

**MINUTES OF THE
APRIL 20, 2020
BOARD OF DIRECTORS REGULAR MEETING
OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT**

1. CALL TO ORDER, ROLL CALL

The April 20, 2020 meeting of the Board of Directors of the Rio Linda/Elverta Community Water District called to order at 6:30 p.m. at the Visitor's Depot Center located at 6730 Front Street, Rio Linda, CA 95673. General Manager Tim Shaw took roll call of the Board of Directors. President Jason Green, Director Chris Gifford, Director Robert Reisig, Director Mary Harris, Director John Ridilla and General Manager Tim Shaw were present. Director Mary Harris called into the meeting by telephone. Legal Counsel Barbara was present by phone. Director Reisig led the pledge of allegiance.

Director Harris stated that she had spoken with public member Mrs. Irvine about an issue that was to be placed on the agenda. Harris said she had received the email about the item but did not see it on the agenda. GM Shaw stated that to address the issue that had arose on Friday after the packet was completed and distributed, he had asked staff to send out the information to the directors on Friday. The issue has been incorporated with agenda item 4.7 the Executive order for the Directors to discuss and possibly take action.

2. PUBLIC COMMENT

No Public Comment

3. CONSENT CALENDAR

3.1 Minutes

March 16, 2020

3.2 Expenditures

3.3 Financial Reports

No public comment.

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

REGULAR CALENDAR

4. ITEMS FOR DISCUSSION AND ACTION

4.1 General Manager's Report

GM Shaw provided a written report.

Director Harris inquired about the outcome of Item 7 regarding the consultation with legal counsel. GM Shaw stated it was a meeting with Elverta Specific, Sac County, and legal counsel regarding a mapping issue.

No public comment.

The Board made no action on this item

4.2 District Engineer's Report – Mike Vasquez

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

No public comment on this item.

The Board made no action on this item.

4.3 Consider authorizing a Professional Services Agreement with Kurey & Associates for labor compliance program

Kurey and Associates submitted a proposal to continue providing labor compliance services to District for the Well 16 Pumping Station construction project being constructed by Anvil Builders, Inc. Kurey and Associates performed the same role for the District on the L Street Tank Project. The proposed budget for Kurey and Associates' services is \$16,200.00 and will be included as an expenditure of the Well 16 construction project funded by the Opus Bank loan and DWR Proposition 84 grant.

No public comment.

It was moved by Director Reisig and seconded by Director Ridilla to authorize the Professional Services Agreement with Kurey & Associates for the labor compliance program. Directors Reisig, Gifford, Harris, Ridilla and Green voted yes. The motion carried with unanimous vote of 5-0-0

4.4 Consider directing the next steps for adopting a Capital Improvement Plan Projects List

The ultimate goal is for the District Board of Directors to adopt a CIP Projects List that will be used as a tool to establish the District's Capital Budget to implement capital improvement projects. The final and adopted CIP Projects List will allow the District to proactively designate specific annual amounts in its Capital Budget for specific capital improvement projects that are deemed necessary to be constructed by an established future date. Currently, the District has a cumulative capital improvement project funding balance of \$1.8 million for undefined projects.

No public comment.

It was moved by Director Reisig and seconded by Director Ridilla to adopt the Capital Improvement Plan Projects List. Directors Reisig, Gifford, Harris, Ridilla and Green voted yes. The motion carried with unanimous vote of 5-0-0.

4.5 Consider authorizing a Professional Services Agreement with Lechowicz + Tseng for rate study / cost of services analysis.

Pursuant to the RFP for a rate study / cost of service analysis, the District has completed the following:

1. Solicited responses.
2. Conducted a pre-bid conference and subsequent Q&A process.
3. Received 6 responses.
4. Scored the response objectively, without consideration of cost, which were submitted separately by each of the 6 respondents.
5. Negotiated a reasonable cost scheduled with the highest scoring respondent, Lechowicz + Tseng.

A Professional Services Agreement using the District's approved format small-scope agreement was prepared and reviewed by Lechowicz + Tseng.

Director Harris inquired on the reason for the rate study. GM Shaw states the District's current rate structure does not comply with the new laws SB606 and AB1668.

No public comment.

It was moved by Director Reisig and seconded by Director Green to authorize the Professional Services Agreement with Lechowicz + Tseng for the rate study / cost of services analysis. Directors Reisig, Gifford, Harris Ridilla and Green voted yes. The motion carried with unanimous vote of 5-0-0.

4.6 Consider adopting Resolution No. 2020-02, calling an election for three RLECWD Board Members

The February 2020 notice from the Sacramento County Registrar of Voters requires that the RLECWD adopt the subject Resolution to enable the RLECWD Board Members' election to be consolidated with the County's general election. This evolution recurs every two years the cost of consolidating the District's election is favorable compared to the costs of independently conducting the elections.

No public comment.

It was moved by Director Ridilla and seconded by Director Reisig to adopt Resolution No. 2020-02, calling an election for three RLECWD Board Members. Directors Reisig, Gifford, Green, Ridilla and Harris voted yes. The motion carried with unanimous vote of 5-0-0.

4.7 Review and discuss the Governor's Executive Order N-42-20, prohibiting service terminations for non-payment.

Governor Newsom issued Executive Order N-42-20 at 12:00 P.M. on April 2, 2020. Staff had already compiled a report and documents for matters related to the subject matter of Executive Order N-42-20. With the unanticipated release of this Order, contradicting the Governor's previously stated position on the subject, staff has scrambled to revise/amend the documents for the April 6th Executive Committee.

The Executive Order suspends service terminations, which is the primary motivation to compel customer payment of the cost of providing service. At the point the District sends out bill, the District has already incurred and paid for the cost of providing service, e.g. payroll, electricity, fuel etc. If the customers do not pay their bills, and the Governor has removed the primary motive, the District may be effectively issuing credit to non-paying customers.

If the COVID-19 crisis extends for months, the cost of providing service without payment by some customers for such service constitutes a running tab of debt. Eventually, the crisis will end and the prohibition for service terminations will be lifted. For some customers, the amount of unpaid balance due to preclude service termination may be insurmountable.

There is an additional wrinkle attributed to landlord-tenant relationships. The landlords cannot evict, the water service cannot be terminated, so whenever the crisis is over, the tenant will owe a cumulative amount of unpaid rent and unpaid utility services bills (water, sewer, electricity etc.).

GM Shaw connected with public member Mrs. Irvine via ZOOM.

Public Member Mrs. Irvine addressed the Board requesting a charge of \$300 tampering be reversed due to her service being disconnected for non-payment prior to the Governors Executive order. Mrs. Irvine asked the Board why did RLECWD still move forward with disconnects when 100 other water agencies did not before the Executive Order from the Governor?

GM Shaw response was it would be a gift of public funds. The Board of Directors would have to vote to make that decision to not disconnect service.

Mrs. Irvine stated she was aware her payment was still due and was only asking for an extension to pay with the crisis due to her financial hardship due to the COVID 19.

Director Harris asked Mrs. Irvine is she had any contact with the General Manager prior to her service being disconnected? Mrs. Irvine answered yes.

Director Harris stated she felt the District should not have removed the meter due to the tampering or even disconnected the customers water service due to the COVID 19 crisis, so the \$300 should be waived.

Director Gifford stated he agreed with Mrs. Irvine that her service should not have been disconnected however, the District followed the policy based on the information that was provided at the time. The Executive Order was not signed by the Governor until April 2, 2020 at which time Mrs. Irvine's service was restored.

GM Shaw asked legal counsel if the District waives the tampering fee for the customer tampering with a public utility District meter in violation of penal code section 498, does the District inherit criminal liability? General Counsel Barbara Brenner answered no.

It was moved by Director Harris and seconded by Director Gifford to reimburse the \$300 fee charged to Mrs. Irvine for the tampering and removal of the meter due to the COVID 19 crisis. Directors Gifford, Green, Ridilla and Harris voted yes. Director Reisig voted no. The motion carried with a vote of 4-1-0.

4.8 Consider Request from an overcharged customer for a full credit instead of the 2-year limit outlined in Policy 4.31-275.

District Customer "Jeff" endured a recently discovered billing error that had lasted approximately 4 and ½ years. The account information and billing for Jeff was entered as a 1-inch service. In reality, Jeff has a 5/8-inch service.

Pursuant to District policy 4.31.275, Jeff was authorized to receive and was issued a credit for two years of overcharge. Upon learning of the restrictions (specifically the two years limit instead of the 4.5 years of overcharge) of District policy 4.31.275, Jeff emailed to express his lack of acceptance for the policy. I explained to Jeff that the Board Members are the policy makers and no staff member has the authority to supersede or override the policies made by the Board. I further explained that the District policy 4.31.275 is drawn from a complex network of the relevant statutes of limitations.

Jeff responded with a request to appeal to the Board of Directors.

Legal Counsel, Barbara Brenner informed the Board that the statute of limitations is only 2 years but the Board can authorize more.

No public comment.

It was moved by Director Ridilla and seconded by Director to Reisig authorize the full credit of 4 1/2 years for customer Jeff. Directors Reisig, Gifford, Green, Ridilla and Harris voted yes. The motion carried with unanimous vote of 5-0-0.

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

Director Harris on the SGA Budget Committee assignment has been terminated.

No public comment on this item.

5. INFORMATION ITEMS

5.1. DISTRICT ACTIVITY REPORT

1. Water Operations Report
2. Conservation Report
3. GM Minor Budget Revision

5.2. BOARD REPORTS

1. Report any ad hoc committees dissolved by requirements in Policy 2.01.065
2. Regional Water Authority –Gifford, Shaw – Special Meeting report included.
3. Sacramento Groundwater Authority – Harris, Reisig. Agenda Provided. Director Harris gave a verbal report. Membership fees for the District will increase.
4. Executive Committee – Green, Reisig - Minutes provided.
5. ACWA/JPIA – Ridilla - No Report
6. Ad Hoc Committee –
7. Other Reports, e.g

6. DIRECTORS' AND GENERAL MANAGER COMMENTS –

Director Gifford and Green asked for staff to be told thank you for their work on elimination of the meter replacement log. Director Reisig asked if customers can read their meters. GM Shaw stated they currently can. Director Harris commented on the billing due dates changed.

7. ADJOURNMENT

President Jason Green adjourned the meeting at 8:35 p.m.

Respectfully submitted,

Signature on File
Timothy R. Shaw, Secretary

Signature on File
Jason Green, President of the Board