

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

DECEMBER 17, 2018 (6:30 p.m.)

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

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 and PLEDGE OF ALLEGIANCE

2. PUBLIC COMMENT

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

3. CONSENT CALENDAR

Action items: Approve Consent Calendar Items

- Pg. 1 3.1 Minutes**
November 19, 2018
The Board is being asked to approve the Minutes from the November 19, 2018 Regular Board meeting.
- Pg. 4 3.2 Expenditures**
The Finance & Administrative Committee recommends the Board approve the November Expenditures.
- Pg. 7 3.3 Financial Reports**
The Finance & Administrative Committee recommends the Board approve the November Financial Reports.
- Pg. 10 3.4 Annual Cost of Living Adjustment to Employee wages/salaries**
The Finance and Administrative Committee recommends the Board approve the annual adjustment, which is stipulated in the current MOU with the General Unit.

4. REGULAR CALENDAR

ITEMS FOR DISCUSSION AND ACTION

- Pg. 12 4.1 Election of Officers**
The Board will take nominations and vote for the offices of President and Vice-President of the Board of Directors.

- Pg. 13 4.2 Committee Appointments and Board Assignments**
The newly elected Board President will assign representatives and committee assignments. These assignments must be approved by the Board.
- 4.2.1 Authorize 2019 attendance and funding for meetings affiliated with certain assignments, e.g. SGA/RWA holiday social, ACWA conferences etc.**
- Pg. 15 4.3 GM Report**
The General Manager Tim Shaw will provide his monthly report to the Board of Directors.
- Pg. 17 4.4 District Engineer's Report**
The District's Engineer Michael Vasquez will provide his monthly report to the Board of Directors.
- Pg. 19 4.5 Consider authorizing annual capacity fee adjustments for inflation by adopting revised Exhibit 1 and Exhibit 2 to Resolution 2018-03.**
- Pg. 25 4.6 Consider accepting the Comprehensive Financial Annual Report (CAFR).**
- Pg. 62 4.7 Consider authorizing participation in California Employer Retiree Benefits Trust (CERBT).**
- Pg. 77 4.8 Consider approving the Request for Proposals (RFP) for engineering and design services to create plans and specifications for the Well #16 groundwater pumping station.**

5. INFORMATION ITEMS

5.1. DISTRICT ACTIVITY REPORT

- a. Water Operations Report
- b. Conservation Report

5.2. BOARD REPORTS

- a. Report any ad hoc committees dissolved by requirements in Policy 2.01.065
- b. Regional Water Authority – Henrici, Shaw
- c. Sacramento Groundwater Authority – Green, Harris
- d. LAFCO - Green
- e. Planning Committee – Dills, Harris
- f. Finance / Administrative Committee – Ridilla, Henrici
- g. ACWA/JPIA – Green, Harris
 1. ACWA and ACWA-JPIA Fall Conference, November 26th through 30th
- h. AD Hoc Committees
 1. MOU Negotiations – Dills, Harris
- i. Other Reports

6. DIRECTORS' AND GENERAL MANAGER COMMENTS

7. ADJOURNMENT

Upcoming meetings:

Planning Committee

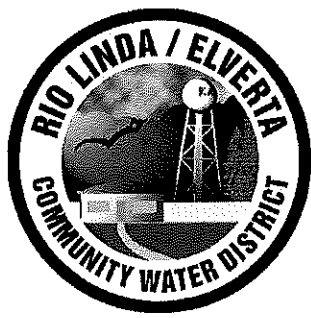
January 4, 2019, Tuesday, 2:00 pm at the Visitor's/Depot Center, 6730 Front Street, Rio Linda, CA 95673.

Finance / Administrative Committee

January 14, 2019, Monday, 6:30 pm at the Visitor's/Depot Center, 6730 Front Street, Rio Linda, CA 95673.

Regular Board Meeting

January 28, 2019, Monday, 6:30 pm at Visitor's /Depot Center, 6730 Front Street, Rio Linda, CA 95673.



**Consent Calendar
Agenda Item: 3.1**

Date: December 17, 2018

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 _____

Dills: _____ Green: _____ Ridilla: _____ Henrici: _____ Harris: _____.

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

**MINUTES OF THE
NOVEMBER 19, 2018
BOARD OF DIRECTORS REGULAR MEETING
OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT**

1. CALL TO ORDER, ROLL CALL and PLEDGE OF ALLEGIANCE

The November 19, 2018 meeting of the Board of Directors of the Rio Linda/Elverta Community Water District called to order at 6:30 p.m. at the Depot/Visitor Center located at 6730 Front Street, Rio Linda, CA. General Manager Tim Shaw took roll call of the Board of Directors. Director Dills, Director Harris, Director Henrici, Director Ridilla, Director Green and General Manager Tim Shaw were present. Director Ridilla led the pledge of allegiance.

President Harris asked the Board to add an item onto the agenda with regards to an employee enduring a hardship to be considered by the Board.

It was moved by Director Henrici and seconded by Director Dills to add an employee request requiring Board action to the agenda. Directors Henrici, Dills, Green, Harris and Ridilla voted yes. The motion carried with a unanimous vote of 5-0-0.

GM Shaw informed the Board that an employee, who is experiencing a financial hardship and not able to sustain the basic necessities of life, is asking the Board to consider cashing out 80 hours of vacation. Director Dills asked what the current policy is and GM Shaw expressed that there is no current policy on this allowance.

It was moved by Director Ridilla and seconded by Director Green to allow cashing out of 80 hours of vacation by the requesting employee. Directors Henrici, Dills, Green, Harris and Ridilla voted yes. The motion carried with a unanimous vote of 5-0-0.

2. PUBLIC COMMENT

No public comment.

3. CONSENT CALENDAR

3.1 Minutes

October 15, 2018

3.2 Expenditures

3.3 Financial Reports

No public comment on this item.

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

4. REGULAR CALENDAR

ITEMS FOR DISCUSSION AND ACTION

4.1 General Manager's Report

General Manager Tim Shaw provided the Board a written report of special events and meetings attended since the last Board meeting.

Director Ridilla asked for an update on Tesco. GM Shaw coordinated with Tesco and Inductive Automation and determined that the systems have not been backed up since June of 2017. Adept Solutions, the District's IT vendor, is providing a quote to begin backing up the SCADA server.

No public comment on this item.

The Board made no action on this item

4.2 Consider approving District Engineer Professional Service Agreement

The District completed the Request for Qualifications (RFQ) process. Staff determined EKI was the most qualified of the three firms having responded. Staff further determined, subsequent to opening the sealed schedule of charges, that EKI was reasonably priced for the services to be provided.

Michael Vasquez, Principal Engineer with EKI Environment & Water, introduced himself to the Board and gave a little background on himself and the company.

It was moved by Director Green and seconded by Director Henrici to approve the PSA with EKI Environment and Water. Directors Henrici, Dills, Green, Harris and Ridilla voted yes. The motion carried with a unanimous vote of 5-0-0.

4.3 District Engineer's Report

The reporting for this item was to introduce the new District Engineer, Michael Vasquez.

No public comment on this item.

The Board made no action on this item

4.4. Consider approving Elverta Specific Plan Owners Group Development Processing Cost Funding Agreement.

This funding agreement was duplicated based on template funding agreement as Northborough development and has been reviewed by legal counsel.

No public comment on this item.

It was moved by Director Dills and seconded by Director Ridilla to approve the Elverta Specific Plan Owners Group Development Processing Cost Funding Agreement. Directors Henrici, Dills, Green, Harris and Ridilla voted yes. The motion carried with a unanimous roll call vote of 5-0-0.

4.5 Consider termination of specific projects on the Stalled Capital Improvement Projects List.

At consecutive monthly Planning Committee meetings. Directors and staff reviewed the stalled Capital Improvement Plan (CIP) projects, as well as the budget consequences of terminating any of the stalled projects. Although through the years the Board has approved and adopted the CIPs, there has been no funding established to complete many of these projects. Some of the projects on the list are temporarily

stalled. They're fate is not yet determined. Examples include RiverArc, EDWPA and the new office facility.

Staff's recommendation is to terminate the following projects : L Street – Storm Drain Construction, Adele Court Pipeline, Install 200 feet of DIP on 5th/Montague, Obtain Easement.

No public comment on this item.

It was moved by Director Henrici and seconded by Director Ridilla to remove "L Street – Storm Drain Construction, Adele Court Pipeline, Install 200 feet of DIP on 5th/Montague, Obtain Easement" from the Stalled Capital Improvements Project based on staff's recommendation. Directors Henrici, Dills, Green, Harris and Ridilla voted yes. The motion carried with a unanimous vote of 5-0-0

4.6 Consider accepting the Terms and Conditions with WageWorks for employee flexible spending account administering services.

The Board is being asked to accept the Terms and Conditions from WageWorks for administering the RLECWD employees Flexible Spending Accounts.

No public comment on this item.

It was moved by Director Henrici and seconded by Director Ridilla to accept the Terms and Conditions with WageWorks for employee flexible spending account administering services. Henrici, Dills, Harris, Green and Ridilla voted yes. The motion carried with a unanimous vote of 5-0-0.

4.7 Consider accepting the Fiscal Year 2017/2018 Financial Audit Report.

The District must receive an annual audit of its financial reporting by a GASB 34 licensed independent auditor. This year as in the past few years, the independent auditor engaged for the service was Fechter and Company.

The 2017/2018 has no findings, which is preferable.

No public comment on this item.

It was moved by Director Henrici and seconded by Director Green accepted the Fiscal Year 201-18 Financial Audit Report . Henrici, Dills, Harris, Green and Ridilla voted yes. The motion carried with a unanimous vote of 5-0-0.

4.8 Consider authorizing attendance by Board Member(s) for the December 6th RWA/SGA Holiday Social , and further authorize the costs for attendance.

The Board needs to determine which of the Directors is interested and available to attend the RWA/SGA holiday social on December 6th, then consider authorizing attendance accordingly, and further authorize advance payment for the number of authorized Board Member attendees.

No public comment on this item.

It was moved by Director Ridilla and seconded by Director Dills for the RWA & SGA representatives Directors Green and Henrici attend the RWA/SGA Holiday Social on December 6th . Dills, Harris, and Ridilla voted yes. Director Henrici and Green abstained. The motion carried with a vote of 3-0-2.

4.9 Consider adopting Resolution 2018-09, A Board Protocol on Labor Negotiations.

Legal Counsel recommends adoption of Resolution 2018-09 prior to continuing the negotiation process.

It was moved by Director Dills and seconded by Director Ridilla to approve adopting Resolution 2018-09. Henrici, Dills, Harris, Green, and Ridilla voted yes. The motion carried with a unanimous roll call vote of 5-0-0.

4.10 Consider nominating RLECWDA a Board Member to serve on Sacramento LAFCo, Special District Advisory Committee (SDAC).

The Board is being invited to nominate a Member to join the Special District Advisory Committee (SDAC). SDAC members serve 2 year terms (1/19 – 12/20) without compensation.

It was moved by Director Dills and seconded by Director Ridilla to nominate Director Harris on the LAFCo Advisory Committee. Henrici, Dills, Green, and Ridilla voted yes. Harris abstained. The motion carried with a roll call vote of 4-0-1.

5. INFORMATION ITEMS

5.1. DISTRICT ACTIVITY REPORT

- a. Water Operations Report
- b. Conservation Report

5.2. BOARD REPORTS

- a. Report any ad hoc committees dissolved by requirements in Policy 2.01.065.
- b. Regional Water Authority – Agenda, Executive Summary, written report provided.
- c. Sacramento Groundwater Authority – No Meeting
- d. LAFCO – Green – Green gave a verbal report.
- e. Planning Committee – Dills, Harris – Minutes provided.
- f. Finance / Administrative Committee – Minutes provided.
- g. AD Hoc Committees –
 - 1. MOU Negotiations – Dills, Harris –
- g. Other Reports

5.3. PLANNED ACTIVITIES

- a. ACWA JPIA Fall Conference, November 26th and 27th - Agendas provided
- b. ACWA Fall Conference, November 27th through 30th - Agendas provided.

6. DIRECTORS' AND GENERAL MANAGER COMMENTS

7. ADJOURNMENT

President Harris adjourned the meeting at 7:25p.m.

Respectfully submitted,

Timothy R. Shaw, Secretary

Mary Harris, President of the Board



**Consent Calendar
Agenda Item: 3.2**

Date: December 17, 2018

Subject: Expenditures

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Finance and Administrative Committee recommends approval of the Expenditures for the month of November 2018.

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 November 2018.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Dills: _____ Green: _____ Ridilla: _____ Henrici: _____ Harris: _____.

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

Rio Linda Elverta Community Water District
 Other Accounts Expenditure Report
 November 2018

Type	Date	Num	Name	Memo	Amount
Liability Check	11/02/2018	EFT	QuickBooks Payroll Service	For PP Ending 10/31/2018 Paydate 11/05/2018	16,726.92
Liability Check	11/05/2018	EFT	CalPERS	For PP Ending 10/31/2018 Paydate 11/05/2018	2,076.92
Liability Check	11/05/2018	EFT	CalPERS	For PP Ending 10/31/2018 Paydate 11/05/2018	1,940.46
Liability Check	11/05/2018	EFT	California State Disbursement Unit	Employee Garnishment	397.50
Liability Check	11/05/2018	EFT	Nationwide	Employee Benefits	1,280.92
Bill Pmt -Check	11/05/2018	EFT	Adept Solutions	Computer Maintenance	1,109.00
Bill Pmt -Check	11/05/2018	EFT	Comcast	Phone/Internet	416.60
Bill Pmt -Check	11/05/2018	EFT	Sprint	Field Communication	139.34
Bill Pmt -Check	11/05/2018	EFT	Republic Services	Utilities	87.91
Liability Check	11/05/2018	EFT	Voyager Fleet Commander	Transportation Fuel	1,307.06
Liability Check	11/05/2018	EFT	Internal Revenue Service	Employment Taxes	6,924.28
Liability Check	11/05/2018	EFT	Employment Development	Employment Taxes	1,499.67
Liability Check	11/06/2018	EFT	Internal Revenue Service	Employment Taxes	16.06
Liability Check	11/06/2018	EFT	Employment Development	Employment Taxes	6.63
Paycheck	11/05/2018	5668	Employee	For PP Ending 10/31/2018 Paydate 11/05/2018	2,702.07
Liability Check	11/05/2018	5669	Franchise Tax Board	Employee Garnishment	197.02
Check	11/05/2018	5670	RLECFWD	Umpqua Bank Monthly Debt Service Transfer	16,500.00
Check	11/05/2018	5671	Customer	Toilet Rebate	75.00
Bill Pmt -Check	11/05/2018	5672	ACWA/UJIA Powers Insurance Authority	Employee Benefits	23.50
Bill Pmt -Check	11/05/2018	5673	American Mobile Shredding	Office Expense	25.00
Bill Pmt -Check	11/05/2018	5674	Coleman Engineering	Engineering Expense: August & September 2018	14,625.00
Bill Pmt -Check	11/05/2018	5675	Cortx Water Products	Distribution Supplies	5,709.70
Bill Pmt -Check	11/05/2018	5676	GM Construction & Developers Inc.	Contract Repairs	6,571.00
Bill Pmt -Check	11/05/2018	5677	O'Reilly Automotive	Transportation Maintenance	197.31
Bill Pmt -Check	11/05/2018	5678	Quill Corporation	Office Expense	107.28
Bill Pmt -Check	11/05/2018	5679	Rio Linda Hardware and Building Supply	Shop Supplies	148.28
Bill Pmt -Check	11/05/2018	5680	RW Trucking	Distribution Supplies	647.61
Bill Pmt -Check	11/05/2018	5681	Sierra Chemical Company	Chemical Supplies	811.80
Bill Pmt -Check	11/05/2018	5682	SMUD	Utilities	17,122.62
Bill Pmt -Check	11/05/2018	5683	SWRCB	License Renewal	60.00
Bill Pmt -Check	11/05/2018	5684	Tesco Controls	Field IT	365.10
Bill Pmt -Check	11/05/2018	5685	UniFirst Corporation	Uniforms	288.99
Bill Pmt -Check	11/05/2018	5686	Vanguard Cleaning Systems	Janitorial	195.00
Bill Pmt -Check	11/05/2018	5687	Continental Utility Solutions	Capital Improvement: Billing Software Upgrade	8,611.00
Liability Check	11/12/2018	EFT	Kaiser Permanente	Employee Benefits	342.43
Liability Check	11/15/2018	EFT	AFLAC	Employee Benefits	738.92
Liability Check	11/19/2018	EFT	QuickBooks Payroll Service	For PP Ending 11/15/18 Pay date 11/20/18	16,408.13
Liability Check	11/20/2018	EFT	CalPERS	For PP Ending 11/15/18 Pay date 11/20/18	1,688.35
Liability Check	11/20/2018	EFT	CalPERS	For PP Ending 11/15/18 Pay date 11/20/18	1,830.99
Liability Check	11/20/2018	EFT	Internal Revenue Service	Employment Taxes	5,609.94
Liability Check	11/20/2018	EFT	Employment Development	Employment Taxes	1,137.45
Liability Check	11/20/2018	EFT	Nationwide	Employee Benefits	1,175.52
Liability Check	11/20/2018	EFT	Western Health Advantage	Employee Benefits	13,236.20
Liability Check	11/20/2018	EFT	California State Disbursement Unit	Employee Garnishment	397.50

Rio Linda Elverta Community Water District
Other Accounts Expenditure Report
November 2018

Accrual Basis

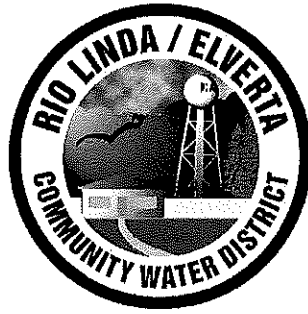
Type	Date	Num	Name	Memo	Amount
Check	11/20/2018	EFT	RLECWD - Capital Improvement	Current Monthly Transfer	42,000.00
Check	11/20/2018	EFT	RLECWD - SURCHARGE 1 ACCOUNT	Current Monthly Transfer	42,500.00
Check	11/20/2018	EFT	RLECWD - Operating	Transfer funds for Security Deposits paid with Credit Card	1,050.00
Bill Pmt -Check	11/20/2018	EFT	Bankcard Center 2911	Computer, Fuel, Postage	259.47
Bill Pmt -Check	11/20/2018	EFT	Bankcard Center 6669	Fuel	80.00
Bill Pmt -Check	11/20/2018	EFT	Bankcard Center 7806	Construction Equip Maint, Shop Supplies	630.88
Bill Pmt -Check	11/20/2018	EFT	Bankcard Center 8900	Construction Equip Maint	240.00
Bill Pmt -Check	11/20/2018	EFT	Venizon	Field Communication	260.31
Liability Check	11/20/2018	5688	Teamsters Local #150	Union Dues	660.00
Check	11/20/2018	5689	Customer	Final Bill Refund	295.61
Bill Pmt -Check	11/20/2018	5690	Anthem Blue Cross	Retiree Insurance: Wickham - Lifetime Benefits	976.50
Bill Pmt -Check	11/20/2018	5691	Bells Tree Service	Building Maintenance	1,975.00
Bill Pmt -Check	11/20/2018	5692	Buckmaster Office Solutions	Office Equipment	208.79
Bill Pmt -Check	11/20/2018	5693	Churchwell White, LLP	Legal Fees	15,745.50
Bill Pmt -Check	11/20/2018	5694	Coleman Engineering	Engineering	5,000.00
Bill Pmt -Check	11/20/2018	5695	Communication Systems Unlimited	Building Maintenance	89.00
Bill Pmt -Check	11/20/2018	5696	CoreLogic Solutions	Metro Scan	134.75
Bill Pmt -Check	11/20/2018	5697	Fechter & Company CPA	Audit Fees	1,082.00
Bill Pmt -Check	11/20/2018	5698	PG&E	Utilities	38.31
Bill Pmt -Check	11/20/2018	5699	Rio Linda Elverta Recreation & Park Dist	Meeting Expense	50.00
Bill Pmt -Check	11/20/2018	5700	Sacramento County Tax Collector	Permits & Fees	120.52
Bill Pmt -Check	11/20/2018	5701	Sacramento County Utilities	Utilities	113.70
Bill Pmt -Check	11/20/2018	5702	Sierra Chemical Company	Chemical Supplies	1,185.12
Bill Pmt -Check	11/20/2018	5703	Spok, Inc.	Field Communication	15.19
Bill Pmt -Check	11/20/2018	5704	Vulcan Materials Company	Distribution Supplies	511.15
Check	11/20/2018	5705	Postmaster	Postage	2,153.97
Liability Check	11/20/2018	EFT	QuickBooks Payroll Service	For PP Ending 11/15/18 Pay date 11/20/18	1,856.82
Liability Check	11/20/2018	EFT	Internal Revenue Service	Employment Taxes	540.80
Liability Check	11/20/2018	EFT	Employment Development	Employment Taxes	67.77
Liability Check	11/26/2018	EFT	Principal Financial	Employee Benefits	2,966.06
Total 10000 - Bank - Operating Account					274,285.20

Accrual Basis

Rio Linda Elverta Community Water District
Other Accounts Expenditure Report
November 2018

10100 - Security Deposits					
Type	Date	Num	Payee	Memo	Amount
Check	11/20/2018	EFT	RLECWD - Operating Account	October 2018 Security Deposits Applied	230.00
10100 - Security Deposits					230.00

10455 - Capital Improvement Reserve					
Type	Date	Num	Payee	Memo	Amount
Check	11/05/2018	EFT	RLECWD - Operating	CIP Expense Transfer: Refer to operating check numbers: 5687	8,611.00
10455 - Capital Improvement Reserve					8,611.00



**Consent Calendar
Agenda Item: 3.3**

Date: December 17, 2018

Subject: Financial Reports

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Finance and Administrative Committee recommends approval of the Districts Financial Reports for the month of November 2018.

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 November 2018.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Dills:___ Green:___ Ridilla:___ Henrici:___ Harris:___.

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

Rio Linda Elverta Community Water District
Balance Sheet
 As of November 30, 2018



ASSETS	
Current Assets	
Checking/Savings	
100 · Cash & Cash Equivalents	
10000 · Operating Account	
10005 · Operating Fund	193,921.45
10010 · Operating Reserve Fund	250,000.00
Total 10000 · Operating Account	443,921.45
10100 · Trust/Security Deposit Account	44,122.00
10450 · Capital Improvement	
10455 · Capital Improvement Fee Reserve	828,500.76
10460 · Vehicle Replacement Reserve	10,000.00
10465 · Cr6 Project	11,026.90
Total 10450 · Capital Improvement	849,527.66
10600 · LAIF GASB 45	16,156.16
Total 100 · Cash & Cash Equivalents	1,353,727.27
102 · Restricted Assets	
102.1 · Restricted Capital Improvements	
10700 · ZIONS Inv/Surcharge Reserve	493,222.66
Total 102.1 · Restricted Capital Improvements	493,222.66
102.2 · Restricted for Debt Service	
10300 · Surcharge 1 Account	710,400.11
10325 · Community Business Bank	83,266.61
10350 · Umpqua Bank	36,930.84
10350 · Surcharge 2 Account	416,897.25
Total 102.2 · Restricted for Debt Service	1,247,494.81
Total 102 · Restricted Assets	1,740,717.47
Total Checking/Savings	3,094,444.74
Accounts Receivable	10,962.92
Other Current Assets	
12000 · Water Utility Receivable	599,222.45
12200 · Accrued Revenue	0.00
12250 · Accrued Interest Receivable	2,532.19
15000 · Inventory Asset	96,793.78
16000 · Prepaid Expense	84,422.65
Total Other Current Assets	782,971.07
Total Current Assets	3,888,378.73
Fixed Assets	
17000 · General Plant Assets	712,766.63
17100 · Water System Facilities	20,717,058.49
17300 · Intangible Assets	373,043.42
17500 · Accum Depreciation & Amort	-8,702,559.39
18000 · Construction in Progress	1,250,105.87
18100 · Land	496,673.45
Total Fixed Assets	14,847,088.47
Other Assets	
19000 · Deferred Outflows	347,606.00
19900 · Suspense Account	154.00
Total Other Assets	347,760.00
TOTAL ASSETS	19,083,227.20

Rio Linda Elverta Community Water District
Balance Sheet
 As of November 30, 2018

LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	26,486.59
Credit Cards	2,679.40
Other Current Liabilities	528,444.52
Total Current Liabilities	<u>557,610.51</u>
Long Term Liabilities	
23000 · OPEB Liability	262,349.00
23500 · Lease Buy-Back	755,052.27
25000 · Surcharge 1 Loan	4,536,774.26
25050 · Surcharge 2 Loan	99,140.82
26000 · Water Rev Refunding	2,091,606.00
27000 · Community Business Bank	342,485.52
29000 · Net Pension Liability	1,033,555.00
29500 · Deferred Inflows-Pension	33,279.00
29600 · Deferred Inflows-OPEB	8,293.00
Total Long Term Liabilities	<u>9,162,534.87</u>
Total Liabilities	<u>9,720,145.38</u>
Equity	
31500 · Invested in Capital Assets, Net	7,519,910.46
32000 · Restricted for Debt Service	699,786.24
38000 · Unrestricted Equity	642,702.76
Net Income	500,682.36
Total Equity	<u>9,363,081.82</u>
TOTAL LIABILITIES & EQUITY	<u><u>19,083,227.20</u></u>

Rio Linda Elverta Community Water District
Operating Profit & Loss Budget Performance
 November 2018

9

	<u>Annual Budget</u>	<u>Nov 18</u>	<u>Jul-Nov 18</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
Ordinary Income/Expense					
Income					
Total 40000 · Operating Revenue	2,664,429.00	304,172.19	1,151,739.45	43.23%	1,512,689.55
41000 · Nonoperating Revenue					
41110 · Investment Revenue					
41112 · Interest Revenue	400.00	9.83	177.65	44.41%	222.35
Total 41110 · Investment Revenue	400.00	9.83	177.65	44.41%	222.35
41120 · Property Tax	70,000.00	0.00	1,946.32	2.78%	68,053.68
Total 41000 · Nonoperating Revenue	70,400.00	9.83	2,123.97	3.02%	68,276.03
Total Income	2,734,829.00	304,182.02	1,153,863.42	42.19%	1,580,965.58
Gross Income	2,734,829.00	304,182.02	1,153,863.42	42.19%	1,580,965.58
Expense					
60000 · Operating Expenses					
60010 · Professional Fees	163,331.00	24,119.10	79,675.60	48.78%	83,655.40
60100 · Personnel Services					
60110 · Salaries & Wages	665,414.00	57,778.11	244,042.00	36.68%	421,372.00
60150 · Employee Benefits & Expense	451,439.00	33,054.14	162,826.11	36.07%	288,612.89
Total 60100 · Personnel Services	1,116,853.00	90,832.25	406,868.11	36.43%	709,984.89
60200 · Administration	254,977.00	17,271.50	124,997.88	49.02%	129,979.12
64000 · Conservation	6,748.00	75.00	5,733.00	84.96%	1,015.00
65000 · Field Operations	428,175.00	22,484.80	186,462.74	43.55%	241,712.26
Total 60000 · Operating Expenses	1,970,084.00	154,782.65	803,737.33	40.80%	1,166,346.67
69000 · Non-Operating Expenses					
69010 · Debt Service					
69100 · Revenue Bond					
69105 · Principle	133,163.00	53,163.00	53,163.00	39.92%	80,000.00
69110 · Interest	65,726.00	33,260.30	33,260.30	50.60%	32,465.70
Total 69100 · Revenue Bond	198,889.00	86,423.30	86,423.30	43.45%	112,465.70
69125 · AMI Meter Loan					
69130 · Principle	46,818.00	0.00	23,228.99	49.62%	23,589.01
69135 · Interest	11,696.00	0.00	6,027.97	51.54%	5,668.03
Total 69125 · AMI Meter Loan	58,514.00	0.00	29,256.96	50.00%	29,257.04
Total 69010 · Debt Service	257,403.00	86,423.30	115,680.26	44.94%	141,722.74
69400 · Other Non-Operating Expense	2,000.00	0.00	0.00	0.00%	2,000.00
Total 69000 · Non-Operating Expenses	259,403.00	86,423.30	115,680.26	44.60%	143,722.74
Total Expense	2,229,487.00	241,205.95	919,417.59	41.24%	1,310,069.41
Net Ordinary Income	505,342.00	62,976.07	234,445.83		
Net Income	505,342.00	62,976.07	234,445.83		

CAPITAL BUDGET VS ACTUAL FISCAL YEAR 2018-2019
July through November 2018

	GENERAL		CONNECTIONS		CHROMIUM MITIGATION & NEW WELLS		VEHICLE REPLACEMENT	
	Annual Budget	YTD Actual	Annual Budget	YTD Actual	Annual Budget	YTD Actual	Annual Budget	YTD Actual
BEGINNING FUND BALANCE	\$ 1,426,064.00	\$ 1,426,064.00	\$ 129,988.00	\$ 129,988.00	\$ (454,317.00)	\$ (454,317.00)	\$ -	\$ -
FUNDING SOURCES								
Fund Transfers								
Operating Fund Transfers In	500,000.00	208,000.00	-	-	-	-	-	-
CIP Fund Intrafund Transfers	(10,000.00)	(10,000.00)	-	-	-	-	10,000.00	10,000.00
Surcharge 2 Surplus Repayment	-	-	-	-	435,752.00	-	-	-
Contributed Funding								
Capacity Fee Revenue	-	-	40,000.00	28,124.02	-	-	-	-
Contributed Facilities (Developers)	-	-	-	-	-	-	-	-
Grant Revenue	-	-	-	-	20,000.00	-	-	-
Loan Proceeds-OPUS Bank	-	-	-	-	2,468,239.00	-	-	-
Investment Revenue	350.00	258.19	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-	-
TOTAL FUNDS AVAILABLE FOR CIP PROJECTS	1,916,414.00	1,624,322.19	169,988.00	158,112.02	2,469,674.00	(454,317.00)	10,000.00	10,000.00
PROJECTS								
A - WATER SUPPLY								
A-1 - Well 10 - Cr6 Treatment	-	-	-	-	40,000.00	-	-	-
A-2 - Well 16	-	-	-	-	-	2,448,239.00	-	-
A-3 - Well 17	25,000.00	-	-	-	-	-	-	-
A-4 - Miscellaneous Pump Replacements	40,000.00	-	-	-	-	-	-	-
Total A - WATER SUPPLY	65,000.00	-	-	-	2,488,239.00	-	-	-
B - WATER DISTRIBUTION								
B-1 - System Valve Replacements	35,000.00	-	-	-	-	-	-	-
B-2 - Paving Replacements	25,000.00	-	-	-	-	-	-	-
B-3 - Service Replacements	30,000.00	-	-	-	-	-	-	-
B-4 - Large Meter Replacements	5,000.00	-	-	-	-	-	-	-
Total B - WATER DISTRIBUTION	95,000.00	-	-	-	-	-	-	-
M - GENERAL PLANT ASSETS								
M-1 - Ice Machine	3,500.00	2,803.96	-	-	-	-	-	-
M-2 - Billing Software Upgrade	25,000.00	30,138.50	25,000.00	-	-	-	-	-
Total M - GENERAL PLANT ASSETS	28,500.00	32,942.46	25,000.00	-	-	-	-	-
FO - PROJECTS FUNDED BY OTHERS								
TOTAL FO - PROJECTS FUNDED BY OTHERS	-	-	-	-	-	-	-	-
C - CONTINGENCY								
C-1 - Contingency (10% of Est A,B,M, & FO)	18,850.00	-	2,500.00	-	248,823.90	-	-	-
TOTAL BUDGETED PROJECT EXPENDITURES	207,350.00	32,942.46	27,500.00	-	2,737,062.90	-	-	-
ENDING FUND BALANCE	\$ 1,709,064.00	\$ 1,591,379.73	\$ 142,488.00	\$ 158,112.02	\$ (267,388.90)	\$ (454,317.00)	\$ 10,000.00	\$ 10,000.00



Consent Calendar Agenda Item: 3.4

Date: December 17, 2018

Subject: The annual requirement by CalPERS for posting the updated employee pay scales following Cost of Living Adjustments (COLA).

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Finance and Administrative Committee recommends approval of the updated employee pay scales.

Current Background and Justification:

To avoid disputes after retirement and provide transparency, California Code of Regulations, Title 2, Section 570.5 provides specific documentation and public meeting approval of pay scales for CalPERS member agencies.

The current, most-practical means for the District to comply with the Section 570.5 requirements is for the Board to authorize the annual employee pay scale COLA, which the Board already approved via execution of the current MOU with the General Unit, and post the revised pay scale on the District's website.

Conclusion:

I recommend the Board approve the revised employee pay scale effective 12-1-2018 and direct staff to update the pay scale posted on the District's website.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Dills: _____ Green: _____ Ridilla: _____ Henrici: _____ Harris: _____.

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

**Rio Linda/Elverta Community Water District
Publicly Available Pay Schedule per CCR Section 570.5
2.5 % COLA Effective Date 12/01/2018**

Classification/Position Title	Base Wage	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Time Basis
Admin Assistant		\$22.72	\$23.63	\$24.58	\$25.56	\$26.58	\$27.65	Hourly
Bookkeeper		\$25.98	\$27.02	\$28.10	\$29.23	\$30.40	\$31.61	Hourly
Conservation Coordinator/Customer Service Tech 1		\$19.49	\$20.26	\$21.08	\$21.92	\$22.79	\$23.71	Hourly
Customer Service Tech 1		\$19.49	\$20.26	\$21.08	\$21.92	\$22.79	\$23.71	Hourly
Customer Service Tech 2		\$20.56	\$21.38	\$22.24	\$23.13	\$24.05	\$25.02	Hourly
Distribution System Operator 1		\$17.31	\$18.00	\$18.72	\$19.47	\$20.25	\$21.06	Hourly
Distribution System Operator 2		\$20.56	\$21.38	\$22.24	\$23.13	\$24.05	\$25.02	Hourly
Distribution System Operator 3		\$24.91	\$25.90	\$26.94	\$28.02	\$29.14	\$30.30	Hourly
Distribution System Operator 3/Foreman		\$25.44	\$26.46	\$27.52	\$28.62	\$29.76	\$30.95	Hourly
Laborer		\$12.99	\$13.51	\$14.05	\$14.61	\$15.19	\$15.80	Hourly
Operations Superintendent (Hourly Position)		\$37.88	\$39.40	\$40.98	\$42.61	\$44.32	\$46.09	Hourly
Operations Superintendent (Salaried Position)		\$78,813.17	\$81,965.70	\$85,244.33	\$88,654.10	\$92,200.26	\$95,888.28	Annual
Utility Worker		\$15.16	\$15.77	\$16.40	\$17.05	\$17.73	\$18.44	Hourly
General Manager (by Contract)	110,853.75							Annual



**Items for Discussion and Action
Agenda Item: 4.1**

Date: December 17, 2018

Subject: Election of Officers

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

N/A committees do not review this item.

Current Background and Justification:

It is the District's policy for the Board to elect a Board President and Vice-President annually at the December regular meeting. The Board will take nominations and vote for the offices of President and Vice-President of the Board of Directors. These offices typically remain in effect until December the following year unless impacted by vacancy or further, subsequent action by the Board.

This item is necessary in order to carry on the business of the District.

Conclusion:

I recommend the Board nominate and fill these positions. Upon completion of the process, the newly elected President immediately assumes the duties and responsibilities of President.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Dills: ___ Green: ___ Ridilla: ___ Henrici: ___ Harris: ___

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

RLECWD Agenda Item Checklist

Item 4.1

Date

Initial Potential Meeting Date

12/17/18

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

Election of Offices

N/A

Staff Work Completed

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

Committee Review of Item and Staff Work

N/A

Review by appropriate Finance/Administration, Projects /Planning or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel Review

N/A

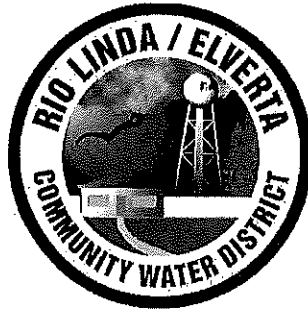
Legal Counsel should have enough time to review all potential legal matters for correctness and legality

GM Review

N/A

Actual Meeting Date Set for Agenda Item

12/17/18



**Items for Discussion and Action
Agenda Item: 4.2**

Date: December 17, 2018

Subject: Committee Appointments and Board Assignments

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

N/A committees do not review this item.

Current Background and Justification:

District Policy requires that the President, in coordination with the other Directors, assign participation for standing committees, ad hoc committees and various membership agencies. Then the Board must approve these assignments for, among other things, conformance with director compensation statutes/policies.

The currently established standing committees are; 1) Planning Committee and 2) Finance/Administrative Committee.

The current membership agency assignments, which are subject to Board assignment are RWA, ACWA, and ACWA-JPIA. Note: additional assignments, e.g. SGA and LAFCo, entail a District nomination and subsequent confirmation process by another agency. These assignments also entail minimum duration. However, such assignments are not due for renewal at this time.

The currently active ad hoc committee is the MOU Renewal Negotiations Committee.

Conclusion:

I recommend the newly elected President nominate Board Member assignments for 2019, and I further recommend the Board vote to confirm such assignments as appropriate.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Dills:_____ Green:_____ Ridilla:_____ Henrici:_____ Harris:_____.

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

RLECWD Agenda Item Checklist

Item 4.2

Date

Initial Potential Meeting Date

12/17/18

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

Committee Appointments and Board Assignments

N/A

Staff Work Completed

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

Committee Review of Item and Staff Work

N/A

Review by appropriate Finance/Administration, Projects /Planning or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel Review

N/A

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

GM Review

N/A

Actual Meeting Date Set for Agenda Item

12/17/18

**Rio Linda / Elverta Community Water District
Committee and Boards
2018**

<u>Committee or Board</u>	<u>Representative</u>	<u>Alternate</u>
Sacramento Groundwater Authority (SGA)* (4yr term)	<u>Paul R. Green, Jr.</u>	<u>Mary Harris</u>
Regional Water Authority (RWA)	<u>Mary Henrici</u>	<u>Tim Shaw</u>
LAFCo (4yr term 2018-2021)	<u>Paul R Green Jr</u>	
LAFCo SDAC (2yr. term 12/31/19)	<u>Mary Harris</u>	
Association of California Water Agencies Joint Powers Insurance Authority (ACWA-JPIA)	<u>Paul R Green Jr</u>	<u>Mary Harris</u>
DISTRICT COMMITTEES AND ADHOC COMMITTEES		
Finance Committee:	<u>John Ridilla</u>	<u>Mary Henrici</u>
Planning Committee	<u>Brent Dills</u>	<u>Mary Harris</u>
AdHoc Committee /		
Employee Negotiations:	<u>Brent Dills and Mary Harris</u>	

* SGA requires appointment by the Sacramento County Board of Supervisors.



Items for Discussion and Action

Agenda Item: 4.2.1

Date: December 17, 2018

Subject: Authorize 2019 attendance and funding for meetings affiliated with certain assignments, e.g. SGA/RWA holiday social, ACWA conferences etc.

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Finance/Administrative Committee recommended the Board consider approving Board Member attendance and funding for the 2019 RWA/SGA holiday social and the 2019 ACWA/ ACWA-JPIA conferences. The Committee specifically recommended that Board Members assigned to attend RWA, SGA and ACWA/ACWA JPIA meetings be authorized to attend the holiday social and the conferences.

Current Background and Justification:

District policy and various statutes governing Director compensation require that attendance by Board Members at meetings and functions be approved in advance by the Board at a public meeting. This process formally authorizes the Board Members to meet and discuss District business and to be compensated for such participation.

At times, these Board Member assignments entail an element of social interaction. As conveyed by the Institute for Local Governance, "legislative and other regional, state and federal agency business is frequently conducted over meals; 2) sharing a meal with regional, state and federal officials is frequently the best opportunity for a more extensive, focused and uninterrupted communication about the *city/county/district's* policy concerns".

There are historically known meetings/gatherings ancillary to some of the Board authorized assignments, e.g. the annual RWA/SGA holiday social and ACWA conferences. To comply with the afore stated policies and statutes, the Board may pre-authorize attendance for reasonably anticipated future, ancillary meetings.

The cost for attending the 2018 holiday social was \$140 (\$70 per attending Board Member). The cost for attending the 2018 ACWA fall conference in San Diego was in excess of \$4,500 due to registration, air fare, director compensation and lodging. The cost for the spring Conference is similar when the conference is not held in Sacramento. The 2019 Spring Conference is in Monterey, CA. The Fall Conference is in Sothern California, i.e. the cost to send two Board Members to both conferences will likely exceed \$9,000.

Conclusion:

The Finance/Administrative Committee recommends the Board authorize those Board Members assigned to attend RWA, SGA, and ACWA/ACWA-JPIA meetings be specifically authorized to attend the RWA/SGA holiday social and ACWA/ACWA JPIA conferences (spring and/or fall), and further recommends the Board authorize funding for such participation.

If the Board is concerned with annual cost for attendance by two Board Members at both ACWA Conferences, the Board could obviously consider something less than the prior levels of participation, e.g. send only one Board Member, authorize only spring or fall, or only pre-authorize ACWA conferences held in Sacramento.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Dills: _____ Green: _____ Ridilla: _____ Henrici: _____ Harris: _____.

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



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

Date: December 17, 2018
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 _____

Dills: _____ Green: _____ Ridilla: _____ Henrici: _____ Harris: _____
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

RLECWD Agenda Item Checklist

Item 4.3

Date

Initial Potential Meeting Date

12/17/18

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

GM Report

12/13/18

Staff Work Completed

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

Committee Review of Item and Staff Work

N/A

Review by appropriate Finance/Administration, Projects /Planning or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel Review

N/A

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

GM Review

12/14/18

Actual Meeting Date Set for Agenda Item

12/17/18



Date: December 14, 2018

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: For this reporting period, there were a number of interesting developments, some of which I'm not at liberty to disclose due to confidentiality and/or privacy considerations, but I would like you to know that we're navigating the challenges and we will emerge intact.

This morning I received an email from Renita indicating that the billing software upgrade process is complete! For the past couple of months, the District has been mirroring software to identify any glitches. Mirroring entails running both the old and the new software side by side. The mirroring process is complete, so were commencing a new era wherein the old software, which has been serving the District for almost 20-years, is now retired. I publicly thank Renita, Kim, Sara and Pat for their efforts to complete the transition process.

1. On November 16th (morning), I met with the GMs of eight area water agencies to discuss the feasibility and appetite for all forms of collaboration, e.g. letters of agreement, JPAs, consolidation and mergers. Having not been involved with prior efforts, it was remarkable to see some underlying emotions between some of the agencies.
2. On November 16th (afternoon), Debra Vierra and I met with the MOU Renewal ad hoc committee to receive direction on future sessions with Teamster Local 150.
3. On November 27th, Debra Vierra and I met with Teamster Local 150 to continue our negotiations for renewing the MOU.
4. On December 7th Brent Dills and I met with Ryan Ojakian, the newly hired Legislative and Regulatory Affairs Manager for RWA. Ryan has been visiting each of the 21 RWA member agencies to get a sense of our collective and individual areas of interests.
5. On December 7th (afternoon), I met with the District Engineer to prepare for the Planning Meeting later that day. While I was trying to meet with the District Engineer, I was continually interrupted by a customer who has tried repeatedly to assert that District water pipe leak is ponding on the customer's property. The interruptions continued up to and through the Planning Committee. We believe, with substantial evidence in support, that the source of water is an adjacent property's failed septic system. We recorded video of the

failed septic system and submitted the video to the State Water Resources Control Board, Regional Water Quality Control Board, Sacramento County Environmental Health and Supervisor Sue Frost's office.

6. On December 10th, I coordinated a meeting with Pat Goyet and Sacramento Environmental Health to observe (on-site inspection) the failed septic system creating a pool of water on the property of our customer.
7. On December 12th, I met with Dan Eisenberg of Suez to discuss their advanced technology for water tank inspections and their maintenance subscription program.
8. On December 14th (today) will meet (on line) with Wageworks to complete the enrollment process for our employee Flexible Spending Accounts (FSAs) to provide pre-tax funding of employee out of pocket medical costs.

Other initiatives in progress are:

The practices and policy improvement exposed through the billing software upgrade will continue. We can now focus on discontinuing the practice of paying the customer's credit card convenience fees.



**Items for Discussion and Action
Agenda Item: 4.4**

Date: December 17, 2018
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.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Dills: _____ Green: _____ Ridilla: _____ Henrici: _____ Harris: _____
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

RLECWD Agenda Item Checklist

Item 4.4

Date

Initial Potential Meeting Date

12/17/18

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

District Engineer's Report

12/14/18

Staff Work Completed

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

Committee Review of Item and Staff Work

N/A

Review by appropriate Finance/Administration, Projects /Planning or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel Review

N/A

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

GM Review

12/14/18

Actual Meeting Date Set for Agenda Item

12/17/18

13 December 2018

DISTRICT ENGINEER'S REPORT

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

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

Subject: **District Engineer's Report for the 17 December 2018 Board Meeting
(EKI Project No. B800130.00)**

The District Engineer is pleased to submit this brief update of duties and tasks performed for the period of 19 November 2018 to 13 December 2018:

1. General District Engineering:

- Attended the District Board Meeting on 11/19/2018.
- Met with the General Manager on 12/3/2018 to discuss general District Engineering assignments and to schedule regular bi-weekly staff meetings.
- Prepared a District Engineer's Report for and attended the District Planning Committee Meeting on 12/7/2018.
- Reviewed work products and other deliverables provided by the previous District Engineer as needed for specific projects.
- Reviewed the land development plan for the Elverta 59.5 South subdivision.

2. Well 16 Equipping and Site Design Request for Proposals:

- Prepared a draft Request for Proposals (RFP) seeking engineering consultants to submit proposals for design and bidding services for the equipping and site design of Well 16.
- Spoke with the Operations Superintendent on 11/29/2018 and met with him at the District Office on 12/3/2018 to discuss specific design items to be included in the RFP.
- Toured the Well 15, Well 16, and District Office sites on 12/3/2018 to gain familiarity with existing District water system facilities.
- Discussed the RFP and advertisement schedule with the Planning Committee on 12/7/2018. The Planning Committee suggested that the RFP be taken to the 12/17/2018 Board Meeting for authorization to advertise. It is anticipated to begin advertisement on 12/18/2018. Proposals will be due on 1/22/2019.

3. Well 10 Hexavalent Chromium Treatment Project:

- As requested by the Regional Water Authority, prepared a draft quarterly report with updated project schedule and budget for the period of 9/1/2018 to 11/30/2018.

- Spoke with the Operations Superintendent on 12/13/2018 to discuss previous project progress.
- Spoke with the Regional Water Authority on 12/13/2018 to discuss project history and progress.
- The quarterly report will be submitted to the Regional Water Authority by 12/17/2018.

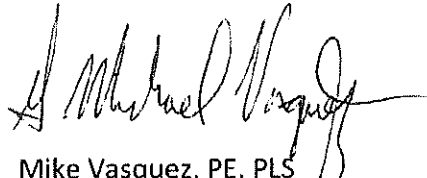
4. Connection Fee Adjustment:

- Prepared a technical memorandum discussing the annual connection fee adjustment for the District. The technical memorandum was prepared pursuant to Ordinance No. 2016-01, that states that the District may adjust the fees each year on January 1st.
- It will be recommended at the 12/17/2018 Board Meeting that the District adjust connection fees by +0.7% in January 2019.

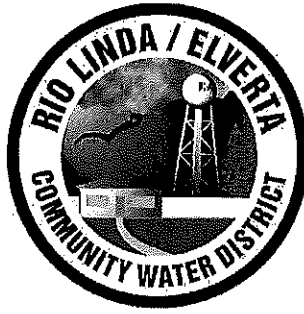
Please contact me directly at the office (916) 905-2388, cell phone (530) 682-9597, or email at mvasquez@ekiconsult.com with any questions or require additional information.

Very truly yours,

EKI ENVIRONMENT & WATER, INC.



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



Items for Discussion and Action
Agenda Item: 4.5

Date: December 17, 2018

Subject: Annual Capacity Fee Inflation Adjustment pursuant to Resolution No. 2018-03 Exhibit 1 & 2 and Ordinance 2016-01

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Planning Committee recommended the capacity fees be adjusted to compensate for the documented inflation in construction cost, i.e. the Construction Cost Index (CCI).

Current Background and Justification:

District Engineer, Michael Vasquez provided a technical memorandum for the recommend increase of +0.7% based on the Engineering News-Records (ENR) Construction Cost Indexes (CCI) for California cities. The District Engineer’s Technical Memorandum is included with your Board packets.

Such adjustment is specifically delineated in Resolution No. 2018-03 and Ordinance 2016-01. Accordingly, staff has prepared revisions to Exhibit 1 and Exhibit 2 of Resolution 2018-03 to be considered for approval by the Board.

Included with the revision to Exhibit 2 is an edit to reflect the action taken by the Board in June 2018 to decrease the bi-monthly “Fire Protection Facilities Flat Rate Charge” for 1.5-inch diameter private fire services consequent to the Bartle Wells rates addendum report.

Conclusion:

I recommend the Board approve Revision 1 to Exhibit 1 and Exhibit 2 in Resolution 2018-03 with an effective date of January 1, 2019.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Dills: _____ Green: _____ Ridilla: _____ Henrici: _____ Harris: _____.

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

RLECWD Agenda Item Checklist

Item 4.5

Date

Initial Potential Meeting Date

12/17/18

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

Annual Capacity Fee Adjustment for inflation by adopting revised Exhibit 1 and Exhibit 2 to Resolution
2018-03

12/12/18

Staff Work Completed

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

Committee Review of Item and Staff Work

12/07/18

Review by appropriate Finance/Administration, Projects /Planning or Ad Hoc
Committees, to prepare board recommendations

Formal Legal Counsel Review

N/A

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

GM Review

12/14/18

Actual Meeting Date Set for Agenda Item

12/17/18

12 December 2018

TECHNICAL MEMORANDUM

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

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

Subject: **2019 Connection Fee Adjustment
(EKI Project No. B800130.00)**

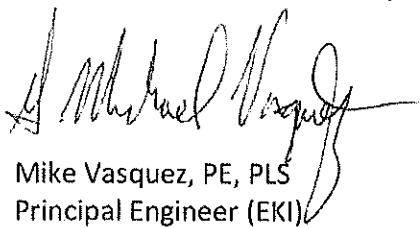
Pursuant to Ordinance No. 2016-01, it is recommended that the Rio Linda/Elverta Community Water District ("District") adjust connection fees by +0.7% in January 2019. The ordinance states: *"The fees in this "EXHIBIT 2" shall increase annually based on the change in Engineering News-Record ("ENR") magazine CCI for California each January 1, beginning January 1, 2017."*

The adjustment percentage was calculated using ENR's Construction Cost Indexes ("CCI"). Ordinance No. 2016-01 uses *"California"* for reference data, and the only two California cities listed in the ENR index are San Francisco and Los Angeles.

The average yearly CCI change from January 2018 to December 2018 was +0.8% for San Francisco and +0.6% for Los Angeles. These two yearly change CCI's were taken from ENR's Cost Indexes by Cities for December 2018. The average of the two is +0.7% and is the recommended connection fee adjustment.

Very truly yours,

EKI ENVIRONMENT & WATER, INC.



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

EXHIBIT 1

WATER SERVICE CAPACITY FEES

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

Water Service Capacity Fees

METER SIZE (IN INCHES)	DEVELOPER FEE
5/8	N/A*
3/4	N/A*
1	\$14,160.44
1 1/2	\$28,320.89
2	\$45,313.64
3	\$99,123.12
4	\$178,421.18
6	\$396,492.46
8	\$679,701.38
Greater than 8 inches	The fees shall reflect the actual costs of providing service capacity, and shall be approved through an agreement with the Board of Directors

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

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

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

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

EXHIBIT 2

FIRE PROTECTION FACILITIES FEES

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

Fire Protection Capacity Fees

PRIVATE FIRE HYDRANTS	SPRINKLER SYSTEM LINES
6 INCH (minimum) - \$18,278.29	1 inch (minimum) - \$652.53
8 INCH - \$31,334.21	1½ inch - \$1,306.13
10 INCH - \$49,612.50	2 inch - \$2,088.73
12 INCH - \$65,279.61	3 inch - \$4,569.85
GREATER THAN 12 INCH – The fees shall be relative to the charges above and increase in proportion to the size of the pipe. The fee shall be approved through an agreement with the Board of Directors.	4 inch - \$8,224.85
Penalty for Unauthorized Use of Fire Lines	6 inch - \$18,278.29
	8 inch - \$31,334.21
Use of fire lines for purposes other than fire suppression, system testing or system repair shall constitute unauthorized use. Such unauthorized use shall be subject to a \$105.00 fee. Any subsequent violations shall be subject to a \$165.00 Fee and the water shall be turned-off until brought into compliance.	Greater than 8 inch – The fees shall be relative to the charges above and increase in proportion to the size of the pipe. The fee shall be approved through an agreement with the Board of Directors.
Fire Protection Facilities Flat Rate Charge	\$4.12 Bi-monthly for 1.5-inch service. \$10.00 per diameter inch for 2-inch and above service diameters – Bi-monthly

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

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

RESOLUTION NO. 2018-03

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

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

WHEREAS, the ENR magazine has published the CCI for California for January 1, 2018, which was 3.4%; and

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

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

1. The fees detailed in Exhibit 1 of Ordinance 2016-01 shall increase by 3.4% based on the January 1, 2018 edition of Engineering News-Record ("ENR") magazine, as reflected on the attached updated Exhibit 1.
2. The fees detailed in Exhibit 2 of Ordinance 2016-01 shall increase by 3.4% based on the January 1, 2018 edition of Engineering News-Record ("ENR") magazine, as reflected in the attached updated Exhibit 2.
3. The fees detailed in Exhibit 3 of Ordinance 2016-01 shall remain the same, but Exhibit 3 shall be updated to reference the Exhibit 1 adopted by this Resolution 2018-03, as reflected in the attached Exhibit 3.

Rio Linda / Elverta Community Water District
Resolution No. 2018-03

APPROVED AND ADOPTED by the Board of Directors of the Rio Linda / Elverta Community Water District on this 26th day of February 2018. By the following vote: 5-0-0

AYES: John Ridilla, Mary Harris, Mary Henrici, Brent Dills and Paul Green Jr.
NAYS: None
ABSENT: None
ABSTAIN: None

ATTEST:

Mary R. Harris
President, Board of Directors

Timothy R. Shaw
Secretary of the Board of Directors

EXHIBIT 1

WATER SERVICE CAPACITY FEES

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

Water Service Capacity Fees

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

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

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

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

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

EXHIBIT 2

FIRE PROTECTION FACILITIES FEES

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

PRIVATE FIRE HYDRANTS	SPRINKLER SYSTEM LINES
6 INCH (minimum) - \$18,151.23	1 inch (minimum) - \$647.99
8 INCH - \$31,116.40	1½ inch - \$1,297.05
10 INCH - \$49,267.63	2 inch - \$2,074.21
12 INCH - \$64,825.83	3 inch - \$4,538.08
GREATER THAN 12 INCH – The fees shall be relative to the charges above and increase in proportion to the size of the pipe. The fee shall be approved through an agreement with the Board of Directors.	4 inch - \$8,167.68
Penalty for Unauthorized Use of Fire Lines	6 inch - \$18,151.23
	8 inch - \$31,116.40
Use of fire lines for purposes other than fire suppression, system testing or system repair shall constitute unauthorized use. Such unauthorized use shall be subject to a \$105.00 fee. Any subsequent violations shall be subject to a \$165.00 Fee and the water shall be turned-off until brought into compliance.	Greater than 8 inch – The fees shall be relative to the charges above and increase in proportion to the size of the pipe. The fee shall be approved through an agreement with the Board of Directors.
Fire Protection Facilities Flat Rate Charge	\$10.00 per diameter inch – Bi-monthly

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

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

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

EXHIBIT 3

WATER SERVICE CONNECTION CHARGES

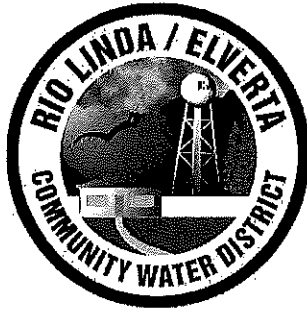
The provisions of Exhibit 3 of Ordinance No. 2016-01 are hereby superseded by the following:

Water Service Connection Charges

When a water service connection, as defined in §4.07.013 of the Water System Regulations, is proposed for installation, the District shall require payment in advance. The connection charges as required under §4.07.012(2) of the Water System Regulations shall be as follows:

<u>Full Service Installation</u>	
1" Service with 5/8" x 3/4" Meter Outside Roadway with Main on Customer Side of Street	\$3,400.00
1" Service with 5/8 x 3/4" Meter requiring street crossing using Boring Machine	\$4,700.00
1" Service with 5/8 x 3/4" Meter in Improved Roadway	\$5,500.00
Additional Cost for 1" Meter	\$100.00
Additional Cost for 1 1/2" Meter	\$700.00
Additional Cost for 2" Meter	\$1,000.00
Larger than 2" Meter	Time and Materials
<u>Meter Installation where Meter-setter & service-line is already installed</u>	
5/8 x 3/4" Meter	\$400.00
1" Meter	\$500.00
1 1/2" Meter	\$600.00
2" or Larger Meter	Time and Materials

The above fees shall be in addition to those charged in "Exhibit 1 WATER SERVICE CAPACITY FEES" of Resolution 2018-03.



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

Date: December 17, 2018

Subject: Comprehensive Annual Financial Report (CAFR)

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

This Finance and Administrative committee reviewed the CAFR and recommended approval by the Board at the December 17th meeting.

Current Background and Justification:

The CAFR is a report that discloses data on the District’s financial position and operations in a manner designed to enable the reader to gain an understanding of the District’s financial activities. This report includes the independent auditor’s report, management discussion, statistical data, regional economic data and compliance report. Several members of staff and management compiled the information being represented in this report and feel it fairly represents the financial position of the District.

Conclusion:

I recommend the Board approve the CAFR, and further recommend directing staff submit the CAFR to the Government Finance Officers Association (GFOA) for consideration of District recognition for its financial reporting.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Dills:____ Green:____ Ridilla:____ Henrici:____ Harris:_____.

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

RLECWD Agenda Item Checklist

Item 4.6

Date

Initial Potential Meeting Date

12/17/18

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

Comprehensive Financial Annual Report (CAFR)

12/07/18

Staff Work Completed

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

Committee Review of Item and Staff Work

12/10/18

Review by appropriate Finance/Administration/Projects /Planning or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel Review

N/A

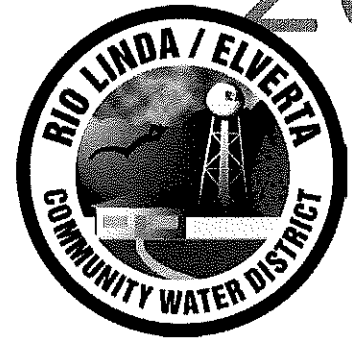
Legal Counsel should have enough time to review all potential legal matters for correctness and legality

GM Review

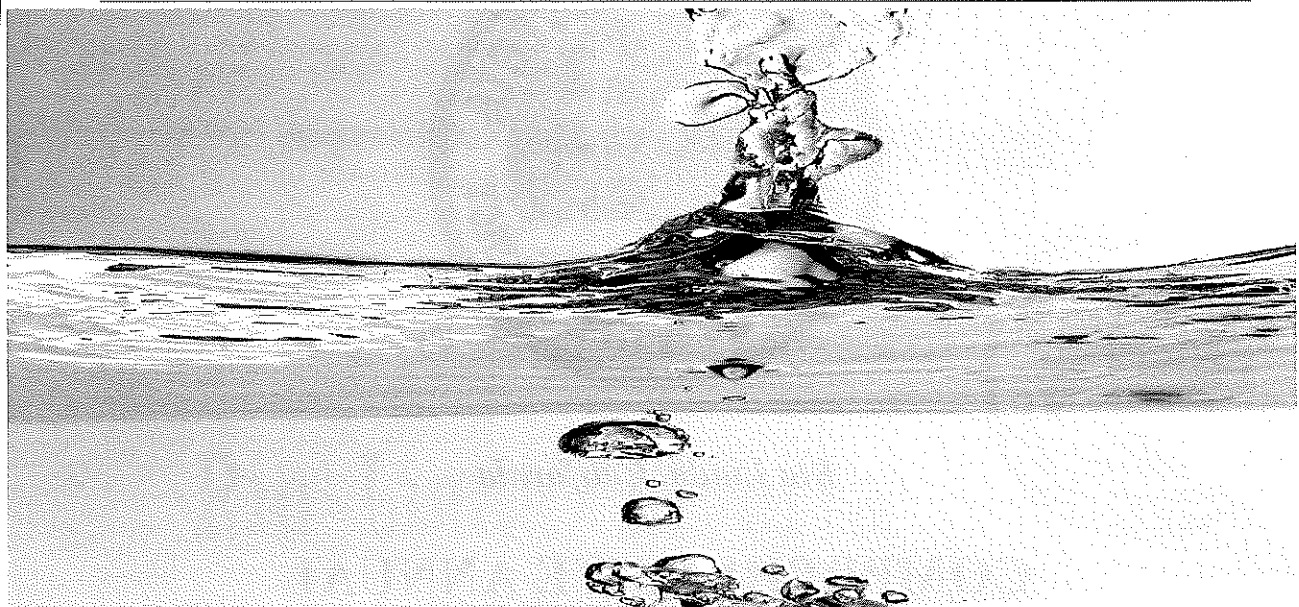
12/14/18

Actual Meeting Date Set for Agenda Item

12/17/18



Rio Linda/Elverta Community Water District



Comprehensive

Annual Financial Report

For the Year Ended July 1, 2017 to June 30, 2018

**RIO LINDA/ELVERTA
COMMUNITY WATER DISTRICT**



Rio Linda, California

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**YEAR ENDING
JULY 1, 2017 - JUNE 30, 2018**

Prepared by
Timothy R. Shaw, General Manager

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RIO LINDA / ELVERTA COMMUNITY WATER DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

June 30, 2018

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INTRODUCTORY SECTION



RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

P.O. BOX 400 • 730 L STREET
RIO LINDA, CALIFORNIA 95673

Phone: (916) 991-1000
www.rlecwd.com

November 28, 2018

The Board of Directors
Rio Linda/Elverta Community Water District

The Rio Linda/Elverta Community Water District hereby submits the Comprehensive Annual Financial Report (CAFR) for the fiscal year end June 30, 2018. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including disclosures, rest with management. To the best of our knowledge and belief the enclosed data is accurate in all material aspects and is reported in a manner designed to fairly present the financial positions and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report includes the management discussion and analysis which should be read in conjunction with the transmittal letter. The District's management discussion and analysis can be found immediately following the independent auditor's report.

PROFILE OF THE GOVERNMENT

District History and Service Description

The Rio Linda/Elverta Community Water District (RLECWD) was formed in 1948 after a public vote under County Water District Law (Water Code section 30000 et seq.). The District is governed by a Board of Directors that consists of five (5) members elected at large from throughout the District. The original purpose of the District was to have a public entity in place to install, improve, operate and to include Elverta and the surrounding areas and now encompasses approximately 17.8 square miles. The District has 10 full-time equivalent employees.

The District water supply and distribution facilities consist of 12 wells and 61.72 miles of distribution main. From these wells the District pumps approximately 2,700 acre-feet of water annually to its 4,636 customers. The production average is approximately 2.0 million gallons per day (MGD). The overall system capacity is currently 14.4 MGD.

Mission Statement

The District's mission statement is as follows: "The mission of the Rio Linda/Elverta Community Water District is to provide, in a manner responsive to District customers, a water supply that is adequate, safe and potable (according to state and federal standards) and that meets both current and future needs."

ECONOMIC CONDITION AND OUTLOOK

Rio Linda and Elverta are unincorporated areas in northern Sacramento County with primarily residential bedroom communities and some commercial enterprises within its boundaries. The District is only 20% built out.

In prior years, foreclosures impacted District growth. The District was also under a State mandated Compliance Order to resolve water pressure and supply challenges, which resulted in a building moratorium halting future growth in our District. In order to lift this moratorium, the District had to increase source capacity. The construction of Well #15 was completed in October 2012 and the L St. Reservoir and Pump Station was completed in February 2015. These met the requirements of the District's compliance order and the State Water Resources Control Board lifted the District's moratorium effective January 2015.

The Elverta Specific Plan (ESP) had been delayed, due to the moratorium and a downturn in new home sales. Many of the impediments to development in the ESP have been addressed. With the economic upturn, plans to build over 4,500 homes, commercial and institutional facilities may be realized if the Sacramento County transportation funding issues can be addressed. Accordingly, the District has adopted a revised rate structure and capacity fee programs to meet the needs of anticipated development.

Significant Projects and Future Plans

Infrastructure and Water Delivery

With the passage of SB 385, the Maximum Contaminant Limit (MCL) for Hexavalent Chromium (Cr6) was set at to be 10 parts per billion (ppb or micrograms per liter). Consequently, the District has five wells in the District that do not meet the 10-ppb MCL for Hexavalent Chromium. Getting all wells in compliance with the new standard became a top priority. A compliance plan was submitted to the State Water Resources Control Board to provide treatment, as well as, drill new wells to mitigate the Cr6 issue. The District has conducted an assessment, and it has determined that it will need approximately \$9.3 million in funding to comply with the 10-ppb Hexavalent Chromium MCL. To be proactive, the District completed a Prop. 218 rate study. The rate study approved in June 2016 included a surcharge of \$7.90 bi-monthly and will increase to \$15.80 by 2018 to help fund the Cr6 treatment.

On May 31, 2017 the Sacramento Superior Court invalidated the state's 10-ppb Hexavalent Chromium MCL. The court ruled that the state's promulgation of the new Hexavalent Chromium limit was inappropriate due to inadequately evaluating the cost of compliance. The state suspended the Hexavalent Chromium limit in August 2017, with the stipulation that the state will continue to work toward establishing a Hexavalent Chromium MCL. In a May 2018 presentation to the California Water Association, the Deputy Director of the State Water Resources Control Board established the Hexavalent Chromium MCL economic feasibility and MCL implementation are the top two priorities.

In September of 2016, the District was awarded Prop 84 funding in the amount of \$530,000 for Well 10 Cr6 Treatment Mitigation. The District procured a loan through Opus Bank for \$3.8 million on March 1, 2018 to fund two Hexavalent Chromium mitigation projects.

In addition, the District is working with other agencies to obtain a regional surface water supply. The River Arc Project was originally suggested by our agency as a source of surface water for the Elverta Specific Plan. With the recent drought emergency, other agencies were also interested in the project in order to provide water to their specific plans. As a consideration, Folsom Lake is also being looked at as a viable option. The ability to provide a source(s) of surface water to the region is of high importance to all of the participants in the projects for conjunctive use planning, climate change mitigation, environmental benefits, and improved Bureau of Reclamation operation flexibility.

Customer Service and Administration

Currently, the existing office space does not meet building codes or accessibility requirements. Likewise, it is inadequately ventilated and worn beyond economic repair. As a result, new facility plans have been designed and will be constructed with future capacity fees.

Water Conservation

Conservation is an integral component of the District's projects. Conservation was previously governed by state and federal programs in conjunction with the California Urban Water Conservation Council (CUWCC). However, new mandatory water efficiency legislation adopted by the state has rendered the CUWCC MOU obsolete. The CUWCC MOU has been dissolved. The District, as with all urban water purveyors in California, will shift its conservation efforts to be compliant with the requirements of SB-606. The District is 100 % metered which aids the in the evaluation and monitoring of customer usage. A future rate structure revision may be necessary to implement the minimum water efficiency requirements required by SB-606.

Regional Planning

The District is an active member of both the Regional Water Authority (RWA) and the Sacramento Groundwater Association (SGA). These agencies provide an umbrella organization for region-wide water efficiency planning, groundwater monitoring and grant funding programs for its members. In addition, the District continues to collaborate with several agencies to realize conjunctive use planning.

Financial Information

Internal Control

Management is responsible for establishing and maintaining an internal control structure designed to protect assets from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting practices. The internal control structure is designed to (1) provide reasonable, but not absolute, assurance that objectives are met, (2) transactions are executed in accordance with management's authorization, and (3) that transactions are recorded properly. The concept of reasonable assurance recognizes (1) that the cost of the control should not exceed the benefits likely to be derived and (2) that the evaluation of cost and benefits requires estimates and judgment by management.

Budgetary Control

The District prepares a budget as a matter of policy and financial control. It is considered a management tool for projecting and measuring revenues and expenses detailing operating expenses, capital infrastructure investments, debt obligations, and designation of reserves. For the year ending June 30, 2018, the Budget was adopted by the Board at the June 19, 2017 public hearing. The following items are reviewed as part of preparing the budget:

- Assess current conditions and needs, including system quality and safety;
- Develop goals, objections, policies, and plans based upon the assessment;
- Prioritize projects and develop work programs, based upon short-term and long-term cost effectiveness, and implement those plans and policies to evaluate their effectiveness and shortcomings.

The budget is prepared on a cash basis, which differs from the basis used in preparing financial statements in conformity with generally accepted accounting principles (GAAP). The Finance committee works through special meetings or workshops, which provide an extensive review of the proposed budget. The workshops are open to the public and the public is encouraged to participate. The proposed budget is presented to the Board of Directors at a regular meeting for comments, suggestions, and feedback.

The District follows an open budget process. This means that the District will notify customers in advance to provide budget information prior to the public hearing date. Public inquiries are responded to either in writing or verbally and are designed to educate and inform District customers about the District's financial operations and requirements. Generally, the District will adopt its budget at a public hearing.

Other Information

Independent Audit

California Government Code Section 26909 requires independent annual audits to be conducted for special districts. Fechter & Company has been selected to conduct the annual audit. The auditor's report is included in the financial section of the Comprehensive Annual Financial Report.

The preparation of the comprehensive annual financial report requires the dedicated efforts of several staff members. We wish to express our appreciation to all staff who contributed to this report. Additionally, we wish to express our gratitude to the Rio Linda / Elverta Community Water District Board of Directors for their interest and support.

Sincerely,

Timothy R. Shaw
General Manager
Rio Linda/Elverta Community Water District



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Rio Linda/Elverta
Community Water District
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

BOARD OF DIRECTORS

Mary Harris, President

Mary Henrici, Vice-President

Brent Dills, Director

John Ridilla, Director

Paul Green, Director

EMPLOYEES

Tim Shaw, General Manager

Pat Goyet, Operations Superintendent

Renita Lehman, Admin. Assistant

Deborah Denning, Bookkeeper

Kimberly Bassett, Customer Service Tech I

Sara Cater, Conservation Coordinator

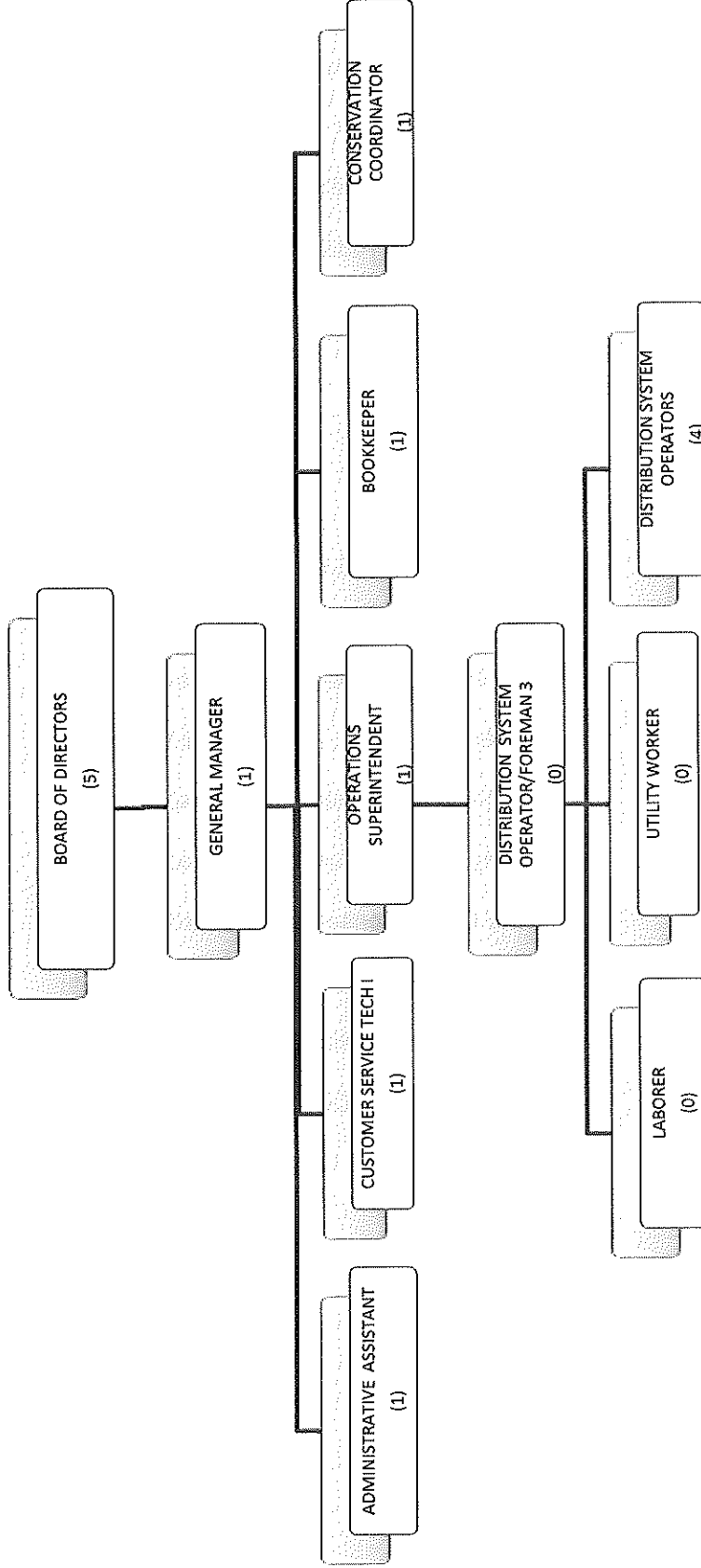
Vincent Vigallon, Dist. System Op 3

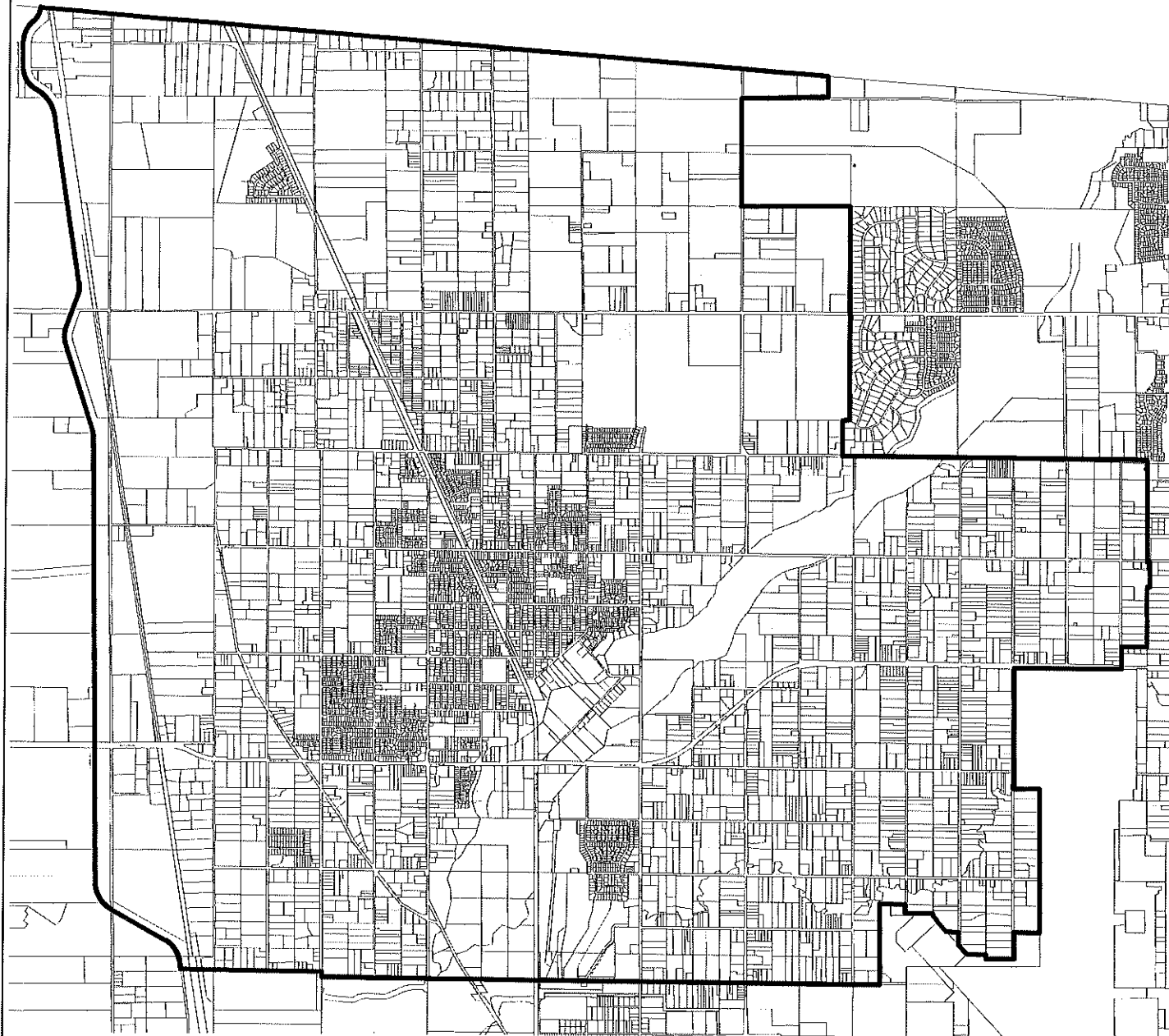
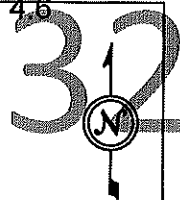
Chris Bell, Dist. System Op 3

Justin Davis, Dist. System Op 3

Frank Chacon, Dist. System Op 1

RIO LINDA/ELVERTA CWD
ORGANIZATION CHART





**Rio Linda / Elverta
Community Water District**
730 L Street
Rio Linda, CA 95673

Exhibit A

**RLECWD SERVICE AREA BOUNDARY MAP
UPDATED MAY 21, 2018**

MAY 2018





FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Rio Linda/Elverta Community Water District
Rio Linda, California

Report on the Financial Statements

We have audited the accompanying financial statements of Rio Linda/Elverta Community Water District (the District), which comprise the balance sheet as of June 30, 2018 and 2017, and the related statements of revenues, expenses, changes in net position, and cash flows for the years then ended and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2018, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Board of Directors
Rio Linda/Elverta Community Water District

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information, the schedule of the District's proportionate share of the net pension liability, and the schedule of contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied to the basic financial statements and, accordingly, we express no opinion or provide any assurance on it.

Implementation of New Accounting Standards

As disclosed in the Note 1 of the financial statements, the County implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, during fiscal year 2018. Our opinion is not modified with respect to this matter.

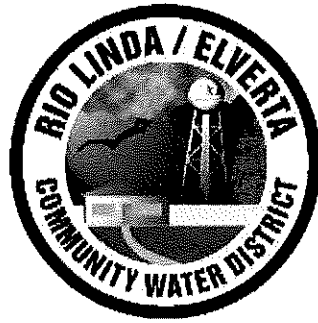
Revised Report

We originally issued our report on the financial statements on October 29, 2018. In the original report, we made a reference to a report on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts, and grant agreements, and other matters. This report on internal control was omitted from the annual audit report. However, the reference to the report was not removed from the Independent Auditor's Report. This revised report removes that reference.

Fechter & Company
Certified Public Accountants



Sacramento, California
December 7, 2018



**MANAGEMENTS'S DISCUSSION
AND ANALYSIS**

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Management's Discussion and Analysis
June 30, 2018 and 2017

The management of the Rio Linda/Elverta Water District (District) presents this Management's Discussion and Analysis to achieve two goals:

To comply with the requirements of Governmental Accounting Standards Board Statement 34 (GASB 34) that are designed to provide more and easier-to-understand information about the finances of local government agencies such as the District; and,

To provide readers with narrative information that may help in understanding and interpreting the information presented in the District's financial statements for the fiscal year ended June 30, 2018 (FY 2017-18).

Questions or comments regarding this Management's Discussion and Analysis may be directed to the District General Manager via the following methods:

Mailing address: Rio Linda/Elverta Community Water District
730 L St.
Rio Linda, California 95673

Telephone: (916) 991-1000
E-mail: gm@rlecwd.com

Financial Highlights

The following items are, in the opinion of District management, among the most significant in assessing the District's overall financial activities during FY 2017-18 and its financial position at the close of FY 2017-18.

- ❖ The District's assets exceeded its liabilities by \$8,556,279. The District's net investment in capital assets, \$7,519,910, is composed of the capital assets of the District net of related debt – the water transmission and distribution system, water production facilities, land, buildings and equipment belonging to the District. Unrestricted net assets totaled \$642,616, a decrease of \$177,046 from the end of FY 2016-17.
- ❖ The District's operating revenues were \$2,637,352 and non-operating revenues were \$877,763, totaling \$3,515,115. Water sales to customers totaled 71% of all revenues.
- ❖ The District's total net long-term liabilities were \$9,120,964 and includes the Water Revenue Refunding Bond, State Revolving Fund Loan, Water Meter Replacement Loan, Installment Sales Agreement, Unearned revenue, OPEB Liability, and Net Pension Liability.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT**35**Management's Discussion and Analysis
June 30, 2018 and 2017**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of two parts: (1) Management's Discussion and Analysis; and (2) the financial statements, which includes the notes to financial statements.

The financial statements provide both long-term and short-term information about the District's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The District's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units on an accrual basis. Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the Statement of Revenues, Expenses, and Changes in Net Position. All assets and liabilities associated with the operation of the District are included in the Statement of Net Position.

The Statement of Net Position presents the financial position of the District on a full accrual historical cost basis and provides information about the nature and amount of resources and obligations at year-end.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Management's Discussion and Analysis
June 30, 2018 and 2017

Statement of Net Position

As of June 30, 2018, the total net position of the District was \$8,862,313. The following table summarizes assets, liabilities and net position at June 30, 2018, 2017, and 2016:

	2018	2017	2016
Current Assets, Unrestricted	\$ 2,008,366	\$ 2,236,562	\$ 2,222,310
Restricted Cash and Cash Equivalents	1,517,981	1,236,183	1,046,376
Capital assets, net	14,847,090	14,435,341	14,484,419
Total Assets	18,373,437	17,908,086	17,753,105
Total Deferred Outflows	347,606	297,772	95,128
Total Assets and Deferred Outflows	18,721,043	18,205,858	17,848,233
Current Liabilities	696,194	896,306	616,139
Long-term Liabilities	9,120,964	9,050,744	9,468,641
Total Liabilities	9,817,158	9,947,050	10,084,780
Total Deferred Inflows	41,572	40,436	65,963
Total Liabilities and Deferred Inflows	9,858,730	9,987,486	10,150,743
Net Position			
Net investment in capital assets	7,519,910	6,698,923	6,292,818
Restricted debt service reserves	699,787	699,787	699,145
Unrestricted	642,616	819,662	705,527
Total Net Position	\$ 8,862,313	\$ 8,218,372	\$ 7,697,490

The District's net position reflects Debt Service restrictions imposed as its loan requirements. Below is a summary analysis of changes:

Summary Analysis of Changes	2018 & 2017	2017 & 2016
Total Assets and Deferred Outflows	2.83%	2.00%
Total Liabilities and Deferred Inflows	(1.29%)	(1.61%)
Total Net Position	7.84%	6.77%

Agenda Item 4.6

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

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Management's Discussion and Analysis
June 30, 2018 and 2017

Changes in Net Position

The following table summarizes the changes in net position for the fiscal year ended June 30, 2018, 2017, and 2016:

	2018	2017	2016
Operating Revenues	\$ 2,637,352	\$ 2,437,489	\$ 2,300,359
Operating Expenses:			
Personnel services	1,061,163	986,515	733,073
Professional services	177,479	175,449	138,340
Field operations	379,372	368,142	356,657
Conservation	5,946	11,544	14,545
Administration	230,626	228,942	218,905
Depreciation and Amortization	654,174	624,455	609,090
Total Operating Expenses	2,508,760	2,395,047	2,070,610
Net Income from Operations	128,592	42,442	229,749
Non-Operating Revenues	877,763	858,880	591,551
Non-Operating Expenses	(254,684)	(445,496)	(286,305)
Net Non-Operating Revenues	623,079	413,384	305,246
Net income before capital contributions	751,671	455,826	534,995
Capital Contributions			
Capacity fees	129,808	36,650	48,420
Contributed assets	22,833	28,593	20,222
Total Capital Contributions	152,641	65,243	68,642
Change in net position	904,312	521,069	603,637
Net position, beginning of year	8,218,372	7,697,490	7,105,854
Prior period adjustment	(260,371)	(187)	(12,001)
Beginning net position, restated	7,958,001	7,697,303	7,093,853
Net position, end of year	\$ 8,862,313	\$ 8,218,372	\$ 7,697,490

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Management’s Discussion and Analysis
June 30, 2018 and 2017

Changes from Fiscal Year 2016/2017 to Fiscal Year 2017/2018:

Total net position increased \$643,941 or 7.84% from fiscal year 2017 to 2018.

Total operating revenues increased \$199,863 or 8.20% from fiscal year 2017 to 2018, which is about the levels for 2014 and 2015. Operating revenue exceeded operating expenses by \$128,592. Operating expenses increased by \$113,713, a 4.75% increase from fiscal year 2017 to 2018.

Changes from Fiscal Year 2015/2016 to Fiscal Year 2016/2017:

Total net position increased \$520,882 or 6.77% from fiscal year 2016 to 2017.

Total operating revenues increased \$137,130 or 5.96% from fiscal year 2016 to 2017. Which is about the levels for 2014 and 2015 as water consumption has “bounced” back slightly. Operating revenue exceeded operating expenses by \$42,442. Operating expenses increased by \$324,437, a 15.67% increase from fiscal year 2016 to 2017.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2018, the District’s net investment in capital assets was \$7,519,910 including: the water transmission and distribution system (underground pipelines, water services, water meters, fire hydrants, and other components); water production facilities (groundwater wells); land; buildings and both mobile and fixed equipment.

Additional information on the District’s capital assets can be found in Note 3, Capital Assets, of the notes to the basic financial statements.

Debt Administration

The District continues to meet its debt obligations under its Water Revenue Refunding Bonds. Through scheduled debt service payments during 2017-18, principal on its collective debt was reduced by \$129,077 during the year. The District’s total debt from its 2016 issuance now stands at approximately \$2.22 million.

The District continues to meet its debt obligations to the State Water Resource Control Board State Revolving Fund (SRF) Loan through scheduled debt service payments during 2017-18, principal on its collective debt was reduced by \$333,901 during the year. The District’s total debt from the SRF Loan now stands at approximately \$4.71 million.

The District continues to meet its debt obligation called the Meter Replacement Loan for the AMR/AMI Meter Program capital improvement project. Principal on its collective debt was reduced by \$45,399 during the year. The District’s total debt from the Meter Replacement Loan now stands at approximately \$389,304.

During FY 17-18, the District entered into an installment sale agreement with Opus Bank for \$3.87 million. However, as of June 30, 2018, the District had drawn down only \$91,141 on the agreement. The first principal payment of \$90,000 was paid on October 1, 2018.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

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Management's Discussion and Analysis
June 30, 2018 and 2017

Compensated absences, composed of vacation hours earned by employees that are payable upon termination or retirement, are valued at \$22,142 at the end of 2017-18, an increase of \$563 from the 2016-17 year-end amount of \$21,579.

Additional information on debt activity can be found in Note 4, Long-Term Liabilities, of the notes to the basic financial statements.

ECONOMIC FACTORS AND FUTURE BUDGET CONSIDERATIONS

The District adopted a budget for FY 2018-19 (\$2.44 M revenue and \$2.39 M expenses) with a 9.5% increase in income, a 3.5% increase in expense, and a 35.6% increase in net income compared with the FY 2017-18 Operating Budget.

The District implemented a multi-year Water Rate adjustment and Capacity Fee increase in calendar year 2016 to fund repairs/renovation projects addressing aging infrastructure and regulatory changes. This included Chromium 6 (Cr6) compliance and adding new supply facilities to consolidate and replace less efficient aging wells. In addition, these funds will assist to address operating costs of the District, while maintaining financial reserves to comply with debt covenants.

A significant portion of the District's budget continues to be repayment of 15-year long-term debt consolidated financing of Water Revenue Bonds in the amount of \$198,158 per year.

In addition, the District is currently paying down its twenty-year term State Revolving Fund (SRF) construction loan in the amount of \$7,179,073. \$1.5 million was paid on the principal with surcharge money the District had collected from our customers over the years. This principal prepayment saves the District \$600,000 in interest over the life of the loan. There was also an additional payment of \$230,677 in FY 2017-18. Total annual payments are approximately \$461,354 per year for the next 14 years.

In September 2017, the District was awarded Prop 84 funding in the amount of \$530,000 for Well 10 Cr6 Treatment Mitigation. The District had also submitted Pre-applications to the State for Prop 1 funding for well 15 and well 2a Cr6 Treatment in the amounts of \$965,625 and \$540,000, respectively. The District did not receive funding commitments for these projects and is considering alternatives.

Growth remains on the horizon, but not in the financial planning range. Although financial contributions from the development community will directly off-set some planning and engineering costs during FY 2018-19. Additionally, infill projects and some small commercial development is likely to continue if the economic conditions remain favorable. Rio Linda is strategically located directly between the large new commercial development in the Airport Industrial Park and the McClellan Business park. Both areas are bringing additional jobs into the region which adds to housing demand in the District. Sacramento County has recently approved increased density for a project within the District boundaries, yet there are no financial agreements or definitive plans in place. It is likely that any significant projects which would increase the number of connections or water demand will not occur until FY 2021-22.



BASIC FINANCIAL STATEMENTS

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2018
(WITH COMPARATIVE DATA FOR JUNE 30, 2017)

	2018	2017
ASSETS		
Current Assets:		
Cash and investments	\$ 1,382,434	\$ 1,634,434
Accounts receivable	484,826	433,175
Accrued interest receivable	1,633	1,399
Inventory	96,794	132,852
Prepaid expenses	42,679	34,702
Total current assets	2,008,366	2,236,562
Restricted Assets		
Restricted cash and investments	1,517,981	1,236,183
Capital Assets, Net		
Capital assets	14,847,090	14,435,341
TOTAL ASSETS	18,373,437	17,908,086
DEFERRED OUTFLOWS OF RESOURCES		
Deferred pension outflows	347,606	297,772
LIABILITIES		
Current Liabilities:		
Accounts payable	143,915	213,542
Accrued salaries and benefits	27,105	30,683
Accrued interest payable	11,087	11,730
Deposits payable	92,532	61,138
Unearned revenue	49,255	49,255
Current portion of compensated absences liability	22,142	21,579
Current portion of long-term liabilities	440,158	340,362
Total current liabilities	786,194	728,289
Long-term Liabilities:		
Unearned revenue	755,052	804,307
Bonds and loans payable	6,980,008	7,489,040
OPEB liability	262,349	22,453
Net pension liability	1,033,555	902,961
TOTAL LIABILITIES	9,817,158	9,947,050
DEFERRED INFLOWS OF RESOURCES		
Deferred pension inflows	33,279	40,436
Deferred OPEB inflows	8,293	-
TOTAL DEFERRED INFLOWS OF RESOURCES	41,572	40,436
NET POSITION		
Net investment in capital assets	7,519,910	6,698,923
Restricted for debt service reserves	699,787	699,787
Unrestricted	642,616	819,662
TOTAL NET POSITION	\$ 8,862,313	\$ 8,218,372

The accompanying notes are an integral part of these financial statements.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE DATA FOR THE YEAR ENDED JUNE 30, 2017)

	2018	2017
Operating revenues:		
Water sales	\$ 2,499,949	\$ 2,289,627
Account service charges	102,010	102,660
Other water service fees	35,393	45,202
Total operating revenues	2,637,352	2,437,489
Operating expenses:		
Personnel services	1,061,163	986,515
Professional services	177,479	183,207
Field operations:		
Transmission and distribution	96,154	101,896
Pumping	187,256	192,760
Transportation	16,660	14,869
Treatment	17,487	16,579
Other	61,815	42,038
Conservation	5,946	11,544
Administration	230,626	221,184
Depreciation	654,174	624,455
Total operating expenses	2,508,760	2,395,047
Operating income	128,592	42,442
Non-operating revenues and (expenses):		
Surcharge	743,152	729,739
Interest income	3,703	3,935
Property tax	81,653	75,951
Rental income	49,255	49,255
Loss on disposition of assets	(26,050)	(14,048)
Interest expense	(209,540)	(224,195)
Other non-operating expenses	(19,094)	(207,253)
Total non-operating revenues and (expenses)	623,079	413,384
Income before capital contributions	751,671	455,826
Capital Contributions		
Capacity fees	129,808	36,650
Contributed assets	22,833	28,593
Total capital contributions	152,641	65,243
Change in net position	904,312	521,069
Beginning net position	8,218,372	7,697,490
Prior period adjustment	(260,371)	(187)
Beginning net position, restated	7,958,001	7,697,303
Ending net position	\$ 8,862,313	\$ 8,218,372

The accompanying notes are an integral part of these financial statements.

**RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE DATA FOR THE YEAR ENDED JUNE 30, 2017)**

	2018	2017
Cash flows from operating activities:		
Receipts from customers	\$ 2,617,095	\$ 2,467,325
Payments to suppliers	(834,969)	(711,526)
Payments to employees	(987,307)	(905,544)
	794,819	850,255
Cash Flows from non-capital financing activities:		
Property taxes received	81,653	75,951
	81,653	75,951
Cash flows from capital and related financing activities:		
Surcharge revenue received	743,152	729,739
Capacity fees	129,808	36,650
Payments on long-term debt	(508,377)	(493,211)
Purchase and construction of capital assets	(1,084,590)	(561,019)
Abandonment of well project	(19,094)	(207,253)
Proceeds from the issuance of long-term debt	99,141	-
Interest and fees paid on long-term debt	(210,183)	(224,817)
	(850,143)	(719,911)
Cash flows from investing activities:		
Investment income received	3,469	3,803
	3,469	3,803
Net increase in cash and cash equivalents	29,798	210,098
Cash and cash equivalents, beginning of year	\$ 2,870,617	\$ 2,660,519
Cash and cash equivalents, end of year	\$ 2,900,415	\$ 2,870,617
Cash and cash equivalents consist of the following:		
Unrestricted	\$ 1,382,434	\$ 1,634,434
Restricted	1,517,981	1,236,183
	\$ 2,900,415	\$ 2,870,617

The accompanying notes are an integral part of these financial statements.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
STATEMENT OF CASH FLOWS (Continued)
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE DATA FOR THE YEAR ENDED JUNE 30, 2017)

	2018	2017
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 128,592	\$ 42,442
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	654,174	624,455
Changes in assets and liabilities:		
Accounts receivable	(51,651)	30,860
Inventory	36,058	(25,815)
Prepaid expenses	(7,977)	1,126
Accounts payable	(69,627)	97,240
Accrued salaries and benefits	(3,578)	1,487
Deposits payable	31,394	(1,024)
Compensated absences	563	5,219
Other post employment benefits asset/liability	(12,182)	10,517
Net pension liability	89,053	63,748
Net cash provided by operating activities	\$ 794,819	\$ 850,255
Supplemental Disclosure of Non-Cash Activities		
Donated capital assets	\$ 22,833	\$ 28,593

The accompanying notes are an integral part of these financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Notes to Basic Financial Statements
June 30, 2018 and 2017

NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Rio Linda/Elverta Community Water District (District) have been prepared in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. In addition, the District applies Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The more significant of the District's accounting policies are described below.

Reporting Entity: The District was formed on November 9, 1948, and provided water and sewer services. Sewer services were transferred to Sacramento County in 1976. The District no longer provides sewer service. The District currently provides domestic water service and fire flows to approximately 4,635 metered accounts, including procurement, quality, and distribution. The District is governed by a Board of Directors consisting of five directors elected by residents of the District.

Basis of Presentation – Fund Accounting: The District's resources are allocated to and accounted for in these basic financial statements as an enterprise fund type of the proprietary fund group. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other policies. Net position for the enterprise fund represent the amount available for future operations.

Basis of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The enterprise fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. Net position is segregated into amounts invested in capital assets, net of related debt, amounts restricted, and amounts unrestricted. Enterprise fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

The District uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Earned but unbilled water services are accrued as revenue.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

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Notes to Basic Financial Statements
June 30, 2018 and 2017

**NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES - CONTINUED**

Basis of Accounting: (continued)

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principle operations of the District. Operating revenues consist primarily of charges for services. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from nonexchange transactions or ancillary activities.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents: For purposes of the statement of cash flows, the District considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Cash and cash equivalents held include bank deposits, Local Agency Investment Fund (LAIF), an investment pool managed by the State of California, and money market mutual funds.

Restricted Assets: Certain proceeds of the District's long-term debt are classified as restricted investments on the balance sheet because their use is limited by applicable debt covenants and ordinances. In addition, proceeds from the surcharge levied on customer accounts are restricted for capital improvements. Certain other amounts received by the District are restricted for other purposes.

Investments: Investments are stated at their fair value, which represents the quoted or stated market value. Investments that are not traded on a market, such as investments in external pools, are valued based on the stated fair value as represented by the external pool.

Inventory: Inventory consists primarily of materials used in the construction and maintenance of the water distribution facilities and is valued on a first-in, first-out basis.

Capital Assets: Capital assets are recorded at historical cost. Donated assets are valued at acquisition value on the date received. Self-constructed assets are recorded based on the amount of direct labor, material, and certain overhead charged to the asset construction. Depreciation is calculated using the straight-line method over estimated useful lives of 8 to 60 years for transmission and distribution and 3 to 50 years for general plant assets.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Notes to Basic Financial Statements
June 30, 2018 and 2017

NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUEDCapital Assets: (continued)

Maintenance and repairs are charged to operations when incurred. It is the District's policy to capitalize all capital assets with an initial cost of more than \$1,500 and an estimated useful life in excess of two years. Costs of assets sold or retired (and the related amounts of accumulated depreciation) are eliminated from the balance sheet in the year of sale or retirement, and the resulting gain or loss is recognized in operations.

Accounts Receivable: The District issues water invoices bi-monthly based on meter readings. Delinquent water invoices may have a lien placed on the property. The District does not provide for an allowance for uncollectible accounts due to the lien process.

Deferred Outflows and Inflows of Resources: Pursuant to GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position," and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, the District recognizes deferred outflows and inflows of resources.

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the District that is applicable to a future reporting period. The District has one item which qualifies for reporting in this category. Please refer to Note 7 for a detailed listing of the deferred outflows of resources the District has recognized.

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the District that is applicable to a future reporting period. The District has two items which qualify for reporting in this category. Please refer to Notes 7 and 8 for a detailed listing of the deferred inflows of resources.

Unearned Revenues: Unearned revenue represents funds received for future rental income on various cell tower leases.

Contributed Facilities: The District receives facilities (hydrant, pipes, valves, etc.) from developers resulting from developers preparing the sites to connect to the District. The District records these items as capital assets and depreciates them over their estimated useful life.

Property Taxes: Property tax revenue is recognized in the fiscal year for which the tax and assessment is levied. The County of Sacramento levies, bills, and collects property taxes and special assessments for the District. Under the County's "Teeter Plan", the County remits the entire amount levied and handles all delinquencies, retaining interest and

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

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Notes to Basic Financial Statements
June 30, 2018 and 2017

NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Property Taxes: (continued)

penalties. Secured property tax is due in two installments, on November 1 and February 1, and becomes a lien on July 1. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1 and becomes delinquent on August 31.

Compensated Absences: The District has a policy whereby employees can accrue up to a maximum of 240 hours of vacation leave. All accrued vacation leave will be paid to the employee on termination of employment. Accumulated unpaid vacation leave is accrued when earned. Employees accrue sick leave, but any remaining balance at termination of employment is not paid out to the employee; thus, the District does not accrue a liability for sick leave, except for those that have contracts that specifically state that sick leave will be paid out upon termination.

New Accounting Pronouncements: During the year ended June 30, 2018, the District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.

NOTE 2: CASH AND INVESTMENTS

Cash and investments as June 30, 2018 and 2017, are classified in the accompanying financial statements as follows:

	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 1,382,434	\$ 1,634,434
Restricted cash and investments	1,517,981	1,236,183
Total Cash and Investments	<u>\$ 2,900,415</u>	<u>\$ 2,870,617</u>

Cash and investments as of June 30, 2018 and 2017, consisted of the following:

	<u>2018</u>	<u>2017</u>
Deposits with financial institutions	\$ 2,392,798	\$ 2,363,783
Total Cash	<u>2,392,798</u>	<u>2,363,783</u>
Investment in Local Agency Investment Fund (LAIF)	15,993	15,806
Held by Bond Trustee:		
Money market mutual fund	65,127	7,719
Negotiable certificates of deposits	377,386	433,640
Government agency securities	49,111	49,669
Total Investments	<u>507,617</u>	<u>506,834</u>
Total Cash and Investments	<u>\$ 2,900,415</u>	<u>\$ 2,870,617</u>

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Notes to Basic Financial Statements
June 30, 2018 and 2017

NOTE 2: CASH AND INVESTMENTS - CONTINUED

Investment Policy: California statutes authorize districts to invest idle, surplus, or reserve funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The table below identifies the investment types that are authorized by the District’s investment policy and California Government Code that address interest rate risk, credit risk, and concentration of credit risk. The District’s investment policy is more restrictive than the California Government Code, as it limits the length of maturity and/or the maximum percentage at the portfolio of several investment types. Where there is a difference, the table presents the more restrictive requirement.

This table does not address investments of debt proceeds held by the bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District’s investment policy. During the year ended June 30, 2018, the District’s permissible investments included the following instruments:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Investment in One Issuer
Local Agency Bonds	None	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	75%	None
State of California obligations	None	None	None
Bankers Acceptances	180 days	40%	30%
Commercial Paper	180 days	20%	10%
Negotiable Certificates of Deposits	5 years	20%	None
Repurchase Agreements	180 days	20%	None
Local Agency Bonds	None	None	None
Medium Term Corporate Notes	5 years	25%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage pass-through securities	5 years	20%	None
LAIF	N/A	\$50m	None
Bank Savings Account	N/A	25%	None

* Excluding amounts held by the bond trustee that are not subject to California Government Code restrictions.

The District complied with the provisions of the California Government Code pertaining to the types of investments held, the institutions in which deposits were made, and the security requirements. The District will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

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Notes to Basic Financial Statements
June 30, 2018 and 2017

NOTE 2: CASH AND INVESTMENTS - CONTINUED

Investments Authorized by Debt Agreements: Investments of debt proceeds held by the bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District’s investment policy. The Water Revenues Refunding Bond agreements contain certain provisions that address interest rate risk and credit risk, but not concentration of credit risk.

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair value of the District’s investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the District’s investments by maturity:

	Total	12 Months Or Less	13-24 Months	25-60 Months
Local Agency Investment Fund Held by Bond Trustee:	\$ 15,993	\$ 15,993	\$	\$
Money market mutual fund	65,127	65,127		
Negotiable certificates of deposits	377,386	226,483	49,197	101,706
Government agency securities	49,111		49,111	
Total Investments	<u>\$ 507,617</u>	<u>\$ 307,603</u>	<u>\$ 98,308</u>	<u>\$ 101,706</u>

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District’s investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

	Minimum Legal Rating	Total	Ratings as of Year End	
			AAA	Not Rated
Local Agency Investment Fund Held by Bond Trustee:	N/A	\$ 15,993	\$	\$ 15,993
Money market mutual fund	N/A	65,127		65,127
Negotiable certificates of deposits	N/A	377,386		377,386
Government agency securities	A	49,111	49,111	
Total Investments		<u>\$ 507,617</u>	<u>\$ 49,111</u>	<u>\$ 458,506</u>

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Notes to Basic Financial Statements
June 30, 2018 and 2017

NOTE 2: CASH AND INVESTMENTS - CONTINUED

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits:

- The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2018, the carrying amount of the District’s deposits were \$2,900,415 and the balances in financial institutions were \$2,890,419. Of the balance in financial institutions, \$1,668,714 was covered and \$1,221,705 was not covered by federal depository insurance. As of June 30, 2018, District investments in the following investment types were held by the same broker-dealer (counterparty) that was used by the District to buy the securities:

Reported Investment Type	Amount
Money market mutual funds	\$ 65,127
Negotiable certificates of participation	377,386
Government agency securities	49,111

Investment in LAIF: LAIF is stated at amortized cost, which approximates fair value. The LAIF is a special fund of the California State Treasury through which local governments may pool investments. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The fair value of the District’s investment in this pool is reported in the accompanying financial statements at amounts based upon the District’s pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

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Notes to Basic Financial Statements
June 30, 2018 and 2017**NOTE 3: CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2018, was as follows:

	Balance July 1, 2017	Additions	Disposals	Transfers/ Adjustments	Balance June 30, 2018
Capital assets not being depreciated:					
Land	\$ 496,673	\$	\$	\$	\$ 496,673
Construction in progress	637,767	686,561		(74,222)	1,250,106
Total Capital Assets not being depreciated	<u>1,134,440</u>	<u>686,561</u>		<u>(74,222)</u>	<u>1,746,779</u>
Capital assets being depreciated:					
Water System Facilities	20,562,699	298,289	(218,150)	74,222	20,717,060
General plant assets	606,507	107,122	(862)		712,767
Intangible assets	373,043				373,043
Total capital assets being depreciated	<u>21,542,249</u>	<u>405,411</u>	<u>(219,012)</u>	<u>74,222</u>	<u>21,802,870</u>
Less accumulated depreciation for:					
Water System Facilities	(7,569,537)	(588,402)	192,101		(7,965,838)
General plant assets	(444,099)	(49,062)	862		(492,299)
Intangible assets	(227,712)	(16,710)			(244,422)
Total accumulated depreciation	<u>(8,241,348)</u>	<u>(654,174)</u>	<u>192,963</u>		<u>(8,702,559)</u>
Total capital assets being depreciated, net	<u>13,300,901</u>	<u>(248,763)</u>	<u>(26,049)</u>	<u>74,222</u>	<u>13,100,311</u>
Capital assets, net	<u>\$ 14,435,341</u>	<u>\$ 437,798</u>	<u>\$ (26,049)</u>	<u>\$</u>	<u>\$ 14,847,090</u>

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Notes to Basic Financial Statements
June 30, 2018 and 2017

NOTE 3: CAPITAL ASSETS – CONTINUED

Capital asset activity for the year ended June 30, 2017, was as follows:

	Balance July 1, 2016	Additions	Disposals	Transfers/ Adjustments	Balance June 30, 2017
Capital assets not being depreciated:					
Land	\$ 496,673				\$ 496,673
Construction in progress	588,994	481,993		(433,220)	637,767
Total Capital Assets not being depreciated	<u>1,085,667</u>	<u>481,993</u>		<u>(433,220)</u>	<u>1,134,440</u>
Capital assets being depreciated:					
Water System Facilities	20,039,978	89,501		433,220	20,562,699
General plant assets	594,236	18,119	(5,848)		606,507
Intangible assets	403,145		(30,102)		373,043
Total capital assets being depreciated	<u>21,037,359</u>	<u>107,620</u>	<u>(35,950)</u>	<u>433,220</u>	<u>21,542,249</u>
Less accumulated depreciation for:					
Water System Facilities	(7,003,110)	(566,240)		(187)	(7,569,537)
General plant assets	(408,441)	(41,506)	5,848		(444,099)
Intangible assets	(227,056)	(16,709)	16,053		(227,712)
Total accumulated depreciation	<u>(7,638,607)</u>	<u>(624,455)</u>	<u>21,901</u>	<u>(187)</u>	<u>(8,241,348)</u>
Total capital assets being depreciated, net	<u>13,398,752</u>	<u>(516,835)</u>	<u>(14,049)</u>	<u>433,033</u>	<u>13,300,901</u>
Capital assets, net	<u>\$ 14,484,419</u>	<u>\$ (34,842)</u>	<u>\$ (14,049)</u>	<u>\$ (187)</u>	<u>\$ 14,435,341</u>

Depreciation expense in the amount of \$654,174 and \$624,455 was recorded for the years ended June 30, 2018 and 2017, respectively, and is included with depreciation expense on the Statement of Revenues, Expenses, and Changes in Net Position.

NOTE 4: LONG-TERM LIABILITIES

2015 Water Revenue Refunding Bonds: On April 1, 2015, the District entered into a loan agreement with Umpqua Bank to issue Series 2015 Water Revenue Refunding Bonds at an interest rate of 3.61%, the proceeds of which were used to provide financing for the refunding and defeasance of the District's 2003 Water Revenue Refunding Bonds. These 2003 Bonds were issued to refund debt used to finance certain capital improvements to the District's water system. Semi-annual principal payments, ranging from \$48,776 to \$136,000, and semi-annual interest payments, ranging from \$1,210 to \$40,642, are due on May 1 and November 1, through November 1, 2031. As of June 30, 2018, the District's loan balance was \$2,224,769.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

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Notes to Basic Financial Statements
June 30, 2018 and 2017

NOTE 4: LONG-TERM LIABILITIES - CONTINUED

Safe Drinking Water State Revolving Fund Loan: On June 30, 2011, the District finalized the Safe Drinking Water Loan funding agreement in the amount of \$7,499,045 at an interest rate of 2.57% to be paid over 20 years. The loan proceeds will assist the District in complying with the State safe drinking water standards. The project was completed in June 2015, and the actual borrowed by the District was only \$7,179,073. Semi-annual loan payments of \$230,677 are due on January 1 and July 1, through July 1, 2035. As of June 30, 2018, the District's loan balance was \$4,706,952.

Water Meter Replacement Loan: In July 2015, the District entered into an installment purchase agreement with Holman Capital Corporation for \$499,835 at an interest rate of 3.10% to be paid over 10 years. The agreement is for the acquisition and installation of 813 meters and solar-powered data collectors that will electronically connect to the existing automatic meter reading system, and installation of a dashboard system that will provide water data analytics to detect leaks, high water users, and overall system performance. Semi-annual loan payments of \$29,257 are due on January 23 and July 23, through July 23, 2025. As of June 30, 2018, the District's loan balance was \$389,304.

Installment Sale Agreement: On March 1, 2018, the District entered into an installment sale agreement with Opus Bank for \$3,870,000 at an interest rate of 3.28%. Proceeds from the agreement are for the construction of Well 10 and Well 16. Assuming the entire amount of the loan is borrowed by the District, semi-annual principal payments, ranging from \$90,000 to \$160,000, and semi-annual interest payments, ranging from \$2,624 to \$74,046, are due on April 1 and October 1, through April 1, 2033. However, as of June 30, 2018, the District had drawn down only \$99,141 of the loan balance. The first scheduled principal payment of \$90,000 is due on October 1, 2018.

The activity of the District's long-term liabilities during the year ended June 30, 2018, was as follows:

	Balance July 1, 2017 (restated)	Additions	Reductions	Balance June 30, 2018	Due Within One Year
State safe drinking water loan	\$ 5,040,853	\$	\$ (333,901)	\$ 4,706,952	\$ 170,177
2015 water revenue refunding	2,353,846		(129,077)	2,224,769	133,163
Water meter replacement loan	434,703		(45,399)	389,304	46,818
Opus Bank loan		99,141		99,141	90,000
Subtotal bonds and loans payable	<u>7,829,402</u>	<u>99,141</u>	<u>(508,377)</u>	<u>7,420,166</u>	<u>440,158</u>
Compensated absences	21,579	29,744	(29,181)	22,142	22,142
Net pension liability	902,961	130,594		1,033,555	
Other post-employment benefits	282,824	10,265	(30,740)	262,349	
	<u>\$ 9,036,766</u>	<u>\$ 269,744</u>	<u>\$ (568,298)</u>	<u>\$ 8,738,212</u>	<u>\$ 462,300</u>

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Notes to Basic Financial Statements
June 30, 2018 and 2017

NOTE 4: LONG-TERM LIABILITIES - CONTINUED

The activity of the District’s long-term liabilities during the year ended June 30, 2017, was as follows:

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Due Within One Year
State safe drinking water loan	\$ 5,365,497	\$	\$ (324,644)	\$ 5,040,853	\$ 165,885
2015 water revenue refunding	2,478,622		(124,776)	2,353,846	129,077
Water meter replacement loan	478,494		(43,791)	434,703	45,400
Subtotal bonds and loans payable	<u>8,322,613</u>		<u>(493,211)</u>	<u>7,829,402</u>	<u>340,362</u>
Compensated absences	16,360	30,610	(25,391)	21,579	21,579
Net pension liability	611,042	291,919		902,961	
Other post-employment benefits	11,936	31,377	(20,860)	22,453	
	<u>\$ 8,961,951</u>	<u>\$ 353,906</u>	<u>\$ (539,462)</u>	<u>\$ 8,776,395</u>	<u>\$ 361,941</u>

The annual requirements to amortize the outstanding debt for the 2015 Water Refunding Loan as of June 30, 2018, are as follows:

	Principal	Interest	Total
2019	\$ 133,163	65,726	198,889
2020	139,015	61,717	200,732
2021	145,736	57,489	203,225
2022	148,158	53,111	201,269
2023	152,273	48,649	200,922
2023-2027	842,000	171,278	1,013,278
2028-2032	664,424	40,136	704,560
	<u>\$ 2,224,769</u>	<u>\$ 498,106</u>	<u>\$ 2,722,875</u>

The annual requirements to amortize the outstanding debt for the Safe Drinking Water State Revolving Fund Loan as of June 30, 2018, are as follows:

	Principal	Interest	Total
2019	\$ 170,177	\$ 60,501	\$ 230,678
2020	346,943	114,411	461,354
2021	355,919	105,435	461,354
2022	365,128	96,227	461,355
2023	374,575	86,780	461,355
2024-2028	2,023,352	283,422	2,306,774
2029-2031	1,070,858	40,579	1,111,437
	<u>\$ 4,706,952</u>	<u>\$ 787,355</u>	<u>\$ 5,494,307</u>

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Notes to Basic Financial Statements
June 30, 2018 and 2017

NOTE 4: LONG-TERM LIABILITIES - CONTINUED

The annual requirements to amortize the outstanding debt for the Water Meter Replacement Loan as of June 30, 2018, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 46,818	\$ 11,696	\$ 58,514
2020	48,281	10,233	58,514
2021	49,789	8,725	58,514
2022	51,344	7,170	58,514
2023	52,948	5,566	58,514
2024-2026	140,124	6,564	146,688
	<u>\$ 389,304</u>	<u>\$ 49,954</u>	<u>\$ 439,258</u>

Pledged Revenue: The District pledged future water system revenues, net of specified expenses, to repay the 2015 Water Revenue Refunding Bonds in the original amount of \$2,688,622. Proceeds of the refunded bonds funded the acquisition and construction of certain facilities, as indicated above. The Bonds are payable solely from water customer net revenues and are payable through November 2031. Annual principal and interest payments on the Bonds are expected to require less than 80% of net revenues. Total principal and interest remaining to be paid on the Bonds was \$2,722,875 and \$2,921,567 at June 30, 2018 and 2017, respectively.

The District pledged surcharge fee revenues, to repay the 2011 State Safe Drinking Water Loan in the amount up to \$7,499,045. Proceeds of the Loan funded the construction of wells to meet State safe drinking water standards. Annual principal and interest payments on the Loan are expected to be fully recovered by the surcharge fees from customers. Total principal and interest paid on the loan from surcharge fees was \$461,355 and \$461,355 for the years ended June 30, 2018 and 2017, respectively. The total surcharge fee revenues were \$743,152 and \$729,739 for the years ended June 30, 2018 and 2017, respectively. The District is required to maintain net revenues at least 1.2 times total annual debt service. The District’s surcharge revenues exceeded this requirement at June 30, 2018 and 2017.

Arbitrage Rebate Liability: Section 148(f) of the Internal Revenue Code requires issuers of tax-exempt state and local bonds to remit to the federal government amounts equal to (a) the excess of the actual amounts earned on all “Non-Purpose Investments” allocable to “Gross Proceeds” of an issue of municipal obligations less the amount that would have been earned if the investments bore a rate equal to the amount that would have been earned if the investments bore a rate equal to the yield on the issue, plus (b) all income attributable to the excess. Issuers must make rebate payments at least once every five years and upon final retirement or redemption of the bonds. There was no arbitrage liability at June 30, 2018 and 2017.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Notes to Basic Financial Statements
June 30, 2018 and 2017

NOTE 5: UNEARNED REVENUE

In August 2014, the District assigned the right to receive rental income on various cell tower leases for a period of 20 years to Wireless Capital Partners, LLC, in exchange for \$985,101 of cash. The District is also entitled to receive 50% of any rental increases after the expiration of the current leases. The District will recognize the revenue from this agreement over a period of 20 years, or \$49,255 annually. The balance of unearned revenue at June 30, 2018, was \$804,307.

NOTE 6: NET POSITION

Restrictions: Restricted net position consist of constraints placed on net position use through external requirements imposed by creditors (such as through debt covenants), grantors, contributors, or laws and regulations of other governments or constraints by law through constitutional provisions or enabling legislation. Restricted net position consisted of the following at June 30:

	2018	2017
Debt service reserve on 2015 Water Revenue Refunding		
Bonds	\$ 238,432	\$ 238,432
Debt service reserve on State Loan	461,355	461,355
Total Restricted Net Position	\$ 699,787	\$ 699,787

The restrictions for debt service represent debt service and other reserves required by the related debt covenants. The restriction for State Loan repayment represents surcharges collected under Ordinance No. 2009-03 passed by the Board in May 2009 to fund projects to comply with a State of California Department of Public Health Compliance Order and to repay the State Loan per the loan agreement.

NOTE 7: DEFINED BENEFIT PENSION PLAN

Plan Description: The District contributes to the California Public Employees Retirement System (PERS), a cost sharing multiple-employer public employee defined benefit pension plan. The District participates in the miscellaneous 2% at 55 risk pool. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public employers within the State of California. PERS require agencies with less than 100 active members in the plan to participate in the risk pool. All full and part-time District employees working at least 1,000 hours per year are eligible to participate in PERS. Under PERS, benefits vest after five years of service. Upon retirement, participants are entitled to an annual retirement benefit, payable for life, in an amount equal to a benefit factor times the monthly average salary of their highest twelve consecutive months, full-time equivalent, monthly pay. A menu of benefit provisions as well as other requirements is established by State statutes within the Public Employees' Retirement Law. The Plan selects optional benefit provisions from the benefit menu by a contract with PERS and adopts those benefits through District resolution. PERS issues a separate comprehensive annual financial report. Copies of the PERS' annual financial report may be obtained from the PERS Executive Office, 400 P Street, Sacramento, California 95814.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

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Notes to Basic Financial Statements
June 30, 2018 and 2017

NOTE 7: DEFINED BENEFIT PENSION PLAN - CONTINUED

Funding Policy: Active plan members were required to contribute 7% of their annual covered salary. Starting in December 2011, the District contributed 3.5% on behalf of the employees. The contributions made by the District on behalf of the employees were \$62,310 for the year ended June 30, 2018, and \$59,865 for the year ended June 30, 2017. The District is required to contribute at an actuarially determined rate. The District has two tiers of participants, classic and PEPRA. The required employer contribution rate for the classic plan for fiscal year 2017/2018, 2016/2017, and 2015/2016 was 8.418%, 8.377%, and 8.003%, respectively. The required employer contribution rate for the PEPRA plan for fiscal year 2017/2018, 2016/2017, and 2015/2016 was 6.533%, 6.555%, and 6.237%, respectively. The contribution requirements of the plan members and the District are established and may be amended by PERS. The District's contributions for the years June 30, 2018, 2017, and 2016, were \$126,796, \$118,924, and \$95,128, respectively, which were equal to the required contributions each year.

At June 30, 2018, the District reported a liability of \$1,033,555 in the Statement of Net Position for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all Pension Plan participants, which was actuarially determined.

For the fiscal year ended June 30, 2018, the District recognized a pension expense of \$201,099 in its financial statements. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

Actuarial Assumptions

The total pension liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions. Total pension liability represents the portion of the actuarial present value of projected benefit payments attributable to past periods of service for current and inactive employees.

- Discount Rate – 7.15%
- Investment Rate – 7.15%
- Inflation Rate – 2.75%
- Salary Increases – Varies by Entry Age and Service
- COLA Increases – up to 2.75%
- Post-Retirement Mortality – Derived using CalPERS' Membership Data for all Funds

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Notes to Basic Financial Statements
June 30, 2018 and 2017

NOTE 7: DEFINED BENEFIT PENSION PLAN - CONTINUED

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011, through June 30, 2014.

The long-term expected rate of return on pension plan investments (7.15%) was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	47.0%	5.38%
Global Fixed Income	19.0%	2.27%
Inflation Sensitive	6.0%	1.39%
Private Equity	12.0%	6.63%
Real Estate	11.0%	5.21%
Infrastructure and Forestland	3.0%	5.36%
Liquidity	2.0%	(0.90)%

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension fund’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. In theory, the discount rate may differ from the long-term expected rate of return discussed previously. However, based on the projected availability of the pension fund’s fiduciary net position, the discount rate is equal to the long-term expected rate of return on pension plan investments, and was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.15%) or 1 percentage point higher (8.15%) than the current rate:

	1% Decrease 6.15%	Discount Rate 7.15%	1% Increase 8.15%
District’s proportionate share of the net pension plan liability	\$ 1,612,511	\$ 1,033,555	\$ 554,054

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

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Notes to Basic Financial Statements
June 30, 2018 and 2017

NOTE 7: DEFINED BENEFIT PENSION PLAN – CONTINUED

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Detailed information about the pension fund’s fiduciary net position is available in the separately issued PERS comprehensive annual financial report which may be obtained by contacting PERS.

For the year ended June 30, 2018, the District recognized pension expense of \$201,099. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 162,246	\$ -
Differences between Expected and Actual Experience	-	18,865
Differences between Projected and Actual Investment Earnings	39,722	-
Differences between Employer's Contributions and Proportionate Share of Contributions	1,623	5,624
Change in Employer's Proportion	17,218	8,790
Pension Contributions Made Subsequent to Measurement Date	<u>126,797</u>	<u>-</u>
	<u>\$ 347,606</u>	<u>\$ 33,279</u>

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

\$126,797 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2019	\$ 39,650
2020	106,695
2021	64,770
2022	<u>(23,584)</u>
Total	<u>\$ 187,531</u>

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Notes to Basic Financial Statements
June 30, 2018 and 2017

NOTE 8: OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date July 1, 2017
Measurement Date June 30, 2018
Measurement Period July 1, 2017 to June 30, 2018

Plan Description: The District’s retiree healthcare benefit is not subject to the Public Employees’ Medical & Hospital Care Act (PEMHCA). The District provides funding in varying amounts to eligible retirees to assist eligible retirees with their cost of maintaining healthcare insurance.

Retiree health benefits vary by tier, which is based on date of hire, as follows:

Tier 1: Hired prior to January 1, 2003: Eligible for District-paid retiree health benefits after the later of age 50 and 5 years of service. Coverage will be for retiree and one eligible dependent, up to \$600/month for retiree and \$800/month for retiree plus one coverage.

Tier 2: Hired on or after January 1, 2003 but prior to May 1, 2004: The District contributes a percentage of the premium for retiree and one eligible dependent, up to a maximum of \$600/month for retiree and \$800/month for retiree plus one coverage, based on years of service at retirement, as follows:

Years of Service	District Share	Retiree Share
0 -9.9	0% (\$0/\$0)	100%
10	50%(\$300/\$400)	50%
11	55% (\$330/\$440)	45%
12	60% (\$360/\$480)	40%
13	65% (\$390/\$520)	35%
14	70% (\$420/\$560)	30%
15	75% (\$450/\$600)	25%
16	80% (\$480/\$640)	20%
17	85% (\$510/\$680)	15%
18	90% (\$540/\$720)	10%
19	95% (\$570/\$760)	5%
20+	100% (\$600/\$800)	0%

Tier 3: Hired on or after May 1, 2004 and before January 1, 2013: Eligible for District-paid benefits after the later of age 50 and 5 years of service. Benefit of \$300/month for the retiree only.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Notes to Basic Financial Statements
June 30, 2018 and 2017

NOTE 8: OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY - CONTINUED

Plan Description: (continued)

Tier 4: Hired on or after January 1, 2013: Eligible for District-paid benefits after the later of age 62 and 20 years of service. Benefits limited to \$300/month for the retiree only.

Benefits for all tiers end at eligibility for Medicare (age 65). Benefits are reduced for employees working less than full-time for the 3-year period before retirement.

One retired General Manager is receiving District-paid benefits of \$300/month until age 65. One retired management employee and one retired Board member are receiving benefits being provided according to special arrangements not expected to be repeated in the future. The retired management employee is receiving District-paid benefits equal to elected healthcare coverage; the retired Board member is receiving District-paid benefits not to exceed \$1,050 for retiree and spouse coverage.

Current Board members will not be entitled to District-paid retiree health benefits upon retirement.

Plan membership as of July 1, 2017, consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	3
Active plan members	7

Contributions: The contribution requirements of the District are established and may be amended by the District’s board. While GASB Statement 75 requires that the liability for all post-employment benefits be measured, it does not require that an agency “pre-fund” the accrued liability. The District will pay for the post-employment healthcare cost on a “pay-as-you-go” basis. The provisions of GASB Statement 75 determine the amount that must be presented as an annual expense and accrued liability on the District’s financial statements. The contributions made on behalf of the plan members for the year ended June 30, 2018 were \$21,017.

Net OPEB Liability: The District’s net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2017. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Notes to Basic Financial Statements
June 30, 2018 and 2017

NOTE 8: OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY – CONTINUED

Actuarial assumptions. The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.00 percent
Healthcare cost trend rate	6.00 percent for 2017; 5.00 percent for 2018; 5.00 percent for 2019; and 5.00 percent for 2020 and later years

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

Actuarial assumptions used in the July 1, 2017 valuation were based on a review of plan experience during the period July 1, 2015 to June 30, 2017.

Net OPEB Liability: (continued)

Discount rate. GASB 75 requires a discount rate that reflects the following:

- a) The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan’s fiduciary net position (if any) is projected to be sufficient to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;
- b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met.

To determine a resulting single (blended) rate, the amount of the plan’s projected fiduciary net position (if any) and the amount of projected benefit payments is compared in each period of projected benefit payments. The discount rate used to measure the District’s Total OPEB liability is based on these requirements and the following information:

Reporting Date	Measurement Date	Long-Term Expected Return of Plan Investments (if any)	Municipal Bond 20-Year High Grade Rate Index	Discount Rate
July 1, 2017	July 1, 2017	4.00%	3.13%	3.13%
June 30, 2018	June 30, 2018	4.00%	3.13%	3.62%

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Notes to Basic Financial Statements
June 30, 2018 and 2017

NOTE 8: OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY – CONTINUED

Changes in the Net OPEB Liability

The table below shows the changes in the total OPEB liability, the Plan Fiduciary Net Position, and the net OPEB liability during the measurement period ending on June 30, 2018 for the District.

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability(Asset) (c) = (a) – (b)
Balance at June 30, 2017	\$ 282,824		\$ 282,824
Changes recognized for the measurement period:			
Service cost	1,739		1,739
Interest	8,526		8,526
Changes of assumptions	(9,723)		(9,723)
Employer contributions		21,017	(21,017)
Benefit payments	(21,017)	(21,017)	
Net changes	(20,475)		(20,475)
Balance at June 30, 2018	\$ 262,349	\$	\$ 262,349

Sensitivity of the District’s Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1- percentage point lower (2.62 percent) or 1-percentage-point higher (4.62 percent) than the current discount rate:

	1% Decrease 2.62%	Discount Rate 3.62%	1% Increase 4.62%
District’s proportionate share of the net OPEB liability	\$ 282,804	\$ 262,349	\$ 244,124

Sensitivity of the District’s Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.00 percent decreasing to 4.00 percent) or 1- percentage-point higher (5.00 percent increasing to 6.00 percent) than the current healthcare cost trend rates:

	1% Decrease 4.00%	Trend Rate 5.00%	1% Increase 6.00%
District’s proportionate share of the net OPEB liability	\$ 248,921	\$ 262,349	\$ 277,423

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Notes to Basic Financial Statements
June 30, 2018 and 2017

NOTE 8: OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY – CONTINUED

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2018, the District’s deferred outflows of resources and deferred inflows of resources to OPEB from the following sources are:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	-	8,293

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The recognition period differs depending on the source of the gain or loss. The amortization period for the change in assumptions is 6.8 years.

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2019	\$ 1,430
2020	1,430
2021	1,430
2022	1,430
2023	1,430
2024	1,143
Total	<u>\$ 8,293</u>

Net OPEB Expense

For the year ended June 30, 2018, the District’s OPEB expense was \$8,835. Detail of the expense is shown below:

Service Cost	\$1,739
Interest Cost	8,526
Recognition of Deferred Outflows and Inflows:	
Changes of assumptions	(1,430)
Net OPEB Expense	<u>\$8,835</u>

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Notes to Basic Financial Statements
June 30, 2018 and 2017

NOTE 9: INSURANCE

The District participates in the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA), a public entity risk pool of California water agencies, for general and auto liability, public official’s liability, employment practices liability, property damage and fidelity insurance. ACWA/JPIA provides insurance through the pool up to a certain level, beyond which the group purchases commercial excess insurance.

The District pays an annual premium to ACWA/JPIA that includes its pro-rata share of excess insurance premiums, charges for the pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the ACWA/JPIA. The District’s deductibles and maximum coverage are as follows:

Coverage	ACWA/JPIA Self-Insured Retention	Re- insurance/Excess Commercial Insurance	Deductible
General Liability	\$ 5,000,000	\$ 55,000,000	None
Auto Liability	5,000,000		
Employment Practices Liability	5,000,000		
Property Damage	100,000	500,000,000	\$1,000 - \$50,000
Public Employee Theft, Depositors Forgery, and Funds Transfer Fraud	100,000	n/a	\$1,000

The District continues to carry commercial insurance for all other risks of loss to cover all claims for risk of loss to which the District is exposed. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 10: PRIOR PERIOD ADJUSTMENT

In fiscal year 2017-18, a prior period adjustment to reduce net position was recorded for \$260,371 to restate the beginning balance of the net OPEB liability.

NOTE 11: SUBSEQUENT EVENT

Management has evaluated subsequent events through October 29, 2018, the date on which the financial statements were available to be issued.



ADDITIONAL INFORMATION

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
 Required Supplementary Information
 Pensions
 June 30, 2018

Rio Linda/Elverta Community Water District – Schedule of the District’s proportionate share of the Net Pension Liability:

Last 10 Fiscal years*

Measurement Date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District’s proportion of the net pension liability	0.02599%	0.02490%	0.02825%	0.02825%
District’s proportionate share of the net pension liability	\$1,033,555	\$902,961	\$611,042	\$611,042
District’s covered payroll	523,983	516,107	377,098	377,098
District’s proportionate share of the net pension liability as a percentage of its covered payroll	197.25%	174.96%	162.04%	162.04%
Plan Fiduciary net position as a percentage of the total pension liability	75.87%	81.32%	78.76%	78.76%

CALPERS - Schedule of District contributions:

Last 10 Fiscal Years*

Measurement Date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Actuarially determined contribution	\$ 118,924	\$ 95,128	\$ 70,003	\$ 70,003
Contributions in relation to the actuarially determined contribution	118,924	95,128	70,003	70,003
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District’s covered payroll	\$ 523,983	\$ 516,107	\$ 377,098	\$ 377,098
Contributions as a percentage of covered payroll	22.70%	18.43%	18.56%	18.56%

* Fiscal year ended June 30, 2015 was the first year of implementation.

Additional years will be presented as they become available.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Required Supplementary Information

Other Post-Employment Benefits

June 30, 2018

Last 10 Fiscal years*

	<u>2018</u>
Net OPEB liability	
Service cost	\$ 1,739
Interest	8,526
Change in assumptions	(9,723)
Benefit payments	<u>(21,017)</u>
Net change in Net OPEB liability	(20,475)
 Net OPEB liability - beginning	 <u>282,824</u>
 Net OPEB liability - ending	 <u><u>\$ 262,349</u></u>
 Covered payroll	 \$ 604,181
Net OPEB liability (asset) as a percentage of covered payroll	43.42%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%

* Fiscal year ended June 30, 2018 was the first year of implementation.
Additional years will be presented as they become available.



STATISTICAL SECTION

**RIO LINDA / ELVERTA COMMUNITY WATER DISTRICT
STATISTICAL SECTION (Unaudited)**

Contents

This part of the Rio Linda/Elverta Community Water District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplemental information says about the government's overall financial health.

Financial Trends – These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changed over time.

Revenue Capacity – These schedules contain information to help the reader assess the district's most significant local revenue source.

Debt Capacity – These schedules present information to help the reader assess the affordability of the district's current level of outstanding debt and the district's ability to issue additional debt in the future.

Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within the district's financial activities that take place and to help make comparisons over time.

Operating Information – These schedules contain information about the district's operation and resources to help the reader understand how the district's financial information relates to the services the district provides and the activities it performs.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
Schedule of Net Position by Component
(Accrual Basis of Accounting)

Last Ten Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net Position:										
Net Investment in Capital Assets										
Restricted	\$4,977,627	\$5,357,179	\$5,516,600	\$5,348,202	\$4,314,977	\$4,964,131	\$4,418,605	\$6,292,818	\$6,698,923	\$7,519,910
Unrestricted	281,000	251,264	386,433	999,879	1,328,912	1,949,873	2,146,937	699,145	699,787	699,787
Total Net Position	\$5,866,088	\$5,948,179	\$5,989,457	\$6,546,205	\$6,615,321	\$6,680,331	\$7,105,854	\$7,697,490	\$8,218,372	\$8,862,313

* Unrestricted for 2013 and 2014 have been changed from the previous reported.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
Revenue Capacity (Unaudited)
Retail Water Rates
Last 10 years

Meter Sizes	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Flat Bi-Monthly Service Charge (600 cu ft. Usage Charge included)										
5/8" Meter	\$ 29.00	\$ 29.00	\$ 41.18	\$ 42.54	\$ 49.79	\$ 51.47	\$ 53.22	\$ 55.04	\$ 56.73	\$ 57.75
3/4" Meter	\$ 34.80	\$ 34.80	\$ 49.38	\$ 51.02	\$ 59.70	\$ 61.72	\$ 63.82	\$ 66.00	\$ 66.00	\$ 66.00
1" Meter	\$ 52.20	\$ 52.20	\$ 73.98	\$ 76.44	\$ 89.45	\$ 92.47	\$ 95.62	\$ 98.88	\$ 94.55	\$ 96.26
1 1/2" Meter	\$ 101.50	\$ 101.50	\$ 143.68	\$ 148.44	\$ 173.71	\$ 179.47	\$ 185.69	\$ 192.03	\$ 189.10	\$ 192.51
2" Meter	\$ 162.40	\$ 162.40	\$ 229.78	\$ 237.40	\$ 277.81	\$ 287.20	\$ 296.97	\$ 307.11	\$ 302.55	\$ 308.02
3" Meter	\$ 304.50	\$ 304.50	\$ 430.66	\$ 444.96	\$ 520.70	\$ 538.30	\$ 556.61	\$ 575.61	\$ 661.84	\$ 673.79
4" Meter	\$ 507.50	\$ 507.50	\$ 717.64	\$ 741.46	\$ 867.68	\$ 897.01	\$ 927.52	\$ 959.18	\$ 1,191.31	\$ 1,212.83
Tier Schedule Bi-Monthly (\$/ 100 cubic feet (CCF))										
5/8" Meter										
Tier 1 (601 - 2,600)	\$ 0.43	\$ 0.43	\$ 0.54	\$ 0.56	\$ 0.58	\$ 0.60	\$ 0.62	\$ 0.64	N/A	N/A
Tier 2 (2,601 - 15, 600 CCF)	\$ 0.54	\$ 0.54	\$ 0.68	\$ 0.70	\$ 0.73	\$ 0.75	\$ 0.78	\$ 0.80	N/A	N/A
Tier 3 (15,601 +)	\$ 0.68	\$ 0.68	\$ 0.86	\$ 0.88	\$ 0.91	\$ 0.94	\$ 0.98	\$ 1.01	N/A	N/A
3/4 - 1 1/2" Meter										
Tier 1 (601 - 5,800)	\$ 0.43	\$ 0.43	\$ 0.54	\$ 0.56	\$ 0.58	\$ 0.60	\$ 0.62	\$ 0.64	N/A	N/A
Tier 2 (5,801 - 44,800 CCF)	\$ 0.54	\$ 0.54	\$ 0.68	\$ 0.70	\$ 0.73	\$ 0.75	\$ 0.78	\$ 0.80	N/A	N/A
Tier 3 (44,801 +)	\$ 0.68	\$ 0.68	\$ 0.86	\$ 0.88	\$ 0.91	\$ 0.94	\$ 0.98	\$ 1.01	N/A	N/A
2" to 4" Meter										
Tier 1 (601 - 55,200)	\$ 0.43	\$ 0.43	\$ 0.54	\$ 0.56	\$ 0.58	\$ 0.60	\$ 0.62	\$ 0.64	N/A	N/A
Tier 2 (55,201 - 286,000 CCF)	\$ 0.54	\$ 0.54	\$ 0.68	\$ 0.70	\$ 0.73	\$ 0.75	\$ 0.78	\$ 0.80	N/A	N/A
Tier 3 (286,001 +)	\$ 0.68	\$ 0.68	\$ 0.86	\$ 0.88	\$ 0.91	\$ 0.94	\$ 0.98	\$ 1.01	N/A	N/A
Inactive Meter Charge: Fixed Rate Capital Improvement Surcharge (Restricted Funds)	N/A	N/A	N/A	N/A	\$44.63	\$ 46.01	\$ 47.34	\$ 48.98	\$ 52.34	\$ 51.63
CR6 Surcharge (Restricted Funds)	\$ 10.00	\$ 15.00	\$ 19.00	\$ 19.00	\$ 19.00	\$ 19.00	\$ 19.00	\$ 19.00	\$ 19.00	\$ 19.00
Cubic Feet Used 601+ Meter Sizes 5/8" - 4" Non-Drought Rate Vol. Rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 0.55	\$ 0.77
Drought Rate Stage : 30%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 0.63	\$ 0.88
Stage : 40%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 0.73	\$ 1.02
Stage: 50%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 0.88	\$ 1.23

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RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
Revenue Capacity (Unaudited)
Water Sales by Type of Customers
Last 10 years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Water Sales:										
Residential	\$ 1,259,689	\$ 1,228,723	\$ 1,294,125	\$ 1,647,916	\$ 1,837,442	\$ 2,011,151	\$ 1,973,254	\$ 1,926,866	\$ 2,009,517	\$ 2,138,326
Non-Residential (A)	340,435	327,614	402,513	496,142	637,291	307,156	334,793	246,228	280,110	361,623
Total Water Sales	<u>\$ 1,600,124</u>	<u>\$ 1,556,337</u>	<u>\$ 1,696,638</u>	<u>\$ 2,144,058</u>	<u>\$ 2,285,207</u>	<u>\$ 2,318,307</u>	<u>\$ 2,308,047</u>	<u>\$ 2,173,094</u>	<u>\$ 2,289,627</u>	<u>\$ 2,499,949</u>
Total Water Deliveries (AF)	2,914.1	2,718.3	2,543.3	2,857.1	3,052.3	2,449.4	2,109.5	2,097.7	2,233.0	2,488.2
Rate per Acre Foot (AF)	\$ 549.10	\$ 572.54	\$ 667.10	\$ 750.43	\$ 748.68	\$ 946.48	\$ 1,094.12	\$ 1,035.94	\$ 1,025.36	\$ 1,004.72

(A) Non-residential included multi-family, institutional, industrial, commercial, landscape irrigation and apartments.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
Revenue Capacity (Unaudited)
Principal Rate Payers
Last 10 Years

Fiscal Year 2018

Revenue Generated from 7/1/2017 to 6/30/2018

Ratepayer	Revenues Collected	Percent of Total Water Sales
Rio Linda Senior High School	\$ 17,165.47	0.69%
Rio Linda Jr High School	\$ 15,349.59	0.61%
Westside Park-RLERP	\$ 14,173.36	0.57%
Rio Linda Union School District	\$ 8,577.55	0.34%
Dry Creek Elementary School	\$ 7,520.43	0.30%
Orchard Elementary School	\$ 7,288.44	0.29%
Babe Best Park RLERP	\$ 6,305.57	0.25%
Alpha School	\$ 5,609.05	0.22%
Comm. Cntr RLERP	\$ 5,553.85	0.22%
Bell Aqua Apartments	\$ 5,490.60	0.22%
Total	\$ 93,033.91	3.72%

Total Water Sales \$ 2,499,949.00

Fiscal Year 2009

Revenue Generated from 7/1/2008 to 6/30/2009

Ratepayer	Revenues Collected	Percent of Total Water Sales
Rio Linda Jr. High School	\$16,209.36	1.09%
Rio Linda Senior High	\$9,372.50	0.63%
Westside Park - RLERP	\$8,343.74	0.56%
Saveway Grocery	\$7,305.92	0.49%
Bell Aqua Apartments	\$5,580.24	0.38%
Orchard Elementary School	\$5,340.24	0.36%
Babe Best Park RLERP	\$4,447.48	0.30%
Elverta School	\$3,555.17	0.24%
Central Concrete Supply Co.	\$3,303.66	0.22%
Granite Construction	\$3,046.86	0.21%
Total	\$66,505.17	4.48%

Total Water Sales \$ 1,484,016.00

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
Debt Capacity
Schedule of Debt Service
Last Ten Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net Revenue	\$ (1,119,969)	\$ 82,091	\$ 41,278	\$ 556,748	\$ 234,589	\$ 65,010	\$ 425,523	\$ 603,637	\$ 521,069	\$ 904,312
Debt Service	3,485,000	3,400,000	3,310,000	5,327,267	6,454,132	6,705,345	9,673,174	8,322,613	7,829,402	7,420,165
Coverage	-32%	2%	1%	10%	4%	1%	4%	7%	7%	12%

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Debt Capacity

Ratios of Outstanding Debt by Type and Number of Connections

Last Ten Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt:										
Water Revenue Refunding Bonds	\$ 3,485,000	\$ 3,400,000	\$ 3,310,000	\$ 3,215,000	\$ 3,120,000	\$ 3,020,000	\$ 2,888,622	\$ 2,478,622	\$ 2,353,846	\$ 2,224,769
State Safe Drinking Water Loan	-	-	-	2,112,267	3,334,132	3,685,345	6,984,552	5,365,497	5,040,853	4,706,952
Surcharge 2 Loan	-	-	-	-	-	-	-	-	-	99,141
Meter Replacement Loan	-	-	-	-	-	-	-	478,494	434,703	389,304
Legal Settlement	-	-	-	-	89,000	53,400	17,800	-	-	-
Net Pension Liability	-	-	-	-	-	882,635	698,281	611,042	902,961	1,033,555
Total Debt	\$ 3,485,000	\$ 3,400,000	\$ 3,310,000	\$ 5,327,267	\$ 6,543,132	\$ 7,641,380	\$ 10,389,255	\$ 8,933,655	\$ 8,732,363	\$ 8,453,721
Number of Service Connections	4616	4616	4616	4616	4617	4617	4618	4622	4628	4636
Debt Per Capita	754.98	736.57	717.07	1154.09	1417.18	1655.05	2249.73	1932.85	1886.85	1823.49

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
Demographic and Economic (Unaudited)
Sacramento County*
Last Ten Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Personal Income (1)	\$ 53,647,258	\$ 54,673,384	\$ 57,564,251	\$ 60,721,694	\$ 62,440,643	\$ 65,126,187	\$ 69,870,482	\$ 72,878,458	76,832,120	unavailable
Population (1)	1,408,601	1,421,838	1,435,601	1,448,771	1,463,149	1,482,026	1,501,335	1,514,460	1,530,615	unavailable
Per Capita Personal Income (1)	\$ 38,085	\$ 38,453	\$ 40,098	\$ 41,913	\$ 42,676	\$ 43,944	\$ 46,539	48,122	50,197	unavailable
Unemployment Rate (2)	11.0%	12.6%	12.1%	10.5%	8.9%	7.3%	5.5%	4.6%	4.0%	unavailable

* Information for Demographic and Economic statistics are for the County of Sacramento since the Rio Linda / Elverta is unincorporated and reported under Sacramento County and such information is not available solely for the District's service area.

**RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
Demographic and Economic (Unaudited)
Principal Employers
Sacramento County***

Company	2017				2008			
	Average Number of Employees	Rank	Percentage of Total County Employment	Average Number of Employees - (a)	Rank	Percentage of Total County Employment		
State of California	74,462	1	10.80%	60,045	1	9.37%		
Sacramento County	12,514	2	1.81%	14,488	2	2.26%		
UC Davis Health System	10,467	4	1.52%	7,901	3	1.23%		
US Government	10,322	5	1.50%					
Sutter Health Sacramento Sierra Region	9,911	6	1.44%	7,140	4	1.11%		
Kaiser Permanente	10,517	3	1.53%	6,805	6	1.06%		
Dignity Health	8,039	7	1.17%					
Intel Corp	6,000	8	0.87%	6,800	7	1.06%		
Apple, Inc	5,000	9	0.73%					
Elk Grove Unified School Dist	4,620	10	0.67%					
San Juan Unified School District				5,775	9	0.90%		
Sacramento City Unified School District				7,000	5	1.09%		
Los Rios Community College District				6,000	8	0.94%		
City of Sacramento				5,230	10	0.82%		
	<u>151,852</u>		<u>22.02%</u>	<u>127,184</u>		<u>19.85%</u>		
Total Employed in Sacramento County	689,500			640,800				

* Information for Principal Employers is provided for the County of Sacramento since the District is located within the County and such information is not available solely for the District's service area.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

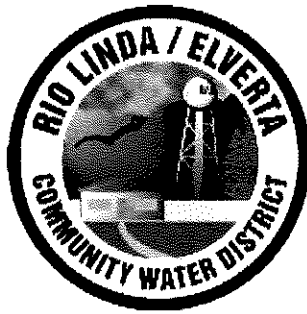
Agenda Item 4.6

Operating Information
Capital Assets
Last Ten Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Capital Assets Not Being Depreciated										
Land	\$ 410,723	\$ 410,723	\$ 410,723	\$ 496,673	\$ 496,673	\$ 496,673	\$ 496,673	\$ 496,673	\$ 496,673	\$ 496,673
Construction in Progress	200,975	631,313	1,019,082	3,090,786	138,976	1,167,567	631,834	588,994	637,767	1,250,106
Total Not Being Depreciated	611,698	1,042,036	1,429,805	3,587,459	635,649	1,664,240	1,128,507	1,085,667	1,134,440	1,746,779
Capital Assets Being Depreciated										
Water System Facilities	11,273,400	11,273,400	11,285,184	11,303,047	13,059,075	15,192,373	19,096,450	20,039,978	20,562,699	20,717,060
General Plant Assets	782,017	792,013	792,013	792,013	721,407	727,008	609,967	594,236	606,507	712,767
Intangible Assets	363,185	363,185	363,185	373,865	407,225	407,225	407,225	403,145	373,043	373,043
Less Accumulated Depreciation	(4,947,949)	(5,246,874)	(5,560,487)	(5,859,049)	(6,054,247)	(6,702,352)	(7,144,370)	(7,658,607)	(8,241,348)	(8,702,559)
Total Not Being Depreciated, Net	7,470,653	7,181,724	6,879,895	6,609,876	10,133,460	9,624,254	12,963,272	13,398,752	13,300,901	13,100,311
Capital Assets, Net	\$ 8,082,351	\$ 8,223,760	\$ 8,309,700	\$ 10,197,335	\$ 10,769,109	\$ 11,288,494	\$ 14,091,779	\$ 14,484,419	\$ 14,495,341	\$ 14,847,090

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
Operating Information
Operating Data
Last Ten Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
WATER SERVICES										
Number of Service Connections	4,616	4,616	4,616	4,616	4,617	4,617	4,618	4,622	4,628	4,636
Annual Demand in AF	2,914.1	2,718.3	2,543.3	2,857.1	3,052.3	2,449.4	2,109.5	2,097.5	2,285.9	2,488.1
Max Monthly Demand in Gallons	144,144,772	146,959,128	122,492,020	142,225,142	149,404,660	115,965,570	87,014,897	97,962,392	107,432,399	120,549,805
Maximum Day Demand in Gallons	2,637,688	2,460,485	2,270,541	2,586,101	2,762,771	2,217,013	1,909,354	3,265,413	3,465,561	3,888,703
METERS										
New Installations	0	0	0	0	0	0	0	4	7	7
Replacement	0	0	0	0	60	349	179	1,087	377	475
HYDRANTS										
New Installations	0	0	0	0	0	0	0	1	0	0
Replacement	0	0	0	0	0	0	2	0	0	0
LEAKS										
Water Main Service	1	5	2	0	0	1	2	3	2	0
	34	75	58	71	75	76	82	66	66	80
MAIN LINE VALVES										
New Installations	0	0	0	0	0	0	0	0	0	0
Replacement	0	0	0	0	3	0	0	0	0	0
SERVICES										
New Installations	0	0	0	0	0	0	3	4	7	7
Replacement	0	0	0	0	0	1	0	10	29	34
MAJOR FACILITIES										
Wells	9	9	9	11	11	11	11	11	11	11
Tank	1	1	1	1	1	1	2	2	2	2
Booster Station	1	1	1	1	1	1	2	2	2	2
Pressure Regulation Valves	2	2	2	2	2	2	2	2	2	2
Miles of Pipeline	61.14	61.14	61.72	61.72	61.72	61.72	62.10	62.10	62.10	62.10
PERSONNEL										
Management	1	1	1	1	1	1	1	1	1	1
Administration	4	4	4	3	4	4	4	4	4	4
Field Operations	4	5	5	3	3	5	5	5	5	5
	9	10	10	7	7	10	10	10	10	10



COMPLIANCE SECTION



**FECHTER
& COMPANY**
Certified Public Accountants

October 29, 2018

Board of Directors
Rio Linda/Elverta Community Water District
730 L Street
Rio Linda, California 95673

We have audited the financial statements of the Rio Linda/Elverta Community Water District (the District) for the year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 11, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the District's financial statements was:

Management's estimate of the net pension liability is based on CalPERS actuarial reports. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the District's financial statements taken as a whole.

Board of Directors
Rio Linda/Elverta Community Water District

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 29, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Required Supplementary Information related to pensions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of Board of Directors and management of the Rio Linda/Elverta Community Water District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Fechter & Company,
Certified Public Accountants



Sacramento, California



**RIO LINDA/ELVERTA
COMMUNITY WATER DISTRICT**

**730 L Street
Rio Linda, CA 95673**

**Tel. (916) 991-1000
www.rlecwd.com**



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Items for Discussion and Action Agenda Item: 4.7

Date: December 17, 2018

Subject Consider authorizing participation in California Employers' Retiree Benefit Trust (CERBT).

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

This Finance and Administrative Committee recommends the Board approve pre-funding of the District's existing retiree medical obligation via authorizing participation in the California Employers' Retiree Benefit Trust (CERBT). The Committee further recommends an initial lump sum allocation from the account informally prescribed to for retiree medical, which is currently invested in the Local Agency Investment Fund (LAIF), approximately \$16,000.

Current Background and Justification:

The Finance Committee has reviewed and discussed this matter over the past several months. The review and evaluation process entailed presentations from CERBT staff, review of evaluation materials performed by neighboring public agencies, consideration of the potential financial consequences of maintaining status quo, and a review of the currently available funding.

This matter has been thoroughly vetted. There are more than 500 California public agencies participating in the CERBT program. Evaluation material are included with your Board packets.

Participation in the CERBT program does NOT entail minimum investment or perpetual recurring funding. The District's Board of Directors can decide when and how much to allocate. The Finance Committee has recommended an initial lump sum allocation. The Board can similarly take action, if it deems appropriate, to lump-sum allocate future years of funding, including zero for years when no funding is available.

In order to authorize participation in CERBT the Board must adopt Resolution 2018-10, which also provides a delegation of authority to the GM for document execution and fund disbursement authority.

The Board must also authorize execution of the CERBT Participation Agreement. Both documents are included with your Board packets.

The final recommendation for Board consideration and approval was rendered by the Finance Committee at their December 10, 2018 meeting. Thus, there are only a few days between Committee meeting and Board meeting document posting deadline. It is reasonable to anticipate Legal Counsel may need additional time to review the CERBT Participation Agreement.

Conclusion:

Subject to review and approval by Legal Counsel, I recommend the Board approve execution of the California Employers' Retiree Benefit Trust (CERBT) Participation Agreement, and I further recommend the Board approve Resolution 2018-10 authorizing participation in CERBT and delegating the authority for document execution and fund disbursement to the General Manager. I also recommend the Board authorize an initial, lump-sum allocation of the approximate \$16,000 currently invested in LAIF for retiree medical expenses.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Dills: _____ Green: _____ Ridilla: _____ Henrici: _____ Harris: _____.

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

RLECWD Agenda Item Checklist

Item 4.7

Date

Initial Potential Meeting Date12/17/18

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

California Employer Retiree Benefits Trust (CERBT)

12/07/18**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 Work12/10/18

Review by appropriate Finance/Administration, Projects /Planning or Ad Hoc
Committees, to prepare board recommendations

Formal Legal Counsel Review12/13/18

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

GM Review12/13/18**Actual Meeting Date Set for Agenda Item**12/17/18

RESOLUTION NO. 2018-10
RESOLUTION OF THE BOARD OF DIRECTORS ELECTING TO PARTICPATE IN
THE CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST PROGRAM
(CERBT), ADOPTING THE AGREEMENT TO PREFUND OTHER POST-
EMPLOYMENT BENEFITS THROUGH CALPERS, AND EXECUTION OF
RELATED DOCUMENTS

WHEREAS, the Rio Linda Elverta Community Water District (District) provides health insurance benefits to retirees, also known as Other Post-Employment Benefits (OPEB), and historically funded its OPEB on a "pay-as-you-go" basis; and

WHEREAS, the California Public Employees' Retirement System (CalPERS) has established the California Employers' Retiree Benefit Trust (CERBT) to manage OPEB funds for public agencies through an irrevocable trust, in compliance with Internal Revenue Code Section 115; and

WHEREAS, staff was directed to return to a future Board Meeting for approval of the selection of CERBT to manage the District's OPEB funds and authorization to execute documents required to establish the trust; and

WHEREAS, the District's Finance and Administrative Committee has performed a thorough evaluation of options for responsibly addressing the District's long-term obligation for OPEB, and recommends participation in the CERBT as the most appropriate option.

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

SECTION 1. The Board of Directors does hereby approve the CERBT Agreement and Election of the District to prefund Other Post-Employment Benefits through CalPERS.

SECTION 2. The Board of Directors does hereby delegate the General Manager or the General Manager's designee authority to request, on behalf of the District, eligible disbursements from the CERBT as needed and to certify as to the purpose for which the disbursed funds will be used.

SECTION 3. The Board of Directors does hereby authorize the General Manager or designee to execute all documents to facilitate the funding, investment managements and administration of the District's Other Post-Employment Benefits.

APPROVED AND ADOPTED by the Board of Directors of the Rio Linda / Elverta Community Water District on this 17th day of December 2018. By the following vote:

AYES:
NAYS:
ABSENT:
ABSTAIN:

ATTEST:

FFFF LLLLLL
President, Board of Directors

Timothy R. Shaw
Secretary of the Board of Directors

DRAFT



**CERTIFICATION OF OPEB FUNDING POLICY &
GASB OPEB STANDARDS REPORTING COMPLIANCE**

SECTION I: CERBT Asset Allocation Strategy Selection

As the employer, I certify that my agency chooses the following CERBT asset allocation strategy.

Select one CERBT Asset Allocation Strategy:

CERBT Asset Allocation Strategy	Long-Term Expected Rate of Return	Standard Deviation of Expected Return
<input type="checkbox"/> Strategy 1	7.28%	11.74%
<input type="checkbox"/> Strategy 2	6.73%	9.32%
<input type="checkbox"/> Strategy 3	6.12%	7.14%

SECTION II: Funding Method

As the employer, I certify that our OPEB funding method and intent for the period covered by our current OPEB cost report (valuation or AMM) is to contribute consistently an amount that is equal to (select one):

ADC funding method: _____% of the Actuarially Determined Contribution (ADC) as determined in our OPEB actuarial cost report (valuation or AMM) dated _____, 20____. If using an ADC, please provide the ADC amount (1 and/or 2 years) in the comment section below.

Other funding method: We will contribute to the trust using an approach not directly related to the ADC (please describe below):

CERTIFICATION OF OPEB FUNDING POLICY & GASB OPEB STANDARDS REPORTING COMPLIANCE

SECTION III: Contribution and Reimbursement Method

As the employer, I certify that we intend to make CERBT contributions and request eligible reimbursements in the following manner (select one):

Contribute full ADC payments to the trust and seek reimbursements for pay-go costs.

Contribute ADC payments to the CERBT net of pay-go costs and not seek reimbursement (ADC minus pay-go = Trust Contribution).

Other contribution and/or reimbursement method, e.g. initial/ ad hoc lump sum contribution (please describe below):

SECTION IV: OPEB Cost Report Coverage Years

As the employer, I certify this OPEB cost report will be used for financial reporting or as the basis for any CERBT funding for the following fiscal years.

If using a GASB 75 compliant accounting valuation or AMM report, complete the GASB Accounting Valuation section. If using a funding valuation, complete the Funding Valuation section. If using a blended GASB accounting and funding valuation, complete both sections.

GASB 75 Accounting Valuation

This OPEB cost report provides financial reporting data for the following periods:

First Year:

Fiscal Year for GASB 75 reporting: from _____ through _____.
MM/DD/YYYY MM/DD/YYYY

Measurement period: from _____ through _____.
MM/DD/YYYY MM/DD/YYYY

Second Year:

Fiscal Year for GASB 75 reporting: from _____ through _____.
MM/DD/YYYY MM/DD/YYYY

Measurement period: from _____ through _____.
MM/DD/YYYY MM/DD/YYYY

Funding Valuation

This OPEB cost report provides ADC amounts for the following periods:

First Year: from _____ through _____.
MM/DD/YYYY MM/DD/YYYY

Second Year: from _____ through _____.
MM/DD/YYYY MM/DD/YYYY

CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST PROGRAM ("CERBT")

**AGREEMENT AND ELECTION
OF**

Rio Linda Elverta Community Water District

(NAME OF EMPLOYER)

**TO PREFUND OTHER POST-EMPLOYMENT
BENEFITS THROUGH CalPERS**

WHEREAS (1) Government Code Section 22940 establishes in the State Treasury the Annuitants' Health Care Coverage Fund for the prefunding of health care coverage for annuitants (Prefunding Plan); and

WHEREAS (2) The California Public Employees' Retirement System (CalPERS) Board of Administration (Board) has sole and exclusive control and power over the administration and investment of the Prefunding Plan (sometimes also referred to as CERBT), the purposes of which include, but are not limited to (i) receiving contributions from participating employers and establishing separate Employer Prefunding Accounts in the Prefunding Plan for the performance of an essential governmental function (ii) investing contributed amounts and income thereon, if any, in order to receive yield on the funds and (iii) disbursing contributed amounts and income thereon, if any, to pay for costs of administration of the Prefunding Plan and to pay for health care costs or other post-employment benefits in accordance with the terms of participating employers' plans; and

WHEREAS (3) Rio Linda Elverta Community Water District
(NAME OF EMPLOYER)

(Employer) desires to participate in the Prefunding Plan upon the terms and conditions set by the Board and as set forth herein; and

WHEREAS (4) Employer may participate in the Prefunding Plan upon (i) approval by the Board and (ii) filing a duly adopted and executed Agreement and Election to Prefund Other Post-Employment Benefits (Agreement) as provided in the terms and conditions of the Agreement; and

WHEREAS (5) The Prefunding Plan is a trust fund that is intended to perform an essential governmental function within the meaning of Section 115 of the Internal Revenue Code as an agent multiple-employer defined benefit plan as defined in Governmental Accounting Standards Board (GASB) Statements for Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB Standards) consisting of an aggregation of single-employer plans, with pooled administrative and investment functions;



NOW, THEREFORE, BE IT RESOLVED THAT EMPLOYER HEREBY MAKES THE FOLLOWING REPRESENTATION AND WARRANTY AND THAT THE BOARD AND EMPLOYER AGREE TO THE FOLLOWING TERMS AND CONDITIONS:

A. Representation and Warranty

Employer represents and warrants that it is a political subdivision of the State of California or an entity whose income is excluded from gross income under Section 115 (1) of the Internal Revenue Code.

B. Adoption and Approval of the Agreement; Effective Date; Amendment

(1) Employer's governing body shall elect to participate in the Prefunding Plan by adopting this Agreement and filing with the CalPERS Board a true and correct original or certified copy of this Agreement as follows:

Filing by mail, send to: CalPERS
 CERBT (OPEB)
 P.O. Box 1494
 Sacramento, CA 95812-1494

Filing in person, deliver to:
 CalPERS Mailroom
 CERBT (OPEB)
 400 Q Street
 Sacramento, CA 95811

(2) Upon receipt of the executed Agreement, and after approval by the Board, the Board shall fix an effective date and shall promptly notify Employer of the effective date of the Agreement.

(3) The terms of this Agreement may be amended only in writing upon the agreement of both CalPERS and Employer, except as otherwise provided herein. Any such amendment or modification to this Agreement shall be adopted and executed in the same manner as required for the Agreement. Upon receipt of the executed amendment or modification, the Board shall fix the effective date of the amendment or modification.

(4) The Board shall institute such procedures and processes as it deems necessary to administer the Prefunding Plan, to carry out the purposes of this Agreement, and to maintain the tax exempt status of the Prefunding Plan. Employer agrees to follow such procedures and processes.



C. Other Post-Employment Benefits (OPEB) Cost Reports and Employer Contributions

(1) Employer shall provide to the Board an OPEB cost report on the basis of the actuarial assumptions and methods prescribed by the Board. Such report shall be for the Board's use in financial reporting, and shall be prepared at least as often as the minimum frequency required by applicable GASB OPEB Standards. This OPEB cost report may be prepared as an actuarial valuation report or, if the employer is qualified under GASB OPEB Standards, may be prepared as an Alternative Measurement Method (AMM) report.

- (a) Unless qualified under GASB OPEB Standards, to provide an AMM report, Employer shall provide to the Board an actuarial valuation report. Such report shall be for the Board's use in financial reporting, and shall be prepared at least as often as the minimum frequency required by GASB OPEB Standards, and shall be:
 - 1) prepared and signed by a Fellow or Associate of the Society of Actuaries who is also a Member of the American Academy of Actuaries or a person with equivalent qualifications acceptable to the Board;
 - 2) prepared in accordance with generally accepted actuarial practice and GASB OPEB Standards; and,
 - 3) provided to the Board prior to the Board's acceptance of contributions for the valuation period or as otherwise required by the Board.
- (b) If qualified under GASB OPEB Standards, Employer may provide to the Board an AMM report. Such report shall be for the Board's use in financial reporting, shall be prepared at least as often as the minimum frequency required by GASB OPEB Standards, and shall be:
 - 1) affirmed by Employer's external auditor, or by a Fellow or Associate of the Society of Actuaries who is also a Member of the American Academy of Actuaries or a person with equivalent qualifications acceptable to the Board, to be consistent with the AMM process described in GASB OPEB Standards;
 - 2) prepared in accordance with GASB OPEB Standards; and,
 - 3) provided to the Board prior to the Board's acceptance of contributions for the valuation period or as otherwise required by the Board.

(2) The Board may reject any OPEB cost report for financial reporting purposes submitted to it, but shall not unreasonably do so. In the event that the Board

determines, in its sole discretion, that the OPEB cost report is not suitable for use in the Board's financial statements or if Employer fails to provide a required OPEB cost report, the Board may obtain, at Employer's expense, an OPEB cost report that meets the Board's financial reporting needs. The Board may recover from Employer the cost of obtaining such OPEB cost report by billing and collecting from Employer or by deducting the amount from Employer's account in the Prefunding Plan.

(3) Employer shall notify the Board of the amount and time of contributions which contributions shall be made in the manner established by the Board.

(4) Employer contributions to the Prefunding Plan may be limited to the amount necessary to fully fund Employer's actuarial present value of total projected benefits, as supported by the OPEB cost report for financial reporting purposes acceptable to the Board. As used throughout this document, the meaning of the term "actuarial present value of total projected benefits" is as defined in GASB OPEB Standards. If Employer's contribution causes its assets in the Prefunding Plan to exceed the amount required to fully fund the actuarial present value of total projected benefits, the Board may refuse to accept the contribution.

(5) No contributions are required. Contributions can be made at any time following the effective date of the Agreement provided that Employer has first complied with the requirements of Paragraph C.

D. Administration of Accounts, Investments, Allocation of Income

(1) The Board has established the Prefunding Plan as an agent plan consisting of an aggregation of single-employer plans, with pooled administrative and investment functions, under the terms of which separate accounts are maintained for each employer so that the Employer's assets will provide benefits only under the Employer's post-employment benefit plan(s).

(2) All Employer contributions and assets attributable to Employer contributions shall be separately accounted for in the Prefunding Plan (Employer's Prefunding Account).

(3) Employer's Prefunding Account assets may be aggregated with prefunding account assets of other employers and may be co-invested by the Board in any asset classes appropriate for a Section 115 Trust.

(4) The Board may deduct the costs of administration of the Prefunding Plan from the investment income or Employer's Prefunding Account in a manner determined by the Board.

(5) Investment income shall be allocated among participating employers and posted to Employer's Prefunding Account as determined by the Board but no less frequently than annually.

(6) If Employer's assets in the Prefunding Plan exceed the amount required to fully fund the actuarial present value of total projected benefits, the Board, in compliance with applicable accounting and legal requirements, may return such excess to Employer.

E. Reports and Statements

(1) Employer shall submit with each contribution a contribution report in the form and containing the information prescribed by the Board.

(2) The Board shall prepare and provide a statement of Employer's Prefunding Account at least annually reflecting the balance in Employer's Prefunding Account, contributions made during the period and income allocated during the period, and such other information as the Board determines.

F. Disbursements

(1) Employer may receive disbursements not to exceed the annual premium and other costs of post-employment healthcare benefits and other post-employment benefits as defined in GASB OPEB Standards.

(2) Employer shall notify CalPERS in writing in the manner specified by CalPERS of the persons authorized to request disbursements from the Prefunding Plan on behalf of Employer.

(3) Employer's request for disbursement shall be in writing signed by Employer's authorized representative, in accordance with procedures established by the Board. The Board may require that Employer certify or otherwise establish that the monies will be used for the purposes of the Prefunding Plan.

(4) Requests for disbursements that satisfy the requirements of paragraphs (2) and (3) will be processed monthly.

(5) CalPERS shall not be liable for amounts disbursed in error if it has acted upon the written instruction of an individual authorized by Employer to request disbursements. In the event of any other erroneous disbursement, the extent of CalPERS' liability shall be the actual dollar amount of the disbursement, plus interest at the actual earnings rate but not less than zero.

(6) No disbursement shall be made from the Prefunding Plan which exceeds the balance in Employer's Prefunding Account.

G. Costs of Administration

Employer shall pay its share of the costs of administration of the Prefunding Plan, as determined by the Board.

H. Termination of Employer Participation in Prefunding Plan

- (1) The Board may terminate Employer's participation in the Prefunding Plan if:
 - (a) Employer gives written notice to the Board of its election to terminate;
 - (b) The Board finds that Employer fails to satisfy the terms and conditions of this Agreement or of the Board's rules or regulations.
- (2) If Employer's participation in the Prefunding Plan terminates for any of the foregoing reasons, all assets in Employer's Prefunding Account shall remain in the Prefunding Plan, except as otherwise provided below, and shall continue to be invested and accrue income as provided in Paragraph D.
- (3) After Employer's participation in the Prefunding Plan terminates, Employer may not make contributions to the Prefunding Plan.
- (4) After Employer's participation in the Prefunding Plan terminates, disbursements from Employer's Prefunding Account may continue upon Employer's instruction or otherwise in accordance with the terms of this Agreement.
- (5) After the Employer's participation in the Prefunding Plan terminates, the governing body of the Employer may request either:
 - (a) A trustee to trustee transfer of the assets in Employer's Prefunding Account; provided that the Board shall have no obligation to make such transfer unless the Board determines that the transfer will satisfy applicable requirements of the Internal Revenue Code, other law and accounting standards, and the Board's fiduciary duties. If the Board determines that the transfer will satisfy these requirements, the Board shall then have one hundred fifty (150) days from the date of such determination to effect the transfer. The amount to be transferred shall be the amount in the Employer's Prefunding Account as of the date of the transfer (the "transfer date") and shall include investment earnings up to an investment earnings allocation date preceding the transfer date. In no event shall the investment earnings allocation date precede the transfer date by more than 150 days.
 - (b) A disbursement of the assets in Employer's Prefunding Account; provided that the Board shall have no obligation to make such disbursement unless the Board determines that, in compliance with the Internal Revenue Code, other law and accounting standards, and the Board's fiduciary duties, all of Employer's obligations for payment of post-employment health care benefits and other post-employment benefits and reasonable administrative costs of the Board have been satisfied. If the Board determines that the disbursement will satisfy these requirements, the

Board shall then have one hundred fifty (150) days from the date of such determination to effect the disbursement. The amount to be disbursed shall be the amount in the Employer's Prefunding Account as of the date of the disbursement (the "disbursement date") and shall include investment earnings up to an investment earnings allocation date preceding the disbursement date. In no event shall the investment earnings allocation date precede the disbursement date by more than 150 days.

(6) After Employer's participation in the Prefunding Plan terminates and at such time that no assets remain in Employer's Prefunding Account, this Agreement shall terminate.

(7) If, for any reason, the Board terminates the Prefunding Plan, the assets in Employer's Prefunding Account shall be paid to Employer after retention of (i) amounts sufficient to pay post-employment health care benefits and other post-employment benefits to annuitants for current and future annuitants described by the employer's current substantive plan (as that term is used in GASB OPEB Standards), and (ii) amounts sufficient to pay reasonable administrative costs of the Board.

(8) If Employer ceases to exist but Employer's Prefunding Plan continues to exist and if no provision has been made by Employer for ongoing payments to pay post-employment health care benefits and other post-employment benefits to annuitants for current and future annuitants, the Board is authorized to and shall appoint a third party administrator to carry out Employer's Prefunding Plan. Any and all costs associated with such appointment shall be paid from the assets attributable to contributions by Employer.

(9) If Employer should breach the representation and warranty set forth in Paragraph A., the Board shall take whatever action it deems necessary to preserve the tax-exempt status of the Prefunding Plan.

I. General Provisions

(1) Books and Records.

Employer shall keep accurate books and records connected with the performance of this Agreement. Employer shall ensure that books and records of subcontractors, suppliers, and other providers shall also be accurately maintained. Such books and records shall be kept in a secure location at the Employer's office(s) and shall be available for inspection and copying by CalPERS and its representatives.

(2) Audit.

- (a) During and for three years after the term of this Agreement, Employer shall permit the Bureau of State Audits, CalPERS, and its authorized

representatives, and such consultants and specialists as needed, at all reasonable times during normal business hours to inspect and copy, at the expense of CalPERS, books and records of Employer relating to its performance of this Agreement.

- (b) Employer shall be subject to examination and audit by the Bureau of State Audits, CalPERS, and its authorized representatives, and such consultants and specialists as needed, during the term of this Agreement and for three years after final payment under this Agreement. Any examination or audit shall be confined to those matters connected with the performance of this Agreement, including, but not limited to, the costs of administering this Agreement. Employer shall cooperate fully with the Bureau of State Audits, CalPERS, and its authorized representatives, and such consultants and specialists as needed, in connection with any examination or audit. All adjustments, payments, and/or reimbursements determined to be necessary by any examination or audit shall be made promptly by the appropriate party.

(3) Notice.

- (a) Any notice, approval, or other communication required or permitted under this Agreement will be given in the English language and will be deemed received as follows:
 - 1. Personal delivery. When personally delivered to the recipient. Notice is effective on delivery.
 - 2. First Class Mail. When mailed first class to the last address of the recipient known to the party giving notice. Notice is effective three delivery days after deposit in a United States Postal Service office or mailbox.
 - 3. Certified mail. When mailed certified mail, return receipt requested. Notice is effective on receipt, if delivery is confirmed by a return receipt.
 - 4. Overnight Delivery. When delivered by an overnight delivery service, charges prepaid or charged to the sender's account, Notice is effective on delivery, if delivery is confirmed by the delivery service.
 - 5. Telex or Facsimile Transmission. When sent by telex or fax to the last telex or fax number of the recipient known to the party giving notice. Notice is effective on receipt, provided that (i) a duplicate copy of the notice is promptly given by first-class or certified mail or by overnight delivery, or (ii) the receiving party delivers a written

confirmation of receipt. Any notice given by telex or fax shall be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a nonbusiness day.

6. E-mail transmission. When sent by e-mail using software that provides unmodifiable proof (i) that the message was sent, (ii) that the message was delivered to the recipient's information processing system, and (iii) of the time and date the message was delivered to the recipient along with a verifiable electronic record of the exact content of the message sent.

Addresses for the purpose of giving notice are as shown in Paragraph B.(1) of this Agreement.

- (b) Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be deemed effective as of the first date that said notice was refused, unclaimed, or deemed undeliverable by the postal authorities, messenger or overnight delivery service.
- (c) Any party may change its address, telex, fax number, or e-mail address by giving the other party notice of the change in any manner permitted by this Agreement.
- (d) All notices, requests, demands, amendments, modifications or other communications under this Agreement shall be in writing. Notice shall be sufficient for all such purposes if personally delivered, sent by first class, registered or certified mail, return receipt requested, delivery by courier with receipt of delivery, facsimile transmission with written confirmation of receipt by recipient, or e-mail delivery with verifiable and unmodifiable proof of content and time and date of sending by sender and delivery to recipient. Notice is effective on confirmed receipt by recipient or 3 business days after sending, whichever is sooner.

(4) Survival

All representations, warranties, and covenants contained in this Agreement, or in any instrument, certificate, exhibit, or other writing intended by the parties to be a part of their Agreement shall survive the termination of this Agreement until such time as all amounts in Employer's Prefunding Account have been disbursed.

(5) Waiver

No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and

signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, failure, right, or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies.

(6) Necessary Acts, Further Assurances

The parties shall at their own cost and expense execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement.

A majority vote of Employer's Governing Body at a public meeting held on the 17th day of the month of December in the year 2018, authorized entering into this Agreement.

Signature of the Presiding Officer: _____

Printed Name of the Presiding Officer: _____

Name of Governing Body: Board of Directors

Name of Employer: Rio Linda Elverta Community Water District

Date: _____

BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
ARNITA PAIGE
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

To be completed by CalPERS
The effective date of this Agreement is: _____



Agenda Item 4.7

**CERTIFICATION OF OPEB FUNDING POLICY &
GASB OPEB STANDARDS REPORTING COMPLIANCE**

71

We understand that we must obtain an actuarial valuation (or AMM if applicable) on at least a biennial basis.

We understand that we will be asked to provide accounting information to CalPERS as required to facilitate CalPERS compliance with Governmental Accounting Standards Board (GASB) Statements for Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB Standards) reporting requirements and we agree to make any information requested available to CalPERS on a timely basis.

We understand that CalPERS will provide us the Schedule of Changes in Fiduciary Net Position, which can be used to prepare our GASB OPEB Standards reporting. CalPERS will report information pertaining to GASB OPEB Standards for Agent OPEB Plans.

Date of OPEB Cost Report (Valuation or AMM)

Name of Employer

Printed Name of Person Signing the Form

Title of Person Signing the Form

Signature

Date

Designated Employer Contact Name for GASB Reporting

Title of Designated Employer Contact for GASB Reporting

Phone #

Email Address

CERTIFICATION OF OPEB FUNDING POLICY & GASB OPEB STANDARDS REPORTING COMPLIANCE

Instructions to complete the form:

SECTION I: CERBT Asset Allocation Strategy Selection

Check the box next to the Asset Allocation Strategy on which you have based your OPEB actuarial valuation or Alternative Measurement Method (AMM) cost report. Each strategy has a different assumed Long Term Expected Rate of Return and risk profile. Your CERBT assets will be invested using the Asset Allocation Strategy indicated here.

**The choice you check off on this form should match that used by your actuary in the OPEB cost report.*

SECTION II: Funding Method

- If your agency's intent is to fund based on an ADC, indicate the percentage of funding of the ADC and the valuation date. Please provide the ADC amounts in the comments section.
- If your contributions are not tied specifically to the ADC, then indicate how you expect to contribute. For example, if you intend to make unreimbursed pay-go payments plus a fixed dollar amount to the trust, then describe this in the space provided.

SECTION III: Contribution and Reimbursement Method

Here we ask you to indicate how you expect to make contributions to, and seek reimbursement from, the trust.

SECTION IV: OPEB Cost Report Coverage Year(s)

Generally, your OPEB cost report will provide two years of coverage. Please identify the specific periods to which your entity will use the cost report for financial reporting or funding. If using a GASB 75 compliant accounting valuation or AMM report, complete the GASB Accounting Valuation section. If using a funding valuation, complete the Funding Valuation section. If using a blended GASB accounting *and* funding valuation, complete both sections.

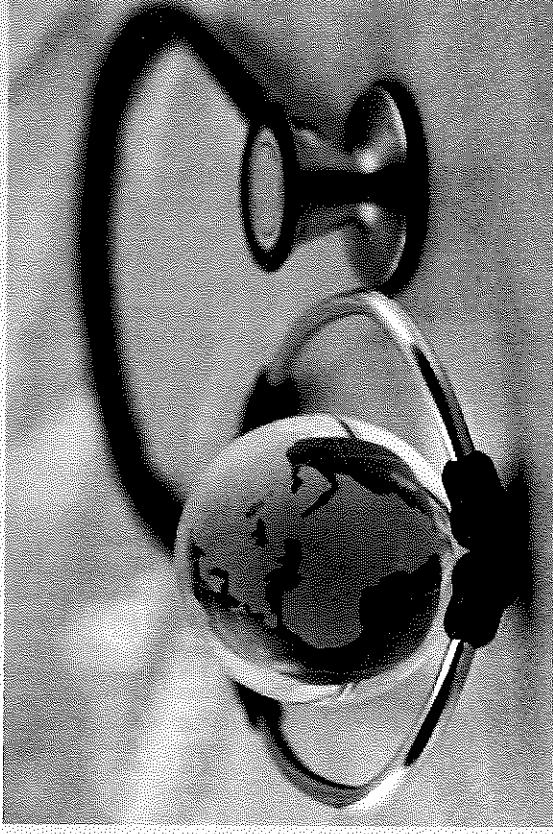
OTHER POST-EMPLOYMENT BENEFITS (OPEB) – FUNDING OPTIONS

PREPARED FOR: REGULAR BOARD MEETING, AUGUST 9, 2018

PREPARED BY: ANDI STUBBS, CHIEF BUSINESS OFFICIAL

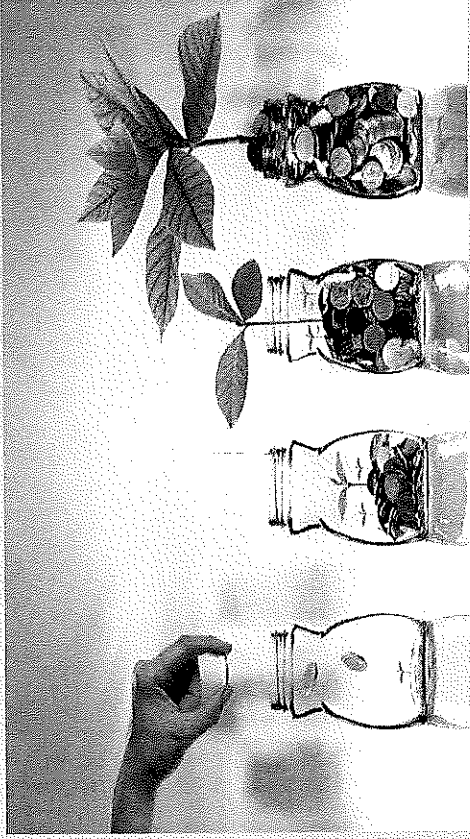
2 BACKGROUND:

- SHUSD pays the individual health insurance monthly premium for eligible retired employees until they reach Medicare eligibility (currently 65)
- These premiums are known as “Other Post-Employment Benefits” (OPEB)
- Retiree premium payments typically increase annually due to health care trend rates and inflation



3 OPEB FUNDING OPTIONS

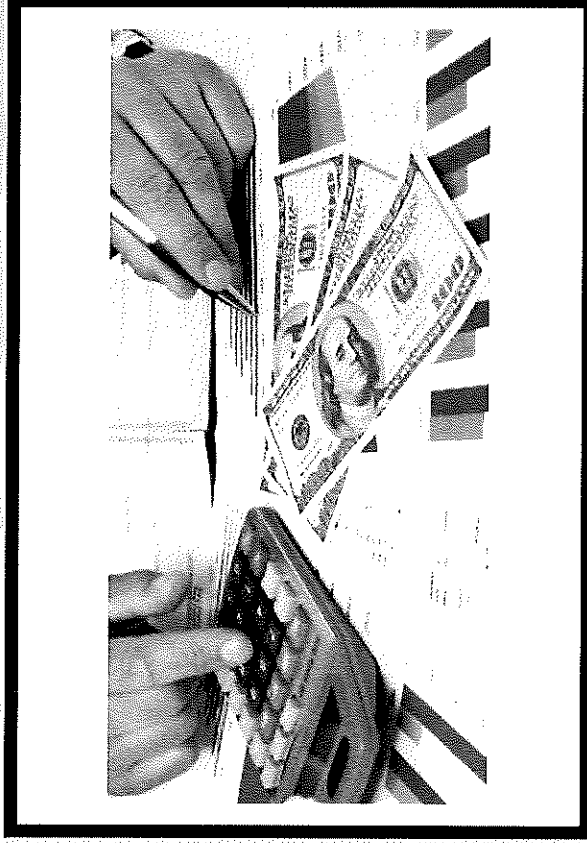
1. Option 1: "Pay-As-You-Go" (current)
 - General Fund current annual cost: **\$171,510**
 - Annual maximum per employee (2018 Kaiser premium, individual): **\$9,358**
 - Fund 20 (Special Reserve for Post-Employment Benefits) - Estimated balance: **\$207,194**
2. Option 2: Irrevocable Trust Account (proposed)
 - Contributions are made to a trust fund outside of the County Treasury
 - Higher rate of return on investment than the County Treasury,* or a money market account
 - Becomes cheaper to prefund than to continue pay-as-you-go



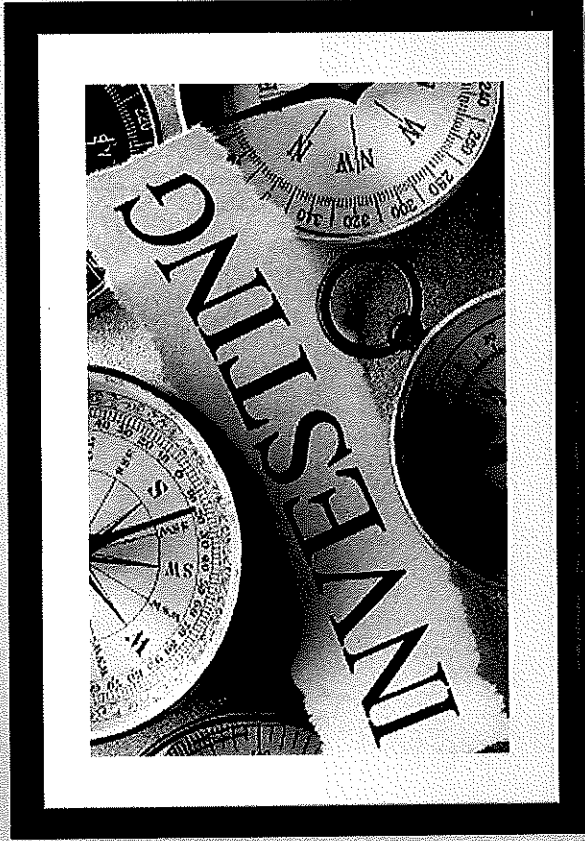
*Annual interest paid on funds held in the County Treasury – less than 1%, last four years

4 OPTION 2 (TRUST ACCOUNT) - RATIONALE

- Prefunding OPEB will make it more likely that we can pay our retiree premium payments from investment income versus investment principal
 - By building up assets in the trust, we can offset growing OPEB liabilities
- Higher-yielding investment strategies generate greater long term investment earnings compared with the County Treasury, money market accounts, and other investment instruments



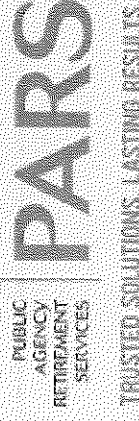
5 OPTION 2 (TRUST ACCOUNT) – RATIONALE, CONTINUED



- Funding through a trust could reduce annual budget dependency to pay for future benefits
- Investment earnings are tax-exempt
- Prefunding supports sound fiscal management:
 - Lowers the District's OPEB liabilities that are reported on the audited financial statement because of higher investment return assumptions
 - Promotes a positive District credit rating
 - Bond rating agencies view the prefunding approach more favorably than “pay-as-you-go”

6 PROVIDERS REVIEWED

- California Public Employees Retirement System (CalPERS)
 - California Employers' Retirement Benefit Trust (CERBT)
- Self-Insured Schools of California (SISC)
- Public Agency Retirement Services (PARS)

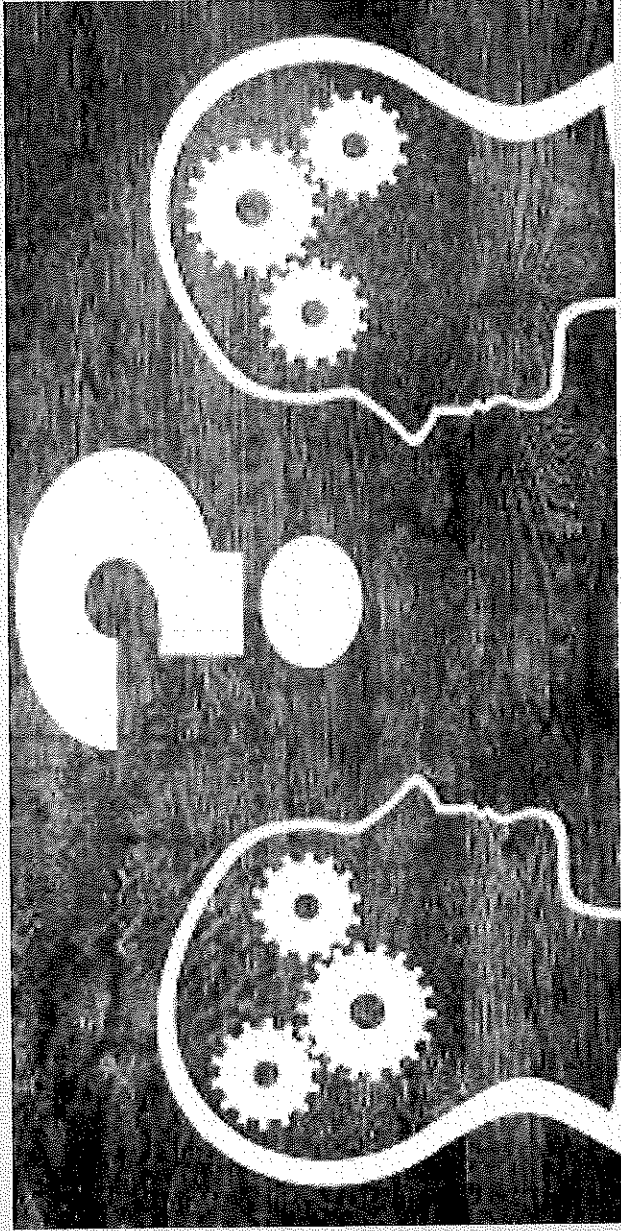


7 PROVIDER COMPARISON

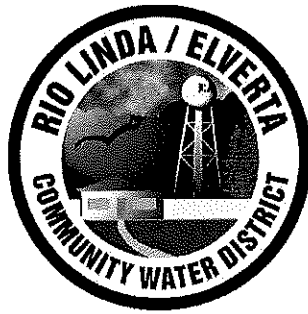
FEATURE:	CaIPERS CERBT:	SISC:	PARS:
Financial Reporting Compliant with GASB?	Yes	Yes	Yes
Cost	10 basis points of assets under management	15 basis points	Percentage of assets under mgmt; e.g. admin. fees of 0.25%
Estimated Annual Cost, \$2 million Account Value	\$2,000	\$3,000	\$7,000 - \$12,000
Termination Restrictions	No	3-Year Participation Period	30-Day Notice
Contributions Required?	No	No	No
Minimum Balance?	None	\$50,000	None
Minimum Contribution?	No	No	No
Approximate Rate of Return	Long-term expected: 6.12% - 7.28% depending on allocation strategy chosen	Current: 6.35%. Long-term expected: 7.0%	Long-term expected: 3.92%-6.56% (Vanguard) or 4.95%-7.39% (HighMark), depending on investment plan
Eligible to Reimburse Up to 100% of annual OPEB expenses?	Yes	Yes	Yes; up to 2 years at a time
School Districts Under Contract	63 includes NCOE	51	40, includes NVUSD/CJUSD

8 NEXT STEPS:

- **Governing Board (August 9, 2018 Board Meeting):**
 - Approve the Agreement and Election to Prefund Other Post-Employment Benefits Through CalPERS
 - Approve the Delegation of Authority to Request Disbursements
- **Staff:**
 - Upon Board approvals, staff will work with CalPERS and the district's actuarial consultant to establish the trust
 - A preliminary annual investment of \$50,000 is included in the 2018-19 Original Budget (Board-approved June 21, 2018). Any proposed revisions to the budget will be presented to the Board for consideration of approval during an upcoming Board meeting



QUESTIONS?



77

Items for Discussion and Action Agenda Item: 4.8

Date: December 17, 2018
Subject: Consider Approving RFP for Well #16 Facilities Design
Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

This Planning Committee recommends the Board consider a Request for Proposal (RFP) for engineering and design services to enable bidding for construction of the Well #16 groundwater pumping station.

Current Background and Justification:

The Planning Committee received a recommendation from the District Engineer to consider the Well#16 pumping station design RFP at the 12-17-2018 Board meeting. The Draft RFP was not reviewed at the 12/7/2018 Planning Committee, therefore committee recommendation for Board approval is inappropriate. Nevertheless, it would be appropriate for the Board to review the draft RFP and approve the document if the Board deems it acceptable. The Draft RFP is included with your Board packets.

The timing associated with the transitions (plural) in District Engineer correlate to a need for eliminating further delays in the construction of hexavalent chromium mitigation facilities using the Opus Bank loan construction schedule.

Approval of the RFP enables the District to solicit bids for design services and subsequently create plans and specifications to solicit bids for construction of the Well #16 groundwater pumping station.

Conclusion:

I recommend the Board approve the RFP for Well #16 groundwater pumping station engineering and design services, and further recommend the Board direct staff to solicit responses to the RFP.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Dills:_____Green:_____Ridilla:_____Henrici:_____Harris:_____.

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

RLECWD Agenda Item Checklist

Item 4.8

Date

Initial Potential Meeting Date

12/17/18

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

Approving RFP for Well #16 Facilities Design

12/04/18

Staff Work Completed

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

Committee Review of Item and Staff Work

12/07/18

Review by appropriate Finance/Administration, Projects /Planning or Ad Hoc
Committees, to prepare board recommendations

Formal Legal Counsel Review

N/A

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

GM Review

12/14/18

Actual Meeting Date Set for Agenda Item

12/17/18



**RIO LINDA/ELVERTA COMMUNITY
WATER DISTRICT**

730 L Street
Rio Linda, California 95673
Phone: (916) 991-1000 • Fax: (916) 991-6616
www.rlecwd.com

**REQUEST FOR PROPOSALS
(RFP)**

****DRAFT 1 FOR REVIEW
ONLY – 12/05/2018****

For Professional Engineering Services for Design and Construction Support for
Equipping of Rio Linda/Elverta Community Water District's Well 16
in
Rio Linda, California

December 18, 2018

Responses Due
January 22, 2019
2:00 P.M.

CONTACT:
Mike Vasquez, PE, PLS
District Engineer
(916) 905-2388
mvasquez@ekiconsult.com

December 18, 2018

Subject: Request for Proposals – Design and Construction Support for Equipping of Rio Linda/Elverta Community Water District’s Well 16

1. Introduction

The Rio Linda / Elverta Community Water District (District) recently completed drilling construction of Well 16. The District is now soliciting proposals from qualified consulting firms for engineering design and construction support services for the equipping of Well 16 (Project). Services would include field investigations, geotechnical investigation, engineering analysis and design recommendations for mechanical and electrical equipment, bidding support, and construction support.

2. Background/Overview

The District is an independent special water district which serves the communities of Rio Linda and Elverta in Sacramento County and serves approximately 4,500 customers. The District is located north of the City of Sacramento in northwestern Sacramento County. The area within the District's boundary comprises about 12,415 acres (19.4 square miles).

The District supplies its water system from 11 active groundwater wells, one elevated reservoir, one inline booster station, and a ground level reservoir and pump station.

Well 16 has been installed to supplement the existing supply sources and has a design capacity of approximately 1,500 gallons per minute (gpm). The well site is an unpaved 1 acre parcel located on U Street Between 14th Street and Dry Creek Road in Rio Linda, California. Approximately half of the parcel is being developed as part of this Project, while the other half is being reserved for potential future improvements, such as another well or a treatment system.

The Project scope includes design of the following elements:

- New well pump;
- Onsite discharge and pump-to-waste waste piping;
- Chlorination facilities;
- Electrical;
- Electrical and control building;
- SCADA integration into District existing network;
- Natural gas emergency generator;
- Off-site piping to the distribution system; and
- General site preparation, paving, and fencing.

Exhibit 1 shows the conceptual site plan, new piping, and tie-in locations.

3. Proposal Schedule

The following schedule is tentative, and the District may amend the tentative schedule as necessary by addenda.

Schedule of Events:

- a. Advertise RFP: December 18, 2018
- b. Mandatory Pre-Proposal Conference: 10:30am on January 4, 2019. Location TBD.
- c. Questions due: January 9, 2019
- d. Response to Questions Provided to RFP Holders: January 11, 2019
- e. Proposal Deadline: Must be received by 2:00 p.m. on January 22, 2019
- f. Anticipated Notice to Proposers: February 4, 2019
- g. Anticipated Award of Contract: February 19, 2019
- h. Anticipated Notice to Proceed: March 4, 2019

The target date for completion of the Project is at the end of August 2019

4. Mandatory Pre-Proposal Conference

A **mandatory** pre-proposal conference has been scheduled for January 4, 2019 at 10:30 at:

XXXXXXXX

XXXXXXXX

Rio Linda, California 95673

Proposals from Consultants who do not attend the **mandatory** pre-proposal conference will be rejected. The pre-proposal conference will begin at the designated start time. Tardiness may be grounds for disqualification.

Interested firms will have an opportunity to submit questions regarding the requirements outlined in this RFP. In order to make the meeting more effective for all participants, attendees should read this document thoroughly prior to the meeting.

Substantial clarifications or changes required as a result of the meeting will be issued in the form of a written addendum to the RFP. A list of attendees will be distributed upon request.

5. Scope of Services

The Consultant selected for this project will be required to provide the labor, equipment and materials to complete the scope of work for this project as described below:

- a. Review existing documents, including but not limited to, well design report, well completion report, and preliminary environmental documents.
- b. Perform site surveying and potholing (if needed) to identify site utilities.
- c. Perform geotechnical investigation in support of facility design.
- d. Perform evaluation of surge or hydropneumatic tank requirements at connection to distribution system.

- e. Perform the following tasks in support of the District's permit amendment application to add well and well appurtenances onto the District's existing water system permit:
 - 1) Perform well pump test per State Water Resources Control Board (SWRCB) requirements and provide brief report describing results.
 - 2) Prepare SWRCB drinking water source assessment.
 - 3) Prepare technical engineering report to support permitting of wellhead treatment (chlorination).
 - 4) Attend one (1) meeting with District staff and SWRCB staff.
 - 5) All water quality sampling will be performed by District.
- f. Prepare pre-design report which will identify design recommendations for the project elements listed in Section 2.
- g. Prepare contract documents including plans, specifications, and cost estimates (PS&E) in accordance with District standards. This will include 30%, 60%, 95%, and 100% (final) PS&E review submittals to the District for review and comment. Following each review, consultant will respond to all comments and make any necessary changes. A technical review meeting shall be held after the 30%, 60%, and 95% submittals to discuss the District's comments. Plans shall be prepared in AutoCAD. Please assume that the District will complete its review within 2 weeks following receipt of each submittal.
 - 1) Deliverables: Provide five (5) hard copies for each progress submittal as well as electronic versions in PDF format. Specifications shall also be provided in Microsoft Word formats.
- h. Provide bid support services, including:
 - 1) Coordinate and conduct pre-bid meeting, and prepare and distribute meeting minutes.
 - 2) Prepare responses to bidder's inquiries during bid period.
 - 3) Prepare and distribute bid addenda.
 - 4) Review construction bids received and prepare a recommendation to the District regarding bid completeness/responsiveness, bidder capabilities, and contract award.
 - 5) Prepare five (5) conformed sets of specifications and drawings as directed by District.
- i. Provide Engineering Services During Construction:
 - 1) Attend pre-construction meeting.
 - 2) Review contractor submittals for conformance with the design drawings and specifications. Please provide assumed number of submittals.
 - 3) Prepare responses to Requests for Information (RFI's) and change order requests, in coordination with the District. Please provide assumed number of RFIs and change orders.
 - 4) Prepare design clarifications (if needed). Please provide assumed number of design clarifications.
 - 5) Progress payment review will be performed by District.

6. Required Submittals for Proposals

Hard copies of proposals are to be submitted no later than 2:00 pm on Tuesday, January 22, 2019 to:

Rio Linda/Elverta Community Water District
Attention: Mike Vasquez, PE, PLS, District Engineer
730 L Street
Rio Linda, CA 95673

Proposals must be received by the date and time described above. The District reserves the right to reject any or all of the proposals submitted. During the evaluation process, the District reserves the right, where it may serve the District's best interest, to request additional information or clarification from any of the firms providing a proposal.

The consultant is requested to submit five (5) hard copies and one (1) electronic copy (in PDF on CD, flash drive, or other electronic media) of the proposal that contains the items listed in the following section.

7. Proposal Requirements

The proposal shall display clearly and accurately the capability, knowledge, experience, and capacity of the consulting firm to meet the requirements of this RFP. Each response to this RFP shall include the information described in this section. Provide the information in the specified order. Failure to include all of the information specified may be cause for rejection. Additional information may be provided, but should be succinct and relevant to the goals of this RFP. Any additional information that a proposing Consultant wishes to include that is not specifically requested should be included in an appendix to the proposal.

Consultants are encouraged to keep the proposals brief and to the point, but sufficiently detailed to allow evaluation of the project approach. Excessive information will not be considered favorably. The entire content of the proposal is limited to 10 sheets (20 pages), excluding cover and any appendices. Unauthorized conditions, omissions, limitations or provisions attached to a proposal will render the proposal non-responsive and may cause its rejection.

Proposers are warned against making erasures or alterations of any kind, without initialing each and every such change. Proposals that contain erasures or irregularities of any kind, without such initialing, or omissions, may be rejected.

The proposal should be bound. Document pages shall be 8-1/2 inches by 11 inches in size or folded to such a size. Use section dividers, tabbed in accordance with this section as specified below.

The proposal submitted in response to this RFP shall include:

Cover Letter

A principal of the consulting firm authorized to commit the firm to the requirements of the RFP must sign the letter. The cover letter shall include the following:

- Title of this RFP.
- Name and Mailing Address of Consulting Firm (include physical location if mailing address is a PO Box).
- Contact Person, Telephone Number, Fax Number, and Email Address
- A statement committing personnel identified in the proposal to support the District when requested by the District.
- A statement that the submitting Consultant will perform the services and adhere to the requirements described in this RFP, including any addenda (reference the addenda by date and/or number)
- A statement that the consultant will meet the insurance requirements stated in the attached Sample Agreement (Appendix A).

Company Background

A brief statement of the firm's background and organization.

Project Team

An organizational chart and a brief summary of the qualifications and experience of the key members of the firm's project team who would be expected to provide the desired services. Any change in the project team by the selected consulting firm would need to be approved in writing by the District. Describe the primary responsibilities of each staff member.

Qualifications

A statement of the firm's qualifications and ability to commit adequate resources to perform the scope of services and successfully complete the project in a timely manner. Identify any sub-consultants or sub-contractors you propose to utilize to supplement your firm's staff.

Experience

A summary of the firm's experience with at least three well equipping and construction projects successfully completed in the last five years. Include a brief project description, an explanation of the work that was performed by the firm, dates, client information, contact name(s) and phone numbers.

Describe each team member's involvement with the projects listed in the summary of firm's experience. Provide similar level of information for key members of any proposed sub-consultant firm.

Project Understanding

Based on the available information, supplemental research, field observations, and experience with similar projects, provide a narrative describing your understanding of the services requested in this RFP, your general approach and any major challenges to achieving the District's stated goals. Include any issues that you believe will require special consideration for this project. Also, identify any unique approaches or strengths that your firm may have related to this project. District staff will assess your understanding of all aspects of the project based on the overview.

Project Approach/Work Plan

Provide a detailed discussion of the consultant's approach towards the successful and timely completion of the scope described above. Identify any critical issues or potential problems and discuss how your firm will address them. Include a proposed work schedule to accomplish all of the required tasks within the desired timeline.

Include a description of all work that will be subcontracted to others. Also, include your expectations of work to be performed by District staff.

Proposed Budget and Rate Schedule, SUBMITTED IN A SEPARATE, SEALED ENVELOPE

In a separate sealed envelope: Provide a cost estimate on a task-by-task basis, the hourly rate for each project team member proposed to work on the District's projects. Include a spreadsheet identifying personnel, hourly rates, project responsibilities, and estimated time expected for each task. The budget for each Task must be presented as not-to-exceed, with all overhead/expenses included in the estimated costs.

It is expected that the rates will remain in effect for the duration of the Agreement. The rate schedule shall also include any other rates such as subconsultant markups, reimbursable expenses, equipment, or other direct costs that may be incurred. Also include any other rates to be potentially incurred by the District. If the District is unable to negotiate a professional services agreement with the most qualified respondent, and/or finds the budget unreasonable for the needs of the District, the District will terminate discussions with the most qualified respondent and begin discussions with the second most qualified respondent and so on until a professional services agreement is executed with a reasonable budget meeting the District's needs.

Terms and Conditions Statement

Statement of acceptance or objections to terms and conditions of the District's Standard Professional Services Agreement (Appendix A). If there are any objections to the terms and conditions, alternative language shall be included for consideration by the District.

Statement of No Conflict of Interest

Statement of no conflict of interest if awarded this contract or how any potential conflicts will be addressed.

Appendices

Include resumes of project team members. Each resume shall not exceed three (3) pages.

8. Pertinent Information**Addenda and Supplements**

If it becomes necessary to revise any part of this RFP, an addendum to the RFP will be provided to all firms on the RFP distribution list. Copies of any addenda signed as received by the proposer shall be included in the proposal under an appendix.

Proposal Costs

All costs associated with the development of the proposal shall be the responsibility of the consultant and shall not be chargeable in any manner to the District.

Use of Proposal Ideas

The District reserves the right to use any or all of the firms' ideas presented in the proposals. Selection or rejection of the proposal does not affect this right.

Any information submitted in a proposal which the consultant considers proprietary must be identified as such, and the consultant shall include the legal basis for a claim of confidentiality. The District will not assert the confidentiality of such information unless the consultant executes and submits a written agreement prepared by the District, to defend and indemnify the District for any liability, costs, and expenses incurred in asserting such confidentiality as part of the proposal. The final determination as to whether or not the District will assert the claim of confidentiality on behalf of the bidder is in the sole discretion of the District.

9. Proposal Evaluations

The proposals will be reviewed and evaluated by District staff. The District does not anticipate interviews. Final selection is expected on or before February 4, 2019.

The following evaluation criteria and rating schedule will be used to determine the most highly qualified firm(s).

<u>Evaluation Criteria</u>	<u>Maximum Points Possible</u>
1. Project Understanding, Approach and Workplan	25
2. Firm Experience	20
3. Project Team Experience and Qualifications	20
4. Firm Qualifications	15
5. References	10
6. Proposed Project Schedule	10
Total Possible Points:	100

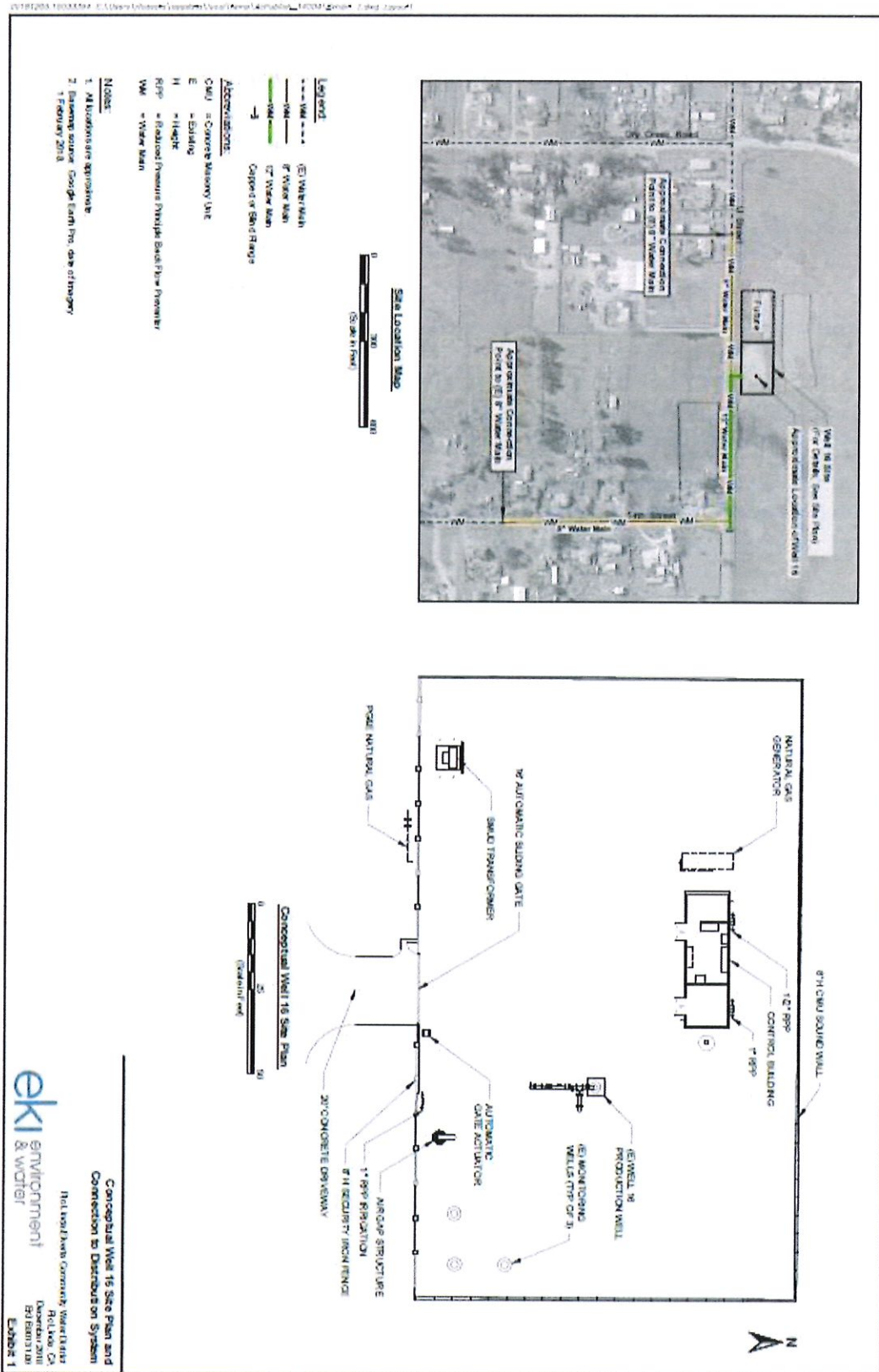
Award of the RFP shall be made to the responsible proposer whose proposal is determined, through a formal evaluation panel process, to be the most advantageous to the District after the evaluation panel has taken into consideration the evaluation factors set forth in the RFP. A master averaged score sheet shall be created based on the evaluation panel's initial evaluation. Proposals shall be scored according to the criteria stated in the RFP.

10. Award of Contract

The District reserves the right to reject any and all proposals, to contract work with whomever and in whatever manner the District decides, to abandon the work entirely and to waive an informality or non-substantive irregularity as the interest of the District may require and to be the sole judge of the selection process. The District also reserves the right to negotiate separately in any manner to serve the best interest of the District.

We appreciate your interest in providing engineering services to the District and look forward to a successful relationship with the selected firm. If you have any questions, please contact District Engineer Mike Vasquez, PE, PLS at (916) 905-2388 or mvasquez@ekiconsult.com.

Exhibit 1



Appendix A

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
PROJECT: Well 16 Equipping Design and Construction Support
PROJECT NO. _____ - _____

AGREEMENT FOR CONSULTING SERVICES

THIS ENGINEERING SERVICES AGREEMENT (“Agreement”) is made and entered into this ___ day of _____, 20___, by and between the Rio Linda Elverta Community Water District, a county water district of the State of California (“District”) and [Consultant Name], (“Consultant”) (each individually a “Party” and collectively the “Parties”). There are no other parties to this Agreement.

RECITALS

- A.** Consultant represents to District that it is a duly qualified and licensed firm experienced in providing professional engineering consulting services in support of the Well 16 Equipping Design and Construction Support project.
- B.** In the judgment of the Board of Directors of District, it is necessary and desirable to employ the services of Consultant to perform consulting services on Well 16 Equipping Design and Construction Support project (the “Project”).
- C.** Consultant has been selected as the most qualified to provide engineering services resulting from their submitted Proposal dated [Month, Day,] 2018 in response to the District’s Request for Proposals dated [Month, Day,] 2018, a description of such services is attached hereto as **Exhibit A** (“Services”).

NOW, THEREFORE, in consideration of the promises and covenants set forth below, the Parties agree as follows:

AGREEMENT

Section 1. Recitals. The recitals set forth above (“Recitals”) are true and correct and are hereby incorporated into and made part of this Agreement by this reference. In the event of any inconsistency between the Recitals and Sections 1 through 18 of this Agreement, Sections 1 through 18 shall prevail.

Section 2. Term. This Agreement shall commence on the Effective Date and continue for three (3) years (“Term”), provided that either Party may terminate the Agreement by providing thirty (30) days written notice to the other Party.

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Section 3. Effective Date. This Agreement shall only become effective once all of the Parties have executed the Agreement (the “Effective Date”). Consultant, however, shall not commence the performance of the Services until it has been given notice by District (“Notice to Proceed”).

Section 4. Work.

(a) *Services.* Subject to the terms and conditions set forth in this Agreement, Consultant shall perform the Services as described in **Exhibit A** and as provided in approved Task Orders. Consultant shall not receive additional compensation for the performance of any services unless they are approved by the District in writing.

(b) *Modification of Services.* Only the District’s General Manager may authorize extra or changed work. Failure of Consultant to secure such a written authorization for extra or changed work shall constitute a waiver of any and all right to adjustment in the Agreement price or Agreement time due to such unauthorized work and thereafter Consultant shall be entitled to no compensation whatsoever for the performance of such work. Consultant further waives any and all right or remedy by way of restitution or quantum meruit for any and all extra work performed without such express and prior written authorization of the General Manager.

Section 5. Time of Performance. Consultant warrants that it will commence performance of the Services within thirty (30) calendar days of the Notice to Proceed, and shall conform to the requirements of the Services provided in **Exhibit A** or as provided in an approved Task Order. The time of performance is a material term of this Agreement relied on by District in entering into this Agreement.

Section 6. Payment. The District shall pay Consultant for all Services described in **Exhibit A**, which are performed and invoiced by Consultant.

Consultant shall submit monthly invoices to District for Services performed and expenses incurred during the preceding month. District shall pay Consultant within 30 days of receipt of each invoice. Each invoice shall identify all services performed and any expenses for which reimbursement is requested. Prior to payment, District may require Consultant to furnish supporting information and documentation for all charges for which payment is sought.

Section 7. Representations of Consultant. District relies upon the following representations by Consultant in entering into this Agreement:

(a) *Standard of Care.* District has relied upon the professional ability and training of Consultant as a material inducement to enter into this Agreement. Consultant hereby warrants that it is qualified to perform the Services as provided in the Task Orders and that all of its services will be performed in accordance with the generally accepted hydrogeologic consultant practices and standards, in compliance with all applicable federal, state and local laws.

(b) *Independent Consultant.* In performing the services hereinafter specified, Consultant shall act as an independent Consultant and shall have control of the work and the manner in which it is performed. Consultant is not to be considered an agent or employee of

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District, and is not entitled to participate in any pension plan, insurance, bonus, or similar benefits District provides its employees. In the event District exercises its right to terminate this Agreement, Consultant expressly agrees that it shall have no recourse or right of appeal under rules, regulations, ordinances, or laws applicable to employees. Nothing contained herein shall be construed as creating an employment, agency or partnership relationship between District and Consultant.

(c) *Authority.* Consultant represents that it possesses the necessary licenses, permits and approvals required to perform the Services or will obtain such licenses, permits or approvals prior to the time such licenses, permits or approvals are required. Consultant shall also ensure that all sub-consultants are similarly licensed and qualified. Consultant represents and warrants to District that Consultant shall, at Consultant's sole cost and expense, keep in effect or obtain at all times during the Term of this Agreement, any licenses, permits, and approvals which are legally required for Consultant to practice Consultant's profession at the time the Services are rendered including registration for public works projects with the Department of Industrial Relations.

(d) *No Conflict of Interest.* Consultant represents that no conflict of interest will be created under state or federal law by entering into or in carrying out this Agreement. Consultant further promises that in the performance of this Agreement, no person having such interest will be knowingly employed. If requested to do so by District, Consultant shall complete and file, and shall cause any person doing work under this Agreement to complete and file, a "Statement of Economic Interest" with the Sacramento County Clerk disclosing their financial interests.

(e) *Prevailing Wage.* Consultant agrees to pay all craftsmen and laborers required as part of the consulting services at least the minimum prevailing wage required by the Department of Industrial Relations of the State of California. Consultant understands and agrees that it is Consultant's responsibility to determine the minimum prevailing wage and to report compliance as required under California law.

Section 8. Conformity with Law and Safety. Consultant shall observe and comply with all applicable laws, ordinances, codes and regulations of governmental agencies, including federal, state, municipal and local governing bodies having jurisdiction over any or all of the scope of Services, including all provisions of the Occupational Safety and Health Act of 1979 as amended, all California Occupational Safety and Health Regulations, the California Building Code, the American with Disabilities Act, and all other applicable federal, state, municipal and local safety regulations, appropriate trade association safety standards, and appropriate equipment manufacturer instructions. Consultant's failure to comply with any laws, ordinances, codes or regulations applicable to the performance of the Services hereunder shall constitute a breach of contract. In cases where standards conflict, the standard providing the highest degree of protection shall prevail.

If a death, serious personal injury or substantial property damage occurs in connection with the performance of this Agreement, Consultant shall immediately notify the District's risk manager by telephone. If any accident occurs in connection with this Agreement, Consultant shall promptly submit a written report to District, in such form as the District may require. This report shall include the following information: (a) name and address of the injured or deceased persons;

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(b) name and address of Consultant's sub-consultant, if any; (c) name and address of Consultant's liability insurance carrier; and (d) a detailed description of the accident, including whether any of District's equipment, tools or materials were involved.

If a release of a hazardous material, substance, or waste occurs in connection with the performance of this Agreement, Consultant shall immediately notify District. Consultant shall not store hazardous materials or hazardous waste within the District limits without a proper permit from District.

Section 9. Excusable Delays. Consultant shall not be in breach of this Agreement in the event that performance of Services is temporarily interrupted or discontinued due to a "Force Majeure" event which is defined as: riots, wars, sabotage, civil disturbances, insurrections, explosion, natural disasters such as floods, earthquakes, landslides, fires, strikes, lockouts and other labor disturbances or other catastrophic events, which are beyond the reasonable control of Consultant. Force Majeure does not include: (a) Consultant's financial inability to perform; (b) Consultant's failure to obtain any necessary permits or licenses from other governmental agencies; or (c) Consultant's failure to obtain the right to use the facilities of any public utility where such failure is due solely to the acts or omissions of the Consultant.

Section 10. Assignment Prohibited. No Party to this Agreement may assign any right or obligation pursuant to this Agreement. Any attempt or purported assignment of any right or obligation pursuant to this Agreement shall be void and of no effect.

Section 11. Ownership and Disclosure of Work Product. District shall be the owner of and shall be entitled to immediate possession of accurate reproducible copies of any design computations, plans, specifications, surveys, copies of correspondence, maps, or other pertinent data and information gathered or computed by Consultant ("Work Product") in the performance of and prior to termination of this Agreement by District or upon completion of the work pursuant to this Agreement. Consultant may retain copies of the above-described documents but agrees not to disclose or discuss any information gathered, discovered, or generated in any way through this Agreement without the express written permission of District, during the term of this Agreement and for a period of one hundred eighty (180) days following expiration of the term of the Agreement.

When this Agreement is terminated, Consultant agrees to return to District all documents, drawings, photographs and other written or graphic material, however produced, that it received from District, its Consultants or agents, in connection with the performance of its Services under this Agreement. All materials shall be returned in the same condition as received.

Section 12. Termination by Default. If a Party should fail to perform any of its obligations hereunder, within the time and in the manner herein provided, or otherwise violates any of the terms of this Agreement (the "Defaulting Party"), the other Party shall give notice to the Defaulting Party and allow such Party ten (10) days to correct such deficiency. If the Defaulting Party does not correct such deficiency, the other Party may immediately terminate this Agreement by giving written notice of such termination, stating the reason for such termination. In such event, Consultant shall be entitled to receive payment for all services satisfactorily rendered, provided,

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however, there shall be deducted from such amount the amount of damage, if any, sustained by virtue of any breach of this Agreement by Consultant. If payment under this Agreement is based upon a lump sum in total or by individual task, payment for services satisfactorily rendered shall be an amount which bears the same ratio to the total fees specified in the Agreement as the services satisfactorily rendered hereunder by Consultant bear to the total services otherwise required to be performed for such total fee, provided, however, that there shall be deducted from such amount the amount of damage, if any sustained by District by virtue of any breach of this Agreement by Consultant.

(a) Consultant shall deliver copies of all Work Product prepared by it pursuant to this Agreement.

(b) If District terminates this Agreement before District issues the Notice to Proceed to Consultant or before Consultant commences any Services hereunder, whichever last occurs, District shall not be obligated to make any payment to Consultant. If District terminates this Agreement after District has issued the Notice to Proceed to Consultant and after Consultant has commenced performance under this Agreement, District shall pay Consultant the reasonable value of the Services rendered by Consultant pursuant to this Agreement prior to termination of this Agreement. District shall not in any manner be liable for Consultant's actual or projected lost profits had Consultant completed the Services. Consultant shall furnish to District such financial information, as in the judgment of the District Manager, is necessary to determine the reasonable value of the Services rendered by Consultant prior to termination.

(c) Except as provided in this Agreement, in no event shall District be liable for costs incurred by or on behalf of Consultant after the date of the notice of termination.

Section 13. Liability for Breach. Neither Party waives the right to recover damages against the other for breach of this Agreement including any amount necessary to compensate District for all detriment proximately caused by Consultant's failure to perform its obligations hereunder or which in the ordinary course of things would be likely to result therefrom. District reserves the right to offset such damages against any payments owed to Consultant. District shall not in any manner be liable for Consultant's actual or projected lost profits had Consultant completed the Services required by this Agreement. In the event of Termination by either Party, copies of all finished or unfinished Work Product shall become the property of District. Notwithstanding the above, in no event shall District be liable, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including, but not limited to, lost profits or revenue, arising out of or in connection with this Agreement or the Services performed in connection with this Agreement.

Section 14. Insurance Coverage. During the Term, the Consultant shall maintain in full force and effect policies of insurance set forth herein, which shall be placed with insurers with a current A. M. Best's rating of no less than A VII, and will provide the District with written proof of said insurance. Consultant shall maintain coverage as follows:

(a) *Professional Liability:* professional liability insurance for damages incurred by reason of any actual or alleged negligent act, error or omission by sub-consultant in the amount of

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One Million Dollars (\$1,000,000.00) combined single limit each occurrence and annual aggregate. If the Consultants prime agreement requires the sub-consultant to carry additional Professional Liability insurance the sub-consultant shall increase their Professional Liability insurance to meet the prime agreement's requirements for the duration of the Project.

(b) *General Liability.* Consultant shall carry commercial general liability insurance in an amount no less than Two Million Dollars (\$2,000,000.00) combined single limit for each occurrence, covering bodily injury and property damage. If commercial general liability insurance or another form with a general aggregate limit is used, either the general aggregate limit shall apply separately to each Project or the general aggregate shall be no less than Two Million Dollars (\$2,000,000.00).

(c) *Worker's Compensation Insurance and Employer's Liability.* Consultant shall carry workers' compensation insurance as required by the State of California under the Labor Code.

(d) *Automobile Liability Insurance.* Consultant shall carry Automobile liability insurance covering bodily injury and property damage in an amount no less than One Million Dollars (\$1,000,000) combined single limit for each occurrence. Said insurance shall include coverage for owned, hired, and non-owned vehicles.

(e) *Policy Obligations.* Consultant's indemnity and other obligations shall not be limited by the foregoing insurance requirements.

(f) *Material Breach.* If Consultant, for any reason, fails to maintain insurance coverage that is required pursuant to this Agreement, such failure shall be deemed a material breach of this Agreement. District, at its sole option, may terminate this Agreement and obtain damages from Consultant resulting from said breach. Alternatively, District may purchase such required insurance coverage, and without further notice to Consultant, District may deduct from sums due to Consultant any premium costs advanced by District for such insurance. These remedies shall be in addition to any other remedies available to District.

Section 15. Indemnification. To the fullest extent permitted by law (including, without limitation, California Civil Code Sections 2782 and 2782.8), Consultant shall defend, indemnify hold harmless and release District, and District's elected and appointed councils, commissions, directors, officers, employees, agents, and representatives ("District's Agents") from and against any and all actions, claims, loss, cost, damage, injury (including, without limitation, disability, injury or death of an employee of Consultant or its sub-consultants), expense and liability of every kind, nature and description that arise out of, pertain to or relate to acts or omissions of Consultant, or any direct or indirect sub-consultant, employee, Consultant, representative or agent of Consultant, or anyone that Consultant controls (collectively "Liabilities"). Such obligations to defend, hold harmless and indemnify District and District's Agents shall not apply to the extent that such Liabilities are caused in whole by the sole negligence, active negligence, or willful misconduct of District or District's Agents, but shall apply to all other Liabilities. With respect to third party claims against the Consultant, the Consultant waives any and all rights of any type of express or implied indemnity against District and District's Agents. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or

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compensation payable to or for Consultant or its agents under Workers' Compensation acts, disability benefits acts or other employee benefit acts.

Section 16. Notices. Any notice or communication required hereunder between District and Consultant must be in writing, and may be given either personally, by registered or certified mail (return receipt requested), or by Federal Express, UPS or other similar couriers providing overnight delivery. If personally delivered, a notice or communication shall be deemed to have been given when delivered to the Party to whom it is addressed. If given by registered or certified mail, such notice or communication shall be deemed to have been given and received on the first to occur of (a) actual receipt by any of the addressees designated below as the party to whom notices are to be sent, or (b) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date delivered as shown on a receipt issued by the courier. Any Party hereto may at any time, by giving ten (10) days written notice to the other Party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below:

If to District: Rio Linda/Elverta Community Water District
 730 L Street
 Rio Linda, California 95673
 Attention: Timothy R. Shaw, General Manager
 Tel: (916) 991-8891

With courtesy copy to: Churchwell White LLP
 1414 K Street, Third Floor
 Sacramento, California, 95814
 Attention: Barbara A. Brenner, Esq.
 Tel: (916) 468-0950

If to Consultant: Consultant Name
 Address
 City, State Zip
 Attention:
 Tel:

Section 17. Exhibits. All "Exhibits" referred to below or attached to herein are by this reference incorporated into this Agreement:

<u>Exhibit Designation</u>	<u>Exhibit Title</u>
Exhibit A:	Services

Section 18. General Provisions.

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(a) *Modification.* No alteration, amendment, modification, or termination of this Agreement shall be valid unless made in writing and executed by all of the Parties to this Agreement.

(b) *Waiver.* No covenant, term, or condition or the breach thereof shall be deemed waived, except by written consent of the Party against whom the waiver is claimed, and any waiver of the breach of any covenant, term, or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term, or condition.

(c) *Severability.* If this Agreement in its entirety is determined by a court to be invalid or unenforceable, this Agreement shall automatically terminate as of the date of final entry of judgment. If any provision of this Agreement shall be determined by a court to be invalid and unenforceable, or if any provision of this Agreement is rendered invalid or unenforceable according to the terms of any federal or state statute, which becomes effective after the Effective Date of this Agreement, the remaining provisions shall continue in full force and effect and shall be construed to give effect to the intent of this Agreement.

(d) *Counterparts.* This Agreement may be executed simultaneously and in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.

(e) *Audit.* District shall have access at all reasonable times to all reports, contract records, contract documents, contract files, and personnel necessary to audit and verify Consultant's charges to District under this Agreement.

(f) *Entire Agreement.* This Agreement, together with its specific references, attachments and exhibits, constitutes the entire agreement of the Parties with respect to the subject matters hereof, and supersedes any and all prior negotiations, understanding and agreements with respect hereto, whether oral or written.

(g) *Attorney's Fees and Costs.* If any action at law or in equity, including action for declaratory relief, is brought to enforce or interpret provisions of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

(h) *Time is of the Essence.* Time is of the essence in this Agreement for each covenant and term of a condition herein.

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IN WITNESS WHEREOF, this Agreement has been entered into by and between District and Consultant as of the Effective Date.

DISTRICT:

Rio Linda Elverta Community Water District,
a county water district of the State of
California

By: _____
Timothy R. Shaw, General Manager

Date: _____

Approved as to Form:

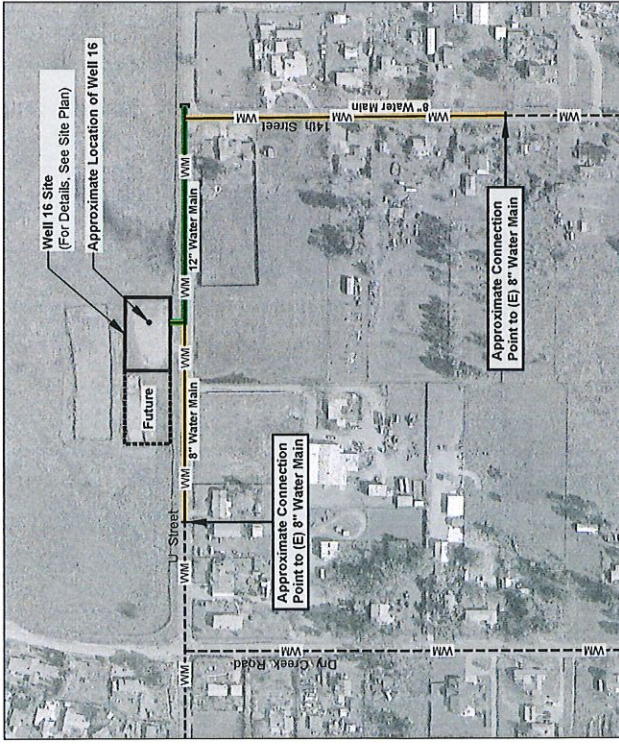
By: _____
Barbara A. Brenner, District Counsel

CONSULTANT:

Consultant Name

By: _____
Name, Title

Date: _____



Site Location Map



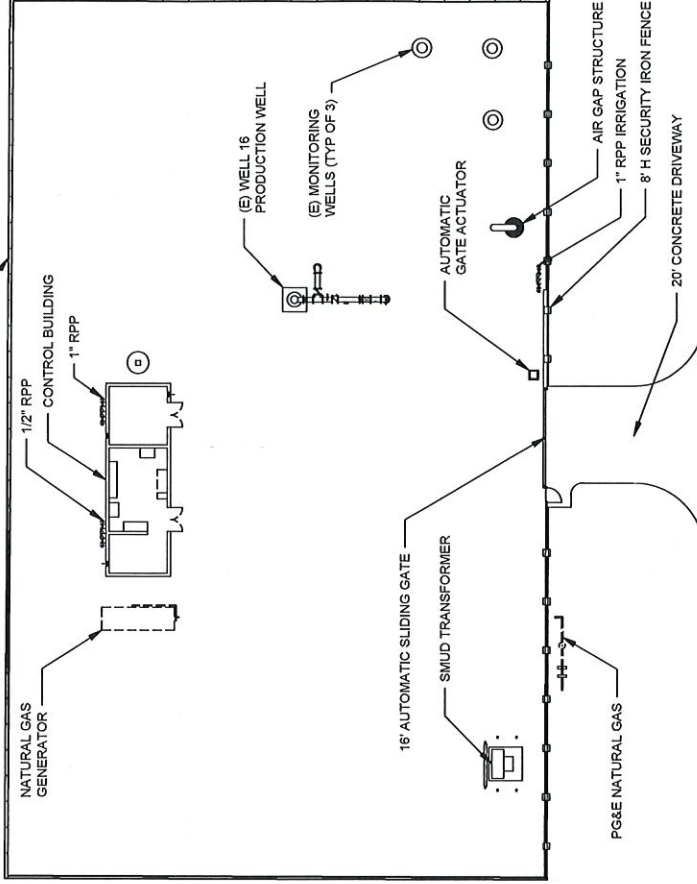
- Legend:**
- WM --- (E) Water Main
 - WM --- 8" Water Main
 - WM --- 12" Water Main
 - WM --- Capped or Blind Flange

Abbreviations:

- CMU = Concrete Masonry Unit
- E = Existing
- H = Height
- RPP = Reduced Pressure Principle Back Flow Preventer
- WM = Water Main

Notes:

1. All locations are approximate.
2. Basemap source: Google Earth Pro, date of imagery 1 February 2018.



Conceptual Well 16 Site Plan





Information Items Agenda Item: 5.1

Date: December 17, 2018

Subject: District Reports

Staff Contact: Timothy R. Shaw, General Manager

1. DISTRICT ACTIVITY REPORT

- a. Operations Report
- b. Conservation Report

RIO LINDA/ELVERTA C.W.D. 2018

REPORT OF DISTRICT OPERATIONS

SOURCE WATER DATA

Water Production (Million Gallons)

January	February	March	April	May	June	Year To Date
34.8	34.5	36.5	43.7	78.5	102.9	
34,761,308	34,533,300	36,538,945	43,675,247	78,471,746	102,941,005	
July	August	Sept.	Oct.	Nov.	Dec.	
121	110.3	90.1	74.7	53.1		780.10
120,520,384	110,291,459	90,094,177	74,743,909	53,136,976		
			Monthly Total			
Gallons = Multiply M.G. by:			1,000,000			Gallons 779,708,456
Cubic Feet = Divide gallons by:			7.48			Cubic Feet 104,239,098
Hundred Cu Ft. = Divide cu. ft. by:			100			Hundred Cubic Feet 1,042,391
Acre Ft. = Divide gallons by:			325,829			Acre Ft. 2,393

DISTRIBUTION SYSTEM DATA

Water Quality Complaints

Complaints Total (Low Psi Complaints)

January	February	March	April	May	June	Year To Date
1	1	1	3 (3)	1	1 (1)	
July	August	Sept.	Oct.	Nov.	Dec.	
1 (1)	1 (1)	1 (1)	1	0		12

New Services

New Construction	0	5
Existing Homes	0	0
Paid prior to increase. (2 not installed)	0	0
Total of Service Connections to Date ----->		4636

Distribution System Failures

Deterioration November 1 thru 30	6	69
Damaged November 1 thru 30	0	6

Bacteriological Sampling

Routine	16	192
Raw Water Well Samples	0	35

November 1, 2018 - November 30, 2018

6 - Distribution leaks repaired by District staff, 0 - by Contractor or with contractor assistance.

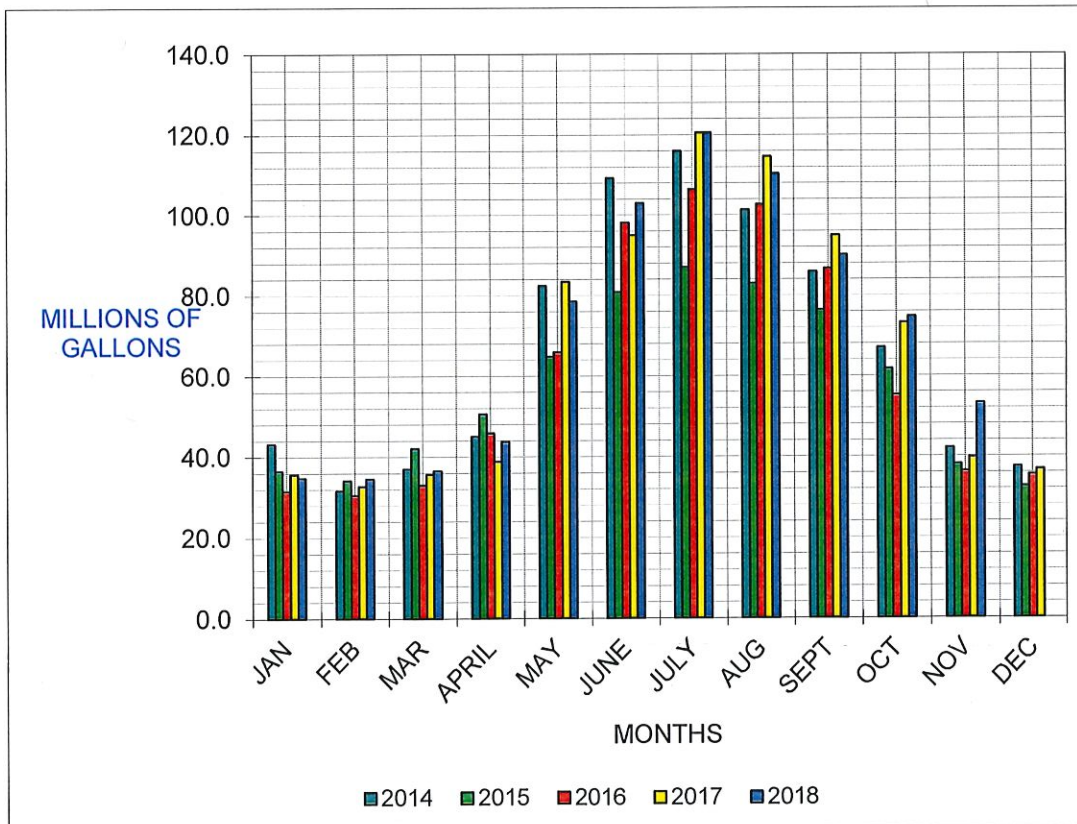
Work Orders Issued - 162	Work Orders Completed - 40	USA's Issued - 99
Backflow Test - 8	Backflow Test - 6	
Change Out Meter - 119	Change Out Meter - 5	
Conservation - 1	General Complaint - 1	
General Complaint - 1	Meter Downsize Request - 1	
Flow Test - 2	Flow Test - 2	
Install New Service - 1	Line Leak - 1	
Repair/Replace Lid - 1	Other Work - 1	
Line Leak - 2	Possible Leak - 8	
Lock Service Off - 1	Repair - 1	
Other Work - 1	Re-Read Meter - 1	
Possible Leak - 9	Swap Meter - 1	
Repair - 1	Tag Property - 1	
Re-Read Meter - 2	Taste or Odor Complaint - 1	
Swap Meter - 1	Turn Off Service - 5	
Tag Property - 1	Turn On Service - 3	
Turn Off Service - 6	Usage Complaint - 2	
Turn On Service - 3		
Usage Complaint - 2		

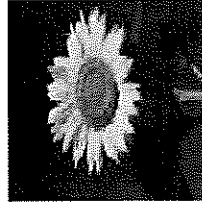
RIO LINDA/ELVERTA C.W.D.

WATER PRODUCTION

2014 \ 2018

Water Production in Million Gallons							SSWD Water Purchases				
Month	2014	2015	2016	2017	2018	Avg.	2014	2015	2016	2017	2018
JAN	43.2	36.5	31.5	35.6	34.8	36.3	0.0	0.0	0.0	0.0	0.0
FEB	31.6	34.1	30.5	32.7	34.5	32.7	0.0	0.0	0.0	0.0	0.0
MAR	37.0	42.0	33.0	35.6	36.5	36.8	0.0	0.0	0.0	0.0	0.0
APRIL	45.0	50.5	45.8	38.8	43.7	44.8	0.0	0.0	0.0	0.0	0.0
MAY	82.4	64.8	65.9	83.4	78.5	75.0	0.0	0.0	0.0	0.0	0.0
JUNE	109.2	80.8	98.0	94.9	102.9	97.2	2.8	0.0	0.0	0.0	0.0
JULY	116.0	87.0	106.4	120.5	120.5	110.1	0.0	0.0	0.0	0.0	0.0
AUG	101.3	83.0	102.6	114.6	110.3	102.4	0.0	0.0	0.0	0.0	0.0
SEPT	85.9	76.4	86.7	94.9	90.1	86.8	0.0	0.0	0.0	0.0	0.0
OCT	67.0	61.7	55.2	73.2	74.7	66.4	0.0	0.0	0.0	0.0	0.0
NOV	42.0	38.0	36.3	39.7	53.1	41.8	0.0	0.0	0.0	0.0	0.0
DEC	37.4	32.5	35.4	36.7		35.5	0.0	0.0	0.0	0.0	
TOTAL	798.0	687.3	727.3	800.6	779.6	753.3	2.8	0.0	0.0	0.0	0.0



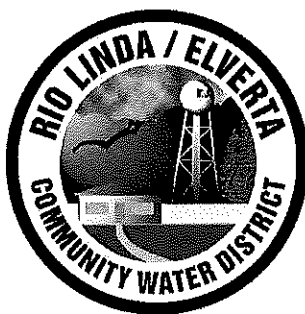


Conservation Report

November 2018



Supplies (kits):	Shower heads (0) Kitchen Aerators (0) Bathroom Aerators (0) Shower Timer (0) Nozzle (0) Toilet Tabs (8) Moisture Meters (0) Water Bottles (1) Toilet Tummy (0) Retro-Fit Kits (0) Welcome Kits (2) Kids Kit (3)
Water Waste (calls, emails, letter, leaks detected/fixed):	1 Water Waste Complaint Called 6 customer for possible leaks using AMI system 3 Leak Emails 5 Leak Letters 9 Fixed leaks Hung 0 Water Efficiency Tag
Water Schedule:	N/A
Surveys:	0
Rebates:	Toilets: 0 Washing Machines: 0
Workshops, Meetings:	RWEPAC Meeting (11/13/18)
Fines:	NONE
Other Tasks:	<ul style="list-style-type: none"> ● Assisted with payments, new customers, closing accounts, final billing accounts and printing stamp requests ● Scanned and uploaded documents into our new billing system ● Created/completed work orders ● Created Welcome Kits/Retro Fit Kits ● Submitted the newsletter about updating account information, winter conservation tips, Water Spots Video Contest, etc. ● Notified customers that rebates are currently unavailable and to please look back on our website July of 2019 ● Reached out to customers with a 7 gallon leak or higher
Grant Updates:	N/A



Information Items Agenda Item: 5.2

Date: December 17, 2018

Subject: Board Reports

Staff Contact: Timothy R. Shaw, General Manager

2. BOARD REPORTS

- a. Announce ad hoc committee(s) dissolved by requirements in Policy 2.01.065
- b. Regional Water Authority – Henrici, Shaw
- c. Sacramento Groundwater Authority – Green, Harris
- d. LAFCO – Green
- e. Planning Committee – Dills, Harris
- f. Finance / Administrative Committee – Ridilla, Henrici
- g. ACWA/JPIA – Green, Harris
- h. Ad Hoc Committee's
 1. MOU Negotiations – Dills, Harris
- i. Other Reports

**SACRAMENTO GROUNDWATER AUTHORITY
REGULAR MEETING OF THE BOARD OF DIRECTORS**

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Thursday, December 13, 2018; 9:00 a.m.

5620 Birdcage Street, Suite 110
Citrus Heights, CA 95610
(916) 967-7692

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 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) 967-7692. 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 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

Minutes of October 18, 2018 meeting

Action: Approve October 18, 2018 meeting minutes

4. 2018 AUDIT REPORT

Information Presentation: Peggy Vande Vooren, Gilbert Associates, Inc.

Action: Accept 2018 Financial Audit report

5. ELECTION OF 2019 SGA OFFICERS

Information Update: SGA Nominating Committee update and recommendations

Action: Elect 2019 SGA Chair and Vice Chair

6. SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA) UPDATE

Information Update: John Woodling, Executive Director

7. GROUNDWATER MANAGEMENT PROGRAM UPDATE

Information Update: Rob Swartz, Manager of Technical Services

8. EXECUTIVE DIRECTOR'S REPORT

9. DIRECTORS' COMMENTS

ADJOURNMENT

Next SGA Board of Director's Meeting – February 14, 2019, 9:00 a.m., RWA/SGA office, 5620 Birdcage Street, Ste. 110, Citrus Heights.

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

December 7, 2018

RLECWD Planning and Project Committee Meeting

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Meeting was opened at 2:05 pm by Director Dills

Public Comment: None

RLECWD members present were G.M. Tim Shaw, Directors Mary Harris and Brent Dills.

Also Present: Mike Vasquez District Engineer with EKI Engineering.

1) Regional Water Reliability Plan Phase 2 Draft Fee Proposal.

The committee reviewed and discussed the Regional Water Reliability Plan Draft Fee Proposal. No action needed at this time.

2) Annual Adjustment to RLECWD Capacity Fees.

Mike Vasquez updated the committee. The committee discussed and reviewed the adjustment and recommends it be approved by the full board.

3) District Engineer Project Status Report.

Mike Vasquez updated the committee. The committee discussed the ESP developer funding agreement, which has already been approved by the full Board. GM reported the Developers have now indicated they will sign the agreement.

District is requesting RFP's to proceed with Well #16 Groundwater Pumping Station design. Committee recommends moving forward with advertising RFP process. This will be discussed at the December board meeting and approval by the board will be requested.

- Discussed progress reports to RWA/SGA for the Well #10 grant.
- Sacramento County Planning Office requests for RLWCWD conditions of approval for ESP projects—GM and District Engineer are responding to the request. Water Services Agreement remains a primary condition.
- Status of ESP Owners development cost funding agreement execution.

Director Dills reiterated his recurring question; Has ESPOG began to help identify other sources of surface water?

Next Planning Committee meeting is Friday, January 4th, 2019

Director Dills adjourned the meeting at 2:39 pm.

Rio Linda/Elverta Community Water District
Finance and Administrative Committee Meeting Minutes

December 10, 2018

Attendees: Director Mary Henrici, Director John Ridilla, and General Manager Tim Shaw were present.

Meeting was called to order by Director Henrici at 6:34 PM.

Public Comment. There was none.

Agenda Items

1. Review and discuss expenditures of the District for the month of November 2018.

Director Ridilla asked if the auditor's bill was the final bill. Manager Shaw said it was the last bill. Director Ridilla asked about the cost of the tree removal. Manager Shaw noted that this billing is the total cost. All items were in order.

The committee recommends approval to the full Board of Directors.

2. Review and discuss Financial Reports of the District for the month of November 2018.

There were no comments regarding the financial reports.

The committee recommends approval of the financial reports to the full Board of Directors.

3. Review Comprehensive Annual Financial Report CAFR.

In the context of the \$90/year subscription to obtain the economic statistics, which are immaterial for RLECWD, Manager Shaw noted that the District is not required to create this report. Director Henrici said the Grand Jury requested that the District perform this annual report in an effort to show transparency. It is also required for the GFOA certificate the District obtains annually.

The committee recommends approval to the full Board of Directors.

4. Continued discussion on Draft Ordinance to opt out of the inactive service fee.

The revised Ordinance was provided to the committee for review. Director Ridilla asked why the fee for disconnection was blank and a discussion ensued regarding the fee. It was felt by

the committee that the fee should be the actual staff cost for disconnection. Manager Shaw was asked to find out from legal counsel if it is possible to bill in this manner.

The committee recommends the Ordinance include a permanent disconnection fee that is based on actual staff time and that the Ordinance goes to the full board for approval. The earliest opportunity for Board approval is the Jan 28, 2019 meeting due to prescribed timelines for a Public Hearing.

5. Discuss California Employers Retiree Benefit Trust (CERBT) prefunding retiree medical insurance obligations.

Due to the low interest rate on our LAIF funds the committee felt that the money currently in the LAIF account should be put into the CERBT as an opening balance for the account. Additional funding could be considered at the midyear budget review.

The committee recommends opening a CERBT account with Cal Pers for funding of post-retirement medical insurance costs.

6. Discuss annual requirement of CalPERS for posting of updated employee pay scales.

Manager Shaw noted that PERS does not require a resolution to update the pay scales but this has been the practice of the District.

The committee recommends the updated employee pay scales go to the full Board for approval, noting that the Board lacks full discretion to reject the pay scale update because the annual Cost of Living Adjustment (COLA) is prescribed in the current MOU.

Directors' and General Manager comments not on the agenda.

There were none

Meeting adjourned at 7:05 p.m.

ACWA/JPIA Meeting & ACWA Conference

On November 26th through November 30, 2018, I attended the ACWA/JPIA Meeting & ACWA Conference in San Diego, CA.

Attached is a conference program with the sessions I attended annotated (circled).

Below are a portion of the seminars, meetings and activities that I attended.

- November 26th ACWA / JPIA board approved authorizing the establishment of a captive insurance company which will be domiciled in the state of Utah.
- Savings on all employee health benefits programs renewed for 2019 had no increase, except for a 2.64% increase in Kaiser rates.
- ACWA / JPIA presented retiring Timothy Quinn a Resolution commending him for eleven years of outstanding service as the Executive Director of ACWA.

ACWA/JPIA reported that special district's payroll is how they determine what each district pays in premiums to ACWA/JPIA

I attended two training seminars.

- **Moving from Group to Team: Creating a cohesive board.** It was very informative, and I learned a lot during this seminar. Group to TEAM Leadership Solutions was founded by Certified Professional Speaker, Susan Leahy MA, CSP and business coach Freeman Michaels MA. Group to TEAM Leadership Solutions initiates a deeper conversation about what it takes to build viable, self-sustaining, teams.
- **Staying out of hot water: Understanding your role as a Board Member.** Taught by Robert Greenfield ACWA/JPIA General Counsel. It was informative but geared more for new board members.

I received a Certificate of Completion for a two hour Sexual Harassment Prevention class for Board Members & Managers

I also received a Certificate for a two hour training class for Water Agency Officials: AB1234 Conduct & Ethics

Mary R Harris

RLECWD Board President

Certificate of Attendance

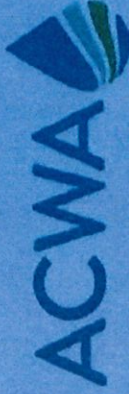
THIS CERTIFIES THAT

Mary R. Harris
(Print attendee's name on the line above)

has attended "AB 1234 Conduct & Ethics: Training for Water Agency Officials" on Thursday, Nov. 29, 2018 at the Manchester Grand Hyatt, San Diego, California. This further certifies that this attendee has met all of the state mandated requirements of AB 1234.

Paula D. Linn

Signature of Representative



910 K St., Suite 100
Sacramento, CA 95814



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**PENDING AND COMPLETED ITEMS
12-17-2018 BOARD OF DIRECTORS MEETING**

1. **Destruction of Well #17 project wells** The engaged contractor inspected the site and found that the property owner had recently plowed the parcel, which impacts the accessibility of equipment needed in the well destruction process. The contractor will need a period of dry weather to complete the destruction. **Pending**
2. **Appraisal of Well #16 parcel:** Staff has engage the appraiser to begin appraisal of the Well #16 parcel. I have reached out to the Well #16 parcel owner to inquire on the availability and timing for the irrevocable offer of dedication. **Pending**
3. **Credit/Debit Card Convenience Fees:** The conversion of old billing software to new billing software is now complete. This upgrade now facilitates a method of bill payment known as Automated Clearing House (ACH) transfer, which is a legitimate alternative to credit/debit card bill paying, and ACH does not include the substantial convenience fee (approximately \$20,000 currently paid by the District). The next steps entail a dialog at an upcoming Finance Committee meeting to recommend a transition period, i.e. the amount of notice the District should provide existing credit/debit card customers, informing them of or schedule for discontinuing paying the convenience fee. We also need to discontinue accepting credit card payments by phone. **Pending**
4. **Letter to Tesco for Disappointing Service:** Increased activity with TESCO in October/Early November. Unfortunately, I have not received a follow up. I will call TESCO prior to the 12-17-2018 Board meeting. **Pending**
5. **Professional Services Agreement for Engineering for the design of the Well #16:** The Board approved the agreement at the 11-19-2018 meeting. EKI internal staff continues to process the agreement for execution, but we have not received a signed agreement as of the preparation of the report. I have emailed Mike Vasquez to encourage prompt completion. **Pending**
6. **Strategic Planning:** I have started writing the content requested by the consultant, but the process is a start and stop evolution with all of the other demands for my attention, e.g. negotiations, personnel, contract administration meeting attendance etc. **Pending**
7. **General Unit MOU renewal:** The Teamsters Local 150 Negotiator Ron Cannizzaro and District GM Shaw and Debra Vierra, Legal Counsel, Labor Relations specialist met on November 27th. The meeting included planning/scheduling of next meetings, which were predicated on receiving a counter proposal from Teamster Local 150 on December 4th, which supported a MOU Renewal Ad Hoc meeting on December 7th. However, we still have not received a counter proposal. No further meetings have been scheduled (holidays). **Pending**

8. **Disposition of the District assets recently declared as surplus by the Board:** The first two surplus items are now listed on an internet government surplus website. The auction closes in early January. <https://www.publicsurplus.com/sms/list/current?orgid=756919> The link to the government surplus auction site is also provided at the District's website. **Pending**
9. **RFP for Well #16 facilities design:** The District Engineer and I have coordinated to "hit the ground running for the most critical path items, e.g. Well #16. A draft RFP is on tonight's agenda. **Pending**
10. **The Annual CAFR:** The annual Comprehensive Annual Financial Report for FY 2018/2019 is on tonight's agenda for Board approval. The District hopes the approved CAFR will enable the District's recognition for excellence and transparency in financial reporting as it has in previous years. **Pending**
11. **Annual Financial Audit: Completed.**
12. **Operation on new billing software Completed**
11. **Implementation and Posting of revised employee pay scale required by CalPERS: Completed**

Tim,

I apologize for the lack of communication, however, we are working on your data transformation issue with Inductive Automation. We have provided Inductive with a full backup of your system (including historical data) from before and after the last Ignition software upgrade. Travis Cox from Inductive is working with our Engineer Matt Boyer to join the two historical data sets so that you can traverse the data seamlessly in the very near future. With a lot of employees from both organizations out for the holidays this has been a challenge, but we are making progress. I'd like to suggest a conference call the week of December 24th to discuss where everything is at if you are available. Just let me know what day and time works best and I will forward a calendar invite to everyone involved.

Regarding the system backups, my notes from our meeting indicate that your IT contractor was going to provide some options and solutions for both a local and cloud backup solution. Have you received his proposal for system backups? Tesco can certainly enable the local backup routines, but a more robust solution (as discussed when we all met) would be better for the district. Please let me know if there is a good day and time to talk the week of Christmas (or the following week) and we can discuss this further.

Keith Webb

Senior Industrial Control Systems Engineer



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