, old and new general managers and the district's legal counsel, who became the interim general manager every time a general manager was fired. This altered the legal counsel's salary depending on which hat he was wearing at the time. The grand jury met with the California Department of Public Health, LAFCO and the Sacramento Metro Fire Department. Metro Fire stated that when they received a call in Rio Linda, they had to bring a water truck, as most of the time the water pressure was too low to do any good, or there was little or no water in the hydrant. The district was to drill new wells, however financing was a problem. The grand jury reviewed hundred of documents, invoices, and credit card receipts in an attempt to find out why things are so bad in the water district.

A new general manager with experience has been hired and will start June 1, 2011. This may improve the situation. The first order of business should be to stop the hostility displayed by the board members. Next, there should be an attempt to accomplish something for the district without being negative, bring some sanity to the meetings, and attempt to be civil toward one another.

Sincerely,

Donald W. Prange, Sr.
Foreman 2010-2011
Sacramento County Grand Jury

DP/bc

weeks later by the New Board. During the times when no general manager is on staff, the District's legal counsel assumed the duties of the general manager at an hourly rate of over \$150. On April 18, the board hired a new general manager who will assume duties on June 1, 2011.

Under the District's Policy Manual, a general manager is to have "...full charge and control of administration, maintenance, operation, and construction of the water works system of the district." The short tenures of the various general managers created a host of problems that interfered with running the District. It was difficult for short term general managers to establish a rapport or working relationship with the employees. Most of the employees worked for the District for many years, had their own way of doing their jobs and were disinclined to take direction from a short term manager. The constant turnover allowed employees to run operations in the way they chose, a situation that opened the door to abuse and inefficiency. The lack of a working relationship hampered the effectiveness of the general manager in controlling the District's operations. In addition, the managers had little time during their short tenures to establish operational and financial systems to effectively manage the District.

Further, the Old Board failed to hire general managers who could handle the entire job as described in the policy manual. One interim general manager had water experience, but no experience in the financial aspects of running a water district. The general manager hired in November 2010, completely lacked experience in running any sort of water district or public agency, but did have experience in running a business. The District's legal counsel, who serves as interim general manager, has no experience in running a water district.

The attitudes of some board members towards the staff poison the relationship between general managers and the staff. Board members have said, in public, that the staff was overpaid and lazy. Protracted and unresolved labor negotiations with the Old Board produced an impasse that has persisted since July 2009. Initially, the Old Board had proposed eliminating full time positions and replacing them with part-time positions. The Old Board imposed a Last, Best and Final Offer (LBFO) that acts as the basis for reduced compensation and reductions in employee status. General managers testified that staff expected to be fired upon the beginning of a new general manager's tenure. Former general managers reported problems in communicating with staff that seemed hostile to, or at least wary of, the intentions of the managers. The New Board inherited this state of employee affairs.

The Old Board lacked adequate financial information and did not appropriately exercise fiscal oversight. Board members complained that they did not know where the District stood financially, and seemed unable to direct the general manager to correct the situation. Financial information was not kept current. Audits have regularly been late. Board members did not routinely receive a comparison of expenditures versus budgeted amounts, making it difficult for directors to understand the financial status of the District at any given time. No district can properly plan or make decisions if it lacks reliable financial information. Regardless of who is at fault for the lack of audits and financial data, it is a board's responsibility to find a way to get the information it needs. Hiring a competent general manager can help the board get that information.

The lack of valid financial information prevented the Old and New Boards from making sound, long and short-range financial decisions. For example, the Old Board exhibited difficulty in addressing the financial components of obtaining the State Revolving Fund loan. The Board's imposition of a surcharge insufficient to raise enough money to qualify was the result of a misunderstanding of the District's financial status. The Board finally commissioned a Proposition 218 rate study after the November 2010 election. The New Board struggled to determine the appropriate amount to raise rates.

The actions of the Old Board remain an impediment to the effective running of the District. The Old Board committed to two three-year contracts that contain severance clauses that entitled the general legal counsel and general manager to receive money if terminated before the end of the contract. The general manager's contract was made just after the November election, following LAFCo's recommendations against entering into long term contracts, and before the swearing in of the New Board. The Old Board hired a general manager after a cursory search and interview process. The person hired, as mentioned before, had no experience with operating a water district. The Old Board testified that these contracts were done in an attempt to show "stability" in the management of the District. In reality, the contracts set the District up for paying out large sums of money if it decides to terminate either of these individuals. With the firing of the general manager, the severance clause will be the subject of controversy and potential litigation. Either a payout or litigation over the severance clauses will drain finances from the already stressed District.

The Old Board failed to keep the public informed of its decisions. Under the Brown Act, decisions of elected boards must be made available to citizens. Most modern agencies rely heavily on their websites to provide information. RLECWD has a website. Unfortunately, the current website does not contain updated information. While meeting notices and the agendas appear within the Brown Act required time frames, minutes of the board meetings have not been updated for the six months prior to the writing of this report. The way the website is organized makes it difficult to even locate the minutes that are available. The history of the District and its work is contained in a section called "Resolutions and Ordinances." It contains detailed information of the past, but very little is posted after December 2008 leaving a curious citizen to wonder if any decisions were made. The "Labor Negotiations" page of the website said it is "under construction." If the District intends to use the website to provide information to citizens, it should keep that site current.

A large portion of the Old Board's dysfunctional legacy lies in the patterns of behavior among board members, staff, and even the general public. The relationships of the Old Board were marked with arguing, acrimony, and rudeness involving board members, staff and the public. Despite the District's policy manual providing a guide in conducting dignified and functional meetings, the New Board seems to follow the same old patterns. Board meetings were, and continue to be, conducted in a non-orderly and dysfunctional manner with spontaneous outbursts from the audience and Board members. Board members bicker among themselves in full view of the public, in a local newspaper, and in on-line blogs. Board bickering usually breaks down into arguments between the remaining Old Board members and some of the New Board members. Board meetings have unproductive agenda items such as cross censure motions filed by board members

against other board members. The short relationship between the New Board and the six week general manager was less than cordial. A New Board member spends time in the District office trying to “micromanage,” much as former board members did. The New Board president is trying to change this behavior, but the pattern of years of such behavior makes this a difficult thing to accomplish.

It appears to this grand jury that the Old Board’s goal to keep rates low overshadowed their duty to operate the District in a sound manner. Both Old and New Board members are mired in controversy with each other and are unable to find consensus on how to do the District’s business. The board’s legacy of dysfunction distracts it from accomplishing the mission of providing safe and adequate water to the ratepayers.

Staff

The District has generally employed a small staff of six to ten: three to four in the office and the remainder in the field. In 2005, the employees formed an employee association and later became affiliated with the Teamsters.

The Old Board had a desire to cut District costs to keep from raising rates. Their targets were employee salaries and benefits. They talked of hiring only part-time employees, and using volunteers or recruiting high school interns to perform typical staff duties. Members of this board published staff wages in printed flyers and in one member’s newspaper. The board members believed that a small district such as theirs did not need to provide wages and benefits comparable to larger districts.

In 2006, the District signed a Memorandum of Understanding (MOU) with the employee association. When the MOU’s June 30, 2009 expiration date approached, negotiations began in earnest with the Teamsters who were representing the employees. The Board wanted to make cuts in wages and eliminate or severely restrict benefits; the employees wanted raises and continued benefits. Negotiations were protracted and costly for the District. No accord was reached and an impasse resulted. The Board imposed a “Last, Best, and Final Offer” (LBFO) effective July 1, 2009 through June 30, 2010. District employees are still working under this LBFO because no new contract has been agreed upon.

The LBFO eliminated two supervisory positions and created two new job titles to replace the eliminated supervisory titles. The LBFO states that the “District agrees to furnish Union with one (1) copy of each job description presently established and of such up-to-date job description as it may prepare in the future.” The District’s current policy manual contains job descriptions for the old job titles, but job descriptions for the new titles have not been agreed upon. In addition to changing some job titles, the LBFO eliminated three steps in the salary schedule for all employees, thereby lowering staff wages by 15-20%.

The grand jury heard testimony that job performance decreased following imposition of the Last, Best, and Final Offer. There developed a pattern of behavior where the employees were reluctant to perform the duties they previously performed, in part claiming that the duties were not in their current job descriptions. The work environment became contentious. The imposed LBFO and disputed job descriptions caused disruption of normal staff operations, and damaged the working relationship between management

and staff. When attempting to direct or discipline staff, general managers were often met with grievances filed by employees.

A critical example of mismanagement and lack of staff direction occurred when tasks were dropped after the imposition of the LBFO. The board adopted new job titles and a wage schedule without corresponding job descriptions. When the field supervisor job title was eliminated, confusion arose over who was responsible for reporting test results to the state. When directed by the general manager, employees responded in effect, "that is not my job." As a consequence of this confusion, CDPH cited the District for not reporting test results. New job descriptions still have not been ratified.

Other instances of staff duties no longer being done have occurred. Testing of backflow prevention devices was not done for approximately two years. As a result, a general manager authorized a refund of about \$30,000 charged for this testing. General managers hired additional staff and employed an engineering contractor to perform some of these duties, resulting in increased costs to the District.

Numerous witnesses testified that many confrontations with the staff occurred, specifically with the lead water utility operator. Confrontations ranged from an outright refusal to work to intimidating behavior on the employee's part. To resolve issues of critical tasks being completed, the lead water utility operator's rate of pay, but not benefits, was restored. The employee has resumed the testing and reporting required by CDPH.

Newly hired general managers have heard from staff members that they believed the general manager was hired specifically to fire staff. General managers in return reported being harassed by the staff, board members and the public. Several witnesses reported instances of yelling and disruptions in the office.

The frequent turnover of general managers has led to inconsistent application of policies. Staff often interpreted policies to their own best interest. For example, over several years employees received payment of vacation and sick leave in violation of District policy, whereas payout was only available on termination. Further, with managerial consent, vacation hours were accrued in excess of policy, an employee on workers compensation leave accrued vacation/sick leave hours, and a temporary employee accrued vacation/sick leave hours. In 2008, there were allegations that employees sold retired water meters and kept the cash. One employee was fired for this.

Another example of an employee taking advantage of the lax oversight by a general manager was the use of the District business credit card for personal expenses. The bookkeeper, over a period of time, charged thousands of dollars of personal expenses on this card. The bookkeeper claimed to have reimbursed the district for personal charges. Some of the charges were covered by applying points accumulated on the card. This bookkeeper was fired. The grand jury recommends that the Sacramento County District Attorney pursue the investigation of these credit charges.

Financial Concerns

The financial status of RLECWD is unclear. What is clear is that the District has significantly reduced its cash and has not issued comprehensive financial reports since the 2007/08 fiscal year. Sound financial management has been hindered by a lack of

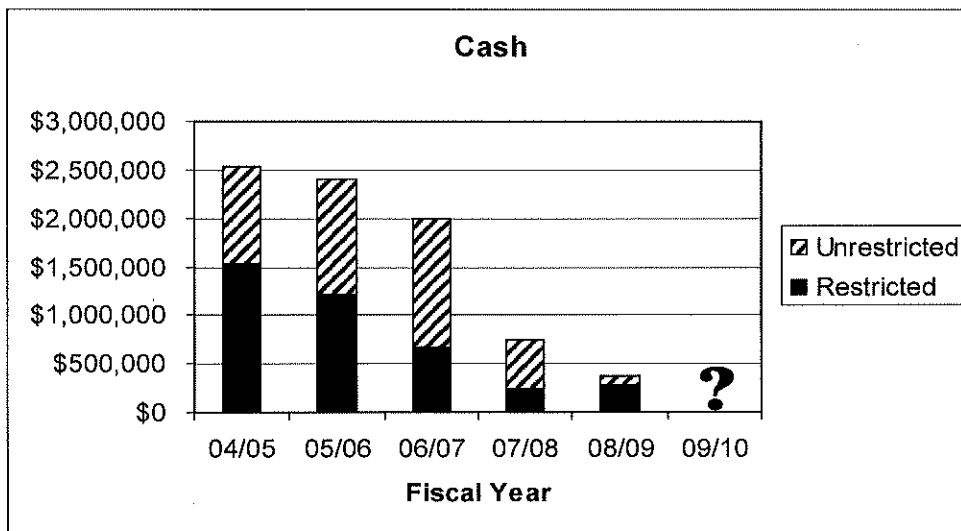
adequate and timely financial information, by insufficient accounting policies and procedures, and by budget reports, when prepared, that are not updated sufficiently. Taken together, these deficiencies open the door for abuse. The District’s financial viability is uncertain.

Reduced Cash

For financial reporting purposes, deposits held at various financial institutions or invested in the state investment pool are combined and reported as “cash and investments”. For purposes of this grand jury report, “cash and investments” are collectively referred to as cash. The District designates its cash as either restricted or unrestricted. Unrestricted cash is used for current operations including payroll. The use of restricted cash is limited by legal requirements and/or board policy. Generally, cash is restricted for:

- bond debt service
- customer deposits
- capital projects
- long-term maintenance and improvements
- contractual obligations
- post employment benefits
- emergencies.

The following chart illustrates the decrease in restricted and unrestricted cash. This information was obtained from the District’s financial statements.^v



The District has been depleting both its restricted and unrestricted cash from a total of \$2,537,000 in 2004/05 to \$ 377,000 in 2008/09. Cash balances for 2009/10 have not been published as of this writing. The reduction in cash could be attributed to legal expenses, installation of system monitoring equipment and electronic meters, and drilling a well that is unsuitable as a drinking water source due to its high levels of arsenic (well #14). Testimony revealed that the District is not confident it knows where the cash actually went.

The District is struggling to manage its cash flow. The March 16, 2011 Accounts Payable Summary shows more than \$150,000 in unpaid bills that are over 90 days past due. The legal counsel, acting as general manager, has been trying to negotiate payment terms with the creditors. Previous general managers testified of their efforts to negotiate payments on delinquent bills. Additionally, the grand jury heard testimony that water bills were sent out early in hopes that some customers would pay promptly and bring needed cash into the District.

Comprehensive Financial Statements & Audits

Public agencies generally have an annual audit of their financial statements. The time between the close of the fiscal year (June 30) and the issuance of an audit report for RLECWD has been increasing. An auditor testified they would expect audit reports to be completed by October. The following table illustrates the delays since 2006/07.

Fiscal Year	Audit Report Date	Time since end of fiscal year
2006/07	December 2007	6 months
2007/08	July 2009	13 months
2008/09	March 2010	9 months
2009/10	not started as of March 2011	greater than 9 months

Governmental accounting standards identify a Comprehensive Annual Financial Report (CAFR) as including an audit report, basic financial statements, management’s analysis and discussion, and required supplementary information. The CAFR is designed to provide a more complete financial picture of an organization and is a governmental agency reporting standard. The last CAFR prepared by the District was for the 2006/07 fiscal year. While the financial statements for 2007/08 and 2008/09 were audited, the financial reports lacked the required supplemental information to be considered a CAFR. No CAFR has been prepared for the fiscal years 2007/08, 2008/09, and 2009/10.

These annual audit delays coupled with the absence of CAFRs are weaknesses that significantly hinder the Board and public from knowing the status of operations and where the District stands financially.

Financial Management and Oversight

The general manager functions as both the chief fiscal officer and the chief executive officer. Several general managers interviewed by the grand jury did not appear to have the training and skills necessary to perform the function of the chief financial officer. The Board must ensure that a properly qualified individual is selected to be general manager, and that individual fulfills the "Fiscal Officer" responsibilities described in the District's policy manual. Additionally, a competent bookkeeper knowledgeable in accounting principles is essential to the operation of the District.

A good accounting system provides management with sufficient financial information to make informed decisions. The grand jury heard testimony from several current and

former board members about the lack of clear and comprehensive financial information. The grand jury reviewed a variety of financial documents dating back to 2001. Up until about 2008, the board regularly received financial packets that contained detailed expenditures, budget information, and comparisons of actual costs to budgeted costs. Since 2008, these financial reports to the board have been sporadic at best.

This lack of financial information prevents the Board from making informed decisions. For example, in early 2011, the Board considered increasing rates to cover the cost of needed capital improvements such as drilling new wells and improving existing infrastructure. A consultant prepared a draft of a Proposition 218 rate study using historic financial information and estimates. This historic information included audited costs through fiscal year 2007/08. Unfortunately, estimates were used for fiscal years 2008/09 and 2009/10 because actual information was not available. The board approved the full amount proposed in the rate study, however, only imposed a rate increase of about 70% of the proposed rate. While the higher rate would have provided much needed cash, the Board was reluctant to impose a higher rate without reliable financial information. The amount and legality of this increase is being challenged.

Budgets are a plan of operations that identify anticipated expenditures and sources of revenue to pay for those expenditures. Auditors expressed concerns that these budgets were not updated at least quarterly for operational changes. They were concerned that variances between budgeted and actual figures were not analyzed for errors, erroneous assumptions, or changes in business or economic factors. The lack of budget control may have allowed for substantial expenditures beyond current income and led to the subsequent reduction in cash reserves.

The District's accounting policies, as described in its policy manual, are very limited. The District does not have a formal accounting procedures manual. The separation of duties needs to be clearly defined and documented to ensure accountability. Establishing adequate separation of duties to provide checks and balances is essential, even though it is a challenge for a small organization. Auditors reported that having an up to date accounting policies and procedures manual could provide for efficient training of new staff, more effective and timely financial reporting, and consistency within the administrative department.

The District has not established adequate procedures to ensure the timely recording of liabilities (unpaid bills). When invoices are received, they are given to the general manager for approval. They are not entered into the system until they are paid. When a new general manager was hired in November 2010, numerous unpaid bills totaling over \$300,000 were found. Prior to finding these invoices, the Board was not aware of these outstanding liabilities. These invoices had not been recorded so they were not reflected in the accounting system. They were not tracked and no accounts payable aging schedule was prepared. An aging schedule, a list of unpaid bills, is very helpful in managing cash flow.

Financial System Weaknesses

The District has significant weaknesses in its financial management including:

- poor financial records

- no audit since 2008/09
- lack of accounting policies and procedures
- weaknesses in budgeting
- weaknesses in financial oversight
- high turnover of general managers.

Collectively, these weaknesses put the District at risk for fraud and abuse and several witnesses testified that they believe it has occurred. The District contacted an accounting firm to perform a forensic audit of bank statement records and transfers for the past six years. The District Attorney has been contacted and may proceed if any illegal activity is found.

Both the 2007/08 and 2008/09 audit reports stated that "...the District has expended the majority of its operating reserves and continues to run deficit budgets. These conditions raise substantial doubt about its ability to continue as a going concern." This means the auditors were concerned about the District's ability to pay its bills timely and maintain operations sufficiently to remain in business. In other words, the financial security of the District may be in jeopardy.

California Department of Public Health

CDPH monitors water providers for compliance with state and federal regulations concerning water quality and sufficiency. The department issued two compliance orders and two citations against the District. CDPH has been active in trying to help the District update its procedures and operations to bring it into compliance. It has defined specific actions the District must take including drilling three new wells at an estimated cost of \$7.5M. The deadlines for compliance have been extended repeatedly because the District has not met any of the dates. Until the latest citation, CDPH has not fined the District, even though it has the authority to do so.

CDPH administers a loan program, the Safe Drinking Water State Revolving Fund (SRF), to help communities finance costly water system improvements. The SRF rates are very favorable, especially compared to private bank financing. Through a Notice of Acceptance of Application (NOAA), CDPH has reserved SRF funds for the District. This was done with the understanding that up to date financial reports will verify the District's financial viability. The NOAA can be withdrawn if the above conditions are not satisfied. The District needs to demonstrate that it can repay the loan while still maintaining operations, including long and short-term maintenance. Even though the District instituted a surcharge (\$19 per connection per billing period) in 2008, CDPH required an additional rate increase to ensure repayment of the loan. The water district completed a rate study and approved a rate hike that is scheduled to begin in May 2011.

CDPH staff has spent many hours discussing the District's needs and future plans with several contractors, as well as a parade of general managers and board members. The state agency routinely bills water districts for this type of assistance. RLECWD has paid thousands of dollars for this service, and several of the CDPH invoices remain unpaid. Board members seemed to be surprised that they were billed for these meetings, emails,

and phone conversations even though they have signed checks to pay these invoices in prior years.

Many questions have been raised about RLECWD's ability to provide adequate and safe water to its customers. While CDPH is concerned about the District's lagging progress, it continues to support the District in its efforts to remain an independent water district. That department believes the District's slow process would still be preferable to take over of the District by another entity. The one tool the department could use to take over district operations is receivership authorized by the court system. CDPH says the standards for receivership are extremely high because a district has to be "unable or unwilling to adequately serve their users" or is "unresponsive to the rules or orders of the department." Under receivership the operator is usually replaced, but not the board of directors. CDPH feels the District has been trying, but the question still remains, are they able to maintain operations responsibly?

Local Agency Formation Commission

A Local Agency Formation Commission (LAFCo) is required in each California county. It governs formation, consolidation and reorganization of special districts. In May 2010, the Sacramento County Grand Jury recommended that LAFCo "should immediately initiate a reorganization proceeding which includes completion of a Municipal Service Review (MSR), and a study of feasibility and alternatives for reorganization of RLECWD." LAFCo began the MSR process soon thereafter.

Much of the responsibility for assembling data for an MSR lies with the special district being examined. At the November commission meeting (one day after the November 2010 election), LAFCo staff confirmed that they still did not have an approved MSR. The LAFCo Commission recommended that RLECWD:

- move quickly to hire a qualified general manager
- immediately initiate the Proposition 218 process for rate adjustments
- provide missing information to LAFCo for the MSR
- not enter into any new contracts that would obligate the incoming Board.

At the November LAFCo meeting, the commissioners directed its staff to immediately explore consolidation options rather than wait for completion of the MSR. LAFCo initially identified three potential consolidation candidates: the Sacramento County Water Agency (CWA), Sacramento Suburban Water District (SSWD) and California American Water Company (CalAm). LAFCo staff contacted CWA and SSWD to determine their interest in consolidating with RLECWD. LAFCo staff found it difficult to convince either agency to consider consolidation with the District. A comprehensive analysis would be necessary to sort out the uncertain condition of the infrastructure, finances and outstanding obligations at the District. SSWD estimated an adequate study would cost at least \$40,000. LAFCo cannot fund this study.

SSWD indicated a qualified interest in consolidation with RLECWD. However, it would need outside funding for the necessary comprehensive study. SSWD wants to protect their ratepayers from assuming liabilities and costs that might come from consolidation.

Having been formed by a merger, SSWD has experience with consolidation. One of the districts merged into SSWD, Northridge, had a failed joint project with RLECWD.

The Sacramento County Water Agency indicated they were unable to even consider consolidation during this period of severe budget restrictions. The CWA operates water systems in several non-contiguous areas of the county. The board that guides these operations is composed of members of the county board of supervisors. While the chances for this reorganization seem remote, it presents an interesting potential solution.

LAFCo dismissed the idea of approaching CalAm to assess their interest in taking on RLECWD, saying they preferred to keep the District in public operation rather than having it turned over to a private company. CalAm, however, has written to the RLECWD Board to indicate their interest in buying the District. Because water rates are such an issue in Rio Linda, the grand jury believes that ratepayers would not readily consider this option.

LAFCo strongly suggested that the Board consider entering voluntary receivership, or seeking management and operational oversight from other water districts. The New Board has accepted the assistance of outside agencies and individuals to help complete initial interviews and evaluations to fill the vacant general manager position. LAFCo has encouraged other regional water agencies to assist RLECWD by providing peer review and evaluation of the District's operations and management. The Board will discuss this opportunity after a new general manager is in place.

ⁱ Compliance Order 01-09-07-CO-004

ⁱⁱ Compliance Order 01-09-09-CO-004

ⁱⁱⁱ Citation No. 01-09-10-CIT-003

^{iv} Citation No. 01-09-11-CIT-001

^vDistrict's cash balance extracted from financial statements.

	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>	<u>2007/08</u>	<u>2008/09</u>	<u>2009/10</u>
Unrestricted	\$1,001,940	\$1,191,744	\$1,309,482	\$488,276	\$90,235	Not Available
Restricted	1,535,086	1,210,026	676,239	248,608	287,207	Not Available
Totals	\$2,537,026	\$2,401,770	\$1,985,721	\$736,884	\$377,442	Not Available

Findings and Recommendations

Finding 1.0 The Board of Directors lacks vision and does not exercise appropriate oversight of the District.

Recommendation 1.1 The Board of Directors should undergo formalized management training.

Recommendation 1.2 The Board of Directors should coordinate with LAFCo to seek peer reviews by other water agencies.

Recommendation 1.3 The Board of Directors should work with the general manager to assure that the District policy manual is complete and up to date.

Finding 2.0 Decisions of the Board of Directors are not adequately documented.

Recommendation 2.1 Minutes of the board meetings should be finalized in a timely fashion. At a minimum, minutes should be available for approval at the next scheduled board meeting.

Recommendations 2.2 Minutes and resolutions should be posted on the District's website in a timely fashion.

Finding 3.0 The Board has repeatedly failed to hire and retain a qualified general manager.

Recommendation 3.1 The Board should create a supportive climate within the District so that the general manager can function effectively.

Finding 4.0 Protracted labor negotiations and disputed job descriptions cause disruption of normal staff operations and damage the working relationship between management and staff.

Recommendation 4.1 The District should conduct a survey of water districts to determine appropriate staffing requirements and fair wages and benefits for comparable work.

Recommendation 4.2 The District must resolve the long-standing labor dispute and ensure all parties understand the agreement.

Recommendation 4.3 The general manager should establish and update job duties, qualifications, and titles.

Recommendation 4.4 The District should implement and enforce a policy of annual performance reviews of all employees.

Finding 5.0 The general work environment at the District is contentious and unpleasant. Staff members have not always worked in the best interest of the District. Trust and respect among staff, management, and Board of Directors is lacking.

Recommendation 5.1 The Board, general manager and staff should make it a priority to restore mutual respect, trust and confidence.

Recommendation 5.2 The Board must refrain from interfering with the authority of the general manager. The Board must refrain from micro-managing.

Finding 6.0 The financial status of the District is unclear.

Recommendation 6.1 The District should hire and retain an experienced qualified bookkeeper.

Recommendation 6.2 The District should update all accounting records and complete the audit for 2009/2010.

Finding 7.0 The Board is not receiving up to date financial information that will permit informed decisions.

Recommendation 7.1 The District should prepare realistic budgets and update them at least quarterly.

Recommendation 7.2 The District should provide monthly comparisons of actual expenses and income to budget projections.

Recommendation 7.3 The District should monitor accounts payable by preparing aging schedules.

Recommendation 7.4 The District should resume the preparation of Comprehensive Annual Financial Reports (CAFRs).

Finding 8.0 The District does not have an accounting policies and procedures manual.

Recommendation 8.1 The District should prepare and follow a comprehensive manual. The manual should be kept current.

Finding 9.0 Oversight of the district's finances was so lax that the door was open for fraud and abuse.

Recommendation 9.1 The district should conduct a forensic audit of its bank records.

Recommendation 9.2 The District Attorney should investigate the personal use of the district's business credit card.

Finding 10.0 Both CDPH and LAFCo are actively trying to help RLECWD solve its problems and properly serve the ratepayers.

Recommendation 10.1 CDPH and LAFCo should continue to use their combined influence and authority to assist the RLECWD to become a financially sound and capable provider of safe and adequate water.

Recommendation 10.2 CDPH should continue to aggressively monitor and enforce compliance of RLECWD with water quality and quantity standards.

Finding 11.0 The District is clearly operating in a substandard manner that impedes success in attaining the stated mission of "...supplying water to existing and future customers in a cost effective manner while operating the District in a financially sound manner."

Recommendation 11.1 If District operations do not show substantial signs of improvement by December 31, 2011, the Board should institute voluntary receivership proceedings, undertake to reorganize into a neighboring water district, or allow itself to be sold.

Recommendation 11.2 Both CDPH and LAFCo must use their influence and authority to assist the District and force reorganization or receivership, if the District does not show substantial signs of improvement by December 31, 2011.

Response Requirements

Penal Code sections 933 and 933.05 require that specific responses to indicated findings and recommendations contained in this report be submitted to the Presiding Judge of the Sacramento County Superior Court by August 14, 2011, from:

- The Rio Linda/Elverta Community Water District (Findings 1.0 thru 9.0 and 11.0)
- Sacramento County Local Agency Formation Commission (Findings 10.0 and 11.0)
- The Sacramento County District Attorney (Finding 9.0)

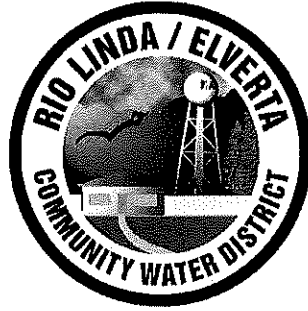
The Grand Jury requests the following entities respond to this report:

- California Department of Public Health (Findings 10.0 and 11.0)

Mail or hand-deliver a hard copy of the response to:

Hon. Steve White, Presiding Judge
Sacramento County Superior Court
720 9th Street, Dept. 47
Sacramento, CA 95814

In addition, email the response to Rebecca Castaneda, Grand Jury Coordinator, at castanb@saccourt.com



**Consent Calendar
Agenda Item: 4.1**

Date: June 21, 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 MAY 17, 2021
BOARD OF DIRECTORS REGULAR MEETING
OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT**

1. CALL TO ORDER, ROLL CALL

The May 17, 2021 meeting of the Board of Directors of the Rio Linda/Elverta Community Water District called to order at 6:30 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 Ridilla and General Manager Tim Shaw, Legal Counsel Barbara Brenner, public member Stephanie Suela were present. Director Chris Gifford was absent.

2. PUBLIC COMMENT

Public Member Suela commented on other water District's reopening.

3. CONSENT CALENDAR

3.1 Minutes – April 19, 2021

3.2 March Expenditures

3.3 March Financial Reports

Director Harris inquired on the six water agencies that were included in the minutes from April 19th that performed rate adjustments during the pandemic. GM Shaw stated he would email Director Harris the information he had sent Director Reisig.

No public comment.

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

REGULAR CALENDAR

4. ITEMS FOR DISCUSSION AND ACTION

4.1 General Manager's Report

The General Manager presented his monthly report and offered to answer any questions the Board may have.

There was much discussion among members of the Board and GM regarding the 20% reduction of water usage.

Public member Suela mentioned the District was using conservation measures back under Henrici which included water days and now the District is no longer following those measures.

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 and offered to answer questions. The report highlighted topics of General Engineering, Active Development Reviews, Well 16 Pumping Station Construction Project.

Questions/comments included a question on the interest pertaining to the pipeline project.

The Board made no action on this item.

4.3 Consider directing staff on preparation of the District's 2020 Urban Water Management Plan (UWMP).

The Board of Directors should discuss/consider the following:

The merits of preparing and adopting a 2020 UWMP. If the Board desires for the UWMP plan to be prepared, the Board should also discuss and consider the following options:

- a. Direct the contract District Engineer's firm EKI Environment & Water, Inc. (EKI) to prepare the UWMP, or
- b. Direct staff to begin the Request for Proposals (RFP) process to solicit proposals from consultants to prepare the UWMP.

The pros/cons list developed for the Executive Committee is as follows:

Pros:

- Keeps the District grant eligible
- Prudent water supply management
- Consistent with what mainstream water systems do
- Addresses water shortage contingency plan (important with current and upcoming drought conditions)
- Addresses water conservation

Cons:

- Cost to prepare \$50,000
- No guarantee that grant funding will be available and/or needed
- No penalty for NOT preparing an UWMP with the exception that the District will be ineligible for grant funding.
- Even if the District funds, adopts and receives DWR approval of its 2020 UWMP, grant/loan eligibility may still be withheld for failing to achieve all required water use efficiency objectives.

Public member Suela commented on the cost and competitive bidding if the Board elects to go forward with an UWMP.

It was moved by Director Ridilla and seconded by Director Harris to prepare and adopt a 2020 UWMP. Directors Green, Ridilla, Harris, and Reisig voted yes. The motion carried with a roll call vote of 4-0-0. It was moved by Director Ridilla and seconded by Director Harris direct staff to initiate a RFP to complete the 2020 UWMP. Directors Green, Ridilla, Harris, and Reisig voted yes. The motion carried with a roll call vote of 4-0-0.

4.4 Consider authorizing the annual list of doubtful recovery debt accounts pursuant to District policy.

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

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

The District regular performs methods 1 and 2. The District, although authorized by statute and District policy (4.31.290), is scheduled to execute the first iteration of method 3 later this year. In my opinion, due to the requirements of SB 998 codified in the District's Discontinuation of Residential Water Service for Non-payment, the District is compelled to include Direct Assessments in its "reasonable efforts" to recover costs.

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

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

Comments/Questions Directors asked if there are state programs that can assist these customers, length of time they have been on the list. Public member Suela questioned the low dollar figures included in the recovery list and the District should adopt a policy.

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

4.5 Consider approving the Lactation Accommodations policy required by state law.

SB 142, Wiener. Employees: lactation accommodation.

... Existing law requires employers to provide a reasonable amount of break time to employees desiring to express milk for the employee's infant child. Existing law also requires an employer to make reasonable efforts to provide the employee with the use of a room, or other location, other than a

bathroom, in close proximity to the employee's work area, for the employee to express milk in private. Existing law exempts an employer from the break time requirement if the employer's operations would be seriously disrupted by providing that time to employees desiring to express milk. Existing law subjects employers who violate these provisions to a civil penalty of \$100 per violation and authorizes the Labor Commissioner to issue citations for those violations.

This bill would instead require an employer to provide a lactation room or location that includes prescribed features and would require an employer, among other things, to provide access to a sink and refrigerator in close proximity to the employee's workspace, as specified. The bill would deem denial of reasonable break time or adequate space to express milk a failure to provide a rest period in accordance with state law. The bill would prohibit an employer from discharging, or in any other manner discriminating or retaliating against, an employee for exercising or attempting to exercise rights under these provisions and would establish remedies that include filing a complaint with the Labor Commissioner. The bill would authorize employers with fewer than 50 employees to seek an exemption from the requirements of these provisions if the employer demonstrates that the requirement posed an undue hardship by causing the employer significant difficulty or expense, as specified. The bill would require an employer who obtains an exemption to make a reasonable effort to provide a place for an employee to express milk in private, as specified.

The bill would require an employer to develop and implement a policy regarding lactation accommodation and make it available to employees, as specified.

Questions/Comments Public member Suela commented on the exception to having this policy with under 50 employees.

It was moved by Director Harris and seconded by Director Ridilla to adopt the Lactation Accommodations policy as required by state law. Green, Ridilla, Reisig, and Harris voted yes. The motion carried with a roll call vote of 4-0-0.

4.6 Consider increasing the authorized amount for purchasing a new (2021) dump truck.

The Status Report and associated discussion on the dump truck procurement included looking for the same (or better) price from a more local (closer than Whittier, CA) dealership. The most promising source is from a dealership in Yuba City, CA.

Unfortunately, as we endeavored to find a vehicle from a dealership closer to the District, and eliminate the logistics for getting the vehicle to the District, the availability of the Whittier dealership vehicle terminated (sold to someone else).

The best deal available cost about \$3,700 more than the Whittier vehicle. (\$75,760 compared to \$72,000). Nevertheless, the Yuba City vehicle is around \$10,000 less than the price from Elk Grove, Fairfield and National Joint Purchasing Alliance. The Yuba City vehicle has a 4-week lead time.

No public comment.

It was moved by Director Harris and seconded by Director Reisig to authorize \$75,760 for the purchase of a new 2021 dump truck. Green, Ridilla, Reisig, and Harris voted yes. The motion carried with a roll call vote of 4-0-0.

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

GM Shaw announced ACWA has a Board Region 4 seat available if the Board would like to consider a nomination for that seat.

No Public Comment on this item.

The Board President asked the full Board if anyone was interested in being nominated. No response.
The Board President announced there was no need for new Board Member assignments this month.

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.
- 5.1.4 Sacramento County Board of Supervisors workshop on Elverta Specific Plan
- 5.1.5 Current rate adjustment process notices and announcements.
- 5.1.6 Documents associated with population served by RLECWD for reporting/compliance.
- 5.1.7 General explanation of SB 606 and AB 1668

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-
- 5.2.4 Executive Committee – Green, Reisig - Minutes provided.
- 5.2.5. ACWA/JPIA – Ridilla – Report Updates provided.
- 5.2.6 LAFCo Special District Advisory Committee – Reisig -No Meeting.

Director Harris commented that she had several complaints about the 218 Notice not appearing with the District's letterhead so customers were throwing them away. Public member Suela questioned office staffing of the District.

6. DIRECTORS' AND GENERAL MANAGER COMMENTS – Director Reisig would like to request the staff bring to the next agenda a campaign on getting customers to conserve.

7. ADJOURNMENT

President Green adjourned the meeting at 8:10 p.m.
 Respectfully submitted,

 Timothy R. Shaw, Secretary

 Jason Green, President of the Board



**Consent Calendar
Agenda Item: 4.2**

Date: June 21, 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 April 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 April 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
April 2021**

Type	Date	Num	Name	Memo	Amount
Liability Check	04/07/2021	EFT	QuickBooks Payroll Service	For PP Ending 04/09/21 Pay date 04/08/21	16,943.81
Liability Check	04/08/2021	EFT	CalPERS	For PP Ending 04/09/21 Pay date 04/08/21	2,911.88
Liability Check	04/08/2021	EFT	CalPERS	For PP Ending 04/09/21 Pay date 04/08/21	1,119.77
Liability Check	04/08/2021	EFT	Internal Revenue Service	Employment Taxes	6,855.30
Liability Check	04/08/2021	EFT	Employment Development	Employment Taxes	1,339.53
Bill Pmt -Check	04/08/2021	EFT	Adept	Computer Maintenance	1,208.00
Bill Pmt -Check	04/08/2021	EFT	Comcast	Phone/Internet	276.06
Liability Check	04/08/2021	EFT	Empower	Deferred Compensation Plan: Employer & Employee Share	1,933.44
Bill Pmt -Check	04/08/2021	EFT	Republic Services	Utilities	90.67
Bill Pmt -Check	04/08/2021	EFT	Umpqua Bank CC	Computer, Office, Postage, Pump Maint	247.36
Transfer	04/08/2021	EFT	RLECWD	Umpqua Bank Monthly Debt Service Transfer	16,500.00
Liability Check	04/08/2021	1663	Teamsters Local	Union Dues-Employee Paid	635.00
Bill Pmt -Check	04/08/2021	1664	ABS Direct	Printing & Postage-Replenish Deposit	5,844.06
Bill Pmt -Check	04/08/2021	1665	ACWA/JPIA Powers Insurance Authority	EAP	25.70
Bill Pmt -Check	04/08/2021	1666	CoreLogic Solutions	Metro Scan	134.75
Bill Pmt -Check	04/08/2021	1667	Elk Grove Security Systems	Security	84.00
Bill Pmt -Check	04/08/2021	1668	VOID	VOID	0.00
Bill Pmt -Check	04/08/2021	1669	Phelan, Michael	Retiree Insurance	3,150.00
Bill Pmt -Check	04/08/2021	1670	Rio Linda Elverta Recreation & Park	Meeting Fee	50.00
Bill Pmt -Check	04/08/2021	1671	Rio Linda Hardware & Building Supply	Shop Supplies	305.94
Bill Pmt -Check	04/08/2021	1672	SMUD	Utilities	15,014.90
Bill Pmt -Check	04/08/2021	1673	Spok, Inc.	Field Communication	15.43
Bill Pmt -Check	04/08/2021	1674	Unifirst Corporation	Uniforms	240.81
Bill Pmt -Check	04/08/2021	1675	Vanguard Cleaning Systems	Janitorial	195.00
Bill Pmt -Check	04/08/2021	1676	Water Rite Products	Distribution Supplies	160.71
Bill Pmt -Check	04/08/2021	1677	Intermedia.net	Phone/Internet	78.48
Bill Pmt -Check	04/08/2021	1678	Lechowicz & Tseng Municipal Consultants	Professional Fees	1,350.00
Bill Pmt -Check	04/14/2021	EFT	WageWorks	FSA Administration Fee	76.25
Bill Pmt -Check	04/17/2021	EFT	ARCO	Transportation Fuel	788.29
Liability Check	04/21/2021	EFT	QuickBooks Payroll Service	For PP Ending 04/17/21 Pay date 04/22/21	17,250.29
Liability Check	04/22/2021	EFT	CalPERS	For PP Ending 04/17/21 Pay date 04/22/21	2,936.03
Liability Check	04/22/2021	EFT	CalPERS	For PP Ending 04/17/21 Pay date 04/22/21	1,119.77
Liability Check	04/22/2021	EFT	Internal Revenue Service	Employment Taxes	6,635.24
Liability Check	04/22/2021	EFT	Employment Development	Employment Taxes	2,849.08
Liability Check	04/22/2021	EFT	Empower	Deferred Compensation Plan: Employer & Employee Share	1,910.44
Liability Check	04/22/2021	EFT	Kaiser Permanente	Health Insurance	1,275.76
Liability Check	04/22/2021	EFT	Principal	Dental & Vision Insurance	1,456.96
Liability Check	04/22/2021	EFT	Western Health Advantage	Health Insurance	9,491.61
Bill Pmt -Check	04/22/2021	EFT	PG&E	Utilities	92.02
Bill Pmt -Check	04/22/2021	EFT	Verizon	Field Communication, Field IT	552.25
Check	04/22/2021	EFT	RLECWD - Capital Improvement	Current Monthly Transfer	45,750.00
Check	04/22/2021	EFT	RLECWD - SURCHARGE ACCOUNT 1	Bi-monthly Transfer	87,514.60



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

Type	Date	Num	Name	Memo	Amount
Check	04/22/2021	EFT	RLECWD - SURCHARGE ACCOUNT 2	Bi-monthly Transfer	72,861.79
Check	04/22/2021	1679	Customer	Hydrant Meter Refund	985.30
Check	04/22/2021	1680	Customer	Final Bill Refund	58.98
Bill Pmt -Check	04/22/2021	1681	BSK Associates	Lab Fees	1,682.50
Bill Pmt -Check	04/22/2021	1682	DirectHit Pest Control	Building Maintenance	75.00
Bill Pmt -Check	04/22/2021	1683	EKI Environment & Water	Engineering	5,000.00
Bill Pmt -Check	04/22/2021	1684	Johnson Controls Fire Protection	Safety	218.82
Bill Pmt -Check	04/22/2021	1685	Pacific Shredding	Office Expense	27.00
Bill Pmt -Check	04/22/2021	1686	Sierra Chemical Company	Chemical Supplies	861.30
Bill Pmt -Check	04/22/2021	1687	Vulcan Materials Company	Distribution Supplies	640.28
Bill Pmt -Check	04/22/2021	EFT	Adept Solutions	Capital Improvement: Well 16	1,962.62
Total 10000 - Bank - Operating Account					340,782.78



**Consent Calendar
Agenda Item: 4.3**

Date: June 21, 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 April 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 April 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

Balance Sheet
As of April 30, 2021

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ASSETS

Current Assets

Checking/Savings

100 · Cash & Cash Equivalents

10000 · Operating Account

10020 · Operating Fund-Umpqua 967,164.91

Total 10000 · Operating Account 967,164.91

10475 · Capital Improvement

10480 · General 379,622.31

10481 · Cr6 Mitigation 454,500.00

10485 · Vehicle Replacement Reserve 90,000.00

Total 10450 · Capital Improvement 924,122.31

10490 · Future Capital Imp Projects 1,397,178.93

Total 100 · Cash & Cash Equivalents 3,288,466.15

102 · Restricted Assets

102.2 · Restricted for Debt Service

10700 · ZIONS Inv/Surcharge Reserve 524,319.71

10300 · Surcharge 1 Account 870,772.73

10350 · Umpqua Bank Debt Service 113,807.80

10380 · Surcharge 2 Account 272,323.56

10385 · OpusBank Checking 720,918.03

Total 102.2 · Restricted for Debt Service 2,502,141.83

102.4 · Restricted Other Purposes

10600 · LAIF Account 335,796.95

10650 · Operating Reserve Fund 301,794.44

Total 102.4 · Restricted Other Purposes 637,591.39

Total 102 · Restricted Assets 3,139,733.22

Total Checking/Savings 6,428,199.37

Accounts Receivable 50,740.00

Other Current Assets

12000 · Water Utility Receivable 72,419.55

12200 · Accrued Revenue 150,000.00

12250 · Accrued Interest Receivable 2,032.68

15000 · Inventory Asset 68,727.94

16000 · Prepaid Expense 40,807.67

Total Other Current Assets 333,987.84

Total Current Assets 6,812,927.21

Fixed Assets

17000 · General Plant Assets 709,029.25

17100 · Water System Facilities 22,564,247.74

17300 · Intangible Assets 373,043.42

17500 · Accum Depreciation & Amort -9,894,836.59

18000 · Construction in Progress 2,498,738.27

18100 · Land 576,673.45

Total Fixed Assets 16,826,895.54

Other Assets

19000 · Deferred Outflows 227,638.00

19900 · Suspense Account 0.00

Total Other Assets 227,638.00

TOTAL ASSETS 23,867,460.75

Rio Linda Elverta Community Water District

Balance Sheet

As of April 30, 2021

LIABILITIES & EQUITY

Liabilities	
Current Liabilities	
Accounts Payable	56,470.05
Credit Cards	60.00
Other Current Liabilities	843,582.71
Total Current Liabilities	<u>900,112.76</u>
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	<u>10,605,992.84</u>
Total Liabilities	<u>11,506,105.60</u>
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	691,404.33
Total Equity	<u>12,361,355.15</u>
TOTAL LIABILITIES & EQUITY	<u><u>23,867,460.75</u></u>

Rio Linda Elverta Community Water District
 Operating Profit & Loss Budget Performance
 As of April 30, 2021

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	<u>Annual Budget</u>	<u>Apr 21</u>	<u>Jul 20-Apr 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	158,697.00	2,185,339.15	80.36%	534,235.85
41000 · Nonoperating Revenue					
41110 · Investment Revenue					
41112 · Interest Revenue	400.00	16.94	217.66	54.42%	182.34
Surcharge Total 41110 · Investment Revenue	400.00	16.94	217.66	54.42%	182.34
41120 · Property Tax	88,500.00	0.00	60,478.30	68.34%	28,021.70
Total 41000 · Nonoperating Revenue	88,900.00	16.94	60,695.96	68.27%	28,204.04
Total Income	2,808,475.00	158,713.94	2,246,035.11	79.97%	562,439.89
Gross Income	2,808,475.00	158,713.94	2,246,035.11	79.97%	562,439.89
Expense					
60000 · Operating Expenses					
60010 · Professional Fees	135,000.00	5,000.00	85,142.48	63.07%	49,857.52
60100 · Personnel Services					
60110 · Salaries & Wages	729,867.00	54,558.18	569,729.36	78.06%	160,137.64
60150 · Employee Benefits & Expense	489,145.00	29,821.03	332,895.00	68.06%	156,250.00
Total 60100 · Personnel Services	1,219,012.00	84,379.21	902,624.36	74.05%	316,387.64
60200 · Administration	205,010.00	7,096.99	152,627.46	74.45%	52,382.54
64000 · Conservation	300.00	0.00	0.00	0.00%	300.00
65000 · Field Operations	436,400.00	30,285.03	317,211.85	72.69%	119,188.15
Total 60000 · Operating Expenses	1,995,722.00	126,761.23	1,457,606.15	73.04%	538,115.85
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	0.00	49,788.94	103.12%	-1,507.94
69135 · Interest	10,233.00	0.00	8,724.98	85.26%	1,508.02
Total 69125 · AMI Meter Loan	58,514.00	0.00	58,513.92	100.00%	0.08
Total 69010 · Debt Service	261,740.00	0.00	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	0.00	147,441.16	55.90%	116,298.84
Total Expense	2,259,462.00	126,761.23	1,605,047.31	71.04%	654,414.69
Net Ordinary Income	549,013.00	31,952.71	640,987.80		
Net Income	549,013.00	31,952.71	640,987.80		

Rio Linda Elverta Community Water District
CAPITAL BUDGET VS ACTUAL FISCAL YEAR 2020-21
 As of April 30, 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	411,750.00	-	-	-	-
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	-	203.59	-	-	3,500.00	840.93
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	117,741.86	-	-	-	-
B-3 · Large Meter Replacements	5,000.00	4,021.88	-	-	-	-
Total B · WATER DISTRIBUTION	155,000.00	130,878.72	-	-	-	-
TOTAL BUDGETED PROJECT EXPENDITURES	195,000.00	130,878.72	-	-	-	-



Items for Discussion and Action

Agenda Item: 5.1

Date: June 21, 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: June 21, 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: Demands associated with the proposed rates restructuring have dominated time/attention allocation for this reporting period. Additional, noteworthy tasks include the rapidly evolving drought emergency. I've received outreach from area citizens that I'm not previously received since my appointment as GM.

1. On May 18th and June 2nd, I participated in meetings of the Water Caucus, which is a subpart of the Water Forum successor agreement efforts. Drought issues dominated the discussions.
2. On May 20th, I met with Anna Sarabian of Fieldman Rolapp and the Accounting Specialist to initiate the process of completing the Board authorized additional discretionary payment (ADP) to CalPERS to reduce the unfunded accrued liability (UAL) for employee pension obligations. The timely ADP will also reduce the annual UAL payment due in July 2021.
3. On May 21st, I participated in the Sacramento Regional Water Utilities Collaboration Study meeting. The Study is nearing completion and the final version of the report will soon be distributed.
4. On May 25th, I participated in a State Water Resources Control Board meeting on "SAFER 2021" Risk Assessment and Affordability Assessment. The complexity of the state mandates and compliance therefor is formidable and time demanding.
5. On May 26th, Legal Counsel and I meet with Sacramento County Planning and ESP Owners Group representative regarding the ESP Owners Group recent efforts to compel County staff to find the RLECWD specific conditions to have already been met.
6. On June 7th Directors Harris (primary), Reisig and I participated in the SGA/RWA/SCGA Joint Boards Workshop. It is worthy to note that the SGA Board meet with an agenda enabling discussion by SGA (and only SGA) Board Members to discuss pros and cons of merging with SCGA. Evidently, those sentiments were ignored or otherwise deemed to be the minority opinion. A profession facilitator consultant has been formally engaged and has interviewed a select list of SGA Board Members. The interviewees did not include RLECWD representatives.

7. On June 7th (afternoon) Legal Counsel and I participated in a conference call with ESP Owners regarding the Owners efforts to revise the tentative map conditions of approval RLECWD previously submitted for the Elverta 245 project. The outcome of the call was the Owners requested Legal Counsel and I review the previously submitted conditions and determine the appropriateness of obliging the Owner's request.
8. On June 8th (morning) I participated in a free CSDA training on Brown Act compliance.
9. On June 8th (late morning) Legal Counsel and I met to pursuant to the above described matter. We affirmed that the stipulated components for inclusion in a future Water Services Agreement remain necessary and appropriate. I subsequently informed Sacramento County Planning and the ESP Owners of such via email.
10. On June 9th (morning) I participated in a Dept. of Water Resources, Water Use Efficiency Division training session on preparation and submittal of the 2020 Urban Water Management Plans. These processes will be substantial efforts for RLECWD.
11. On June 9th (afternoon), I participated in a meeting with the Contract District Engineer and the Operations Superintendent for ranking the responses to the annual pipe replacement Request for Proposals.
12. On June 10th, Directors Harris, Reisig and I participated in the regular meeting of the SGA Board. (agenda is included with Board documents for 6/21/2021 RLECWD Board meeting.
13. On June 15th, Legal Counsel and I attended (in-person) the Sacramento County Board of Supervisors Elverta Specific Plan workshop. Video of the meeting is available at the Sacramento County Board of Supervisors website.

Additional items of interest:

I spent a considerable effort responding to questions, concerns and misinformation regarding the proposed rates restructuring. One such example is the rates structure comparison tool I created and posted to the District's Facebook Page and website. The website post was assisted by the District's webmaster consultant.

The May 2020 water production report and corresponding report the District submits to the DRINQ portal (Dept. of Water Resources) documents that RLECWD customers used more water and more gallons per day per person than the District has used in any May going back 10-years.



Items for Discussion and Action
Agenda Item: 5.2

Date: June 21, 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.

17 June 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 21 June 2021 Board of Directors Meeting

The District Engineer is pleased to submit this brief update of duties and tasks performed for the period of 13 May 2021 to 17 June 2021:

1. General District Engineering:

- Met with a developer's engineer on 5/18/2021 to discuss a potential ARCO AM/PM gas station at the northwest corner of West Elkhorn Boulevard and Marysville Boulevard. The particular interest with this potential project is the property is adjacent to the District's Well 9. Provided the developer's engineer with separation requirements (the State Water Resources Control Board Division of Drinking Water's "Well Siting Checklist") for any gas station components from the existing well.
- Assisted the General Manager with ordering the District's new dump truck.

2. Active Development Reviews:

- Fox Hollow Residential Development (28 lots 6th Street between Q Street and S Street): The developer's construction contractor began and continues to perform water facility construction. Water main pipeline has been installed and was successfully pressure tested on 6/15/2021. Bacti test water samples were collected on 6/15/2021 and 6/16/2021. So long as the Bacti tests come back negative, it is anticipated that the new water mains will be connected to the District's distribution system in the next 1-2 weeks. District Operations Staff has been onsite to observe construction of water facilities.
- 6221 16th Street Phase 2 Worship Facility Development (Northwest corner G Street and 16th Street): The developer's construction contractor continues to perform onsite construction. It is not known when the site will be ready to connect to the District's distribution system. The developer is aware that District Staff must be present during the connection.

3. Well 16 Pump Station Construction Project:

- The District received the well's operation permit from the State Water Resources Control Board Division of Drinking Water on 6/9/2021. The well has been in successful operation since that time. Staff is currently working on closing out the construction project.

4. CIP Pipe Replacement Project Request for Proposals (RFP):

- The District received four proposals on 6/3/2021 from construction contractors in response to the RFP to replace water pipeline in Dry Creek Road. The General Manager, Operations

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



Superintendent, and District Engineer met on 6/9/2021 to discuss the proposals. It is anticipated for Staff to bring a recommendation on selecting a contractor and next steps to the Executive Committee on 7/6/2021, followed by a recommendation to the Board of Directors on 7/19/2021.

5. Urban Water Management Plan (UWMP) Request for Proposals (RFP):

- Staff is preparing the RFP and anticipates bringing a draft to the Executive Committee on 7/6/2021, with a recommendation to forward an agenda item to the Board of Directors on 7/19/2021 for approval to publicly advertise the RFP and receive proposals from consultants to prepare the UMWP.

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: 5.3

Date: June 21, 2021

Subject: FY 2021-2022 Preliminary Budget

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee forwarded this item onto the June 21st Board agenda with the Committee's recommendation for Board approval.

Current Background and Justification:

The June Executive Committee reviewed the reasons, process and justifications for annually adopting a preliminary budget. The Committee further discussed the preliminary changes made to the existing budget to create this preliminary budget to be considered by the Board.

The capital budget is based on anticipated project costs and timing. Because the money for the capital budget is transferred out of the operating budget, the operating budget is directly influenced by this improved practice.

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

As has been the approach in the past few years, the budgeted amount for active employee medical insurance is based on the maximum cost possible from the current collective bargaining agreement. If the year lapses without experiencing the maximum cost for medical insurance, then there is a budget windfall available for allocating to other District expenses, e.g. additional pipe replacements. Similarly, the budgeted amount for Cost of Living Adjustments (COLA) pursuant to the collective bargaining agreement is the maximum possible.

It is appropriate for the Board to schedule a public hearing for the adoption of the Final Budget in conjunction with the August 16, 2021 regular Board meeting.

Conclusion:

I recommend the Board approve the Fiscal Year 2021-2022 Preliminary Budget as recommended by the Executive Committee. I further recommend the Board direct staff to schedule the public hearing for the planned consideration of the Final Budget for August 16, 2021 (the regular monthly Board meeting in August).

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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

RLECWD Agenda Item Checklist

Item 5.3

Date

Initial Potential Meeting Date06/21/2021

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

FY 2021-2022 PRELIMINARY BUDGET

Staff Work Completed06/03/2021

(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 Work06/07/2021

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

Formal Legal Counsel ReviewN/A

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

GM Review06/17/2021**Actual Meeting Date Set for Agenda Item**06/21/2021

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

Agenda Item 5.3

			2020-2021 ACTUAL JULY 20-MAR 21	2020-2021 BUDGET	2021-2022 BUDGET	DIFFERENCE	EXPLANATION
REVENUE							
40000 OPERATING REVENUE							
40100 Water Service Rates							
	40101	Basic Service Charge	1,242,996.00	1,901,272.00	1,065,100.00	(836,172.00)	Decreased based on new Water Rate Study
	40102	Usage Charge	651,862.00	656,303.00	1,676,000.00	1,019,697.00	Increased based on new Water Rate Study
	40105	Backflow Charge	22,033.00	25,000.00	28,700.00	3,700.00	Increased based on new Water Rate Study
	40106	Fire Prevention	10,998.00	13,500.00	22,300.00	8,800.00	Increased based on new Water Rate Study
		Total Water Service Rates	1,927,889.00	2,596,075.00	2,792,100.00	196,025.00	
40200 Water Service Fees							
	40201	Application Fees	5,765.00	6,500.00	6,500.00	0.00	
	40202	Delinquency	64,465.00	90,000.00	90,000.00	0.00	
	40209	Misc. Charges	2,918.00	7,000.00	7,000.00	0.00	
		Total Water Services	73,148.00	103,500.00	103,500.00	0.00	
40300 Other Water Service Fees							
	40301	New Construction QC	15,002.00	4,000.00	4,000.00	0.00	
	40302	Service Connection Fees	10,400.00	10,000.00	10,000.00	0.00	
	40304	Other Operating Revenue	203.00	6,000.00	6,000.00	0.00	
	40305	Grant Revenue-Operating	0.00	0.00	0.00	0.00	
		Total Other Water Service Fees	25,605.00	20,000.00	20,000.00	0.00	
		TOTAL OPERATING REVENUE	2,026,642.00	2,719,575.00	2,915,600.00	196,025.00	
41000 NON-OPERATING REVENUES							
	41110	Investment Revenue	201.00	400.00	400.00	0.00	
	41120	Property Taxes & Assessments	60,478.00	88,500.00	95,700.00	7,200.00	Increased based on prior 3 year average
		TOTAL NON-OPERATING REVENUE	60,679.00	88,900.00	96,100.00	7,200.00	
		TOTAL REVENUE	\$2,087,321.00	\$2,808,475.00	\$3,011,700.00	203,225.00	

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

Agenda Item 5.3

			2020-2021 ACTUAL JULY 20-MAR 21	2020-2021 BUDGET	2021-2022 BUDGET	DIFFERENCE	EXPLANATION
OPERATING EXPENSE							
60010 PROFESSIONAL FEES							
	60011	General Counsel fees-Legal	\$5,923.00	\$15,000.00	\$15,000.00	\$0.00	
	60012	Auditor Fees	11,541.00	11,500.00	14,550.00	3,050.00	Increased to adjust for projected increase annual financial audit
	60013	Engineering Services	40,000.00	70,000.00	70,000.00	0.00	
	60015	Other Professional Fees	22,679.00	38,500.00	0.00	(38,500.00)	Reduced for Rate Study and Sac Suburban Collaboration Study in prior FY
TOTAL PROFESSIONAL FEES			80,143.00	135,000.00	99,550.00	(35,450.00)	
60100 PERSONNEL SERVICES							
60110 Salaries & Wages							
	60111	Salary - General Manager	90,956.00	118,087.00	118,087.00	0.00	
	60112	Staff Regular Wages	406,993.00	583,330.00	583,330.00	0.00	
	60113	Contract Extra Help	0.00	0.00	0.00	0.00	
	60114	Staff Standby Pay	13,700.00	18,250.00	18,250.00	0.00	
	60115	Staff Overtime Pay	3,522.00	10,200.00	7,500.00	(2,700.00)	Decreased to adjust for prior 3 year average
Total Salaries & Wages			515,171.00	729,867.00	727,167.00	(2,700.00)	
60150 Employee Benefits and Expenses							
	60151	PERS Retirement	97,260.00	132,665.00	113,276.00	(19,389.00)	Decreased to adjust for projected costs that includes a \$35,736 UAL prepayment savings
	60152	Workers Compensation	14,082.00	18,115.00	13,022.00	(5,093.00)	Actual Annual Contribution Change
	60153	Medical & Benefit Insurance	123,483.00	217,740.00	217,740.00	0.00	
	60154	Retirees Insurance	12,150.00	36,200.00	36,200.00	0.00	
	60155	Staff Training	103.00	5,000.00	5,000.00	0.00	
	60157	Uniforms	2,960.00	6,550.00	5,400.00	(1,150.00)	Decreased to adjust for projected costs
	60158	Payroll Taxes	42,039.00	57,825.00	57,825.00	0.00	
	60159	Payroll Services	997.00	1,200.00	1,308.00	108.00	Increased to adjust for projected costs
	60160	457 Employer Contribution	10,000.00	13,850.00	13,850.00	0.00	
Total Employee Benefits and Expenses			303,074.00	489,145.00	463,621.00	(25,524.00)	
TOTAL PERSONNEL SERVICES			\$818,245.00	\$1,219,012.00	\$1,190,788.00	(\$28,224.00)	

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

Agenda Item 5.3

		2020-2021 ACTUAL JULY 20-MAR 21	2020-2021 BUDGET	2021-2022 BUDGET	DIFFERENCE	EXPLANATION
60200 ADMINISTRATION						
60205	Bank and Merchant Fees	\$2,764.00	\$4,500.00	\$3,500.00	(\$1,000.00)	Decreased based on prior year average costs
60207	Board Meeting Expense	9,250.00	11,370.00	11,370.00	0.00	
60210	Building Expenses					
60211	Office Utilities	4,407.00	6,000.00	6,000.00	0.00	
60212	Janitorial	1,755.00	2,340.00	2,340.00	0.00	
60213	Maintenance	1,452.00	4,200.00	3,200.00	(1,000.00)	Decreased based on prior 3 year average
60214	Security	252.00	400.00	400.00	0.00	
	Total Building Expenses	7,866.00	12,940.00	11,940.00	(1,000.00)	
60220	Computer & Equipment Maint.					
60221	Computer Systems	20,752.00	25,000.00	25,000.00	0.00	
60222	Office Equipment	451.00	660.00	660.00	0.00	
	Total Computer & Equipment Maint.	21,203.00	25,660.00	25,660.00	0.00	
60230	Office Expense	2,585.00	6,000.00	6,000.00	0.00	
60240	Postage and Delivery	12,465.00	20,000.00	20,000.00	0.00	
60250	Printing	5,352.00	6,000.00	6,000.00	0.00	
60255	Meetings & Conferences	0.00	3,000.00	500.00	(2,500.00)	Decreased for no conferences scheduled
60260	Publishing	115.00	200.00	500.00	300.00	Increased based on prior 3 year average
60270	Telephone & Internet	3,045.00	3,700.00	4,080.00	380.00	Increased to adjust for prior year actual
60430	Insurance					
60431	General Liability	17,878.00	22,775.00	25,000.00	2,225.00	Increased to reflect estimated premium
60432	Property	4,574.00	5,611.00	6,100.00	489.00	Increased to reflect estimated premium
	Total Insurance	22,452.00	28,386.00	31,100.00	2,714.00	
60500	Water Memberships					
60501	SAWWA	0.00	110.00	110.00	0.00	
60503	SGA	26,112.00	26,179.00	28,236.00	2,057.00	Increase includes 8.133% annual increase
60504	ACWA	9,735.00	10,122.00	10,222.00	100.00	Increase includes 5% annual increase
60505	CSDA	7,253.00	7,431.00	7,616.00	185.00	Increase includes 5% annual increase
60507	CRWA	1,367.00	1,392.00	1,435.00	43.00	Increase includes 5% annual increase
	Total Water Memberships	44,467.00	45,234.00	47,619.00	2,385.00	
60550	Permits & Fees	10,197.00	31,000.00	31,000.00	0.00	
60555	Subscriptions & Licensing	1,583.00	2,120.00	2,120.00	0.00	
60560	Elections	1,887.00	2,400.00	0.00	(2,400.00)	Decreased for non-Election Year
60565	Uncollectable Accounts	0.00	2,000.00	2,000.00	0.00	
60570	Other Operating Expenditures	300.00	500.00	500.00	0.00	
TOTAL ADMINISTRATION		\$145,531.00	\$205,010.00	\$203,889.00	(\$1,121.00)	

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

Agenda Item 5.3

		2020-2021 ACTUAL JULY 20-MAR 21	2020-2021 BUDGET	2021-2022 BUDGET	DIFFERENCE	EXPLANATION
64000 CONSERVATION						
64001	Community Outreach	0.00	300.00	300.00	0.00	
64005	Other Conservation Programs	0.00	0.00	0.00	0.00	
TOTAL CONSERVATION		0.00	300.00	300.00	0.00	
65000 FIELD OPERATIONS						
65100 Other Field Operations						
65110	Backflow Testing	\$1,751.00	\$3,000.00	\$3,000.00	\$0.00	
65120	Construction Equipment Maintenance	4,202.00	7,500.00	9,000.00	1,500.00	Increased to adjust for prior year actual
65130	Field Communication	2,510.00	2,600.00	3,400.00	800.00	Increased to adjust for prior year actual
65140	Field IT	20,790.00	19,800.00	23,300.00	3,500.00	Increased to adjust for prior year actual
65150	Laboratory Services	8,884.00	23,500.00	23,500.00	0.00	
65160	Safety Equipment	1,222.00	5,000.00	5,000.00	0.00	
65170	Shop Supplies	1,918.00	7,000.00	7,000.00	0.00	
Total Other Field Operations		41,277.00	68,400.00	74,200.00	5,800.00	
65200	Treatment	15,230.00	18,000.00	18,000.00	0.00	
65300 Pumping						
65310	Maintenance	21,345.00	25,000.00	25,000.00	0.00	
65320	Electricity and Fuel	153,529.00	205,000.00	205,000.00	0.00	
Total Pumping		174,874.00	230,000.00	230,000.00	0.00	
65400 Transmission & Distribution						
65410	Distribution Supplies	20,266.00	37,000.00	37,000.00	0.00	
65430	Tank Maintenance	800.00	3,000.00	3,000.00	0.00	
65440	Contract Repairs	1,200.00	21,000.00	21,000.00	0.00	
65450	Valve Replacements	0.00	15,000.00	15,000.00	0.00	
65460	Paving Repairs	24,343.00	25,000.00	25,000.00	0.00	
Total Transmission & Distribution		46,609.00	101,000.00	101,000.00	0.00	
65500 Transportation						
65510	Fuel	7,352.00	13,000.00	13,000.00	0.00	
65520	Maintenance	1,584.00	6,000.00	6,000.00	0.00	
Total Transportation		8,936.00	19,000.00	19,000.00	0.00	
TOTAL FIELD OPERATIONS		\$286,926.00	\$436,400.00	\$442,200.00	\$5,800.00	

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
PRELIMINARY OPERATING BUDGET**

Agenda Item 5.3

2021-2022

		2020-2021 ACTUAL JULY 20-MAR 21	2020-2021 BUDGET	2021-2022 BUDGET	DIFFERENCE	EXPLANATION
TOTAL OPERATING EXPENSES		\$1,330,845.00	\$1,995,722.00	\$1,936,727.00	(\$58,995.00)	
NON OPERATING EXPENSES						
	69010 Debt Service					
	69100 Revenue Bond 2015					
	69105 Revenue Bond 2015-Principle	59,736.00	145,736.00	148,158.00	2,422.00	Per Loan Payment Schedule
	69120 Interest	29,191.00	57,490.00	53,111.00	(4,379.00)	Per Loan Payment Schedule
	Total Revenue Bond 2015	88,927.00	203,226.00	201,269.00	(1,957.00)	
	69125 AMI Meter Loan					
	69130 Principle	49,789.00	49,789.00	51,344.00	1,555.00	Per Loan Payment Schedule
	69135 Interest	58,514.00	8,725.00	7,170.00	(1,555.00)	Per Loan Payment Schedule
	Total AMI Meter Loan	108,303.00	58,514.00	58,514.00	0.00	
	69200 PERS ADP Loan					
	69205 Principle	0.00	0.00	30,000.00	30,000.00	Per Loan Payment Schedule
	69210 Interest	0.00	0.00	1,850.00	1,850.00	Per Loan Payment Schedule
	Total PERS ADP Loan	0.00	0.00	31,850.00	31,850.00	
	69400 Other Non Operating Expense	0.00	2,000.00	2,000.00	0.00	
TOTAL NON OPERATING EXPENSES		\$197,230.00	\$263,740.00	\$293,633.00	\$29,893.00	
TOTAL EXPENSE		\$1,528,075.00	\$2,259,462.00	\$2,230,360.00	(\$29,102.00)	

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

Agenda Item 5.3

		2020-2021 ACTUAL JULY 20-MAR 21	2020-2021 BUDGET	2021-2022 BUDGET	DIFFERENCE	EXPLANATION
NET INCOME (Income-Expense)		\$559,246.00	\$549,013.00	\$781,340.00	\$232,327.00	
OPERATING FUND BALANCE						
	Operating Account Balance June 30		\$764,769.00	\$764,769.00		
	Net Revenue		\$549,013.00	\$781,340.00		
	Transfer to GL 10010 Operating Reserve		\$0.00	\$7,300.00	(7,300.00)	Increased to adjust per policy
	Transfer to Capital Improvement Funds		(549,013.00)	(788,640.00)	239,627.00	Increased to adjust for available funds
	Estimated Operating Fund Balance June 30		\$764,769.00	\$764,769.00		
SURCHARGE 1 FUND BALANCE						
	Surcharge 1 Fund Balance June 30		\$627,540.00	\$698,460.00		
	43010 Surcharge Revenue		523,374.00	523,374.00	0.00	
	41110 Investment Revenue		11,000.00	5,000.00	(6,000.00)	Decreased to adjust for projected revenue
	69155 SRF Principle		(360,494.00)	(369,821.00)	9,327.00	Per Loan Payment Schedule
	69160 SRF Interest		(100,860.00)	(91,534.00)	(9,326.00)	Per Loan Payment Schedule
	69220 SRF Administration		(2,100.00)	(2,283.00)	183.00	Increased to adjust for projected costs
	Estimated Surcharge 1 Fund Balance June 30		\$698,460.00	\$763,196.00		
SURCHARGE 2 FUND BALANCE						
	Surcharge 2 Fund Balance June 30		\$167,727.00	\$183,778.00		
	43050 Surcharge 2 Revenue		439,019.00	439,019.00	0.00	
	41110 Investment Revenue		800.00	800.00	0.00	
	Surcharge 2 Surplus Repayment		(107,171.00)	(79,747.00)	(27,424.00)	Per District Repayment Schedule-Final
	69180 Principle		(220,000.00)	(225,000.00)	5,000.00	Per Loan Payment Schedule
	69185 Interest		(96,597.00)	(104,632.00)	8,035.00	Per Loan Payment Schedule
	Estimated Surcharge 2 Fund Balance June 30		\$183,778.00	\$214,218.00		
LAIF FUND (CAPACITY FEES) BALANCE						
	LAIF Fund Balance June 30		\$308,500.00	\$370,500.00		
	44100 Capacity Fee Revenue		60,000.00	500,000.00	440,000.00	Increased for projected revenue
	41110 Investment Revenue		2,000.00	2,000.00	0.00	
	Estimated LAIF Fund Balance June 30		\$370,500.00	\$872,500.00		

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
PRELIMINARY CAPITAL BUDGET
2021-2022**

Agenda Item 5.3

		GENERAL	FUTURE CAPITAL IMPROVEMENT PROJECTS	VEHICLE & LARGE EQUIPMENT REPLACEMENT	TOTAL
FUNDING SOURCES					
Fund Transfers					
	Operating Fund Transfers In	788,640.00	0.00	0.00	788,640.00
	CIP Fund Intrafund Transfers	(10,000.00)	381,670.00	10,000.00	381,670.00
	Surcharge 2 Surplus Repayment	79,747.00	0.00	0.00	79,747.00
	Investment Revenue	300.00	600.00	0.00	900.00
TOTAL FUNDS AVAILABLE FOR CIP PROJECTS		1,005,531.00	1,661,199.00	20,000.00	2,686,730.00
PROJECTS					
A · WATER SUPPLY					
	A-1 · Miscellaneous Pump Replacements	40,000.00	0.00	0.00	40,000.00
Total A · WATER SUPPLY		40,000.00	0.00	0.00	40,000.00
B · WATER DISTRIBUTION					
	B-1 · Service Replacements	30,000.00	0.00	0.00	30,000.00
	B-2 · Small Meter Replacements	120,000.00	0.00	0.00	120,000.00
	B-3 · Large Meter Replacements	5,000.00	0.00	0.00	5,000.00
Total B · WATER DISTRIBUTION		155,000.00	0.00	0.00	155,000.00
M · GENERAL PLANT ASSETS					
	M-1 · Urban Water Management Plan	50,000.00	0.00	0.00	50,000.00
	M-2 ·	0.00	0.00	0.00	0.00
Total M · GENERAL PLANT ASSETS		50,000.00	0.00	0.00	50,000.00
TOTAL BUDGETED PROJECT EXPENDITURES		245,000.00	0.00	0.00	245,000.00



**Items for Discussion and Action
Agenda Item: 5.4**

Date: June 21, 2021

Subject: Policy for Reopening Customer Service Lobby

Staff Contact: Timothy R. Shaw

Recommended Committee Action:

The June 7th Executive Committee discussed this item and forwarded the item to the June 21st Board agenda with the Committee direction to have a policy drafted for Board consideration.

Current Background and Justification:

In response to the global pandemic, the customer service lobby has been closed to in-person customer interactions since March 2020. The District further mitigated employees occupational exposure to Corona Virus via emergency implementation and support of telecommuting applicable employees, thereby creating less occupancy in the District office.

for The June 15th state “reopening” declared by the governor has been a dynamic evolution with respect to mask requirements and Cal OSHA policies regarding mask requirements for employees in the workplace. In the weeks leading up to June 15th, the employee mask wearing requirements published by the state were literally changing on a daily basis. Those volatile requirements have now solidified (relatively) to the point where re-opening the customer service lobby with written Corona Virus protection policies for the health and safety of employees and the public we serve.

Pursuant to the Meyers-Milias Brown Act, policies affecting wages, benefits or working conditions are subject to meet and confer. Accordingly, if the Board finds it appropriate to approve this policy, the Board action will need to be, “subject to meet and confer”.

Until the policy is adopted, and the meet and confer process has been completed, the District customer service lobby remains closed and applicable employees are encouraged to continue telecommuting practices.

Conclusion:

I recommend the Board adopt the customer service lobby reopening policy, subject to meet and confer.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla:____ Harris:____ Jason Green ____ Gifford ____ Reisig_____.

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

RLECWD Agenda Item Checklist

Item 5.4

Date

Initial Potential Meeting Date

06/21/2021

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

POLICY FOR REOPENING CUSTOMER SERVICE LOBBY

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.

06/03/2021

Committee Review of Item and Staff Work

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

06/07/2021

Formal Legal Counsel Review

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

6/17/2021

GM Review

06/17/2021

Actual Meeting Date Set for Agenda Item

06/21/2021

RLECWD Customer Service Reopening Policy

Purpose:

The intent of this policy is to prescribe requirements and practices for reopening the customer service lobby while safeguarding the health and safety of employees and customers. More specially, this policy shall provide direction on the requirements for wearing personal protective equipment and other safe practices to limit the risk of employees and customers exposure to Corona Virus.

Scope:

This policy applies to all RLECWD employees, consultants, Board Members, vendors, and customers who wish to do in-person business at the RLECWD customer service lobby.

Pandemic Safeguards Training:

All employees, Board Members and regular recurring consultants (e.g. District Engineer) will be provided training on safe practices for mitigating the risks associated the Corona Virus pandemic.

Mask Wearing Requirements:

- The type of masks to be worn while in the District office shall be those recommended by the Centers for Disease Control (CDC). The District will provide compliant masks for employee safety and convenience while at work.
- Fully vaccinated employees are not required to routinely wear masks while at work.
- Employees who are not fully vaccinated, shall wear masks when interacting with other employees, whenever feasible, unvaccinated employees are encouraged to limit interactions with other employees via use of Zoom, telephone, text or email.
- N-95 or masks (or equivalent) are provided to employees for volunteer use whenever close proximity customer interactions are unavoidable, e.g. field employee interactions at the service address, where the District has no purview to compel unvaccinated customers to wear appropriate masks.
- Unvaccinated visitors (including but limited to customers, consultants, vendors, delivery personnel and service providers) who intend to enter the customer service lobby are required to wear masks.
- All visitors who need to go beyond the plexiglass partitions in the office, e.g. service providers and consultants, must wear appropriate masks.
- In recognition of the relatively low staffing/occupancy conditions which routinely occur at the District office, unvaccinated employees working at their office workstations during periods of consequential isolation are not required to wear masks. As those conditions may change throughout the day, the mask wearing relaxation is subject to resumption of human traffic in proximity to the unvaccinated employee workstation.

Corona Virus Vaccination and Status:

All employees, Board Members, and consultants are strongly encouraged to get vaccinated for Corona Virus. The fully vaccinated status shall be in the form of self-certification. Employees, Board Members and consultants/vendors who regularly and routinely visit the District office are requested to submit a signed statement affirming their fully vaccinated status, or wear a compliant mask while inside the

District Office. The written vaccination affirmation statements will be appropriately safeguarded as sensitive personal information and further purged from the employee medical files whenever requested by the self-certification submitters.

Authority to Rescind

This policy will be revised as needed to be consistent with any and all applicable regulatory guidance and updates thereof. Further, should the trend of Corona Virus cases reverse or other compelling circumstances warrant, this policy may be immediately rescinded where deemed necessary and appropriate by the General Manager. In any circumstance where the conditions warrant urgent repeal of this policy, the District office operation will return to closed lobby and District support/encouragement for applicable employee telecommuting practices will resume.

Signage:

Appropriate signs regarding mask requirements shall be displayed at the entry points to the District office and customer service lobby.



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Items for Discussion and Action Agenda Item: 5.5

Date: June 21, 2021

Subject: Consider directing staff on the types of public meetings (Board and Committee) to be held

Staff Contact: Timothy R. Shaw

Recommended Committee Action:

This item was not discussed at the June 7th Executive Committee because the Board had previously provided direction to staff as to when (circumstances) to bring this issue back for Board Consideration.

Current Background and Justification:

Up to and including the June 21, 2021 regular Board meeting, the District's public meetings have either included a virtual attendance (Zoom) option, or been prescribed to be virtual meeting only (no in-person attendance permitted).

With the well documented state "reopening" on June 15th, relaxation of mask requirements for fully vaccinated persons, and the transitions to nearly normal operations, it is necessary and appropriate for the Board to consider the form of public meetings to be conducted moving forward. The reasonable options for meeting format include:

1. In-person only.
2. Virtual only (subject to repeal of applicable Executive Order(s) which were originally implemented to waive certain Ralph M. Brown Act meeting requirements.
3. Hybrid (combination virtual and in-person).

Preliminarily, there was some state legislation intended to make all public agency meetings permanently provide for virtual (e.g., Zoom, Teams, GoToMeeting etc.). The current version of such legislation makes it applicable to only large public entities, e.g., populous cities, counties and large public agencies. The commonsense approach for excluding smaller organizations is the recognition that smaller agencies typically lack the resources (personnel and other resources) to support hybrid (combination virtual and in-person) meetings. As a very small agency, RLECWD can attest to the resources and technology limitation for long-term implementing hybrid meetings.

Conclusion:

In recognition of the resource limitation described above, and the cost associated with reasonable mitigations needed to do otherwise, I recommend the Board direct staff to implement in-person only public meetings for all meetings effective July 1, 2021.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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

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

RLECWD Agenda Item Checklist

Item 5.5

Date

Initial Potential Meeting Date06/21/2021

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

CONSIDER DIRECTING STAFF ON THE TYPES OF PUBLIC MEETINGS (BOARD &
COMMITTEE) TO BE HELD

06/17/2021**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.

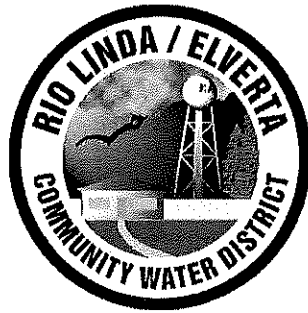
Committee Review of Item and Staff WorkN/A

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

Formal Legal Counsel Review

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

GM Review06/17/2021**Actual Meeting Date Set for Agenda Item**06/21/2021



Items for Discussion and Action
Agenda Item: 5.6

Date: June 21, 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.

Per the provisions of the GM Employment Agreement, it may be an appropriate time for the Board to assign an ad hoc committee to commence the annual performance review process.

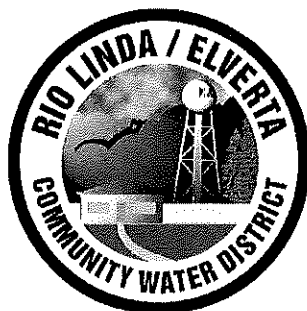
Conclusion:

I recommend the Board consider approving any specific nominations and assignments as may be deemed necessary and appropriate. I further recommend the Board considered establishing and/or plan for establishing an ad hoc committee to commence the annual GM performance review.

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: 6.1**

Date: June 21, 2021

Subject: District Reports

Staff Contact: Timothy R. Shaw, General Manager

1. DISTRICT ACTIVITY REPORT

1. Operations Report
2. Completed and Pending Items Report
3. Sacramento County Board of Supervisors workshop on Elverta Specific Plan

RIO LINDA/ELVERTA C.W.D. 2021

REPORT OF DISTRICT OPERATIONS

SOURCE WATER DATA

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Water Production (Million Gallons)

January	February	March	April	May	June	Year To Date
39.9	35.2	47.9	75.8	106.6		
39,900,384	35,233,381	47,855,206	75,774,182	106,611,124		
July	August	Sept.	Oct.	Nov.	Dec.	
						305,40

		Monthly Total		
Gallons = Multiply M.G. by:	1,000,000	106,611,124	Gallons	306,374,277
Cubic Feet = Divide gallons by:	7.48	14,252,824	Cubic Feet	40,825,438
Hundred Cu Ft. = Divide cu. ft. by:	100	142,528	Hundred Cubic Feet	408,254
Acre Ft. = Divide gallons by:	325,829	327.20	Acre Ft.	937

DISTRIBUTION SYSTEM DATA

Water Quality Complaints

Complaints Total (Low Psi Complaints)

January	February	March	April	May	June	Year To Date
2 (2)	1 (1)	0	0	4 (4)		
July	August	Sept.	Oct.	Nov.	Dec.	
						7

New Services

New Construction	0	1
Existing Homes	0	0
Paid prior to increase. (2 not installed)	0	0
Total of Service Connections to Date ----->		4643

Distribution System Failures/Repairs

Deterioration May 1 thru 31	9	20
Damaged May 1 thru 31	0	0

Bacteriological Sampling

Routine Bacteriological Samples (Distribution System)	16	84
Raw Water Bacteriological Samples (at Wells)	1	12

May 1, 2021 - May 31, 2021

9 - Distribution leaks repaired by District staff, 1 - by Contractor or with Contractor assistance.

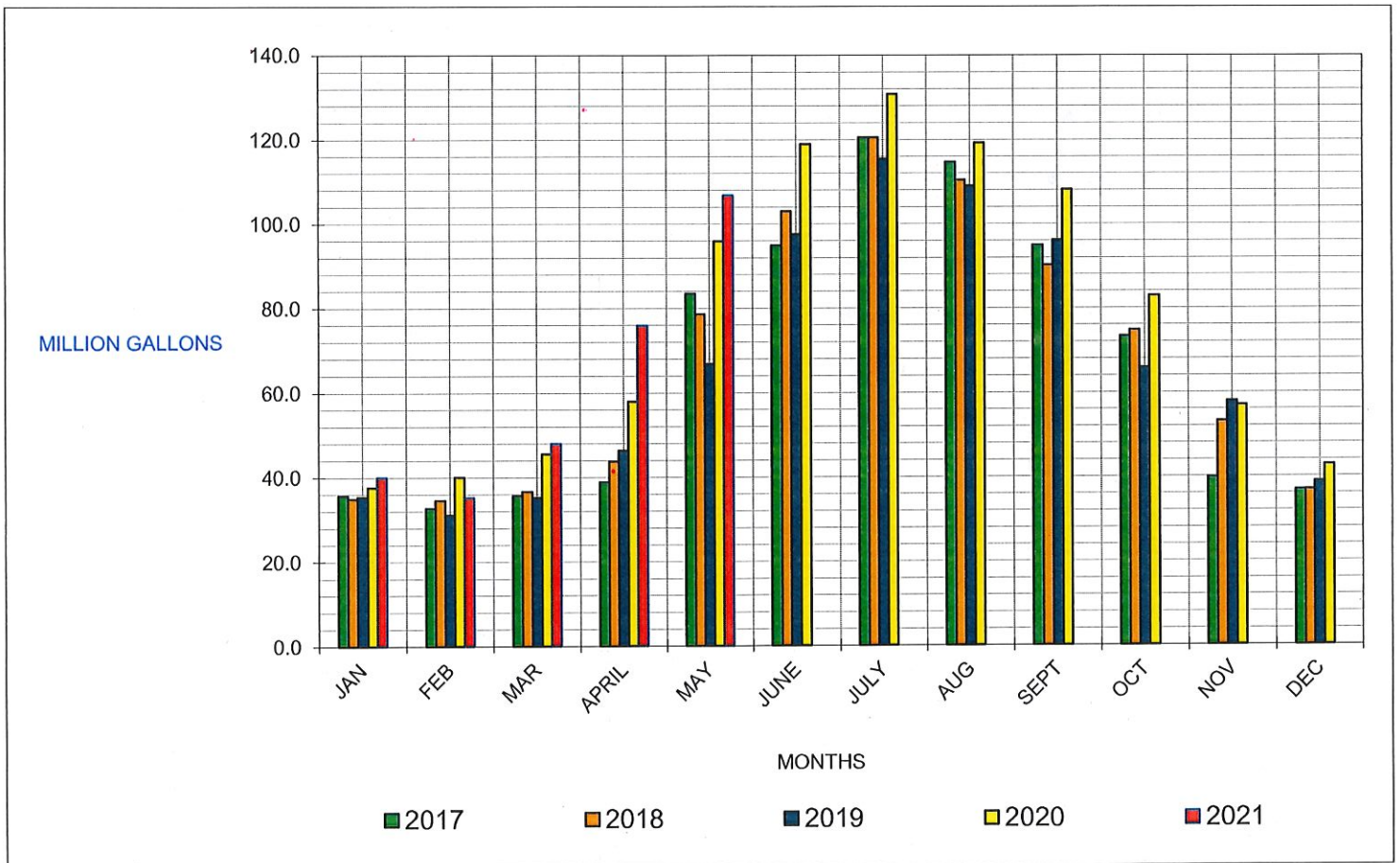
Work Orders Issued - 62	Work Orders Completed - 50	USA's Issued - 76
Change Out Meter - 31	Change Out Meter - 13	
Flooding In Neighborhood - 1	Disconnect Service - 1	
Flow Test - 2	Flooding In Neighborhood - 1	
Get Current Read - 3	Flow Test - 3	
Line Leak - 3	Get Current Read - 3	
Other Work - 2	Line Leak - 5	
Possible Leak - 10	Other Work - 3	
Pressure Complaint - 4	Possible Leak - 11	
Raise Existing Service - 1	Pressure Complaint - 4	
Tag Property - 4	Raise Existing Service - 1	
Turn Off Service - 1	Tag Property - 4	
	Turn Off Service - 1	

RIO LINDA/ELVERTA C.W.D.

WATER PRODUCTION

2017 \ 2021

Water Production in Million Gallons							SSWD Water Purchases				
Month	2017	2018	2019	2020	2021	Avg.	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	47.9	40.1	0.0	0.0	0.0	0.0	0.0
APRIL	38.8	43.7	46.3	57.9	75.8	52.5	0.0	0.0	0.0	0.0	0.0
MAY	83.4	78.5	66.8	95.9	106.6	86.2	0.0	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	305.4	837.0	0.0	0.0	0.0	0.0	0.0





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**PENDING AND COMPLETED ITEMS
6-21-2021 BOARD OF DIRECTORS MEETING**

1. **Rate Study / Cost of Service Analysis.** The public hearing to consider rates restructuring /adjustment is on the agenda for the 6-21-2021 RLECWD Board meeting. The rate study cost of service consultant and one hourly rated staff member will support the counting of all rate adjustment protests the District receives prior to the conclusion of the public hearing **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 mitigation project, Well 16 Pumping station** - The Division of Drinking Water transmitted (finally) . the permit for RLECWD to operate the Well 16 Pumping Station. The facility was placed online (producing drinking water for RLECWD customers) on June 9th It may be appropriate and desirable for the Board to provide feedback on scheduling a ribbon cutting ceremony. **Completed**
4. **Hexavalent Chromium MCL economic feasibility** a screenshot of the State Water Resources Control Board (SWRCB) webpage (included with Board documents) indicates, “SWRCB is evaluating comments received regarding the treatment technologies and cost estimating methodology. Publication of Proposed Rulemaking is projected for early spring or summer 2021”. **Pending**
5. **District outreach to customers in anticipation of implementing a new rate structure focused on consumption in compliance with SB 606 / AB 1668 requirements** – The 25 additional Innov8 devices for phase 2 of the pilot study have been received. Staff is focusing on installing the Commercial Industrial Institutional devices first. **Pending**
6. **Procuring a replacement for the existing 25-year-old dump truck** –The purchase order for the new dump truck has been placed and the District is waiting for delivery. **Pending**
7. **Engaging a new Independent Auditor,** The Board has authorized the engagement of Scott German. However, the appurtenant documents have not been executed yet. **Pending**
8. **Billing Software and Bill Revisions to Implement Rates Restructuring** – The District has reached out to our billing software services provider (CUSI) and informed of the pending rates restructuring. Staff has provided relevant details and the changes needed are on hold pending the outcome of the Prop 218 rates adjustment process. **Pending**
9. **Fiscal Year 2021/2022 Budget Adoption** - The FY 2021/2022 preliminary budget is on the Board agenda for the 6-21-2021 meeting. The process of adopting the preliminary budget also entails Board scheduling of a public hearing in August for consideration of final budget adoption. **Pending**

**COUNTY OF SACRAMENTO
CALIFORNIA**

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For the Agenda of:
June 15, 2021
Timed: 2:45 PM

To: Board of Supervisors
Through: Ann Edwards, Interim County Executive
From: Leighann Moffitt, Planning Director, Office of Planning and Environmental Review
Subject: Elverta Specific Plan Workshop
District(s): Frost

RECOMMENDED ACTION

Conduct workshop, and provide staff with direction regarding options for addressing implementation challenges with the Elverta Specific Plan.

BACKGROUND

Following an extensive planning process, the Board of Supervisors (Board) adopted the Elverta Specific Plan (Specific Plan) in 2007 (Attachment 2). The Specific Plan was initiated by the Elverta Specific Plan Owners' Group (Owners' Group), which served as the project applicant and paid for the entitlement costs, including preparation of the related Finance Plan. A number of technical studies were also prepared including transportation studies, drainage studies, and water supply assessments as part of the Specific Plan adoption process.

Preceding the preparation of the Elverta Specific Plan, was the Rio Linda and Elverta Community Plan (Community Plan), adopted in 1998. The Community Plan set the stage to allow the subsequent specific plan and, in some cases, provided guidance to requirements that must be followed in the Specific Plan. The consideration of an Urban Development Area that eventually became the Elverta Specific Plan was very contentious with significant comment and participation by hundreds of community members.

The adopted Specific Plan provides the framework to guide development of approximately 1,744 acres in the Rio Linda-Elverta Community including land use, circulation, community facilities, and urban design policies. As originally approved, the Specific Plan allowed for the development of 4,950 residential units, 17.5 acres of commercial, 4.4 acres of office, two elementary schools (20.2 acres), and 71.3 acres of land to be dedicated as public parks interspersed throughout the plan area.

Natural drainage corridors bisect the Specific Plan, which also provide for open space and a comprehensive trail system that would link the entire plan area internally, while also linking to a larger regional trail system, including Gibson Ranch County Park, the Dry Creek Parkway Corridor, and a planned trail system in Placer County.

With the adoption of the Specific Plan, approximately 969.1± acres or 56 percent of the Specific Plan were rezoned consistent with the new Specific Plan designations.

Additional Actions since Adoption of the Specific Plan

In 2009, the Board approved a second round of rezones covering approximately 132.1± acres. Combined with the original zoning actions, approximately 1,101.2 acres or 63 percent of the plan area were rezoned consistent with the land use designations of the Specific Plan. The Board applied the conditions from Appendix D of the Specific Plan as rezone conditions upon each project's approval.

As provided for in Section 10.5 of the Plan, six minor or major amendments have been approved. Minor amendments have included an updated land use plan to reflect the amended Drainage Master Plan, an update to the Off-Street Trail System Map, incorporating a Trails Master Plan, and updates to the Affordable Housing Plan in response to changes to the County's Affordable Housing Ordinance. Major amendments included the relocation of the proposed community center and park location and two amendments specific to the approval of the Northborough and Northborough II projects.

In 2014, the Board approved a major amendment to the Drainage Master Plan of the Specific Plan to widen the planned drainage corridors allowing the existing drainages to flow in a more natural configuration with storm water quality features to address erosion concerns and to provide for more habitat-friendly wetland features. This amendment led to adjustments to the allowed densities on several parcels, and in some cases, changes to land use designations.

Elverta Specific Plan Owner's Group (Owners' Group)

The owners forming the Owner's Group were considered participating property owners while those property owners who were not a part of the Owner's Group were considered non-participating property owners. County Code Section 21.14.065 regulates the preparation of a specific plan, and states that any applicant who wishes to pursue a rezone or map concurrent with preparation of the specific plan must financially participate, thereby creating some incentive to become a participating member. This is not unique to this plan effort. The Owner's Group members represented 34 percent of the plan area. The financing plan identified a number of these properties as constituting Phase 1 of development of the Specific Plan.

While the Owner's Group was active during the development and adoption of the Specific Plan, and during some of the early rezones and Specific Plan amendments, it is not clear to County staff the extent to which there remains an organized Owner's Group. Instead, County staff are now working with individual property owners, including non-participating owners, on individual projects.

Development Projects

Since adoption of the Specific Plan, three residential development projects have received approval including Elverta 78, Northborough, and Northborough II. The following includes a brief discussion of each of these previously approved projects within the Specific Plan. Staff notes that Northborough and Northborough II also included amendments to the General Plan, Community Plan and originally adopted Specific Plan to change what was originally envisioned as an agricultural-residential "buffer" with Placer County to urban uses.

Elverta 78 Project (PLNP2014-00202): On December 18, 2017, the Planning Commission approved the Elverta 78 project. Elverta 78 includes 213 single-family residential units and a community park located on the south side of Elverta Road in the southeastern quadrant of the Specific Plan. The Elverta 78 project is comprised of three villages, which range from 3.8 dwelling units per acre in the RD-5 zone to 0.9 dwelling units per acre in the AR-1 zone. Due to recent statutory time extensions, this map is set to expire on June 18, 2022 and is eligible for a five-year extension.

Northborough Project (PLNP2013-00056): On January 23, 2018, the Board approved the Northborough project. Northborough includes 1,127 single-family residential units immediately to the north and east sides of the Northborough II project. The Northborough project is comprised of 15 residential villages, each of which would range in density from 3.3 net dwelling units per acre to 6.8 dwelling units per acre and required a major amendment to the Specific Plan. Each of the villages will contain homes of similar densities, design, and community aesthetics. Due to recent statutory time extensions, this map is set to expire on August 23, 2022 and is eligible for a five-year extension.

Northborough II Project (PLNP2014-00183): Similarly, on January 23, 2018, the Board approved the Northborough II project. Northborough II includes 364 single-family residential units immediately to the south of the Northborough project. The Northborough II project is comprised of 5 residential villages, each of which range in density from 4.0 net dwelling units per acre to 6.3 dwelling units per acre and required a major amendment to the Specific Plan. The project as proposed provides for a range of residential housing types ranging from alley-loaded homes in the RD-7 zone containing 3,800 SF to 4,725 SF attached or detached units, to detached executive type housing in the RD-5 zone containing 6,300 SF. This

map was set to expire on February 23, 2021 but per AB 1561, the map is now set to expire on August 23, 2022 and is eligible for a five-year extension.

In addition to these approved projects, a number of Specific Plan property owners are seeking entitlements to develop and construct other portions of the Specific Plan.

Table 1 provides a summary of approved and pending development projects including the land use designation and the actual units applied for or entitled. Additionally, a map showing all of the approved and pending development projects is included with this report package (Attachment 1).

DEVELOPMENT PROJECT	STATUS	SPECIFIC PLAN LAND USE DESIGNATION	NUMBER OF UNITS
Elverta 245	Pending	AR 1	10
		RD 1,2	8
		RD 3,4,5	664
		RD 20	155 ^[1]
Elverta 59.5 North	Pending	AR 1	0
		RD 3,4,5	90
Elverta 59.5 South	Pending	COMM	0
		RD 6,7	36
		RD 20	95 ^[1]
Northborough	Approved	RD 3,4,5	423
		RD 6,7	704
Northborough II	Approved	RD 6,7	364
Elverta 78	Approved	AR 1	15
		RD 3,4,5	198
Elverta 25	Pending	RD 6,7	117
Palladay Tentative Parcel Map (Krause)	Pending	AR 2	5
		TOTAL	2,884

[1] The requests for Elverta 245 and Elverta 59.5 South do not include a development plan for the RD-20 lots. A development plan for these lots will be reviewed under a separate submittal.

Elverta Specific Plan Implementation Challenges and Options

In consultation with applicants, property owners, and various agencies/departments, Planning staff have identified significant barriers to development of approved projects and processing of pending projects.

Applicant representatives have provided written correspondence to staff detailing their concerns with the feasibility of implementing the Specific Plan,

and highlight their concerns with transportation infrastructure, infrastructure requirements on projects in agricultural-residential areas, and water supply. These three key topics are the focus of the following discussion. Additional potential challenges such as drainage infrastructure, park and trail development, and extension of sewer are not explored in this report.

Transportation Infrastructure

Existing access to and from the Specific Plan area is provided by system of two-lane roadways laid out in a typical east-west and north-south grid. Elverta Road is the primary east-west movement corridor, whereas Dry Creek Road, 16th Street, and Palladay Road provide for north-south movement. A key issue for many years was whether to rely upon Dry Creek Road as the major north-south connector accessing the plan area or to fund a crossing of the two branches of Dry Creek on 16th Street. The 16th Street approach was ultimately selected as the preferred approach despite its anticipated higher costs due to development to the north in Placer County and its direct connection to Interstate 80 to the south.

Planned roadway improvements associated with the implementation of the Specific Plan include both on-and off-site facilities. On-site facilities are those meant to provide service to and from neighborhoods. Offsite facilities include roadways designed to improve traffic flow in northern Sacramento County.

The timing of on and off-site transportation infrastructure improvements are prescribed in the conditions provided in Appendix D of the Specific Plan. The timing is based on "triggers" of a certain number of lots recorded within the Specific Plan area. As more maps are recorded, additional transportation infrastructure improvements are required. Applicants have indicated the cost of transportation infrastructure is burdensome, rendering some of the development proposals financially infeasible. In 2016, the Owners Group requested the County amend transportation-related conditions of approval to address this initial concern. That effort initially focused on Condition No. 36, but grew to encompass modifications to conditions related to Regional Parks and Rio Linda/Elverta Recreation and Park District maintenance responsibilities and implementation of the updated Drainage Master Plan. Ultimately, the Owners Group indicated that they would not be able to obtain individual owner's signatures consenting to the proposed modifications, so staff were unable to move forward.

Based on the concerns of applicants in the Specific Plan and similar concerns from property owners in other plan areas, primarily the North Vineyard Station property owners, Sacramento County Department of Transportation (SacDOT) staff requested direction from the Board on how to address the transportation infrastructure challenges.

At a Transportation Mitigation Strategy Workshop held on March 23, 2021, SacDOT presented four potential strategies to the Board including:

- 1) Directing staff to perform an updated traffic phasing analysis to review timing triggers for necessary roadway improvements, assuming roadways would operate within the Level of Service policies prescribed by the General Plan. Opportunities for a reduced cost burden for developing properties would be evaluated and presented. The updated traffic phasing analysis would result in a uniform set of conditions and transportation infrastructure requirements for all properties. Staff anticipates that this option would require a Major Specific Plan Amendment and possibly Zoning Ordinance Amendments for previously approved projects;
- 2) Subsidizing roadway improvements in the Specific Plan;
- 3) Directing staff to perform an updated traffic phasing analysis to review timing triggers for necessary roadway improvements, allowing for Level of Service "F" (i.e. traffic congestion) in the peak hour for some period of time until improvements become financially feasible to implement. The updated traffic phasing analysis would result in a uniform set of conditions and transportation infrastructure requirements for all properties. Staff anticipates that this option would require a Major Specific Plan Amendment and possibly Zoning Ordinance Amendments for previously approved projects, as well as additional environmental analysis; or,
- 4) Directing staff to develop a dynamic implementation tool and associated implementation strategy to replace the current triggers in the rezone conditions. Staff expects that such changes would require a Major Specific Plan Amendment and a Zoning Ordinance Amendment for participating properties, as well as additional environmental analysis.

During the hearing, the Board endorsed strategies 1 and 2, and did not preclude SacDOT and Planning from considering strategies 3 and 4, if strategies 1 and 2 did not prove to be effective. However, the Board requested that SacDOT and Planning return for consultations before developing a transportation mitigation strategy utilizing the latter options. The Board desired a better understanding of the traffic and environmental consequences of these approaches before directing staff to proceed.

SacDOT is in the early stages of working with property owners and their engineers on a feasibility assessment. The desired outcome will be identifying which triggers may need to be modified, and which strategies are best suited to addressing those challenges. If an appropriate and feasible solution is identified utilizing strategies 1 and 2, staff will prepare the appropriate Updated Transportation Mitigation Strategy, Specific Plan Amendments, Zoning Ordinance Amendments, and environmental documentation, if applicable, to implement said strategy. If staff determines that the only path to a solution is utilizing strategies 3 or 4, staff will report

to the Board on the traffic and environmental implications of the potential solution.

Agricultural-Residential Properties

There are approximately 277.2± acres of agricultural-residential land available for development in the Specific Plan primarily in the northwest quadrant of the plan area. Many of the agricultural-residential properties are owned by property owners that were non-participants in the development of the Specific Plan.

The RCH Group representing an applicant for the Palladay Road Rezone and Parcel Map project has commented that Planning should conclude as a minor amendment that certain owners are not subject to required Specific Plan infrastructure conditions. Their position is that this application should be allowed to move forward because they were a non-participant, they derive no benefit from the Specific Plan and because the Specific Plan is financially infeasible.

This project would divide two properties into four new parcels plus a remainder lot. The project also includes a rezone from AR-5 to AR-2, consistent with the land use designations of the Specific Plan. Currently, the rezone conditions of Appendix D would apply to this project similar to other rezones in the plan area, which creates a significant barrier to development of this agricultural-residential property.

Staff's review of the Specific Plan does not indicate that exempting these properties from the Specific Plan requirements was contemplated and instead shows inclusion is necessary for the installation of infrastructure located on this and other agricultural residential properties. Removal of these properties from the Specific Plan infrastructure condition requirements could have significant implications to the delivery of necessary infrastructure in the more urban-residential areas of the plan. Staff does not recommend modifying the applicability of the Specific Plan requirements for the urban areas of the plan; however, it may be appropriate for agricultural-residential properties in the plan area, which will be subdivided through a parcel map, to have some alternative path forward to allow them to proceed with their development approvals without requiring them to construct extensive and expensive infrastructure improvements.

Some agricultural-residential properties are large enough that they may support subdivision maps. For instance, one agricultural-residential property in the northwest portion of the plan area is approximately 44 acres and, if rezoned to AR-1 consistent with the Specific Plan, could support up to a 44-lot rural, estate subdivision. It is expected that such subdivisions would be subject to the rezone conditions, but it may be appropriate to allow smaller

splits through parcel maps (four or fewer lots) to not be subject to the full extent of the rezone conditions.

In order to allow pending and future agricultural-residential development applications to proceed, the Board may consider the following:

- 1) Direct staff to initiate a Major Specific Plan Amendment in which projects that include a parcel map (e.g. four lots or less and not a subdivision map) in the agricultural-residential land use designated area would not be subject to the construction of improvements, but instead could be subject to the dedication of necessary right-of-way, easements, and IODs as required by the Specific Plan. In addition, these projects could be subject to a fair share payment for future construction of those improvements, or alternatively more urban properties could assume a larger fair share and construction requirements. This approach may require an updated Public Facility Financing Plan and development of a Fee Program and updated technical studies related to transportation and drainage; or,
- 2) Maintain the infrastructure construction requirements for all agricultural-residential properties in the Specific Plan. This approach would necessitate larger, urban-level projects to proceed ahead so they could assume a larger share of the cost burden of installing necessary backbone infrastructure.

Water Supply

The General Plan's Conservation Element includes an objective to optimize the use of available surface water in all types of water years. Conservation Element Policies CO-1 through CO-6 seek to achieve this objective by supporting conjunctive water use and surface water supplies for development. Furthermore, the Community Plan incorporated Policy PF-8 relating to supplemental water supply. Shortly after the Board adopted the Community Plan in 1998, the Rio Linda/Elverta Community Water District (RLECWD) filed a lawsuit against the County of Sacramento. One of the major aspects of the RLECWD's complaint was regarding the phrasing of the initial Policy PF-8 of the Community Plan. The Board approved a Settlement Agreement (Attachment 3) whereby the County agreed to initiate public hearings to consider approval of an amendment to Policy PF-8 by adding clarification to the intent of the policy.

On April 21, 1999, the Board approved Resolution 99-0493 (Attachment 4) amending Community Plan Policy PF-8 to include a recognition that the affected groundwater basin does not merely underlie one project but involves the larger North Area Basin. As long as sufficient supplementary water is delivered into the North Area Basin, or some other equivalent groundwater management program is adopted that protects the long-term sustainable yield of that Basin, urban entitlements can be granted. Policy PF-8 indicates that the granting of entitlements for new growth within the

Specific Plan and other comprehensively planned areas will require that the Board finds that either:

- Supplemental water supplies within the boundaries of SNAGMA (Sacramento North Area Groundwater Management Authority) in sufficient quantities to prevent a long-term net increase in pumping from the proposed development;

OR

- Adoption of an appropriate groundwater management program by SNAGMA to protect the long-term sustainable yield of the groundwater basin underlying the area, and assurance that water use of the new development is consistent with said groundwater program.

It should be noted that today, the Groundwater Sustainability Agency in this area is the Sacramento Groundwater Agency (SGA) as opposed to SNAGMA.

When the Specific Plan was adopted, a mitigation measure (WS-1) was included in the Plan, which requires compliance with Community Plan Policy PF-8. In addition, WS-1 requires compliance with PF-8 to occur prior to entitlements for urban development (e.g. prior to approval of tentative subdivision maps). The Specific Plan identified the Rio Linda/ Elverta Community Water District (RLECWD) as the primary water supplier for the Specific Plan.

The 2016 RLECWD Water Supply Assessment (WSA) for the Specific Plan (Attachment 5) states that water supply in the Specific Plan can be met through a conjunctive use strategy. The WSA more specifically states that:

- The proposed water supply will use groundwater from new wells drilled in or near the ESP area;
- A supplemental surface water supply will be developed in the future to provide increased reliability and flexibility for all RLECWD customers, as well as other water agencies in the Sacramento region;
- Connection fees for all new customers will include fees to support the cost of obtaining the surface water supply and developing the infrastructure to deliver the supply to the service area;
- The ESP distribution system will be designed and constructed by the ESP developers, but inspected and tested prior to acceptance by the District;
- Funding for the system may come from a number of sources, including development impact fees. Supplemental water infrastructure costs for all new connections will be collected through development impact fees (connection fees) from all new development within RLECWD, including the ESP area.

Following the adoption of the Specific Plan, the RLECWD and the Owner's Group conducted regular meetings to discuss a conjunctive use water supply

strategy. One option for a supplemental supply was the River Arc project, where the Owner's Group was partially funding RLECWD's participation.

In order to allow projects to move forward and demonstrate compliance with Community Plan Policy PF-8 and Mitigation Measure WS-1, the Board adopted the following findings in September 2016:

- The Sacramento Groundwater Authority (SGA) has adopted an appropriate Groundwater Management Program (GMP) to protect the long-term sustainable yield of the North Area Basin;
- The proposed water use for the Specific Plan is to be provided by the RLECWD, a signatory and participant of the SGA Joint Powers Authority (JPA), and is subject to the SGA GMP;
- The strategy to supply Specific Plan development with existing groundwater while utilizing funds from a recently approved connection fee increase to pursue alternative, supplemental water sources, is consistent with the SGA groundwater management program.

While the Board findings state that RLECWD was a signatory and participant of the SGA JPA, it is important to note that this is an error as RLECWD was not, and is not, a participant of the JPA. The Board report package from that hearing is attached (Attachment 6).

Since the September 2016 Board hearing, circumstances related to water supply for the Specific Plan have changed. The RLECWD has indicated that supply and infrastructure cannot be funded through the approved connection fee. Furthermore, the Owner's Group is no longer funding the RLECWD's participation in River Arc resulting in RLECWD withdrawing as a partner of the River Arc project. Therefore, there is currently no planned solution for conjunctive water use for the Specific Plan. Given that the circumstances by which the Board finding was made have changed, staff have concerns that the 2016 finding may no longer be applicable.

In further discussions with RLECWD staff, they indicate a willingness to continue to explore alternative solutions including, but not limited to, River Arc. Furthermore, due to changes including the State's enactment of the Sustainable Groundwater Management Act (SGMA), revisions to the WSA may be necessary. In 2014, Governor Jerry Brown signed into law a three-bill legislative package, collectively known as SGMA. It is the policy of the State through SGMA that groundwater resources be managed sustainably for long-term reliability and multiple benefits for current and future beneficial uses. SGMA applies to all California groundwater basins and requires that high- and medium-priority groundwater basins form Groundwater Sustainability Agencies (GSAs) and be managed in accordance with locally-developed Groundwater Sustainability Plans (GSPs). The Elverta Specific Plan is located within the North American sub-basin, which is required to submit a GSP by January 31, 2022 and reach balanced levels of pumping

and recharge by 2042. RLECWD staff further noted the inherent economic inefficiency associated with serving new development initially with groundwater and then replacing that existing system with a new surface water system instead of planning for a conjunctive system up-front.

Finally, RLECWD staff was in agreement that the requirement to resolve the issue of the alternative supplemental water supply source could potentially be deferred to the final map stage such that tentative maps could be approved and conditioned to require a Water Service Agreement that addresses alternative supplemental water and financing and phasing of necessary infrastructure.

Staff notes that there is risk in deferring the determination to the final map stage inasmuch as it creates a further expectation that the County will ensure development can be successful and that new owners acquiring maps may not understand the complexities and costs associated with development in this Specific Plan area.

In order for pending development projects to proceed in the Specific Plan area, staff have developed options for the Board to consider.

- 1) Allow tentative maps and associated entitlements to be approved with a condition that the property owner work with the RLECWD in preparing a Water Service Agreement. This option may require an amendment to the Specific Plan and Community Plan to allow entitlements to proceed without the identification of a conjunctive use strategy and for the Board to make new findings that compliance with PF-8 can be found if projects are conditioned as such; or,
- 2) Make new findings for PF-8 only after identification of a surface water supply in the appropriate quantities as provided in the Specific Plan. This option will require coordination between a water purveyor and the Owner's group to identify a supplemental water supply and plan for its delivery.

It should be noted that under Option 1, the RLECWD has indicated that a Water Service Agreement must identify a supplemental water supply and provide for phasing and oversizing provisions, reimbursements and credits to the developer for RLECWD facilities that are constructed by the developer, infrastructure funding and finance provisions, and provides for irrevocable offers of dedication (IODs) of property to be granted to RLECWD.

Additionally, it is County staff's understanding that the Water Services Agreement with the RLECWD would mean that projects would be conditioned in such a manner that until a surface water source is procured and delivery of surface water to the map area is guaranteed both through agreements and through the installation of required treatment and transportation

infrastructure, no final map can be recorded. This outcome is substantially different than the understanding in effect after the 2016 Board hearing where there was an assumption that they payment of fees and reliance on groundwater would be sufficient to allow development to proceed until some future date when surface water would be obtained.

The above options are not meant to be exhaustive. Other alternative paths forward may also be considered.

Elverta Specific Plan Implementation Challenges Summary

Staff seeks the Board's direction on the implementation challenges related to transportation infrastructure, non-participating/agricultural-residential development projects, and water supply. Staff acknowledges that there are significant barriers to development of the Specific Plan given the extent of traffic, drainage, water, sewer, and other infrastructure needs in the area. The Specific Plan was proposed, and advocated for, by ownership interests that believed the area could develop by utilizing financing mechanisms available to them at the time. However, these identified barriers may indicate that the Specific Plan is not quite ready for development, or would require a significant infusion of County resources to offset infrastructure costs.

Applicant representatives have suggested rescinding the Specific Plan and allowing each development project to proceed independently of one another without the Specific Plan. Rescinding the Specific Plan would not resolve the infrastructure impediments and instead would likely make infrastructure delivery infeasible and result in greater financial burdens on individual projects. This approach would also be inconsistent with the adopted Community Plan and General Plan policies.

Further complicating matters is the fact that there does not appear to be an active, organized owner's group representing the development interests in the Specific Plan area. Without an organized group willing to fund studies and efforts to resolve some of these barriers, the County must make a decision about expending limited resources to address these issues.

FINANCIAL ANALYSIS

Should the Board direct staff to perform the necessary studies, research, and coordination to allow for the continued implementation of the Specific Plan, either additional funds need to be allocated to the Office of Planning and Environmental Review (PER) or PER needs to be directed to reallocate current resources. Efforts to complete the work necessary to continue implementing the Specific Plan are not a part of the base budget.

Attachments:

- ATT 1 - Elverta Specific Plan Map
- ATT 2 - Elverta Specific Plan
- ATT 3 - Settlement Agreement
- ATT 4 - Amendment to Policy PF-8 of the Rio Linda and Elverta Community Plan (Board Letter and Resolution 99-0493)
- ATT 5 - Rio Linda/ Elverta Community Water District Water Supply Assessment for the Elverta Specific
- ATT 6 - September 2016 Board report package



Information Items
Agenda Item: 6.2

Date: June 21, 2021

Subject: Board Reports

Staff Contact: Timothy R. Shaw, General Manager

6.2 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

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 June 7, 2021

Attendance: 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). At the beginning of discussion for item 7, Director Harris joined the meeting via Zoom. Director Harris was immediately muted (observe but not participate) for compliance with Brown Act restrictions.

Call to Order: 6:00 P.M.

Public Comment: None (no public members attended)

Items for Discussion:

1.	Update from Contract District Engineer.
	<i>The Contract District Engineer presented his written report and provided additional content on Fox Hollow, Well #16 Pumping Station Permit and the Urban Water Management Plan RFP process.</i>
2.	Discuss the Status of Annual Pipe Replacement Request for Proposals (RFP).
	<i>The Contract District Engineer provided an update regarding the responses received to the annual pipe replacement Request for Proposals. The Contract District Engineer anticipates bringing a professional services agreement to the Board meeting in July 2021.</i>
3.	Discuss Rates Adjustment Next Steps.
	<i>The General Manager presented this item. The Executive Committee discussed the staff report and all the documents associated with this item. The Committee further discussed the draft Resolution for rates adjustment and the basic logistics for holding a public hearing.</i> <i>The Executive Committee forwarded an item onto the June 21st Board agenda to allow the Board to consider adopting the draft resolution for rates adjustment. The Executive Committee recommends the Board approve the proposed rates adjustment subject to the absence of a majority protest.</i>
4.	Discuss Preliminary Budget Adoption for Fiscal Year 2021-2022.
	<i>The General Manager presented his staff report and the proposed preliminary budget. The General Manager further reviewed the policies and other factors necessitating the practice of adopting a preliminary budget in June, then a final budget adoption via a public hearing at the August Board meeting..</i> <i>The Executive Committee forwarded this item onto the June 21st Board agenda with the Committee's recommendation for Board adoption.</i>
5.	Discuss District's Conservation Policies / Practices (Item Requested by Director Reisig)
	<i>The General Manager presented this item and summarized the documents associated with this item. The Executive Committee requested a few clarifications on the authority to declare a water shortfall and actions prescribed therefrom during a declared drought emergency.</i>
6.	Discuss Request from Customer for Waiver of Inactive Service Opt Out Charges.
	<i>The General Manager presented this item and summarized the correspondence with the requesting customer.</i> <i>The Executive Committee forwarded this item onto the July 19th Board agenda. The Executive Committee does not recommend the waiver/exception requested be granted.</i>
7.	Discuss (limited to forwarding to Board agenda, closed session) Settlement Agreement for 1991 Capacity Fee Agreement.
	<i>The Executive Committee forwarded this item onto the July 19th Board agenda. The Executive Committee</i>

opines that the potential for a long Board meeting on June 21st (rates adjustment public hearing) creates a potential for this item and item 6 above to experience an continuance if they were to be scheduled for the June 21st Board agenda.

8. Discuss Lifting of COVID-19 Restrictions and Reopening of District Customer Service Lobby.

The General Manager presented this item and summarized the documents associated with this item. The Executive Committee engaged in preliminary discussion of the policy(ies) adoption and the meet and confer process therefore that would need to take place under the most recent restrictions published by CalOSHA regarding workplace mask wearing.

The Executive Committee forwarded an item onto the June 21st meeting to allow the Board to consider adopting policy (policies) to needed to suspend employee telecommuting and re-open the RLECWD Customer Service Lobby. The Executive Committee recognized that any new policies adopted by the Board at the June 21st meeting would need to be "subject to meet and confer" requirements.

9. Discuss Expenditures for April 2021.

The Executive Committee forwarded the April 2021 Expenditures Report onto the June 21st Board agenda with the Committee's recommendation for Board approval.

10. Discuss Financial Reports for April 2021.

The Executive Committee forwarded the April 2021 Financial Reports onto the June 21st Board agenda with the Committee's recommendation for Board approval.

Directors' and General Manager Comments: The General Manager pointed out the July 6th Executive Committee is scheduled on a Tuesday consequent to the July 4th holiday observed on Monday, July 5th. The General Manager further advised a Tuesday Committee meeting at the Depot Center is subject to facility availability.

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

Adjournment: 7:45 P.M.

**SACRAMENTO GROUNDWATER AUTHORITY
SPECIAL MEETING OF THE BOARD OF DIRECTORS
Monday, June 7, 2021; 8:30 a.m.**

AGENDA

This is a joint board meeting between the Regional Water Authority (RWA), Sacramento Central Groundwater Authority (SCGA), and the Sacramento Groundwater Authority (SGA). The purpose of this meeting is to have a facilitated workshop regarding the potential staffing and integration of the SGA and Sacramento Central Groundwater Authority SCGA

The public shall have the opportunity to directly address the Board on any item of interest before or during the Board's consideration of that item. Public comment on items within the jurisdiction of the Board is welcomed, subject to reasonable time limitations for each speaker. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the Authority's Administrative Office at the address listed above. 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 Executive Director of the Authority at (916) 847-7589. Requests must be made as early as possible, and at least one full business day before the start of the meeting. The Board of Directors may consider any agenda item at any time during the meeting.

Note: Pursuant to the Governor's Executive Order N-29-20 and given the state of emergency regarding the threat of COVID-19, the meeting will be held via teleconference.

We encourage Committee members and participants to join the meeting 10 minutes early. Note that we will use GoToMeeting to share slides and other information during the meeting. Use the link below to join GoToMeeting. If you have a microphone that you can use with your computer, it should be possible to both listen to, and participate in, the meeting through GoToMeeting. If you do not have a microphone, or a headset with a microphone, that plugs into your computer via USB port, you will need to call into the conference line to listen and comment, although you still should be able to view the meeting materials on GoToMeeting. Please do not simultaneously use a microphone through GoToMeeting and the telephone conference line. That combination results in audio problems for all participants.

Meeting Information:

Mon., June 7, 2021 8:30 AM – 10:30 AM (PST)

Please join my meeting from your computer, tablet, or smartphone.

<https://global.gotomeeting.com/join/948333381>

You can also dial in using your phone.

United States: +1 (646) 749-3122

Access Code: 948-333-381

1. CALL TO ORDER AND ROLL CALL

2. **PUBLIC COMMENT:** Members of the public who wish to address the board may do so at this time. Please keep your comments to less than three minutes.

3. **WORKSHOP TOPIC: POTENTIAL INTEGRATION AND STAFFING OF SGA AND SCGA**

Information, Presentation and Discussion: John Woodling, SCGA Interim Executive Director, Jim Peifer, RWA and SGA Executive Director, and Gina Bartlett, Consensus Building Institute

4. **ADJOURNMENT**

**SACRAMENTO GROUNDWATER AUTHORITY
REGULAR MEETING OF THE BOARD OF DIRECTORS
Thursday, June 10, 2021; 9:00 a.m.**

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AGENDA

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

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

Note: Pursuant to the Governor's Executive Order N-29-20 and given the state of emergency regarding the threat of COVID-19, the meeting will be held via teleconference.

We encourage Board members and participants to join the meeting 10 minutes early. Note that we will use GoToMeeting to share slides and other information during the meeting. Use the link below to join GoToMeeting. If you have a microphone that you can use with your computer, it should be possible to both listen to, and participate in, the meeting through GoToMeeting. If you do not have a microphone, or a headset with a microphone, that plugs into your computer via USB port, you will need to call into the conference line to listen and comment, although you still should be able to view the meeting materials on GoToMeeting. Please do not simultaneously use a microphone through GoToMeeting and the telephone conference line. That combination results in audio problems for all participants.

Meeting Information:

**SGA Board Meeting
Thu, Jun 10, 2021 9:00 AM - 11:00 AM (PDT)**

Please join my meeting from your computer, tablet or smartphone.

<https://global.gotomeeting.com/join/502815029>

You can also dial in using your phone.

United States: +1 (408) 650-3123

Access Code: **502-815-029**

- 1. CALL TO ORDER AND ROLL CALL**
- 2. PUBLIC COMMENT:** Members of the public who wish to address the Board may do so at this time. Please keep your comments to less than three minutes.
- 3. CONSENT CALENDAR**
 - 3A. Minutes of April 8, 2021 meeting
 - 3B. Fiscal Year 2020 - 2021 Budget Carryover Request

Action: Approve All Consent Items

- 4. SACRAMENTO CENTRAL GROUNDWATER AUTHORITY UPDATE**
Discussion: Jim Peifer, Executive Director
- 5. SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA) AND GROUNDWATER MANAGEMENT PROGRAM UPDATE**
Discussion: Rob Swartz, Manager of Technical Services
- 6. LEGISLATIVE UPDATE**
Discussion: Ryan Ojakian, Legislative and Regulatory Affairs Manager
- 7. EXECUTIVE DIRECTOR'S REPORT**
- 8. DIRECTORS' COMMENTS**

ADJOURNMENT

Next SGA Board of Director's Meeting – August 12, 2021, 9:00 a.m. at the RWA/SGA office, 5620 Birdcage Street, Ste. 110, Citrus Heights. The location is subject to change depending on the COVID-19 emergency.

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