

**MINUTES OF THE
SEPTEMBER 21, 2020
PUBLIC HEARING AND BOARD OF DIRECTORS REGULAR MEETING
OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT**

1. CALL TO ORDER, ROLL CALL

The September 21, 2020 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. 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 Chris Gifford, Director Robert Reisig, Director Mary Harris, General Manager Tim Shaw, and Legal Counsel Karry Fuller were present.

2. PUBLIC COMMENT

Public member Stephanie commented on State's future conservation measures regarding SB606 outdoor water use, the District's budget for Administrative Manager and treatment operators and the District's highest CR6 in the District.

3. CONSENT CALENDAR

3.1 Minutes

August 17, 2020

3.2 July Expenditures

3.3 July Financial Reports

No public comment.

It was moved by Director Reisig and seconded by Director Harris to approve the Consent Calendar. Directors Green, Gifford, Reisig, Ridilla, Ridilla and Harris voted yes. The motion carried with unanimous vote of 5-0-0.

REGULAR CALENDAR

4. ITEMS FOR DISCUSSION AND ACTION

4.1 General Manager's Report

GM Shaw provided a written report.

No public comment on this item.

The Board made no action on this item

4.2 District Engineer's Report – Mike Vasquez

Mike Vasquez provided a written report to the Board of projects in the works since the last meeting of the Board. The report highlighted topics of General District Engineering and Well 16 Pumping Station Construction Project.

No public comment on this item.

The Board made no action on this item.

4.3 Budget revision, Fiscal Year 2020/2021 Capital Budget

The Board adopted the fiscal year 2020/2021 Capital Budget via public hearing on August 17, 2020. More recently, staff discovered an accounting error in the beginning balance of accumulated capital improvement funds. The erroneous beginning balance was used in distributing accumulated funding among the Board adopted Capital Improvement Projects List items. For example, the annual pipe replacement funding was given a beginning allocation equal to one year of budgeted pipe replacements. The effect would have begun the first fiscal year 20/21 with effectively two-years of funding.

The error in the beginning balance was enabled by the absence of balance reconciling. Actual budgets and audits (i.e. for operating budgets) typically entail a reconciliation process to capture any differences between budgeted funding and actual funding. Prior to the 2020/2021 budget adoption process, the capital budget funding amount was arbitrary and based on a stipulated funding amount directed via state enforcement order. With the 2020/2021 capital budget, the funding is now appropriately based on actual capital improvement projects costs and timing. Additionally, the capital budget for several preceding years was comingled with other funding, e.g. capacity fees. Further omissions in the preceding Capital Budgets included representing revenue that had not materialized (and never did), i.e. a “Holeman Capital loan” In short, the beginning balances shown in preceding Capital Budgets were not reconciled. Instead, they were typically copied as text from the prior year’s Capital Budget.

Moving forward, all of the above practices, limitations and inaccuracies have been corrected. Staff has reached out to the Local Agency Investments Fund (LAIF), but LAIF restricts each agency to only one account, currently used for the capacity fees. Accordingly, staff has coordinated with Umpqua to establish a new account with the best combination of interest rates and intentionally cumbersome withdrawal limitations to be the right investment tool for the need. When we complete configuration of the new Umpqua Capital Budget Account, which will not be comingled with any other funds, the account reports will show clear and reconciled reports of the accumulated balance, deposits and withdraws over the long-term of capital improvement funding.

The budget revision, which is not intended to be a General Manager minor revision, will correct the total accumulated amount of capital improvement funding. No Capital Improvement Projects were modified. No timelines were extended. The annual pipe replacement item is reduced from double funding the first year to just year of funding (dropped from \$422,000 in FY 20/21 to \$211,000). The amount of annual contributions for Well 12 construction was increased by \$36,000 each year to yield the same timeline for funding completion as shown in the originally adopted Capital Budget.

Public member Stephanie inquired on the possibility of selling Well #14 parcel.

It was moved by Director Harris and seconded by Director Ridilla to approve revision #1 to the fiscal year 2020/2021 Capital Budget. Directors Reisig, Gifford, Harris, Ridilla and Green voted yes. The motion carried with unanimous vote of 5-0-0.

4.4 Customer Request for Board Consideration of Billing Issues.

Current District policy stipulates that the full Board consider customer’s request for waivers, reversal of charges, refunds etc. The Executive Committee discussed the request included with the Board packets, but the Executive Committee intentionally withheld its recommendation.

The customer requesting Board consideration believes the charges from the beginning of service should be reversed because the customer has had zero consumption. The customer was charged appropriately for an active account with zero consumption. The customer did not request “inactive status” and did not

apprise the District that the customer's preference was to exclusively use the private well serving the customer's parcel.

If the Board is inclined to consider relieve for this lapse in communication, the appropriate relieve would be to authorize a credit in the amount of the accumulated increment between inactive account charges and the active without consumption charges. In context with the Ordinance and associated policies established for opting out of the inactive service charges, it would be inappropriate consequential to grant a waiver of the entire charge, which would effectively be an opt out without the requisite stipulations entailed in the customer's relinquishing entitlements beset from paying (and/or succeeding to) the capacity fee.

Included with your Board packets is the Customer Request...and the computation of the cumulative difference between the inactive rate and active with zero consumption rate.

Public member Stephanie inquired as to the cost to the customer to remove the meter.

It was moved by Director Harris and seconded by Director Ridilla to approve the credit to the customer for the \$161.95. Directors Reisig, Gifford, Harris, Ridilla and Green voted yes. The motion carried with unanimous vote of 5-0-0.

4.5 Consider directing staff on the timing and meeting method of future public meetings of the District.

Subsequent to a positive COVID19 result in July, the District transitioned to remote participation only (no in-person attendance) for all Board and Committee meetings. The purpose of this agenda item is to discuss when /if the District may resume allowing optional in-person attendance.

Additional aspects to consider include mitigation measures at public meetings. The District previously exercised physical distancing in the setup of the meeting room. The District could consider more mitigation measures including, but not limited to:

- Mandatory mask wearing.
- Requesting each attendee to confirm the absence of any COVID related symptoms.

Because present circumstances are unprecedented, there are no current District policies or guidelines. It is reasonable to conclude the Board President has the inherent authority to provide direction, given that the Board or any individual Board member can place an item on an upcoming meeting agenda and thereby consider establishing policy.

Public member Stephanie commented that the meetings can be open with social distancing.

No Board action. The public meetings will continue as status quo. The Board asked for this to put back on the agenda next March 2021.

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

No public comment on this item.

The Board took no action on this item.

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 provided.

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. Agenda provided.
- 5.2.3. Sacramento Groundwater Authority (with RWA and SCGA) 3x3- Reisig- Minutes provided.
- 5.2.4. Executive Committee – Green, Reisig - Minutes provided.
- 5.2.4. ACWA/JPIA – Ridilla - No Report

6. DIRECTORS' AND GENERAL MANAGER COMMENTS –

Director Harris brought a sheet to share on Folsom’s proposed rate structure. Director Reisig thanked the public members for joining in tonight’s meeting.

7. ADJOURNMENT

Director Green adjourned the meeting at 8:00 p.m.

Respectfully submitted,

Signature on File
Timothy R. Shaw, Secretary

Signature on File
Jason Green, President of the Board