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

March 27, 2023 (6:30 p.m.)

Visitor's / Depot Center
6730 Front Street
Rio Linda, CA 95673
www.rlecwd.com

Our Mission is to provide a safe and reliable water supply in a cost-effective manner.

AGENDA

The Board may discuss and take action on any item listed on this agenda, including items listed as information items. The Board may also listen to the other items that do not appear on this agenda, but the Board will not discuss or take action on those items, except for items determined by the Board pursuant to state law to be of an emergency or urgent nature requiring immediate action. The Board may address any item(s) in any order as approved by the Board.

The public will be given the opportunity to directly address the Board on each listed item during the Board's consideration of that item. Public comment on items within the jurisdiction of the Board is welcomed, subject to reasonable time limitations for each speaker. Public documents relating to any open session item listed on this agenda that are distributed to all or any majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection at the District office at 730 L Street, Rio Linda, CA 95673. In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the District office at (916) 991-1000. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

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

2. PUBLIC COMMENT

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

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

3.1. Minutes
February 21, 2023
The Board is being asked to approve the Minutes from the February 21, 2023 Regular Board Meeting.

3.2. Expenditures
The Executive Committee recommends the Board approve the January 2023 Expenditures.

3.3. Financial Reports
The Executive Committee recommends the Board approve the January 2023 Financial Report.

4. REGULAR CALENDAR

ITEMS FOR DISCUSSION AND ACTION

4.1. GM Report.
4.1.1.*The General Manager will provide his monthly report to the Board of Directors*

4.2. District Engineer's Report.
4.2.1. *The Contract District Engineer will provide his monthly report to the Board of Directors.*

4.3. Consider Adopting Resolution 2023-05, Clarifying the Administrative Component in the District's Water Capacity Fee Program.

4.4. Consider Authorizing Execution of the Settlement Agreement with Teamster Local 150 for the 2022 Cost of Living Adjustment (COLA).

4.5. Consider Retroactive Authorization for Board Member Compensation Associated with March 14th Meeting with Congressman Ami Bera.

4.6. Review the Impacts and District's Responses to Hexavalent Chromium Maximum Contaminant Level (MCL) Adoptions.

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

5. INFORMATION ITEMS

5.1. District Activities Reports

5.1.1. Water Operations Report

5.1.2. Completed and Pending Items Report

5.1.3. Leak Repair Report

5.1.4. GM Minor Budget Revision #2

5.1.5. State Water Resources Control Board 2023 Priorities.

5.1.6. Letter to Division of Drinking Water on New, Redundant, Overreaching Conservation Reporting Requirements.

5.1.7. ACWA E-News Article on Rescinding Drought Emergency Rates.

5.1.8. SWRCB Staff Report on Making Conservation a CA Way of Life

5.2. Board Member Reports

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

5.2.2. Sacramento Groundwater Authority – Harris (primary)

5.2.3. Executive Committee – Gifford, Cline

5.2.4. ACWA/JPIA – Cline

5.2.5. Meeting with Congressman Ami Bera on March 14th - Harris

5.2.6. Pressing Matters Advisory Ad Hoc- Harris, Young

6. DIRECTORS' AND GENERAL MANAGER COMMENTS

7. ADJOURNMENT –

Upcoming meetings:

Executive Committee

April 12, 2023, Wednesday, 6:00 pm. Visitors Depot 6730 Front St. Rio Linda, CA

Board Meeting

April 24, 2023, Monday, 6:30 pm. Visitors Depot 6730 Front St. Rio Linda, CA

Consent Calendar
Agenda Item: 3.1

Date: March 27, 2023

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 _____

Cline _____ Gifford _____ Green _____ Harris _____ Young _____

(A) **Yea** **(N) Nay** **(Ab) Abs**tain **(Abs) Abs**ent

MINUTES OF THE FEBRUARY 21, 2023 BOARD OF DIRECTORS REGULAR MEETING OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

1. CALL TO ORDER, ROLL CALL

The February 21, 2023 meeting of the Board of Directors of the Rio Linda/Elverta Community Water District called to order at 6:30 p.m. Visitor Depot Center 6730 Front St., Rio Linda, CA 95673. This meeting will be physically open to the public.

General Manager Tim Shaw took roll call of the Board of Directors. Director Jason Green, Director Vicky Young, Director Chris Gifford, Director Mary Harris, Director Anthony Cline and General Manager Tim Shaw, District Engineer Mike Vasquez, and Legal Counsel were present. Director Green led the pledge of allegiance.

2. PUBLIC COMMENT – Public member stated that she emailed GM Tim Shaw on Friday with no response concerning two water leaks. First leak was on 2nd Street and another appeared to be the backflow device at Foods 4 Less shopping center. She inquired if the water loss at these two leaks is being lumped into the percentage of water used by customers.

3. CONSENT CALENDAR

3.1. Minutes January 21, 2023
3.2 December Expenditures
3.3 December Financials

Comments/Questions – President Harris stated that the comment made by herself for item 4.4 in the January 21st minutes was to go back to committee not the Board. She further asked to have a summary added of the Boards discussion for agenda item 4.6.

It was moved by Director Cline and seconded by Director Green to approve the consent calendar. Directors Green, Harris, Gifford, Cline and Young voted yes. The motion carried with a roll call vote of 5-0-0.

4. REGULAR CALENDAR ITEMS FOR DISCUSSION AND ACTION

4.1 GM Report.

The General Manager, Tim Shaw provided his monthly report to the Board of Directors.

Comments/Questions-President Harris inquired about the participation of the members that attended the Acwa meeting. GM Shaw stated it is open to all members to attend.

Director Young inquired on the damage from the recent storm. GM Shaw responded that they were waiting on a fence quote and a temporary patch was made to the flat roof of the District office, since the quote received to replace the roof was $52k.

Public member commented on the property tax revenue received.

The Board took no action on this item.

4.2 District Engineer's Report.

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

Comments/Questions – No public comment.

The Board took no action on this item.

4.3 Consider Adopting Resolution 2023-01, Encouraging Paperless Billing

The concept of encouraging paperless billing has been discussed by the District for many years. Generally, the District supports the efforts which would benefit customers who opt into the program and has no impact on customers who wish to continue receiving a hard copy of the bill via USPS.

The February 6th Executive Committee discussed the current impediments for establishing a $1 credit incentive. Primarily, the District's billing services provider, Continental Utility Services Inc (CUSI) requires changes to the data base and bill report format to implement the credit for paperless billing. Such changes have not yet reached a level of refinement needed to launch the incentive option. Accordingly, the General Manager advised the Committee they could postpone forwarding the Draft Resolution onto the February 21st Board agenda or forward the item with the caveat that implementation will be delayed until the CUSI required changes are completed.

The Executive Committee directed staff to forward the item onto the February 21st Board agenda and seek Legal Counsel feedback on the preferred method of adopting a Resolution inhibited by an effective milestone instead of an effective date.

Comments/Questions – Director Harris inquired if this was free service. GM Shaw responded it would be a credit if the customer chooses to have a paperless bill.

The Board discussed to implement the policy.

Public member inquired about the cost for the online service to pay your bill. GM Shaw responded that this item is not about paying your bill, but receiving a credit by having the bill emailed. Public member inquired about the online payment security.

It was moved by Director Gifford and seconded by Director Cline to adopt Resolution 2023-01 if the CUSI billing software will allow to issue a mass credit to customers electing paperless billing. Directors Green, Gifford, Cline and Young voted yes. Director Harris voted no. The motion carried with a roll call vote of 4-1-0.

4.4 Consider Adopting Resolution 2023-02, Changing the days for Regular Meetings of the RLECWD Board.

Although the item was not discussed at the February 6th Executive Committee, it has been discussed at prior Board meetings. Additionally, the Board President corresponded to request a Resolution to change the District policy on meeting days be included in the February 21st Board agenda.

Staff has coordinated with the appropriate Rio Linda Elverta Recreation and Parks District personnel to determine availability of alternative recurring days for use by RLECWD of the Visitors / Depot Center.

Draft Resolution 2023-02 reflects the available days for use of the Visitors / Depot.

Regular meetings of the Executive Committee are also impacted. The change in meeting days also includes moving the Executive Committee meetings to the Second Wednesday of each month.

The Draft Resolution 2023-02 includes a blank for the effective date of change. There are no holiday impacts for the 1st and 3rd Mondays until June. If the Board finds it appropriate to adopt Resolution 2023-02, the recommended start of the new meetings schedule would be June of 2023, i.e. Executive Committee on Wednesday, June 14th and Board meeting on Monday, June 26th.

Comments/Questions –The Board discussed when this change should take effect.

It was moved by Director Young and seconded by Director Green to adopt Resolution 2023-02 changing the Regular Board Meeting days effective March 01, 2023. Directors Green, Gifford, Harris, Cline and Young voted yes. The motion carried with a roll call vote of 5-0-0.

4.5 Consider Adopting Resolutions 2023-03 and 2023-04 Authorizing Transition to ACWA JPIA Workers Compensation Insurance

This item has been discussed at several past RLECWD Board meetings and the Board has approved transitioning to Worker's Compensation insurance through ACWA JPIA.

The incentive for transitioning is purely financial. The District's current Worker's Compensation insurance provider is Special Districts Risk Management Authority, which is the California Special Districts Association (CSDA)Joint Powers Insurance Authority (JPIA). When the District transitions to ACWA JPIA, which already provides the District's Property and Liability insurance, the District's rate payers will save the annual membership cost associated with membership in CSDA.

The projected savings beginning in July (start of fiscal year 2023-2024) is $10,808 per year.

ACWA JPIA requires both resolutions 2023-03 and 2023-04 to authorize and enable the transition.

Comments/Questions – Director Cline inquired if the billing is standard. GM Shaw responded yes.

Director Harris inquired about dropping CSDA. GM Shaw stated by moving the District's Workers Compensation Insurance to ACWA would be dropping CSDA.

It was moved by Director Cline and seconded by Director Young to adopt Resolutions 2023-03 and 2023-04 Authorizing Transition to ACWA JPIA Workers Compensation Insurance. Directors Green, Gifford, Harris, Cline and Young voted yes. The motion carried with a roll call vote of 5-0-0.

4.6 Consider Accepting the Independent Auditor's Report and Annual Comprehensive Financial Report for Fiscal Year Ending 6-30-2022.

Statutory requirements as well as fundamentals of transparency, fiscal responsibility, and good governance compel the District to obtain an independent audit for each fiscal year.

The audit report reflects the District's continued excellence in financial reporting. As appropriate, the Management Discussion and Analysis section of the report provides perspective for the District's financial position in a narrative format intended to objectively inform the public we serve.

One aspect of the audit report that deserves recognition is on Page-11:

The CalPERS Unfunded Accrued Liability or UAL prepayment of $500,000 in June 2021 has a resulted in net decrease in the District's Net Pension Liability of $1,113,041 or 99.6% from $1,117,944 in June 2021 to $4,903 in June 2022 (see page 10). The $1,113,041 adjustment offsets the Personnel Services resulting in a $970,314 or 81.5% decrease (see page 11).

The Comprehensive Annual Financial Report (CAFR) is now called the Annual Comprehensive Financial Report (ACFR). The ACFR (formerly CAFR) is primarily the audit report with financial analysis provided in plain language as to convey the financial status of the District to the public served in easier to understand terms.

Comments/Questions –

It was moved by Director Young and seconded by Director Green to accept the Independent Auditor's Report and Annual Comprehensive Financial Report for Fiscal Year Ending 6-30-2022. Directors Green, Gifford, Cline, Harris and Young voted yes. The motion carried with a roll call vote of 5-0-0.

4.7 Consider Approving a Budget Revision for Fiscal Year 2022-2023 Budget

Although this item was on the February 6th Executive Committee agenda, the discussion on this item was inadvertently skipped. Further details are included in the minutes of the February 6th meeting.

Current District policy stipulates that the General Manager is authorized to perform "minor budget revisions" defined as a revision which does not increase overall spending, e.g., moving funding from one line item to another. This proposed budget revision entails increases in overall spending. As such, this budget revision requires Board approval.

Currently there are several budget line items that will require additional funding to preclude an overbudget condition. Without Board approval, staff is not authorized to pay invoices for charges in excess of the line item budget amount.

The items below are the relevant line items:

- General Counsel Legal Fees – Increase from $15,000 to $22,800.
- Board Member / Meeting Expense – Increase from $14,200 to $15,700.
- Permits and Fees – Increase from $37,500 to $46,600.
- Elections – Decrease from $3,000 to $1,887.
- Net Income – Decrease from $600,795 to $583,508.

Additional details, including an explanation of the need for the line items' revision, is included with the budget revision document associated with this item.

Comments/Questions – Discussion was made by the public on the confusion of the budget changes.

It was moved by Director Gifford and seconded by Director Cline to approve the budget revision for FY 2022-2023 Budget. Directors Green, Gifford, Cline, Harris and Young voted yes. The motion carried with a roll call vote of 5-0-0.

4.8 Consider A Board Finding of Consensus to Support Re-Certification of the General Manager for Distribution Operator and Water Treatment Operator.

The February 6th Executive Committee meeting discussed succession planning and policies (lack thereof) in the event of a sudden / unanticipated loss of key District personnel.

In the event of a sudden loss of key personnel, it would be beneficial to enable the General Manager to perform operational duties. The General Manager has been licensed as a Distribution System Operator and a Water Treatment Operator, the licenses require a stipulated number of continuing education hours to renew the licenses. The General Manager intentionally allowed his licenses to expire due to priorities and the lack of need for maintaining operating licenses. To re-license, the General Manager would need to take and pass the certification tests. The application and certification fees for both license is $250 total ($125 for each license).

The District policy and California Labor Code 2802 stipulates the District pay for job related expenses. Therefore, what is needed is the Board's consensus that re-establishing the General Manager's operating licenses is a job-related expense.

California Health & Safety Code, Division 104 (document associated with this item) establishes severe penalties for both the person and the entity (agency) for allowing operation of water distribution systems without proper licenses.

Comments/Questions- Director Young confirmed the cost of the licensing fee. Director Cline stated he reviewed the MOU and did not understand the concern if the contract states the employees cannot strike. Director Harris commented that she would be opposed to recertification of the GM for his licenses.

It was moved by Director Harris to decline recertification of licenses for the General Manager. No second. The motion failed.

It was moved by Director Cline and seconded by Director Green to support the re-certification of the GM for Distribution Operator and Water Treatment Operator. Directors Green, Gifford, Cline and Young voted yes. Director Harris voted no. The motion carried with a roll call vote of 4-1-0.

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

Director Harris attended the Water Forum meeting and stated it was very hard to hear. Director Harris stated she would like to step down from the committee since the GM also attends.

It was moved by Director Harris and seconded by Director Cline to remove Director Harris from the Water Forum Assignment. Directors Green, Gifford, Cline, Harris and Young voted yes. The motion carried with a roll call vote of 5-0-0.

5. INFORMATION ITEMS

5.1 District Activities Reports

5.1.1 Water Operations Report – Written report provided.
5.1.2 Completed and Pending Items Report – Written report provided.
5.1.3 Leak Repair Report – Report provided.
5.1.4 New Drought Reporting Requirements - Information provided.
5.1.5 Hex Chrome MCL Adoption Documents
5.1.6 Surcharge #1 Accounting Documents

Comments/Questions – Public member commented that Fair Oaks is not comparable to the District. Public member questioned the change out of meter and leak reports.

5.2 Board Member Report

5.2.1 Report any ad hoc committees dissolved by requirements in Policy 2.01.065 – No action taken.
5.2.2 Sacramento Groundwater Authority – Harris (primary) – Agenda Provided.

5.2.3 Executive Committee – Gifford, Cline – Minutes provided.
5.2.4 ACWA/JPIA – Cline – Nothing to report.
5.2.5. Water Forum – Harris – Attended meeting.
5.2.6 Ad Hoc – COLA Committee – Committee update will be in closed session.

6. PUBLIC COMMENT PRIOR TO CLOSED SESSION

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

7.1 CONFERENCE WITH LABOR NEGOTIATORS - (Pursuant to Government Code Section 54957.6) District Negotiators; Shaw, Gifford, and Green.
RLECWD Employee General Unit, Teamster Local 150 regarding collective bargaining agreement 2022 COLA negotiations.

RECONVENE IN OPEN SESSION

7.2 Announce any reportable actions authorized in Closed Session.

President Harris stated there was no reportable action taken.

8. DIRECTORS' AND GENERAL MANAGER COMMENTS –NONE.

9. ADJOURNMENT - The meeting was adjourned at 8:08pm.

Respectfully submitted,

Timothy R. Shaw, Secretary

Mary Harris, President of the Board

Consent Calendar
Agenda Item: 3.2

Date: March 27, 2023

Subject: Expenditures

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee recommends approval of the Expenditures for the month of January 2023.

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 January 2023.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Cline _____ Gifford _____ Green _____ Harris _____ Young _____

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

Accrual Basis

Rio Linda Elverta Community Water District
Expenditure Report
January 2023

Type	Date	Num	Name	Memo	Amount
Liability Check	01/11/2023	EFT	QuickBooks Payroll Service	For PP Ending 01/07/23 Pay date 01/12/23	18,040.58
Liability Check	01/12/2023	EFT	CalPERS	For PP Ending 01/07/23 Pay date 01/12/23	2,915.91
Liability Check	01/12/2023	EFT	CalPERS	For PP Ending 01/07/23 Pay date 01/12/23	1,182.24
Liability Check	01/12/2023	EFT	Internal Revenue Service	Employment Taxes	6,712.84
Liability Check	01/12/2023	EFT	Employment Development	Employment Taxes	1,263.13
Liability Check	01/12/2023	EFT	Empower	Deferred Compensation Plan: Employer & Employee Share	1,977.86
Bill Pmt -Check	01/12/2023	EFT	Adept Solutions	Computer Maintenance	2,501.61
Bill Pmt -Check	01/17/2023	EFT	ARCO	Fuel	406.31
Bill Pmt -Check	01/12/2023	EFT	Comcast	Phone	102.28
Bill Pmt -Check	01/12/2023	EFT	PGE	Utilities	195.17
Bill Pmt -Check	01/12/2023	EFT	Republic Services	Utilities	135.41
Bill Pmt -Check	01/12/2023	EFT	Umpqua Bank Credit Card	Computer, Office, Postage	333.18
Bill Pmt -Check	01/12/2023	EFT	Verizon	Field Communication, Field IT	533.65
Bill Pmt -Check	01/12/2023	EFT	Voyager Fleet Commander	Fuel	217.91
Check	01/12/2023	EFT	RLECWD	Umpqua Bank Monthly Debt Service Transfer	17,000.00
Transfer	01/12/2023	EFT	RLECWD - Capital Improvement	Current Monthly Transfer	49,500.00
Check	01/12/2023	2405	Citizens Business Bank	Meter Loan Payment	29,256.96
Check	01/12/2023	2407	Customer	Final Bill Refund	82.77
Check	01/12/2023	2387	Customer	Hydrant Meter Deposit Refund	1,000.00
Bill Pmt -Check	01/12/2023	2409	ABS Direct	Printing, Postage	261.34
Bill Pmt -Check	01/12/2023	2410	ACWA/JPIA Powers Insurance Authority	EAP	23.80
Bill Pmt -Check	01/12/2023	2411	BSK Associates	Lab Fees	1,050.00
Bill Pmt -Check	01/12/2023	2412	Buckmaster Office Solutions	Office Equipment	30.55
Bill Pmt -Check	01/12/2023	2413	Corelogic Solutions	Subscription	100.00
Bill Pmt -Check	01/12/2023	2414	EKI Environment & Water	Engineering	5,000.00
Bill Pmt -Check	01/12/2023	2415	Elk Grove Security Systems	Security	84.00
Bill Pmt -Check	01/12/2023	2416	Energy Systems	Pumping Maintenance	6,431.95
Bill Pmt -Check	01/12/2023	2417	Intermedia.net	Telephone	83.80
Bill Pmt -Check	01/12/2023	2418	Pacific Shredding	Office Expense	36.96
Bill Pmt -Check	01/12/2023	2419	Phelan, Michael	Retiree Insurance, Quarterly	3,150.00
Bill Pmt -Check	01/12/2023	2420	Quill	Office Expense	79.59
Bill Pmt -Check	01/12/2023	2421	Rio Linda Elverta Recreation & Park	Meeting Fee	100.00
Bill Pmt -Check	01/12/2023	2422	Rio Linda Hardware & Building Supply	Shop Supplies	153.65
Bill Pmt -Check	01/12/2023	2423	Rio Linda Messenger	Computer Maintenance	948.00
Bill Pmt -Check	01/12/2023	2424	Sierra Chemical Company	Treatment	1,243.44
Bill Pmt -Check	01/12/2023	2425	SMUD	Utilities	15,240.13
Bill Pmt -Check	01/12/2023	2426	Staples	Office Expense	41.99
Bill Pmt -Check	01/12/2023	2427	State Water Resources Control Board	Permit Fees	29,713.92
Bill Pmt -Check	01/12/2023	2428	Unifirst Corporation	Uniforms	328.12
Bill Pmt -Check	01/12/2023	2429	Vanguard Cleaning Systems	Janitorial	195.00
Bill Pmt -Check	01/12/2023	2430	Verizon Wireless	Internet	45.06
Bill Pmt -Check	01/12/2023	2431	Vulcan Materials Company	Distribution Supplies	747.53

Accrual Basis

Rio Linda Elverta Community Water District
Expenditure Report
January 2023

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	01/12/2023	2432	White Brenner	Legal Fees	3,853.05
Check	01/23/2023	EFT	Wageworks	FSA Administration Fee	76.25
Liability Check	01/25/2023	EFT	QuickBooks Payroll Service	For PP Ending 01/21/23 Pay date 01/26/23	17,973.69
Liability Check	01/26/2023	EFT	CalPERS	For PP Ending 12/10/22 Pay date 12/15/22	2,801.25
Liability Check	01/26/2023	EFT	CalPERS	For PP Ending 12/10/22 Pay date 12/15/22	1,182.24
Liability Check	01/26/2023	EFT	Internal Revenue Service	Employment Taxes	6,647.90
Liability Check	01/26/2023	EFT	Employment Development	Employment Taxes	1,255.63
Liability Check	01/26/2023	EFT	Empower	Deferred Compensation Plan: Employer & Employee Share	1,829.89
Liability Check	01/26/2023	EFT	Kaiser Permanente	Health Insurance	1,846.24
Liability Check	01/26/2023	EFT	Principal	Dental & Vision Insurance	1,765.52
Liability Check	01/26/2023	EFT	Western Health Advantage	Health Insurance	12,092.92
Check	01/26/2023	2433	Sacramento County Clerk/Recorder	Lien Fees	140.00
Check	01/26/2023	2434	Customer	Final Bill Refund	46.27
Check	01/26/2023	2435	Customer	Final Bill Refund	67.77
Bill Pmt -Check	01/26/2023	2436	Buckmaster Office Solutions	Office Equipment	39.01
Bill Pmt -Check	01/26/2023	2437	Chacon, Socorro	Lien Fees	345.00
Bill Pmt -Check	01/26/2023	2438	Iconix Waterworks	Distribution Supplies	148.70
Bill Pmt -Check	01/26/2023	2439	O'Reilly Automotive	Transportation Maintenance	171.82
Bill Pmt -Check	01/26/2023	2440	Quill	Office Expense	76.53
Bill Pmt -Check	01/26/2023	2441	Sacramento County Utilities	Utilities	113.70
Bill Pmt -Check	01/26/2023	2442	Spok, Inc.	Field Communication	15.42
Bill Pmt -Check	01/26/2023	2443	Staples	Office Expense	34.36
Bill Pmt -Check	01/26/2023	2444	Unifirst Corporation	Uniforms	325.87
Bill Pmt -Check	01/26/2023	2445	White Brenner, LLP	Legal	786.40
Total 10020 · Operating Account Budgeted Expenditures					**252,082.07**

Bill Pmt -Check	01/12/2023	2406	Teamsters	Union Dues	720.00
Liability Check	01/12/2023	EFT	California State Disbursment Unit	Employee Garnishment	227.53
Liability Check	01/15/2023	EFT	AFLAC	Employee Funded Premiums	745.84
Liability Check	01/26/2023	EFT	California State Disbursment Unit	Employee Garnishment	227.53
EFT	12/31/2022	EFT	WageWorks	January FSA Expenditures - Employee Funded	1,231.72
Total 10020 · Operating Account Non-Budgeted Expenditures: Employee Paid Pass-throughs					**3,152.62**

Consent Calendar
Agenda Item: 3.3

Date: March 27, 2023

Subject: Financial Reports

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee recommends approval of the Districts Financial Reports for the month of January 2023.

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 to inform them of the District's current financial condition.

Conclusion:

I recommend the Board approve the Financial Reports for January 2023.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____
Cline _____ Gifford _____ Green _____ Harris _____ Young _____
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

Rio Linda Elverta Community Water District
Balance Sheet
As of January 31, 2023

ASSETS	
Current Assets	
Checking/Savings	
100 · Cash & Cash Equivalents	
10000 · Operating Account	
10020 · Operating Fund-Umpqua	1,390,343.81
Total 10000 · Operating Account	1,390,343.81
10475 · Capital Improvement	
10480 · General	526,914.54
10481 · Cr6 Mitigation	454,500.00
10485 · Vehicle Replacement Reserve	17,948.49
Total 10450 · Capital Improvement	999,363.03
Total 100 · Cash & Cash Equivalents	2,389,706.84
102 · Restricted Assets	
102.2 · Restricted for Debt Service	
10700 · ZIONS Inv/Surcharge Reserve	499,783.27
10300 · Surcharge 1 Account	827,231.94
10350 · Umpqua Bank Debt Service	65,262.42
10380 · Surcharge 2 Account	344,884.08
10385 · OpusBank Checking	557,884.51
Total 102.2 · Restricted for Debt Service	2,295,046.22
102.4 · Restricted Other Purposes	
10490 · Future Capital Imp Projects	1,630,816.27
10600 · LAIF Account	807,737.64
10650 · Operating Reserve Fund	337,442.70
Total 102.4 · Restricted Other Purposes	2,775,996.61
Total 102 · Restricted Assets	5,071,042.83
Total Checking/Savings	7,460,749.67
Accounts Receivable	219,550.76
Other Current Assets	
12000 · Water Utility Receivable	517,555.47
12200 · Accrued Revenue	0.00
12250 · Accrued Interest Receivable	933.53
15000 · Inventory Asset	52,310.62
16000 · Prepaid Expense	75,788.69
Total Other Current Assets	646,588.31
Total Current Assets	8,326,888.74
Fixed Assets	
17000 · General Plant Assets	685,384.68
17100 · Water System Facilites	25,039,859.58
17300 · Intangible Assets	373,043.42
17500 · Accum Depreciation & Amort	-11,137,668.41
18000 · Construction in Progress	424,288.05
18100 · Land	576,672.45
Total Fixed Assets	15,961,579.77
Other Assets	
18500 · ADP CalPERS Receivable	470,000.00
19000 · Deferred Outflows	478,923.00
19900 · Suspense Account	0.00
Total Other Assets	948,923.00
TOTAL ASSETS	**25,237,391.51**

Rio Linda Elverta Community Water District
Balance Sheet
As of January 31, 2023

LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	26,446.50
Credit Cards	72.00
Other Current Liabilities	939,942.95
Total Current Liabilities	966,461.45
Long Term Liabilities	
23000 · OPEB Liability	66,836.00
23500 · Lease Buy-Back	558,032.27
25000 · Surcharge 1 Loan	3,094,197.71
25050 · Surcharge 2 Loan	2,325,040.16
26000 · Water Rev Refunding	1,506,424.00
26500 · ADP CalPERS Loan	440,000.00
27000 · Community Business Bank	140,123.22
29000 · Net Pension Liability	4,903.00
29500 · Deferred Inflows-Pension	4,280.00
29600 · Deferred Inflows-OPEB	56,611.00
Total Long Term Liabilities	8,196,447.36
Total Liabilities	9,162,908.81
Equity	
31500 · Invested in Capital Assets, Net	8,829,942.46
32000 · Restricted for Debt Service	705,225.24
38000 · Unrestricted Equity	5,588,376.42
Net Income	950,938.58
Total Equity	16,074,482.70
TOTAL LIABILITIES & EQUITY	**25,237,391.51**

Accrual Basis

Rio Linda Elverta Community Water District
Operating Profit & Loss Budget Performance
As of January 31, 2023

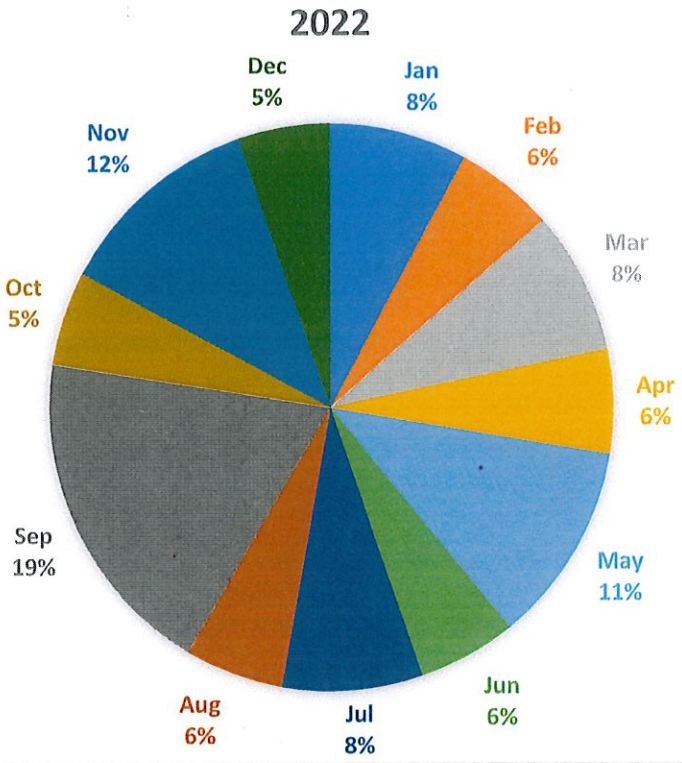
	Annual Budget	Jan 23	Jul 22-Jan 23	% of Annual Budget	YTD Annual Budget Balance
Ordinary Income/Expense					
Income					
Total 40000 · Operating Revenue	3,040,800.00	221,337.64	1,800,627.25	59.22%	1,240,172.75
41000 · Nonoperating Revenue					
41110 · Investment Revenue					
41112 · Interest Revenue	35.00	3.37	22.84	65.26%	12.16
Surcharg Total 41110 · Investment Revenue	35.00	3.37	22.84	65.26%	12.16
41120 · Property Tax	109,100.00	77,300.69	80,998.16	74.24%	28,101.84
Total 41000 · Nonoperating Revenue	109,135.00	77,304.06	81,021.00	74.24%	28,114.00
Total Income	3,149,935.00	298,641.70	1,881,648.25	59.74%	1,268,286.75
Gross Income	3,149,935.00	298,641.70	1,881,648.25	59.74%	1,268,286.75
Expense					
60000 · Operating Expenses					
60010 · Professional Fees	116,000.00	5,786.40	62,093.47	53.53%	53,906.53
60100 · Personnel Services					
60110 · Salaries & Wages	810,243.00	55,530.33	425,633.38	52.53%	384,609.62
60150 · Employee Benefits & Expense	496,340.00	34,257.75	238,750.92	48.10%	257,589.08
Total 60100 · Personnel Services	1,306,583.00	89,788.08	664,384.30	50.85%	642,198.70
60200 · Administration	245,738.00	14,072.81	181,054.68	73.68%	64,683.32
64000 · Conservation	300.00	0.00	0.00	0.00%	300.00
65000 · Field Operations	603,630.00	21,955.15	267,030.05	44.24%	336,599.95
Total 60000 · Operating Expenses	2,272,251.00	131,602.44	1,174,562.50	51.69%	1,097,688.50
69000 · Non-Operating Expenses					
69010 · Debt Service					
69100 · Revenue Bond					
69105 · Principle	152,273.00	0.00	63,273.00	41.55%	89,000.00
69110 · Interest	48,650.00	0.00	24,797.52	50.97%	23,852.48
Total 69100 · Revenue Bond	200,923.00	0.00	88,070.52	43.83%	112,852.48
69125 · AMI Meter Loan					
69130 · Principle	52,948.00	26,654.53	53,307.14	100.68%	-359.14
69135 · Interest	5,566.00	2,602.43	5,206.78	93.55%	359.22
Total 69125 · AMI Meter Loan	58,514.00	29,256.96	58,513.92	100.00%	0.08
69200 · PERS ADP Loan					
69205 · Principle	30,000.00	0.00	0.00	0.00%	30,000.00
69210 · Interest	1,739.00	0.00	0.00	0.00%	1,739.00
Total 69100 · PERS ADP Loan	31,739.00	0.00	0.00	0.00%	31,739.00
Total 69010 · Debt Service	291,176.00	29,256.96	146,584.44	50.34%	144,591.56
69400 · Other Non-Operating Expense	3,000.00	0.00	0.00	0.00%	3,000.00
Total 69000 · Non-Operating Expenses	294,176.00	29,256.96	146,584.44	49.83%	147,591.56
Total Expense	2,566,427.00	160,859.40	1,321,146.94	51.48%	1,245,280.06
Net Ordinary Income	583,508.00	137,782.30	560,501.31		
Net Income	**583,508.00**	**137,782.30**	**560,501.31**		

Accrual Basis

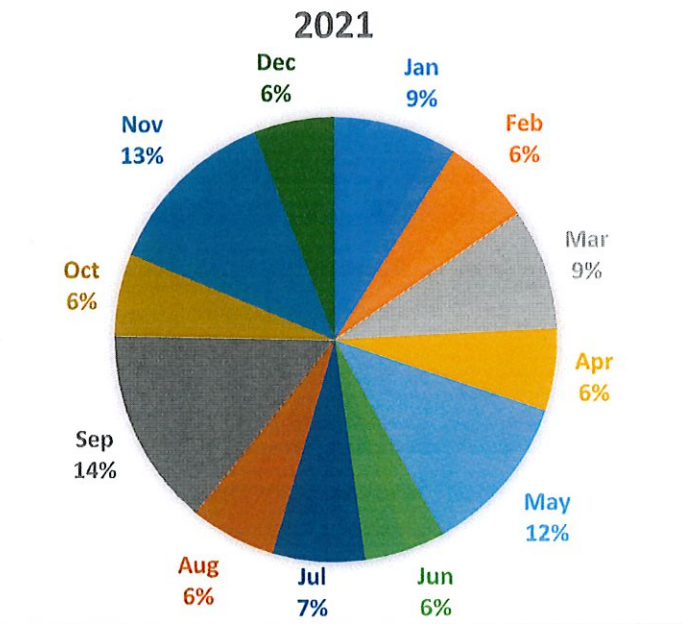
Rio Linda Elverta Community Water District
CAPITAL BUDGET VS ACTUAL FISCAL YEAR 2022-23
As of January 31, 2023

	GENERAL		FUTURE CAPITAL IMPROVEMENT PROJECTS		VEHICLE & LARGE EQUIPMENT REPLACEMENT	
	Annual Budget	YTD Actual	Annual Budget	YTD Actual	Annual Budget	YTD Actual
FUNDING SOURCES						
Fund Transfers						
Operating Fund Transfers In	594,000.00	346,500.00	-	-	-	-
Operating Fund Transfers Out	(59,000.00)	(59,000.00)				
CIP Fund Intrafund Transfers	(312,737.00)	-	302,737.00	-	10,000.00	-
PERS ADP Loan Payment						
Principle			30,000.00	-		
Interest			1,739.00	-		
Investment Revenue	85.00	53.43	110.00	96.90	-	-
PROJECTS						
A · WATER SUPPLY	-					
A-1 · Miscellaneous Pump Replacements	40,000.00	-				
Total A · WATER SUPPLY	**40,000.00**	-	-	-	-	-
B · WATER DISTRIBUTION						
B-1 · Service Replacements	30,000.00	-	-	-	-	-
B-2 · Small Meter Replacements	120,000.00	17,811.03	-	-	-	-
B-3 · Large Meter Replacements	5,000.00	-	-	-	-	-
B-4 · Pipeline Replacement	-	-	478,844.00	79,650.00	-	-
Total B · WATER DISTRIBUTION	**155,000.00**	**17,811.03**	**478,844.00**	**79,650.00**	-	-
M · GENERAL PLANT ASSETS						
M-1 · Urban Water Management Plan	50,000.00	50,000.00	-	-	-	-
Total M · GENERAL PLANT ASSETS	**50,000.00**	**50,000.00**	-	-	-	-
TOTAL BUDGETED PROJECT EXPENDITURES	**245,000.00**	**67,811.03**	**478,844.00**	**79,650.00**	-	-

2022	Monthy Revenue	Percent of Total
Jan	$222,096.00	8%
Feb	$160,156.00	6%
Mar	$230,964.00	8%
Apr	$166,726.00	6%
May	$323,976.00	11%
Jun	$159,082.00	6%
Jul	$228,522.00	8%
Aug	$159,615.00	6%
Sep	$535,340.00	19%
Oct	$151,919.00	5%
Nov	$335,071.00	12%
Dec	$150,133.00	5%
	$2,823,600.00	



2021		
Jan	$241,695.00	9%
Feb	$172,412.00	6%
Mar	$234,729.00	9%
Apr	$158,697.00	6%
May	$313,221.00	12%
Jun	$159,301.00	6%
Jul	$181,423.00	7%
Aug	$166,920.00	6%
Sep	$386,403.00	14%
Oct	$159,808.00	6%
Nov	$342,064.00	13%
Dec	$157,684.00	6%
	$2,674,357.00	



Items for Discussion and Action
Agenda Item: 4.1

Date: March 27, 2023

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 _____

Cline _____ Gifford _____ Green _____ Harris _____ Young _____
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

Date: March 27, 2023

Subject: General Manager Report

Staff Contact: Timothy R. Shaw, General Manager

For the given month, I participated in the following reoccurring meetings and special events: Demands for resources associated with transitioning to a new fuel cardlock system, transitioning to ACWA JPIA for Workers Comp insurance, and the file server warranty influenced this reporting period.

1. On February 22nd, I met with Trevor Joseph, of SGA at his request to discuss a well drilling permit in our service area. Readers of this monthly report may recall that I've previously conveyed to SGA the need for SGA to be more involved in providing feedback for land use decisions. Now, the Governor has issued an executive order requiring SGA to provide feedback.

2. On February 27th, I met with Adept Solutions (IT Consultant) regarding the expiration of the file server warranty and the feasibility of transitioning to cloud based server.

3. On March 2nd, ACWA JPIA was onsite to inspect District facilities and documents for the transition from CSDA (SDRMA) Workers Comp insurance to ACWA JPIA insurance (projected savings to the District of $10,880 per year.

4. On March 8th, I participated in a 3-hour Water Forum meeting.

5. On March 13th, I met with River Arc representatives to prepare for the meeting with Congressman Ami Bera.

6. On March 14th, Director Harris and I met with Congressman Ami Bera to discuss ways the federal government could help RLECWD.

7. On March 21st, I met with Legal Counsel to discuss proposed Resolution 2023-05, Clarifying the administration component in the District's capacity fee program.

8. On March 23rd, I met with the Contract District Engineer to discuss water system modeling, which would provide quantification of the number of connections remaining in the District's water capacity, as well as identifying weak aspects of the distribution system.

Throughout the reporting period, additional demands for resources were incurred from:

- Interacting with service providers regarding storm damage to District facilities.
- Corresponding with the new fuel cardlock service provider
- Corresponding with ACWA JPIA regarding Workers Comp.

The District continues to be impacted by inflation and supply chain delays. The PG&E gas bill is more than double the monthly amount it was last year at this time. This is a phenomenon affecting California only.

Items for Discussion and Action
Agenda Item: 4.2

Date: March 27, 2023

Subject: Contract District Engineer's Report

Staff Contact: Mike Vasquez, Contract District Engineer

Recommended Committee Action:

N/A this item is not reviewed by committee.

Current Background and Justification:

The Contract District Engineer 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 _____

Cline _____ Gifford _____ Green _____ Harris _____ Young _____
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

eki environment & water

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21 March 2023

DISTRICT ENGINEER'S REPORT

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

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

Subject: District Engineer's Report for the 27 March 2023 Board of Directors Meeting

The District Engineer is pleased to submit this brief update of duties and tasks performed for the period of 16 February 2023 to 21 March 2023:

1. **General District Engineering:**
   a. Valve Vault Cover Replacement at 30th St. and Elkhorn Blvd.: Staff was notified that the vault cover has been fabricated and is ready for delivery. Due to recent and future projected rain events, Staff requested postponement of delivery until suitable weather conditions allow for installation, likely sometime in April. Local construction contractor Rawles Engineering, Inc. will be engaged to install the cover at that time.
   b. Well 16 Pump Station DWR Grant Reimbursement: Staff received the generator permit from the Air Quality District on 2/28/2023 and immediately forwarded it to the California Department of Water Resources (DWR) via the Regional Water Authority (RWA). According to RWA, DWR will release the $50,500 grant retention to the District in mid April 2023.
   c. 2024 Sacramento County Paving Project: Staff was notified by Sacramento County that the County plans to perform pavement rehabilitation work on Elkhorn Boulevard between 6th Street and Dry Creek Road in the spring of 2024. The District will be responsible to lower and raise approximately 30 water valve covers, similarly to what was done in the summer of 2023 as previously presented to the Board of Directors. This is an informational item to notify the Board of Directors that an expense will need to be included in the 2023/2024 District Budget for lowering and raising the valve covers. This expense can be significant and may be in the $80,000+ range, depending on contractor availability. No action is needed at this Board Meeting. This will be further discussed during budget preparation.
   d. Cathodic Protection (CP) Inspection at the L Street Ground Level Tank and Elevated Tank: An annual inspection was performed onsite on 3/20/2023 by Two Brothers Cathodic Service, Inc. to evaluate the existing cathodic protection systems for both tanks. Staff evaluated a cost proposal received by the service company in the amount of $3,750 for maintenance of the CP system for the ground level tank, and recommends this amount be included in the 2023/2024 District Budget. In addition, the service company stated the CP system for the elevated tank is approximately 35 years old and has reached its normal life expectancy. The CP system for the elevated tank should be replaced in the next year at a cost of approximately $35,000. The elevated tank is owned by the District but is leased by a cellular company. It is not yet known if the cellular company has any responsibility to maintain the elevated tank or share costs for maintenance. Staff is currently

researching maintenance responsibility and will report back to the Board of Directors at a later date with any recommendations. This is an informational item only, no Board Action is required.

2. **Active Development Reviews (only projects with updates from the last Board Meeting):**
   a. None during this reporting period.
3. **CIP Dry Creek Road Pipe Replacement Project:**
   a. As discussed at previous Board Meetings, the construction project remains on hold due to wet weather and wet site conditions. Rain continues to be in the forecast through the end of the month. Staff continues to evaluate weather and site conditions weekly to assess a construction start date. In addition to wet site conditions, the designated staging and storage area next to the Well 16 site is saturated and inaccessible, as are offsite trench excavation spoil receiving sites. It is hopeful to commence construction in mid-late April 2023.

Please contact me directly at the office (650) 292-9112, cell phone (530) 682-9597, or email at mvasquez@ekiconsult.com with any questions or require additional information.

Very truly yours,

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

Items for Discussion and Action
Agenda Item: 4.3

Date: March 27, 2023

Subject: Resolution 2023-05, Clarifying Administrative Component in District's Capacity Fee

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

This item was discussed extensively at the March 8th Executive Committee meeting. The Executive Committee forwarded an item onto the March 27th Board agenda with the Committee's recommendation for Board approval.

Current Background and Justification:

The District adopted Ordinance 2016-01 with the associated capacity fee study from Bartle Wells in September 2016. The Bartle Wells capacity fee study and the capacity fee amount both include an administrative component to cover the cost of administrating the capacity fee program. Unfortunately, the administrative component is comingled with the cost for two other components, Engineering and Construction Management. The Purpose of Resolution 2023-05 is to clarify the administrative component and to segregate the administrative component from the engineering and construction management components. In staff's considerable experience with capacity fee programs, it is quite customary and justified to establish and administrative component at 3% of the total fee.

Capacity fee programs require administration. The annual adjustment for inflation is a primary example of an administrative expense. Other recurring tasks examples include banking transactions and compliance reporting. More long-term administration expenses include the statutory requirements to update the capacity fees. If the administrative component is not used to fund the costs, then the costs are a burden to the operating account funded by rate payers, which is inappropriate.

Adoption of Resolution 2023-05 will NOT change the total amount of the capacity fee. Resolution 2023-05 only clarifies the existence of the administrative component so that administrative expenses can be paid from the administrative component.

Government Code 66000 et seq. provides comprehensive requirements for a capacity fee program and stipulates that capacity fees cannot be comingled with other assets and cannot be expended for any purpose other than the stated purpose. As such, staff has consulted with Legal Counsel to enable his contributions and expertise.

Conclusion:
Sample Motion: Move to Adopt Resolution 2023-05, Clarifying the Administrative Component already included in Ordinance 2016-01.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Cline _____ Gifford _____ Green _____ Harris _____ Young _____
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

RESOLUTION NO. 2023-05

A RESOLUTION CLARIFYING THE ADMINISTRATIVE COMPONENT OF THE DISTRICT'S WATER SYSTEM CAPACITY FEE

WHEREAS, The District adopted Ordinance 2016-01 to revise the water system capacity fee in September 2016, and

WHEREAS, Pursuant to applicable statutes in California Government Code 66000 et seq., the revised capacity fee was established to be proportional to the cost through the District's adoption of the Water Capacity Fee Study by Bartle Wells, which provides for an administration costs, and

WHEREAS, The Capacity Fee Study combines the fee components of; Engineering, Construction Management and Administration into a singular, combined fee amount equal to 15% (fifteen percent) of the construction cost, and

WHEREAS, It is necessary and appropriate to segregate and clarify that the Administration component be separated from the combined , Engineering, Construction Management and Administration components, and

WHEREAS, The desired segregation and clarification will not modify the total Water Capacity Fee.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Rio Linda/Elverta Community Water District does hereby authorize the clarification and segregation of the Administration component summarized in Exhibit A to this Resolution.

APPROVED AND ADOPTED by the Board of Directors of the Rio Linda / Elverta Community Water District on this 19th day of Month, Day 2023. By the following vote:

AYES:
NAYS:
ABSENT:
ABSTAIN:

ATTEST:

_____
Mary R. Harris
President, Board of Directors

_____
Timothy R. Shaw
Secretary of the Board of Directors

Exhibit A

Current Tables in Bartle Wells Capacity Fee Study		Clarifications
• The water master plan estimates the total expansion cost to be about $355 million. The expansion cost is provided in **Table 4.4.**		
Table 4.4 Rio Linda / Elverta Community Water District Capacity Fee Study Future Service Area Build Out Cost		
Groundwater		
Wells	$24,000,000	
Water Transmission	$6,000,000	
Groundwater Treatment	$18,000,000	
Storage	$13,500,000	
Booster pumping station	$15,766,200	
Groundwater system land	$0	
Subtotal:	$77,266,200	
Surface Water		
Raw Water Booster Pumping Station	$8,759,000	
Raw Water Transmission	$16,000,000	
Bore and Jack	$1,100,000	
Raw Water Reservoir	$12,500,000	
Pre Treatment Booster	$8,759,000	
WTP	$63,000,000	
WTP land	$1,000,000	
Booster Pumping Station	$8,759,000	
Subtotal:	$119,877,000	
Transmission-Distribution System		
T-Main	$6,200,000	
T-Main	$16,554,000	
T-Main	$3,000,000	
Subtotal:	$25,754,000	
Operations/Administration Headquarters		
Building	$2,210,000	
Land	$665,100	
Subtotal:	$2,875,100	
All Subtotal	$225,772,300	
Contingency (30%)	$67,731,690	
Construction Total	$293,503,990	
Engineering/Const. Mngt/Admin (15%)	$44,025,599	Admin 3% →$8,805,120
Environmental/Permitting/Mitigation (2%)	$5,870,080	
Legal (2%)	$5,870,080	Const. Mngt & Engineering 12%→$35,220,479
Right of Way/Land (2%)	$5,870,080	
Opinion of Probable Capital Cost	$355,139,828	

Table 4.5
Rio Linda / Elverta Community Water District
Capacity Fee Study
Water Capacity Fee Calculation

Total Water System Costs	
Current Water System Asset Valuation	$19,793,039
SWP Expansion Cost	$355,139,828
Subtotal Costs for Fee Recovery	$374,932,866
Existing and Projected EDUs	EDUs
Existing Service Area	5,706
Future Service Area	27,885
Total Projected EDUs at Full Buildout	33,591
Capacity Fee Components	
Existing Service Area: Buy-In Cost [1]	**$589**
Future Service Area: Incremental Cost [2]	**$12,736**
Total Capacity Fee	**$13,325**

[1] Current Water System Asset Valuation divided by Total Projected EDUs

[2] SWP Expansion Cost divided by Future Service Area EDUs

Existing Service Area $577
Future Service Area $12486
Admin $262
Total Capacity Fee (in 2016) $13,325

Pursuant to District Ordinance No. 2016-01, the capacity fee is adjusting for inflation in construction costs each year. Correspondingly the fee components are adjusted for inflation each year. The 2016 Administration component was $262. In 2023, the Administration Component, adjusted for inflation of construction cost is **$330.59** per equivalent dwelling unit.

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Memorandum

To: Rio Linda/Elverta Community Water District Board

From: Barbara A. Brenner, Robin R. Baral

Date: August 10, 2016

Re: RLECWD Capacity Fee

Issue:

This memorandum summarizes the capacity fee methodology developed by Rio Linda-Elverta Community Water District ("District") staff, in consultation with Bartle Wells Associates ("BWA"), Affinity Engineering, our office and the Elverta Specific Plan development group ("ESP").

Discussion:

BWA provided a draft Capacity Fee Report in April 2016, which BWA revised and finalized on July 21, 2016. The final Capacity Fee Report is provided as **Attachment 1**. The Capacity Fee Report is comprised of two components: (1) the Future Service Area Build Out Cost and (2) the Buy-In Cost. Each of these components warranted further analysis, based on comments that the District received since the draft Capacity Fee Report was released in April.

(1) Future Service Area Build Out Cost

The Future Service Area Build Out Cost ("Build Out Cost") examines the cost of developing a surface water treatment plant, and other short-term and long-term capital improvements required for new development in the District. The Capacity Fee Report estimated the total Build Out Cost at $355,139,828, which would support the development of 27,885 equivalent dwelling units ("EDUs"), resulting in an incremental cost of approximately $12,736 per EDU.

The ESP developer proposed reductions in the Build Out Cost to account for future grant funding or regional collaboration efforts towards surface water treatment plant costs. The ESP developer suggested that a 20% reduction would be reasonable, based on potential regional collaboration efforts, or future grant funding that would reduce the costs attributable to the District. A 20% reduction would reduce the Build Out Cost to approximately $10,189 per EDU. The ESP development team indicated that other water districts have taken a similar approach.

District counsel does not recommend any reduction to the Build Out Cost based on unsecured future funding or regional collaboration efforts. In response to the ESP developer's request, we do recommend entering into a development agreement that can describe instances when the District would reduce capacity fees in the future, contingent on obtaining grant funding, increased regional collaboration, the construction and dedication of eligible improvements, or other conditions that significantly reduce District costs for developing capital facilities. In addition, the proposed ordinance includes a provision for the District to use its best efforts to obtain regional collaboration or grant funding. This language reflects efforts that the Board and staff are already performing.

(2) Buy-In Cost

The Buy-In Cost establishes the incremental cost that each new EDU should pay, to ensure that the impacts of new development are factored into the cost of replacing the District's existing facilities. The Capacity Fee Report used the Replacement Cost New Less Depreciation method to estimate the present value of all of the District's physical and intangible assets. As a result, the Capacity Fee Report proposed a Buy-In Cost of $589 per EDU,

MacKay & Somps, the consultant engineer to ESP, proposed an alternative Buy-In Cost, which identifies replacement costs of a supply well, storage tank, booster pump station and transmission main ("Lifeline Buy-In Cost"). A copy of the proposal by MacKay & Somps is provided as **Attachment 2**. As noted in the MacKay & Somps memorandum, the Lifeline Buy-In Cost acknowledges that some, but not all, of the District's facilities would benefit new development. MacKay & Somps calculated the Lifeline Buy-In Cost at $210 per EDU ($189 in physical improvements plus $21 in intangible assets).

Affinity Engineering evaluated the MacKay & Somps $189 figure, and revised some of the assumptions to be more consistent with the District's procedures for estimating project improvement costs. This results in a Lifeline Buy-In Cost of $328 per EDU ($307 in physical improvements plus $21 in intangible assets).

District counsel working with staff recommends adopting a capacity fee that includes the Lifeline Buy-In Cost, as refined by Affinity Engineering. Based on the District's current capacity limitations, and the need for significant capital improvements to serve new growth, District counsel believes that the Lifeline Buy-In Cost more accurately reflects the impact, and proportional cost, of new development to the District's existing facilities, based on reasonable assumptions regarding the facilities that actually benefit new development.

Conclusion

Counsel recommends that the District adopt Ordinance 2016-1, which proposes a capacity fee of **$13,064 per EDU**. This includes a Build Out Cost of $12,736 per EDU, and a revised Buy-In Cost of $328 per EDU, based on the above justification. This amount is slightly lower than the $13,325 per EDU amount proposed in the Capacity Fee Report, but in our view this revised amount is more applicable to the District's current capacity to serve new growth. In proposing this capacity fee, further revisions and clarifications may be required once the actual costs of the surface water treatment plant and other long-term capital projects are refined.

Attachment 1: Bartle Wells Final Capacity Fee Report 7/21/2016
Attachment 2: MacKay & Somps Alternative Buy-In Component June 7, 2016
Attachment 3: Affinity Engineering Technical Memorandum – Lifeline Cost Evaluation

ATTACHMENT 1

Bartle Wells Final Capacity Fee Report 7/21/2016

BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS

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DATE: July 21, 2016

TO: Ralph Felix Rio Linda/ Elverta Community Water District

FROM: Doug Dove, Bartle Wells Associates

SUBJECT: Final Capacity Fee Report 7/21/2016

MEMORANDUM

Attached is Bartle Wells Associates' Final Capacity Fee Report for Rio Linda / Elverta Community Water District, dated July 21, 2016. The final report is based on the latest fixed assets listing/valuation and reflects input received from developers at a meeting requested by them on May 24, 2016.

BWA has learned that all new growth areas within the District will be interconnected with and will benefit from the District's existing "backbone" water system. The existing system will provide critical water supply redundancy to the new growth areas and will allow the new facilities to be sized smaller than they would have if they were built for a stand-alone system.

The capacity fees proposed in this report are designed to recover the cost of the necessary new capital projects needed to accommodate growth and a proportionate share of existing capital facilities that will benefit growth. Certain existing "non-backbone" District facilities arguably do not provide significant benefit to new growth and are therefore not included in the calculation of the capacity fee. These "non-backbone" existing facilities include:

- Individual Water Meters,
- Fire Hydrants,
- Individual Service Lines and Taps

The District's existing and proposed capacity fees are summarized in the tables below:

Table A
Rio Linda / Elverta Community Water District
Capacity Fee Study
Current and Proposed Capacity Fees

Water Service Capacity Fee

Meter Size	Current [1]	Max. Flow Rate[2]	Ratio	**Proposed**
5/8"	$3,980	20	1.0	**N/A**
3/4"	$5,980	30	1.0	**N/A**
1"	$9,960	50	1.0	**$13,325**
1.5"	$19,920	100	2.0	**$26,650**
2"	$31,860	160	3.2	**$42,640**
3"	$63,730	350	7.0	**$93,276**
4"	$99,580	630	12.6	**$167,896**
6"	$199,150	1400	28.0	**$373,103**
8"	$318,640	2400	48.0	**$639,606**
10"	Varies [3]	3800	76.0	**Varies**
12"	Varies [3]	5000	100.0	**Varies**

[1] Last updated August2007
[2] From the American Water Works Association Manual M22
[3] Fees greater than 8" shall be approved through an agreement with the Board of Directors

TableB
Rio Linda / Elverta Community Water District
Capacity Fee Study
Current and Proposed Capacity Fees

Private Fire Hydrant Capacity Fee [1]

Meter Size	Current	Proposed
6"	N/A	$17,200
8"	$73,120	$29,486
10"	$105,100	$46,686
12"	$150,785	$61,429
		-
		-

Sprinkler System Lines [1]

Meter Size	Current	Proposed
1"	$2,285	$614
1.5"	$4,570	$1,229
2"	$7,325	$1,966
3"	$13,710	$4,300
4"	$22,840	$7,740
6"	$45,695	$17,200
8"	$73,105	$29,486

[1] Private fire hydrant capacity fees and Sprinkler system line capacity fees derived using AWWA manual M1 page 143. 6" is the minimum size for private hydrant fees and 1" is the minimum for sprinkler system lines capacity fees.

It should be noted that the final proposed water capacity fees are slightly lower (0.03%) than the fees presented to the Board on May 16th. This is due to the use of the most updated fixed assets valuation, elimination of "non-backbone" capital facilities from the fee calculation and correction of several asset calculations in the computer model. The recommended final water capacity fee for a typical 1" single-family residential meter is $13,325. This is $44 or (0.03%) less than the 1" fee of $13,369 that was presented to the Board on May 16th.

Capacity Fee Study (updated July 21, 2016)

Background

The District is anticipating significant growth in its customer base primarily tied to the El Verta Specific Plan and has not updated its water system capacity fees since August 2007. The District's existing water supply comes exclusively from groundwater produced from District wells. The District currently has adequate water supply and is accepting new connections to the system. However, to accommodate the anticipated growth, the District is planning to construct a number of expansion projects. A key part of this plan is to develop new imported surface water supply to augment the existing groundwater supply.

All new growth areas within the District will be interconnected with and will benefit from the District's "backbone" existing water system. The existing system will provide critical water supply redundancy to the new growth areas and will allow the new facilities to be sized smaller than they would have if they were built for a stand-alone system.

The capacity fees proposed in this report are designed to recover the cost of the necessary new capital projects needed to accommodate growth and a proportionate share of existing capital facilities that will benefit growth. Certain existing "non-backbone" District facilities arguably do not provide significant benefit to new growth and are therefore not included in the calculation of the capacity fee. These "non-backbone" existing facilities include:

- Individual Water Meters,
- Fire Hydrants,
- Individual Service Lines and Taps

The proposed capacity fees include a share of the cost of the District's existing "backbone" facilities and the cost of new facilities required to serve growth.

Existing and Future Demand

As a first step in this analysis, the existing and future demand of the water system was evaluated. The "Water Master Plan" by Affinity Engineering, April 2014 (Master Plan) determined that the existing service area currently demands 3,000 Acre-Feet per Year (AFY) of groundwater and the future service area will demand 14,500 AFY of surface water. At full buildout, the District will demand 17,500 AFY of water as shown in **Table 4.1**.

Table 4.1
Rio Linda / Elverta Community Water District
Capacity Fee Study
Demand by Water Source

Service Area	Groundwater (AFY)	Surface Water (AFY)
Existing Service Area	3,000	-
Future Service Area	-	14,500
Grand Total Water Demand at Full Build-out		17,500

Source: "Water Master Plan", Affinity Engineers, April 2014. Page 75

Existing and Future Customers

According to the master plan, the existing and future water supply will provide .52 AFY or 468 gallons per day of water to each equivalent dwelling unit (EDU). **Table 4.2** provides a breakdown of existing and future EDUs the water system can support based on demand.

Table 4.2
Rio Linda / Elverta Community Water District
Capacity Fee Study
Demand and Equivalent Dwelling Units at Full Build-out

Equivalent Dwelling Units (EDUs)	
Existing Service Area	5,706
Future Service Area	27,885
System Build Out	33,591

GPD - Gallons Per Day
EDU - .52 Acre Feet of Water Demand (468 GPD)
Source: Water Master Plan. April 2014, Affinity Engineers, page 73-75

System Valuation

The value of existing facilities was calculated using the Replacement Cost New Less Depreciation (RCNLD) method. The original construction cost of District facilities was escalated to present worth using the Engineering News Record's (ENR) San Francisco Construction Cost Index. The escalated total is then discounted by the accumulated depreciation of the existing assets. This method of valuation provides the District's total investment in the water system at its current value. **Table 4.3** provides the total RCNLD valuation of the District. A detailed list of system assets is provided in **Appendix B**.

Table 4.3
Rio Linda / Elverta Community Water District
Capacity Fee Study
Value of Existing Facilities (excluding meters, hydrants and service lines)

Existing Asset List	ENR adjusted original cost	Accumulated Depreciation	Replacement Cost New Less Depreciation
General Plant	$1,021,109	$512,035	$505,683
Source of Supply	$6,350,141	$1,177,038	$5,173,104
Pumping Plant	$5,170,427	$591,417	$4,579,010
Transmission and Distribution	$12,026,745	$2,726,840	$9,294,656
Intangible Assets	$466,707	$226,122	$240,586
	$25,035,130	$5,233,451	$19,793,039

Expansion Cost

- The water master plan estimates the total expansion cost to be about $355 million. The expansion cost is provided in **Table 4.4.**

Table 4.4
Rio Linda / Elverta Community Water District
Capacity Fee Study
Future Service Area Build Out Cost

Groundwater	
Wells	$24,000,000
Water Transmission	$6,000,000
Groundwater Treatment	$18,000,000
Storage	$13,500,000
Booster pumping station	$15,766,200
Groundwater system land	$0
Subtotal:	$77,266,200
Surface Water	
Raw Water Booster Pumping Station	$8,759,000
Raw Water Transmission	$16,000,000
Bore and Jack	$1,100,000
Raw Water Reservoir	$12,500,000
Pre Treatment Booster	$8,759,000
WTP	$63,000,000
WTP land	$1,000,000
Booster Pumping Station	$8,759,000
Subtotal:	$119,877,000
Transmission-Distribution System	
T-Main	$6,200,000
T-Main	$16,554,000
T-Main	$3,000,000
Subtotal:	$25,754,000
Operations/Administration Headquarters	
Building	$2,210,000
Land	$665,100
Subtotal:	$2,875,100
All Subtotal	$225,772,300
Contingency (30%)	$67,731,690
Construction Total	$293,503,990
Engineering/Const. Mngt/Admin (15%)	$44,025,599
Environmental/Permitting/Mitigation (2%)	$5,870,080
Legal (2%)	$5,870,080
Right of Way/Land (2%)	$5,870,080
Opinion of Probable Capital Cost	**$355,139,828**

Recommended Capacity Fee

BWA's recommended water capacity fee includes two portions: a buy-in component to the District's existing "backbone" facilities and a future expansion portion. The current assets for the District are valued at about $19.7 million and benefit all EDUs. Therefore, the current asset valuation divided equally among the 33,591 EDUs will be the buy-in cost portion, equal to $589 per EDU. The SWP expansion cost for the District is valued at about $355 million and benefits only future EDUs at full buildout. Therefore, the SWP expansion cost is divided by the 27,885 future service area EDUs to arrive at the future service area portion, equal to $12,736 per EDU. The buy-in portion plus the future facilities portion represent the total capacity fee for the District of **$13,325** per EDU. The calculation of the recommended water capacity fee for an equivalent dwelling unit is shown in **Table 4.5.**

Table 4.5
Rio Linda / Elverta Community Water District
Capacity Fee Study
Water Capacity Fee Calculation

Total Water System Costs	
Current Water System Asset Valuation	$19,793,039
SWP Expansion Cost	$355,139,828
Subtotal Costs for Fee Recovery	$374,932,866
Existing and Projected EDUs	EDUs
Existing Service Area	5,706
Future Service Area	27,885
Total Projected EDUs at Full Buildout	33,591
Capacity Fee Components	
Existing Service Area: Buy-In Cost [1]	**$589**
Future Service Area: Incremental Cost [2]	**$12,736**
Total Capacity Fee	**$13,325**

[1] Current Water System Asset Valuation divided by Total Projected EDUs

[2] SWP Expansion Cost divided by Future Service Area EDUs

Summary and Recommendation

It is recommended that the District update its current capacity fee structure to the structure shown in **Table 4.6 and Table 4.7.** The proposed capacity fees beyond the equivalent dwelling unit is scaled using the maximum flow rate provided by the American Water Works Association (AWWA). BWA finds the proposed capacity fee to be fair and equitable among existing customers within the District and future customers that will connect to the water system. The proposed capacity fee will provide enough funds for the District to complete the projected expansion projects.

Table 4.6
Rio Linda / Elverta Community Water District
Capacity Fee Study
Current and Proposed Capacity Fees

Water Service Capacity Fee

Meter Size	Current [1]	Max. Flow Rate[2]	Ratio	**Proposed**
5/8"	$3,980	20	1.0	**N/A**
3/4"	$5,980	30	1.0	**N/A**
1"	$9,960	50	1.0	**$13,325**
1.5"	$19,920	100	2.0	**$26,650**
2"	$31,860	160	3.2	**$42,640**
3"	$63,730	350	7.0	**$93,276**
4"	$99,580	630	12.6	**$167,896**
6"	$199,150	1400	28.0	**$373,103**
8"	$318,640	2400	48.0	**$639,606**
10"	Varies [3]	3800	76.0	**Varies**
12"	Varies [3]	5000	100.0	**Varies**

[1] Last updated August 2007
[2] From the American Water Works Association Manual M22
[3] Fees greater than 8" shall be approved through an agreement with the Board of Directors

Table 4.7
Rio Linda / Elverta Community Water District
Capacity Fee Study
Current and Proposed Capacity Fees

Private Fire Hydrant Capacity Fee [1]

Meter Size	Current	Proposed
6"	N/A	$17,200
8"	$73,120	$29,486
10"	$105,100	$46,686
12"	$150,785	$61,429
		-
		-

Sprinkler System Lines [1]

Meter Size	Current	Proposed
1"	$2,285	$614
1.5"	$4,570	$1,229
2"	$7,325	$1,966
3"	$13,710	$4,300
4"	$22,840	$7,740
6"	$45,695	$17,200
8"	$73,105	$29,486

[1] Private fire hydrant capacity fees and Sprinkler system line capacity fees derived using AWWA manual M1, sixth edition, page 143. 6" is the minimum size for private hydrant fees and 1" is the minimum for sprinkler system lines capacity fees.

Calculation of Fire Capacity Fees: The fire capacity fees are developed in accordance with the principles of the AWWA Manual M1, Sixth Edition. In Figure IV.8-1 on Page 143, the graph shows the percentage of gross revenues allocable to public fire protection. Using the formula and figure on that page, BWA estimates that 6.40% of revenues are allocable to fire protection. In the March 2016 RLECWD Water Rate Study, the estimated fixed share of District costs at 72%. For the fire capacity fee calculation, 72% of allocated 6.40% yields a 4.61% fire share of the capacity fees. The fire capacity fees are thus calculated as 4.61% of the capacity fees shown in Table 4.6.

Legal Framework Governing Capacity Fees

BWA does not practice law, but is aware of certain provisions of the statutes and regulations that are applicable to the development of capacity fees. In California, the basic statutory standards governing water capacity fees are embodied in Government Code Section 66013, 66016, and 66022. Government Code 66013 provides the fundamental provisions:

(a) Notwithstanding any other provisions of law, when a local agency imposes fees for water connections or sewer connections, or imposes capacity charges, those fees or charges shall not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed, unless a question regarding the amount the fee or charge imposed in excess of the

estimated reasonable cost of providing the services or materials is submitted to, and approved by, a popular vote of two-thirds of those electors voting on the issue.

(b) As used in this section

(1) "Sewer connection" means the connection of a building to a public sewer system.

(2) "Water connection" means the connection of a building to a public water system, as defined in subdivision (e) of Section 4010.1 of the Health and Safety Code.

(3) "Capacity charges" means charges for facilities in existence at the time the charge is imposed or charges for new facilities to be constructed in the future which are of benefit to the person or property being charged.

(4) "Local agency" means a local agency as defined in Section 66000.

(c) Any judicial action or proceeding to attack, review, set aside, void, or annul the ordinance, resolution, or motion imposing a fee or capacity charge subject to this section shall be brought pursuant to Section 66022. Section 66013 indicates that any connection fee must be based on an estimate of the reasonable cost of providing service. The legislative history of this provision indicates that the legislature did not intend to limit the types of costs that would be included.

The underlying basis for the legal framework is that any capacity fees imposed should reflect the estimated reasonable cost of providing service to new customers, unless voters have specifically approved a higher level for the fees.

Implementation

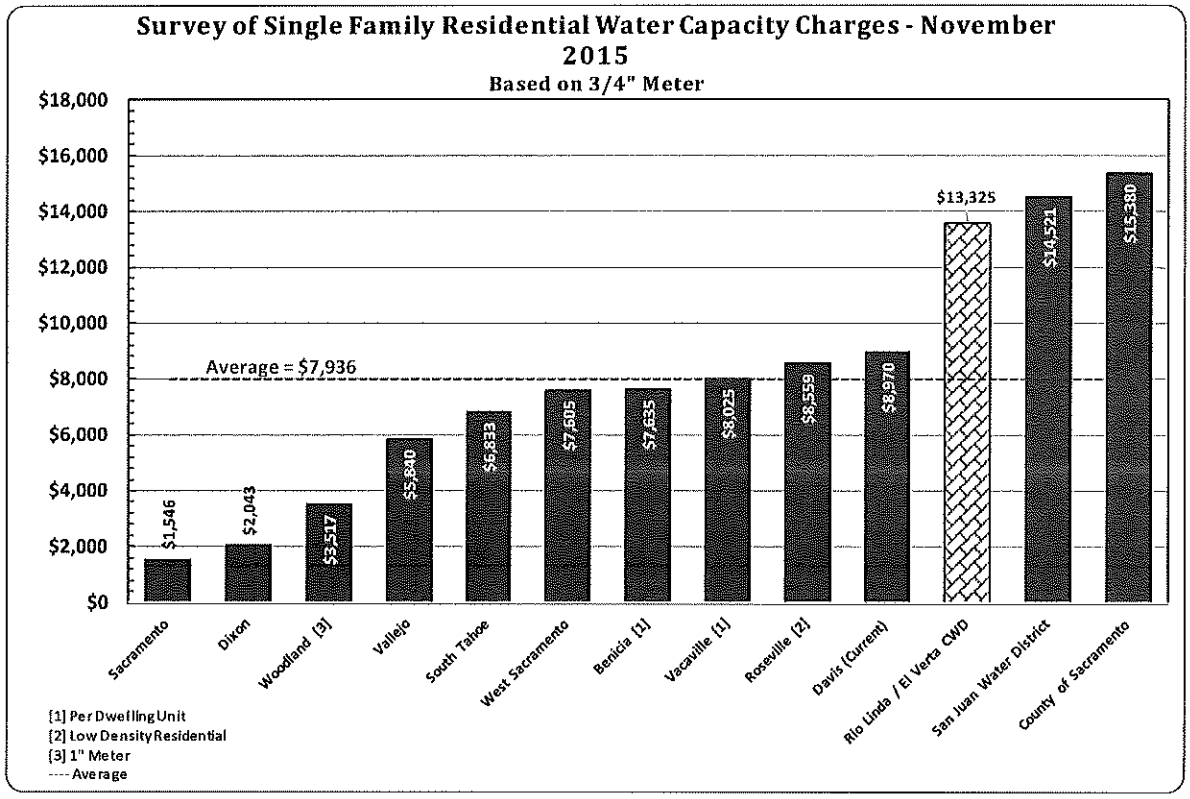
Capacity fees are collected at the time of connection to the District's water system. To ensure continued adequate implementation of the fee, the District should:

- Maintain an annual Capital Improvement Program budget to indicate where fees are being expended to accommodate growth.
- Comply with the reporting requirements of Government Code 66013 et seq.

Annually adjust capacity fees using an appropriate construction cost index. Capacity fees should be adjusted regularly to prevent them from falling behind the costs of constructing new facilities. The Engineering News Record ("ENR") magazine publishes Construction Cost Indices ("CCI") monthly for major U.S. cities including San Francisco. These indices can be used to estimate the change in the construction cost of facilities, and the District's capacity fees should be adjusted annually by the change in the ENR CCI for San Francisco California.

Capacity Fee Survey

Figure 1
Survey of Capacity Charges in the Surrounding Area



ATTACHMENT 2

MacKay & Somps Correspondence

MACKAY & SOMPS
ENGINEERS PLANNERS SURVEYORS

Alternative Buy-In Component
RLECWD Proposed Connection Fee
June 7, 2016

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1. Introduction

Rio Linda Elverta Community Water District (District) has proposed a connection fee that includes provisions that require new development to buy-in to the existing water system. That is, new development would be required to pay for a pro rata share of the existing system in exchange for the right to obtain water service to their new developments.

The Elverta Specific Plan Owners Group own and/or control the ESP Phase 1 properties. These Phase 1 properties will include approximately 4,808 EDUs when fully built out.

The Owners Group believes that the District's proposed buy-in component of the proposed connection fee lacks a rational basis and the required findings of nexus of a reasonable relationship between the burden being imposed by the proposed fee and the benefit accruing to their properties.

Further, the Owners Group has been informed by the District that the existing system has no reserve or excess capacity to serve new development – neither in terms of water supply nor in terms of storage and transmission capacities. The concept of surplus supply is an essential element of a traditional buy-in approach. In the case of RLECWD, an alternative approach to determining the buy-in component of the proposed connection fee needs to be developed.

2. District's Proposed Buy-In Component

The District's proposed buy-in component is based on the assumption that new development will benefit from the existing system, its capacity to supply and convey water to the ESP lands, and it's ability to provide redundant supply to the water system to be installed by the Owner's Group. The amount of the buy-in component was calculated using the Replacement Cost New Less Depreciation (RCNLD) method.

The original construction cost of the existing system was escalated to present worth using the Engineering News Record (ENR) Construction Cost Index and then discounted by the accumulated depreciation of the existing system yielding at present worth of $21,268,285. The resultant amount was then divided by the total number of existing and proposed equivalent dwelling units (EDUs) that are projected to exist at buildout of the system, approximately 33,283 EDUs. The estimated buy-in portion of the connection fee is $639/EDU.

A review of the District's Capacity Fee Study (Bartle Wells Associates, March 2016) reveals that the above described calculation lacks critical data upon which to conclude the present work of the existing system. Specifically, the age of the various plant and equipment included in the calculation are unknown. Additionally, the appropriateness of many of the listed plant and equipment appear to be of questionable validity to be included in the derivation of the buy-in component of the connection fee. Finally, a review of the District's water master plan and the Water Supply Assessment for the ESP area demonstrates that the existing system has little or no excess capacity to serve new development.

3. Existing System Lacks Surplus Capacity

Industry standards indicate that the availability of surplus capacity in the existing system is the single most important factor that needs to exist to justify a buy-in component. In the case of this District, there is no excess capacity available to serve new development. Also, a significant portion of the existing system is rapidly approaching its useful life, and in serious need of repair and/or replacement. Also, new development will be required to build significant water supply capacity, pumping, storage and transmission facilities to serve its own needs.

The District's Capacity Fee Study (Study) references the use of generally accepted cost-based principles and methodologies for establishing water rates, charges and fees being used to determine the proposed fee. Further, the Study references the Sixth Edition American Water Works Association (AWWA) M1 Manual (Principles of Water Rates, Fees and Charges, 2012) as the guide that was followed in the preparation of the District's proposed connection fee.

AWWA Manual M1 provides the following in regards to the buy-in approach and valuation of the system:

a. Buy-In Approach: "This [buy-in] approach is most appropriate where current system facilities adequately serve existing and future customers, where no new significant system investment is anticipated, and where existing facilities are not scheduled for replacement in the near future."

b. Valuation of System Assets: "Using the replacement cost less depreciation valuations, the connection fee reasonably reflects the cost of providing new expansion capacity to customers as if the capacity was added at the time of the new customers connected to the water system. It may also be thought of as a valuation method to fairly compensate the existing customers for the carrying costs of the excess capacity built into the system in advance of when the new customers connect to the system."

The existing system has little or no excess capacity, the existing customers of the District have not been carrying the costs of excess capacity built into the system in advance of when new development will be connecting to the existing system, and there is a significant investment in the system to serve new development. The use of a traditional buy-in approach is contraindicated in this case.

4. Alternative Approach

While the use of a buy-in approach is contraindicated, it is nonetheless reasonable to assume that new development will receive some benefit from the existing system. Future wells, storage tanks, booster pump station and transmission mains will be constructed by and for the benefit of new development. New plant and equipment will be paid for by future connection fees, and these assets will augment the District's existing plant and equipment.

Additionally, both large and small new development projects will connect to the existing system. In this way they will benefit in to some degree from the District's existing infrastructure and assets. The objective, then, is to develop an alternative approach to determining the benefit that will accrue to new development as a result of connecting into the existing system.

A rational basis for estimating this value of this benefit is to assume that new development will at times need a backup supply of water during times of emergency, otherwise known as lifeline benefits. Without a lifeline water system in place, public health and safety are at risk. Several scenarios are likely to develop as new development connects to the existing system, three of which are reasonably likely occur over time:

- A new well experience a bacteria problem,
- A new well fails due to mechanical failure
- A new well fails for unforeseen circumstances, and
- A new transmission or distribution main fails.

In all likelihood, the connection to the existing system is the second point of supply required by law for a new major development like the ESP. In the case of a small development, a looped water system connecting to the existing system may be all that is necessary. Nonetheless, any new development would require a connection to the existing water system. Therefore, it may be reasonable to assume that the associated new development would benefit from the existing water system.

Accordingly, a benefit accrues to each new development that connects to an existing water system. The existing system provides a lifeline water supply in the form of a

nearby water supply well, a storage tank and a booster pump station. Additionally, the new development would benefit from ability of the existing system to convey the water from the existing system during an emergency.

This benefit can be quantified in a reasonable and rational manner that meets the nexus test between burden and benefit required by state law. In simple terms, but for the existence of the existing system the new development would be required to build a redundant system, complete with a second well, a storage tank, a booster pump station and a transmission system. Since new development benefits from the existing infrastructure being in place, thereby receiving lifeline benefits, new development should pay the equivalent cost of an existing water supply well, storage tank, booster pump station and an equivalent to a short segment of transmission system.

Alternative Buy-In Fee

The alternative approach to the buy-in fee begins with the Districts estimated cost for existing facilities. It is rational to include the cost of the following District assets in the buy-in fee:

a. General Plant – Maintenance Equipment and Tools ($133,906)
b. General Plant – Office Equipment and Furnishings ($45,381)
c. General Plant – Structures and Improvements ($219,769)
d. General Plant – Transportation Equipment ($72,512)
e. Intangible Assets ($224,993)

The total estimated costs for existing assets is $696,561 per the connection fee study, or $21 per EDU when spread over the projected total number of EDU that will result from existing and new development within the District.

Additionally, the lifeline facilities that the new development would have otherwise had to construct but for the availability of the District's existing infrastructure should also be included. As described above, these lifeline facilities include the equivalent of the replacement cost of an existing water supply well, storage tank, booster pump station and transmission main. The cost for the new development lifeline facilities is estimated at $5,220,800 or $189 per new development EDU.

The grand total for the benefit received from the District's existing facilities (not including Source of Supply Plant, Pumping Plant, Transmission and Distribution and Contributed facilities (Fire Hydrants and Service Lines and Taps)) and the equivalent of the replacement cost of the lifeline facilities is $5,917,361 at full buildout, or $210 per EDU from new development.

See **Attachment A** for the detailed cost estimate for the alternative buy-in component of the RLECWD proposed connection fee.

5. Recommendation

The RLECWD has proposed a buy in fee for new connections based the AWWA M1 manual recommendations utilizing the Replacement Cost New Less Depreciation (RCNLD) method of cost allocation. However, the AWWA M1 manual explicitly describes several conditions the existing water system must meet in order for there to be a reasonable relationship and nexus between the benefit from the existing system and burden of the proposed fee.

Therefore, an alternative approach to determining the buy-in component of the proposed connection fee was developed utilizing the life-line/redundancy approach. This alternative approach much more accurately reflects the appropriate benefit received by and burden placed on new development.

It is, therefore, recommended that the RLECWD adopt the alternative approach to the buy-in component of the proposed connection fee as described herein and that the amount of that component of the connection fee should be set at $210 per EDU.

Attachment A
Alternative Buy-In Component
RLECWD Proposed Connection Fee
June 7, 2016

No.	Description	District's Approach		Alternative Approach	
1	**District Existing Facilities**	**Amount**	**Per EDU[1]**	**Amount**	**Per EDU[1]**
a	General Plant - Maintenance Equipment and Tools	$133,906	$4	$133,906	$4
b	General Plant - Office Equipment and Furnishings	$45,381	$1	$45,381	$1
c	General Plant - Structures and Improvements	$219,769	$7	$219,769	$7
d	General Plant - Transportation Equipment	$72,512	$2	$72,512	$2
e	Source of Supply Plant	$4,960,947	$149	N/A	N/A
f	Pumping Plant	$4,406,267	$132	N/A	N/A
g	Transmission and Distribution	$9,596,090	$288	N/A	N/A
h	Contributed Facilities - Fire Hydrants	$112,629	$3	N/A	N/A
i	Contributed Facilities - Service Lines and Taps	$1,495,791	$45	N/A	N/A
j	Intangible Assets	$224,993	$7	$224,993	$7
	Subtotal	**$21,268,285**	**$639**	**$696,561**	**$21**

Note:

1. District's and Alternative Approach EDU count includes both existing and new development, total of 33,283 EDUs

No.	Description	District's Approach		Alternative Approach	
2	**New Development Lifeline facilities**	**Amount**	**Per EDU**	**Amount**	**Per EDU[2]**
a	Existing Water Supply Well (Assume 1,500 gpm M&I well with wellhead treatment)	N/A	N/A	$1,500,000	$54
b	Existing Storage Tank (Assume 1 MG storage tank)	N/A	N/A	$1,250,000	$45
c	Existing Booster Pump Station (Assume 3,000 gpm booster pump station	N/A	N/A	$1,050,000	$38
d	Existing Transmission Main (Assume 1,500 feet of 12-inch diameter transmission pipeline)	N/A	N/A	$216,000	$8
	Subtotal	$0	$0	$4,016,000	
	Contingency (+30%)			$1,204,800	
	Total			**$5,220,800**	**$189**
	Grand Total	**$21,268,285**	**$639**	**$5,917,361**	**$210**

Note:

2. Alternative Approach EDU count includes only new development, total of 27,577 EDUs

TECHNICAL MEMORANDUM

To: Ralph Felix – General Manager

From: Jim Carson, District Engineer (Affinity Engineering)

Subject: Alternative Connection Fee - Lifeline Facilities Cost Evaluation

Date: June 30, 2016

This Technical Memorandum (TM) provides an evaluation of the lifeline facilities cost that MacKay and Somps (Developer's Engineer) included in their Alternative Buy-in Component of the connection fee that was dated June 7, 2016. Within Attachment A of this document, the New Development Lifeline Facilities portion of the table has been modified to include the District's estimated costs.

Appendix A

New Development Lifeline Facilities
Opinion of Probable Cost

		RLECWD		ESP	
2	**Description**	**Cost ($)**	**Per EDU**	**Cost ($)**	**Per EDU**
a	Water Supply Well	2,450,000	$87.86	1,500,000	$53.79
b	Storage	2,000,000	$71.72	1,250,000	$44.83
c	Booster Pump Station	1,800,000	$64.55	1,050,000	$37.65
d	Water Transmission & SD Extension	500,000	$17.93	216,000	$7.75
	Subtotal	**$6,750,000**	**$242.07**	**$4,016,000**	**$144.02**
	Contingency	675,000	$24.21	1,204,800	$43.21
	Engineering (8%)	540,000	$19.37	-	$0
	Administration and Labor Compliance (2%)	135,000	$4.84	-	$0
	Services During Construction (5%)	337,500	$12.10	-	$0
	Legal (2%)	135,000	$4.84	-	$0
	Total	**$8,572,500**	**$307.42**	**$5,220,800**	**$187.23**
EDU count including only new development =		27,885			

A description of how each of the District's costs were determined are as follows:

a. Water Supply Well - 1,500 gpm ($2,450,000)

The water well supports the base supply for 2,463 EDUs of new development. Based on recent well construction projects, the cost of a new well is higher than what the developer estimated. This cost includes the cost of land, monitoring well, production well, equipping, building, backup generator, and no treatment other than disinfection.

b. Water Transmission & SD Extension – 2,500 lin-ft of 16-inch ($500,000)

The water line size is required to be 16-inch to meet the District's requirement of being less than 6 fps at a capacity of 3,000 gpm to minimize

water hammer to the water system. The unit cost of $200 per lin-ft for 16-inch water line is based on the cost provided by other local water purveyors. Additionally, the 2,500 lin-ft includes an offsite transmission main extension to the distribution system and the offsite extension of storm drain piping required to tie into the areas storm drain system.

c. Storage – 2 MG ($2,000,000)

The 2 million gallons (MG) of storage supports the supplemental peak supply, emergency supply, and highest fire flow of approximately 2,485 EDUs. For the lifeline facilities, the District is recommending a storage volume of 2 MG. Because of the higher storage volume, the District has estimated a slightly lower unit cost of storage of $1 per gallon.

d. Booster Pump Station – 3,000 gpm ($1,800,000)

Based on the bids of the L Street Reservoir Project's booster station, the unit cost of the booster station was estimated to be $600 per gpm which is higher than the unit cost by the developer.

e. Contingency – 10% ($675,000)

The District is using a lower contingency percentage value of 10% than the Developer's value of 30%. This lower value is based on the District using project costs that have been defined to allow this level of accuracy. The developer used a 30% contingency.

f. Engineering, Administration, Labor Compliance, Services During Construction, and Legal – 17% ($1,147,500)

The Developer did not include any of these costs in his estimate. The costs are necessary for the project and the District has included these costs as part of the overall project costs. The District has estimated these costs to be 17% of the construction cost.

Based on this analysis and using the Developer's Engineer's methodology, the EDU component associated with the new development lifeline facilities is $307.42 per EDU and higher than their proposed EDU cost of $187.23 per EDU.

Exhibit A

Current Tables in Bartle Wells Capacity Fee Study		Clarifications
• The water master plan estimates the total expansion cost to be about $355 million. The expansion cost is provided in **Table 4.4.**		
Table 4.4 Rio Linda / Elverta Community Water District Capacity Fee Study Future Service Area Build Out Cost		
Groundwater		
Wells	$24,000,000	
Water Transmission	$6,000,000	
Groundwater Treatment	$18,000,000	
Storage	$13,500,000	
Booster pumping station	$15,766,200	
Groundwater system land	$0	
Subtotal:	$77,266,200	
Surface Water		
Raw Water Booster Pumping Station	$8,759,000	
Raw Water Transmission	$16,000,000	
Bore and Jack	$1,100,000	
Raw Water Reservoir	$12,500,000	
Pre Treatment Booster	$8,759,000	
WTP	$63,000,000	
WTP land	$1,000,000	
Booster Pumping Station	$8,759,000	
Subtotal:	$119,877,000	
Transmission-Distribution System		
T-Main	$6,200,000	
T-Main	$16,554,000	
T-Main	$3,000,000	
Subtotal:	$25,754,000	
Operations/Administration Headquarters		
Building	$2,210,000	
Land	$665,100	
Subtotal:	$2,875,100	
All Subtotal	$225,772,300	
Contingency (30%)	$67,731,690	
Construction Total	$293,503,990	
Engineering/Const. Mngt/Admin (15%)	$44,025,599	Admin 3% →$8,805,120
Environmental/Permitting/Mitigation (2%)	$5,870,080	
Legal (2%)	$5,870,080	Const. Mngt & Engineering 12%→$35,220,479
Right of Way/Land (2%)	$5,870,080	
Opinion of Probable Capital Cost	$355,139,828	

Table 4.5
Rio Linda / Elverta Community Water District
Capacity Fee Study
Water Capacity Fee Calculation

Total Water System Costs	
Current Water System Asset Valuation	$19,793,039
SWP Expansion Cost	$355,139,828
Subtotal Costs for Fee Recovery	$374,932,866
Existing and Projected EDUs	EDUs
Existing Service Area	5,706
Future Service Area	27,885
Total Projected EDUs at Full Buildout	33,591
Capacity Fee Components	
Existing Service Area: Buy-In Cost [1]	**$589**
Future Service Area: Incremental Cost [2]	**$12,736**
Total Capacity Fee	**$13,325**

[1] Current Water System Asset Valuation divided by Total Projected EDUs

[2] SWP Expansion Cost divided by Future Service Area EDUs

Existing Service Area $577
Future Service Area $12486
Admin $262
Total Capacity Fee (in 2016) $13,325

Pursuant to District Ordinance No. 2016-01, the capacity fee is adjusting for inflation in construction costs each year. Correspondingly the fee components are adjusted for inflation each year. The 2016 Administration component was $262. In 2023, the Administration Component, adjusted for inflation of construction cost is **$330.59** per equivalent dwelling unit.

GOVERNMENT CODE - GOV

TITLE 7. PLANNING AND LAND USE [65000 - 66499.58] (Heading of Title 7 amended by Stats. 1974, Ch. 1536.)

DIVISION 1. PLANNING AND ZONING [65000 - 66301] (Heading of Division 1 added by Stats. 1974, Ch. 1536.)

CHAPTER 8. Procedures for Adopting Various Fees [66016 - 66019] (Chapter 8 added by Stats. 1990, Ch. 1572, Sec. 20.)

66016. (a) Prior to levying a new fee or service charge, or prior to approving an increase in an existing fee or service charge, a local agency shall hold at least one open and public meeting, at which oral or written presentations can be made, as part of a regularly scheduled meeting. Notice of the time and place of the meeting, including a general explanation of the matter to be considered, and a statement that the data required by this section is available, shall be mailed at least 14 days prior to the meeting to any interested party who files a written request with the local agency for mailed notice of the meeting on new or increased fees or service charges. Any written request for mailed notices shall be valid for one year from the date on which it is filed unless a renewal request is filed. Renewal requests for mailed notices shall be filed on or before April 1 of each year. The legislative body may establish a reasonable annual charge for sending notices based on the estimated cost of providing the service. At least 10 days prior to the meeting, the local agency shall make available to the public data indicating the amount of cost, or estimated cost, required to provide the service for which the fee or service charge is levied and the revenue sources anticipated to provide the service, including General Fund revenues. Unless there has been voter approval, as prescribed by Section 66013 or 66014, no local agency shall levy a new fee or service charge or increase an existing fee or service charge to an amount which exceeds the estimated amount required to provide the service for which the fee or service charge is levied. If, however, the fees or service charges create revenues in excess of actual cost, those revenues shall be used to reduce the fee or service charge creating the excess.

(b) Any action by a local agency to levy a new fee or service charge or to approve an increase in an existing fee or service charge shall be taken only by ordinance or resolution. The legislative body of a local agency shall not delegate the authority to adopt a new fee or service charge, or to increase a fee or service charge.

(c) Any costs incurred by a local agency in conducting the meeting or meetings required pursuant to subdivision (a) may be recovered from fees charged for the services which were the subject of the meeting.

(d) This section shall apply only to fees and charges as described in Sections 51287, 56383, 65104, 65456, 65584.1, 65863.7, 65909.5, 66013, 66014, and 66451.2 of this code, Sections 17951, 19132.3, and 19852 of the Health and Safety Code, Section 41901 of the Public Resources Code, and Section 21671.5 of the Public Utilities Code.

(e) Any judicial action or proceeding to attack, review, set aside, void, or annul the ordinance, resolution, or motion levying a fee or service charge subject to this section shall be brought pursuant to Section 66022.

(Amended by Stats. 2006, Ch. 643, Sec. 19. Effective January 1, 2007.)

66016.5. (a) A city, county, or special district that conducts an impact fee nexus study shall follow all of the following standards and practices:

(1) Before the adoption of an associated development fee, an impact fee nexus study shall be adopted.

(2) When applicable, the nexus study shall identify the existing level of service for each public facility, identify the proposed new level of service, and include an explanation of why the new level of service is appropriate.

(3) A nexus study shall include information that supports the city's, county's, or special district's actions, as required by subdivision (a) of Section 66001.

(4) If a nexus study supports the increase of an existing fee, the city, county, or special district shall review the assumptions of the nexus study supporting the original fee and evaluate the amount of fees collected under the original fee.

(5) (A) A nexus study adopted after July 1, 2022, shall calculate a fee imposed on a housing development project proportionately to the square footage of proposed units of the development. A city, county, or special district that imposes a fee proportionately to the square footage of the proposed units of the development shall be deemed to have used a valid method to establish a reasonable relationship between the fee charged and the burden posed by the development.

(B) A nexus study is not required to comply with subparagraph (A) if the city, county, or special district makes a finding that includes all of the following:

(i) An explanation as to why square footage is not an appropriate metric to calculate fees imposed on a housing development project.

(ii) An explanation that an alternative basis of calculating the fee bears a reasonable relationship between the fee charged and the burden posed by the development.

(iii) That other policies in the fee structure support smaller developments, or otherwise ensure that smaller developments are not charged disproportionate fees.

(C) This paragraph does not prohibit an agency from establishing different fees for different types of developments.

(6) Large jurisdictions shall adopt a capital improvement plan as a part of the nexus study.

(7) All studies shall be adopted at a public hearing with at least 30 days' notice, and the city, county, or special district shall notify any member of the public that requests notice of intent to begin an impact fee nexus study of the date of the hearing.

(8) Studies shall be updated at least every eight years, from the period beginning on January 1, 2022.

(9) The city, county, or special district may use the impact fee nexus study template developed by the Department of Housing and Community Development pursuant to Section 50466.5 of the Health and Safety Code.

(b) This section does not apply to any fees or charges pursuant to Section 66013.

(c) For purposes of this section:

(1) "City" includes a charter city.

(2) "Development fee" has the same meaning as defined in subdivision (b) of Section 66000.

(3) "Large jurisdiction" has the same meaning as defined in subdivision (d) of Section 53559.1 of the Health and Safety Code.

(4) "Public facility" has the same meaning as defined in subdivision (d) of Section 66000.

(d) Nothing in this section shall be construed to relieve a city, county, or special district of the requirement that it comply with Chapter 5 (commencing with Section 66000), the California Constitution, or applicable case law when calculating the amount of a fee.

(Amended (as amended by Stats. 2022, Ch. 128, Sec. 1) by Stats. 2022, Ch. 658, Sec. 2. (AB 2668) Effective January 1, 2023.)

66016.6. (a) Prior to levying a new fee or capacity charge, a local agency shall evaluate the amount of the fee or capacity charge. The evaluation shall include evidence to support that the fee or capacity charge does not exceed the estimated reasonable cost of providing service, in accordance with Section 66013.

(b) All information constituting the evaluation shall be made publicly available at least 14 days prior to a meeting held in accordance with subdivision (a) of Section 66016.

(c) For purposes of this section:

(1) "Capacity charge" has the same meaning as defined in Section 66013.

(2) "Fee" has the same meaning as defined in Section 66013.

(3) "Local agency" has the same meaning as defined in Section 66013.

(d) Nothing in this section shall be construed to relieve a local agency of the requirement that it comply with Chapter 7 (commencing with Section 66012), the California Constitution, or applicable case law when calculating the amount of a fee.

(Added by Stats. 2022, Ch. 128, Sec. 2. (AB 2536) Effective January 1, 2023.)

66017. (a) Any action adopting a fee or charge, or increasing a fee or charge adopted, upon a development project, as defined in Section 66000, which applies to the filing, accepting, reviewing, approving, or issuing of an application, permit, or entitlement to use shall be enacted in accordance with the notice and public hearing procedures specified in Section 54986 or 66016 and shall be effective no sooner than 60 days following the final action on the adoption of the fee or charge or increase in the fee or charge.

(b) Without following the procedure otherwise required for the adoption of a fee or charge, or increasing a fee or charge, the legislative body of a local agency may adopt an urgency measure as an interim authorization for a fee or charge, or increase in a fee or charge, to protect the public health, welfare and safety. The interim authorization shall require four-fifths vote of the legislative body for adoption. The interim authorization shall have no force or effect 30 days after its adoption. The interim authority shall contain findings describing the current and immediate threat to the public health, welfare, and safety. After notice and public hearing pursuant to Section 54986 or 66016, the legislative body may extend the interim authority for an additional 30 days. Not more than two extensions may be granted. Any extension shall also require a four-fifths vote of the legislative body.

(Amended by Stats. 2006, Ch. 538, Sec. 320. Effective January 1, 2007.)

66018. (a)Prior to adopting an ordinance, resolution, or other legislative enactment adopting a new fee or approving an increase in an existing fee to which this section applies, a local agency shall hold a public hearing, at which oral or written presentations can be made, as part of a regularly scheduled meeting. Notice of the time and place of the meeting, including a general explanation of the matter to be considered, shall be published in accordance with Section 6062a.

(b)Any costs incurred by a local agency in conducting the hearing required pursuant to subdivision (a) may be recovered as part of the fees which were the subject of the hearing.

(c)This section applies only to the adopting or increasing of fees to which a specific statutory notice requirement, other than Section 54954.2, does not apply.

(d) As used in this section, "fees" do not include rates or charges for water, sewer, or electrical service.

(Added by Stats. 1990, Ch. 1572, Sec. 20.)

66018.5. "Local agency," as used in this chapter, has the same meaning as provided in Section 66000.

(Added by Stats. 1990, Ch. 1572, Sec. 20.)

66019. (a) As used in this section:

(1) "Fee" means a fee as defined in Section 66000, but does not include any of the following:

(A) A fee authorized pursuant to Section 66013.

(B) A fee authorized pursuant to Section 17620 of the Education Code, or Sections 65995.5 and 65995.7.

(C) Rates or charges for water, sewer, or electrical services.

(D) Fees subject to Section 66016.

(2) "Party" means a person, entity, or organization representing a group of people or entities.

(3) "Public facility" means a public facility as defined in Section 66000.

(b) For any fee, notice of the time and place of the meeting, including a general explanation of the matter to be considered, and a statement that the data required by this subdivision is available shall be mailed at least 14 days prior to the first meeting to an interested party who files a written request with the city, county, or city and county for mailed notice of a meeting on a new or increased fee to be enacted by the city, county, or city and county. Any written request for mailed notices shall be valid for one year from the date on which it is filed unless a renewal request is filed. Renewal requests for mailed notices shall be filed on or before April 1 of each year. The legislative body of the city, county, or city and county may establish a reasonable annual charge for sending notices based on the estimated cost of providing the service. The legislative body may send the notice electronically. At least 10 days prior to the meeting, the city, county, or city and county shall make available to the public the data indicating the amount of cost, or the estimated cost, required to provide the public facilities and the revenue sources anticipated to fund those public facilities, including general fund revenues. The new or increased fee shall be effective no earlier than 60 days following the final action on the adoption or increase of the fee, unless the city, county, or city and county follows the procedures set forth in subdivision (b) of Section 66017.

(c) If a city, county, or city and county receives a request for mailed notice pursuant to this section, or a local agency receives a request for mailed notice pursuant to Section 66016, the city, county, or city and county or other local agency may provide the notice via electronic mail for those who specifically request electronic mail notification. A city, county, city or county, or other local agency that provides electronic mail notification pursuant to this subdivision shall send the electronic mail notification to the electronic mail address indicated in the request. The electronic mail notification authorized by this subdivision shall operate as an alternative to the mailed notice required by this section.

(d) (1) Any member of the public, including an applicant for a development project, may submit evidence that the city, county, or other local agency's determinations and findings required pursuant to subdivision (a) of Section 66001 are insufficient or that the local agency otherwise failed to comply with this chapter. Evidence submitted pursuant to this subdivision may include, but is not limited to, information regarding the proposed fee calculation, assumptions, or methodology or the calculation, assumptions, or methodology for an existing fee upon which the proposed fee or fee increase is based.

(2) The legislative body of the city, county, or other local agency shall consider any evidence submitted pursuant to paragraph (1) that is timely submitted under this chapter. After consideration of the evidence, the legislative body of the city, county, or other local agency may change or adjust the proposed fee or fee increase if deemed necessary by the legislative body.

(Amended by Stats. 2021, Ch. 347, Sec. 3. (AB 602) Effective January 1, 2022.)

ORDINANCE NO. 2016-01

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT AMENDING ORDINANCE NOS. 2007-01 AND 2013-01 TO MODIFY DISTRICT WATER SERVICE CAPACITY FEES, FIRE PROTECTION FACILITIES FEES AND WATER SERVICE CONNECTION CHARGES

WHEREAS, Government Code sections 66013 and 66016 authorize the Rio Linda/Elverta Community Water district (the "District") to adopt a resolution or ordinance to establish and impose a water capacity charge; and

WHEREAS, pursuant to California Government Code sections 66013 and 66016, the District Board of Directors ("Board of Directors") adopted Ordinance No. 2007-01 on August 20, 2007, modifying rates, fees and charges for services and development; and

WHEREAS, Government Code sections 66013 and 66016 authorize the District to adopt a resolution or ordinance to increase an existing water capacity charge; and

WHEREAS, the District adopted Ordinance No. 2013-01 on October 21, 2013, modifying fees and charges for fire protection, water hydrant usage and other miscellaneous services; and

WHEREAS, each person or entity wanting to connect to the District's water system will share the cost for District facilities, including but not limited to treatment, production, storage and major transmission facilities; and

WHEREAS, the Board of Directors desires to modify the District's water capacity charges, to finance current and future capital improvements necessitated by development within the District's boundaries, as the District's existing water facilities, capacity and current capacity charge cannot adequately satisfy the demands of anticipated new development; and

WHEREAS, the capital facilities currently required to serve new development, such as a proposed surface water supply and treatment facility, will require significant financial investment; and

WHEREAS, the District desires to reduce the cost of long-term capital investments through regional collaboration, grant funding and other forms of financing, in addition to capacity fees; and

WHEREAS, members of the public have had the opportunity to make oral or written presentations to the Board of Directors on the proposed water capacity charge during District meetings held on March 21, 2016, April 19, 2016, May 16, 2016 and August 15, 2016; and

WHEREAS, the District published notice of the initial public hearing, including a general explanation of the matter to be considered, at least ten days before the hearing as required by Government Code sections 6062a and 66018; and

WHEREAS, at least ten days before the public hearing, the District made data publicly available that indicates (1) the estimated cost required to provide the water capacity services for

which the District is levying the water capacity charge and (2) the revenue sources anticipated to provide such service, all according to Government Code section 66016; and

WHEREAS, the above-described data sets forth reasonable cost estimates for the District's provision of improved and new water facilities and establishes that the proceeds generated by the increased water capacity charges do not exceed the total of the estimated costs; and

WHEREAS, the District finds it is in the best interest of public health, safety and welfare to increase the District's water capacity charges to cover the costs of water facilities and necessary improvements within the District; and

WHEREAS, the District finds that the District's water capacity charges should be reduced, in the event that the actual costs for certain facilities are significantly reduced through regional collaboration, grant funding or other forms of financing.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE RIO LINDA/ ELVERTA COMMUNITY WATER DISTRICT HEREBY DETERMINES AND ORDAINS AS FOLLOWS:

Section 1. Recitals. The above recitals are true and correct and incorporated herein.

Section 2. Amendment. Ordinance No. 2007-01 is hereby amended to adopt the Water Service Capacity Fees set forth in **Exhibit 1** attached hereto, which shall be adjusted annually on January 1, without further action by the Board of Directors, to reflect the annual change in construction costs, as calculated by the Engineering News Record Construction Cost Index-California.

Section 3. Amendment. Ordinance No. 2013-01 Exhibits 1 and 2 are hereby amended to adopt the Fees set forth in **Exhibit 2** and **Exhibit 3**, which shall be adjusted annually on January 1, without further action by the Board of Directors, to reflect the change in the Engineering News Record magazine Construction Cost Indices.

Section 4. Best Effort. The District shall use its best efforts for regional collaboration, or to independently apply for grant funds, to reduce actual costs to the District in developing surface water supply and treatment serving new development in the District. In the event that regional collaboration or the independent procurement of grant funds results in an actual reduction in the cost of developing surface water supply and treatment, the District shall endeavor to reasonably adjust the then-existing capacity fees to account for the net reduction in capital costs, while factoring administrative and other reasonable costs in any such reduction.

Section 4. California Environmental Quality Act Compliance. Pursuant to California Public Resources Code section 21080(b)(8), the requirements of the California Environmental Quality Act do not apply to water capacity charge increase, as the increase caused by this Ordinance constitutes the modification of charges to meet operating expenses and for obtaining funds for capital projects to provide and maintain water service within the District.

Section 5. Ordinance Effective Date. This Ordinance shall be effective thirty (30) days after the date of its second reading and adoption; a summary shall be published once, with names of members voting for and against the same in a newspaper of general circulation published in the County of Sacramento. A certified copy of the full text of this Ordinance shall be posted at the office of the Clerk of the District Board of Directors, 730 L St, Rio Linda, CA 95673, with the names of those Board Members voting for and against the Ordinance.

APPROVED AND ADOPTED by the Board of Directors of the Rio Linda/Elverta Community Water District on this 19th day of September, 2016.

AYES, in favor hereof: Brent Dills, Mary Harris, John Ridilla, Mary Henrici, and Paul Green
NOES: None
ABSTAIN: None
ABSENT: None

John Ridilla, President
Board of Directors

Attest: _____
Ralph Felix, Board Secretary

Items for Discussion and Action
Agenda Item: 4.4

Date: March 27, 2023

Subject: Consider Authorizing Execution of the Settlement Agreement with Teamster Local 150 for the 2022 Cost of Living Adjustment (COLA)

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

N/A This item was not discussed at a standing committee.

Current Background and Justification:

The Board discussed the settlement agreement in closed session at the February 21st meeting. However, the settlement agreement was not yet signed by Teamster Local 150 at the time of the February 21st meeting. As such, it was not appropriate to "report out" after closed session.

Now that the agreement is signed by Teamster Local 150, it is necessary and appropriate to seek authorization for execution by the District.

Conclusion:

Sample Motion: Move to authorize staff to execute the settlement agreement with Teamster Local 150 for the 2022 Cost of Living Adjustment (COLA).

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Cline _____ Gifford _____ Green _____ Harris _____ Young _____
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

RLECWD General Unit 2022 COLA Negotiations Settlement Agreement:

Pursuant to the relevant terms in the current memorandum of understanding, Teamster Local 150 and the Rio Linda Everta Community Water District (RLECWD) Board of Directors have reached agreement on the Cost of Living Adjustment (COLA) for 2022. The following four items constitute the agreed upon settlement:

1. Cost of Living Adjustment for 2022 (effective on or before 12-1-2022) 3% . This is the maximum adjustment stipulated in the current MOU. The CPI for this adjustment period was 8.1%. As such, the difference between 3% and 8.1% (5.1%) is banked for use in future years when the CPI is below 3%.
2. The District's maximum share for employee health insurance monthly premiums to increase from $1,824 to $1,877, effective for coverage starting in November 2022.
3. A one-time, non-pensionable signing bonus of $1,200 to be paid to each General Unit employee following the execution of the settlement agreement.
4. Another COLA negotiation reopener on or before November 2023, with the same criteria as the 2022 Cola Negotiations, i.e., CPI such that the currently banked credits for adjustment cannot be entirely used.

IN WITNESS WHEREOF, the parties have caused their authorized representatives to execute this 2022 COLA Settlement Agreement this _____day of _____, 2023

Rio Linda Elverta Community Water District

By: _____
Timothy R. Shaw, General Manager

Teamster Local 150

By: _____
Marty Crandall, Teamster Local 150 Representative

Items for Discussion and Action
Agenda Item: 4.5

Date: March 27, 2023

Subject: Consider Retroactive Authorization for Board Member Compensation Associated with March 14th Meeting with Congressman Ami Bera

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

This item was not discussed at the March 8th Executive Committee.

Current Background and Justification:
Congressman Ami Bera's staff reached out to RLECWD via email on March 6th. The outreach was to schedule a meeting with Congressman Bera because Rio Linda is now part of the district he represents. The requested meeting date was March 14th.

The short notice precluded requesting Board approval for the meeting prior to the meeting. Therefore, due to the potential benefits of meeting with Ami Bera, staff reached out to the RLECWD Board Chair to seek her participation and she committed to attending.

The Chair has requested compensation for the meeting with Congressman Bera. The District's compensation policy addresses retroactive authorization where there is insufficient time to hold a Board meeting in advance of the event.

Conclusion:

Sample Motion: Move to retroactively authorize the March 14th meeting with Congressman Ami Bera, and thereby authorize compensation for Board Member Mary Harris.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Cline _____ Gifford _____ Green _____ Harris _____ Young _____
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

2.01.055 Election of President and Vice President. *(See Ca Gov Code §30520)* At its regular meeting in December, the Board shall elect one of its members as President and one of its members as Vice President who shall hold office thereafter until their successors are elected and qualify. The election of the President and Vice President shall be by voice vote cast separately for each office with the member with the highest number of votes being deemed elected.

2.01.060 Duties of President and Vice President. *(See Ca Water Code §30578)* The President shall preside at all meetings of the Board and act as Chairperson of the Board, shall appoint all committee members as specified in section 2.01.080, and shall perform all other duties necessary or incidental to his/her office as authorized or imposed by the Board. In the absence of the President or because of the President's inability to act, the Vice President shall take his/her place and perform the duties of the President.

2.01.065 Committees and Other Assignments. *(Amended by 6/18/2018 Board Minutes)* The Board President shall appoint such standing and/or ad hoc committees as may be deemed necessary or advisable. The creation of ad hoc committees and new standing committees initiated by the Board President must be approved by action of the full Board of Directors per Policy 2.01.180. The President of the Board shall make all appointments of Board Members to ad hoc and standing Committees with the cooperation of the Board Member(s) nominated for the assignment(s). In addition, the President of the Board may designate Board Members to represent the Board as needed. Board Member participation in meetings and attendance by Board Members at organized events shall not be considered sanctioned by the RLECWD Board of Directors unless such attendance/participation is in accordance with this policy. Announcement to authorize attendance/participation retroactively is acceptable to accommodate insufficient time available for a Board meeting prior to the event. Retroactive announcement must be approved by the Board of Directors per Policy 2.01.180.

1. The duties of a new standing committee shall be determined at the time of appointment, proposed at a regular Board meeting and subject to confirmation by the Board of Directors per Policy 2.01.180. Standing committees shall only be dissolved by majority vote of the Board.

2. The duties of an ad hoc committee shall be determined and announced at a regular meeting of the Board of Directors. Ad hoc committees shall be considered dissolved when any of the following occur:

   a. The ad hoc committee submits its final report to the Board of Directors.

   b. Upon the sixth regular meeting of the Board of Directors following the announcement that the ad hoc committee had been created, the Board Secretary shall announce, and the minutes shall reflect, the ad hoc committee dissolution.

   c. The ad hoc committee has failed to report to the Board of Directors for three consecutive regular Board meetings. The Board Secretary shall announce, and the minutes shall reflect, the absence of reporting and indicate the ad hoc committee has been dissolved.

3. Board Members assigned by the Board President to serve on standing committees or to participate in sanctioned events shall serve in such capacity for the remainder of the President's term of office. Such assignments are to be announced at the regular Board meeting in January each year. However, assignments may be changed via announcement at a subsequent Board meeting to accommodate Board Member availability, incompatibility of offices, or other circumstances. The Board President may also authorize temporary substitutions of Board Members for a single meeting to accommodate the anticipated absence of the regularly assigned Board Member.

4. All meetings of standing committees shall conform to all open meeting laws (e.g., Ralph M. Brown Act) that pertain to regular meetings of the Board. Board Members assigned to ad hoc committees and other assignments shall report their findings and observations to the Board of Directors at regular Board meetings.

Items for Discussion and Action
Agenda Item: 4.6

Date: March 27, 2023

Subject: Review the Impacts and District's Responses to Hexavalent Chromium Maximum Contaminant Level (MCL) Adoptions

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

This item was not discussed at the March 8th Executive Committee, but it was discussed at the February 6th Executive Committee meeting.

Current Background and Justification:

The objective of discussing this item at the February 6th Committee meeting was to bring new Board Member (and new Executive Committee member) Anthony Cline up to speed on Hexavalent Chromium MCL matters. As evidenced by the recurring questions from the public at Board meetings as well as Board Member questions premised on inferences that some prior Board actions can be rescinded, (e.g. Surcharge #2), it behoove the District to review the Board actions and milestones associated and attributable to the Hexavalent Chromium MCL.

The following chronological list summarizes the Board actions and milestones to date:

NOTE: There were four different General Managers at the District from June 2016 to December 2017.

- 2014 – The state adopted the 10-ppb Hexavalent Chromium MCL and established a two-year compliance period.
- 2016 The District adopted a rate increase with Surcharge #2 designated to partially fund the capital improvements for Hexavalent Chromium mitigation. The assumption in the 2016 rate study was that RLECWD was a "Disadvantaged Community". As such grants and/or low-interest loans would be readily available to help fund Hexavalent Chromium mitigation. The assumptions were wrong, so Surcharge #2 is the only funding for capital improvements to mitigate Hexavalent Chromium. Additionally, Surcharge # 2 was exclusively for capital improvements. **There was no funding for recurring operating costs associated with Hexavalent Chromium mitigation, e.g., increased labor costs and consumable materials costs.**
- June 2017, the District awarded a construction contract following a competitive bid process for constructing well head treatment for hexavalent chromium.
- August 2017, a California court ruled that the state adoption of the 10-ppb Hexavalent Chromium MCL did NOT include a sufficient economic feasibility analysis. The state responded it would re-perform the economic feasibility analysis and re-establish the MCL.

- December 2017 to January 2018, efforts to modify the awarded construction contract for well head treatment reached an insurmountable obstacle and the contract was terminated.
- January 2018, the RLECWD Board ordered the General manager to secure a loan to fund Hexavalent Chromium mitigation projects.
- February 2018, the District engaged Fieldman Rolapp Municipal Finance to assist in procuring funding for Hexavalent Chromium mitigation. The February 28, 2018 Board meeting adopted and authorized all municipal financing documents and designated the source of debt service to be Surcharge #2. The $3.87 million loan obligates the District to use Surcharge #2 to make loan payments until April 2033.
- May 2018, the State publishes that re-adoption of the Hexavalent Chromium MCL is their #1 priority.
- Fall 2018 to spring 2019, the District executes all necessary documents to use municipal loan proceeds to fund Well #16 Ground Water Pumping Station, which comes online in June 2021.
- April 2019, the Board approves a Request for Proposals for a rate study consultant. A primary reason for the rate study is to bridge the gap in funding for recurring operational costs associated with Hexavalent Chromium treatment.
- June 2019, the rate study consultant request feedback from the board on the timing for funding of water treatment operator certifications. The Board's response was funding for increased labor cost is needed in 2022. Accordingly, the 5-year rate restructuring is designed to provide funding for Hexavalent Chromium Treatment in 2022.
- February 2021, the District completes negotiations with the Union for a MOU renewal. The new MOU obligates the District to open the new water system operator positions for filling internally within 6-months of the state publishing the Notice of Proposed Rulemaking for the Hexavalent Chromium MCL.
- December 2022, the state publishes the Standardized Regulatory Impact Analysis for the Hexavalent Chromium MCL, which forecast publishing the Notice of Proposed Rulemaking in February/March 2023.

Conclusion:

The Board should review the documents associated with this item and engage staff with any questions or concerns.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Cline _____ Gifford _____ Green _____ Harris _____ Young _____
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

TABLE OF CONTENTS

Private Placement Scenario
Preliminary Amortization Schedule Based on Opus Bank Interest Rate of 3.28%

SOURCES AND USES OF FUNDS

Private Placement Scenario
Preliminary Amortization Schedule Based on Opus Bank Interest Rate of 3.28%

Dated Date	03/01/2018
Delivery Date	03/01/2018

Sources:	
Bond Proceeds:	
Par Amount	3,870,000.00
	3,870,000.00

Uses:	
Project Fund Deposits:	
Project Fund	3,793,630.00
Delivery Date Expenses:	
Cost of Issuance	75,000.00
Other Uses of Funds:	
Additional Proceeds	1,370.00
	3,870,000.00

BOND SUMMARY STATISTICS

Private Placement Scenario
Preliminary Amortization Schedule Based on Opus Bank Interest Rate of 3.28%

Dated Date	03/01/2018
Delivery Date	03/01/2018
Last Maturity	04/01/2033
Arbitrage Yield	3.279640%
True Interest Cost (TIC)	3.279640%
Net Interest Cost (NIC)	3.280000%
All-In TIC	3.556306%
Average Coupon	3.280000%
Average Life (years)	8.452
Weighted Average Maturity (years)	8.452
Duration of Issue (years)	7.220
Par Amount	3,870,000.00
Bond Proceeds	3,870,000.00
Total Interest	1,072,888.00
Net Interest	1,072,888.00
Total Debt Service	4,942,888.00
Maximum Annual Debt Service	332,068.00
Average Annual Debt Service	327,705.28
Underwriter's Fees (per $1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Term Bond 2032	3,870,000.00	100.000	3.280%	8.452
	3,870,000.00			8.452

	TIC	All-In TIC	Arbitrage Yield
Par Value	3,870,000.00	3,870,000.00	3,870,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-75,000.00	
- Other Amounts			
Target Value	3,870,000.00	3,795,000.00	3,870,000.00
Target Date	03/01/2018	03/01/2018	03/01/2018
Yield	3.279640%	3.556306%	3.279640%

BOND PRICING

Private Placement Scenario
Preliminary Amortization Schedule Based on Opus Bank Interest Rate of 3.28%

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Term Bond 2032:					
	10/01/2018	90,000	3.280%	3.280%	100.000
	04/01/2019	105,000	3.280%	3.280%	100.000
	10/01/2019	105,000	3.280%	3.280%	100.000
	04/01/2020	105,000	3.280%	3.280%	100.000
	10/01/2020	110,000	3.280%	3.280%	100.000
	04/01/2021	110,000	3.280%	3.280%	100.000
	10/01/2021	110,000	3.280%	3.280%	100.000
	04/01/2022	115,000	3.280%	3.280%	100.000
	10/01/2022	115,000	3.280%	3.280%	100.000
	04/01/2023	115,000	3.280%	3.280%	100.000
	10/01/2023	120,000	3.280%	3.280%	100.000
	04/01/2024	120,000	3.280%	3.280%	100.000
	10/01/2024	125,000	3.280%	3.280%	100.000
	04/01/2025	125,000	3.280%	3.280%	100.000
	10/01/2025	125,000	3.280%	3.280%	100.000
	04/01/2026	130,000	3.280%	3.280%	100.000
	10/01/2026	130,000	3.280%	3.280%	100.000
	04/01/2027	135,000	3.280%	3.280%	100.000
	10/01/2027	135,000	3.280%	3.280%	100.000
	04/01/2028	140,000	3.280%	3.280%	100.000
	10/01/2028	140,000	3.280%	3.280%	100.000
	04/01/2029	145,000	3.280%	3.280%	100.000
	10/01/2029	145,000	3.280%	3.280%	100.000
	04/01/2030	145,000	3.280%	3.280%	100.000
	10/01/2030	150,000	3.280%	3.280%	100.000
	04/01/2031	150,000	3.280%	3.280%	100.000
	10/01/2031	155,000	3.280%	3.280%	100.000
	04/01/2032	155,000	3.280%	3.280%	100.000
	10/01/2032	160,000	3.280%	3.280%	100.000
	04/01/2033	160,000	3.280%	3.280%	100.000
		3,870,000			

Dated Date	03/01/2018	
Delivery Date	03/01/2018	
First Coupon	10/01/2018	
Par Amount	3,870,000.00	
Original Issue Discount		
Production	3,870,000.00	100.000000%
Underwriter's Discount		
Purchase Price	3,870,000.00	100.000000%
Accrued Interest		
Net Proceeds	3,870,000.00	

BOND DEBT SERVICE

Private Placement Scenario
Preliminary Amortization Schedule Based on Opus Bank Interest Rate of 3.28%

Period Ending	Principal	Coupon	Interest	Debt Service
04/01/2019	195,000	3.280%	136,038	331,038
04/01/2020	210,000	3.280%	118,818	328,818
04/01/2021	220,000	3.280%	111,848	331,848
04/01/2022	225,000	3.280%	104,632	329,632
04/01/2023	230,000	3.280%	97,170	327,170
04/01/2024	240,000	3.280%	89,544	329,544
04/01/2025	250,000	3.280%	81,590	331,590
04/01/2026	255,000	3.280%	73,390	328,390
04/01/2027	265,000	3.280%	64,944	329,944
04/01/2028	275,000	3.280%	56,170	331,170
04/01/2029	285,000	3.280%	47,068	332,068
04/01/2030	290,000	3.280%	37,638	327,638
04/01/2031	300,000	3.280%	28,044	328,044
04/01/2032	310,000	3.280%	18,122	328,122
04/01/2033	320,000	3.280%	7,872	327,872
	3,870,000		1,072,888	4,942,888

BOND DEBT SERVICE

Private Placement Scenario
Preliminary Amortization Schedule Based on Opus Bank Interest Rate of 3.28%

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/01/2018	90,000	3.280%	74,046	164,046	
04/01/2019	105,000	3.280%	61,992	166,992	331,038
10/01/2019	105,000	3.280%	60,270	165,270	
04/01/2020	105,000	3.280%	58,548	163,548	328,818
10/01/2020	110,000	3.280%	56,826	166,826	
04/01/2021	110,000	3.280%	55,022	165,022	331,848
10/01/2021	110,000	3.280%	53,218	163,218	
04/01/2022	115,000	3.280%	51,414	166,414	329,632
10/01/2022	115,000	3.280%	49,528	164,528	
04/01/2023	115,000	3.280%	47,642	162,642	327,170
10/01/2023	120,000	3.280%	45,756	165,756	
04/01/2024	120,000	3.280%	43,788	163,788	329,544
10/01/2024	125,000	3.280%	41,820	166,820	
04/01/2025	125,000	3.280%	39,770	164,770	331,590
10/01/2025	125,000	3.280%	37,720	162,720	
04/01/2026	130,000	3.280%	35,670	165,670	328,390
10/01/2026	130,000	3.280%	33,538	163,538	
04/01/2027	135,000	3.280%	31,406	166,406	329,944
10/01/2027	135,000	3.280%	29,192	164,192	
04/01/2028	140,000	3.280%	26,978	166,978	331,170
10/01/2028	140,000	3.280%	24,682	164,682	
04/01/2029	145,000	3.280%	22,386	167,386	332,068
10/01/2029	145,000	3.280%	20,008	165,008	
04/01/2030	145,000	3.280%	17,630	162,630	327,638
10/01/2030	150,000	3.280%	15,252	165,252	
04/01/2031	150,000	3.280%	12,792	162,792	328,044
10/01/2031	155,000	3.280%	10,332	165,332	
04/01/2032	155,000	3.280%	7,790	162,790	328,122
10/01/2032	160,000	3.280%	5,248	165,248	
04/01/2033	160,000	3.280%	2,624	162,624	327,872
	3,870,000		1,072,888	4,942,888	4,942,888

BOND SOLUTION

Private Placement Scenario
Preliminary Amortization Schedule Based on Opus Bank Interest Rate of 3.28%

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
04/01/2018						
10/01/2018	90,000	164,046	164,046	219,509	55,463	133.80966%
04/01/2019	105,000	166,992	166,992	219,509	52,517	131.44905%
10/01/2019	105,000	165,270	165,270	219,509	54,239	132.81866%
04/01/2020	105,000	163,548	163,548	219,509	55,961	134.21711%
10/01/2020	110,000	166,826	166,826	219,509	52,683	131.57985%
04/01/2021	110,000	165,022	165,022	219,509	54,487	133.01826%
10/01/2021	110,000	163,218	163,218	219,509	56,291	134.48848%
04/01/2022	115,000	166,414	166,414	219,509	53,095	131.90561%
10/01/2022	115,000	164,528	164,528	219,509	54,981	133.41766%
04/01/2023	115,000	162,642	162,642	219,509	56,867	134.96477%
10/01/2023	120,000	165,756	165,756	219,509	53,753	132.42923%
04/01/2024	120,000	163,788	163,788	219,509	55,721	134.02044%
10/01/2024	125,000	166,820	166,820	219,509	52,689	131.58458%
04/01/2025	125,000	164,770	164,770	219,509	54,739	133.22170%
10/01/2025	125,000	162,720	162,720	219,509	56,789	134.90007%
04/01/2026	130,000	165,670	165,670	219,509	53,839	132.49798%
10/01/2026	130,000	163,538	163,538	219,509	55,971	134.22532%
04/01/2027	135,000	166,406	166,406	219,509	53,103	131.91195%
10/01/2027	135,000	164,192	164,192	219,509	55,317	133.69068%
04/01/2028	140,000	166,978	166,978	219,509	52,531	131.46007%
10/01/2028	140,000	164,682	164,682	219,509	54,827	133.29289%
04/01/2029	145,000	167,386	167,386	219,509	52,123	131.13964%
10/01/2029	145,000	165,008	165,008	219,509	54,501	133.02955%
04/01/2030	145,000	162,630	162,630	219,509	56,879	134.97473%
10/01/2030	150,000	165,252	165,252	219,509	54,257	132.83313%
04/01/2031	150,000	162,792	162,792	219,509	56,717	134.84041%
10/01/2031	155,000	165,332	165,332	219,509	54,177	132.76885%
04/01/2032	155,000	162,790	162,790	219,509	56,719	134.84207%
10/01/2032	160,000	165,248	165,248	219,509	54,261	132.83634%
04/01/2033	160,000	162,624	162,624	219,509	56,885	134.97971%
	3,870,000	4,942,888	4,942,888	6,585,282	1,642,394	

Items for Discussion and Action
Agenda Item: 4.7

Date: March 27, 2023

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

Staff Contact: Timothy R. Shaw

Recommended Committee Action:
N/A, this is a standing item on all regular meeting agendas.

Current Background and Justification:

District policy and various statutes stipulate Board approval of any Board Member assignments.

This is a standing item, which occurs on every regular meeting agenda.

Conclusion:

I recommend the Board consider approving any specific nominations and assignments as may be deemed necessary and appropriate.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Cline _____ Gifford _____ Green _____ Harris _____ Young _____
(A) Yea (**N) Nay** (**Ab) Ab**stain (**Abs) Abs**ent

Information Items
Agenda Item: 5.1

Date: March 27, 2023

Subject: District Reports

Staff Contact: Timothy R. Shaw, General Manager

DISTRICT ACTIVITY REPORTS

1. Operations Report
2. Completed and Pending Items Report
3. Leak Repair Status
4. GM Minor Budget Revision #2
5. Report State Water Resources Control Board 2023 Priorities
6. Letter to Division of Drinking Water on New, Redundant, Overreaching Conservation Reporting Requirements
7. ACWA E-News Article on Rescinding Drought Emergency Rates
8. SWRCB Staff Report on Making Conservation a CA Way of Life

RIO LINDA/ELVERTA C.W.D. 2023

REPORT OF DISTRICT OPERATIONS

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SOURCE WATER DATA

Water Production (Million Gallons)

January	February	March	April	May	June	Year To Date
42	36.1					
42,034,558	36,097,520					
July	August	Sept.	Oct.	Nov.	Dec.	
						78.10

			Monthly Total		
Gallons =	Multiply M.G. by:	1,000,000	36,097,520	Gallons	78,132,078
Cubic Feet =	Divide gallons by:	7.48	4,825,872	Cubic Feet	10,445,465
Hundred Cu Ft. =	Divide cu. ft. by:	100	48,259	Hundred Cubic Feet	104,455
Acre Ft.=	Divide gallons by:	325,829	110.79	Acre Ft.	240

DISTRIBUTION SYSTEM DATA

Water Quality Complaints Complaints Total (Low Psi Complaints)

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

New Services		
New Construction	0	0
Existing Homes	0	0
Paid prior to increase. (2 not installed)	0	0
Total of Service Connections to Date ---------->		4668

Distribution System Failures/Repairs		
Deterioration February 1 thru 28	5	6
Damaged February 1 thru 28	0	0

Bacteriological Sampling		
Routine Bacteriological Samples (Distribution System)	36	36
Raw Water Bacteriological Samples (at Wells)	0	0

February 1, 2023 - February 28, 2023

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

Work Orders Issued - 26	Work Orders Completed - 65	USA's Issued - 78
Change Out Meter - 1	Change Out Meter - 23	
Disconnect Service - 3	Conservation - 2	
Flow Test - 1	Disconnect Service - 2	
Get Current Read - 2	Get Current Read - 2	
Install New Service - 1	Hydrant Repair - 1	
Line Leak - 5	Install New Service - 1	
Lock Service Off - 1	Line Leak - 5	
Possible Leak - 3	Lock Service Off - 1	
Pressure Complaint - 2	Other Work - 4	
Raise Existing Service - 1	Possible Leak - 7	
Re-Locate Meter Box - 1	Pressure Complaint - 2	
New Service Quote - 2	Raise Existing Service - 1	
Turn Off Service - 2	Re-Locate Meter Box - 1	
Turn On Service - 1	Repair - 2	
	New Service Quote - 2	
	Taste or Odor Complaint - 2	
	Turn Off Service - 4	
	Turn On Service - 3	

RIO LINDA/ELVERTA C.W.D.

WATER PRODUCTION

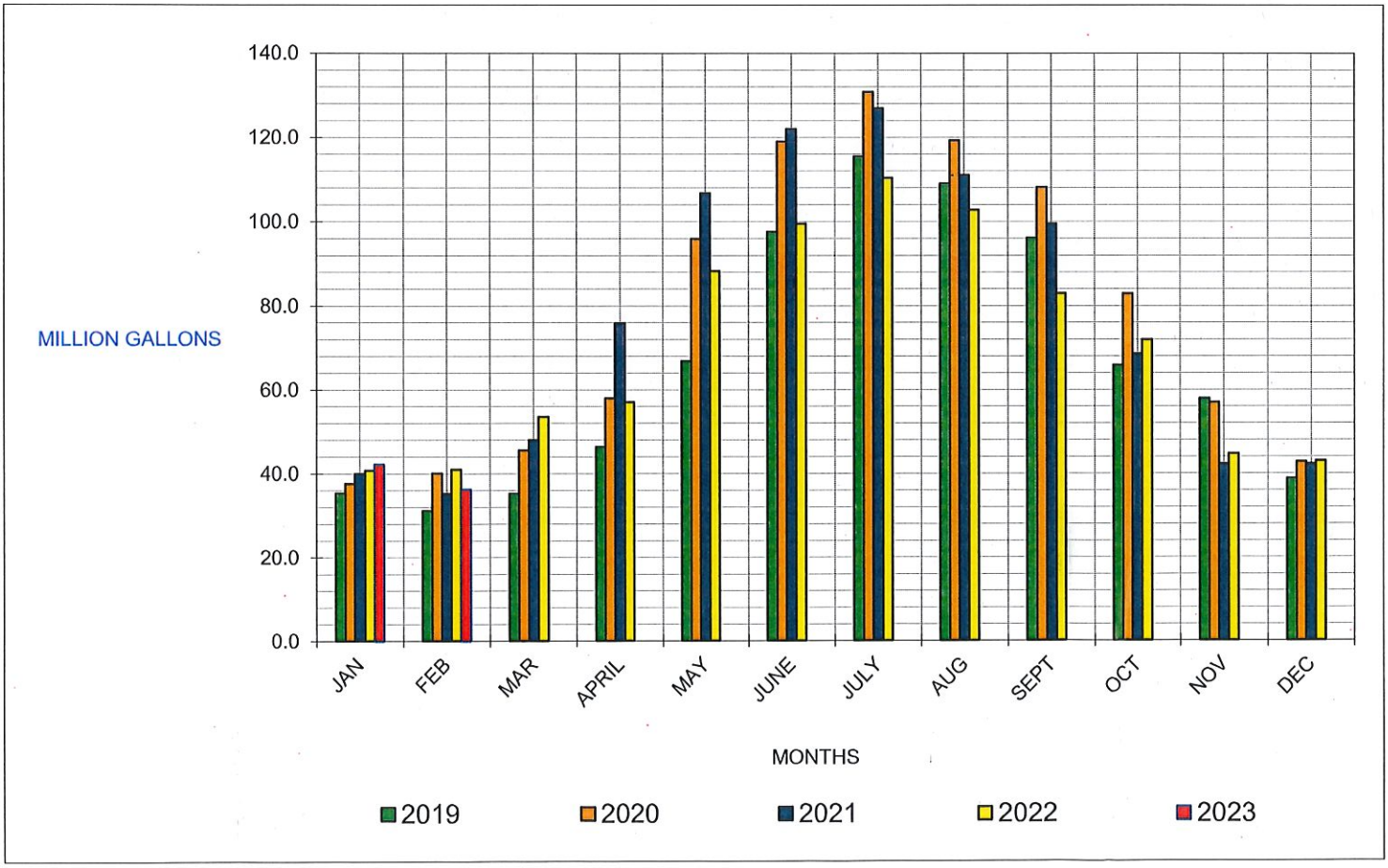
2018 \ 2022

Water Production in Million Gallons

Month	2019	2020	2021	2022	2023	Avg.
JAN	35.3	37.6	39.9	40.7	42.0	39.1
FEB	31.1	40.0	35.2	40.9	36.1	36.7
MAR	35.1	45.5	47.9	53.5		45.5
APRIL	46.3	57.9	75.8	57.0		59.3
MAY	66.8	95.9	106.6	88.2		89.4
JUNE	97.5	118.9	121.9	99.4		109.4
JULY	115.4	130.7	126.8	110.3		120.8
AUG	108.9	119.2	110.9	102.7		110.4
SEPT	96.1	108.1	99.4	82.9		96.6
OCT	65.8	82.8	68.5	71.9		72.3
NOV	57.8	56.9	42.2	44.6		50.4
DEC	38.7	42.7	42.2	42.9		41.6
TOTAL	794.8	936.2	917.3	835.0	78.1	870.8

SSWD Water Purchases

2019	2020	2021	2022	2023
0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	
0.0	0.0	0.0	0.0	
0.0	0.0	0.0	0.0	
0.0	0.0	0.0	0.0	
0.0	0.0	0.0	0.0	
0.0	0.0	0.0	0.0	
0.0	0.0	0.0	0.0	
0.0	0.0	0.0	0.0	
0.0	0.0	0.0	0.0	
0.0	0.0	0.0	0.0	
0.0	0.0	0.0	0.0	0.0



PENDING AND COMPLETED ITEMS
3-27-2023 BOARD OF DIRECTORS MEETING

1. **SB-606 and AB-1668 planning for compliance** –RLECWD water use efficiency numbers continue trending in the right direction. The District conserved nearly 11% in 2022 compared to the amount of water used by District customers in 2020. The next milestone is due less than 9-month, when all water purveyors must submit their Water Efficiency Objectives to the State. **Pending**
2. **Hexavalent Chromium MCL economic feasibility** The State Water Resources Control Board submitted their Standardized Regulatory Impact Analysis (SRIA), The Notice of Proposed Rulemaking is now scheduled for this month. **Pending**
3. **District outreach to customers following implementation of a new rate structure focused on consumption in compliance with SB 606 / AB 1668 requirements** – The Customer Service / Conservation Coordinator continues to be unavailable on disability leave. **Pending**
4. **Change in designated meeting days** –. The Board acted to change the meeting days for public meetings to make suck meetings more consistent. Executive Committee now meets on the second Wednesday of each month and the Board meets of the fourth Monday of each month. **Completed.**
5. **Annual Independent Audit** – The audit report for fiscal year ending 6-30-2022 has been accepted by the Board. **Completed.**
6. **Preparing for and negotiating a 2022 Cost of Living Adjustment (COLA) for General Unit employees** –Teamster Local 150 has singed the written settlement agreement for the 2022 Cost of Living Adjustment negotiations. The Board will consider authorizing the District's signature at the 3-27-2023 meeting. **Pending**
7. **Fair Political Practices Act, Statement of Economic Interests** – The Sacramento Count e-disclosure website indicates all Board Members have completed filing. **Completed**
8. **Cost of Service Reductions to Mitigate Inflation** – Staff completed a transition to a new fuel cardlock service provider in response to the prior service provider initiating a new monthly membership fee. Staff continues to seek out inflation mitigation measures. **Pending**
9. **Encouraging paperless billing** – a resolution to consider providing a $1 per billing cycle credit for those customers who opt into paperless billing was adopted by the Board, subject to resolving implementation challenges with the billing services provider, CUSI. **Pending**
10. **Authorizing New Board Members to Sign Checks** – All bank forms have now been signed to enable the new Board Members to sign checks. **Completed.**

2023 Leak - Repair Tracking

	Work Order #	Leak Type	Street	Date Reported	Date Repaired	Days
1	23759	Service Line	Silver Crest Circle	1/13/2023	1/18/2023	5
2	23757	Service Line	G Street	1/10/2023	1/11/2023	1
3	23807	Service Line	Rio Linda Blvd	2/7/2023	2/13/2023	6
4	23808	Main	2nd Street	2/7/2023	2/7/2023	0.1
5	23821	Line Leak	I Street	2/21/2023	2/21/2023	1
6	23823	Line Leak	E Street	2/22/2023	2/22/2023	1
7						
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RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
OPERATING BUDGET
2022-2023
Minor Budget Revision 2, March 27 , 2023

			2022-2023 BUDGET	2022-2023 BUDGET REVISION	DIFFERENCE	EXPLANATION
REVENUE						
40000 OPERATING REVENUE						
	40100 Water Service Rates					
	40101	Basic Service Charge	1,110,746.00	1,110,746.00	0.00	
	40102	Usage Charge	1,753,654.00	1,753,654.00	0.00	
	40105	Backflow Charge	29,600.00	29,600.00	0.00	
	40106	Fire Prevention	23,300.00	23,300.00	0.00	
		Total Water Service Rates	2,917,300.00	2,917,300.00	0.00	
	40200 Water Service Fees					
	40201	Application Fees	6,500.00	6,500.00	0.00	
	40202	Delinquency	90,000.00	90,000.00	0.00	
	40209	Misc. Charges	7,000.00	7,000.00	0.00	
		Total Water Services	103,500.00	103,500.00	0.00	
	40300 Other Water Service Fees					
	40301	New Construction QC	4,000.00	4,000.00	0.00	
	40302	Service Connection Fees	10,000.00	10,000.00	0.00	
	40304	Other Operating Revenue	6,000.00	6,000.00	0.00	
	40305	Grant Revenue-Operating	0.00	0.00	0.00	
		Total Other Water Service Fees	20,000.00	20,000.00	0.00	
	TOTAL OPERATING REVENUE		3,040,800.00	3,040,800.00	0.00	
41000	**NON-OPERATING REVENUES**					
	41110	Investment Revenue	35.00	35.00	0.00	
	41120	Property Taxes & Assessments	109,100.00	109,100.00	0.00	
	TOTAL NON-OPERATING REVENUE		109,135.00	109,135.00	0.00	
TOTAL REVENUE			$3,149,935.00	$3,149,935.00	0.00	

RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
OPERATING BUDGET
2022-2023
Minor Budget Revision 2, March 27 , 2023

			2022-2023 BUDGET	2022-2023 BUDGET REVISION	DIFFERENCE	EXPLANATION
OPERATING EXPENSE						
	60010	**PROFESSIONAL FEES**				
	60011	General Counsel fees-Legal	$22,800.00	$22,800.00	$0.00	
	60012	Auditor Fees	23,200.00	23,700.00	500.00	To increase for actual. Additional GASB 75 Supplemental Disclosure report.
	60013	Engineering Services	70,000.00	70,000.00	0.00	
	60015	Other Professional Fees	0.00	0.00	0.00	
	TOTAL PROFESSIONAL FEES		116,000.00	116,500.00	500.00	
	60100	**PERSONNEL SERVICES**				
	60110	**Salaries & Wages**				
	60111	Salary - General Manager	120,759.00	120,759.00	0.00	
	60112	Staff Regular Wages	660,234.00	660,234.00	0.00	
	60113	Contract Extra Help	0.00	0.00	0.00	
	60114	Staff Standby Pay	18,250.00	18,250.00	0.00	
	60115	Staff Overtime Pay	11,000.00	11,000.00	0.00	
		Total Salaries & Wages	810,243.00	810,243.00	0.00	
	60150	**Employee Benefits and Expenses**				
	60151	PERS Retirement	127,292.00	127,292.00	0.00	
	60152	Workers Compensation	13,029.00	13,029.00	0.00	
	60153	Medical & Benefit Insurance	224,760.00	219,560.00	(5,200.00)	To decrease to offset GL 60012 & 60221
	60154	Retirees Insurance	36,200.00	36,200.00	0.00	
	60155	Staff Training	5,000.00	5,000.00	0.00	
	60157	Uniforms	6,750.00	6,750.00	0.00	
	60158	Payroll Taxes	63,854.00	63,854.00	0.00	
	60159	Payroll Services	1,400.00	1,400.00	0.00	
	60160	457 Employer Contribution	18,055.00	18,055.00	0.00	
		Total Employee Benefits and Expenses	496,340.00	491,140.00	(5,200.00)	
	TOTAL PERSONNEL SERVICES		$1,306,583.00	$1,301,383.00	($5,200.00)	

RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
OPERATING BUDGET
2022-2023
Minor Budget Revision 2, March 27 , 2023

			2022-2023 BUDGET	2022-2023 BUDGET REVISION	DIFFERENCE	EXPLANATION
	60200 ADMINISTRATION					
	60205	Bank and Merchant Fees	$3,500.00	$3,500.00	$0.00	
	60207	Board Member/Meeting Expense	15,700.00	15,700.00	0.00	
	60210	**Building Expenses**				
	60211	Office Utilities	6,750.00	6,750.00	0.00	
	60212	Janitorial	2,340.00	2,340.00	0.00	
	60213	Maintenance	3,200.00	3,200.00	0.00	
	60214	Security	775.00	775.00	0.00	
		Total Building Expenses	13,065.00	13,065.00	0.00	
	60220	**Computer & Equipment Maint.**				
	60221	Computer Systems	25,000.00	29,700.00	4,700.00	Increased to adjust for projected costs
	60222	Office Equipment	875.00	875.00	0.00	
		Total Computer & Equipment Maint.	25,875.00	30,575.00	4,700.00	
	60230	Office Expense	5,225.00	5,225.00	0.00	
	60240	Postage and Delivery	20,000.00	20,000.00	0.00	
	60250	Printing	7,500.00	7,500.00	0.00	
	60255	Meetings & Conferences	461.00	461.00	0.00	
	60260	Publishing	1,206.00	1,206.00	0.00	
	60270	Telephone & Internet	4,750.00	4,750.00	0.00	
	60430	**Insurance**				
	60431	General Liability	31,176.00	31,176.00	0.00	
	60432	Property	11,800.00	11,800.00	0.00	
		Total Insurance	42,976.00	42,976.00	0.00	
	60500	**Water Memberships**				
	60503	SGA	30,777.00	30,777.00	0.00	
	60504	ACWA	11,140.00	11,140.00	0.00	
	60505	CSDA	8,186.00	8,186.00	0.00	
	60507	CRWA	1,435.00	1,435.00	0.00	
		Total Water Memberships	51,538.00	51,538.00	0.00	
	60550	Permits & Fees	46,600.00	46,600.00	0.00	
	60555	Subscriptions & Licensing	2,120.00	2,120.00	0.00	
	60560	Elections	1,887.00	1,887.00	0.00	
	60565	Uncollectable Accounts	2,835.00	2,835.00	0.00	
	60570	Other Operating Expenditures	500.00	500.00	0.00	
	TOTAL ADMINISTRATION		$245,738.00	$250,438.00	$4,700.00	

RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
OPERATING BUDGET
2022-2023
Minor Budget Revision 2, March 27 , 2023

			2022-2023 BUDGET	2022-2023 BUDGET REVISION	DIFFERENCE	EXPLANATION
	64000 CONSERVATION					
	64001	Community Outreach	300.00	300.00	0.00	
	64005	Other Conservation Programs	0.00	0.00	0.00	
	TOTAL CONSERVATION		300.00	300.00	0.00	
	65000 FIELD OPERATIONS					
	65100	**Other Field Operations**				
	65110	Backflow Testing	$3,000.00	$3,000.00	$0.00	
	65120	Construction Equipment Maintenance	9,000.00	9,000.00	0.00	
	65130	Field Communication	3,400.00	3,400.00	0.00	
	65140	Field IT	35,000.00	35,000.00	0.00	
	65150	Laboratory Services	24,000.00	24,000.00	0.00	
	65160	Safety Equipment	6,000.00	6,000.00	0.00	
	65170	Shop Supplies	7,000.00	7,000.00	0.00	
		Total Other Field Operations	87,400.00	87,400.00	0.00	
	65200	Treatment	25,000.00	25,000.00	0.00	
	65300	**Pumping**				
	65310	Maintenance	25,000.00	25,000.00	0.00	
	65320	Electricity and Fuel	260,000.00	260,000.00	0.00	
		Total Pumping	285,000.00	285,000.00	0.00	
	65400	**Transmission & Distribution**				
	65410	Distribution Supplies	59,950.00	59,950.00	0.00	
	65430	Tank Maintenance	6,280.00	6,280.00	0.00	
	65440	Contract Repairs	79,000.00	79,000.00	0.00	
	65450	Valve Replacements	15,000.00	15,000.00	0.00	
	65460	Paving Repairs	25,000.00	25,000.00	0.00	
		Total Transmission & Distribution	185,230.00	185,230.00	0.00	
	65500	**Transportation**				
	65510	Fuel	16,000.00	16,000.00	0.00	
	65520	Maintenance	5,000.00	5,000.00	0.00	
		Total Transportation	21,000.00	21,000.00	0.00	
	TOTAL FIELD OPERATIONS		$603,630.00	$603,630.00	$0.00	

RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
OPERATING BUDGET
2022-2023
Minor Budget Revision 2, March 27 , 2023

			2022-2023 BUDGET	2022-2023 BUDGET REVISION	DIFFERENCE	EXPLANATION
TOTAL OPERATING EXPENSES			$2,272,251.00	$2,272,251.00	$0.00	
NON OPERATING EXPENSES						
	69010 Debt Service					
	69100	**Revenue Bond 2015: Term 11/1/2031**				
	69105	Revenue Bond 2015-Principle	152,273.00	152,273.00	0.00	
	69120	Interest	48,650.00	48,650.00	0.00	
		Total Revenue Bond 2015	200,923.00	200,923.00	0.00	
	69125	**AMI Meter Loan: Term 7/23/2025**				
	69130	Principle	52,948.00	52,948.00	0.00	
	69135	Interest	5,566.00	5,566.00	0.00	
		Total AMI Meter Loan	58,514.00	58,514.00	0.00	
	69200	**PERS ADP Loan: Term 6/1/2036**				
	69205	Principle	30,000.00	30,000.00	0.00	
	69210	Interest	1,739.00	1,739.00	0.00	
		Total PERS ADP Loan	31,739.00	31,739.00	0.00	
	69400 Other Non Operating Expense		3,000.00	3,000.00	0.00	
TOTAL NON OPERATING EXPENSES			$294,176.00	$294,176.00	0.00	
TOTAL EXPENSE			$2,566,427.00	$2,566,427.00	$0.00	
NET INCOME (Income-Expense)			$583,508.00	$583,508.00	$0.00	

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DRAFT

STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2023-

ADOPTING THE PROPOSED PRIORITIZATION OF DRINKING WATER REGULATIONS DEVELOPMENT FOR CALENDAR YEAR 2023

WHEREAS:

1. All public water systems, as defined in Health and Safety Code section 116275, are subject to regulations adopted by the United States Environmental Protection Agency (U.S. EPA) under the Safe Drinking Water Act of 1974, as amended (42 U.S.C. 300f et seq.), as well as by the State Water Resources Control Board (State Water Board) under the California Safe Drinking Water Act (Health & Saf. Code, § 116270 et seq.).

2. California has been granted primary enforcement responsibility (primacy) by U.S. EPA for public water systems in California. California has no authority to enforce federal regulations, and federal laws and regulations require that California, in order to receive and maintain primacy, promulgate regulations for California that are no less stringent than the federal regulations.

3. The State Water Board is tasked with adopting drinking water regulations and recycled water regulations associated with the protection of public health. These regulations include primary drinking water standards (e.g., maximum contaminant levels (MCLs) or treatment techniques), monitoring and reporting requirements, and any other standards related to providing safe drinking water (e.g., operator requirements, laboratory accreditation standards, secondary drinking water standards, design standards, pipe separation standards, etc.).

4. Health and Safety Code section 116365, subdivision (g), requires the State Water Board to review each MCL at least once every five years and section 116365, subdivision (h), requires the State Water Board to provide, by March 1 of each year, notice of each primary drinking water standard it proposes to review that year and to solicit and consider public comment and hold one or more public hearings regarding any proposal to either amend or maintain an existing standard.

5. The Division of Drinking Water (DDW) posts the MCL reviews on its website. The most recent reviews are available at: MCL Review Process webpage.

6. The Division of Drinking Water has established a proposed prioritized list for regulatory development projects for 2023.

7. DDW staff use multiple factors in prioritizing drinking water regulations, including the protection of public health, establishment of a new or revised federal regulation or rule, existence of statutory mandates, as well as the existence of other priorities and staffing resources available for the development and implementation of regulations.

THEREFORE BE IT RESOLVED THAT:

The State Water Board directs the Division of Drinking Water to prioritize the development of drinking water regulations during calendar year 2023 as follows:

1. Maximum Contaminant Levels
    a. Chromium (hexavalent)
    b. Arsenic
    c. Perfluoro-octanoic acid (PFOA) and perfluoro-octane sulfonic acid (PFOS)
    d. N-nitroso-dimethylamine (NDMA)
    e. Disinfection Byproducts
    f. Styrene
    g. Cadmium and Mercury
2. Direct Potable Re-Use
3. Water Quality Standards for On-Site Treatment and Re-Use
4. Recycled Water Regulations Update
5. Cross-Connection Control Policy Handbook
6. Lead and Copper Rule (LCR) and Revisions
7. Detection Limits for Purposes of Reporting
    a. Metals
    b. Organics
8. Primacy Package Approvals
    a. Public Water System Definition
    b. Revised Total Coliform Rule
    c. Groundwater Rule
    d. Public Notification Rule
    e. Consumer Confidence Report Rule
9. Electronic Reporting of Drinking Water Quality Data
10. Notification and Response Levels
    a. Cyanotoxins
    b. Manganese (revision)
    c. Per- and Polyfluoroalkyl Substances (PFAS)

DRAFT

11. Quinquennial Maximum Contaminant Levels Review
12. Financial Assurance

CERTIFICATION

The undersigned Clerk to the Board does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on March 8, 2023.

_____
Courtney Tyler
Acting Clerk to the Board

Agenda Item 5.1.6

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March 7, 2023

Mr. Darrin Polhemus
Deputy Director, Division of Drinking Water
State Water Resources Control Board
1001 I Street
Sacramento, CA 95814

Dear Darrin:

Thank you for the conversation with some of us on February 14, concerning the Technical Reporting Order (Order) issued by your division on January 1, 2023. While it was unfortunate that we were unable to discuss the order with you and your staff prior to it being delivered, we do appreciate the dialogue that we have begun with you, and the conversations that have occurred in the Brown Bag sessions since January 6. We hope that this collaboration will achieve a result that will provide the State Water Resources Control Board (Board) with a clear picture of the status of water supplies, while minimizing the information collection and reporting burden on water agencies. We offer these comments and recommendations with this goal in mind, and we have also included information about specific data elements that are required by the order.

SB 552

The order references the findings and requirements of Senate Bill 552 (2021) as a rationale. SB 552 extended to water agencies that serve between 1,000 and 2,999 connections the requirement to submit an abbreviated version of the Water Shortage Contingency Plans that are prepared by larger water suppliers, pursuant to Water Code Section 10632, et seq. Small water systems serving less than 1,000 connections must add drought planning elements to their emergency response plans and submit them to the Board. SB 552 also requires small water suppliers and non-transient noncommunity water systems that are schools to submit via the Electronic Annual Report (EAR) an annual inventory of water supply sources, the total volume and flow rate available from these sources, and the supplier's total demand and average and peak flow rate for each

month and annually. Larger suppliers (those serving 3,000 or more connections or delivering 3,000 or more acre-feet of supply annually) already provide this information about sources via their Urban Water Management Plans (UWMPs), Annual Water Supply and Demand Assessments (AWSDAs) and Monthly Conservation Reports. It should be noted that in SB 552, the Legislature exempted from the planning and reporting requirements those agencies that submit an Urban Water Management Plan.

Recommendation: Exempt from the Order those agencies that have submitted a 2020 UWMP, and all required AWSDAs and Monthly Conservation Reports.

Consecutive Connections

Emergency connections between systems are typically not metered, given that the intended purpose is for use only in emergencies. Consequently no data on volume delivered or flowrate would be available for these connections. Other connections between two water suppliers that are metered could be numerous (for example, turnouts along a wholesale transmission pipeline), but they would not be providing supplies from multiple sources.

Recommendations: Delete the reference in the Order to emergency connections. For multiple connections from one source, request only one data point in the Order for total volume of deliveries from that source.

Monthly Delivery Data by Customer Class

The monthly production data for potable and recycled water that is reported in the monthly conservation reports is correlated with the monthly delivery data by customer class, differing only by water loss. Given that the former is reported to the Board monthly, the additional benefit of reporting the latter every quarter is unclear (particularly given that it is already reported annually in the EAR). Nevertheless, if there is some need for this data on a quarterly basis, water suppliers could report the monthly data four times per year without significant additional effort, as long as the data is not then required to be reported again in a different format or in a different system for the EAR. Also, to be consistent with the methodology used to translate bi-monthly billing data into monthly quantities, the reporting deadline would need to be postponed until the end of the second month after the end of the quarter. This would allow the bimonthly meter data to more accurately represent the actual use during the month reported.

Recommendations: Import the monthly delivery data by customer class into the EAR directly from the quarterly reports, rather than requiring water agencies to re-submit the data. Set the reporting deadline at the end of the second month after the end of the reporting quarter.

Water Loss

As just noted, the total deliveries by water suppliers to customer accounts every year (reported in the EAR and also requested by the Order) differs from the total potable and recycled water produced by the supplier (reported in the monthly conservation reports) by the amount of water loss calculated in the suppliers' annual audits. The Order requests monthly values for water loss, but water loss data is only available as an annual figure from water loss audits submitted per SB 555. The annual water loss audit goes through a rigorous review and validation process by a validators certified by AWWA prior to submittal to DWR. The components of the audit, which include a detailed assessment of real and apparent losses, can not be done on a monthly time step.

Recommendation: Remove the water loss data request from the Order, and rely on the annual validated submittal already reported by water suppliers to the State.

Specific Data Elements

The Order includes requests for various data elements, which appear to be arbitrary and not useful for defining conditions of water supply adequacy. These are:

Spring, surface and groundwater average and instantaneous flow rates – these can change regularly during the course of an hour, day or month, so choosing a value to report would be arbitrary.

Groundwater static and pumping levels - these can change regularly during the course of an hour, day or month, so choosing a value to report would be arbitrary

Surface and groundwater pump hours – this data appears to be either unrelated to the amount of water produced/delivered during the reporting period or redundant with other information.

Surface water intake height; groundwater pump depth – these are either fixed or seldom change, and their relevance to supply and demand is unclear.

Surface water depth of water body – this can change regularly during the course of an hour, day or month, so choosing a value to report would be arbitrary.

Recommendation: Delete these data elements from the Order.

Annual Water Supply

Water suppliers report the total water supply available to meet their customer demands via the AWSDA. The Order does not request such information, which does reduce

duplication of reporting requirements. However, the Board would not have that information for agencies that have fewer than 3,000 connections, which seems to fail to meet the objective of the Board to accurately characterize supplies and demands. The Order only includes data about water produced from supply sources and water delivered to the different customer classes (which differ only by the amount of water loss, which is also reported annually by water suppliers).

Recommendation: Request in the Order the amount of annual water supply available for water agencies that serve fewer than 3,000 connections.

Thank you again for the recent conversation on the Order and these topics. We look forward to discussing these comments with you and your staff.

Sincerely,

Ed Stevenson
General Manager
Alameda County Water District

Sue Mosburg
Executive Director
California-Nevada Section AWWA

Ian Prichard
Assistant General Manager
Calleguas Municipal Water District

Hilary Straus
General Manager
Citrus Heights Water District

Kimberly Lin
Director of Planning
Contra Costa Water District

Greg Thomas
General Manager
Elsinore Valley Municipal Water District

Donald M. Zdeba
General Manager
Indian Wells Valley Water District

David Pedersen
General Manager
Las Virgenes Municipal Water District

Paul E. Shoenberger, P.E.
General Manager
Mesa Water District

Erica Wolski
General Manager
Ramona Municipal Water District

Tim Shaw
General Manager
Rio Linda/Elverta Community Water District

Paul Helliker
General Manager
San Juan Water District

Gary Arant
General Manager
Valley Center Municipal Water District

Agenda Item 5.1.7

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From ACWA E-News 3-22-2023

Alameda County Water District Board of Directors Rescind Drought Surcharge

- by Alameda County Water District
- Mar 22, 2023
- Member Submitted News

The Alameda County Water District Board of Directors voted unanimously at a special Board meeting on March 21, to rescind drought surcharges effective April 1. The decision comes following significant local and statewide precipitation illuminating a promising outlook and lessening drought conditions in the coming months.

ACWD imposed a surcharge of $0.787 in March 2022, following the declaration of a water shortage emergency in December 2021. An increase to $0.82 was effective March 1, 2023, and applies to every 748 gallons, or unit of water, customers use.

Temporary drought surcharges provide financial stability when revenues drop during a water shortage emergency and water demands are reduced. Since March 2022, surcharges have generated $11.6 million, covering increased costs for water supply, operations, and necessary capital improvements.

The decision to roll back surcharges comes nearly three months sooner than prior assumptions based on financial planning.

"The rains have quenched our drought-stricken state, and for the first time in several years, we see California edging its way out of drought," said ACWD Board President Paul Sethy. "On behalf of the board, I extend a big 'Thank you' to our customers who have done a tremendous job conserving water – because of their water-saving efforts and ACWD's solid fiscal position, including reserves, the board can deliver on our promise to sunset drought surcharges," Sethy added.

Following the driest three-year period on record, multiple atmospheric rivers have soaked the region and begun to refill the state's reservoirs, foreshadowing the end of the drought in 2023. As a result, several factors were considered in the decision to rescind the surcharge, including local precipitation and anticipated Sierra snowmelt this spring, customers' continued efficient water use, and the District's financial condition.

Draft Staff Framework for the Making Conservation a California Way of Life Regulation (Proposed Regulatory Framework)

California is experiencing large swings between drought and flood, and due to climate change these swings are becoming more severe. The recent storms and flooding seen statewide are proof of this shift and emphasize the importance of staying prepared. So do the back-to-back droughts of the last decade: hotter and drier periods are increasing in frequency and severity, reducing snowpack, drying soils, and making our water supplies more vulnerable.

To replace and replenish the water that thirstier soils, vegetation, and the atmosphere will consume under hotter and drier conditions, Governor Newsom in August 2022 released "California's Water Supply Strategy" with actions to recycle, de-salt and conserve more water and expand water storage capacity. Making conservation a way of life is a critical part of that Strategy.

Assembly Bill (AB) 1668 and Senate Bill (SB) 606 (together, the 2018 conservation legislation) established a new foundation for long-term improvements in water conservation and drought-planning to adapt to climate change. The 2018 conservation legislation amended existing law to provide expanded and new authorities and requirements to enable permanent changes actions for those purposes, improving the state's water future for generations to come.

In carrying out the Water Supply Strategy and the 2018 conservation legislation, the draft Making Conservation a California Way of Life regulation proposes a new way of managing urban water use. The new framework would establish unique goals for each urban retail water supplier and provide communities with the flexibility to implement locally appropriate solutions.

This document summarizes key aspects of the State Water Board staff's proposed regulatory framework to make conservation a California way of life. Input received on this proposed regulatory framework will be used to inform any necessary revisions to the staff proposal prior to initiating the formal rulemaking process. Additional information about the regulatory process is available on the State Water Board's webpage: Rulemaking to Make Conservation a California Way of Life | California State Water Resources Control Board.

Other than as specifically discussed, the State Water Board's staff proposal follows the formal recommendations provided by the Department of Water Resources (Department) on September 22, 2022. Statute directed the Department to, in coordination with the Board, conduct necessary studies and investigations and to recommend the following: standards for outdoor residential use; standards for the outdoor irrigation of Commercial, Institutional, and Industrial (CII) landscape areas with dedicated irrigation

meters or other means of calculating outdoor irrigation use; CII performance measures; variances for unique uses that can have a material effect on water use; and guidelines and methodologies that identify how each urban retail water supplier (supplier) will calculate its urban water use objective.

Proposed Regulatory framework to Make Water Conservation a California Way of Life

The 2018 conservation legislation directs the State Water Board to adopt standards for the efficient use water, variances, and performance measures for CII water use. The proposed regulatory framework would require suppliers to comply with urban water use objectives, calculated using the methods and standards adopted by the Board; implement the adopted CII performance measures; and submit annual progress reports.

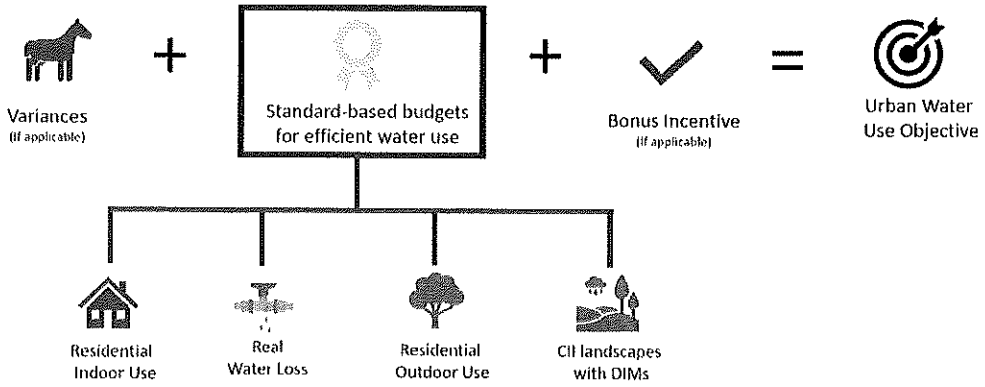
Urban Water Use Objective

A supplier's urban water use objective is a retrospective estimate of aggregate, efficient water use for the previous year, based on adopted water use efficiency standards and local service area characteristics for that year. As shown in Figure 1, a supplier's water use objective equals the sum of standard-based budgets for:

- Residential indoor use
- Residential outdoor use
- CII landscapes with dedicated irrigation meters (DIMs), which are submeters that supply water for only outdoor irrigation
- Real water losses

When applicable, the urban water use objectives will also include variances for unique uses that can have a material effect on an urban retail water supplier's urban water use objective (including, for example, water use associated with livestock), and a bonus incentive for potable recycled water use. Apart from the system-specific water loss standards, which were established by regulation pursuant to separate statutory authority, *the proposed regulation would not require suppliers to comply with any individual standard*; suppliers would be required to meet their *overall objective.*

Figure 1: How a supplier calculates its urban water use objective



Residential Indoor Use

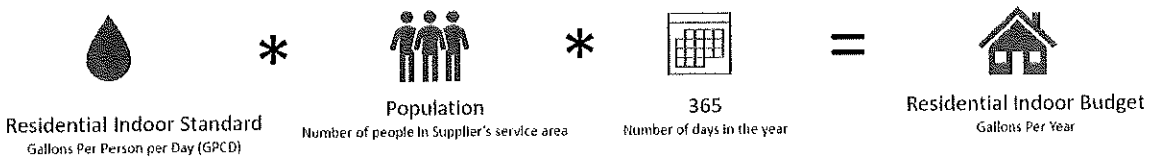
The proposed regulation does not set every component needed to calculate a supplier's urban water use objective. The bonus incentive cap, for example, was established by the 2018 conservation legislation (Wat. Code, § 10609.2.). That legislation also set the standard for efficient residential indoor use (Wat. Code, § 10609.4.), which was then lowered in 2022 based on joint recommendations from DWR and the State Water Board (SB 1157). As shown in Table 1, the residential indoor standard lowers over time.

Table 1: Residential indoor standard as defined in Water Code Section 10609.4

	Residential Indoor Standard (GPCD)
Through December 31, 2024	55
From January 1, 2025, through December 31, 2029	47
January 1, 2030, onwards	42

The residential indoor standard, along with unique service area data, would be used to calculate an efficient residential indoor use budget. Specifically, the efficient residential indoor use budget would be calculated by multiplying the standard by the supplier's service area population, and by the number of days in the year (Figure 2).

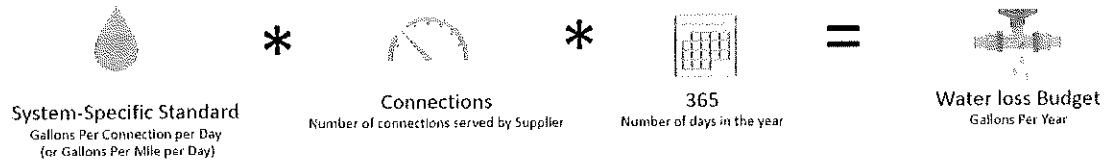
Figure 2: How a supplier would calculate its Residential Indoor Budget



Real Water Losses

In 2022, a separate State Water Board regulation established system-specific standards for water losses (Cal. Code Regs., tit. 23, §§ 980-986). A supplier will calculate its annual water loss budget by multiplying its system-specific standard by the number of days in the year, and, depending on the units associated with the standard, by either the number of total service connections or the length of the distribution system, in miles (Figure 3). Suppliers that own and operate multiple systems will calculate an annual water loss budget by summing the estimated efficient water loss budgets associated with each system.

Figure 3: How a supplier would calculate its Water Loss Budget



Residential Outdoor Use and CII Landscapes with DIMs

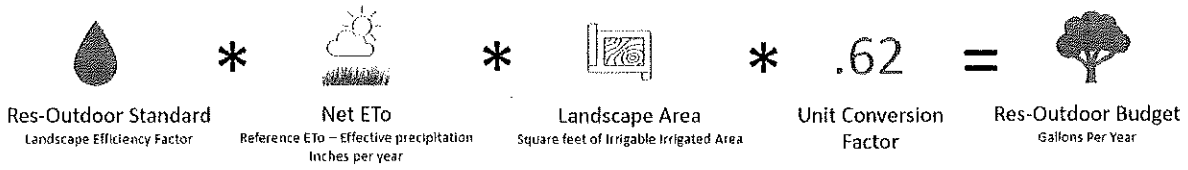
Using Landscape Efficiency Factors (LEF), the proposed regulation would set the standard for residential outdoor water use and the standard for CII landscapes with DIMs. The LEF is a factor used to indicate the amount of water a supplier may need to deliver to maintain healthy and efficient landscapes across the supplier's service area. A higher LEF value would correspond to higher water-using, less efficiently irrigated landscapes; a lower LEF value would correspond to lower water-using, more efficiently irrigated landscapes. Under the State Water Board staff proposal, the long-term standard (2035 and onwards) for residential outdoor water use would be an LEF of 55%; for CII landscapes with DIMs, the long-term standard would be an LEF of 45%. Table 2 summarizes the residential outdoor standard and the standard for CII landscapes with DIMs under the proposed regulation.

Table 2: Outdoor standards under the proposed regulation

	Landscape Efficiency Factor
Through September 30, 2030	
Residential outdoor	80%
CII DIM landscapes	80%
From October 1, 2030, to September 30, 2035	
Residential outdoor	63%
CII DIM landscapes	63%
October 1, 2035, onwards	
Residential outdoor	55%
CII DIM landscapes	45%

The standards for outdoor use — along with suppliers' unique service area data — would be used to calculate efficient outdoor use budgets. For example, a supplier's efficient residential outdoor water use budget would be calculated by multiplying the standard by the square footage of residential irrigable irrigated landscape area, by net evapotranspiration, and by a conversion factor of 0.62 (Figure 4). The square footage of residential irrigable irrigated landscape area, reference evapotranspiration, and effective precipitation values will be provided by DWR, unless a supplier has produced alternative data that are, in terms of quality and accuracy, demonstrably equal or superior to what has been provided by DWR.

Figure 4: How a supplier would calculate its Residential Outdoor Budget



- Net evapotranspiration (Net ET_o) is equal to reference evapotranspiration (ET_o) minus effective precipitation (EP).
- Reference evapotranspiration (ET_o) is a standard measurement of environmental parameters that affect the water use of plants. ET_o is expressed in inches per year and is an estimate of the evapotranspiration of a

large field of four- to seven-inch tall, cool-season grass that is well watered. It varies from year-to-year and throughout the state[1].

- Effective precipitation (EP) is the portion of total precipitation that becomes available for plant growth. It too varies from year-to-year and throughout the state[2].

"Irrigable Irrigated" and "Irrigable Not Irrigated" Areas

Two critical inputs under the regulatory framework are the standards themselves and the irrigation status of the landscapes that the standards would be applied to. In making its recommendations per the 2018 conservation legislation, DWR analyzed residential outdoor water use in California, estimating residential landscape area for every supplier in California and categorizing residential landscapes based on irrigation status. As a result, DWR categorized residential landscapes as follows:

- *Irrigable Irrigated (II)* landscape areas include healthy vegetation, somewhat unhealthy vegetation (e.g., brown lawns), and non-vegetative features, such as the rows between irrigated trees and features on or between vegetated areas (e.g., mulch, rocks, gravel, or weed blocking fabric; patches of bare earth; cars, trampolines, or other movable objects).
- *Irrigable Not Irrigated (INI)* landscape area includes very unhealthy vegetation (e.g., brown or leafless plants) and areas that are not currently being irrigated, but were irrigated in the past or may be irrigated in the future.
- *Not Irrigated (NI)* areas refer to residential landscapes that are not being irrigated and are unlikely to be in the foreseeable future (e.g., undeveloped or less developed areas; or hardscapes that cannot grow plants or hold water).

In its recommendations to the State Water Board, DWR proposed that the residential outdoor standard be applied to all *Irrigable Irrigated* areas and 20 percent of *Irrigable Not Irrigated* area in a supplier's service area. DWR refers to the 20 percent of INI as an "INI buffer." Under the proposed regulation, a supplier would calculate their residential outdoor water use budget by applying the standard to Irrigable Irrigated area, plus up to 20 percent of the INI buffer, if the supplier demonstrates those INI areas have come

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[1] For example, in Sacramento, in 2019 and 2020, ET_o was 55.1 inches per year and 58.5 inches per year, respectively; in, San Francisco in 2019 and 2020 it was 40.1 inches per year and 40.9 inches per year, respectively.

[2] For example, in Sacramento, in 2019 and 2020, EP was 6.7 and 2.1 inches, respectively; in, San Francisco in 2019 and 2020 it was 7.6 and 2.2 inches, respectively. Consistent with DWR's recommendation, effective precipitation would be modeled effective precipitation using Cal-SIMETAW, a daily soil-water balance model, and capped at 25% of total precipitation.

under irrigation. This differs from the Department's recommendation that the INI buffer be automatically included.

Process for Incorporating the Standard for CII Landscapes with Dedicated Irrigation Meters

Under the proposed regulation, suppliers will make annual progress in measuring the irrigated area of CII landscapes with Dedicated Irrigation Meters (DIMs), with all subject landscapes being measured by 2028. For landscapes they have not measured, Suppliers will continue to report "landscape irrigation" water associated with CII landscapes with DIMs to the State Water Board via the already-required electronic Annual Report (eAR). Starting in 2028, suppliers would use the standard to calculate efficient water use budgets for CII landscapes with DIMs.

Special Landscape Areas

The Department of Water Resources' Model Water Efficient Landscape Ordinance (MWELO) defines Special Landscape Areas (SLAs) as areas that are dedicated to edible plants, serve a recreational function, are irrigated with recycled water, or are water features that use recycled water. MWELO assigns SLAs an efficiency factor of 100%.

Under the proposed regulation, all residential landscapes and all CII landscapes with DIMs would be subject to the outdoor standards or, if considered an SLA, be granted a LEF of 100%.

- Residential SLAs include areas irrigated with recycled water.
- SLAs for CII landscapes with DIMs would be the same as defined under MWELO, with the following additional landscape types classified as SLAs: bioengineered slopes; ponds for recreation or for sustaining wildlife; public swimming pools; existing plant collections, botanical gardens, and arboretums; and cemeteries built before 2015.

For both residential areas and CII landscapes with DIMs, areas planted with non-functional turf would not be considered SLAs.

Provisions and Variances

The proposed regulation would establish variances for unique uses of water, along with the process suppliers would follow to request variances. In addition to the variances recommended by DWR, the State Water Board staff proposal includes two provisions:

- A provision for urban tree health.
- A provision for pools, spas and other water features, starting in 2030.

For the following variances, the State Water Board staff proposal would use methods different from those recommended by DWR:

- For water use for horses and other livestock, the State Water Board staff proposal references existing code (e.g., Cal. Code Regs., tit. 23, § 697).
- For water used in response to a state or local emergency, the State Water Board staff proposal references not just Government Code section 8558 subdivision (b), but also subdivision (c); it also excludes "drought" from the list of emergency events eligible for the variance.
- For water used to irrigate residential agricultural landscapes, the State Water Board staff proposal caps the LEF at 100%; it also directs DWR and Suppliers to reference 1) crop coefficients developed by the Food and Agriculture Organization or the University of California Cooperative Extension and 2) the irrigation efficiencies developed by the University of California Agricultural and Natural Resources' CropManage tool.

Process for including additional Irrigable Irrigated area, Special Landscape Areas, and Variances

The proposed regulation would establish a process suppliers would follow to annually request approval to include additional II area beyond that calculated by DWR, SLAs, and variances. The supplier would be required to provide information quantifying and substantiating each request (e.g., demonstrating that the amount of water requested was delivered by the supplier for the requested use) and a description of efforts to prioritize water for existing trees.

Bonus Incentive

The State Water Board staff's proposed accounting method for the bonus incentive would incorporate potable reuse water loss and surface water augmentation or groundwater recharge, as appropriate. The bonus incentive would be calculated using annual data.

Performance Measures

Under the proposed regulation, suppliers would be required to carry out several CII performance measures. Performance measures are actions to be taken by urban retail water suppliers that would result in increased water use efficiency by CII water users.

Performance measures do not include process[3] water. Under the proposed regulation, there are three CII performance measures:

1. Suppliers would be required to install DIMs on or employ in-lieu technologies for the landscapes of CII customers that a) do not have a DIM and b) the supplier estimates using 500 million gallons of water or more annually.
2. Suppliers would be required to classify their CII customers according to the broad classification categories used by the U.S. Environmental Protection Agency's ENERGYSTAR Portfolio Manager tool.
3. Suppliers would be required to offer best management practices (BMPs) to their CII customers that meet specific criteria.

    a. For customers that own or manage a building that is considered a "disclosable building" under the California Energy Commission's "Benchmarking" regulation (Cal. Code Regs., tit. 20, § 1681, subd. (d)), the supplier would be required provide annual water use data in a format compatible with ENERGYSTAR's Portfolio Manager tool.

    b. For customers that the supplier has determined to be in the top 20 percent of water use, excluding process water, relative to other customers within their specific CII classification category (e.g., lodging), the supplier would design and implement a conservation program that includes at least one BMP (e.g., educational bill inserts) from five discrete BMP categories (e.g., Outreach, Education, and Technical Assistance). The proposed regulation specifies the BMPs categories and the specific BMPs within each category.

    c. For customers the supplier has determined to be in the top 2.5 percent of water use, excluding process water, relative to all its CII customers, the supplier would design and implement a conservation program that includes at least two BMPs from each of the BMP categories.

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[3] "Process water" means water used by industrial water users for producing a product or product content or water used for research and development. Process water includes, but is not limited to, continuous manufacturing processes, and water used for testing, cleaning, and maintaining equipment. Water used to cool machinery or buildings used in the manufacturing process or necessary to maintain product quality or chemical characteristics for product manufacturing or control rooms, data centers, laboratories, clean rooms, and other industrial facility units that are integral to the manufacturing or research and development process is process water. Water used in the manufacturing process that is necessary for complying with local, state, and federal health and safety laws, and is not incidental water, is process water. Process water does not mean incidental water uses.

Impact of Proposed Regulation on Urban Water Use

The State Water Board has prepared a separate document, a Standard Regulatory Impact Analysis (SRIA), that describes in detail the assumptions used to estimate overall economic and fiscal costs and benefits of the proposed regulation, a primary component of which was the water savings that would be associated with the proposed regulatory framework. Water savings were calculated by comparing, for each supplier, a future baseline to what water use would be under the proposed regulation. Data were only available to evaluate the impact of the residential indoor standard (already established in statute) and the proposed residential outdoor standard. Because we could not account for variances with existing available data, the analysis may overestimate prospective water savings associated with meeting urban water use objectives.

Absent the proposed regulation, average statewide total urban water use is forecasted to decline from an average of 130 gallons per capita per day (GPCD) today to 117 GPCD in 2035. Without accounting for variances, the proposed regulation could significantly increase urban water use efficiency, bringing average total statewide water use to 107 GPCD in 2035.

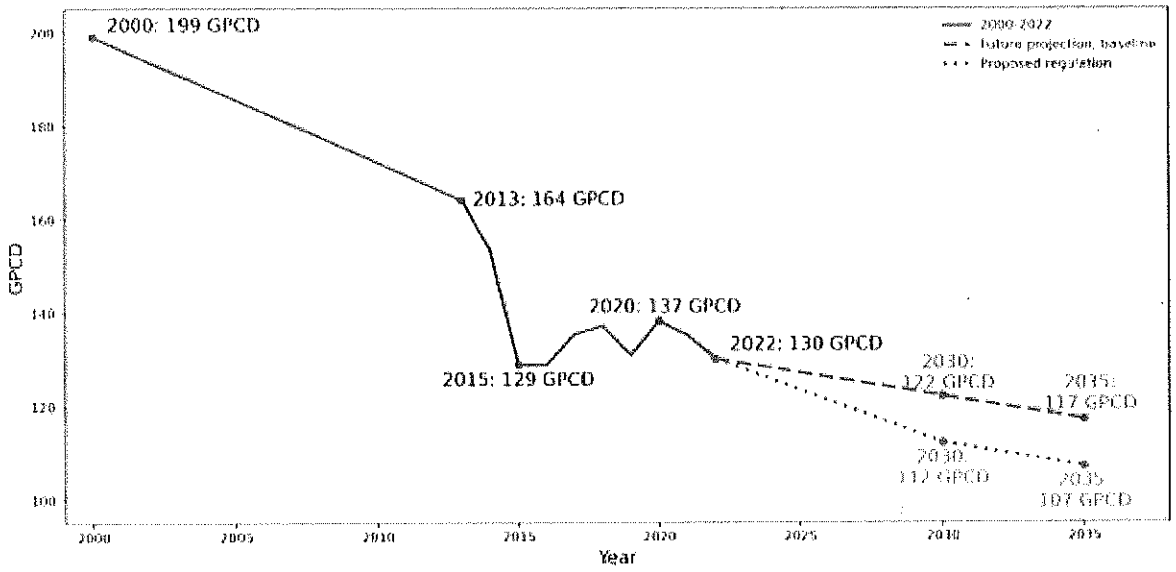
For context, urban water use trends in two affluent and industrialized nations – Australia and Denmark – provide useful examples. Total urban water use in Australia averaged 100 GPCD in 2020, with residential water use accounting for a little over half of total use in most metropolitan areas (Bureau of Meteorology 2020). In Denmark, total urban water use averaged 42 GPCD in 2021, with residential use accounting for a little over two-thirds of total use (DANVA 2022).

Table 3 and Figure 5 show the historic and future baseline as well as what average total GPCD would be under the proposed regulation (for 2030 and 2035). The table also shows the average annual change from 2020 and the GPCD savings associated with proposed regulation.

Table 3: Current and forecasted statewide urban water use, in gallons per capita daily

	Statewide Urban Water Use (GPCD)	Change per Year from 2020	Savings from Residential Sector (GPCD)	Savings from CII Sector (GPCD)
Historic level: 2020	137	-	-	-
Future reference level: 2030	122	- 1.1%	-	-
Proposed regulation: 2030	112	- 1.8%	7.5	2.5
Future reference level: 2035	117	- 1.0%	-	-
Proposed regulation: 2035	107	- 1.5%	8.2	1.8

Figure 5: Past and forecasted statewide urban water use, in gallons per capita daily, with and without the proposed regulation



In 2000, California's urban water use averaged 199 GPCD, according to the 20×2020 Water Conservation Program report (DWR et al. 2013). With the passage of the Water Conservation Bill of 2009 (SBx7 7), the State sought to reduce per capita water use by 20 percent by 2020. Between 2000 and 2013, average statewide per capita water use decreased from 199 GPCD to 164 GPCD. Between 2013 and 2015, emergency conservation regulations and tremendous drought responses by local agencies and their customers resulted in average statewide water use dropping from 164 GPCD to 129 GPCD, a 21 percent savings in two years (State Water Board 2022). Since then, California has experienced some rebound, peaking at 137 GPCD in 2020 (the beginning

of the hot, dry conditions associated with the current drought) and again dropping by the end of 2022, averaging 130 GPCD (State Water Board 2022).

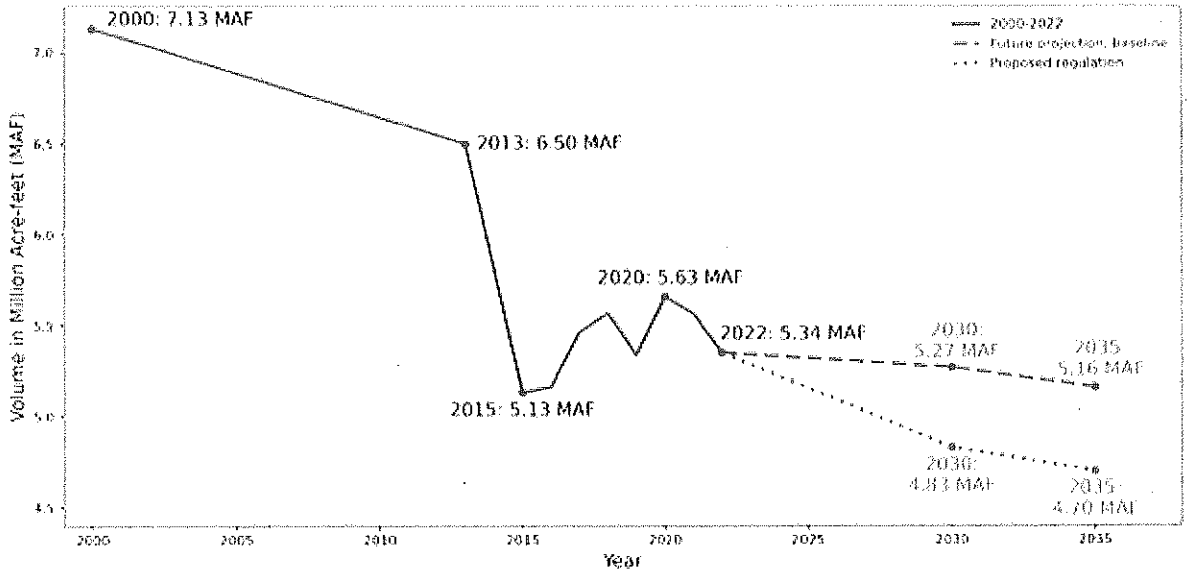
While urban water use has rebounded since the 2015 low, the long-term trend is clear: Californians are taking strides to conserve and use water more efficiently, indoors and outdoors. Between 2013 and 2022, per capita urban water use decreased by over 20 percent, savings equating to an average decline of 2.3 percent per year. By 2035, the proposed regulation could, without accounting for variances, result in average GPCD declining at a rate of 1.5 percent per year.

Per capita water use is a standard measure of efficiency. Also relevant, however, is the total volume of water consumed by the urban water sector. Volumetric trends are summarized below, with Table 4 and Figure 6 showing current and forecasted statewide total urban water use (in million acre-feet [MAF]) as well as projected water use under the proposed regulation. The table also shows the average annual change and the MAF savings associated with proposed regulation.

Table 4: Current and forecasted statewide urban water use

	Statewide Urban Water Use (MAF)	Change per year from 2020	Savings from residential sector (MAF)	Savings from CII sector (MAF)
Historic volume: 2020	5.63	-	-	-
Future reference level: 2030	5.27	- 0.6%	-	-
Proposed regulation: 2030	4.83	- 1.4%	0.33	0.11
Future reference level: 2035	5.16	- 0.6%	-	-
Proposed regulation: 2035	4.70	- 1.1%	0.38	0.08

Figure 6: Historic, current, and forecasted statewide urban water use, total water use, with and without the proposed regulation



The Board's analysis of the economic and fiscal impact of the proposed regulation reflects the data of 385 water agencies, which are assumed to collectively serve a population of over 39 million Californians in 2035 (95 percent of the state's projected 2035 population). In analyzing prospective compliance with urban water use objectives, it appears the proposed regulation would result in no or modest water savings for most urban retail water suppliers in California. Seventy-two percent of suppliers (274 suppliers), serving about half of the state's population, would see some amount of savings in complying with their 2035 objective. Of these suppliers, about half would see savings of 10 percent or less. Based on the current analysis, which does not account for variances, about a third of suppliers, representing 14 percent of Californians served by suppliers, would see savings of 20 percent or more. Table 5 shows how the proposed regulation, might impact suppliers in 2035, considering compliance with objectives only.

Table 5: Suppliers and service population, by degree of savings attributable to proposed regulation, considering compliance with objectives only

Impact Category	Percent of Suppliers in Category	Percent of Service Population in Category
No savings	28%	48%
Savings of 10% or less	32%	24%
10% to 20% savings	19%	13%
20% to 30% savings	12%	10%
Savings of more than 30%	9%	4%

When considering compliance with the objectives and the obligation to carry out CII performance standards, the proposed regulation could result in almost all (379) agencies generating additional savings above the assumed 2035 reference level. For most suppliers, those savings would be relatively small and associated with carrying out the CII performance standards only; for example, 47 percent could see savings of five percent or less.

List of Abbreviations

BMP – Best management practices

CII – Commercial, Industrial, and Institutional

DIM – Dedicated irrigation meter

EP – Effective precipitation

ET_o – Reference evapotranspiration

GPCD – Gallons per capita per day

LEF – Landscape efficiency factor

MAF – Million acre feet

Works Cited

Bureau of Meteorology. (2022). "National performance report 2020–21: urban water utilities, part A." Bureau of Meteorology Melbourne, Australia.

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State Water Board (2022). Water Conservation and Production Reports, Archived Monthly Reports. Water Conservation Portal - Conservation Reporting; California State Water Resources Control Board; https://www.waterboards.ca.gov/water_issues/programs/conservation_portal/conservation_reporting.html.

Information Items
Agenda Item: 5.2

Date: March 27, 2023

Subject: Board Reports

Staff Contact: Timothy R. Shaw, General Manager

BOARD REPORTS

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

5.2.2. Sacramento Groundwater Authority – Harris (primary)

5.2.3. Executive Committee – Gifford, Cline

5.2.4. ACWA/JPIA – Cline

5.2.5 Meeting with Congressman Ami Bera on March 14th – Harris

5.2.6 Pressing Matters Advisory Ad Hoc- Harris, Young

Minutes
Rio Linda / Elverta Community Water District
Executive Committee

March 8, 2023 @ 6:00 P.M.

Visitors / Depot Center
6730 Front St.
Rio Linda, CA 95673

The meeting was called to order at 6:00 P.M. The meeting was attended by Director Gifford, Director Cline, General Manager Tim Shaw, and Contract District Engineer Mike Vasquez.

Call to Order: 6:00 P.M.

Public Comment: *None present.*

Items for Discussion:

1. Engineer's Update.
The Contract District Engineer presented his written report and provided supplemental details on the issuance of the Well 16 Air Quality Management permit. Mr. Vasquez also opined that the underground vault would be fabricated this week. Mr. Vasquez indicated the pipe replacement project is ready to proceed as soon as the weather improves. Looking further into the future, Mr. Vasquez shared Sacramento County plans for additional road work on Elk Horn, which will entail more costs for raising iron.
2. Discuss the Need and Means for an Admin Component in the District's Capacity Fee Program.
The General Manager presented his written report and further illustrated the proposed clarification on the administrative component using the documents associated with this item. Director Gifford asked that staff provide a copy of Ordinance 2016-01 and the Local Agency Investment Fund (LAIF) report in correlation to this item when the Board considers authorizing the proposed clarification. *The Executive Committee forwarded this item onto the March 27th Board agenda with the Committee's recommendation for Board approval.*
3. Discuss the Diminishing Justification for Drought Emergency Rates.
The General Manager presented his written report and accompanying documents. The Executive Committee provided additional observations supporting a conclusion that the declared drought emergency is likely to be suspended. As such, there is no longer rationale for scheduling a public workshop for discussing drought emergency rates.
4. Update on Implementing Resolution 2023-01, Encouraging Paperless Billing.
The General Manager presented his written report and provided additional details for ongoing glitches in the billing software following a recent software update. Director Cline paraphrased the presentation to be sure he had understood the facts and circumstances.
5. Review State Water Resources Control Board 2023 Priorities.
The General Manager presented his written report. The Executive Committee reviewed the timelines that will be set into motion if/when the state publishes the Notice of Proposed Rulemaking for the Hexavalent Chromium MCL. *The Executive Committee directed staff to place an informational item on the March 27th Board agenda.*
6. Discuss Draft Letter to Division of Drinking Water on New Drought Reporting Requirements.
The General Manager presented his written report. The Executive Committee discussed the letter to the Division of Drinking Water and further discussed the continuation of unfunded mandates by the state. *The Executive Committee directed staff to place the letter on the March 27th Board agenda as an informational item.*

7.	Discuss Expenditures for January 2023.
	Director Cline requested additional information on: Adept Solutions, SMUD and State Water Resources Control Board expenditures, which was provided by the General Manager. *The Executive Committee forwarded the Expenditures Report onto the March 27th Board agenda with the Committee's recommendation for Board approval.*
8.	Discuss Financial Reports for January 2023
	Director Cline explored the feasibility of providing supplemental, historical details to help reviewers comprehend the seasonal and bimonthly variabilities in operating revenue. On 3-9-2023, the General Manager sent a draft document to Directors Cline and Gifford which illustrates such variabilities. *The Executive Committee forwarded the Financial Report onto the March 27th Board agenda with the Committee's recommendation for Board approval.*

Directors' and General Manager Comments:

Items Requested for Next Month's Committee Agenda: *None*

Adjournment: *7:12 P.M.*