

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

**June 26, 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**

March 27, 2023 and May 22, 2023

*The Board is being asked to approve the Minutes from the March 27, 2023 and May 22, 2023 Regular Board Meetings.*

**3.2. Expenditures**

*The Executive Committee recommends the Board approve the April 2023 Expenditures.*

**3.3. Financial Reports**

*The Executive Committee recommends the Board approve the April 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 Authorizing an Extension of the Professional Services Agreement for Continuing Pipe Replacement Projects.**
- 4.4. Consider Change Order to Existing Professional Services Agreement for Current Pipe Replacement Project on Dry Creek Rd.**
- 4.5. Consider Authorizing the July 1, 2023 Water Rates Pursuant to Resolution 2021-03.**
- 4.6. Consider Approving the Fiscal Year 2023/2024 Preliminary Budget.**
  - 4.6.1. **Scheduling of Public Hearing for Consideration of Fiscal Year 2023/2024 Final Budget.**
- 4.7. Consider Approving Revisions to District Policies 2.01.150 and 2.05.200.**
  - 4.7.1. **Consider Authorizing Letter to Legal Counsel to Clarify Expectations on Responses to Individual Board Member Outreach.**
- 4.8. 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. Conservation Report
- 5.1.4. Leak Repair Report
- 5.1.5. Teamsters Local 150 Public Records Act Request and District Responses
- 5.1.6. Notice of Rulemaking for Hexavalent Chromium MCL
- 5.1.7. Minor Budget Revision #4

**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. Pressing Matters Advisory Ad Hoc- Harris, Young

**6. DIRECTORS' AND GENERAL MANAGER COMMENTS**

**7. ADJOURNMENT –**

Upcoming meetings:

Executive Committee

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

Board Meeting

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



## Consent Calendar Agenda Item: 3.1

**Date:** June 26, 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) **Abstain** (Abs) **Absent**

**MINUTES OF THE MARCH 27, 2023  
BOARD OF DIRECTORS REGULAR MEETING  
OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT**

**The Link below provides access the video of this meeting.**

<https://vimeo.com/user103021206/rlecwd3-27-2023video?share=copy>

The numbers in parentheses next to each action item correlate to time marks on the video of the meeting.

**1. CALL TO ORDER, ROLL CALL**

The March 27, 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 was physically open to the public.

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

**2. PUBLIC COMMENT** – Public member spoke about the District Waterways Newsletter that used to be provided in the bi-monthly billing. President Harris asked if the newsletter could be brought back to a future meeting to be included in the billing again. GM Shaw responded that it is provided on the District’s website and the District’s Facebook page.

**3. CONSENT CALENDAR (3:22)**

**3.1. Minutes February 21, 2023**

**3.2 January Expenditures**

**3.3 January Financials**

Comments/Questions – GM Shaw stated an additional document was added to the financials per request of Director Cline.

*It was moved by Director Gifford and seconded by Director Green to approve the consent calendar. Directors Green, Harris, Gifford, and Cline voted yes. Director Young was absent. The motion carried with a roll call vote of 4-0-0.*

**4. REGULAR CALENDAR  
ITEMS FOR DISCUSSION AND ACTION**

**4.1 GM Report (12:52)**

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

No public comment.

*The Board took no action on this item.*

**4.2 District Engineer’s Report (16:23)**

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 – Public member inquired about the DWR Grant.

*The Board took no action on this item.*

**4.3 Consider Adopting Resolution 2023-05, Clarifying the Administrative Component in the District’s Water Capacity Fee Program (20:25)**

Comments/Questions –Public member questioned if the administrative changes of the Resolution would effect the ratepayers. GM clarified it would not.

*It was moved by Director Harris and seconded by Director Gifford to Adopt Resolution No. 2023-05, Clarifying the Administrative Component already included in Ordinance 2016-01. Directors Green, Gifford, Cline and Harris voted yes. Director Young was absent. The motion carried with a roll call vote of 4-0-0.*

#### **4.4 Consider Authorizing Execution of the Settlement Agreement with Teamster Local 150 for the 2022 Cost of Living Adjustment (COLA) (29:34)**

President Harris asked that number 4 of this agreement be revised.

Comments/Questions –Public member questioned why the labor attorney wasn't used for this agreement.

*It was moved by Director Harris to revise line-item number 4 of the agreement. No further movement happened on this motion.*

Legal Counsel stated if any changes were to be made to the current agreement that would have to be brought back to a future meeting and presented to the Teamsters Local 150. GM Shaw stated that the Teamsters had already signed the agreement and the Teamsters were informed the Board had no further changes to the agreement.

*It was moved by Director Cline and seconded by Director Gifford to authorize execution of the Settlement Agreement with Teamster Local 150 for the 2022 Cost of Living Adjustment (COLA). Directors Green, Gifford, Cline voted yes. Director Harris voted no. Director Young abstained. The motion carried with a roll call vote of 3-1-1.*

#### **4.5 Consider Retroactive Authorization for Board Member Compensation Associated with March 14<sup>th</sup> Meeting with Congressman Ami Bera (51:22)**

Comments/Questions – No public comment.

*It was moved by Director Cline and seconded by Director Gifford to retroactively approve authorization for Board Member compensation associated with the March 14<sup>th</sup> meeting with Congressman Ami Bera. Directors Green, Gifford, Cline and Young voted yes. Director Harris abstained. The motion carried with a roll call vote of 4-0-1.*

#### **4.6 Review the Impacts and District's Responses to Hexavalent Chromium Maximum Contaminant Level (MCL) Adoptions (53:00)**

The Board and staff engaged in robust discussion on the events and District responses regarding hexavalent chromium maximum contaminant level adoption and re-adoption.

*The Board took no action on this item.*

#### **4.7 Authorize any New Board Member Assignments (committees and other) Proposed by the Chair Pursuant to District Policy 2.01.065 (1:30:10)**

*The Board took no action on this item.*

### **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 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

Comments/Questions –Director Cline asked GM Shaw for additional information from some of the reports provided. Public member inquired on the water operations report, if the numbers included District leaks.

## 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) – Not meeting.
- 5.2.3 Executive Committee – Gifford, Cline – Minutes provided.
- 5.2.4 ACWA/JPIA – Cline – Nothing to report, no meeting.
- 5.2.5 Meeting with Congressman Ami Bera on March 14<sup>th</sup> – Harris gave a verbal report.
- 5.2.6 Pressing Matters Advisory Ad Hoc- Harris, Young – Several meetings, one with the Accounting Specialist. Learned a lot, but they still have more to learn. The agency is being managed well.

**6. DIRECTORS' AND GENERAL MANAGER COMMENTS** –Director Young apologized for being late to the meeting.

**7. ADJOURNMENT** - The meeting was adjourned at 8:31pm.

Respectfully submitted,

---

Timothy R. Shaw, Secretary

---

Mary Harris, President of the Board

**MINUTES OF THE MAY 22, 2023  
BOARD OF DIRECTORS REGULAR MEETING  
OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT**

**The Link below provides access the video of this meeting.**

<https://vimeo.com/829870976>

**The numbers in parentheses next to each action item correlate to time marks on the video of the meeting.**

**1. CALL TO ORDER, ROLL CALL**

The May 22, 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 was physically open to the public.

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

**2. PUBLIC COMMENT** – Public member commented on complaints received from the public to add the newsletter back in the mailing with the water bill.

**3. CONSENT CALENDAR (2:32)**

**3.1. April 24, 2023 Minutes**

**3.2 March Expenditures**

**3.3 March Financials**

Comments/Questions – Discussion by a Board member on the minutes included under the Consent Calendar for this meeting were unclear. A question was brought up about the restricted assets and future projects. Director Harris requested a list of the future projects.

Public member had a question on checks numbers 2489, 2501, & 2488 from the expenditure report and how it effected the corresponding financial report.

***(8:50) It was moved by Director Gifford and seconded by Director Green to approve the consent calendar. Directors Green, Gifford, and Cline voted yes. Director Harris abstained. The motion carried with a roll call vote of 4-0-1.***

**4. REGULAR CALENDAR  
ITEMS FOR DISCUSSION AND ACTION**

**4.1 GM Report (18:44)**

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

There was a discussion on the report of Sorrento Rd. No public comment.

***The Board took no action on this item.***

**4.2 District Engineer's Report (24:55)**

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 – Board members requested updates on the pipe replacement project. Public member questioned the Districts recourse if the County's infrastructure portion fails. The response was recourse is a year.

***The Board took no action on this item.***

#### **4.3 Consider Authorizing Small Scope Professional Services Agreement for Installation of Valve Vault on 30<sup>th</sup> Street. (29:55)**

Comments/Questions – Board discussed contract requirements.

##### **4.3.1 Consider Approving Budget Revision to fiscal year 2022/2023 Capital Budget for funding the valve vault repair.**

Comments/Questions – No discussion

*(35:16) It was moved by Director Cline and seconded by Director Gifford to authorize the Small Scope Professional Services Agreement for Installation of Valve Vault on 30<sup>th</sup> St and approval of Budget Revision to FY 2022/23 Capital Budget for funding the valve vault repair. Directors Green, Harris, Gifford, Young, and Cline voted yes. The motion carried with a roll call vote of 5-0-0.*

#### **4.4 Consider Adopting a Policy on the Format of District Minutes. (35:37)**

Comments/Questions – The general discussion was about the content of the District minutes. Some of the Board felt more discussion notes and the reason why a Board member votes should be included not just the vote itself. The General Counsel gave input that the minutes should just include the vote and avoid adding the reason for that vote to avoid potential litigation.

Several members of the Board liked the idea of having a time stamp for action items to make it easier for finding in the meeting video.

The public agreed with the Boards discussion and inquired how long the videos are accessible. The videos are accessible for 3 years.

A member of the Board requested hard copies of the meetings. Due to that technology being obsolete a member suggested downloading a copy of the meeting to a thumb drive.

*(1:00:22) It was moved by Director Gifford and seconded by Director Cline to adopt Policy 2.01.320 Format of the District Minutes. Directors Green, Gifford, Young, and Cline voted yes. Director Harris abstained. The motion carried with a roll call vote of 4-0-1*

##### **4.4.1 Consider approving the minutes of the 3-27-2023 Board Meeting.**

Comments/Questions – A Director requested to have the reason for the vote on an MOU contract reflected in the March 27, 2023 when brought back before the Board for approval. General Counsel responded that with new policy adopted by the Board that was not part of the new policy.

**The Board did not vote on this item. It was tabled for the June Board meeting.**

#### **4.5 Consider Response to a Claim for Damages from a Property Owner. (1:03:35)**

Comments/Questions – The Board discussed the claim from a customer of the District that had a plumber assess a leak. GM Shaw suggested that the Board negotiate and possibly look at paying a portion.

A public member had concerns about the number of staff at the customer's property assessing leak according to customers claim. It was also brought up about the leak not being noted on the districts Leak Report.

*(1:22:00) It was moved by Director Harris and seconded by Director Young to pay the customer's claim of \$1400 with proof of payment by the customer. Directors Gifford, Young, Green and Cline voted no. The motion failed. 1-4-0.*

*(1:23:05) It was moved by Director Young and seconded by Director Cline to authorize the District to negotiate the claim and have the customer to provide proof. Directors Green, Young and Cline voted yes. Directors Gifford voted no. Directors Harris abstained. The voted with a roll call voted of 3-1-1.*



#### **4.6 Consider Approving the Annual List of Doubtful Recovery Debt. (1:25:42)**

Comments/Questions- Board member clarified if these customers still have water on. This list is mainly of customers who have sold homes and were not able to lien due to home selling.

*(1:38:00) It was moved by Director Cline and seconded by Director Gifford to approve the Annual List Doubtful Recovery. Directors Green, Harris, Gifford, Young, and Cline voted yes. The motion carried with a roll call vote of 5-0-0*

#### **4.7 Consider Authorizing Board Member Compensation for Late Submittals (more than 30-days after meeting date). (1:38:18)**

Comments/Questions –A member of the Board suggested changing the policy from 30 to 60 days. It was suggested to complete the compensation form directly after the meeting.

*(1:42:24) It was moved by Director Harris and seconded by Director Cline to authorize the Board Member Compensation for Late Submittals. Directors Green, Gifford, Cline and Harris voted yes. Director Young abstained. The motion carried with a roll call vote of 4-0-1.*

#### **4.8 Authorize any New Board Member Assignments (committees and other) Proposed by the Chair Pursuant to District Policy 2.01.065 (1:42:26)**

*The Board took no action on this item.*

#### **4.9 Consider Authorizing Expenditures for Legal Counsel to Meet with the Pressing Matters Advisory Ad Hoc Committee (Item requested by Director Harris)**

The Board members discussed this item may need to be brought back to a future meeting since it has to be discussed in a Closed Session.

*(1:46:26) It was moved by Director Gifford and seconded by Director Cline to decline authorization until the Board can get explanation of the legal fees. Directors Green, Gifford, Cline voted yes. Director Harris and Young voted no. The motion carried with a roll call vote of 3-2-0.*

### **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 Conservation Report – Written report provided.
- 5.1.4 Leak Repair Report – Report provided.
- 5.1.5 Example RLECWD Zoom Meeting with Document in Screen Share – Director Harris expressed that her picture be removed and felt this a form of harassment.

Comments/Questions – No comment

#### **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) – No Meeting.
- 5.2.3 Executive Committee – Gifford, Cline – Minutes provided.
- 5.2.4 ACWA/JPIA – Cline – Nothing to report
- 5.2.5 Pressing Matters Advisory Ad Hoc- Harris, Young – No Meetings to report on.

**6. Public Comment Prior to Closed Session** – A member of the Board felt that this item should have been in open session.

**7. CLOSED SESSION - The Board of Directors will meet in closed session to discuss the following item:**

**7.1 PUBLIC EMPLOYEE PERFORMANCE EVALUATION – General Manager:** The Board will conduct a performance evaluation of the General Manager pursuant to subdivision (b) of California Government Code Section 54957.

**8.RECONVENE IN OPEN SESSION**

8.1 Announce any reportable actions authorized in closed session.

**President Harris stated there was no reportable action from closed session.**

**9.DIRECTORS' AND GENERAL MANAGER COMMENTS – GM Shaw asked for Closed Session Documents. President Harris left with the documents stated she needed time to review them.**

**10. ADJOURNMENT** - The meeting was adjourned at 8:41pm.

Respectfully submitted,

\_\_\_\_\_  
Timothy R. Shaw, Secretary

\_\_\_\_\_  
Mary Harris, President of the Board



## Consent Calendar Agenda Item: 3.2

**Date:** June 26, 2023

**Subject:** Expenditures

**Staff Contact:** Timothy R. Shaw, General Manager

### **Recommended Committee Action:**

The Executive Committee forwarded the Expenditures report to the June 26<sup>th</sup> Board agenda.

### **Current Background and Justification:**

These expenditures have been completed since the last regular meeting of the Board of Directors.

### **Conclusion:**

I recommend the Board approve the Expenditures for April 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  
Expenditure Report  
April 2023**

| Type            | Date       | Num  | Name                                 | Memo  | Amount    |
|-----------------|------------|------|--------------------------------------|---|-----------|
| Liability Check | 04/05/2023 | EFT  | QuickBooks Payroll Service           | For PP Ending 04/01/23 Pay date 04/06/23              | 27,291.17 |
| Liability Check | 04/06/2023 | EFT  | CalPERS                              | For PP Ending 04/01/23 Pay date 04/06/23              | 2,817.54  |
| Liability Check | 04/06/2023 | EFT  | CalPERS                              | For PP Ending 04/01/23 Pay date 04/06/23              | 1,182.24  |
| Liability Check | 04/06/2023 | EFT  | Internal Revenue Service             | Employment Taxes                                      | 8,833.08  |
| Liability Check | 04/06/2023 | EFT  | Employment Development               | Employment Taxes                                      | 1,477.54  |
| Liability Check | 04/06/2023 | EFT  | Empower                              | Deferred Compensation Plan: Employer & Employee Share | 1,876.18  |
| Bill Pmt -Check | 04/06/2023 | EFT  | Adept Solutions                      | Computer Maintenance                                  | 1,333.00  |
| Bill Pmt -Check | 04/06/2023 | EFT  | Comcast                              | Phone   | 108.48    |
| Bill Pmt -Check | 04/06/2023 | EFT  | Republic Services                    | Utilities   | 129.50    |
| Check           | 04/06/2023 | EFT  | RLECWD                               | Umpqua Bank Monthly Debt Service Transfer             | 17,000.00 |
| Transfer        | 04/06/2023 | EFT  | RLECWD - Capital Improvement         | Current Monthly Transfer                              | 49,500.00 |
| Bill Pmt -Check | 04/06/2023 | 2515 | ABS Direct                           | Printing, Postage                                     | 112.33    |
| Bill Pmt -Check | 04/06/2023 | 2516 | ACWA/JPIA Powers Insurance Authority | EAP   | 23.80     |
| Bill Pmt -Check | 04/06/2023 | 2517 | BSK Associates                       | Lab Supplies  | 1,882.00  |
| Bill Pmt -Check | 04/06/2023 | 2518 | Corelogic Solutions                  | Subscription  | 100.00    |
| Bill Pmt -Check | 04/06/2023 | 2519 | EKI Environment & Water              | Engineering   | 5,000.00  |
| Bill Pmt -Check | 04/06/2023 | 2520 | Elk Grove Security Systems           | Security  | 84.00     |
| Bill Pmt -Check | 04/06/2023 | 2521 | Intermedia.net                       | Telephone   | 70.42     |
| Bill Pmt -Check | 04/06/2023 | 2522 | Metron-Farnier                       | Distribution Supplies                                 | 449.00    |
| Bill Pmt -Check | 04/06/2023 | 2523 | O'Reilly Automotive                  | Transportation Maintenance                            | 127.89    |
| Bill Pmt -Check | 04/06/2023 | 2524 | Phelan, Michael                      | Retiree Insurance                                     | 3,150.00  |
| Bill Pmt -Check | 04/06/2023 | 2525 | Rio Linda Hardware & Building Supply | Shop Supplies   | 230.35    |
| Bill Pmt -Check | 04/06/2023 | 2526 | SMUD                                 | Utilities   | 13,282.41 |
| Bill Pmt -Check | 04/06/2023 | 2527 | USA BlueBook                         | Treatment   | 544.68    |
| Bill Pmt -Check | 04/06/2023 | 2528 | Vanguard Cleaning Systems            | Janitorial  | 195.00    |
| Bill Pmt -Check | 04/06/2023 | 2529 | Verizon Wireless                     | Internet  | 45.06     |
| Liability Check | 04/17/2023 | EFT  | ARCO                                 | Fuel  | 699.61    |
| Check           | 04/24/2023 | EFT  | Wageworks                            | FSA Administration Fee                                | 76.25     |
| Liability Check | 04/19/2023 | EFT  | QuickBooks Payroll Service           | For PP Ending 04/15/23 Pay date 04/20/23              | 19,570.08 |
| Liability Check | 04/20/2023 | EFT  | CalPERS                              | For PP Ending 04/15/23 Pay date 04/20/23              | 3,130.27  |
| Liability Check | 04/20/2023 | EFT  | CalPERS                              | For PP Ending 04/15/23 Pay date 04/20/23              | 1,182.24  |
| Liability Check | 04/20/2023 | EFT  | Internal Revenue Service             | Employment Taxes                                      | 7,366.14  |
| Liability Check | 04/20/2023 | EFT  | Employment Development               | Employment Taxes                                      | 3,450.09  |
| Bill Pmt -Check | 04/20/2023 | EFT  | Adept Solutions                      | Computer Maintenance                                  | 273.50    |
| Liability Check | 04/20/2023 | EFT  | Empower                              | Deferred Compensation Plan: Employer & Employee Share | 2,012.44  |
| Liability Check | 04/20/2023 | EFT  | Kaiser Permanente                    | Health Insurance                                      | 2,186.97  |
| Bill Pmt -Check | 04/20/2023 | EFT  | PGE                                  | Utilities   | 105.90    |
| Liability Check | 04/20/2023 | EFT  | Principal                            | Dental & Vision Insurance                             | 1,765.52  |
| Liability Check | 04/20/2023 | EFT  | Western Health Advantage             | Health Insurance                                      | 12,092.92 |
| Bill Pmt -Check | 04/20/2023 | EFT  | Umpqua Bank Credit Card              | Computer, Office, Postage, Pump Maint, Shop Supplies  | 1,418.75  |
| Bill Pmt -Check | 04/20/2023 | EFT  | Verizon                              | Field Communication, Field IT                         | 497.00    |
| Bill Pmt -Check | 04/20/2023 | EFT  | Voyager Fleet Commander              | Fuel  | 494.39    |

**Rio Linda Elverta Community Water District  
Expenditure Report  
April 2023**

| Type   | Date       | Num  | Name                                | Memo  | Amount                   |
|--|------------|------|-------------------------------------|---|--------------------------|
| Check  | 04/20/2023 | EFT  | RLECWWD - SURCHARGE ACCOUNT 1       | Bi-monthly Transfer                         | 88,164.44                |
| Check  | 04/20/2023 | EFT  | RLECWWD - SURCHARGE ACCOUNT 2       | Bi-monthly Transfer                         | 73,217.68                |
| Check  | 04/20/2023 | 2530 | Customer                            | Final Bill Refund                           | 84.24                    |
| Bill Pmt -Check  | 04/20/2023 | 2531 | DirectHit Pest Control              | Building Maintenance                        | 80.00                    |
| Bill Pmt -Check  | 04/20/2023 | 2532 | VOID                                | VOID  | 0.00                     |
| Bill Pmt -Check  | 04/20/2023 | 2533 | Oreilly Automotive                  | Transportation Maint, Shop Supplies         | 33.38                    |
| Bill Pmt -Check  | 04/20/2023 | 2534 | Pacific Shredding                   | Office Expense                              | 40.32                    |
| Bill Pmt -Check  | 04/20/2023 | 2535 | Ramos Oil Inc.                      | Transportation Fuel                         | 121.16                   |
| Bill Pmt -Check  | 04/20/2023 | 2536 | Rio Linda Elverta Recreation & Park | Meeting Expense                             | 100.00                   |
| Bill Pmt -Check  | 04/20/2023 | 2537 | Sacramento Metropolitian AQMD       | Permit Fees                                 | 1,464.00                 |
| Bill Pmt -Check  | 04/20/2023 | 2538 | Sierra Chemical Company             | Treatment                                   | 1,386.00                 |
| Bill Pmt -Check  | 04/20/2023 | 2539 | Spok, Inc.                          | Field Communication                         | 15.48                    |
| Bill Pmt -Check  | 04/20/2023 | 2540 | Unifirst Corporation                | Uniforms                                    | 342.44                   |
| Bill Pmt -Check  | 04/20/2023 | 2541 | White Brenner, LLP                  | Legal                                       | 1,960.00                 |
| Bill Pmt -Check  | 04/20/2023 | 2542 | WellTec, Inc.                       | Capital Improvement: Misc Pump Replacements | 5,312.79                 |
| <b>Total 10020 - Operating Account Budgeted Expenditures</b> |            |      |                                     |   | <b><u>365,489.67</u></b> |

|   |            |      |                                    |                                    |                        |
|---|------------|------|------------------------------------|------------------------------------|------------------------|
| Bill Pmt -Check   | 04/06/2023 | 2514 | Teamsters                          | Union Dues                         | 679.00                 |
| Liability Check   | 04/06/2023 | EFT  | California State Disbursement Unit | Employee Garnishment               | 227.53                 |
| Liability Check   | 04/15/2023 | EFT  | AFLAC                              | Employee Funded Premiums           | 745.84                 |
| Liability Check   | 04/20/2023 | EFT  | California State Disbursement Unit | Employee Garnishment               | 227.53                 |
| EFT   | 04/30/2023 | EFT  | WageWorks                          | FSA Expenditures - Employee Funded | 431.61                 |
| <b>Total 10020 - Operating Account Non-Budgeted Expenditures: Employee Paid Pass-throughs</b> |            |      |                                    |                                    | <b><u>2,311.51</u></b> |

**Rio Linda Elverta Community Water District  
Expenditure Report  
April 2023**

| <b>Type</b>                                    | <b>Date</b> | <b>Num</b> | <b>Payee</b> | <b>Memo</b>   | <b>Amount</b>          |
|--|-------------|------------|--------------|---|------------------------|
| Transfer                                       | 04/20/2023  | EFT        | RLEPWD       | Capital Improvement Transfer for Funds paid with<br>Operating: Refer to check 2498 and 2542 | 6,642.78               |
| <b>10475 - Capital Improvement-Umpqua Bank</b> |             |            |              |   | <b><u>6,642.78</u></b> |



## Consent Calendar Agenda Item: 3.3

**Date:** June 26, 2023

**Subject:** Financial Reports

**Staff Contact:** Timothy R. Shaw, General Manager

### **Recommended Committee Action:**

The Executive Committee forwarded the Financial Report onto the June 26<sup>th</sup> Board agenda.

### **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 April 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 April 30, 2023

## ASSETS

## Current Assets

|   |                     |
|---|---------------------|
| 100 · Cash & Cash Equivalents                                 |                     |
| 10000 · Operating Account                                     |                     |
| 10020 · Operating Fund-Umpqua                                 | 1,492,712.60        |
| Total 10000 · Operating Account                               | <u>1,492,712.60</u> |
| 10475 · Capital Improvement                                   |                     |
| 10480 · General   | 640,455.30          |
| 10485 · Vehicle Replacement Reserve                           | 17,948.49           |
| Total 10450 · Capital Improvement                             | <u>658,403.79</u>   |
| <b>Total 100 · Non-Restricted Cash &amp; Cash Equivalents</b> | <b>2,151,116.39</b> |

## 102 · Restricted Assets

|   |                     |
|---|---------------------|
| 102.2 · Restricted for Debt Service       |                     |
| 10700 · ZIONS Inv/Surcharge 1 Reserve     | 504,094.10          |
| 10300 · Surcharge 1 Account               | 1,003,996.49        |
| 10350 · Umpqua Bank - Revenue Bond        | 116,264.75          |
| 10380 · Surcharge 2 Account               | 336,404.15          |
| Total 102.2 · Restricted for Debt Service | <u>1,960,759.49</u> |
| 102.4 · Restricted Other Purposes         |                     |
| 10385 · Available Funding Cr6 Projects #1 | 557,898.12          |
| 10481 · Available Funding Cr6 Projects #2 | 454,500.00          |
| 10490 · Future Capital Imp Projects       | 1,630,856.04        |
| 10600 · LAIF Account - Capacity Fees      | 813,182.04          |
| 10650 · Operating Reserve Fund            | 337,450.93          |
| Total 102.4 · Restricted Other Purposes   | <u>3,793,887.13</u> |

|                                      |                            |
|--------------------------------------|----------------------------|
| <b>Total 102 · Restricted Assets</b> | <b><u>5,754,646.62</u></b> |
|--------------------------------------|----------------------------|

|                     |            |
|---------------------|------------|
| Accounts Receivable | 219,559.26 |
|---------------------|------------|

## Other Current Assets

|                                     |            |
|-------------------------------------|------------|
| 12000 · Water Utility Receivable    | 53,608.70  |
| 12200 · Accrued Revenue             | 150,000.00 |
| 12250 · Accrued Interest Receivable | 1,614.60   |
| 15000 · Inventory Asset             | 52,310.62  |
| 16000 · Prepaid Expense             | 42,286.08  |

|                                   |                          |
|-----------------------------------|--------------------------|
| <b>Total Other Current Assets</b> | <b><u>299,820.00</u></b> |
|-----------------------------------|--------------------------|

|                             |                     |
|-----------------------------|---------------------|
| <b>Total Current Assets</b> | <b>8,425,142.27</b> |
|-----------------------------|---------------------|

## 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     |

|                           |                             |
|---------------------------|-----------------------------|
| <b>Total Fixed Assets</b> | <b><u>15,961,579.77</u></b> |
|---------------------------|-----------------------------|

## Other Assets

|                                |            |
|--------------------------------|------------|
| 18500 · ADP CalPERS Receivable | 470,000.00 |
| 19000 · Deferred Outflows      | 478,923.00 |
| 19900 · Suspense Account       | -29.48     |

|                           |                          |
|---------------------------|--------------------------|
| <b>Total Other Assets</b> | <b><u>948,893.52</u></b> |
|---------------------------|--------------------------|

|                     |                             |
|---------------------|-----------------------------|
| <b>TOTAL ASSETS</b> | <b><u>25,335,615.56</u></b> |
|---------------------|-----------------------------|



## Rio Linda Elverta Community Water District

## Balance Sheet

As of April 30, 2023

## LIABILITIES &amp; NET POSTION

## Liabilities

## Current Liabilities

|                  |           |
|------------------|-----------|
| Accounts Payable | 26,963.33 |
|------------------|-----------|

|              |       |
|--------------|-------|
| Credit Cards | 66.00 |
|--------------|-------|

|                           |            |
|---------------------------|------------|
| Other Current Liabilities | 938,607.16 |
|---------------------------|------------|

|                                  |                   |
|----------------------------------|-------------------|
| <b>Total Current Liabilities</b> | <b>965,636.49</b> |
|----------------------------------|-------------------|

## 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 · AMI Meter Loan | 140,123.22 |
|------------------------|------------|

|                               |          |
|-------------------------------|----------|
| 29000 · Net Pension Liability | 4,903.00 |
|-------------------------------|----------|

|                                  |          |
|----------------------------------|----------|
| 29500 · Deferred Inflows-Pension | 4,280.00 |
|----------------------------------|----------|

|                               |           |
|-------------------------------|-----------|
| 29600 · Deferred Inflows-OPEB | 56,611.00 |
|-------------------------------|-----------|

|                                    |                     |
|------------------------------------|---------------------|
| <b>Total Long Term Liabilities</b> | <b>8,196,447.36</b> |
|------------------------------------|---------------------|

|                          |                     |
|--------------------------|---------------------|
| <b>Total Liabilities</b> | <b>9,162,083.85</b> |
|--------------------------|---------------------|

## Net Position

|   |              |
|---|--------------|
| 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 | 1,049,987.59 |
|------------|--------------|

|                           |                      |
|---------------------------|----------------------|
| <b>Total Net Position</b> | <b>16,173,531.71</b> |
|---------------------------|----------------------|

|  |                      |
|--|----------------------|
| <b>TOTAL LIABILITIES &amp; NET POSTION</b> | <b>25,335,615.56</b> |
|--|----------------------|

**Rio Linda Elverta Community Water District  
Operating Profit & Loss Budget Performance  
As of April 30, 2023**

|  | <u>Annual Budget</u>     | <u>Apr 23</u>          | <u>Jul 22-Apr 23</u>     | <u>% of Annual Budget</u> | <u>YTD Annual Budget Balance</u> |
|--|--------------------------|------------------------|--------------------------|---------------------------|----------------------------------|
| <b>Ordinary Income/Expense</b>                   |                          |                        |                          |                           |                                  |
| <b>Income</b>                                    |                          |                        |                          |                           |                                  |
| <b>Total 40000 · Operating Revenue</b>           | 3,040,800.00             | 161,195.98             | 2,321,972.92             | 76.36%                    | 718,827.08                       |
| <b>41000 · Nonoperating Revenue</b>              |                          |                        |                          |                           |                                  |
| 41110 · Investment Revenue                       |                          |                        |                          |                           |                                  |
| 41112 · Interest Revenue                         | 35.00                    | 3.71                   | 33.40                    | 95.43%                    | 1.60                             |
| <b>Surcharg Total 41110 · Investment Revenue</b> | 35.00                    | 3.71                   | 33.40                    | 95.43%                    | 1.60                             |
| 41120 · Property Tax                             | 109,100.00               | 0.00                   | 80,998.16                | 74.24%                    | 28,101.84                        |
| <b>Total 41000 · Nonoperating Revenue</b>        | 109,135.00               | 3.71                   | 81,031.56                | 74.25%                    | 28,103.44                        |
| <b>Total Income</b>                              | <u>3,149,935.00</u>      | <u>161,199.69</u>      | <u>2,403,004.48</u>      | <u>76.29%</u>             | <u>746,930.52</u>                |
| <b>Gross Income</b>                              | 3,149,935.00             | 161,199.69             | 2,403,004.48             | 76.29%                    | 746,930.52                       |
| <b>Expense</b>                                   |                          |                        |                          |                           |                                  |
| <b>60000 · Operating Expenses</b>                |                          |                        |                          |                           |                                  |
| 60010 · Professional Fees                        | 116,500.00               | 6,960.00               | 87,750.67                | 75.32%                    | 28,749.33                        |
| <b>60100 · Personnel Services</b>                |                          |                        |                          |                           |                                  |
| 60110 · Salaries & Wages                         | 810,243.00               | 67,865.11              | 604,559.71               | 74.62%                    | 205,683.29                       |
| 60150 · Employee Benefits & Expense              | 491,140.00               | 35,143.73              | 343,430.50               | 69.93%                    | 147,709.50                       |
| <b>Total 60100 · Personnel Services</b>          | <u>1,301,383.00</u>      | <u>103,008.84</u>      | <u>947,990.21</u>        | <u>72.85%</u>             | <u>353,392.79</u>                |
| 60200 · Administration                           | 250,438.00               | 11,281.85              | 213,988.31               | 85.45%                    | 36,449.69                        |
| 64000 · Conservation                             | 300.00                   | 0.00                   | 0.00                     | 0.00%                     | 300.00                           |
| 65000 · Field Operations                         | 603,630.00               | 30,099.34              | 353,153.35               | 58.51%                    | 250,476.65                       |
| <b>Total 60000 · Operating Expenses</b>          | 2,272,251.00             | 151,350.03             | 1,602,882.54             | 70.54%                    | 669,368.46                       |
| <b>69000 · Non-Operating Expenses</b>            |                          |                        |                          |                           |                                  |
| 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                        |
| <b>Total 69100 · Revenue Bond</b>                | <u>200,923.00</u>        | <u>0.00</u>            | <u>88,070.52</u>         | <u>43.83%</u>             | <u>112,852.48</u>                |
| 69125 · AMI Meter Loan                           |                          |                        |                          |                           |                                  |
| 69130 · Principle                                | 52,948.00                | 0.00                   | 53,307.14                | 100.68%                   | -359.14                          |
| 69135 · Interest                                 | 5,566.00                 | 0.00                   | 5,206.78                 | 93.55%                    | 359.22                           |
| <b>Total 69125 · AMI Meter Loan</b>              | <u>58,514.00</u>         | <u>0.00</u>            | <u>58,513.92</u>         | <u>100.00%</u>            | <u>0.08</u>                      |
| 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                         |
| <b>Total 69100 · PERS ADP Loan</b>               | <u>31,739.00</u>         | <u>0.00</u>            | <u>0.00</u>              | <u>0.00%</u>              | <u>31,739.00</u>                 |
| <b>Total 69010 · Debt Service</b>                | 291,176.00               | 0.00                   | 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                         |
| <b>Total 69000 · Non-Operating Expenses</b>      | 294,176.00               | 0.00                   | 146,584.44               | 49.83%                    | 147,591.56                       |
| <b>Total Expense</b>                             | <u>2,566,427.00</u>      | <u>151,350.03</u>      | <u>1,749,466.98</u>      | <u>68.17%</u>             | <u>816,960.02</u>                |
| <b>Net Ordinary Income</b>                       | <u>583,508.00</u>        | <u>9,849.66</u>        | <u>653,537.50</u>        |                           |                                  |
| <b>Net Income</b>                                | <u><u>583,508.00</u></u> | <u><u>9,849.66</u></u> | <u><u>653,537.50</u></u> |                           |                                  |

**Rio Linda Elverta Community Water District**  
**CAPITAL BUDGET VS ACTUAL FISCAL YEAR 2022-23**  
 As of April 30, 2023

|  | GENERAL           |                   | FUTURE CAPITAL IMPROVEMENT PROJECTS |                  | VEHICLE & LARGE EQUIPMENT REPLACEMENT |            |
|--|-------------------|-------------------|-------------------------------------|------------------|---------------------------------------|------------|
|  | Annual Budget     | YTD Actual        | Annual Budget                       | YTD Actual       | Annual Budget                         | YTD Actual |
| <b>FUNDING SOURCES</b>                     |                   |                   |                                     |                  |                                       |            |
| Fund Transfers                             |                   |                   |                                     |                  |                                       |            |
| Operating Fund Transfers In                | 594,000.00        | 495,000.00        | -                                   | -                | -                                     | -          |
| 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             | 79.53             | 110.00                              | 136.67           | -                                     | -          |
| <b>PROJECTS</b>                            |                   |                   |                                     |                  |                                       |            |
| <b>A · WATER SUPPLY</b>                    | -                 |                   |                                     |                  |                                       |            |
| A-1 · Miscellaneous Pump Replacements      | 40,000.00         | 6,642.78          |                                     |                  |                                       |            |
| <b>Total A · WATER SUPPLY</b>              | <b>40,000.00</b>  | <b>6,642.78</b>   | -                                   | -                | -                                     | -          |
| <b>B · WATER DISTRIBUTION</b>              |                   |                   |                                     |                  |                                       |            |
| B-1 · Service Replacements                 | 30,000.00         | -                 | -                                   | -                | -                                     | -          |
| B-2 · Small Meter Replacements             | 120,000.00        | 46,153.59         | -                                   | -                | -                                     | -          |
| B-3 · Large Meter Replacements             | 5,000.00          | -                 | -                                   | -                | -                                     | -          |
| B-4 · Pipeline Replacement                 | -                 | -                 | 478,844.00                          | 79,650.00        | -                                     | -          |
| <b>Total B · WATER DISTRIBUTION</b>        | <b>155,000.00</b> | <b>46,153.59</b>  | <b>478,844.00</b>                   | <b>79,650.00</b> | -                                     | -          |
| <b>M · GENERAL PLANT ASSETS</b>            |                   |                   |                                     |                  |                                       |            |
| M-1 · Urban Water Management Plan          | 50,000.00         | 50,000.00         | -                                   | -                | -                                     | -          |
| <b>Total M · GENERAL PLANT ASSETS</b>      | <b>50,000.00</b>  | <b>50,000.00</b>  | -                                   | -                | -                                     | -          |
| <b>TOTAL BUDGETED PROJECT EXPENDITURES</b> | <b>245,000.00</b> | <b>102,796.37</b> | <b>478,844.00</b>                   | <b>79,650.00</b> | -                                     | -          |



## Items for Discussion and Action Agenda Item: 4.1

**Date:** June 26, 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:** June 26, 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 the legal services, finalizing the preliminary budgets and exploring the feasibility of switching to a cloud-based server influenced this reporting period.

1. On May 24<sup>th</sup>, I participated in the ACWA Water Use Efficiency Group meeting.
2. On June 1st, The Contract District Engineer, the Accounting Specialist and I participated in a budget preparation meeting at the District office.
3. On June 7<sup>th</sup>, I participated in a Water Forum meeting. The cost share agreement for addressing the funding shortfall continues to dominate these meetings.
4. On June 13<sup>th</sup>, The Operations Superintendent and I met with Aqua Metric, the official distributor of Sensus water meters. The person we met with is formerly employed by Neptune.
5. On June 14<sup>th</sup>, I met with Dane Wadle of CSDA. Dane shared some legislative advocacy items.
6. On June 14<sup>th</sup>, (evening) the Contract District Engineer and I participated in the Executive Committee meeting.

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

- Preparing the budgets for fiscal year 2023/2024.
- Interacting with Board Members regarding the actions and comments at the May Board meeting.
- Review of District Responses to United States discovery requested documents.

The District continues to be impacted by inflation and supply chain delays.



## Items for Discussion and Action Agenda Item: 4.2

**Date:** June 26, 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

21 June 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 26 June 2023 Board of Directors Meeting

The District Engineer is pleased to submit this brief update of duties and tasks performed for the period of 18 May 2023 to 21 June 2023:

**1. General District Engineering:**

- a. Valve Vault Cover Replacement at 30<sup>th</sup> St. and Elkhorn Blvd.: The new vault cover was installed by Rawles Engineering on 6/5/2023. Construction was observed by Distract Staff and approved by County of Sacramento inspection staff. Staff processed the construction contractor's payment request on 6/7/2023. The project was completed on time and within budget. Please see photos of the completed construction below.



- b. Well 16 Pump Station DWR Grant Reimbursement: Final reimbursement was received by the District the week of 6/19/2023.
- c. Low Cost Water System Capacity Hydraulic Modeling Exploration: As discussed in previous Board Meetings, there may be an opportunity for Santa Clara University students to perform low cost engineering services for the District. The District's proposed Water System Capacity Hydraulic Modeling Exploration Project remains under consideration by the students. The District will be notified if the project is selected this summer.
- d. 2023/2024 Fiscal Year District Budget for Construction Improvement Projects: Met with the General Manager and Accounting Specialist at the District office on 6/1/2023 to review Capital Improvement Program project budgets.

**2. Active Development Reviews (only projects with updates from the last Board Meeting):**

- a. No update this period.

**3. CIP Dry Creek Road Pipe Replacement Project:**

- a. Construction contractor Rawles Engineering, Inc. has installed 1,475 linear feet of 8" water main, which is the full amount included in the current contract. Items to be completed are disinfection of the new pipeline, connection to existing water services, connection to the existing main, and asphalt slurry seal of the eastern one half of Dry Creek Road.
- b. Staff received and processed the construction contractor's second progress payment request on 6/7/2023.
- c. Staff negotiated with the construction contractor on costs to add 2 valves, 10 water services, and a speed bump pavement restoration. A change order request will be presented to the Board of Directors under a separate agenda item at this Board Meeting.
- d. Staff negotiated with the construction contractor to extend the current pipeline installation contract to include proposed pipeline installation with funding from the 2023/2024 fiscal year budget. This amendment to the contract will be presented to the Board of Directors under a separate agenda item at this Board Meeting.
- e. Please see construction progress photos on the next page.

Please contact me directly at the office (650) 292-9112, cell phone (530) 682-9597, or email at [mvasquez@ekiconsult.com](mailto: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:** June 26, 2023

**Subject:** Extension of Pipe Replacement Professional Services Agreement

**Staff Contact:** Mike Vasquez, PE, PLS, Contract District Engineer

**Recommended Committee Action:**

This item was discussed at the June 14th Executive Committee meeting. The Executive Committee intentionally withheld its recommendation out of an abundance of caution.

**Current Background and Justification:**

The fully executed Professional Services Agreement (PSA) with Rawles Engineering prescribes the methodology for extending the agreement for additional pipe replacement efforts (section 2). The language in the current PSA stipulates such extension needs to be mutually agreeable to both parties (the District and Rawles).

Staff and Rawles have been discussing extending the agreement for replacement of an additional 600 linear feet of water main further down Dry Creek early in fiscal year 2023/2024. During the discussion with the Executive Committee, Staff stated that the additional footage could be “approximately 800 linear feet”. Upon further review and discussion with Rawles Engineering, the General Manager, and Operations Superintendent, the proposed footage has been reduced in anticipation of unforeseen field conditions and to eliminate potential change orders.

The proposed extension is detailed in Addendum #1 to the PSA. Addendum #1 provides the extended terms associated with the next phase of pipe replacement on Dry Creek Rd.

**Conclusion:**

Sample Motion: Move to approve Addendum #1 to the Professional Services Agreement with Rawles Engineering and authorize execution.

**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  
PROJECT: 2020/2021 & 2021/2022 CIP PIPELINE REPLACEMENT PROJECT - DRY  
CREEK ROAD  
PROJECT NO. 2021-01**

**AGREEMENT FOR CONSTRUCTION SERVICES**

**THIS CONSTRUCTION SERVICES AGREEMENT** ("Agreement") is made and entered into this 18th day of October 2021, by and between the Rio Linda Elverta Community Water District, a county water district of the State of California ("District") and [Rawles Engineering, Inc.], ("Contractor") (each individually a "Party" and collectively the "Parties"). There are no other parties to this Agreement.

**RECITALS**

- A.** Contractor represents to District that it is a duly qualified and licensed firm experienced in providing professional construction services in support of the 2020/2021 & 2021/2022 CIP PIPELINE REPLACEMENT PROJECT - DRY CREEK ROAD.
- B.** In the judgment of the Board of Directors of District, it is necessary and desirable to employ the services of Contractor to perform construction services on the 2020/2021 & 2021/2022 CIP PIPELINE REPLACEMENT PROJECT - DRY CREEK ROAD (the "Project").
- C.** Contractor has been selected as the most qualified to provide construction services resulting from their submitted Proposal dated June 3, 2021, in response to the District's Request for Proposals (RFP) dated April 20, 2021, a description of such services is attached hereto as **Exhibit A** ("Services"). The requirements of the RFP are hereby incorporated into this agreement.

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

**AGREEMENT**

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

**Section 2. Term.** This Agreement shall commence on the Effective Date and continue until the project is accepted by the District and a Notice of Completion is filed, provided

that either Party may terminate the Agreement by providing thirty (30) days written notice to the other Party, or extend the agreement by mutual consideration.

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

#### **Section 4. Work.**

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

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

**Section 5. Time of Performance.** Contractor warrants that it will commence performance of the Services within thirty (15) calendar days of the Notice to Proceed, and shall conform to the requirements of the Services provided in **Exhibit A** and as provided in approved Task Orders. The time of performance is a material term of this Agreement relied on by District in entering into this Agreement.

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

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

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

(a) *Standard of Care.* District has relied upon the professional ability and training of Contractor as a material inducement to enter into this Agreement. Contractor hereby warrants that it is qualified to perform the Services as described in this contract

and that all of its services will be performed in accordance with the generally accepted Contractor practices and standards, in compliance with all applicable federal, state and local laws.

(b) *Independent Contractor.* In performing the services hereinafter specified, Contractor shall act as an independent Contractor and shall have control of the work and the manner in which it is performed. Contractor is not to be considered an agent or employee of District, and is not entitled to participate in any pension plan, insurance, bonus, or similar benefits District provides its employees. In the event District exercises its right to terminate this Agreement, Contractor expressly agrees that it shall have no recourse or right of appeal under rules, regulations, ordinances, or laws applicable to employees. Nothing contained herein shall be construed as creating an employment, agency or partnership relationship between District and Contractor.

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

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

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

**Section 8. Conformity with Law and Safety.** Contractor shall observe and comply with all applicable laws, ordinances, codes and regulations of governmental agencies, including federal, state, municipal and local governing bodies having jurisdiction over any or all of the scope of Services, including all provisions of the Occupational Safety and Health Act of 1979 as amended, all California Occupational Safety and Health Regulations, the California Building Code, the American with Disabilities Act, and all other applicable federal, state, municipal and local safety regulations, appropriate trade association safety standards, and appropriate equipment manufacturer instructions.

Contractor's failure to comply with any laws, ordinances, codes or regulations applicable to the performance of the Services hereunder shall constitute a breach of contract. In cases where standards conflict, the standard providing the highest degree of protection shall prevail.

If a death, serious personal injury or substantial property damage occurs in connection with the performance of this Agreement, Contractor shall immediately notify the District's risk manager by telephone. If any accident occurs in connection with this Agreement, Contractor shall promptly submit a written report to District, in such form as the District may require. This report shall include the following information: (a) name and address of the injured or deceased persons; (b) name and address of Contractor's sub-Contractor, if any; (c) name and address of Contractor's liability insurance carrier; and (d) a detailed description of the accident, including whether any of District's equipment, tools or materials were involved.

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

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

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

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

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

**Section 12. Termination by Default.** If a Party should fail to perform any of its obligations hereunder, within the time and in the manner herein provided, or otherwise violates any of the terms of this Agreement (the "Defaulting Party"), the other Party shall give notice to the Defaulting Party and allow such Party ten (10) days to correct such deficiency. If the Defaulting Party does not correct such deficiency, the other Party may immediately terminate this Agreement by giving written notice of such termination, stating the reason for such termination. In such event, Contractor shall be entitled to receive payment for all services satisfactorily rendered, provided, however, there shall be deducted from such amount the amount of damage, if any, sustained by virtue of any breach of this Agreement by Contractor. If payment under this Agreement is based upon a lump sum in total or by individual task, payment for services satisfactorily rendered shall be an amount which bears the same ratio to the total fees specified in the Agreement as the services satisfactorily rendered hereunder by Contractor bear to the total services otherwise required to be performed for such total fee, provided, however, that there shall be deducted from such amount the amount of damage, if any sustained by District by virtue of any breach of this Agreement by Contractor.

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

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

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

**Section 13. Liability for Breach.** Neither Party waives the right to recover damages against the other for breach of this Agreement including any amount necessary to compensate District for all detriment proximately caused by Contractor's failure to perform its obligations hereunder or which in the ordinary course of things would be likely to result therefrom. District reserves the right to offset such damages against any payments owed

to Contractor. District shall not in any manner be liable for Contractor's actual or projected lost profits had Contractor completed the Services required by this Agreement. In the event of Termination by either Party, copies of all finished or unfinished Work Product shall become the property of District. Notwithstanding the above, in no event shall District be liable, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including, but not limited to, lost profits or revenue, arising out of or in connection with this Agreement or the Services performed in connection with this Agreement.

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

(a) *Professional Liability:* professional liability insurance for damages incurred by reason of any actual or alleged negligent act, error or omission by sub-Contractor in the amount of One Million Dollars (\$1,000,000.00) combined single limit each occurrence and annual aggregate. If the Contractor's prime agreement requires the sub-Contractor to carry additional Professional Liability insurance the sub-Contractor shall increase their Professional Liability insurance to meet the prime agreement's requirements for the duration of the Project.

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

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

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

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

(f) *Material Breach.* If Contractor, for any reason, fails to maintain insurance coverage that is required pursuant to this Agreement, such failure shall be deemed a material breach of this Agreement. District, at its sole option, may terminate this Agreement and obtain damages from Contractor resulting from said breach. Alternatively, District may purchase such required insurance coverage, and without further notice to



Contractor, District may deduct from sums due to Contractor any premium costs advanced by District for such insurance. These remedies shall be in addition to any other remedies available to District.

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

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

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

If to Contractor: Rawles Engineering, Inc.  
109 Natoma Street  
Folsom, CA 95630  
Attention: Carrie Rawles  
Tel: 916-351-1302

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

| <u>Exhibit Designation</u> | <u>Exhibit Title</u> |
|----------------------------|----------------------|
| <b>Exhibit A:</b>          | <b>Services</b>      |

**Section 18. General Provisions.**

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

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

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

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

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

(f) *Entire Agreement.* This Agreement, together with its specific references, attachments and exhibits, constitutes the entire agreement of the Parties with respect to

the subject matters hereof, and supersedes any and all prior negotiations, understanding and agreements with respect hereto, whether oral or written.

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

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

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

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

By:   
Timothy R. Shaw, General Manager

Date: 5-16-2022

**CONTRACTOR:**

Rawles Engineering, Inc.

By: 

Name: Larric Rawles

Title: President

Date: 5/31/22

**Exhibit A - Services**  
**Construction Cost Form**

| ITEM NO. | ITEM   | Qty.  | Unit | Unit Cost   | Item Cost    |
|----------|--|-------|------|-------------|--------------|
| 1        | Mobilization, Demobilization, Bonds, SWPPP     | 1     | LS   | \$33,000.00 | \$33,000.00  |
| 2        | Potholing                                      | 10    | EA   | \$600.00    | \$6,000.00   |
| 3        | Traffic Control                                | 1     | LS   | \$22,500.00 | \$22,500.00  |
| 4        | Furnish and Install 8" DIP Water Pipeline      | 1475  | LF   | \$160.00    | \$236,000.00 |
| 5        | Connect New Pipeline to Existing Pipeline      | 2     | EA   | \$10,000.00 | \$20,000.00  |
| 6        | Connect Existing Water Service to New Pipeline | 19    | EA   | \$2,000.00  | \$38,000.00  |
| 7        | Connect Existing Fire Hydrant to New Pipeline  | 1     | EA   | \$6,500.00  | \$6,500.00   |
| 8        | Pressure Testing and Disinfection              | 1     | LS   | \$7,500.00  | \$7,500.00   |
| 9        | Furnish and Install Asphalt Concrete           | 5900  | SF   | \$8.00      | \$47,200.00  |
| 10       | Furnish and Install Slurry Seal                | 13058 | SF   | \$2.50      | \$32,643.75  |

TOTAL PRICE = **\$449,343.75**

Notes:

1. Work performed shall be pursuant to Sheets C-1 and C-2 up to the quantities above as part of Exhibit A - Services.
2. In the event that the product of a unit price and an estimated quantity does not equal the extended amount stated, the unit price will govern and the correct product of the unit price and the estimated quantity shall be deemed to be the cost amount.
3. Mobilization and Demobilization shall be included in the cost of furnishing and installing the items identified in the construction cost form with no additional compensation provided. Shall be no more than 5% of the total cost.
4. All other necessary construction work and services required for the successful completion of the project shall be included in the cost of furnishing and installing the items identified in the construction cost form with no additional compensation provided.

LF = Linear Foot, EA = Each, LS = Lump Sum, SF = Square Foot

The Contractor is required to provide the labor, equipment and materials to complete the scope of work as shown on the Project Plan (Exhibit A) for this project as described below:

- a. Installation of Piping and Appurtenances
- b. Trench restoration, paving, and slurry seal
- c. Flushing, Pressure Testing, and Disinfection
- d. Traffic Control
- e. SWPPP
- f. Abandonment of Existing Water Facilities
- g. The Contractor shall perform all work pursuant to the Project Plan (Exhibit A), and pursuant to the Rio Linda / Elverta Community Water District and Sacramento County Construction Standards.

The proposed waterline will replace the use of the existing waterline in Dry Creek Road. The existing waterline will be abandoned in place.

### **Bonds**

The Contractor shall execute a Material and Labor Payment Bond and Performance Bond, issued by a corporate surety, acceptable to the Rio Linda / Elverta Community Water District , each for not less than one hundred percent (100%) of the contract price.

Pursuant to the California Contract Code Section 22300, the contractor may, at its own expense, substitute securities for any money being withheld by the Rio Linda / Elverta Community Water District to ensure performance under this contract.

### **Claims**

Claims shall be in accordance with Section 20104 of the Public Contract Code.

Pursuant to Public Contract Code section 9204, all contracts entered into after January 1, 2017 must abide by the contract claims process described in this section and resolved in accordance to this section as summarized below:

- District Review of Claim. Within 45 days after receiving a complete Contract Claim, District shall review the claim and provide the Contractor a written statement identifying what portion of the claim is disputed and what portion is undisputed. District will pay any undisputed portion of the claim within 60 days from the date of the written statement. If District fails to timely issue a written statement, the claim shall be deemed rejected in its entirety.
- Meet and Confer Conference. If the Contractor disputes the District's written statement or if the Contract Claim is deemed rejected, the Contractor may demand and the parties will conduct an informal conference to meet and confer regarding settlement in accordance with section 9204, subsection (d)(2). Within 10 business days following the conclusion of the meet and confer conference, District shall provide Contractor a written statement identifying the portion (if any) of the claim remaining in dispute and any undisputed portion will be paid by District within 60 days after this written statement.

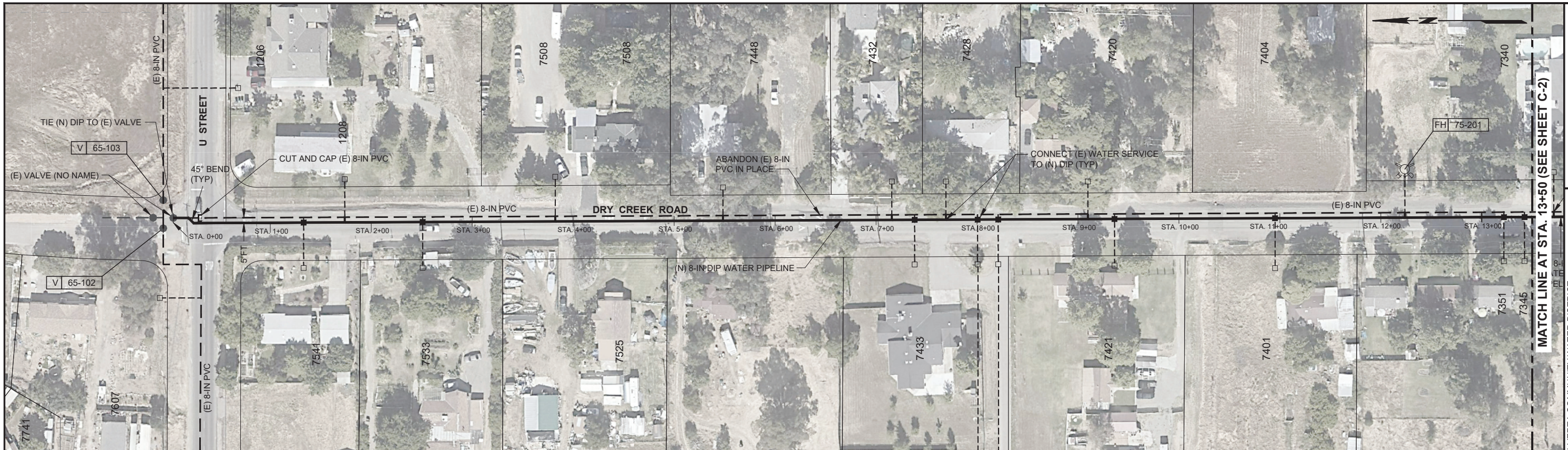
- Non-Binding Mediation. Any remaining disputed portion of the claim shall be submitted to nonbinding mediation in accordance with section 9204, subsection (d)(2).
- Interest. Any amount not paid in a timely manner as required by this subsection shall bear interest at a rate of 7 percent per annum until paid.
- The foregoing is a summary of section 9204. In the event of any conflict between the summary and section 9204, the statute will govern.

### **Labor Compliance**

To be qualified for this Project, Contractor must be registered and qualified to perform public work with the Department of Industrial Relations pursuant section 1725.5 of the California Labor Code. All subcontractors listed as performing any portion of the work also must be registered and qualified with the Department of Industrial Relations. This is a construction project in accordance with Section 1771.5 of the California Labor Code.

The District affirmatively identifies this Project as a "public works project" as that term is defined by Labor Code Section 1720. Therefore, the Project is subject to prevailing wage requirements under Labor Code Section 1771. Contractor and its subcontractors shall fully comply with all the provisions of the California Labor Code governing the performance of public works contracts including, but not limited to, payment of prevailing wages, limitations on time worked, compliance with apprentice requirements, maintenance of payroll records, posting of wages at the job site, and prohibitions against discrimination. The prevailing wage rates may be obtained on the internet at: <https://www.dir.ca.gov/OPRL/dprevwagedetermination.htm>. The prevailing wage rates obtained from the internet link are hereby incorporated in this Contract and made a part hereof.

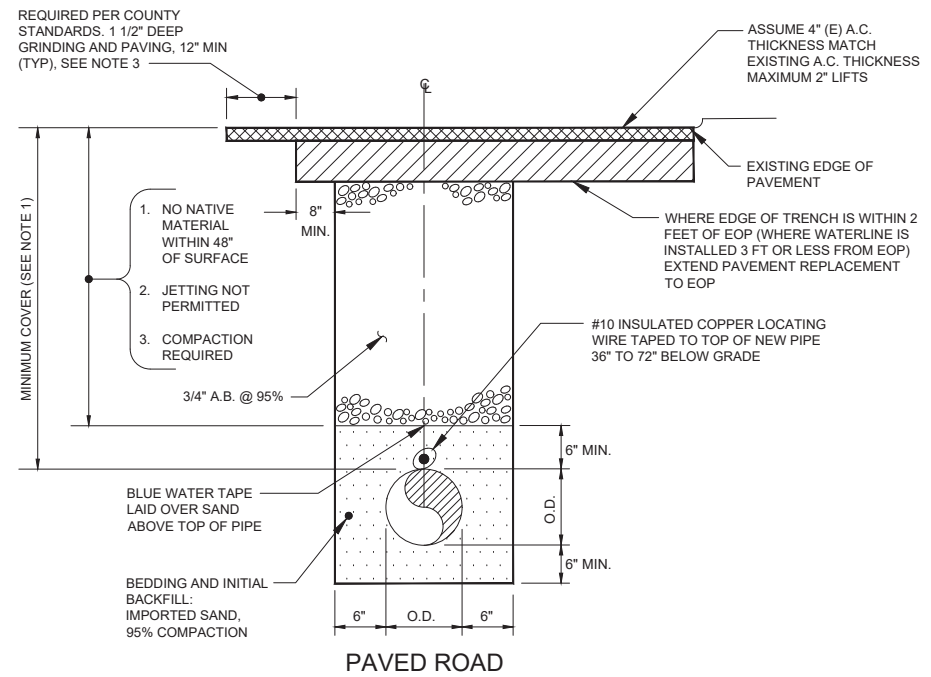
No contractor or subcontractor may be listed for a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement under Labor Code section 1771.1(a)]. No contractor or subcontractor may be awarded a contract for public work on a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5.



**DRY CREEK ROAD WATER PIPELINE LAYOUT AT STA. 0+00 TO STA. 13+50**

**GENERAL NOTES:**

- WORK INCLUDED (BUT NOT LIMITED TO):
  - ALL WORK SHALL CONFORM TO THE APPLICABLE LOCAL, STATE, AND FEDERAL CODES AND SPECIFICATIONS INCLUDING OSHA.
  - EXCAVATIONS SHALL BE CARRIED OUT IN THE DRY AND PROVISIONS SHALL BE MADE TO PREVENT THE BOTTOM OF EXCAVATION FROM FLOODING AT ALL TIMES.
  - IT IS THE CONTRACTORS RESPONSIBILITY TO ASSURE JOB SAFETY. LOCAL, STATE AND FEDERAL, INCLUDING OSHA, LAWS AND RULES SHALL BE ENFORCED BY THE CONTRACTOR AT ALL TIMES.
  - THE CONTRACTOR SHALL NOTIFY UNDERGROUND SERVICE ALERT (USA), (800) 642-2444, 48 HOURS PRIOR TO ANY EXCAVATION. THE CONTRACTOR SHALL ALSO NOTIFY ALL OTHER UTILITIES, NOT IN USA, 48 HOURS PRIOR TO ANY EXCAVATION.
  - ALL STRUCTURES AND FACILITIES DAMAGED BY CONTRACTOR SHALL BE REPAIRED OR REPLACED AT CONTRACTOR'S EXPENSE.
- THE TYPES LOCATIONS, SIZES, AND/OR DEPTHS OF EXISTING UNDERGROUND UTILITIES AS SHOWN ON THESE IMPROVEMENT PLANS WERE OBTAINED FROM SOURCES OF VARYING RELIABILITY. THE CONTRACTOR IS CAUTIONED THAT ONLY ACTUAL EXCAVATION WILL REVEAL THE TYPES, EXTENT, SIZES, LOCATIONS, AND DEPTHS OF SUCH UNDERGROUND UTILITIES. A REASONABLE EFFORT HAS BEEN MADE TO LOCATE AND DELINEATE ALL KNOWN UNDERGROUND UTILITIES. HOWEVER, THE DISTRICT CAN ASSUME NO RESPONSIBILITY FOR THE COMPLETENESS OR ACCURACY OF THE DELINEATION OF SUCH UNDERGROUND UTILITIES NOR FOR THE EXISTENCE OF OTHER BURIED OBJECTS OR UTILITIES WHICH MAY BE ENCOUNTERED BUT WHICH ARE NOT SHOWN ON THESE DRAWINGS. IT IS THE CONTRACTOR'S RESPONSIBILITY TO VERIFY ACTUAL LOCATIONS.
- ALL CONSTRUCTION SHALL CONFORM TO THESE PLANS AND THE LATEST EDITION OF RIO LINDA / ELVERTA COMMUNITY WATER DISTRICT'S STANDARD CONSTRUCTION SPECIFICATIONS.
- PRIOR TO COMMENCEMENT OF ANY WORK SHOWN ON THESE PLANS LOCATED WITHIN EXISTING RIGHT-OF-WAY OR EASEMENTS, THE CONTRACTOR SHALL OBTAIN AN ENCROACHMENT PERMIT FROM SACRAMENTO COUNTY PLANNING, INSPECTION, AND PERMITTING DEPARTMENT. THE CONTRACTOR WILL BE REQUIRED TO POST A PERFORMANCE BOND AND PROVIDE PROOF OF INSURANCE NAMING THE DISTRICT AS ADDITIONALLY INSURED.
- THE COMPLETED WATER SYSTEM MUST BE DISINFECTED, HDYRO-TESTED, AND FLUSHED. THE CONTRACTOR SHALL PROVIDE ALL TESTING AND PAY FOR ALL DISTRICT INSPECTION COSTS.
- PIPELINES SHALL BE INSTALLED ON UNIFORM GRADES TO MINIMIZE HIGH SPOTS AND LOW SPOTS IN THE LINE.
- THE CONTRACTOR IS RESPONSIBLE FOR ALL TRAFFIC CONTROL. TRAFFIC CONTROL AND PAVEMENT CUTTING AND RESTORATION ARE UNDER THE JURISDICTION OF SACRAMENTO COUNTY. A TRAFFIC PLAN SHALL BE SUBMITTED TO THE DISTRICT PRIOR TO SUBMITTING TO SACRAMENTO COUNTY.
- FOR LOCATIONS WHERE TUNNELING/TRENCHING OCCURS UNDER EXISTING STORM DRAIN PIPE, CONTROL DENSITY BACKFILL SHALL BE USED CONSISTENT WITH SECTION 50-15 OF THE SACRAMENTO COUNTY STANDARD CONSTRUCTION SPECIFICATIONS (SEPTEMBER 2001 REVISED MARCH 2004, REVISED JANUARY 1, 2016).
- SACRAMENTO COUNTY DEPARTMENT OF WATER RESOURCES REQUIRES A MINIMUM HORIZONTAL SEPARATION OF 36 INCHES AND A MINIMUM VERTICAL SEPARATION OF 18 INCHES FROM NEAREST SIDE OF STORM DRAIN FACILITY. ALL DRAINAGE FACILITIES SHALL BE FIELD VERIFIED PRIOR TO ANY CONSTRUCTION ACTIVITY.
- ALL CONSTRUCTION WORK AND INSTALLATION SHALL CONFORM TO THE COUNTY OF SACRAMENTO STANDARD CONSTRUCTION SPECIFICATIONS AND ALL OF ITS DRAWINGS, DATED FEBRUARY 2017. ALL WORK IS SUBJECT TO THE APPROVAL OF THE ENGINEER.
- FOR ALL TRENCH EXCAVATIONS FIVE FEET OR MORE IN DEPTH, THE CONTRACTOR SHALL OBTAIN A PERMIT FROM CAL OSHA (2424 ARDEN WAY, STE 165, (916) 263-2800) PRIOR TO BEGINNING ANY EXCAVATION. A COPY OF THIS PERMIT SHALL BE AVAILABLE AT THE CONSTRUCTION SITE AT ALL TIMES.
- BASEMAP SOURCE: GOOGLE EARTH PRO, DATE OF IMAGERY 10 MAY 2018.



**NOTES:**

- MINIMUM COVER FROM TOP OF PIPE TO FINISHED GRADE SHALL BE 36 INCHES.
- CONTRACTOR TO PROVIDE SLURRY SEAL COAT FOR HALF WIDTH OF THE ROAD, PLUS A MINIMUM OF 24" ON EACH SIDE OF THE TRENCH OR TO THE EOP (WHERE WATERLINE IS INSTALLED 3 FT OR LESS FROM EOP) PER SACRAMENTO COUNTY STANDARDS.
- REQUIRED ONLY FOR PAVEMENT BETWEEN THREE AND FIVE YEARS OLD. SEE ENCROACHMENT PERMIT FOR ADDITIONAL INFORMATION.

**WATER LINE T-TRENCH DETAIL 1**  
NOT TO SCALE

**LEGEND:**

- (N) DIP WATER PIPELINE
- (N) WATER SERVICE CONNECTION
- CUT AND CAP
- (E) DISTRIBUTION SYSTEM PIPING
- (E) DISTRIBUTION SYSTEM VALVE
- (E) FIRE HYDRANT
- (E) WATER SERVICE
- (E) VALVE IDENTIFICATION PAGE NUMBER - UNIQUE NUMBER
- (E) FIRE HYDRANT IDENTIFICATION (PAGE NUMBER - UNIQUE NUMBER)
- 7401 ADDRESS NUMBER

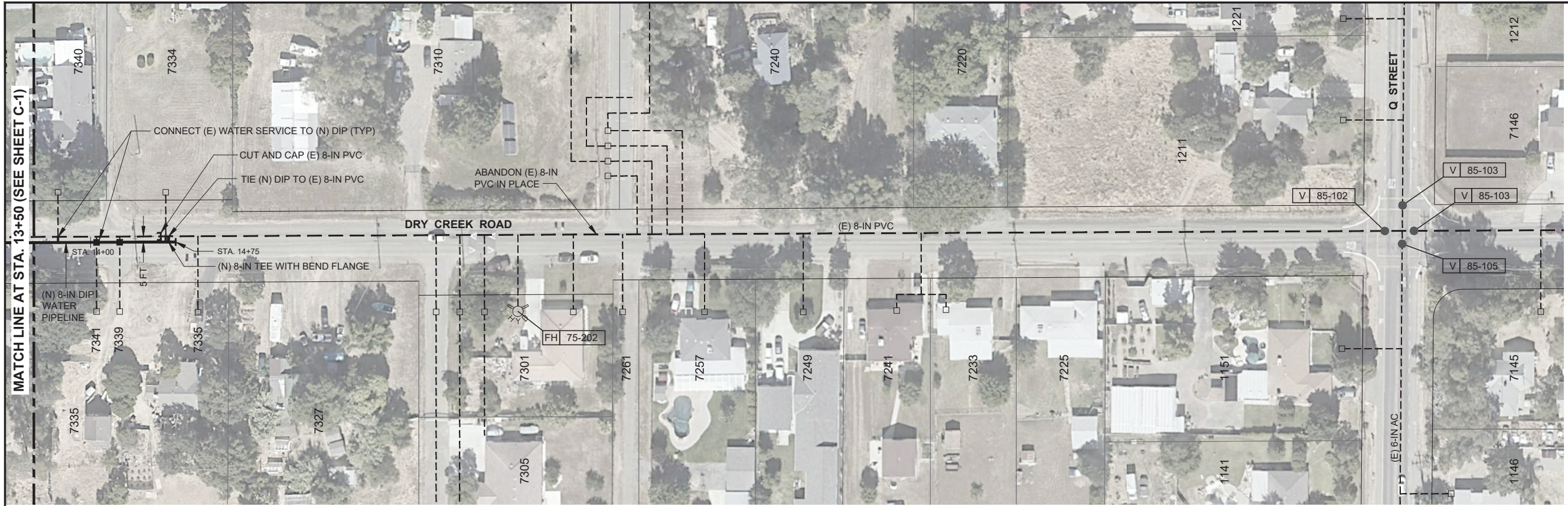
**ABBREVIATIONS:**

- (E) = EXISTING
- (N) = NEW
- EOP = EDGE OF PAVEMENT
- DIP = DUCTILE IRON PIPE (CLASS 350, BITUMEN COATED MORTAR LINED DOUBLE WRAPPED)
- FT = FEET
- IN = INCH OR INCHES
- O.D. = OUTSIDE DIAMETER
- MIN. = MINIMUM
- PVC = POLYVINYL CHLORIDE
- STA. = STATION
- TYP = TYPICAL

DWG: C:\EKL\CONSTRUCTION\DWG\C00085\001\2021-10\C-1 AND C-2.dwg Version: 22.06 (LMS Tech) User: ricasato DATE: Oct 13, 2021 4:58:48 pm

| DATE   | SCALE    | DRAWN | DESIGNED | APPROVED | JOB NO.   | REV | DESCRIPTION | APP'D | DATE |
|--|----------|-------|----------|----------|-----------|-----|-------------|-------|------|
| 10/13/2021   | AS SHOWN | CCR   | GMV      | GMV      | C00085.00 |     |             |       |      |
| VERIFY SCALE: 1" = 100'<br>BAR IS ONE INCH ON ORIGINAL DRAWING.<br>IF NOT ONE INCH ON THIS SHEET, SCALE ACCORDINGLY. |          |       |          |          |           |     |             |       |      |
| SHEET NUMBER   |          |       |          |          |           |     |             |       |      |
| <b>C-1</b>   |          |       |          |          |           |     |             |       |      |
| 1 OF 2   |          |       |          |          |           |     |             |       |      |

DWG: C:\EKL\_CONSTRUCTION\DWG\C00085.00\2021-10\C-1 AND C-2.dwg Version: 22.0e (LMS Tech) User: ricasato  
 DATE: Oct 13, 2021 - 5:00:22 pm



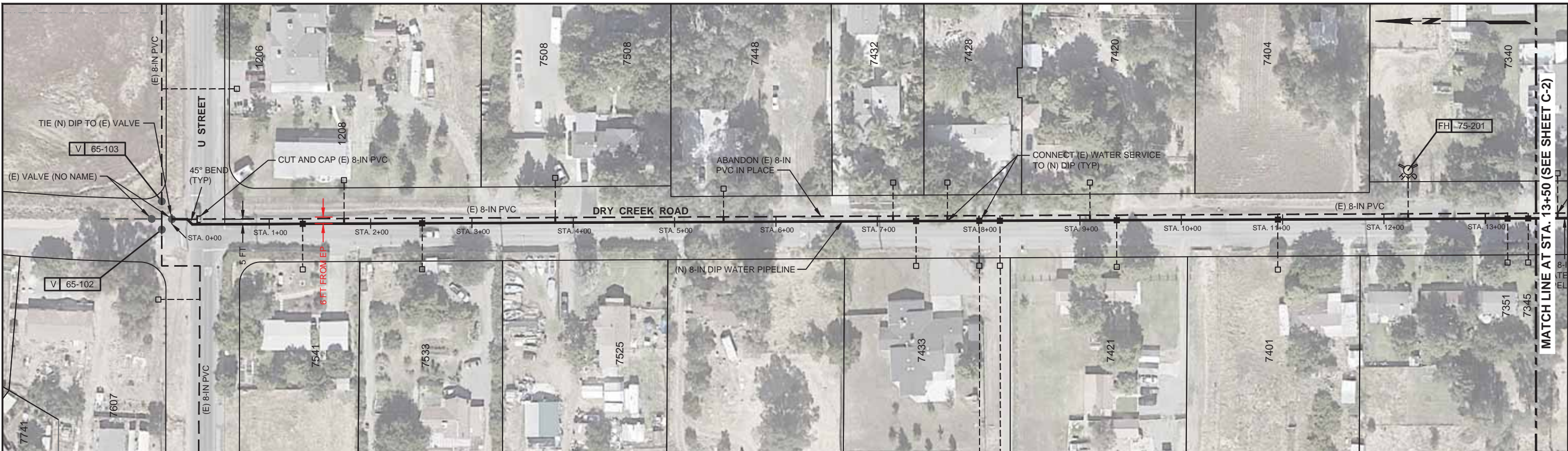
**DRY CREEK ROAD WATER PIPELINE LAYOUT AT STA. 13+50 TO STA. 14+75**



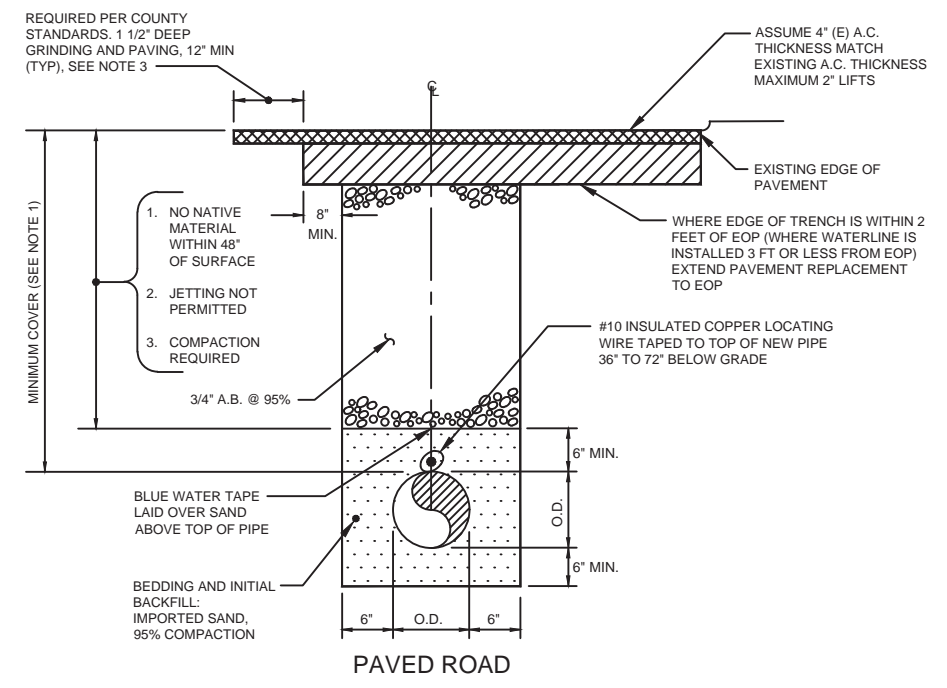
**EXHIBIT A - SERVICES  
 PROPOSED WATER PIPELINE**

|   |   |     |             |        |      |
|---|---|-----|-------------|--------|------|
| <b>VERIFY SCALE</b><br>1" = 100'<br>IF NOT ONE INCH ON THIS SHEET, SCALE ACCORDINGLY. | DATE: 10/13/2021<br>SCALE: AS SHOWN<br>DRAWN: CCR<br>DESIGNED: GMV<br>APPROVED: GMV<br>JOB NO.: C00085.00 | REV | DESCRIPTION | APPRD. | DATE |
| SHEET NUMBER  |   |     |             |        |      |
| <b>C-2</b>  |   |     |             |        |      |
| 1 OF 2  |   |     |             |        |      |





**DRY CREEK ROAD WATER PIPELINE LAYOUT AT STA. 0+00 TO STA. 13+50**



**NOTES:**

- MINIMUM COVER FROM TOP OF PIPE TO FINISHED GRADE SHALL BE 36 INCHES.
- CONTRACTOR TO PROVIDE SLURRY SEAL COAT FOR HALF WIDTH OF THE ROAD, PLUS A MINIMUM OF 24" ON EACH SIDE OF THE TRENCH OR TO THE EOP (WHERE WATERLINE IS INSTALLED 3 FT OR LESS FROM EOP) PER SACRAMENTO COUNTY STANDARDS. REQUIRED ONLY FOR PAVEMENT BETWEEN THREE AND FIVE YEARS OLD. SEE ENCROACHMENT PERMIT FOR ADDITIONAL INFORMATION.
- REQUIRED ONLY FOR PAVEMENT BETWEEN THREE AND FIVE YEARS OLD. SEE ENCROACHMENT PERMIT FOR ADDITIONAL INFORMATION.

**WATER LINE T-TRENCH DETAIL 1**  
NOT TO SCALE

**GENERAL NOTES:**

- WORK INCLUDED (BUT NOT LIMITED TO):
  - ALL WORK SHALL CONFORM TO THE APPLICABLE LOCAL, STATE, AND FEDERAL CODES AND SPECIFICATIONS INCLUDING OSHA.
  - EXCAVATIONS SHALL BE CARRIED OUT IN THE DRY AND PROVISIONS SHALL BE MADE TO PREVENT THE BOTTOM OF EXCAVATION FROM FLOODING AT ALL TIMES.
  - IT IS THE CONTRACTOR'S RESPONSIBILITY TO ASSURE JOB SAFETY. LOCAL, STATE AND FEDERAL, INCLUDING OSHA, LAWS AND RULES SHALL BE ENFORCED BY THE CONTRACTOR AT ALL TIMES.
  - THE CONTRACTOR SHALL NOTIFY UNDERGROUND SERVICE ALERT (USA), (800) 642-2444, 48 HOURS PRIOR TO ANY EXCAVATION. THE CONTRACTOR SHALL ALSO NOTIFY ALL OTHER UTILITIES, NOT IN USA, 48 HOURS PRIOR TO ANY EXCAVATION.
  - ALL STRUCTURES AND FACILITIES DAMAGED BY CONTRACTOR SHALL BE REPAIRED OR REPLACED AT CONTRACTOR'S EXPENSE.
- THE TYPES LOCATIONS, SIZES, AND/OR DEPTHS OF EXISTING UNDERGROUND UTILITIES AS SHOWN ON THESE IMPROVEMENT PLANS WERE OBTAINED FROM SOURCES OF VARYING RELIABILITY. THE CONTRACTOR IS CAUTIONED THAT ONLY ACTUAL EXCAVATION WILL REVEAL THE TYPES, EXTENT, SIZES, LOCATIONS, AND DEPTHS OF SUCH UNDERGROUND UTILITIES. A REASONABLE EFFORT HAS BEEN MADE TO LOCATE AND DELINEATE ALL KNOWN UNDERGROUND UTILITIES. HOWEVER, THE DISTRICT CAN ASSUME NO RESPONSIBILITY FOR THE COMPLETENESS OR ACCURACY OF THE DELINEATION OF SUCH UNDERGROUND UTILITIES NOR FOR THE EXISTENCE OF OTHER BURIED OBJECTS OR UTILITIES WHICH MAY BE ENCOUNTERED BUT WHICH ARE NOT SHOWN ON THESE DRAWINGS. IT IS THE CONTRACTOR'S RESPONSIBILITY TO VERIFY ACTUAL LOCATIONS.
- ALL CONSTRUCTION SHALL CONFORM TO THESE PLANS AND THE LATEST EDITION OF RIO LINDA / ELVERTA COMMUNITY WATER DISTRICT'S STANDARD CONSTRUCTION SPECIFICATIONS.
- PRIOR TO COMMENCEMENT OF ANY WORK SHOWN ON THESE PLANS LOCATED WITHIN EXISTING RIGHT-OF-WAY OR EASEMENTS, THE CONTRACTOR SHALL OBTAIN AN ENCROACHMENT PERMIT FROM SACRAMENTO COUNTY PLANNING, INSPECTION, AND PERMITTING DEPARTMENT. THE CONTRACTOR WILL BE REQUIRED TO POST A PERFORMANCE BOND AND PROVIDE PROOF OF INSURANCE NAMING THE DISTRICT AS ADDITIONALLY INSURED.
- THE COMPLETED WATER SYSTEM MUST BE DISINFECTED, HYDRO-TESTED, AND FLUSHED. THE CONTRACTOR SHALL PROVIDE ALL TESTING AND PAY FOR ALL DISTRICT INSPECTION COSTS.
- PIPELINES SHALL BE INSTALLED ON UNIFORM GRADES TO MINIMIZE HIGH SPOTS AND LOW SPOTS IN THE LINE.
- THE CONTRACTOR IS RESPONSIBLE FOR ALL TRAFFIC CONTROL. TRAFFIC CONTROL AND PAVEMENT CUTTING AND RESTORATION ARE UNDER THE JURISDICTION OF SACRAMENTO COUNTY. A TRAFFIC PLAN SHALL BE SUBMITTED TO THE DISTRICT PRIOR TO SUBMITTING TO SACRAMENTO COUNTY.
- FOR LOCATIONS WHERE TUNNELING/TRENCHING OCCURS UNDER EXISTING STORM DRAIN PIPE, CONTROL DENSITY BACKFILL SHALL BE USED CONSISTENT WITH SECTION 50-15 OF THE SACRAMENTO COUNTY STANDARD CONSTRUCTION SPECIFICATIONS (SEPTEMBER 2001 REVISED MARCH 2004, REVISED JANUARY 1, 2016).
- SACRAMENTO COUNTY DEPARTMENT OF WATER RESOURCES REQUIRES A MINIMUM HORIZONTAL SEPARATION OF 36 INCHES AND A MINIMUM VERTICAL SEPARATION OF 18 INCHES FROM NEAREST SIDE OF STORM DRAIN FACILITY. ALL DRAINAGE FACILITIES SHALL BE FIELD VERIFIED PRIOR TO ANY CONSTRUCTION ACTIVITY.
- ALL CONSTRUCTION WORK AND INSTALLATION SHALL CONFORM TO THE COUNTY OF SACRAMENTO STANDARD CONSTRUCTION SPECIFICATIONS AND ALL OF ITS DRAWINGS, DATED FEBRUARY 2017. ALL WORK IS SUBJECT TO THE APPROVAL OF THE ENGINEER.
- FOR ALL TRENCH EXCAVATIONS FIVE FEET OR MORE IN DEPTH, THE CONTRACTOR SHALL OBTAIN A PERMIT FROM CAL OSHA (2424 ARDEN WAY, STE 165, (916) 263-2800) PRIOR TO BEGINNING ANY EXCAVATION. A COPY OF THIS PERMIT SHALL BE AVAILABLE AT THE CONSTRUCTION SITE AT ALL TIMES.
- BASEMAP SOURCE: GOOGLE EARTH PRO, DATE OF IMAGERY 10 MAY 2018.

**LEGEND:**

- (N) DIP WATER PIPELINE
- (N) WATER SERVICE CONNECTION
- CUT AND CAP
- (E) DISTRIBUTION SYSTEM PIPING
- (E) DISTRIBUTION SYSTEM VALVE
- (E) FIRE HYDRANT
- (E) WATER SERVICE
- (E) VALVE IDENTIFICATION PAGE NUMBER - UNIQUE NUMBER
- (E) FIRE HYDRANT IDENTIFICATION (PAGE NUMBER - UNIQUE NUMBER)
- 7401 ADDRESS NUMBER

**ABBREVIATIONS:**

- (E) = EXISTING
- (N) = NEW
- EOP = EDGE OF PAVEMENT
- DIP = DUCTILE IRON PIPE (CLASS 350, BITUMEN COATED MORTAR LINED DOUBLE WRAPPED)
- FT = FEET
- IN = INCH OR INCHES
- O.D. = OUTSIDE DIAMETER
- MIN. = MINIMUM
- PVC = POLYVINYL CHLORIDE
- STA. = STATION
- TYP = TYPICAL

DWG: c:\epc\CONSTRUCTION\DWG\000085.00\2021-10\C-1 AND C-2.dwg User: ricometa  
 DATE: Oct 13, 2021 4:56:46 pm Version: 22.0a (LMS Tech)



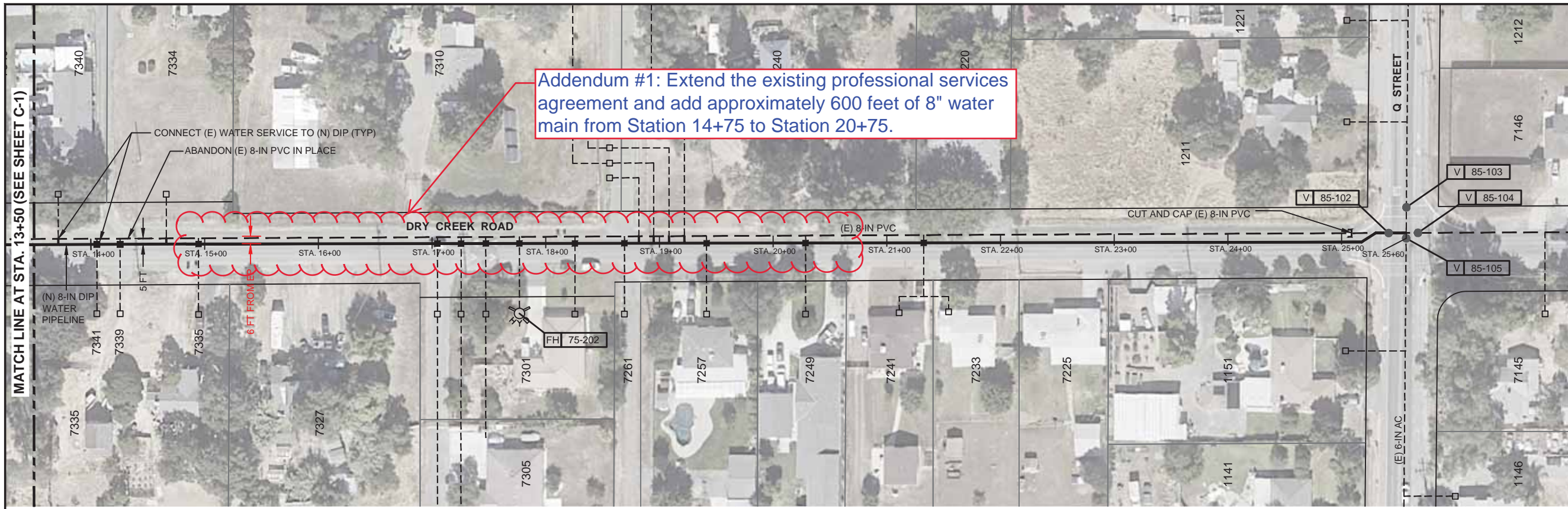
RIO LINDA / ELVERTA COMMUNITY WATER DISTRICT  
 2020/2022 CIP PIPELINE REPLACEMENT PROJECT - DRY CREEK ROAD  
 RIO LINDA, CALIFORNIA  
**EXHIBIT A - SERVICES**  
**PROPOSED WATER PIPELINE**

| DATE       | SCALE    | DRAWN | DESIGNED | APPROVED | JOB NO.   | REV | DESCRIPTION | APPROV | DATE |
|------------|----------|-------|----------|----------|-----------|-----|-------------|--------|------|
| 10/13/2021 | AS SHOWN | CCR   | GMV      | GMV      | C00085.00 |     |             |        |      |

VERIFY SCALE: BAR IS ONE INCH ON ORIGINAL DRAWING. IF NOT ONE INCH ON THIS SHEET, ADJUST SCALES ACCORDINGLY.

SHEET NUMBER: **C-1**  
 1 OF 2

DWG: c:\epc\CONSTRUCTION\_DWGS\000085.00\2021-10\C-1 AND C-2.dwg Version: 22.0s (LMS Tech) User: ricamata  
 DATE: Oct 13, 2021 - 5:06:22 pm



**Addendum #1: Extend the existing professional services agreement and add approximately 600 feet of 8" water main from Station 14+75 to Station 20+75.**

**DRY CREEK ROAD WATER PIPELINE LAYOUT AT STA. 13+50 TO STA. 25+60**



**eki environment & water**  
 915 HIGHLAND POINTE DRIVE, SUITE 250  
 ROSEVILLE, CALIFORNIA 95678  
 (850) 292-9112 • FAX (850) 352-9012

**environment & water**

---

RIO LINDA / ELVERTA COMMUNITY WATER DISTRICT  
 2020/2022 CIP PIPELINE REPLACEMENT PROJECT - DRY CREEK ROAD  
 RIO LINDA, CALIFORNIA

---

**EXHIBIT A - SERVICES  
 PROPOSED WATER PIPELINE**

| DATE | DESCRIPTION | APPROVED | DATE |
|------|-------------|----------|------|
|      |             |          |      |
|      |             |          |      |
|      |             |          |      |

---

|           |            |
|-----------|------------|
| DATE:     | 10/13/2021 |
| SCALE:    | AS SHOWN   |
| DRAWN:    | CCR        |
| DESIGNED: | GMV        |
| APPROVED: | GMV        |
| JOB NO.:  | C00085.00  |
| REV       |            |

---

**VERIFY SCALE**  
 BAR IS ONE INCH ON ORIGINAL DRAWING.  
 IF NOT ONE INCH ON THIS SHEET, ADJUST SCALES ACCORDINGLY

1"

---

SHEET NUMBER

**C-2**  
2 OF 2



## ADDENDUM 001

26 June 2023

To: Rawles Engineering, Inc.  
109 Natoma Street  
Folsom, CA 95630

### **PROJECT: 2020/2021 & 2021/2022 CIP PIPELINE REPLACEMENT PROJECT - DRY CREEK ROAD**

This Addendum #1 shall serve as an extension to the exiting Professional Services Agreement (Agreement) entered by and between the Rio Linda Elverta Community Water District and Rawles Engineering, Inc. on 18 October 2021 pursuant to "Section 2. Term" of the Agreement. The promises and covenants (Sections 1-18), and Bonds, Claims, and Labor Compliance sections of the Agreement shall apply to this Addendum #1, or as modified below.

#### **ADDENDUM WORK SCOPE:**

| <b>Item No.</b> | <b>Item</b>                                      | <b>Unit</b> | <b>Quantity</b> | <b>Unit Cost</b> | <b>Item Cost</b> |
|-----------------|--|-------------|-----------------|------------------|------------------|
| 1               | Potholing  | EA          | 10              | \$ 600.00        | \$ 6,000.00      |
| 2               | Traffic Control                                  | LS          | 1               | \$ 16,000.00     | \$ 16,000.00     |
| 3               | Furnish and Install 8" DIP Water Pipeline        | LF          | 600             | \$ 195.00        | \$ 117,000.00    |
| 4               | Connect New Pipeline to Existing Pipeline        | EA          | 2               | \$ 10,000.00     | \$ 20,000.00     |
| 5               | Connect Existing Water Service to New Pipeline   | EA          | 6               | \$ 2,000.00      | \$ 12,000.00     |
| 6               | Furnish and Install Water Service by HDD         | EA          | 4               | \$ 6,000.00      | \$ 24,000.00     |
| 7               | Furnish and Install Water Service by Open Trench | EA          | 2               | \$ 4,500.00      | \$ 9,000.00      |
| 8               | Connect Existing Fire Hydrant to New Pipeline    | EA          | 1               | \$ 6,500.00      | \$ 6,500.00      |
| 9               | Pressure Testing and Disinfection                | LS          | 1               | \$ 7,500.00      | \$ 7,500.00      |
| 10              | Furnish and Install Asphalt Concrete             | SF          | 2400            | \$ 7.50          | \$ 18,000.00     |
| 11              | Furnish and Install Slurry Seal                  | SF          | 6000            | \$ 2.50          | \$ 15,000.00     |
| 12              | 8" Valves  | EA          | 2               | \$ 2,000.00      | \$ 4,000.00      |

The Contractor is required to provide the labor, equipment and materials to complete the scope of work as shown on the attached Project Plans (Sheets C-1 and C-2) from approximately Station 14+75 to Station 20+75 as described below:

- a. Installation of Piping and Appurtenances
- b. Trench restoration, paving, and slurry seal
- c. Flushing, Pressure Testing, and Disinfection
- d. Traffic Control
- e. SWPPP
- f. Abandonment of Existing Water Facilities
- g. The Contractor shall perform all work pursuant to the Project Plans, and pursuant to the Rio Linda / Elverta Community Water District and Sacramento County Construction Standards.

**ADDENDUM AMOUNT:**

Total Amount: \$255,000.00, per the itemized work scope above.

**ADDENDUM SCHEDULE:**

All work included in this Addendum shall be completed in full by 30 June 2024.

**ACKNOWLEDGEMENT:**

We, the undersigned contractor, have given careful consideration to the Addendum proposed and hereby agree. If this Addendum is approved, we will provide all equipment, furnish all materials, except as may otherwise be noted above, and perform all services necessary for the work above specified, and will accept as full payment therefor the prices shown above.

**CONTRACTOR ACKNOWLEDGEMENT:**

Accepted by: \_\_\_\_\_  
Carrie Rawles, Chief Executive Officer  
Rawles Engineering, Inc. \_\_\_\_\_  
Date

**OWNER ACKNOWLEDGEMENT:**

Approved by: \_\_\_\_\_  
Timothy R. Shaw, General Manager  
Rio Linda / Elverta Community Water District \_\_\_\_\_  
Date

**END OF DOCUMENT**



## Items for Discussion and Action

### Agenda Item: 4.4

**Date:** June 26, 2023

**Subject:** Change Order to Existing Professional Services Agreement for Current Pipe Replacement Project on Dry Creek Rd.

**Staff Contact:** Mike Vasquez, PE, PLS, Contract District Engineer

#### **Recommended Committee Action:**

This item was discussed at the May 10th Executive Committee meeting. The Executive Committee intentionally withheld its recommendation out of an abundance of caution.

#### **Current Background and Justification:**

As construction work progressed on the Dry Creek Road Pipeline Project by Rawles Engineering, three unforeseen conditions were encountered as follows with associated costs:

1. Installation of two new water valves to allow for water shut off on the Dry Creek Pipeline. Existing valves at the Dry Creek Road and Q Street intersection were inoperable and the existing Dry Creek Road pipeline could not be shut off without the new valves. Cost: \$4,000
2. Installation of 10 new water services. During construction, 10 existing water services were found to be made of high-density polyethylene (HDPE) material that does not meet District standards. The existing HDPE material has been prone to leaks in the past. Blue coated copper water services are proposed as replacements. Cost: \$60,000.
3. Additional paving requirements. The County of Sacramento has initiated discussions with Rawles Engineering and District Staff regarding additional paving requirements to remove and replace an existing asphalt speed bump. The County did not inform Rawles Engineering or District Staff during the encroachment permit phase, and only recently brought this up during construction. Staff is currently negotiating with the County on this requirement, but this item should be considered now to avoid delays with paving operations. Cost: \$16,000 (up to, not to exceed, pending County negotiations)

The Operations Superintendent and District Engineer have reviewed the costs for the construction work described and believe they are a fair price. This change order will be Change Order #2 to the

Professional Services Agreement with Rawles Engineering. The Change Order #2 template is included in your Board Agenda Packet.

**Conclusion:**

Sample Motion: Move to approve Change Order #2 to the Professional Services Agreement with Rawles Engineering and authorize execution by Staff.

**Board Action / Motion**

Motioned by: Director \_\_\_\_\_ Seconded by Director \_\_\_\_\_

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



## CONTRACT CHANGE ORDER 002

26 June 2023

To: Rawles Engineering, Inc.  
109 Natoma Street  
Folsom, CA 95630

### **PROJECT: 2020/2021 & 2021/2022 CIP PIPELINE REPLACEMENT PROJECT - DRY CREEK ROAD**

*NOTE: This change order is not effective until approved by the Rio Linda / Elverta Community Water District. The signed acceptance, reviewal, and approval of this change order acknowledge that the requirements of California Public Contract Code Section 9204 have been met.*

#### **CHANGE ORDER DESCRIPTION:**

1. Installation of two (2) new water valves at approximately Station 14+75 of the plans to allow for water shutoff of the existing Dry Creek Pipeline. The increase in cost for this item is \$4,000
2. Installation of ten (10) new blue coated copper water services by horizontal directional drilling methods to replace existing water service made of high-density polyethylene (HDPE) material that does not meet District standards. The increase in cost for this item is \$60,000.
3. Additional paving requirements to replace or modify an existing asphalt speed bump to current County of Sacramento requirements. The increase in cost for this item is \$16,000 (up to, not to exceed, pending County negotiations).

#### **CONTRACT AMOUNT UPDATE:**

Original Contract Amount: \$449,343.75  
Total Amount This Change Order: \$80,000.00  
Total Amount All Change Orders: \$109,500.00  
Revised Contract Amount: \$558,843.75

#### **ACKNOWLEDGEMENT:**

We, the undersigned contractor, have given careful consideration to the change proposed and hereby agree. If this change order is approved, we will provide all equipment, furnish all materials, except as may otherwise be noted above, and perform all services necessary for the work above specified, and will accept as full payment therefor the prices shown above.

**CONTRACTOR ACKNOWLEDGEMENT:**

Accepted by: \_\_\_\_\_ Date  
Carrie Rawles, Chief Executive Officer  
Rawles Engineering, Inc.

**OWNER ACKNOWLEDGEMENT:**

Reviewed by: \_\_\_\_\_ Date  
Mike Vasquez, PE, PLS, Contract District Engineer  
Rio Linda / Elverta Community Water District

Approved by: \_\_\_\_\_ Date  
Timothy R. Shaw, General Manager  
Rio Linda / Elverta Community Water District

**END OF DOCUMENT**





## Items for Discussion and Action Agenda Item: 4.5

**Date:** June 26, 2023

**Subject:** Confirmation of July 1, 2023 Rate Adjustment Schedule

**Staff Contact:** Timothy R. Shaw, General Manager

### **Recommended Committee Action:**

This item was discussed at the June 14th Executive Committee meeting. The Executive Committee forwarded this item onto the June 26<sup>th</sup> Board agenda. The Committee intentionally withheld its recommendation out of an abundance of caution.

### **Current Background and Justification:**

The objectives and Prop 218 requirements for a multi-year rate adjustment entails the process of projecting increases in the cost of service over the span of the multi-year adjustment. The obvious and most typical adjustment is for anticipated inflation in the cost of service. Fuel, electricity, admin expenses, etc. virtually never stay flat. The amount of inflation the entire country continues to experience is far greater than the 3% assumed in the Rate Study / Cost of Service adopted by the Board in August of 2021.

In addition to inflation adjustments, multi-year costs of service projections evaluate the anticipated increases to the cost of service due to regulatory and operational changes, e.g., water treatment requirements. The State Water Resources Control Board recently published the Notice of Proposed Rulemaking to re-establish the Hexavalent Chromium Maximum Contaminant Level (MCL) at 10-parts per billion.

Exhibit A to Resolution 2021-03 is included as a document associated with this item.

### **Conclusion:**

Sample Motion: Move to authorize the July 1, 2023 rates adjustment detailed in Resolution 2021-03, Exhibit A.

### **Board Action / Motion**

Motioned by: Director \_\_\_\_\_ Seconded by Director \_\_\_\_\_

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

**Exhibit A  
 Water Rates**

**TABLE 1: Proposed Bimonthly Water Rates – Normal Water Year  
 Rate Study / Cost of Service Study  
 Rio Linda Elverta Community Water District**

| Meter Size  | Current<br>FY 2021 | September<br>15, 2021 | Proposed on or after |                 |                 |                 |
|---|--------------------|-----------------------|----------------------|-----------------|-----------------|-----------------|
|   |                    |                       | July 1,<br>2022      | July 1,<br>2023 | July 1,<br>2024 | July 1,<br>2025 |
| 5/8"  | \$59.86            | \$35.01               | \$35.72              | \$36.64         | \$38.23         | \$39.88         |
| 3/4"  | \$59.86            | \$35.01               | \$35.72              | \$36.64         | \$38.23         | \$39.88         |
| 1"  | \$99.77            | \$55.25               | \$56.38              | \$57.83         | \$60.34         | \$62.94         |
| 1.5"  | \$199.53           | \$105.87              | \$108.03             | \$110.79        | \$115.60        | \$120.59        |
| 2"  | \$319.25           | \$166.61              | \$170.01             | \$174.35        | \$181.92        | \$189.77        |
| 3"  | \$698.37           | \$358.95              | \$366.28             | \$375.63        | \$391.94        | \$408.84        |
| 4"  | \$1,257.06         | \$642.41              | \$655.52             | \$672.24        | \$701.43        | \$731.68        |
| Inactive  | \$59.86            | \$35.01               | \$35.72              | \$36.64         | \$38.23         | \$39.88         |
| <b>Single Family Residential Inoperable Meter Fees</b> (fixed bimonthly fee, no additional volume charges; cold weather period is November to April; warm weather period is May to October) |                    |                       |                      |                 |                 |                 |
| 5/8" - Cold Weather   |                    | \$68.61               | \$69.91              | \$71.80         | \$74.95         | \$78.18         |
| 5/8" - Warm Weather   |                    | \$120.93              | \$123.19             | \$126.52        | \$132.07        | \$137.94        |
| 3/4" - Cold Weather   |                    | \$68.61               | \$69.91              | \$71.80         | \$74.95         | \$78.18         |
| 3/4" - Warm Weather   |                    | \$120.93              | \$123.19             | \$126.52        | \$132.07        | \$137.94        |
| 1" - Cold Weather   |                    | \$88.85               | \$90.57              | \$92.99         | \$97.06         | \$101.24        |
| 1" - Warm Weather   |                    | \$141.17              | \$143.85             | \$147.71        | \$154.18        | \$161.00        |
| Commercial, institutional, and industrial (CII) and irrigation inoperable meter rates may be based on past average consumption  |                    |                       |                      |                 |                 |                 |
| <b>Volume Rates \$/ccf</b>  |                    |                       |                      |                 |                 |                 |
| Current Rate per ccf (over 6 ccf)   | \$0.81             |                       |                      |                 |                 |                 |
| <b>Single Family Residential</b>  |                    |                       |                      |                 |                 |                 |
| Tier 1: 0-17 ccf  |                    | \$1.72                | \$1.75               | \$1.80          | \$1.88          | \$1.96          |
| Tier 2: 17+ ccf   |                    | \$2.18                | \$2.22               | \$2.28          | \$2.38          | \$2.49          |
| CII (all use)   |                    | \$1.94                | \$1.98               | \$2.03          | \$2.12          | \$2.22          |
| Irrigation (all use)  |                    | \$2.22                | \$2.27               | \$2.33          | \$2.43          | \$2.54          |
| <b>Standby Fire Protection (Fixed Bimonthly Charge)</b>   |                    |                       |                      |                 |                 |                 |
| 1.5"  | \$4.12             | \$4.12                | \$4.31               | \$4.50          | \$4.70          | \$4.91          |
| 4"  | \$40.00            | \$54.38               | \$56.83              | \$59.39         | \$62.06         | \$64.85         |
| 6"  | \$60.00            | \$157.96              | \$165.07             | \$172.50        | \$180.26        | \$188.37        |
| 8"  | \$80.00            | \$157.96              | \$165.07             | \$172.50        | \$180.26        | \$188.37        |
| <b>Backflow Prevention (Fixed Bimonthly Charge)</b>   |                    |                       |                      |                 |                 |                 |
| Per device  | \$8.33             | \$9.00                | \$9.27               | \$9.55          | \$9.84          | \$10.14         |



## Items for Discussion and Action Agenda Item: 4.6

**Date:** June 26, 2023

**Subject:** Fiscal Year 2023-2024 Preliminary Budget

**Staff Contact:** Timothy R. Shaw, General Manager

### Recommended Committee Action:

This item was discussed at the June 14<sup>th</sup> Executive Committee meeting. The Executive Committee forwarded this item onto the June 26<sup>th</sup> Board agenda. The Committee intentionally withheld its recommendation out of an abundance of caution.

### Current Background and Justification:

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

The Board also customarily schedules the public hearing for consideration of adopting the final Budget at the August regular meeting.

### Conclusion:

I recommend the Board approve the 2023/2024 Preliminary Budget. I further recommend the Board schedule the public hearing for consideration of the final budget for August 28, 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  
PRELIMINARY OPERATING BUDGET  
2023-2024**

|                                |                                       |                                       | <b>2022-2023<br/>ACTUAL<br/>JULY 23-MAR 23</b> | <b>2022-2023<br/>BUDGET</b> | <b>2023-2024<br/>BUDGET</b> | <b>DIFFERENCE</b>  | <b>EXPLANATION</b>   |
|--------------------------------|---------------------------------------|---------------------------------------|--|-----------------------------|-----------------------------|--------------------|--|
| <b>REVENUE</b>                 |                                       |                                       |  |                             |                             |                    |  |
| <b>40000 OPERATING REVENUE</b> |                                       |                                       |  |                             |                             |                    |  |
|                                | <b>40100 Water Service Rates</b>      |                                       |  |                             |                             |                    |  |
|                                | 40101                                 | Basic Service Charge                  | 843,936.00                                     | 1,110,746.00                | 1,160,731.00                | 49,985.00          | Per Water Rate Study   |
|                                | 40102                                 | Usage Charge                          | 1,196,946.00                                   | 1,753,654.00                | 1,832,569.00                | 78,915.00          | Per Water Rate Study   |
|                                | 40105                                 | Backflow Charge                       | 21,431.00                                      | 29,600.00                   | 30,500.00                   | 900.00             | Per Water Rate Study   |
|                                | 40106                                 | Fire Prevention                       | 19,356.00                                      | 23,300.00                   | 24,300.00                   | 1,000.00           | Per Water Rate Study   |
|                                |                                       | <b>Total Water Service Rates</b>      | <b>2,081,669.00</b>                            | <b>2,917,300.00</b>         | <b>3,048,100.00</b>         | <b>130,800.00</b>  |  |
|                                | <b>40200 Water Service Fees</b>       |                                       |  |                             |                             |                    |  |
|                                | 40201                                 | Application Fees                      | 4,300.00                                       | 6,500.00                    | 6,500.00                    | 0.00               |  |
|                                | 40202                                 | Delinquency                           | 44,285.00                                      | 90,000.00                   | 65,000.00                   | (25,000.00)        | Decreased for adjust for adopted Resolution 2022-08 in 11-2022 |
|                                | 40209                                 | Misc. Charges                         | 5,711.00                                       | 7,000.00                    | 7,000.00                    | 0.00               |  |
|                                |                                       | <b>Total Water Services</b>           | <b>54,296.00</b>                               | <b>103,500.00</b>           | <b>78,500.00</b>            | <b>(25,000.00)</b> |  |
|                                | <b>40300 Other Water Service Fees</b> |                                       |  |                             |                             |                    |  |
|                                | 40301                                 | New Construction QC                   | 2,200.00                                       | 4,000.00                    | 4,000.00                    | 0.00               |  |
|                                | 40302                                 | Service Connection Fees               | 16,657.00                                      | 10,000.00                   | 10,000.00                   | 0.00               |  |
|                                | 40304                                 | Other Operating Revenue               | 5,955.00                                       | 6,000.00                    | 6,000.00                    | 0.00               |  |
|                                | 40305                                 | Grant Revenue-Operating               | 0.00   | 0.00                        | 0.00                        | 0.00               |  |
|                                |                                       | <b>Total Other Water Service Fees</b> | <b>24,812.00</b>                               | <b>20,000.00</b>            | <b>20,000.00</b>            | <b>0.00</b>        |  |
|                                | <b>TOTAL OPERATING REVENUE</b>        |                                       | <b>2,160,777.00</b>                            | <b>3,040,800.00</b>         | <b>3,146,600.00</b>         | <b>105,800.00</b>  |  |
|                                | <b>41000 NON-OPERATING REVENUES</b>   |                                       |  |                             |                             |                    |  |
|                                | 41110                                 | Investment Revenue                    | 30.00  | 35.00                       | 35.00                       | 0.00               |  |
|                                | 41120                                 | Property Taxes & Assessments          | 80,998.00                                      | 109,100.00                  | 138,263.00                  | 29,163.00          | Increased to adjust for prior FY revenues                      |
|                                | <b>TOTAL NON-OPERATING REVENUE</b>    |                                       | <b>81,028.00</b>                               | <b>109,135.00</b>           | <b>138,298.00</b>           | <b>29,163.00</b>   |  |
| <b>TOTAL REVENUE</b>           |                                       |                                       | <b>\$2,241,805.00</b>                          | <b>\$3,149,935.00</b>       | <b>\$3,284,898.00</b>       | <b>134,963.00</b>  |  |

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT  
PRELIMINARY OPERATING BUDGET  
2023-2024**

|                                 |   |                             | <b>2022-2023<br/>ACTUAL<br/>JULY 23-MAR 23</b> | <b>2022-2023<br/>BUDGET</b> | <b>2023-2024<br/>BUDGET</b> | <b>DIFFERENCE</b>  | <b>EXPLANATION</b>  |
|---------------------------------|---|-----------------------------|--|-----------------------------|-----------------------------|--------------------|---|
| <b>OPERATING EXPENSE</b>        |   |                             |  |                             |                             |                    |   |
| <b>60010 PROFESSIONAL FEES</b>  |   |                             |  |                             |                             |                    |   |
|                                 | 60011                                       | General Counsel fees-Legal  | \$17,091.00                                    | \$22,800.00                 | \$24,000.00                 | \$1,200.00         | Increased to adjust for projected costs                                       |
|                                 | 60012                                       | Auditor Fees                | 23,700.00                                      | 23,700.00                   | 21,300.00                   | (2,400.00)         | Decreased to adjust for projected costs                                       |
|                                 | 60013                                       | Engineering Services        | 40,000.00                                      | 70,000.00                   | 115,000.00                  | 45,000.00          | Increased to include Water Use Efficiency Objectives and Water Loss Standards |
|                                 | 60015                                       | Other Professional Fees     | 0.00   | 0.00                        | 0.00                        | 0.00               |   |
|                                 | <b>TOTAL PROFESSIONAL FEES</b>              |                             | <b>80,791.00</b>                               | <b>116,500.00</b>           | <b>160,300.00</b>           | <b>43,800.00</b>   |   |
| <b>60100 PERSONNEL SERVICES</b> |   |                             |  |                             |                             |                    |   |
|                                 | <b>60110 Salaries &amp; Wages</b>           |                             |  |                             |                             |                    |   |
|                                 | 60111                                       | Salary - General Manager    | 89,146.00                                      | 120,759.00                  | 125,278.00                  | 4,519.00           | Increased to adjust for projected cost per contract                           |
|                                 | 60112                                       | Staff Regular Wages         | 426,743.00                                     | 660,234.00                  | 668,740.00                  | 8,506.00           | Increased to adjust per MOU 11-12-21; COLA 3.0% Assumed                       |
|                                 | 60113                                       | Contract Extra Help         | 0.00   | 0.00                        | 0.00                        | 0.00               |   |
|                                 | 60114                                       | Staff Standby Pay           | 13,300.00                                      | 18,250.00                   | 18,250.00                   | 0.00               |   |
|                                 | 60115                                       | Staff Overtime Pay          | 7,505.00                                       | 11,000.00                   | 11,000.00                   | 0.00               |   |
|                                 | <b>Total Salaries &amp; Wages</b>           |                             | <b>536,694.00</b>                              | <b>810,243.00</b>           | <b>823,268.00</b>           | <b>13,025.00</b>   |   |
|                                 | <b>60150 Employee Benefits and Expenses</b> |                             |  |                             |                             |                    |   |
|                                 | 60151                                       | PERS Retirement             | 89,951.00                                      | 127,292.00                  | 125,367.00                  | (1,925.00)         | Decreased to adjust for projected costs                                       |
|                                 | 60152                                       | Workers Compensation        | 11,151.00                                      | 13,029.00                   | 10,864.00                   | (2,165.00)         | Decreased to adjust to change carrier to ACWA                                 |
|                                 | 60153                                       | Medical & Benefit Insurance | 134,404.00                                     | 219,560.00                  | 236,316.00                  | 16,756.00          | MOU Settlement Agreement 3-2023   |
|                                 | 60154                                       | Retirees Insurance          | 11,880.00                                      | 36,200.00                   | 36,200.00                   | 0.00               |   |
|                                 | 60155                                       | Staff Training              | 0.00   | 5,000.00                    | 5,000.00                    | 0.00               |   |
|                                 | 60157                                       | Uniforms                    | 3,997.00                                       | 6,750.00                    | 6,750.00                    | 0.00               |   |
|                                 | 60158                                       | Payroll Taxes               | 43,348.00                                      | 63,854.00                   | 65,650.00                   | 1,796.00           |   |
|                                 | 60159                                       | Payroll Services            | 922.00   | 1,400.00                    | 1,400.00                    | 0.00               |   |
|                                 | 60160                                       | 457 Employer Contribution   | 12,634.00                                      | 18,055.00                   | 19,000.00                   | 945.00             | Increased to adjust for MOU Renewal 11-12-21 and GM Contract                  |
|                                 | <b>Total Employee Benefits and Expenses</b> |                             | <b>308,287.00</b>                              | <b>491,140.00</b>           | <b>506,547.00</b>           | <b>15,407.00</b>   |   |
|                                 | <b>TOTAL PERSONNEL SERVICES</b>             |                             | <b>\$844,981.00</b>                            | <b>\$1,301,383.00</b>       | <b>\$1,329,815.00</b>       | <b>\$28,432.00</b> |   |

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT  
PRELIMINARY OPERATING BUDGET  
2023-2024**

|                             |  |  | <b>2022-2023<br/>ACTUAL<br/>JULY 23-MAR 23</b> | <b>2022-2023<br/>BUDGET</b> | <b>2023-2024<br/>BUDGET</b> | <b>DIFFERENCE</b>    | <b>EXPLANATION</b>                      |
|-----------------------------|--|--|--|-----------------------------|-----------------------------|----------------------|---|
| <b>60200 ADMINISTRATION</b> |  |  |  |                             |                             |                      |   |
| 60205                       | Bank and Merchant Fees                       |  | \$1,091.00                                     | \$3,500.00                  | \$2,000.00                  | (\$1,500.00)         | Decreased to adjust for projected costs |
| 60207                       | Board Member/Meeting Expense                 |  | 7,575.00                                       | 15,700.00                   | 13,900.00                   | (1,800.00)           | Decreased to adjust for projected costs |
| 60210                       | <b>Building Expenses</b>                     |  |  |                             |                             |                      |   |
| 60211                       | Office Utilities                             |  | 5,559.00                                       | 7,150.00                    | 7,150.00                    | 0.00                 |   |
| 60212                       | Janitorial                                   |  | 1,755.00                                       | 2,340.00                    | 2,340.00                    | 0.00                 |   |
| 60213                       | Maintenance                                  |  | 1,984.00                                       | 3,200.00                    | 3,200.00                    | 0.00                 |   |
| 60214                       | Security                                     |  | 168.00   | 775.00                      | 775.00                      | 0.00                 |   |
|                             | <b>Total Building Expenses</b>               |  | <b>9,466.00</b>                                | <b>13,465.00</b>            | <b>13,465.00</b>            | <b>0.00</b>          |   |
| 60220                       | <b>Computer &amp; Equipment Maint.</b>       |  |  |                             |                             |                      |   |
| 60221                       | Computer Systems                             |  | 23,708.00                                      | 29,700.00                   | 30,000.00                   | 300.00               | Increased to adjust for projected costs |
| 60222                       | Office Equipment                             |  | 432.00   | 875.00                      | 875.00                      | 0.00                 |   |
|                             | <b>Total Computer &amp; Equipment Maint.</b> |  | <b>24,140.00</b>                               | <b>30,575.00</b>            | <b>30,875.00</b>            | <b>300.00</b>        |   |
| 60230                       | Office Expense                               |  | 3,901.00                                       | 5,225.00                    | 5,000.00                    | (225.00)             | Decreased to adjust for projected costs |
| 60240                       | Postage and Delivery                         |  | 13,501.00                                      | 20,000.00                   | 20,000.00                   | 0.00                 |   |
| 60250                       | Printing                                     |  | 5,406.00                                       | 7,500.00                    | 7,500.00                    | 0.00                 |   |
| 60255                       | Meetings & Conferences                       |  | 40.00  | 100.00                      | 500.00                      | 400.00               | Increased to adjust for projected costs |
| 60260                       | Publishing                                   |  | 1,206.00                                       | 1,206.00                    | 1,500.00                    | 294.00               | Increased to adjust for projected costs |
| 60270                       | Telephone & Internet                         |  | 3,527.00                                       | 4,750.00                    | 4,750.00                    | 0.00                 |   |
| 60430                       | <b>Insurance</b>                             |  |  |                             |                             |                      |   |
| 60431                       | General Liability                            |  | 23,563.00                                      | 33,413.00                   | 29,355.00                   | (4,058.00)           | Decreased to reflect estimated premium  |
| 60432                       | Property                                     |  | 9,956.00                                       | 11,800.00                   | 11,800.00                   | 0.00                 |   |
|                             | <b>Total Insurance</b>                       |  | <b>33,519.00</b>                               | <b>45,213.00</b>            | <b>41,155.00</b>            | <b>(4,058.00)</b>    |   |
| 60500                       | <b>Water Memberships</b>                     |  |  |                             |                             |                      |   |
| 60503                       | SGA  |  | 30,777.00                                      | 30,777.00                   | 30,926.00                   | 149.00               | Increase per published membership rate  |
| 60504                       | ACWA   |  | 11,140.00                                      | 11,140.00                   | 11,697.00                   | 557.00               | Increase includes 5% annual increase    |
| 60505                       | CSDA   |  | 8,186.00                                       | 8,186.00                    | 0.00                        | (8,186.00)           | Decreased - cancelled membership        |
| 60507                       | CRWA   |  | 1,435.00                                       | 1,435.00                    | 1,507.00                    | 72.00                | Increase includes 5% annual increase    |
|                             | <b>Total Water Memberships</b>               |  | <b>51,538.00</b>                               | <b>51,538.00</b>            | <b>44,130.00</b>            | <b>(7,408.00)</b>    |   |
| 60550                       | Permits & Fees                               |  | 45,109.00                                      | 49,000.00                   | 50,000.00                   | 1,000.00             | Increased to adjust for projected costs |
| 60555                       | Subscriptions & Licensing                    |  | 800.00   | 1,100.00                    | 2,120.00                    | 1,020.00             |   |
| 60560                       | Elections                                    |  | 1,887.00                                       | 1,887.00                    | 0.00                        | (1,887.00)           | Decreased for Non Election Year         |
| 60565                       | Uncollectable Accounts                       |  | 0.00   | 2,936.00                    | 3,000.00                    | 64.00                | Increased to adjust for projected costs |
| 60570                       | Other Operating Expenditures                 |  | 0.00   | 0.00                        | 500.00                      | 500.00               |   |
| <b>TOTAL ADMINISTRATION</b> |  |  | <b>\$202,706.00</b>                            | <b>\$253,695.00</b>         | <b>\$240,395.00</b>         | <b>(\$13,300.00)</b> |   |

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT  
PRELIMINARY OPERATING BUDGET  
2023-2024**

|  |  |  | <b>2022-2023<br/>ACTUAL<br/>JULY 23-MAR 23</b> | <b>2022-2023<br/>BUDGET</b> | <b>2023-2024<br/>BUDGET</b> | <b>DIFFERENCE</b>    | <b>EXPLANATION</b>   |
|--|--|--|--|-----------------------------|-----------------------------|----------------------|--|
|  | <b>64000 CONSERVATION</b>                    |  |  |                             |                             |                      |  |
|  | 64001  | Community Outreach                           | 0.00   | 0.00                        | 300.00                      | 300.00               | Increased to adjust for projected costs                                  |
|  | 64005  | Other Conservation Programs                  | 0.00   | 0.00                        | 0.00                        | 0.00                 |  |
|  | <b>TOTAL CONSERVATION</b>                    |  | <b>0.00</b>                                    | <b>0.00</b>                 | <b>300.00</b>               | <b>300.00</b>        |  |
|  | <b>65000 FIELD OPERATIONS</b>                |  |  |                             |                             |                      |  |
|  | <b>65100 Other Field Operations</b>          |  |  |                             |                             |                      |  |
|  | 65110  | Backflow Testing                             | \$2,517.00                                     | \$3,000.00                  | \$3,000.00                  | \$0.00               |  |
|  | 65120  | Construction Equipment Maintenance           | 3,586.00                                       | 9,000.00                    | 9,000.00                    | 0.00                 |  |
|  | 65130  | Field Communication                          | 2,453.00                                       | 3,400.00                    | 3,400.00                    | 0.00                 |  |
|  | 65140  | Field IT                                     | 19,112.00                                      | 35,000.00                   | 35,000.00                   | 0.00                 |  |
|  | 65150  | Laboratory Services                          | 9,010.00                                       | 24,000.00                   | 24,000.00                   | 0.00                 |  |
|  | 65160  | Safety Equipment                             | 318.00   | 6,000.00                    | 6,000.00                    | 0.00                 |  |
|  | 65170  | Shop Supplies                                | 2,207.00                                       | 7,000.00                    | 7,000.00                    | 0.00                 |  |
|  |  | <b>Total Other Field Operations</b>          | <b>39,203.00</b>                               | <b>87,400.00</b>            | <b>87,400.00</b>            | <b>0.00</b>          |  |
|  | 65200  | Treatment                                    | 18,438.00                                      | 25,000.00                   | 25,000.00                   | 0.00                 |  |
|  | <b>65300 Pumping</b>                         |  |  |                             |                             |                      |  |
|  | 65310  | Maintenance                                  | 22,250.00                                      | 25,000.00                   | 25,000.00                   | 0.00                 |  |
|  | 65320  | Electricity and Fuel                         | 155,995.00                                     | 260,000.00                  | 260,000.00                  | 0.00                 |  |
|  |  | <b>Total Pumping</b>                         | <b>178,245.00</b>                              | <b>285,000.00</b>           | <b>285,000.00</b>           | <b>0.00</b>          |  |
|  | <b>65400 Transmission &amp; Distribution</b> |  |  |                             |                             |                      |  |
|  | 65410  | Distribution Supplies                        | 23,351.00                                      | 59,950.00                   | 40,000.00                   | (19,950.00)          | Decreased to adjust for projected costs                                  |
|  | 65430  | Tank Maintenance                             | 4,949.00                                       | 6,280.00                    | 6,500.00                    | 220.00               | Increased to adjust for projected costs: Cathodic Protection Maintenance |
|  | 65440  | Contract Repairs                             | 43,665.00                                      | 79,000.00                   | 30,000.00                   | (49,000.00)          | Decreased to adjust for projected costs                                  |
|  | 65450  | Valve Replacements                           | 0.00   | 15,000.00                   | 15,000.00                   | 0.00                 |  |
|  | 65460  | Paving Repairs                               | 0.00   | 25,000.00                   | 30,000.00                   | 5,000.00             | Increased to adjust for projected costs                                  |
|  |  | <b>Total Transmission &amp; Distribution</b> | <b>71,965.00</b>                               | <b>185,230.00</b>           | <b>121,500.00</b>           | <b>(63,730.00)</b>   |  |
|  | <b>65500 Transportation</b>                  |  |  |                             |                             |                      |  |
|  | 65510  | Fuel   | 12,175.00                                      | 16,000.00                   | 16,000.00                   | 0.00                 |  |
|  | 65520  | Maintenance                                  | 3,028.00                                       | 5,000.00                    | 5,000.00                    | 0.00                 |  |
|  |  | <b>Total Transportation</b>                  | <b>15,203.00</b>                               | <b>21,000.00</b>            | <b>21,000.00</b>            | <b>0.00</b>          |  |
|  | <b>TOTAL FIELD OPERATIONS</b>                |  | <b>\$323,054.00</b>                            | <b>\$603,630.00</b>         | <b>\$539,900.00</b>         | <b>(\$63,730.00)</b> |  |

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT  
PRELIMINARY OPERATING BUDGET  
2023-2024**

|                                     |                           |  | <b>2022-2023<br/>ACTUAL<br/>JULY 23-MAR 23</b> | <b>2022-2023<br/>BUDGET</b> | <b>2023-2024<br/>BUDGET</b> | <b>DIFFERENCE</b>   | <b>EXPLANATION</b>               |
|-------------------------------------|---------------------------|--|--|-----------------------------|-----------------------------|---------------------|----------------------------------|
| <b>TOTAL OPERATING EXPENSES</b>     |                           |  | \$1,451,532.00                                 | \$2,275,208.00              | \$2,270,710.00              | (\$4,498.00)        |                                  |
| <b>NON OPERATING EXPENSES</b>       |                           |  |  |                             |                             |                     |                                  |
|                                     | <b>69010 Debt Service</b> |  |  |                             |                             |                     |                                  |
|                                     | 69100                     | <b>Revenue Bond 2015</b>                 |  |                             |                             |                     |                                  |
|                                     | 69105                     | Revenue Bond 2015-Principle              | 63,273.00                                      | 152,273.00                  | 156,908.00                  | 4,635.00            | Per Loan Payment Schedule        |
|                                     | 69120                     | Interest                                 | 24,798.00                                      | 48,650.00                   | 44,087.00                   | (4,563.00)          | Per Loan Payment Schedule        |
|                                     |                           | <b>Total Revenue Bond 2015</b>           | <b>88,071.00</b>                               | <b>200,923.00</b>           | <b>200,995.00</b>           | <b>72.00</b>        |                                  |
|                                     | 69125                     | <b>AMI Meter Loan</b>                    |  |                             |                             |                     |                                  |
|                                     | 69130                     | Principle                                | 53,307.00                                      | 52,948.00                   | 54,602.00                   | 1,654.00            | Per Loan Payment Schedule        |
|                                     | 69135                     | Interest                                 | 5,207.00                                       | 5,566.00                    | 3,912.00                    | (1,654.00)          | Per Loan Payment Schedule        |
|                                     |                           | <b>Total AMI Meter Loan</b>              | <b>58,514.00</b>                               | <b>58,514.00</b>            | <b>58,514.00</b>            | <b>0.00</b>         |                                  |
|                                     | 69200                     | <b>PERS ADP Loan</b>                     |  |                             |                             |                     |                                  |
|                                     | 69205                     | Principle                                | 0.00   | 30,000.00                   | 30,000.00                   | 0.00                | Per Loan Payment Schedule        |
|                                     | 69210                     | Interest                                 | 0.00   | 1,739.00                    | 1,628.00                    | (111.00)            | Per Loan Payment Schedule        |
|                                     |                           | <b>Total PERS ADP Loan</b>               | <b>0.00</b>                                    | <b>31,739.00</b>            | <b>31,628.00</b>            | <b>(111.00)</b>     |                                  |
|                                     |                           | <b>69400 Other Non Operating Expense</b> | <b>0.00</b>                                    | <b>43.00</b>                | <b>2,300.00</b>             | <b>2,257.00</b>     | Increased per Rate Study Table 7 |
| <b>TOTAL NON OPERATING EXPENSES</b> |                           |  | <b>\$146,585.00</b>                            | <b>\$291,219.00</b>         | <b>\$293,437.00</b>         | <b>\$2,218.00</b>   |                                  |
| <b>TOTAL EXPENSE</b>                |                           |  | <b>\$1,598,117.00</b>                          | <b>\$2,566,427.00</b>       | <b>\$2,564,147.00</b>       | <b>(\$2,280.00)</b> |                                  |



**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT  
PRELIMINARY OPERATING BUDGET  
2023-2024**

|  |   |                      | <b>2022-2023<br/>ACTUAL<br/>JULY 23-MAR 23</b> | <b>2022-2023<br/>BUDGET</b> | <b>2023-2024<br/>BUDGET</b> | <b>DIFFERENCE</b> | <b>EXPLANATION</b> |
|--|---|----------------------|--|-----------------------------|-----------------------------|-------------------|--------------------|
| <b>NET INCOME (Income-Expense)</b>       |   |                      | \$643,688.00                                   | \$583,508.00                | \$720,751.00                | \$137,243.00      |                    |
| <b>OPERATING FUND BALANCE</b>            |   |                      |  |                             |                             |                   |                    |
|  | <b>Operating Account Balance June 30</b>          |                      |  | <b>\$1,452,402.00</b>       | <b>\$1,472,637.00</b>       |                   |                    |
|  | Net Revenue                                       |                      |  | \$583,508.00                | \$720,751.00                |                   |                    |
|  | Transfer to GL 10010 Operating Reserve            |                      |  | (\$28,273.00)               | \$0.00                      |                   |                    |
|  | Transfer to Capital Improvement Funds             |                      |  | (594,000.00)                | (611,800.00)                |                   |                    |
|  | Transfer from Capital Improvement Funds           |                      |  | 59,000.00                   | 0.00                        |                   |                    |
|  | <b>Estimated Operating Fund Balance June 30</b>   |                      |  | <b>\$1,472,637.00</b>       | <b>\$1,581,588.00</b>       |                   |                    |
| <b>SURCHARGE 1 FUND BALANCE</b>          |   |                      |  |                             |                             |                   |                    |
|  | <b>Surcharge 1 Fund Balance June 30</b>           |                      |  | <b>\$705,307.00</b>         | <b>\$766,026.00</b>         |                   |                    |
|  | 43010   | Surcharge Revenue    |  | 523,374.00                  | 532,380.00                  |                   |                    |
|  | 41110   | Investment Revenue   |  | 1,000.00                    | 1,000.00                    |                   |                    |
|  | 69155   | SRF Principle        |  | (379,389.00)                | (389,231.00)                |                   |                    |
|  | 69160   | SRF Interest         |  | (81,966.00)                 | (72,124.00)                 |                   |                    |
|  | 69220   | SRF Administration   |  | (2,300.00)                  | (2,300.00)                  |                   |                    |
|  | <b>Estimated Surcharge 1 Fund Balance June 30</b> |                      |  | <b>\$766,026.00</b>         | <b>\$835,751.00</b>         |                   |                    |
| <b>SURCHARGE 2 FUND BALANCE</b>          |   |                      |  |                             |                             |                   |                    |
|  | <b>Surcharge 2 Fund Balance June 30</b>           |                      |  | <b>\$209,015.00</b>         | <b>\$336,614.00</b>         |                   |                    |
|  | 43050   | Surcharge 2 Revenue  |  | 439,019.00                  | \$442,716.00                |                   |                    |
|  | 41110   | Investment Revenue   |  | 500.00                      | 100.00                      |                   |                    |
|  | 69180   | Principle            |  | (230,000.00)                | (240,000.00)                |                   |                    |
|  | 69185   | Interest             |  | (81,920.00)                 | (74,293.00)                 |                   |                    |
|  | <b>Estimated Surcharge 2 Fund Balance June 30</b> |                      |  | <b>\$336,614.00</b>         | <b>\$465,137.00</b>         |                   |                    |
| <b>LAIF FUND (CAPACITY FEES) BALANCE</b> |   |                      |  |                             |                             |                   |                    |
|  | <b>LAIF Fund Balance June 30</b>                  |                      |  | <b>\$410,813.00</b>         | <b>\$813,182.00</b>         |                   |                    |
|  | 44100   | Capacity Fee Revenue |  | 391,000.00                  | 200,000.00                  |                   |                    |
|  | 41110   | Investment Revenue   |  | 11,369.00                   | 10,000.00                   |                   |                    |
|  | <b>Estimated LAIF Fund Balance June 30</b>        |                      |  | <b>\$813,182.00</b>         | <b>\$1,023,182.00</b>       |                   |                    |

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT  
PRELIMINARY CAPITAL BUDGET  
2023-2024**

|   |  | GENERAL           | VEHICLE & LARGE<br>EQUIPMENT<br>REPLACEMENT | FUTURE CAPITAL<br>IMPROVEMENT<br>PROJECTS | HEXAVALENT<br>CHROMIUM<br>MITIGATION | TOTAL               |
|---|--|-------------------|---|---|--------------------------------------|---------------------|
| <b>FUNDING SOURCES</b>                        |  |                   |   |   |                                      |                     |
|   | Fund Transfers   |                   |   |   |                                      |                     |
|   | Operating Fund Transfers In                            | 611,800.00        | 0.00  | 0.00                                      | 0.00                                 | 611,800.00          |
|   | CIP Fund Intrafund Transfers                           | (362,645.00)      | 10,000.00                                   | 352,645.00                                | 0.00                                 | 0.00                |
|   | Investment Revenue                                     | 85.00             | 0.00  | 175.00                                    | 0.00                                 | 260.00              |
| <b>TOTAL FUNDS AVAILABLE FOR CIP PROJECTS</b> |  | <b>988,713.00</b> | <b>27,948.00</b>                            | <b>2,358,981.00</b>                       | <b>1,012,398.00</b>                  | <b>4,388,040.00</b> |
| <b>PROJECTS</b>                               |  |                   |   |   |                                      |                     |
| <b>A · WATER SUPPLY</b>                       |  |                   |   |   |                                      |                     |
|   | A-1 · Miscellaneous Pump Replacements                  | 40,000.00         | 0.00  | 0.00                                      | 0.00                                 | 40,000.00           |
| <b>Total A · WATER SUPPLY</b>                 |  | <b>40,000.00</b>  | <b>0.00</b>                                 | <b>0.00</b>                               | <b>0.00</b>                          | <b>40,000.00</b>    |
| <b>B · WATER DISTRIBUTION</b>                 |  |                   |   |   |                                      |                     |
|   | B-1 · Service Replacements                             | 30,000.00         | 0.00  | 0.00                                      | 0.00                                 | 30,000.00           |
|   | B-2 · Small Meter Replacements                         | 120,000.00        | 0.00  | 0.00                                      | 0.00                                 | 120,000.00          |
|   | B-3 · Large Meter Replacements                         | 5,000.00          | 0.00  | 0.00                                      | 0.00                                 | 5,000.00            |
|   | B-4 · Pipeline Replacement                             | 0.00              | 0.00  | 211,200.00                                | 0.00                                 | 211,200.00          |
|   | B-5 · Cathodic Protection Replacement - L Street Tower | 45,000.00         | 0.00  | 0.00                                      | 0.00                                 | 45,000.00           |
|   | B-6 · Raising/Lowering Valve Covers                    | 40,000.00         | 0.00  | 0.00                                      | 0.00                                 | 40,000.00           |
|   | B-7 · Well 15 Cr6 Treatment-Design                     | 0.00              | 0.00  | 0.00                                      | 75,000.00                            | 75,000.00           |
| <b>Total B · WATER DISTRIBUTION</b>           |  | <b>240,000.00</b> | <b>0.00</b>                                 | <b>211,200.00</b>                         | <b>75,000.00</b>                     | <b>526,200.00</b>   |
| <b>TOTAL BUDGETED PROJECT EXPENDITURES</b>    |  | <b>280,000.00</b> | <b>0.00</b>                                 | <b>211,200.00</b>                         | <b>75,000.00</b>                     | <b>566,200.00</b>   |
| <b>ESTIMATED ENDING BALANCE</b>               |  | <b>708,713.00</b> | <b>27,948.00</b>                            | <b>2,147,781.00</b>                       | <b>937,398.00</b>                    | <b>3,821,840.00</b> |



## Items for Discussion and Action Agenda Item: 4.7

**Date:** June 26, 2023

**Subject:** Revisions to District Policies 2.01.150 and 2.05.200

**Staff Contact:** Timothy R. Shaw, General Manager

### **Recommended Committee Action:**

The Executive Committee forwarded this item onto the June 26<sup>th</sup> Board agenda. The Committee intentionally withheld its recommendation out of an abundance of caution.

### **Current Background and Justification:**

Recent events have demonstrated the need to revise District policies to preclude unanticipated and unintended outcomes regarding individual Board Members' outreach to Legal Counsel. Individual Board Members should not be authorized to take actions which unilaterally result in charges to the District ratepayers/taxpayers for legal services. Furthermore, individual Board Members contacting attorneys at the law firm other than the primary attorney circumvents policies and terms included in the Engagement Agreement with Legal Counsel.

In consideration of the above, and in response to Board Members' expressed concerns, staff has prepared draft revisions to District policies 2.01.150 and 2.05.200.

The draft letter to Legal Counsel is intended to clarify the District's expectations following outreach from an individual Board Member.

### **Conclusion:**

I recommend the Board approve the proposed revisions to District policies 2.01.150 and 2.05.200.

### **Board Action / Motion**

Motioned by: Director \_\_\_\_\_ Seconded by Director \_\_\_\_\_

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

## **2.01.150 Agendas.**

*(Amended Resolution 2008-08, 3/30/09 minutes)*

The Secretary shall prepare the agenda for the meeting containing a brief description of each agenda item and post it at least 72 hours prior to the regular Board meeting ~~after consultation with the President~~. If a Board member twenty-four (24) hours prior to the posting of the agenda requests a matter be placed on an agenda, the Secretary shall include an item on the agenda to permit discussion of the matter, ~~subject to approval by the President~~. However, individual Board Members may NOT add items to the agenda if the proposed added agenda item is reasonably anticipated to result in charges from Legal Counsel, e.g., closed session items. – Revised 7-18-22

## **2.05.200 Duties of General Counsel.**

The District's general counsel

- (a) shall provide legal advice to the Board and other officers of the District;
- (b) shall represent the District in legal matters before the courts;
- (c) shall perform such other duties as appropriately requested by the Board or the General Manager;
- (d) shall review all contracts and ordinances of the District prior to approval by the Board;
- (e) may, and when requested shall, attend meetings of the Board and its committees;
- (f) upon receipt of an inquiry from a member of the Board regarding District matters (exclusive of matters personal to the Director), shall respond in writing to the entire Board with a copy to the General Manager.
  - Individual Board Member inquiries must be directed to the primary attorney representing the District and may not be directed to other attorneys at the law firm. Should one of the non-primary attorneys receive outreach from an individual Board Member, the non-primary attorney shall redirect that Board Member to the primary attorney.
- (See Ca Gov. Code §53060; Ca Water Code §31088 and Engagement Agreement with Legal Counsel)



## Items for Discussion and Action Agenda Item: 4.8

**Date:** June 26, 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) Abstain (Abs) Absent



## **Information Items Agenda Item: 5.1**

**Date:** June 26, 2023

**Subject:** District Reports

**Staff Contact:** Timothy R. Shaw, General Manager

### **DISTRICT ACTIVITY REPORTS**

1. Operations Report
2. Completed and Pending Items Report
3. Conservation Report
4. Leak Repair Report
5. District Response to Teamsters Local 150 Public Records Act Request
6. Notice of Rulemaking for Hexavalent Chromium MCL
7. GM Budget Minor Budget Revision #4

# RIO LINDA/ELVERTA C.W.D. 2023

## REPORT OF DISTRICT OPERATIONS

### SOURCE WATER DATA

| <b>Water Production (Million Gallons)</b> |            |            |            |            |      | <b>Year To Date</b> |
|---|------------|------------|------------|------------|------|---------------------|
| January                                   | February   | March      | April      | May        | June |                     |
| 42  | 36.1       | 39.6       | 47.3       | 74.9       |      |                     |
| 42,034,558                                | 36,097,520 | 39,545,256 | 47,285,568 | 74,863,944 |      |                     |
| July                                      | August     | Sept.      | Oct.       | Nov.       | Dec. | <b>239.90</b>       |
|   |            |            |            |            |      |                     |

|                                     |           | <b>Monthly Total</b> |                    |             |
|-------------------------------------|-----------|----------------------|--------------------|-------------|
| Gallons = Multiply M.G. by:         | 1,000,000 | 74,863,944           | Gallons            | 239,826,846 |
| Cubic Feet = Divide gallons by:     | 7.48      | 10,008,549           | Cubic Feet         | 32,062,413  |
| Hundred Cu Ft. = Divide cu. ft. by: | 100       | 100,085              | Hundred Cubic Feet | 320,624     |
| Acre Ft.= Divide gallons by:        | 325,829   | 229.76               | Acre Ft.           | 736         |

### DISTRIBUTION SYSTEM DATA

| <b>Water Quality Complaints</b> |          | <b>Complaints Total (Low Psi Complaints)</b> |       |       |      | <b>Year To Date</b> |
|---------------------------------|----------|--|-------|-------|------|---------------------|
| January                         | February | March  | April | May   | June |                     |
| 0                               | 2 (2)    | 0  | 0     | 3 (2) |      |                     |
| July                            | August   | Sept.  | Oct.  | Nov.  | Dec. |                     |
|                                 |          |  |       |       |      | <b>5</b>            |

#### New Services

|   |   |             |
|---|---|-------------|
| New Construction                                      | 0 | 0           |
| Existing Homes  | 0 | 2           |
| Paid prior to increase. (2 not installed)             | 0 | 0           |
| <b>Total of Service Connections to Date -----&gt;</b> |   | <b>4670</b> |

#### Distribution System Failures/Repairs

|                             |   |    |
|-----------------------------|---|----|
| Deterioration May 1 thru 31 | 8 | 26 |
| Damaged May 1 thru 31       | 1 | 1  |

#### Bacteriological Sampling

|   |    |    |
|---|----|----|
| Routine Bacteriological Samples (Distribution System) | 20 | 88 |
| Raw Water Bacteriological Samples (at Wells)          | 0  | 11 |

#### May 1, 2023 - May 31, 2023

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

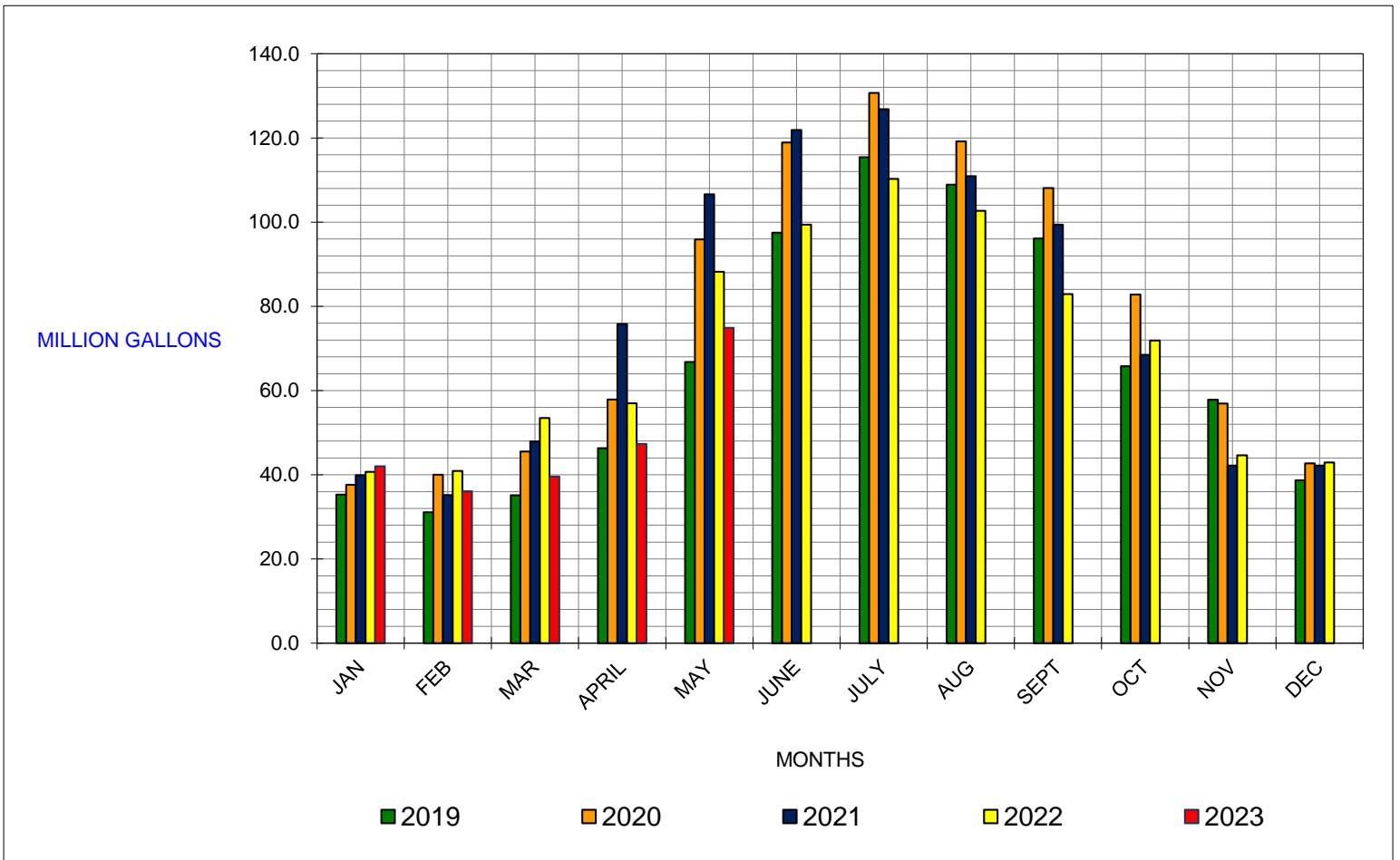
| <b>Work Orders Issued - 63</b> | <b>Work Orders Completed - 39</b> | <b>USA's Issued - 131</b> |
|--------------------------------|-----------------------------------|---------------------------|
| Change Out Meter - 22          | Change Out Meter - 8              |                           |
| Conservation - 1               | Conservation - 1                  |                           |
| Flow Test - 1                  | Line Leak - 3                     |                           |
| Get Current Read -             | Other Work - 1                    |                           |
| Hydrant Repair - 2             | Possible Leak - 10                |                           |
| Line Leak - 3                  | Pressure Complaint - 1            |                           |
| Other Work - 1                 | Re-Install Meter - 1              |                           |
| Possible Leak - 12             | Tag Property - 10                 |                           |
| Pressure Complaint - 2         | Turn Off Service - 2              |                           |
| Re-Install Meter - 1           | Turn On Service - 2               |                           |
| Tag Property - 10              |                                   |                           |
| Taste or Odor Complaint - 1    |                                   |                           |
| Turn Off Service - 3           |                                   |                           |
| Turn On Service - 3            |                                   |                           |
|                                |                                   |                           |
|                                |                                   |                           |
|                                |                                   |                           |
|                                |                                   |                           |

# RIO LINDA/ELVERTA C.W.D.

## WATER PRODUCTION

2019 \ 2023

| Month        | Water Production in Million Gallons |              |              |              |              |              | SSWD Water Purchases |            |            |            |            |
|--------------|-------------------------------------|--------------|--------------|--------------|--------------|--------------|----------------------|------------|------------|------------|------------|
|              | 2019                                | 2020         | 2021         | 2022         | 2023         | Avg.         | 2019                 | 2020       | 2021       | 2022       | 2023       |
| JAN          | 35.3                                | 37.6         | 39.9         | 40.7         | 42.0         | 39.1         | 0.0                  | 0.0        | 0.0        | 0.0        | 0.0        |
| FEB          | 31.1                                | 40.0         | 35.2         | 40.9         | 36.1         | 36.7         | 0.0                  | 0.0        | 0.0        | 0.0        | 0.0        |
| MAR          | 35.1                                | 45.5         | 47.9         | 53.5         | 39.6         | 44.3         | 0.0                  | 0.0        | 0.0        | 0.0        | 0.0        |
| APRIL        | 46.3                                | 57.9         | 75.8         | 57.0         | 47.3         | 56.9         | 0.0                  | 0.0        | 0.0        | 0.0        | 0.0        |
| MAY          | 66.8                                | 95.9         | 106.6        | 88.2         | 74.9         | 86.5         | 0.0                  | 0.0        | 0.0        | 0.0        | 0.0        |
| JUNE         | 97.5                                | 118.9        | 121.9        | 99.4         |              | 109.4        | 0.0                  | 0.0        | 0.0        | 0.0        |            |
| JULY         | 115.4                               | 130.7        | 126.8        | 110.3        |              | 120.8        | 0.0                  | 0.0        | 0.0        | 0.0        |            |
| AUG          | 108.9                               | 119.2        | 110.9        | 102.7        |              | 110.4        | 0.0                  | 0.0        | 0.0        | 0.0        |            |
| SEPT         | 96.1                                | 108.1        | 99.4         | 82.9         |              | 96.6         | 0.0                  | 0.0        | 0.0        | 0.0        |            |
| OCT          | 65.8                                | 82.8         | 68.5         | 71.9         |              | 72.3         | 0.0                  | 0.0        | 0.0        | 0.0        |            |
| NOV          | 57.8                                | 56.9         | 42.2         | 44.6         |              | 50.4         | 0.0                  | 0.0        | 0.0        | 0.0        |            |
| DEC          | 38.7                                | 42.7         | 42.2         | 42.9         |              | 41.6         | 0.0                  | 0.0        | 0.0        | 0.0        |            |
| <b>TOTAL</b> | <b>794.8</b>                        | <b>936.2</b> | <b>917.3</b> | <b>835.0</b> | <b>239.9</b> | <b>870.8</b> | <b>0.0</b>           | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |







**PENDING AND COMPLETED ITEMS  
6-26-2023 BOARD OF DIRECTORS MEETING**

1. **Coordinating with cellular service lease rights holder to service the cathodic protection system on the elevated water storage tank.** – Staff has researched the layers of succession from the original Wireless Capital Partners contract. The current successor is Diamond Communications. **Pending**
2. **SB-606 and AB-1668 planning for compliance** –In the fiscal year 2023/2024 preliminary budgets, staff has created a line item for consulting support on state mandated submittals for water use efficiency items due for submittal now and later this calendar year. **Pending**
3. **Hexavalent Chromium MCL economic feasibility** The State Water Resources Control Board published their Notice of Proposed Rulemaking on June 16<sup>th</sup>, The public hearing is scheduled for August 2nd. **Pending**
4. **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 contact customers with leaks and high consumption. **Pending**
5. **Mandated Board Member Training** – Some RLECWD Board Members have not completed the mandatory training in ethics and harassment prevention. The online, free computer based training program regularly sends automated emails to Board Members to remind them of their overdue assignments. **Pending**
6. **Cost of Service Reductions to Mitigate Inflation** –Staff continues to seek out inflation mitigation measures. **Pending**
7. **Adoption of Preliminary Budgets for Fiscal Year 2023/2024 and Scheduling of a Public Hearing in August to Consider the Final Budget** – Staff has been working on preparing the draft, preliminary budgets. The Executive Committee will discuss the preliminary budges in June and will forward onto the Board agenda in June. The June Board agenda will also include an item to schedule the public hearing – **Pending**
8. **Annual Water Supply and Water Demand Submittals to the State** – Staff has begun preparation of the annual reports due July 1<sup>st</sup>. **Pending**



# Conservation Report

## May 2023



|  |   |
|--|---|
| <b>Supplies (kits):</b>  | Shower heads(0) Kitchen Aerators(0) Bathroom Aerators(0) Shower Timer(10) Nozzle(0) Toilet Tabs(5) Moisture Meters(0) Water Bottles(0) Toilet Tummy(0) Retro-Fit Kits(0) Welcome Kits(0) Kids Kit(0)  |
| <b>Water Waste (calls, emails, letter, leaks detected, and fixed):</b> | 0 Water Waste Call(s)<br>183 contacts about possible leaks using the AMI system<br>-5 were called, 0 was mailed, 177 was emailed, 1 tag was hung<br>46 were confirmed resolved  |
| <b>Water Schedule:</b>   | given to customers with all violation letters and new applications  |
| <b>Surveys</b>   | 0   |
| <b>Workshops, Webinar, Meetings:</b>                                   |   |
| <b>Fines:</b>  | None  |
| <b>Other Tasks:</b>  | <ul style="list-style-type: none"><li>● Assisted with new customers</li><li>● Created/completed work orders</li><li>● Disconnect properties with no service application</li><li>● Notified and offered customers the ACH payment method</li><li>● Closed accounts and final billed customers</li><li>● Printed stamps</li><li>● Mailed out application requests to new owners</li><li>● Scanned and uploaded documents into UMS</li><li>● Reached out to customers with higher than normal water usage</li><li>● Verbal Demands</li><li>● Created Report for High Usage Exceptions</li><li>● Rereads for 5/20/23 billing cycle</li><li>● Created Newsletter for 5/20/23 billing cycle</li></ul> |
| <b>Grant Updates:</b>  | None  |

## 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        | Service Line | I Street             | 2/21/2023     | 2/21/2023     | 1    |
| 6  | 23823        | Service Line | E Street             | 2/22/2023     | 2/22/2023     | 1    |
| 7  | 23830        | Service Line | 2nd Street           | 3/2/2023      | 3/9/2023      | 7    |
| 8  | 23840        | Service Line | I Street             | 3/16/2023     | 3/16/2023     | 1    |
| 9  | 23819        | Service Line | Dry Creek Rd         | 2/21/2023     | 4/18/2023     | 60   |
| 10 | 23827        | Service Line | 10th Street          | 3/1/2023      | 3/1/2023      | 1    |
| 11 | 23875        | Service Line | Fallon Place Ct      | 3/30/2023     | 4/5/2023      | 6    |
| 12 | 23876        | Service Line | 6th Street           | 4/3/2023      | 4/6/2023      | 3    |
| 13 | 23888        | Service Line | M Street             | 4/12/2023     | 4/12/2023     | 1    |
| 14 | 23891        | Service Line | 20th Street          | 4/14/2023     | 4/19/2023     | 5    |
| 15 | 23896        | Service Line | 24th Street          | 4/19/2023     | 4/20/2023     | 1    |
| 16 |              | Main         | Dry Creek & G Street | 4/23/2023     | 4/23/2023     | 1    |
| 17 | 23897        | Service Line | Dry Creek Rd         | 4/19/2023     | 4/26/2023     | 7    |
| 18 | 23900        | Service Line | W 2nd Street         | 4/21/2023     | 4/25/2023     | 4    |
| 19 | 23909        | Service Line | W 2nd Street         | 5/1/2023      | 5/1/2023      | 1    |
| 20 | 23912        | Service Line | I Street             | 5/1/2023      | 5/1/2023      | 1    |
| 21 | 23925        | Service Line | M Street             | 5/4/2023      | 5/4/2023      | 1    |
| 22 | 23928        | Service Line | Castle Creek Way     | 5/9/2023      | 5/11/2023     | 2    |
| 23 | 23933        | Service Line | Withington Ave       | 5/10/2023     | 5/16/2023     | 6    |
| 24 | 23938        | Service Line | E Street             | 5/17/2023     | 5/24/2023     | 7    |
| 25 | 23941        | Service Line | Dry Creek Rd         | 5/17/2023     | 5/17/2023     | 1    |
| 26 | 23942        | Service Line | Elkhorn Blvd         | 5/17/2023     | 5/17/2023     | 1    |
| 27 | 23970        | Service Line | Fallon Woods Way     | 5/28/2023     | 5/31/2023     | 3    |
| 28 |              |              |                      |               |               |      |
| 29 |              |              |                      |               |               |      |
| 30 |              |              |                      |               |               |      |
| 31 |              |              |                      |               |               |      |
| 32 |              |              |                      |               |               |      |
| 33 |              |              |                      |               |               |      |
| 34 |              |              |                      |               |               |      |
| 35 |              |              |                      |               |               |      |
| 36 |              |              |                      |               |               |      |
| 37 |              |              |                      |               |               |      |
| 38 |              |              |                      |               |               |      |
| 39 |              |              |                      |               |               |      |
| 40 |              |              |                      |               |               |      |
| 41 |              |              |                      |               |               |      |
| 42 |              |              |                      |               |               |      |
| 43 |              |              |                      |               |               |      |
| 44 |              |              |                      |               |               |      |

# Attachment C

---

## RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT



P.O. BOX 400 • 730 L STREET  
RIO LINDA, CALIFORNIA 95673  
Phone: (916) 991-1000 • Fax: (916) 991-6616  
www.rlecwd.com

---

June 23, 2010

Honorable Steve White  
Presiding Judge of the Sacramento Superior Court  
720 Ninth Street, Department 47  
Sacramento, CA 95814

Subject: **Rio Linda / Elverta Community Water District Responses to the Sacramento Grand Jury Report**

Dear Judge White,

In accordance with Penal Code Section 933.05(f), the Rio Linda / Elverta Community Water District (District) hereby respectfully submits the following responses and rebuttals to the 2009/2010 Sacramento Grand Jury Report concerning the findings and recommendations provided in the interim report.

**Grand Jury Finding 1.0-** The District does not have adequate, reliable sources of water supply to meet the requirements of its existing customers based on acceptable standards of service and requirements of the California Department of Public Health (CDPH) Water Supply Permit.

**Response-** The District recognizes the need to increase the sources and amounts of water supply to meet the current and future needs of the community. To this end, the District is aggressively working with CDPH officials to overcome the deficiencies cited in Compliance Order No. 01-09-09-CO-004 by developing more Source Capacity through the installation of three new high capacity production wells positioned in strategic locations throughout our distribution system. The engineering plans have been presented to and approved by CDPH to complete the installation of one new well by fall 2010, and two additional wells by spring 2011 as required to meet the Compliance Order directives. The District has an intense construction schedule to improve or enhance all health, reliability and safety requirements throughout the system immediately.

**Grand Jury Recommendation 1.1-** The District should give immediate priority to negotiating and implementing additional emergency and peak demand water supplies from neighboring water utilities.

---

**DIRECTORS:**

Mary R. Harris / President  
Vivien Spicer-Johnson / Vice President  
Cathy Hood  
Belinda Paine

**Interim General Manager / Secretary:**

W. Mychael Cardenas  
e-mail: mcardenas@rlecwd.com

**Response-** The District installed an intertie with Sacramento Suburban Water District in the summer of 2007 with the intention of activating the connection whenever system pressures drop below safe operating levels. Records show the connection has been infrequently utilized, and only during periods when summer temperatures exceed 100 degrees, or when local production wells are being serviced. Additional studies and engineering reports suggest developing or rehabilitating wells and installing storage facilities are more viable ways to overcome the current peak demand shortages. The District's 2008-2013 Capital Improvement Plans address the need to put new wells on line immediately, and complete the installation of a storage tank shortly thereafter.

**Grand Jury Recommendation 1.2-** The District must give high priority to completion of at least one new high capacity well while at the same time proceeding expeditiously with the completion of additional supply improvements to meet CDPH water Supply Standards and satisfy conditions of its two Compliance Orders.

**Response-** As described in the response to Finding 1.0, the District is well ahead of schedule with meeting the requirements of all CDPH directives to complete the installation a high capacity well by fall 2010, and two additional wells by spring 2011. The District is on schedule to achieve these goals within an extremely short period of time.

**Grand Jury Recommendation 1.3-** The District should acquire enough standby power capacity to meet at least average system demand during an electrical power outage.

**Response-** The District's 2008-2013 Capital Improvement Plans include the need to install more generators to meet average system demands during electrical outages. The initial installations began in FY 2007/08 and will be continued until this backup power need is fully satisfied.

**Grand Jury Finding 2.0-** The defective water system poses significant risks to public health and safety. The District must make a series of improvements to mitigate these risks.

**Response-** Measures to enhance and improve the water system began prior to the release of the Grand Jury report through a series of conferences and cleanup programs with CDPH and new management incentives. Top priority has been given to this issue. The District instituted and implemented revitalization procedures and repair schedules to protect the public by enforcing better Operations and Maintenance practices. Throughout March and April 2010, the District repaired numerous leaks and failing infrastructure. Currently, CDPH and the District have mapped out preventative maintenance practices and policies to correct this serious problem.

**Grand Jury Recommendation 2.1-** The District must institute and maintain a backflow prevention program meeting all CDPH requirements.

**Response-** The District is well ahead of CDPH timelines to reinstate its Cross Connection Control and Backflow Prevention programs by developing Best Management Practices and O&M Manuals to maintain better control and monitoring in this area. Backflow Device testing began in late May 2010 and all devices within the District will be tested by late summer 2010 with reports provided to CDPH on a regular basis.

**Grand Jury Recommendation 2.2-** The District must improve its water supply for fire suppression by increasing the available water supply to meet fire flow standards of the fire code and the Sacramento Metropolitan Fire District (SMFD) throughout the distribution system.

**Response-** The District has engaged in several measures to address this recommendation. Besides constructing the three wells previously mentioned, the District has hired an engineering company to begin looking at water main replacement programs to replace small diameter and aging pipelines for better reliability and flow capacity. Looping of various sections for redundancy and installing trunk lines in key distribution areas are in the design phase to overcome this deficiency. The new Administration has also opened better communication lines with SMFD representatives to stay abreast of fire

code regulations and flow requirements within the region.

**Grand Jury Recommendation 2.3-** The District should retain an independent consultant to conduct a risk survey concerning all security and illicit access deficiencies and the District should correct them.

**Response-** The District has engaged the services of both a security control and surveillance company and its own risk management insurance agency to enhance security at all District facilities. With Homeland Security as the guideline, further enhancements will be implemented in the coming months.

**Grand Jury Finding 3.0-** The District does not have a complete inventory of all equipment and assets owned by the District

**Response-** The District has regularly maintained records of all assets and has updated them regularly. Despite this finding, a complete inventory assessment is underway to validate and update records to develop Best Management Practices to prevent errors or oversight in this area.

**Grand Jury Recommendation 3.1-** The District should immediately conduct an inventory to account for all equipment and assets.

**Response-** It is underway and anticipated to be completed by August 2010.

**Grand Jury Finding 4.0-** The District has been torn by factionalism for years. Contentious behaviors by Board of Directors, General Managers, employees, employee Unions, concerned citizens and ratepayers have led to a dysfunctional organization. Self interest has prevailed over public service.

**Response-** The current Board of Directors and management are focused on more transparency to keep all interests better informed and working together. The District is committed to its objectives to provide safe and reliable water supplies while protecting and serving the community with unbridled determination and true obligation. The District and its Board of Directors are committed to being productive and proactive in all aspects of dedication to public service and in improving District business practices.

**Grand Jury Recommendation 4.1-** The Board of Directors and staff at the District should be trained in professional management and conduct, ethics, and respect for others.

**Response-** This recommendation is at the heart of what the Administration and Board of Directors had already begun to implement and enforce prior to the release of the Grand Jury findings. The District is taking steps to educate its ranks and invite the public to participate in forums designed to improve service related communications overall. This recommendation has always been important and tantamount to our mission.

**Grand Jury Recommendation 4.2-** The Board of Directors should conform and enforce performance standards for all levels of the District.

**Response-** This is being initiated by the management team and continuously practiced and monitored by the Board moving forward.

**Grand Jury Finding 5.0-** The Board of Directors has wasted the District's assets. The Board of Directors and General Managers have spent funds on unsound purchases, investments, and legal expenses arising from inappropriate or ill-advised actions.

**Response-** In direct contrast to this finding, the District and its Board of Directors are hard at work correcting past practices of previous Administrations that proved to be detrimental and destructive to

the District. To take on such a monumental task requires dedication and funding that could be used elsewhere, but is necessary to restructure the institution from the ground up. Better accountability, transparency and communication is what the current Board is striving to achieve by engaging the services of professionals to quickly overcome and resolve several issues simultaneously. The direction the District and its Board of Directors are currently taking is in the best interest of the community to manage the District back to health with better control mechanisms and best *institutional* management practices throughout.

**Grand Jury Recommendation 5.1-** The Board should retain and take the counsel of professional experts in accounting, law, human resources, water utility management, engineering, and utility rate analysis.

**Response-** As previously mentioned, the District and the Board are involved in a variety of programs to seriously and expeditiously revamp the organization. It is one thing to look at the past to discredit and blame, and quite another to see where the District was already making significant progress with the aid of other professionals in the industry. The Grand Jury investigation and lengthy interview processes were conducted at a time when the District had already begun to take proactive steps to overcome the many problems that caused the downward spiral to occur. This recommendation is a sound one and the District had already moved into this realm before the interim Grand Jury report was published.

**Grand Jury Finding 6.0-** The Board of Directors is dysfunctional and misguided. Directors have often ignored recommendations of the General Managers and experts on financing and implementation of capital improvements to the detriment of the District. The Board has interfered with the day-to-day operations of the District.

**Response-** The Board fully understands its role to set policy and manage at a higher level. The Board continues to set standards that previous Boards only promised. The fact is this finding is dated because the new business direction was already being implemented when the Grand Jury was completing its fact finding campaign. The current Board of Directors is cutting to the chase by getting more facts and researching alternatives before venturing beyond their capabilities. This is where the essential need for better communications and education come into play after the misguidance and factional elements are effectively removed. Inasmuch as the Board has involved itself by delving into the operational framework of the District, it has done so to provide Administrative support so new Managers, who have no institutional knowledge of the District, do not make the same mistakes and/or follow misguided engineering and financial schemes that previous Administrations and General Managers directed. The record shows that the factional nature that has plagued the organization for years under previous Administrations resulted in several projects that went off course due to miscommunications and assumptions that were not warranted nor fully understood. While the Board is recognized as the policy making and leadership component of the District, it can only be effective in fulfilling its oversight responsibilities in accordance with the information they are given by the General Manager, District staff, or by independent sources. The General Manager appropriately seeks and appreciates the institutional knowledge, guidance and advice provided by the Board.

**Grand Jury Recommendation 6.1-** The Board of Directors should adhere to its own internal policies and stop micromanaging the daily operations of the District.

**Response-** The Board understands and respects the role of the General Manager. It also understands that the General Manager's primary responsibility to run the daily operations of the District. The Board intends to ensure that the General Manager continues to fulfill his duties and responsibilities without Board interference, while also ensuring the Board does not fall short of its oversight obligations.

**Grand Jury Finding 7.0-** On numerous occasions Board members have violated the Brown Act and their own regulations regarding public meetings.

**Response-** This finding is baseless, unfounded, without true merit, and is categorically denied. The District and its Board members, at all times, ensure that they conduct all business pursuant to the mandates of the Brown Act. To that end, whenever the District has any Board meetings, it ensures that its General Counsel is present to guide on all legal matters, including compliance with the Brown Act.

**Grand Jury Recommendation 7.1-** The Board of Directors should regularly seek and follow legal advice concerning their obligations under existing meeting laws and regulations.

**Response-** The Board regularly seeks legal advice from the District's General Counsel and follows its General Counsel's legal recommendations.

**Grand Jury Finding 8.0-** Without major changes in governance, management, and resource utilization, the District is unable to satisfactorily correct its problems and provide high quality water utility services to its present service area and the remainder of the District area.

**Response-** This finding has been addressed throughout this response letter and the current Administration uses the proper governance and better management policies necessary to deliver quality service and better customer satisfaction. Major changes were already implemented during the Grand Jury's fact finding period, and the primary objectives of the District are to deploy all necessary resources to ensure the needs of the community as a whole are more than adequately met. Under the current Administration, preventative measures are already in place with aggressive monitoring plans being laid to enhance management practices, and additional programs are being instituted to encourage and improve information sharing between the District and its ratepayers for the betterment of the community. The District's Board and staff are committed to serving and protecting the interests of Rio Linda and Elverta by promoting quality assurance and customer satisfaction on a regular basis.

**Grand Jury Recommendation 8.1-** One solution to these problems is a reorganization of the District. All affected public agencies (CDPH, SacLAFCo, Sacramento Board of Supervisors, SMFD, Sacramento County Department of Health and Human Services, Rio Linda-Elverta Chamber of Commerce) and interest groups should formally urge the District's Directors to declare their intent to reorganize the District.

**Response-** The Rio Linda / Elverta Community Water District effectively serves the best interests of the community. Every governmental entity can always do better, but the District is committed to serving its customers under the current organizational structure, and is confident that it will do so better than any other entity. We are already exploring any and all options that will enhance the operations of the District to continue to provide safe, reliable water and better services to our customers. Massive overhauling has begun with the aid of many organizations, both locally and beyond. This recommendation touches on only one solution, but our goal is to leapfrog beyond very quickly and effectively by aligning with industry standards that have been overlooked for far too long. The Rio Linda and Elverta communities are hotbeds for developer funded growth, and the District is doing everything necessary to prepare to meet the new challenges as the community expands further. Reorganization is one option, and not necessarily in the best interests of the community, but we are moving toward restructuring from within for the betterment of the District and the customers we serve.

**Recommendation 8.2-** SacLAFCo should immediately initiate a reorganization proceeding which includes completion of a Municipal Service Review (MSR), and a study of feasibility and alternatives for reorganization of the District.

**Response-** It is interesting that this recommendation came last because it suggests one agency might be the incentive, remedy, or push the District needs to repair its capacity and management problems



before it dissolves into another agency. We have begun the MSR process with the commission, and anticipate favorable recommendations will come as a result of it, but this Grand Jury recommendation fails to recognize the many other remedies the District can embark upon. Reorganization and the resultant dismantling of what is already in place could potentially help destroy the community interests if the proper safeguards are not in place beforehand. The District is taking massive steps to revamp our entire structure and service capacity. We have aggressively and effectively aligned our scope with that of CDPH, and are moving quickly to beat the clock to better serve our customers with more reliability with greater water supply and quality. New programs are in the design process to rebuild sections of our distribution system that are weak or failing. We are working with SMFD to incorporate storage facilities for adequate standby fire protection. Our planning also involves more conservation efforts and community outreach to help sustainability. The District office and staff are evolving toward more professional representation and policy enforcement to protect and serve our customers more effectively. These are only a handful of examples of where the District is dramatically changing its image and business practices. This is not simply a declaration of what we intend to do, but rather, a report of what are in the works right now and will continue to be on an ever increasing level.

In closing, and on behalf of the entire Rio Linda / Elverta Community Water District, I would like to assure you that the Sacramento Grand Jury Report was well received by the Board of Directors and District staff because it was important to bring many issues to light. The intent of the District is to take the issues cited to heart and address them appropriately to keep our community vibrant and safe with better business practices and policies on the forefront of what we are doing each and every day.

I would like to take this opportunity to thank the members of the Grand Jury for their dedication and focus to conduct the investigation with fairness and openness. It is because of their determination our community will benefit.

The District respectfully submits this letter with appreciation for your time and interest to receive it. If you have any questions or require additional information, please contact me at 916-991-1000 or [mcardenas@rlecwd.com](mailto:mcardenas@rlecwd.com) as your needs arise.

Respectfully and earnestly,

RIO LINDA / ELVERTA COMMUNITY WATER DISTRICT

W. Mychael Cardenas  
Interim General Manager

Cc: RLECWD Board of Directors  
Grand Jury Coordinator  
Sacramento County Board of Supervisors  
California Department of Public Health  
California Department of Water Resources  
SacLAFCo Commission  
Rio Linda-Elverta Chamber of Commerce  
Sacramento Metropolitan Fire District  
Sacramento County Water Agency  
Sacramento Groundwater Authority  
Regional Water Authority  
Ravi Mehta, District Counsel  
File

# Attachment C

---

## **RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT**



P.O. BOX 400 • 730 L STREET  
RIO LINDA, CALIFORNIA 95673  
Phone: (916) 991-1000 • Fax: (916) 991-6616  
[www.rlecwd.com](http://www.rlecwd.com)

---

July 18, 2011

Hon. Steve White, Presiding Judge

720 9<sup>th</sup> St. Dept 47

Sacramento, Ca. 95814

Honorable Judge Whiting ,

Please find below the Rio Linda/Elverta Community Water District response to the 2010-11 Grand Jury report

Finding #1.1 The Board of Directors is receiving training from the California Rural Water Assoc. There are two classes titled How to be a Board member and Board roles and responsibilities which are being scheduled at this time.

Finding 1.2 The new General Manager has met with the Lafco Board and requested 6 months to get things in order before a peer review is done if needed. Lafco has agreed.

Finding 1.3 The District has a policy guide in effect it is being updated by 2 board members 1 public member and the new General Manager. The new policy guide will be reviewed by the entire Board and approved before it is put into effect.

Finding 2.1 The backlog of minutes has been put on the highest priority for the office staff to complete. There are only a few left to bring the minutes up to current day.

Finding 2.2 Minutes and Resolutions are now posted as soon as they are approved by the Board of Directors.

Finding 3.1 The Board will create a supportive climate for the Manager to perform effectively. The District has hired a General Manager with many years of experience in all phases of the water industry including 18 years of management experience at another services district.

Finding 4.1 The General Manager has completed a wage and benefit survey of similar agencies in the area. She is currently trying to determine appropriate staffing for our agency.

Finding 4.2 The District has been and will continue to discuss the labor negotiations at every meeting until they are finalized. The current version of the labor negotiation is almost complete and it is hoped that this will be the last version necessary for the dispute to be resolved.

Finding 4.3 The first thing the Manager did when accepting the position was review current job descriptions versus duties with staff and is in the process of updating the job descriptions.

Finding 4.4 The General Manager will perform annual performance evaluations before the annual wage review is done to determine if staff has performed their duties as described and is eligible for a wage increase.

Finding 5.1 The Board , staff and General Manager are trying very hard to restore mutual respect, trust and confidence.

Finding 5.2 Micro-management was a problem in the past the new Board has hired a new General Manager who is eliminating all micro-management.

Finding 6.1 Our new bookkeeper has a 4 yr bachelors degree concentrating in accounting, has worked 19 yrs for the Federal Government as a financial analyst, been the controller of 2 private businesses and worked for 1 ½ yrs as junior accountant in a CPA firm. She is also a certified fraud examiner.

Finding 6.2 Our 2009-10 audit is almost complete per our auditor and our new bookkeeper is currently updating all of the accounting records.

Finding 7.1 The new Manager has already prepared a preliminary budget for the current fiscal year it will be finalized at a public hearing before our August board meeting. It will be reviewed monthly and revised if necessary quarterly.

Finding 7.2 The District does provide monthly budgeted versus annual figures for the Board's review beginning 7/1/11 the beginning of the new fiscal year.

Find 7.3 Since the new manager has been here she reviews accounts payable aging schedules weekly.

Finding 7.4 The District is preparing Comprehensive Annual Financial Reports for the fiscal year ending 2010-11. We will be scheduling the audit for 2010-11 as soon as the audit for fiscal year 2009-10 is complete.

Finding 8.1 The District Bookkeeper will be compiling a district accounting policies and procedures manual as soon as she completes updating the accounting records.

Finding 9.1 Our accounting firm Richardson & Co. has already been assigned to do a forensic audit of our bank accounts for the last 5 years.

Finding 9.2 The District Attorney is currently in the middle of investigating the personal use of the district's credit card.

Finding 11.1 The District feels that the above noted remedies to the Grand Jury's findings will be implemented and that there will be no need for the District to be put into receivership.

We hope that these answers to the Grand Jury's findings are sufficient. Please feel free to contact me if you need any additional information on the responses presented above.

Sincerely,

Mary Henrici

General Manager

Rio Linda/Elverta

Community Water District

Courtney Caron

Board President

Rio Linda/Elverta

Community Water District



DALE WENTZ  
Secretary-Treasurer

## TEAMSTERS LOCAL UNION NO. 150

7120 East Parkway – Sacramento, California 95823  
TELEPHONE (916) 392-7070 | FAX 392-7675 | EMAIL [teamsters@teamsters150.org](mailto:teamsters@teamsters150.org)

May 11, 2023

Board Secretary  
Rio Linda Elverta Community Water District  
730 L St  
Rio Linda CA, 95673

### Re: California Public Records Act Request and Notice to Preserve Evidence

Pursuant to the California Public Records Act, Teamster Local 150 (Teamsters) makes the following requests for public records maintained/controlled by Rio Linda Elverta Community Water District (District) its agents, employees, and Board Members. Teamsters is requesting any and all public records in any and all formats (electronic, facsimile, photocopy, or hardcopy) meeting the criteria described below. If the District believes any records requested herein are not public records or are records no longer available, Teamsters request an explanation of the District's non-compliance with this request. Pursuant to California Penal Code, Section 135 et seq., Teamsters hereby provides formal notice to preserve any such records directly or indirectly pertaining to the descriptions below, which the District asserts are justifiably withheld from the District's response to this request.

1. For the preceding three calendar years, (from 5-11-2020 to 5-11-2023) Any correspondence on subjects within the District's subject matter jurisdiction sent from or sent to Director Mary Harris on personal electronic devices owned and/or used by Director Mary Harris. Personal electronic device records include but are not limited to; cellular phone texts, emails sent to or from personal email accounts, posts and private messages on social media platforms, etc.
2. Any policies, procedures and protocols adopted by the District pertaining to use of personal devices and personal accounts for correspondence within the District's subject matter jurisdiction.
3. Records of formal disciplinary actions executed by the District against Director Mary Harris.
4. Records of the District's responses to findings and/or recommendations included in investigations performed by the Sacramento County Grand Jury.
5. Copies of draft meeting minutes and final adopted meeting minutes where Board Member(s) requested substantial revisions to the draft minutes. Teamsters is not interested in typographical corrections performed to correct inadvertent entries, single word omissions etc. This request is in the context of the revisions discussed on the video recording of the April 24, 2023 Board meeting, Consent Calendar item 3.1.
6. Invoices from District's Legal Counsel for legal services associated with negotiations for renewals of Memorandums of Understanding (MOUs).

In the interest of enabling a timely response by the District and precluding photo copying costs, Teamsters hereby request the District email PDF versions of the above-described records to the following Teamster's email addresses:

[edantonio6@hotmail.com](mailto:edantonio6@hotmail.com)

[martycrandall60@gmail.com](mailto:martycrandall60@gmail.com)

Sincerely,

*Marty Crandall*

Marty Crandall  
Business Representative

RIO LINDA ELVERTA



WWW.RLECWD.COM  
QUESTIONS@RLECWD.COM

Telephone:  
(916) 991-1000

RLECWD  
730 L Street  
Rio Linda, CA 95673-3433

COMMUNITY WATER DISTRICT

June 1, 2023

Marty Crandall  
Teamsters Local 150  
7120 East Parkway  
Sacramento, CA 95823

**Re: Preliminary Response to Public Records Act Request Received May 22, 2023**

Mr. Crandall:

The Rio Linda Elverta Community Water District (District) has received the subject public records request from Teamsters Local 150 (Teamsters). The District provides the following preliminary responses corresponding to the numbered items (1-6) in your request.

1. The District will reach out to Director Mary Harris to seek her cooperation in complying with the request for records of District correspondence on her personal devices. Due to the broad scope of records sought by your request and the need to collect the requested records from persons outside of the office, the District finds it necessary to invoke a fourteen (14) day extension. (Gov. Code, § 7922.535(b).) The District anticipates that it will be able to provide you with an initial response to your request no later than June 14, 2022.
2. Attachment A to this preliminary response is District Policy 2.01.90.
3. Attachment B to this preliminary response is District Resolutions 2008-06 and 2008-02. Both are formal disciplinary actions in response to actions taken by Director Harris.
4. The District's Response to the Sacramento County Grand Jury Report is Attachment C.
5. You have asked for "Copies of draft meeting minutes and final adopted meeting minutes where Board Member(s) requested substantial revisions to the draft minutes... This request is in the context of the revisions discussed on the video recording of the April 24, 2023 Board meeting, Consent Calendar item 3.1." Please follow the link posted below to find draft and final versions of minutes considered by the Board. The Board agendas from April 2023 and May 2023 include draft versions of minutes considered by the Board for the March 2023 meeting.

<http://www.rlecwd.com/board-documents/>

6. In the interest of providing timely and responsive records, the District requests that you specify the scope of time in which you are seeking invoices from the District's legal counsel, regarding services associated with negotiations for renewals of Memorandums of Understanding (for example, legal invoices from May 2018 to August 2018). This additional detail will assist the District in providing timely and responsive records.

The District will follow this preliminary response with the remaining documents as described above.

Sincerely,



Timothy R. Shaw  
General Manager, RLECWD

**2.01.090 Email Accounts**

*(Approved 12/6/2010)*

In order for the public to contact the Board of Directors each Director must establish an email account through the District's server. It is required that all Directors use their District email addresses instead of personal private email accounts for District business. An email account will be assigned to Board members as they take office.

*(Approved by 4/16/2018 Board Minutes)*

Director correspondence on matters of District business which are conducted using text messaging are to be copied (e.g. using the multiply recipients feature in text messaging) to the following District e-mail address: PRA@RLECWD.COM. This email account will not be routinely monitored but will be reviewed by appropriate staff if the District receives a Public Records on Private Accounts request. Directors are thereby enabled to delete their text messages on their personal devices after copying the text to the email address stipulated above. The settings of this email account will be such that messages greater than one year old, will be deleted to conserve resources. Director written correspondence regarding District business on social media, e.g. Facebook Private Messaging, Twitter, Instagram etc., are prohibited due to the impracticality of compliance with Public Records on Private Accounts requests when using such correspondence methods.



Attachment B

Rio Linda / Elverta Community Water District  
Resolution 2008-06

June 23, 2008  
Page 1 of 2

**RESOLUTION 2008-06**

**A RESOLUTION OF CENSURE  
ADOPTED BY THE BOARD OF DIRECTORS OF  
THE RIO LINDA-ELVERTA COMMUNITY WATER DISTRICT  
REGARDING THE CONDUCT OF  
MARY HARRIS**

**WHEREAS**, the Rio Linda-Elverta Community Water District ("District") is a county water district organized under the California Water Code; and

**WHEREAS**, Mary Harris is a member of the District Board of Directors ("Board"); and

**WHEREAS**, on April 16, 2007, the Board adopted Resolution No. 2007-02 adding Section 2.01.400 to the District Policy Manual setting forth a procedure to censure board members for misconduct or failure to meet the standards of conduct set forth in the Policy Manual; and

**WHEREAS**, at the Board meeting on May 27, 2008, at the request of President Blanchard, a majority of the Board directed that a hearing be scheduled to consider whether Mary Harris should be censured for misconduct; and

**WHEREAS**, the Board conducted a censure hearing at its June 9, 2008, meeting, and upon its conclusion directed that a resolution of censure declaring the Board's disapproval and disavowal of Mary Harris' conduct be prepared for the Board's consideration and adoption; and

**WHEREAS**, the Board has determined that this action is necessary and prudent to prevent future conduct of this nature.

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE DISTRICT DOES HEREBY RESOLVE AND ORDER AS FOLLOWS:**

The Board finds that Mary Harris has engaged in the following unauthorized and unacceptable conduct:

1. **Reporting to the County Sheriff of an Unsubstantiated Incident Involving the General Manager** Director Harris made a report to the County Sheriff alleging that General Manager Dillon committed attempted battery by throwing a water bottle at her on the evening of March 10, 2008. The incident allegedly took place after the board meeting at approximately 10:30 p.m. Both Mr. Dillon and Roger Putty, an individual who was also present, have contradicted Director Harris' representation of the incident. Director Harris has not presented any evidence to support the report. Accordingly, the Sheriff's office has not pursued the matter beyond an initial investigation. Director Harris' accusation of criminal activity by the General Manager, which is unsubstantiated

Attachment B (Continued)

Rio Linda / Elverta Community Water District  
Resolution 2008-06

June 23, 2008  
Page 2 of 2

by witnesses or other evidence, violates the following section of the District's Code of Ethics:

2.01.085(k) Directors should develop a working relationship with the General Manager wherein current issues, concerns and District project can be discussed comfortably and openly.

More generally, the report accusing the General Manager of criminal activity, unsupported by any evidence, is unethical and unprofessional.

2. **Refusal to Leave a Closed Session in Which She Had an Economic Interest, Despite Direction from Legal Counsel and the Board of Directors.** During a closed session meeting of the board of directors on May 12, 2008, Director Harris refused to leave the room during a discussion on potential litigation in which she had an economic interest, after both legal counsel and the board of directors directed her to recuse herself. This conduct violates Government Code Section 87100 of the Political Reform Act, which provides as follows:

Gov't. Code §87100 No public official at any level of state or local government shall make, participate in making or in any way attempt to use his official position to influence a governmental decision in which he knows or has reason to know he has a financial interest.

This conduct also violates the following sections of the District's Code of Ethics:

2.01.085(i) Differing viewpoints are healthy in the decision-making process. Individuals have the right to disagree with ideas and opinions, but without being disagreeable. Once the Board of Directors takes action Directors should commit to supporting such action and not to create barriers to the implementation of said action.

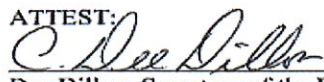
2.01.085(j) The work of the District is a team effort. All individuals should work together in the collaborative process, assisting each other in conducting the affairs of the District.

The Board hereby censures Mary Harris for the conduct described herein and expresses the strongest possible disapproval and disavowal thereof.

ADOPTED, SIGNED AND APPROVED this 23 day of June, 2008

AYES: Blanchard, Morris, Arbias  
NOES: Paine  
ABSTAIN: HARRIS  
ABSENT:

  
Bob Blanchard  
President of the Board of Directors

ATTEST:  
  
Dee Dillon, Secretary of the Board of Directors

---

Attachment B (Continued)

Attachment B (part 2)

Rio Linda/Elverta Community Water District  
Resolution 2008-02

March 10, 2008

**RESOLUTION NO. 2008-02**

**A RESOLUTION OF CENSURE  
ADOPTED BY THE BOARD OF DIRECTORS OF  
THE RIO LINDA-ELVERTA COMMUNITY WATER DISTRICT  
REGARDING THE CONDUCT OF MARY HARRIS**

**WHEREAS**, the Rio Linda-Elverta Community Water District ("District") is a county water district organized under the California Water Code; and

**WHEREAS**, Mary Harris is a member of the District Board of Directors ("Board"); and

**WHEREAS**, on April 16, 2007, the Board adopted Resolution No. 2007-02 adding Section 2.01.400 to the District Policy Manual setting forth a procedure to censure board members for misconduct or failure to meet the standards of conduct set forth in the Policy Manual; and

**WHEREAS**, at the Board meeting on November 19, 2007, at the request of Director Zack Arbios, a majority of the Board directed that a hearing be scheduled to consider whether Mary Harris should be censured for misconduct; and

**WHEREAS**, the Board conducted a censure hearing at its January 28, 2008, meeting, and upon its conclusion directed that a resolution of censure declaring the Board's disapproval and disavowal of Mary Harris' conduct be prepared for the Board's consideration and adoption; and

**WHEREAS**, the Board has determined that this action is necessary and prudent to prevent future conduct of this nature.

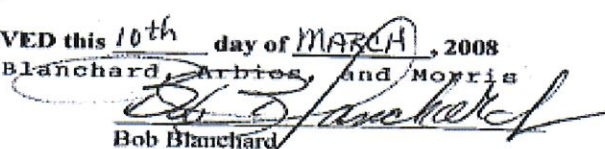
**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE DISTRICT DOES HEREBY RESOLVE AND ORDER AS FOLLOWS:**

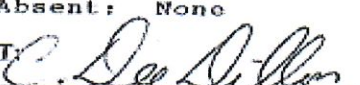
The Board finds that Mary Harris has engaged in the following unauthorized and unacceptable conduct:

1. At the February 26, 2007 Board meeting, Mary Harris participated in a decision in which she had a financial interest (voting to approve reimbursement of expenses incurred by her for attendance at an unauthorized meeting).
2. The Board declares that Mary Harris is not authorized to represent, take action, or speak for or on behalf of either the Board or the District under any circumstances unless formally authorized to do so by a majority of the Board.

**ADOPTED, SIGNED AND APPROVED** this 10<sup>th</sup> day of MARCH, 2008

**AYES**, in favor hereof: (3) Blanchard, Arbios, and Morris  
**NOES**: (1) Paine  
**Abstain**: (1) Harris  
**Absent**: None

  
Bob Blanchard  
President of the Board of Directors

**ATTEST:**   
Dee Dillon, Secretary of the Board of Directors



SUPERIOR COURT OF CALIFORNIA  
COUNTY OF SACRAMENTO  
Grand Jury

**Don Prange Sr.**  
**Foreman**

**Ronald Bargones**

**Russ Campbell**

**Bernard Donnelly**

**Robert Garbutt**

**Carol Goldberg**

**Cecil Gordy**

**Lois Graham**

**LuAnne Hansen**

**Barbara Henderson**

**Betty Knopf**

**Joe Koopman**

**Adrienne Leach**

**Arnold Maldonado**

**Jim Monteton**

**William Olmsted**

**Judith Parise**

**H. Joseph Perrin Sr.**

**Karen Richmond**

May 16, 2011

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

Dear Judge Cadei and the Citizens of Sacramento County:

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

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

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

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

Sincerely,

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

DP/bc

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

## **Legacy of Dysfunction**

### **Summary**

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

### **Foreword**

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

### **Issues and Reasons for Investigation**

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

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

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

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

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

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

### **Method of Investigation**

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

### **Background and Facts**

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

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

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

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

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

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

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

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

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

### **The Board of Directors**

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

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

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



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

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

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

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

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

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

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

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

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

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

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

## **Staff**

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

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

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

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

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

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

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

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

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

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

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

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

### **Financial Concerns**

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

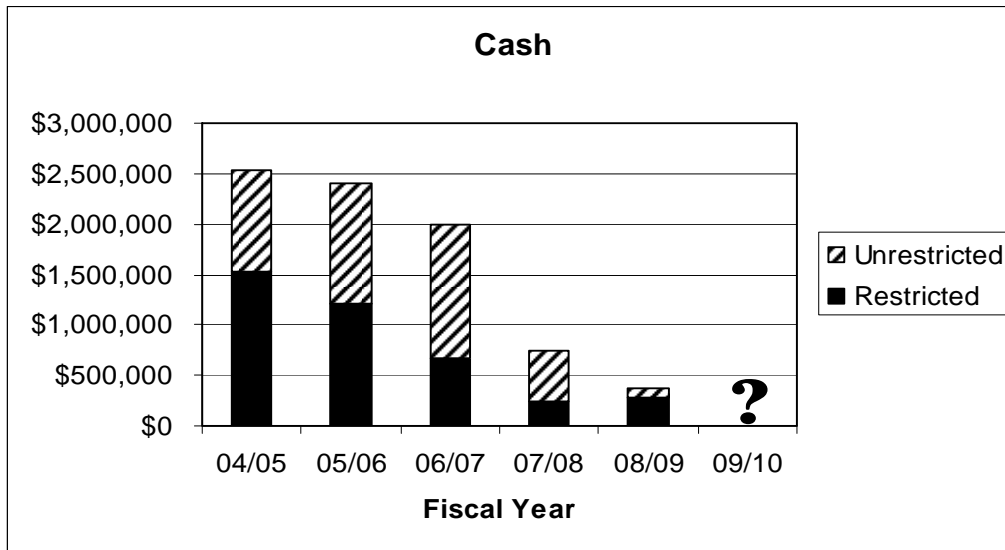
adequate and timely financial information, by insufficient accounting policies and procedures, and by budget reports, when prepared, that are not updated sufficiently. Taken together, these deficiencies open the door for abuse. The District's financial viability is uncertain.

### ***Reduced Cash***

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

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

The following chart illustrates the decrease in restricted and unrestricted cash. This information was obtained from the District's financial statements.<sup>v</sup>



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

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

***Comprehensive Financial Statements & Audits***

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

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

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

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

***Financial Management and Oversight***

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

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

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

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

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

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

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

### ***Financial System Weaknesses***

The District has significant weaknesses in its financial management including:

- poor financial records

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

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

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

### **California Department of Public Health**

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

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

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



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

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

### **Local Agency Formation Commission**

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

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

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

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

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

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

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

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

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

---

<sup>i</sup> Compliance Order 01-09-07-CO-004

<sup>ii</sup> Compliance Order 01-09-09-CO-004

<sup>iii</sup> Citation No. 01-09-10-CIT-003

<sup>iv</sup> Citation No. 01-09-11-CIT-001

<sup>v</sup>District's cash balance extracted from financial statements.

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

## **Findings and Recommendations**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Finding 6.0** The financial status of the District is unclear.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Response Requirements**

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

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

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

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

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

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

**In addition, email the response to Rebecca Castaneda, Grand Jury Coordinator, at [castanb@saccourt.com](mailto:castanb@saccourt.com)**



## State Water Resources Control Board

### **NOTICE OF PROPOSED RULEMAKING**

**TITLE 22. Social Security  
DIVISION 4. Environmental Health  
CHAPTER 15 – Domestic Water Quality and Monitoring Regulations**

**SUBJECT: HEXAVALENT CHROMIUM MAXIMUM CONTAMINANT LEVEL  
(SWRCB-DDW-21-003)**

**NOTICE IS HEREBY GIVEN** that the State Water Resources Control Board (State Water Board) will conduct a public hearing during which time any interested person or such person's duly authorized representative may present statements, arguments, or contentions (all of which are hereinafter referred to as comments) relevant to the action described in this notice.

**NOTICE OF PUBLIC HEARING FOR A PROPOSED HEXAVALENT CHROMIUM  
MAXIMUM CONTAMINANT LEVEL (MCL) REGULATIONS**

[Gov. Code, §11346.5(a)(1)]

State Water Board staff will conduct an Administrative Procedure Act (APA) public hearing regarding the subject proposed regulations at the time and place noted below. At the hearing, any person may present comments orally or in writing relevant to the proposed action described in this notice. The public hearing will begin with a staff presentation summarizing the proposed regulations, followed by an opportunity for public comment. During the comment period, the public will be allowed three minutes to provide oral comments, unless additional time is approved.

**DATE:** 2 August 2023  
**TIME:** 1:00 P.M.  
**PLACE:** **Coastal Hearing Room  
CalEPA Building  
1001 I Street, Sacramento  
And via Video and Teleconference (for public commenters)**

The hearing will be recorded and will be streamed live at [video.calepa.ca.gov](https://video.calepa.ca.gov). Use this link to watch the webcast UNLESS you intend to comment. For those who wish to make oral comments, additional information about participating remotely is available at [bit.ly/dw\\_regs](https://bit.ly/dw_regs).

While a quorum of the State Water Board may be present, this hearing is for the public to provide comments in accordance with the APA. The Board will not take formal action. Final regulations are expected to be adopted by the Board later this year, after consideration of all written and oral comments. Additional information regarding State Water Board meetings, hearings, and workshops is available on the Board's internet web page at [waterboards.ca.gov/board\\_info/calendar/](http://waterboards.ca.gov/board_info/calendar/).

#### Language Services and Accessibility

Presentation slides will be translated into Spanish, and live Spanish interpretation will be provided. To request oral interpretation in another language or sign language services, please contact us at (916) 322-4265 or [languageservices@waterboards.ca.gov](mailto:languageservices@waterboards.ca.gov) by **1 July 2023**. We highly encourage contacting us as far in advance as possible about language needs.

Telecommunications device for deaf (TDD) users may contact the California Relay Service at 711, (800) 735-2929 or voice line at (800) 735-2922.

To request other accommodations, call (916) 341-5261 on or before **19 July 2023**.

#### **AUTHORITY AND REFERENCE**

[Gov. Code, §11346.5(a)(2); CCR Title 1, Div 1, Ch. 1, §14]

The State Water Board proposes to adopt this regulation under the authority granted by Health and Safety Code (HSC) sections 116270, 116271, 116275, 116350, 116365, 116365.5, 116375, and 116385. The proposed regulation would implement, interpret, or make specific HSC sections 116275, 116365, 116365.5, 116370, 116375, 116385, 116390, 116450, and 116470.

#### **INFORMATIVE DIGEST**

[Gov. Code, §11346.5(a)(3)]

#### Existing Laws and Regulations and Effect of Proposed Action

[Gov. Code, §11346.5(a)(3)(A)]

#### Existing Laws and Regulations

Existing laws related to the proposed action include the following:

- HSC section 116270(f) declares California's intent to improve upon the minimum requirements of the federal Safe Drinking Water Act Amendments of 1996 and to establish a program that is more protective of public health than the minimum federal requirements.
- HSC section 116365 requires that the State Water Board establish primary maximum contaminant levels (MCL) as close to the contaminant's public health goal (PHG) as is technologically and economically feasible at the time of adoption, while placing primary emphasis on protection of public health.
  - PHGs are established by the California Environmental Protection Agency's Office of Environmental Health Hazard Assessment (OEHHA). In July 2011,



OEHHA established a hexavalent chromium PHG of 0.02 micrograms per liter ( $\mu\text{g/L}$ ).

- HSC section 116365.5 specifically requires establishment of a hexavalent chromium MCL that complies with the HSC section 116365 criteria by 1 January 2004.
- HSC section 116370 requires the State Water Board to adopt a finding of best available technologies (BAT) for each contaminant at the time the standard is adopted, taking into consideration the costs and benefits of BAT proven effective under full-scale field application.
- HSC section 116375, subdivision (a), requires the State Water Board to adopt regulations for the monitoring of contaminants, including the type of contaminant, frequency and method of sampling and testing, and the reporting of results.
- HSC section 116375, subdivision (f), requires the State Water Board to adopt regulations including requirements for notifying the public of the quality of water delivered to consumers.
- HSC section 116385 requires any person operating a public water system to obtain and provide at that person's expense an analysis of the water to the State Water Board, in the form, covering those matters, and at intervals prescribed by the State Water Board. HSC section 116385 further requires that the analysis be performed by a laboratory duly certified by the State Water Board.
- HSC section 116390 requires that laboratories performing tests required pursuant to the California Safe Drinking Water Act be accredited for that testing by the California Environmental Laboratory Accreditation Program (ELAP).
- HSC section 116470 requires each PWS to prepare and deliver annual Consumer Confidence Reports to their customers containing information on each detected regulated contaminant, including the level of contaminant found in the drinking water, the corresponding public health goal and primary drinking water standard, any violations of the primary drinking water standard, and a statement of health concerns that resulted in regulation of that contaminant.
- HSC section 116555 requires that any person who owns a PWS shall ensure that the system complies with primary drinking water standards.

Existing regulations related to the proposed regulation include the following:

- 22 California Code of Regulation (CCR), section 64415, with limited exceptions, requires that analyses be performed by laboratories accredited to perform such analyses by ELAP, and unless directed otherwise by the State Water Board, that

analyses be made in accordance with methods prescribed at 40 Code of Federal Regulations sections 141.23 through 141.41, 141.66, 141.89, and 141.852.

- 22 CCR section 64432 requires certain surface water sources for transient-noncommunity water systems (TNCWS) and all active sources for community water systems (CWS) and nontransient-noncommunity water systems (NTNCWS) to be sampled and to have the samples analyzed for inorganic chemicals to determine compliance with drinking water standards, including MCLs.
- 22 CCR section 64432.8 requires each water supplier utilizing treatment to comply with one or more inorganic chemical MCL(s) to collect monthly samples of the treated water at a site prior to the distribution system and analyze for the chemical(s) for which treatment is being provided and, if an MCL is exceeded, to report the result within 48 hours of result receipt, resample to confirm the initial result within 48 hours of results receipt, and report the result of the confirmation sample result to the State Water Board within 24 hours of confirmation result receipt.
- 22 CCR section 64469 requires PWS to report the results of required analyses by the tenth day of the following month.
- 22 CCR section 64431 requires PWS to comply with a primary total chromium MCL of 50 µg/L.
- 40 CFR 141.62(b) requires CWS and NTNCWS to comply with a primary total chromium MCL of 100 µg/L.
- 22 CCR section 64432 establishes detection limits for purposes of reporting (DLRs) for each regulated chemical and requires PWS to monitor for those chemicals.
- 22 CCR section 64465 requires PWS to notify the State Water Board and the public when drinking water supplied to the public is noncompliant with a primary MCL and take appropriate action.
- 22 CCR section 64481 requires PWS to prepare annual Consumer Confidence Reports, which include language to inform the public for each chemical that has been detected in the water.

#### Effect of Proposed Rulemaking

The net effects of the proposed regulations would be as follows:

- PWS would be required to comply with a hexavalent chromium MCL of 10 µg/L according to a size-based compliance schedule;
- PWS exceeding the MCL before the applicable compliance date would be required to submit a compliance plan;

- CWS, NTNCWS, and wholesalers would be required to monitor for hexavalent chromium, and report sampling results consistent with existing requirements for monitoring and reporting of inorganic chemicals;
- TNCWS that use surface water and serve an average daily population greater than 1,000 or are determined subject to potential hexavalent chromium contamination based on a sanitary survey would be required to monitor for hexavalent chromium and report sampling results;
- PWS would be required to comply with a hexavalent chromium DLR of 0.1 µg/L;
- PWS would be required to use one of two specified hexavalent chromium analytical methods for required monitoring;
- PWS that violate the hexavalent chromium MCL would be required to use specific public notification health effects language;
- CWS and NTNCWS that detect hexavalent chromium would be required to use specific language in their Consumer Confidence Reports that identifies the major origins of hexavalent chromium in drinking water; and
- BAT would be identified for hexavalent chromium removal.

Comparable Federal Statute and Regulations

[Gov. Code, §11346.5(a)(3)(B), §11346.9(c)]

There are no federal regulations or statutes that address the specific subject addressed by the proposed regulations. Under the federal Safe Drinking Water Act and its implementing regulations, there is no drinking water standard specifically for hexavalent chromium. Hexavalent chromium is, however, currently indirectly regulated under California's 50 µg/L and U.S. EPA's 100 µg/L MCL for total chromium, of which hexavalent chromium is a component (40 CFR 141.62). Adoption of this regulation is not mandated by federal law or regulations.

Policy Statement Overview

[Gov. Code, §11346.5(a)(3)(C)]

Problem Statement

The State Water Board establishes drinking water standards to ensure that drinking water provided by PWS is at all times safe, pure, wholesome, and potable. All suppliers of domestic water to the public are subject to regulations adopted by the U.S. EPA under the Safe Drinking Water Act of 1974, as amended (42 U.S. C. §300f et seq.). California PWS are also subject to regulations adopted by the State Water Board under the California Safe Drinking Water Act (Health & Saf. Code, div. 104, pt. 12, ch. 4, §116270 et seq.). HSC section 116270(f) declares California's intent to improve upon the minimum requirements of the federal Safe Drinking Water Act Amendments of 1996 and to establish a program that is more protective of public health than the minimum federal requirements.

HSC 116365 requires the State Water Board to adopt primary drinking water standards for contaminants, specifying that each standard must be set at a level as close as technologically and economically feasible to the corresponding PHG, placing primary emphasis on the protection of public health. HSC 116365.5 specifically requires the establishment of a hexavalent chromium MCL. In 2011, OEHHA published the hexavalent chromium PHG at 0.02 micrograms per liter ( $\mu\text{g/L}$ ) (OEHHA, 2011). In May 2017, the Superior Court of Sacramento County issued a judgment invalidating a previously-established hexavalent chromium MCL and ordered the State Water Board to adopt a new MCL consistent with HSC 116365 (*California Manufacturers and Technology Association, et al. v. State Water Resources Control Board*, Super. Ct., Sacramento County, Case No. 34-2015-80001850.).

The State Water Board proposes to establish a primary drinking water standard for hexavalent chromium in the form of a MCL of 10  $\mu\text{g/L}$  or 0.010 milligrams per liter (mg/L), an associated initial DLR of 0.1  $\mu\text{g/L}$ . The State Water Board has determined that the proposed regulations are necessary to carry out the purposes of California's Safe Drinking Water Act. The proposed rulemaking is intended to satisfy the statutory mandates set forth in HSC sections 116365 and 116365.5, as well as the court order.

#### Broad Objectives

The broad objectives of this proposed regulatory action are to:

- Adopt a hexavalent chromium MCL to protect public health consistent with statutory requirements; and
- Adopt a DLR, BAT, public notification language, compliance schedule, analytical methods, and Consumer Confidence Report language to support the hexavalent chromium MCL.

#### Specific Benefits

The anticipated benefits to public health and safety of California residents from the proposed regulatory action are:

- Reduction of risk of adverse health effects associated with hexavalent chromium in drinking water by establishing a hexavalent chromium MCL, which translates to a reduction in associated cancer and noncancer cases;
- Provide PWS and State Water Board staff with hexavalent chromium treatment guidance through the identification of BATs;
- Provide consistency in analytical performance by establishing minimum levels of hexavalent chromium that must be reported; and
- Establish consistent quality of information between PWS and customers through specification of health effects language for public notification and major origins and compliance status language for Consumer Confidence Reports.

Additional anticipated benefits include:

- Enhanced public awareness of water quality served by requiring hexavalent chromium monitoring and public notification when a hexavalent chromium MCL violation occurs;
- Enhanced public awareness of water quality by requiring hexavalent chromium monitoring and reporting of detected hexavalent chromium levels in drinking water in annual Consumer Confidence Reports;
- Ability to evaluate performance of hexavalent chromium removal treatment technologies to concentrations at least as low as 0.1 µg/L to support feasibility analyses for future hexavalent chromium MCL review(s) and potential revision;
- Ability to determine hexavalent chromium occurrence in drinking water sources to concentrations at least as low as 0.1 µg/L to support evaluation of source occurrence, health effects, and cost impact analyses for future hexavalent chromium MCL review(s) and potential revision; and
- Ability for small PWS to benefit from improvements in treatment realized by larger PWS through the compliance schedule.

*Evaluation of Inconsistency or Incompatibility with Existing State Regulations*

[Gov. Code, §11346.5(a)(3)(D)]

The State Water Board reviewed its existing general regulations and regulations specific to hexavalent chromium for drinking water to evaluate whether the proposed regulations are inconsistent or incompatible with existing state regulations. The State Water Board determined that no other state regulation addressed the same subject matter and that this proposal, if adopted, would not be inconsistent or incompatible with existing state regulations.

**OTHER STATUTORY REQUIREMENTS**

[Gov. Code, §11346.5(a)(4)]

*California Environmental Quality Act*

[Public Resources Code, Div. 13]

The California Environmental Quality Act (CEQA) requires public agencies to consider and mitigate potentially significant environmental impacts from discretionary project approvals. Section 21159 of the Public Resources Code requires certain agencies, including the State Water Board, to perform at the time of adoption of a rule or regulation requiring a performance standard or treatment requirement, an environmental analysis of the reasonably foreseeable methods of compliance with the rule or regulation. To comply with CEQA, the State Water Board prepared a draft programmatic environmental impact report (EIR) analyzing the environmental impacts of the proposed regulation of hexavalent chromium in drinking water. More information about the draft EIR, including the Notice of Availability specifying the public review and comment period, is available on the State Water Board's website.

### External Scientific Peer Review

[Health and Safety Code, §57004(b)]

HSC section 57004(b) requires that the scientific portions of any regulation proposed by the California Environmental Protection Agency (Cal/EPA), or any board, department, or office within Cal/EPA, be submitted to an external scientific peer review entity for evaluation. “Scientific basis” or “scientific portion” is defined as “*those foundations of a rule that are premised upon, or derived from empirical data or other scientific findings, conclusions, or assumptions establishing a regulatory level, standard, or other requirement for the protection of public health or the environment.*”

The State Water Board identified its preliminary determinations of BAT and limits of technological feasibility of treatment of hexavalent chromium in drinking water as having underlying scientific bases and requested external scientific peer review of those determinations. The peer reviewer comments and the State Water Board’s response to those comments can be found on the State Water Board’s website at:

[https://www.waterboards.ca.gov/drinking\\_water/certlic/drinkingwater/SWRCBDDW-21-003\\_hexavalent\\_chromium.html](https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/SWRCBDDW-21-003_hexavalent_chromium.html).

### Cal/EPA Major Regulations

[Health and Safety Code, §57005]

HSC section 57005 requires each Cal/EPA board, department, and office, before adopting any major regulation, to evaluate alternatives to the proposed regulation that would lessen adverse economic impact on California businesses and to consider whether there is a less costly alternative or combination of alternatives which would be equally as effective in achieving increments of environmental protection in a manner that ensures full compliance with statutory mandates within the same amount of time as the proposed regulations. For the purposes of HSC 57005, a “major regulation” means any regulation that would have an economic impact on California business enterprises in an amount exceeding ten million dollars. To satisfy this requirement, 20 alternative MCLs were evaluated; none was found to be equally as effective in achieving increments of environmental protection in a manner that ensures full compliance with the statutory mandates. The alternatives analysis can be found in the Initial Statement of Reasons, Attachment 2.

### Health and Safety Code Requirements for Primary Drinking Water Standards

[Health and Safety Code, §116365, §116365.5, §116370]

HSC section 116365 requires that primary drinking water standards be set at a level that is as close as feasible to the corresponding public health goal, placing primary emphasis on the protection of public health. The standard must also be technologically and economically feasible. HSC section 116365.5 mandates that a primary drinking water standard be established for hexavalent chromium. HSC section 116370 requires that, when a primary drinking water standard is being adopted, a finding of BAT be adopted at the same time.

Safe, Clean, Affordable Water

[California Water Code, §106.3]

California Water Code section 106.3 states that it is the policy of the state that every human has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes, and requires the State Water Board to consider this policy when revising, adopting, or establishing regulations. In preparing the proposed regulations, the State Water Board determined the proposed regulations are consistent with this statewide policy.

Pre-Notice Meeting with Affected Parties

[Gov. Code, §11346.45]

Government Code section 11346.45(a) requires that prior to publication of the notice of proposed action, the agency proposing the regulation must involve parties who would be subject to the proposed regulations in public discussions, when the proposed regulations involve complex proposals or a large number of proposals that cannot be easily reviewed during the comment period. The regulations proposed here are neither complex nor involve large numbers of proposals that could not be easily reviewed during the comment period. Nonetheless, the State Water Board did provide PWS and water consumers opportunities to be involved in public discussions about the proposed regulations. Specifically, there have been five pre-regulation workshops held for the hexavalent chromium MCL, including a 27 April 2020 economic feasibility workshop, 8 and 9 December 2020 preliminary cost estimates workshops, and 5 and 7 April 2022 administrative draft workshops, as well as a 29 November 2021 CEQA scoping meeting. Comments, suggestions, and alternatives were solicited at each workshop and meeting, and during associated written comment periods. In addition, staff of the State Water Board's Division of Drinking Water frequently provide regulatory updates to PWS and industry groups, including the status of the proposed hexavalent chromium MCL regulation development.

**MANDATE ON LOCAL AGENCIES OR SCHOOL DISTRICTS**

[Gov. Code, §11346.5(a)(5)]

None.

The proposed regulations would not impose a mandate on local agencies or school districts that requires state reimbursement. The proposed regulations will not be a requirement unique to local government and will apply equally to public and private water systems.

## **FISCAL IMPACT (COSTS AND SAVINGS)**

**(see Initial Statement of Reasons, Attachment 2, for methodology and calculations)**

[Gov. Code, §11346.5(a)(6)]

### *Estimated Cost and Savings to State Agencies*

The initial impact of the proposed regulation on the State Water Board would be an impact on staffing resources of \$739,577, which could potentially be accommodated through redistribution of existing staff at the district office level. However, additional personnel may be needed for effective implementation and enforcement of the adopted MCL, including for tasks such as evaluating submitted compliance plans.

Compliance costs for the one state-owned PWS expected to exceed the proposed MCL have been estimated at \$95,419 per year (capital costs have been annualized). In addition, this system will also incur a one-time cost of \$7,619 to prepare compliance and operations plans.

The proposed regulation is expected to have an impact on the state's sales tax revenue, which are estimated to be \$24.1 million in 2025, \$13.2 million in 2026, \$4.5 million in 2027, and \$1.4 million in each subsequent year.

The State Water Board estimates that there will be no change to Safe Drinking Water Account fees and caps. The fees, caps, and annual adjustments are specified in statute under HSC sections 116565, 116577, 116585, and 116590.

### *Reimbursable Costs to Local Agencies or School Districts*

(in accordance with Gov. Code sections 17500 through 17630)

[Gov. Code, 11346.5(a)(5)]

None.

Any costs incurred by local agencies or school districts as a result of this regulation are not reimbursable by the State pursuant to Article XIII B, section 6 of the California Constitution. Local agencies and school districts currently incur costs in their operation of PWS. The costs imposed by the proposed regulations are not the result of a "new program or higher level of service" within the meaning of Article XIII B, section 6 of the California Constitution because the proposed regulations apply generally to all individuals and entities that operate PWS in California and do not impose unique requirements on local governments (*County of Los Angeles v. State of California et al*, 43 Cal App 3d 46 (1987)). In addition, PWS can pass on the cost of regulation implementation through increasing service charges, fees, and assessments. Therefore, no state reimbursement of these costs is required. Local regulatory agencies also may currently incur additional costs for their responsibility to enforce state regulations related to small PWS (fewer than 200 service connections) that they regulate. However, local agencies are authorized to assess fees to pay reasonable expenses incurred in enforcing statutes and regulations related to small PWS (HSC §101325). Therefore, no reimbursement of any incidental costs to local agencies in enforcing this regulation would be required (Gov. Code, §17556(d)).



Other Non-discretionary Cost or Savings Imposed on Local Agencies

None.

Estimated Cost or Savings in Federal Funding of State Programs

None.

**SIGNIFICANT STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESS, INCLUDING ABILITY TO COMPETE**

[Gov. Code, §11346.5(a)(7)]

The State Water Board has determined that there may be a significant, statewide adverse economic impact directly affecting businesses.

Types of Businesses Affected

[Gov. Code, §11346.5(a)(7)(A)]

These businesses may be privately owned PWS or other businesses served by affected PWS, but no data is available about the number or types of businesses served by PWS or how they are charged for water.

However, water service is provided locally and consumers generally don't have a choice of their water service supplier. PWS are generally not in competition with other systems; they are utilities that can pass costs onto their consumers. Most NTNCWS and TNCWS are wineries, packing plants, farms, restaurants, etc., with a primary business other than supplying potable water. These businesses and others facing higher water charges from their PWS may be able to pass any increased costs on to their customers, depending on their market environment.

Non-California water providers are unlikely to increase sales in California because water originating from outside of California is also subject to the requirements in the proposed regulation. For example, water imported from the Colorado River may need to be treated to comply with all MCLs before it can be served as drinking water. However, bottled water is not regulated as drinking water and only needs to comply with federal MCLs, including the 100 µg/L MCL for total chromium.

Projected Reporting, Recordkeeping, and Other Compliance Requirements

[Gov. Code, §11346.5(a)(7)(B)]

The projected reporting, recordkeeping, and other compliance requirements resulting from the proposed regulation consist of the following:

Monitoring and Reporting

- Consistent with existing regulations, PWS would be required to use specific health effects language when providing public notification of MCL violation(s);
- Monitoring by CWS, NTNC, and wholesalers of their drinking water sources for hexavalent chromium;

- Consistent with existing regulations, CWS and NTNCWS would be required to use specific language in the Consumer Confidence Report to describe the major origins of hexavalent chromium when hexavalent chromium is detected in drinking water; and
- Submitting a compliance plan if a system exceeds the MCL before the applicable compliance date.

#### Recordkeeping

- Consistent with existing regulations, PWS would be required to retain records of hexavalent chromium chemical analyses for at least the most recent ten years.
- Consistent with existing regulations, PWS would be required to retain copies of any public notices required in response to hexavalent chromium MCL exceedance for at least the most recent five years.

#### Other Compliance Requirements

- PWS would need to comply with the hexavalent chromium MCL of 10 µg/L for drinking water. Actions to comply with the MCL may include blending, the installation of treatment, drilling a new well, consolidation with another PWS, or not using a specific well at all.
- PWS would need to operate or contract with an ELAP accredited laboratory for analysis of hexavalent chromium capable of reliably quantifying to the proposed DLR using one of the methods specified.

#### Invitation to Submit Alternative Proposals

[Gov. Code, §11346.5(a)(7)(C)]

The State Water Board has made an initial determination that the adoption of this regulation may have a significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states. The State Water Board has considered proposed alternatives that would lessen any adverse economic impact on business and invites you to submit proposals. Submissions may include the following considerations:

- (i) The establishment of differing compliance or reporting requirements or timetables that take into account the resources available to businesses.
- (ii) Consolidation or simplification of compliance and reporting requirements for businesses.
- (iii) The use of performance standards rather than prescriptive standards.
- (iv) Exemption or partial exemption from the regulatory requirements for businesses.

### **DETERMINATION OF EFFECT ON SMALL BUSINESSES**

[1 CCR 4]

The proposed regulation directly impacts PWS. CWS and wholesalers are water companies (utilities) providing drinking water to the public and, pursuant to Government

Code section 11342.610, are exempt from the definition of a small business in the APA. However, some NTNCWS and TNCWS (such as wineries, restaurants, and agricultural/industrial businesses) may also be considered small businesses if they are independently owned and operated, not dominant in their field of operation, and are not in an exempted category (Gov. Code section 11342.610). While some NTNCWS and TNCWS may be small businesses, the State Water Board does not currently have the data to evaluate which systems meet the criteria. Therefore, the impacts for a typical small business were estimated as the average impacts on privately owned NTNCWS and TNCWS systems.

The State Water Board also recognizes that some small businesses will be served by PWS affected by this regulation and may experience increased water costs as a result. These increased costs are indirect impacts, and are expected to be similar to those experienced by households. Depending on their market environment, these businesses may be able to pass on the increased costs to their customers.

## **RESULTS OF ECONOMIC IMPACT ASSESSMENT: MAJOR REGULATION -- STATEMENT OF RESULTS OF THE STANDARDIZED REGULATORY IMPACT ANALYSIS (SRIA)**

[Gov. Code, §11346.5(a)(10); §11346.3(b)(1); §11346.3(c)]

The standardized regulatory impact analysis (SRIA) is also referred to as a standardized regulatory impact assessment in Department of Finance regulations at 1 CCR sections 2000 through 2004.

### *SRIA Results*

[Gov. Code, §11346.3(c)(1)]

The State Water Board determined that the economic impact of the proposed regulations would likely exceed \$50 million in a 12-month period and is therefore a major regulation as defined by California Code of Regulations, Title 1, Division 3, Chapter 1, §2000(g). The State Water Board prepared a SRIA as required by Government Code 11346.3(c).

The proposed hexavalent chromium MCL of 10 µg/L would have the following impacts on California based on the macroeconomic analysis in the SRIA: an increase in gross output of \$81 million, an increase in aggregate earnings of \$2 million, and \$53 million in value added, but a decrease of approximately 401 jobs (all compared to the baseline of not implementing a hexavalent chromium MCL). Potential MCLs at 1, 8, and 12 µg/L were evaluated as alternatives to the current proposal. While some alternatives were slightly more cost-effective than the proposed MCL of 10 µg/L, they did not provide as many health benefits. Because HSC 116365 requires that the MCL be set as close to the PHG as is technologically and economically feasible, placing primary emphasis on the protection of public health, alternatives with similar cost-effectiveness but fewer health benefits must be rejected. An additional cost-effectiveness analysis that compared the proposed MCL to 20 alternatives also showed that 10 µg/L is the lowest the MCL can be set while avoiding large decreases in cost-effectiveness.

While many benefits of this regulation are difficult to quantify, improved public health is the primary benefit, which may be experienced as a reduction in the number of cancer cases (up to 12.8 per year) and noncancer cases (not quantifiable). Although the number of noncancer cases (liver toxicity, which can occur at hexavalent chromium concentrations above 2 µg/L) cannot be quantified, the 5.5 million people who will see hexavalent chromium concentrations reduced by an average of 32.4% are likely to see related health benefits. Additional benefits are the increased public confidence in the safety of the state's drinking water (which may also have monetary benefits for families that choose to no longer purchase bottled water or home treatment systems) and public assurance that exposure to hexavalent chromium in drinking water is at the lowest level technologically and economically feasible.

The conclusions of the SRIA were:

- (A) Creation or Elimination of Jobs [Gov. Code §11346.3(c)(1)(A)]  
Decrease of 401 jobs per year.
- (B) Creation or Elimination of Business [Gov. Code §11346.3(c)(1)(B)]  
Insignificant, estimated as 0.
- (C) Competitive Advantages or Disadvantages [Gov. Code §11346.3(c)(1)(C)]  
None.
- (D) Increase or Decrease of Investment [Gov. Code §11346.3(c)(1)(D)]  
Increased investment of \$94 million per year.
- (E) Incentives for Innovation [Gov. Code §11346.3(c)(1)(E)]  
The proposed MCL will lead to systems installing treatment technologies capable of removing hexavalent chromium from their water. Systems' search for effective technologies will drive innovation.
- (F) Benefits of the Proposed Regulations [Gov. Code §11346.3(c)(1)(F)]  
Primary benefits are improved public health.

Department of Finance SRIA Comments and State Water Board Responses  
[Gov. Code, 11346.3(f)]

The SRIA was submitted to the Department of Finance (DOF) on 13 December 2022. DOF provided comments to the State Water Board on 12 January 2023. DOF generally concurred with the State Water Board's methodology in the SRIA, except for four comments. The four comments, and the State Water Board's response to those comments, are as follows:

Comment 1: First, the SRIA must disclose estimates of all fiscal impacts to state and local governments, including any potential revenue impacts such as any increased sales tax from the purchase and installation of testing and treatment equipment and materials they purchase in California – for example, the capital costs of \$95 million in 2028 could increase sales tax revenue by around \$7.8 million (assuming an average tax rate of 8.2 percent).

*Response: Calculations for local and state sales tax revenue have been added to the updated SRIA (ISOR Attachment 2) in sections D.1.b and D.2.c, respectively. These items have also been added to the Form STD-399 Fiscal Impact Statement section.*

**Comment 2:** Second, the SRIA must discuss the disparate impacts of the regulations on identifiable groups of individuals and businesses. While the SRIA separates into quartiles the numbers of individuals whose monthly water bills would increase by different amounts, the SRIA does not provide information on the population in each quartile, nor does it discuss the potential of the projected increases to be particularly burdensome for individuals for whom water expenses are a higher proportion of total household expenses.

*Response: To the extent that data allowed, section C.5 of the SRIA was updated to include information on identifiable groups of individuals in each of the quartiles, including the estimated populations of each quartile affected. However, the State Water Board does not collect or have information about the businesses served by water systems or how those businesses are charged for water, so only general statements could be made regarding businesses. The updated SRIA now explicitly acknowledges that any increase in household costs will necessarily be more burdensome for individuals for whom such expenses are already a higher proportion of total household expenses. Section 11 of the ISOR also contains information about the costs to individuals served by water systems of different sizes and funding options that are available to alleviate burdensome costs.*

**Comment 3:** Third, the SRIA must provide the rationale underlying any assumptions that are material to the analysis. The SRIA is missing rationale for some assumptions including but not limited to the following:

**Comment 3a:** Future costs are discounted at a 7 percent rate rather than a lower rate such as 3 percent. Since higher discount rates lead to lower cost estimates, the SRIA must disclose why 7 percent is the most appropriate discount rate for this regulation or provide a sensitivity analysis showing how different discount rates affect the impact estimates.

*Response: Section I.3.c.2 of the SRIA was updated to include rationale and sources for the rate of 7%. However, this was an interest rate, not a discount rate (the text has also clarified this point). Lower interest rates lead to lower cost estimates, making 7% more conservative than 3%.*

**Comment 3b:** The SRIA implicitly assumes that water systems that did not previously test for hexavalent chromium will not incur any compliance costs. The SRIA notes that the number of affected systems could increase as testing is adopted yet bases future cost estimates on only the number of systems currently known to be out of compliance. The SRIA must either explain why it assumes that the untested systems will not incur costs to comply with the regulation or provide a sensitivity analysis showing how

different assumptions about hexavalent chromium concentrations among untested water systems will affect the regulation's impact estimates.

*Response: Section A.2 of the SRIA has been updated to explain that the majority of sources that have not tested are TNCWS sources and will not be required to test, and therefore, will not incur costs to comply with this regulation. Of all sources that would be required to test for hexavalent chromium by this regulation, only 4.6% of groundwater sources and 6.3% of surface water sources have not already tested. The extensive variability between sources, including but not limited to such factors as local geology, historic regional use of products or processes that contribute to the formation or deposition of hexavalent chromium, and the necessity of a source to a PWS, creates significant challenges to accurately extrapolate the extent of further contamination, any additional need for treatment, and the costs of such treatment. In addition, the cost estimates developed for this regulation rely on the contamination level of each source, which is not available for any untested sources. For these reasons, the State water Board did not attempt to predict how many additional sources may require treatment for hexavalent chromium and is instead relying on the known hexavalent chromium concentrations in drinking water sources to calculate costs.*

## **COST IMPACTS ON A REPRESENTATIVE PRIVATE PERSON OR BUSINESS**

[Gov. Code, §11346.5(a)(9)]

The proposed regulation does not impose any direct costs on individuals served by the affected PWS or on any other individual in California (this regulation only applies to PWS, not private wells). However, the affected PWS are likely to pass on some or all of their increased costs to the households or businesses that they serve, likely in the form of higher monthly water bills. Thus, based on current monitoring data, it is expected that 5.3 million individuals – approximately 14% of California's population – would experience water cost increases. For the majority of people (84%), the increases will likely be less than \$20 per month. Increases will likely be higher for those served by small PWS. As is the case with most increases in household costs, increases will be more burdensome for individuals for whom such expenses are already a higher proportion of total household expenses.

Detailed breakdowns of cost impacts to individuals are provided in section 11 of the ISOR and in section C.5 of the SRIA (ISOR Attachment 2).

## **BUSINESS REPORTS**

[Gov. Code, §11346.5(a)(11); §11346.3(d)]

Government Code subsection 11346.36(d) requires that any administrative regulation adopted on or after January 1, 1993, that requires a report shall not apply to businesses, unless the state agency adopting the regulation makes a finding that it is necessary for health, safety, or welfare of the people of the state that the regulation apply to businesses. To the extent that this regulation requires reporting of businesses, that reporting is necessary for the health, safety, or welfare of the people of the state.

The only businesses that would be subject to the proposed regulations are those which are also PWS as defined in HSC section 116275.

### **HOUSING COSTS**

[Gov. Code, §11346.5(a)(12)]

The State Water Board has determined that the regulations will have no impact on housing costs.

### **CONSIDERATION OF ALTERNATIVES**

[Gov Code, §11346.5(a)(13)]

Based upon the analysis of the proposed regulations in the SRIA as well as the benefits identified, the State Water Resources Control Board must determine that no reasonable alternative it considered or that has otherwise been identified and brought to its attention would be:

- more effective in carrying out the purpose for which the action is proposed,
- would be as effective and less burdensome to affected private persons than the proposed action, or
- would be more cost-effective to affected private persons and equally effective in implementing the statutory policies or other provisions of law.

As described in detail in the SRIA, the State Water Board estimated costs and benefits associated with 20 alternative potential MCLs: from 1 to 15, 20, 25, 30, 35, 40, and 45 µg/L. The State Water Board invites interested persons to present statements or arguments with respect to alternatives to the proposed regulation at the scheduled hearing or during the written comment period.

### **FORMS OR DOCUMENTS INCORPORATED BY REFERENCE**

[CCR Title 1, Div. 1, Ch. 1, §20(c)(3)]

The following documents are incorporated by reference in the proposed regulations as it would be too cumbersome, unduly expensive, or impractical to publish these documents into regulation because of their length. Specifically,

- 1) U.S. EPA. (1994). Method 218.6: Determination of Dissolved Hexavalent Chromium in Drinking Water, Groundwater, and Industrial Wastewater Effluents by Ion Chromatography, Rev. 3.3 is approximately 16 pages in length; and
- 2) U.S. EPA (2011). Method 218.7: Determination of Hexavalent Chromium in Drinking Water by Ion chromatography with Post-Column Derivatization and UV-Visible Spectroscopic Detection is approximately 31 pages in length.

## STATE WATER BOARD CONTACT PERSONS

[Gov. Code, §11346.5(a)(14)]

Requests for copies of the proposed regulatory text, the Initial Statement of Reasons, subsequent modifications of the proposed regulatory text, if any, or other inquiries concerning the proposed action may be directed to:

Melissa Hall, P.E.  
Senior Water Resource Control Engineer  
State Water Resources Control Board, Division of Drinking Water  
(916) 323-0373  
Email address: [melissa.hall@waterboards.ca.gov](mailto:melissa.hall@waterboards.ca.gov)

In the event Miss Hall is not available to respond, please contact:

Bethany Robinson, PhD  
Water Resource Control Engineer  
State Water Resources Control Board, Division of Drinking Water  
(510) 620-6285  
Email address: [bethany.robinson@waterboards.ca.gov](mailto:bethany.robinson@waterboards.ca.gov)

**Please identify the action by using the State Water Board regulation package identifier, “SWRCB-DDW-21-003: Hexavalent Chromium MCL” in any inquiries.**

## WRITTEN COMMENT PERIOD AND SUBMITTAL OF COMMENTS

[Gov. Code, § 11346.5(a)(15)]

Any interested person, or their representative, may submit written comments relevant to the proposed regulatory action to the Clerk to the State Water Board. Any written comments pertaining to these proposed regulations, regardless of the method of transmittal, must be received by the Clerk by 12:00 p.m. (noon) on **4 August 2023**, which is hereby designated as the close of the written comment period. Comments received after this time will not be considered timely. Written comments may be submitted via any of following methods:

1. By electronic mail to: [commentletters@waterboards.ca.gov](mailto:commentletters@waterboards.ca.gov);
2. By facsimile (“fax”) transmission to: (916) 341-5620;
3. By mail to:  
Courtney Tyler, Clerk to the Board  
State Water Resources Control Board  
P.O. Box 100  
Sacramento, CA 95812-2000; or
4. By hand-delivery to:  
Courtney Tyler, Clerk to the Board  
State Water Resources Control Board  
1001 I Street, 24<sup>th</sup> Floor  
Sacramento, CA 95814.



To facilitate timely identification and review, please identify the action by using the State Water Board regulation package identifier, "**SWRCB-DDW-21-003: Hexavalent Chromium MCL**" in any written comments.

The State Water Board requests but does not require that written comments sent by mail or hand-delivered be submitted in triplicate.

The State Water Board requests but does not require that, if reports or articles in excess of 25 pages are submitted in conjunction with the comments, the commenter provide a summary of the report or article and describe the reason for which the report or article is being submitted or its relevance to the proposed regulation.

All comments, including e-mail or fax transmissions, should include the author's name and U.S. Postal Service mailing address in order for the State Water Board to provide copies of any notices for proposed changes to the regulation text or rulemaking file on which additional comments may be solicited. Please note that under the California Public Records Act (Gov. Code, §7920.000 *et seq.*), written and oral comments, attachments, and associated contact information (*e.g.*, your address, phone, email, *etc.*) become part of the public record and can be released to the public upon request.

Due to the limitations of the e-mail system, emails larger than 15 megabytes (MB) may be rejected and will not be delivered and received by the State Water Board. Therefore, emails larger than 15 MB should be submitted under separate emails or via another form of delivery.

#### **AVAILABILITY OF INITIAL STATEMENT OF REASONS, TEXT OF PROPOSED REGULATIONS, AND THE RULEMAKING FILE**

[Gov. Code, §11346.5(a)(16)]

The State Water Board has prepared and has available for public review an initial statement of reasons for the proposed regulations, all the information upon which the proposed regulations are based, the text of the proposed regulations, EIR, and all other required forms, statements, and reports. The Regulatory Development Unit, Division of Drinking Water, State Water Resources Control Board, 1001 I Street, 17<sup>th</sup> Floor, Sacramento, CA 95814, will be the location for inspection and copying of public records, including reports, documentation, and other material related to the proposed regulations (rulemaking file) throughout the rulemaking process.

Upon specific request, these documents will be made available in Braille, large print, or CD (compact disk). In order to request that a copy of this public notice, the regulation text, and the initial statement of reasons be mailed or emailed to you in an alternative format, please call (916) 341-5611 (or the California Relay Service at 711) or send an email to [board.clerk@waterboards.ca.gov](mailto:board.clerk@waterboards.ca.gov).

**AVAILABILITY OF CHANGED OR MODIFIED TEXT**

[Gov. Code, §11346.5(a)(18)]

After holding the hearing and considering relevant comments received in a timely manner, the State Water Board may adopt the proposed regulations as described in this notice. If the State Water Board makes modifications that are substantially related to the originally proposed text, the State Board will make the modified text – with changes clearly indicated – available to the public for at least 15 days before the State Water Board adopts the modified regulations. Any such modifications will also be posted on the State Water Board Web site. Please send requests for copies of any modified regulations to the attention of the contact persons provided above (“Contact Persons”). The State Water Board will accept written comments on the modified regulation for 15 days after the date on which they were made available.

**AVAILABILITY OF FINAL STATEMENT OF REASONS**

[Gov. Code, §11346.5(a)(19)]

The State Water Board will prepare a final statement of reasons pursuant to Government Code section 11346.9 after final adoption of the regulations. Please direct requests for copies of the final statement of reasons to the attention of the contact persons listed above (“Contact Persons”).

**AVAILABILITY OF DOCUMENTS ON THE INTERNET**

[Gov. Code, §11346.4(a)(6); §11346.5(a)(20)]

Copies of this Notice of Proposed Rulemaking, the Initial Statement of Reasons, and the text of the regulations may be found on the State Water Board’s Web site at the Division of Drinking Water’s Hexavalent Chromium MCL Internet Web Page at: [https://www.waterboards.ca.gov/drinking\\_water/certlic/drinkingwater/SWRCBDDW-21-003\\_hexavalent\\_chromium.html](https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/SWRCBDDW-21-003_hexavalent_chromium.html).

\_\_\_\_\_  
Date June 16, 2023

  
\_\_\_\_\_  
Courtney Tyler  
Clerk to the Board

---

## State Water Resources Control Board

### **NOTICE OF PROPOSED RULEMAKING**

**TITLE 22. Social Security  
DIVISION 4. Environmental Health  
CHAPTER 15 – Domestic Water Quality and Monitoring Regulations**

**SUBJECT: HEXAVALENT CHROMIUM MAXIMUM CONTAMINANT LEVEL  
(SWRCB-DDW-21-003)**

**NOTICE IS HEREBY GIVEN** that the State Water Resources Control Board (State Water Board) will conduct a public hearing during which time any interested person or such person's duly authorized representative may present statements, arguments, or contentions (all of which are hereinafter referred to as comments) relevant to the action described in this notice.

**NOTICE OF PUBLIC HEARING FOR A PROPOSED HEXAVALENT CHROMIUM  
MAXIMUM CONTAMINANT LEVEL (MCL) REGULATIONS**

[Gov. Code, §11346.5(a)(1)]

State Water Board staff will conduct an Administrative Procedure Act (APA) public hearing regarding the subject proposed regulations at the time and place noted below. At the hearing, any person may present comments orally or in writing relevant to the proposed action described in this notice. The public hearing will begin with a staff presentation summarizing the proposed regulations, followed by an opportunity for public comment. During the comment period, the public will be allowed three minutes to provide oral comments, unless additional time is approved.

**DATE:** 2 August 2023  
**TIME:** 1:00 P.M.  
**PLACE:** **Coastal Hearing Room  
CalEPA Building  
1001 I Street, Sacramento  
And via Video and Teleconference (for public commenters)**

The hearing will be recorded and will be streamed live at [video.calepa.ca.gov](https://video.calepa.ca.gov). Use this link to watch the webcast UNLESS you intend to comment. For those who wish to make oral comments, additional information about participating remotely is available at [bit.ly/dw\\_regs](https://bit.ly/dw_regs).

While a quorum of the State Water Board may be present, this hearing is for the public to provide comments in accordance with the APA. The Board will not take formal action. Final regulations are expected to be adopted by the Board later this year, after consideration of all written and oral comments. Additional information regarding State Water Board meetings, hearings, and workshops is available on the Board's internet web page at [waterboards.ca.gov/board\\_info/calendar/](http://waterboards.ca.gov/board_info/calendar/).

#### Language Services and Accessibility

Presentation slides will be translated into Spanish, and live Spanish interpretation will be provided. To request oral interpretation in another language or sign language services, please contact us at (916) 322-4265 or [languageservices@waterboards.ca.gov](mailto:languageservices@waterboards.ca.gov) by **1 July 2023**. We highly encourage contacting us as far in advance as possible about language needs.

Telecommunications device for deaf (TDD) users may contact the California Relay Service at 711, (800) 735-2929 or voice line at (800) 735-2922.

To request other accommodations, call (916) 341-5261 on or before **19 July 2023**.

#### **AUTHORITY AND REFERENCE**

[Gov. Code, §11346.5(a)(2); CCR Title 1, Div 1, Ch. 1, §14]

The State Water Board proposes to adopt this regulation under the authority granted by Health and Safety Code (HSC) sections 116270, 116271, 116275, 116350, 116365, 116365.5, 116375, and 116385. The proposed regulation would implement, interpret, or make specific HSC sections 116275, 116365, 116365.5, 116370, 116375, 116385, 116390, 116450, and 116470.

#### **INFORMATIVE DIGEST**

[Gov. Code, §11346.5(a)(3)]

#### Existing Laws and Regulations and Effect of Proposed Action

[Gov. Code, §11346.5(a)(3)(A)]

#### Existing Laws and Regulations

Existing laws related to the proposed action include the following:

- HSC section 116270(f) declares California's intent to improve upon the minimum requirements of the federal Safe Drinking Water Act Amendments of 1996 and to establish a program that is more protective of public health than the minimum federal requirements.
- HSC section 116365 requires that the State Water Board establish primary maximum contaminant levels (MCL) as close to the contaminant's public health goal (PHG) as is technologically and economically feasible at the time of adoption, while placing primary emphasis on protection of public health.
  - PHGs are established by the California Environmental Protection Agency's Office of Environmental Health Hazard Assessment (OEHHA). In July 2011,

OEHHA established a hexavalent chromium PHG of 0.02 micrograms per liter ( $\mu\text{g/L}$ ).

- HSC section 116365.5 specifically requires establishment of a hexavalent chromium MCL that complies with the HSC section 116365 criteria by 1 January 2004.
- HSC section 116370 requires the State Water Board to adopt a finding of best available technologies (BAT) for each contaminant at the time the standard is adopted, taking into consideration the costs and benefits of BAT proven effective under full-scale field application.
- HSC section 116375, subdivision (a), requires the State Water Board to adopt regulations for the monitoring of contaminants, including the type of contaminant, frequency and method of sampling and testing, and the reporting of results.
- HSC section 116375, subdivision (f), requires the State Water Board to adopt regulations including requirements for notifying the public of the quality of water delivered to consumers.
- HSC section 116385 requires any person operating a public water system to obtain and provide at that person's expense an analysis of the water to the State Water Board, in the form, covering those matters, and at intervals prescribed by the State Water Board. HSC section 116385 further requires that the analysis be performed by a laboratory duly certified by the State Water Board.
- HSC section 116390 requires that laboratories performing tests required pursuant to the California Safe Drinking Water Act be accredited for that testing by the California Environmental Laboratory Accreditation Program (ELAP).
- HSC section 116470 requires each PWS to prepare and deliver annual Consumer Confidence Reports to their customers containing information on each detected regulated contaminant, including the level of contaminant found in the drinking water, the corresponding public health goal and primary drinking water standard, any violations of the primary drinking water standard, and a statement of health concerns that resulted in regulation of that contaminant.
- HSC section 116555 requires that any person who owns a PWS shall ensure that the system complies with primary drinking water standards.

Existing regulations related to the proposed regulation include the following:

- 22 California Code of Regulation (CCR), section 64415, with limited exceptions, requires that analyses be performed by laboratories accredited to perform such analyses by ELAP, and unless directed otherwise by the State Water Board, that

analyses be made in accordance with methods prescribed at 40 Code of Federal Regulations sections 141.23 through 141.41, 141.66, 141.89, and 141.852.

- 22 CCR section 64432 requires certain surface water sources for transient-noncommunity water systems (TNCWS) and all active sources for community water systems (CWS) and nontransient-noncommunity water systems (NTNCWS) to be sampled and to have the samples analyzed for inorganic chemicals to determine compliance with drinking water standards, including MCLs.
- 22 CCR section 64432.8 requires each water supplier utilizing treatment to comply with one or more inorganic chemical MCL(s) to collect monthly samples of the treated water at a site prior to the distribution system and analyze for the chemical(s) for which treatment is being provided and, if an MCL is exceeded, to report the result within 48 hours of result receipt, resample to confirm the initial result within 48 hours of results receipt, and report the result of the confirmation sample result to the State Water Board within 24 hours of confirmation result receipt.
- 22 CCR section 64469 requires PWS to report the results of required analyses by the tenth day of the following month.
- 22 CCR section 64431 requires PWS to comply with a primary total chromium MCL of 50 µg/L.
- 40 CFR 141.62(b) requires CWS and NTNCWS to comply with a primary total chromium MCL of 100 µg/L.
- 22 CCR section 64432 establishes detection limits for purposes of reporting (DLRs) for each regulated chemical and requires PWS to monitor for those chemicals.
- 22 CCR section 64465 requires PWS to notify the State Water Board and the public when drinking water supplied to the public is noncompliant with a primary MCL and take appropriate action.
- 22 CCR section 64481 requires PWS to prepare annual Consumer Confidence Reports, which include language to inform the public for each chemical that has been detected in the water.

#### Effect of Proposed Rulemaking

The net effects of the proposed regulations would be as follows:

- PWS would be required to comply with a hexavalent chromium MCL of 10 µg/L according to a size-based compliance schedule;
- PWS exceeding the MCL before the applicable compliance date would be required to submit a compliance plan;

- CWS, NTNCWS, and wholesalers would be required to monitor for hexavalent chromium, and report sampling results consistent with existing requirements for monitoring and reporting of inorganic chemicals;
- TNCWS that use surface water and serve an average daily population greater than 1,000 or are determined subject to potential hexavalent chromium contamination based on a sanitary survey would be required to monitor for hexavalent chromium and report sampling results;
- PWS would be required to comply with a hexavalent chromium DLR of 0.1 µg/L;
- PWS would be required to use one of two specified hexavalent chromium analytical methods for required monitoring;
- PWS that violate the hexavalent chromium MCL would be required to use specific public notification health effects language;
- CWS and NTNCWS that detect hexavalent chromium would be required to use specific language in their Consumer Confidence Reports that identifies the major origins of hexavalent chromium in drinking water; and
- BAT would be identified for hexavalent chromium removal.

*Comparable Federal Statute and Regulations*

[Gov. Code, §11346.5(a)(3)(B), §11346.9(c)]

There are no federal regulations or statutes that address the specific subject addressed by the proposed regulations. Under the federal Safe Drinking Water Act and its implementing regulations, there is no drinking water standard specifically for hexavalent chromium. Hexavalent chromium is, however, currently indirectly regulated under California's 50 µg/L and U.S. EPA's 100 µg/L MCL for total chromium, of which hexavalent chromium is a component (40 CFR 141.62). Adoption of this regulation is not mandated by federal law or regulations.

*Policy Statement Overview*

[Gov. Code, §11346.5(a)(3)(C)]

*Problem Statement*

The State Water Board establishes drinking water standards to ensure that drinking water provided by PWS is at all times safe, pure, wholesome, and potable. All suppliers of domestic water to the public are subject to regulations adopted by the U.S. EPA under the Safe Drinking Water Act of 1974, as amended (42 U.S. C. §300f et seq.). California PWS are also subject to regulations adopted by the State Water Board under the California Safe Drinking Water Act (Health & Saf. Code, div. 104, pt. 12, ch. 4, §116270 et seq.). HSC section 116270(f) declares California's intent to improve upon the minimum requirements of the federal Safe Drinking Water Act Amendments of 1996 and to establish a program that is more protective of public health than the minimum federal requirements.

HSC 116365 requires the State Water Board to adopt primary drinking water standards for contaminants, specifying that each standard must be set at a level as close as technologically and economically feasible to the corresponding PHG, placing primary emphasis on the protection of public health. HSC 116365.5 specifically requires the establishment of a hexavalent chromium MCL. In 2011, OEHHA published the hexavalent chromium PHG at 0.02 micrograms per liter ( $\mu\text{g/L}$ ) (OEHHA, 2011). In May 2017, the Superior Court of Sacramento County issued a judgment invalidating a previously-established hexavalent chromium MCL and ordered the State Water Board to adopt a new MCL consistent with HSC 116365 (*California Manufacturers and Technology Association, et al. v. State Water Resources Control Board*, Super. Ct., Sacramento County, Case No. 34-2015-80001850.).

The State Water Board proposes to establish a primary drinking water standard for hexavalent chromium in the form of a MCL of 10  $\mu\text{g/L}$  or 0.010 milligrams per liter (mg/L), an associated initial DLR of 0.1  $\mu\text{g/L}$ . The State Water Board has determined that the proposed regulations are necessary to carry out the purposes of California's Safe Drinking Water Act. The proposed rulemaking is intended to satisfy the statutory mandates set forth in HSC sections 116365 and 116365.5, as well as the court order.

#### Broad Objectives

The broad objectives of this proposed regulatory action are to:

- Adopt a hexavalent chromium MCL to protect public health consistent with statutory requirements; and
- Adopt a DLR, BAT, public notification language, compliance schedule, analytical methods, and Consumer Confidence Report language to support the hexavalent chromium MCL.

#### Specific Benefits

The anticipated benefits to public health and safety of California residents from the proposed regulatory action are:

- Reduction of risk of adverse health effects associated with hexavalent chromium in drinking water by establishing a hexavalent chromium MCL, which translates to a reduction in associated cancer and noncancer cases;
- Provide PWS and State Water Board staff with hexavalent chromium treatment guidance through the identification of BATs;
- Provide consistency in analytical performance by establishing minimum levels of hexavalent chromium that must be reported; and
- Establish consistent quality of information between PWS and customers through specification of health effects language for public notification and major origins and compliance status language for Consumer Confidence Reports.



Additional anticipated benefits include:

- Enhanced public awareness of water quality served by requiring hexavalent chromium monitoring and public notification when a hexavalent chromium MCL violation occurs;
- Enhanced public awareness of water quality by requiring hexavalent chromium monitoring and reporting of detected hexavalent chromium levels in drinking water in annual Consumer Confidence Reports;
- Ability to evaluate performance of hexavalent chromium removal treatment technologies to concentrations at least as low as 0.1 µg/L to support feasibility analyses for future hexavalent chromium MCL review(s) and potential revision;
- Ability to determine hexavalent chromium occurrence in drinking water sources to concentrations at least as low as 0.1 µg/L to support evaluation of source occurrence, health effects, and cost impact analyses for future hexavalent chromium MCL review(s) and potential revision; and
- Ability for small PWS to benefit from improvements in treatment realized by larger PWS through the compliance schedule.

*Evaluation of Inconsistency or Incompatibility with Existing State Regulations*  
[Gov. Code, §11346.5(a)(3)(D)]

The State Water Board reviewed its existing general regulations and regulations specific to hexavalent chromium for drinking water to evaluate whether the proposed regulations are inconsistent or incompatible with existing state regulations. The State Water Board determined that no other state regulation addressed the same subject matter and that this proposal, if adopted, would not be inconsistent or incompatible with existing state regulations.

**OTHER STATUTORY REQUIREMENTS**

[Gov. Code, §11346.5(a)(4)]

*California Environmental Quality Act*  
[Public Resources Code, Div. 13]

The California Environmental Quality Act (CEQA) requires public agencies to consider and mitigate potentially significant environmental impacts from discretionary project approvals. Section 21159 of the Public Resources Code requires certain agencies, including the State Water Board, to perform at the time of adoption of a rule or regulation requiring a performance standard or treatment requirement, an environmental analysis of the reasonably foreseeable methods of compliance with the rule or regulation. To comply with CEQA, the State Water Board prepared a draft programmatic environmental impact report (EIR) analyzing the environmental impacts of the proposed regulation of hexavalent chromium in drinking water. More information about the draft EIR, including the Notice of Availability specifying the public review and comment period, is available on the State Water Board's website.

### External Scientific Peer Review

[Health and Safety Code, §57004(b)]

HSC section 57004(b) requires that the scientific portions of any regulation proposed by the California Environmental Protection Agency (Cal/EPA), or any board, department, or office within Cal/EPA, be submitted to an external scientific peer review entity for evaluation. “Scientific basis” or “scientific portion” is defined as “*those foundations of a rule that are premised upon, or derived from empirical data or other scientific findings, conclusions, or assumptions establishing a regulatory level, standard, or other requirement for the protection of public health or the environment.*”

The State Water Board identified its preliminary determinations of BAT and limits of technological feasibility of treatment of hexavalent chromium in drinking water as having underlying scientific bases and requested external scientific peer review of those determinations. The peer reviewer comments and the State Water Board’s response to those comments can be found on the State Water Board’s website at:

[https://www.waterboards.ca.gov/drinking\\_water/certlic/drinkingwater/SWRCBDDW-21-003\\_hexavalent\\_chromium.html](https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/SWRCBDDW-21-003_hexavalent_chromium.html).

### Cal/EPA Major Regulations

[Health and Safety Code, §57005]

HSC section 57005 requires each Cal/EPA board, department, and office, before adopting any major regulation, to evaluate alternatives to the proposed regulation that would lessen adverse economic impact on California businesses and to consider whether there is a less costly alternative or combination of alternatives which would be equally as effective in achieving increments of environmental protection in a manner that ensures full compliance with statutory mandates within the same amount of time as the proposed regulations. For the purposes of HSC 57005, a “major regulation” means any regulation that would have an economic impact on California business enterprises in an amount exceeding ten million dollars. To satisfy this requirement, 20 alternative MCLs were evaluated; none was found to be equally as effective in achieving increments of environmental protection in a manner that ensures full compliance with the statutory mandates. The alternatives analysis can be found in the Initial Statement of Reasons, Attachment 2.

### Health and Safety Code Requirements for Primary Drinking Water Standards

[Health and Safety Code, §116365, §116365.5, §116370]

HSC section 116365 requires that primary drinking water standards be set at a level that is as close as feasible to the corresponding public health goal, placing primary emphasis on the protection of public health. The standard must also be technologically and economically feasible. HSC section 116365.5 mandates that a primary drinking water standard be established for hexavalent chromium. HSC section 116370 requires that, when a primary drinking water standard is being adopted, a finding of BAT be adopted at the same time.

Safe, Clean, Affordable Water

[California Water Code, §106.3]

California Water Code section 106.3 states that it is the policy of the state that every human has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes, and requires the State Water Board to consider this policy when revising, adopting, or establishing regulations. In preparing the proposed regulations, the State Water Board determined the proposed regulations are consistent with this statewide policy.

Pre-Notice Meeting with Affected Parties

[Gov. Code, §11346.45]

Government Code section 11346.45(a) requires that prior to publication of the notice of proposed action, the agency proposing the regulation must involve parties who would be subject to the proposed regulations in public discussions, when the proposed regulations involve complex proposals or a large number of proposals that cannot be easily reviewed during the comment period. The regulations proposed here are neither complex nor involve large numbers of proposals that could not be easily reviewed during the comment period. Nonetheless, the State Water Board did provide PWS and water consumers opportunities to be involved in public discussions about the proposed regulations. Specifically, there have been five pre-regulation workshops held for the hexavalent chromium MCL, including a 27 April 2020 economic feasibility workshop, 8 and 9 December 2020 preliminary cost estimates workshops, and 5 and 7 April 2022 administrative draft workshops, as well as a 29 November 2021 CEQA scoping meeting. Comments, suggestions, and alternatives were solicited at each workshop and meeting, and during associated written comment periods. In addition, staff of the State Water Board's Division of Drinking Water frequently provide regulatory updates to PWS and industry groups, including the status of the proposed hexavalent chromium MCL regulation development.

**MANDATE ON LOCAL AGENCIES OR SCHOOL DISTRICTS**

[Gov. Code, §11346.5(a)(5)]

None.

The proposed regulations would not impose a mandate on local agencies or school districts that requires state reimbursement. The proposed regulations will not be a requirement unique to local government and will apply equally to public and private water systems.

## **FISCAL IMPACT (COSTS AND SAVINGS)**

**(see Initial Statement of Reasons, Attachment 2, for methodology and calculations)**

[Gov. Code, §11346.5(a)(6)]

### *Estimated Cost and Savings to State Agencies*

The initial impact of the proposed regulation on the State Water Board would be an impact on staffing resources of \$739,577, which could potentially be accommodated through redistribution of existing staff at the district office level. However, additional personnel may be needed for effective implementation and enforcement of the adopted MCL, including for tasks such as evaluating submitted compliance plans.

Compliance costs for the one state-owned PWS expected to exceed the proposed MCL have been estimated at \$95,419 per year (capital costs have been annualized). In addition, this system will also incur a one-time cost of \$7,619 to prepare compliance and operations plans.

The proposed regulation is expected to have an impact on the state's sales tax revenue, which are estimated to be \$24.1 million in 2025, \$13.2 million in 2026, \$4.5 million in 2027, and \$1.4 million in each subsequent year.

The State Water Board estimates that there will be no change to Safe Drinking Water Account fees and caps. The fees, caps, and annual adjustments are specified in statute under HSC sections 116565, 116577, 116585, and 116590.

### *Reimbursable Costs to Local Agencies or School Districts*

(in accordance with Gov. Code sections 17500 through 17630)

[Gov. Code, 11346.5(a)(5)]

None.

Any costs incurred by local agencies or school districts as a result of this regulation are not reimbursable by the State pursuant to Article XIII B, section 6 of the California Constitution. Local agencies and school districts currently incur costs in their operation of PWS. The costs imposed by the proposed regulations are not the result of a "new program or higher level of service" within the meaning of Article XIII B, section 6 of the California Constitution because the proposed regulations apply generally to all individuals and entities that operate PWS in California and do not impose unique requirements on local governments (*County of Los Angeles v. State of California et al*, 43 Cal App 3d 46 (1987)). In addition, PWS can pass on the cost of regulation implementation through increasing service charges, fees, and assessments. Therefore, no state reimbursement of these costs is required. Local regulatory agencies also may currently incur additional costs for their responsibility to enforce state regulations related to small PWS (fewer than 200 service connections) that they regulate. However, local agencies are authorized to assess fees to pay reasonable expenses incurred in enforcing statutes and regulations related to small PWS (HSC §101325). Therefore, no reimbursement of any incidental costs to local agencies in enforcing this regulation would be required (Gov. Code, §17556(d)).

Other Non-discretionary Cost or Savings Imposed on Local Agencies

None.

Estimated Cost or Savings in Federal Funding of State Programs

None.

**SIGNIFICANT STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESS, INCLUDING ABILITY TO COMPETE**

[Gov. Code, §11346.5(a)(7)]

The State Water Board has determined that there may be a significant, statewide adverse economic impact directly affecting businesses.

Types of Businesses Affected

[Gov. Code, §11346.5(a)(7)(A)]

These businesses may be privately owned PWS or other businesses served by affected PWS, but no data is available about the number or types of businesses served by PWS or how they are charged for water.

However, water service is provided locally and consumers generally don't have a choice of their water service supplier. PWS are generally not in competition with other systems; they are utilities that can pass costs onto their consumers. Most NTNCWS and TNCWS are wineries, packing plants, farms, restaurants, etc., with a primary business other than supplying potable water. These businesses and others facing higher water charges from their PWS may be able to pass any increased costs on to their customers, depending on their market environment.

Non-California water providers are unlikely to increase sales in California because water originating from outside of California is also subject to the requirements in the proposed regulation. For example, water imported from the Colorado River may need to be treated to comply with all MCLs before it can be served as drinking water. However, bottled water is not regulated as drinking water and only needs to comply with federal MCLs, including the 100 µg/L MCL for total chromium.

Projected Reporting, Recordkeeping, and Other Compliance Requirements

[Gov. Code, §11346.5(a)(7)(B)]

The projected reporting, recordkeeping, and other compliance requirements resulting from the proposed regulation consist of the following:

Monitoring and Reporting

- Consistent with existing regulations, PWS would be required to use specific health effects language when providing public notification of MCL violation(s);
- Monitoring by CWS, NTNC, and wholesalers of their drinking water sources for hexavalent chromium;

- Consistent with existing regulations, CWS and NTNCWS would be required to use specific language in the Consumer Confidence Report to describe the major origins of hexavalent chromium when hexavalent chromium is detected in drinking water; and
- Submitting a compliance plan if a system exceeds the MCL before the applicable compliance date.

#### Recordkeeping

- Consistent with existing regulations, PWS would be required to retain records of hexavalent chromium chemical analyses for at least the most recent ten years.
- Consistent with existing regulations, PWS would be required to retain copies of any public notices required in response to hexavalent chromium MCL exceedance for at least the most recent five years.

#### Other Compliance Requirements

- PWS would need to comply with the hexavalent chromium MCL of 10 µg/L for drinking water. Actions to comply with the MCL may include blending, the installation of treatment, drilling a new well, consolidation with another PWS, or not using a specific well at all.
- PWS would need to operate or contract with an ELAP accredited laboratory for analysis of hexavalent chromium capable of reliably quantifying to the proposed DLR using one of the methods specified.

#### Invitation to Submit Alternative Proposals

[Gov. Code, §11346.5(a)(7)(C)]

The State Water Board has made an initial determination that the adoption of this regulation may have a significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states. The State Water Board has considered proposed alternatives that would lessen any adverse economic impact on business and invites you to submit proposals. Submissions may include the following considerations:

- (i) The establishment of differing compliance or reporting requirements or timetables that take into account the resources available to businesses.
- (ii) Consolidation or simplification of compliance and reporting requirements for businesses.
- (iii) The use of performance standards rather than prescriptive standards.
- (iv) Exemption or partial exemption from the regulatory requirements for businesses.

#### **DETERMINATION OF EFFECT ON SMALL BUSINESSES**

[1 CCR 4]

The proposed regulation directly impacts PWS. CWS and wholesalers are water companies (utilities) providing drinking water to the public and, pursuant to Government

Code section 11342.610, are exempt from the definition of a small business in the APA. However, some NTNCWS and TNCWS (such as wineries, restaurants, and agricultural/industrial businesses) may also be considered small businesses if they are independently owned and operated, not dominant in their field of operation, and are not in an exempted category (Gov. Code section 11342.610). While some NTNCWS and TNCWS may be small businesses, the State Water Board does not currently have the data to evaluate which systems meet the criteria. Therefore, the impacts for a typical small business were estimated as the average impacts on privately owned NTNCWS and TNCWS systems.

The State Water Board also recognizes that some small businesses will be served by PWS affected by this regulation and may experience increased water costs as a result. These increased costs are indirect impacts, and are expected to be similar to those experienced by households. Depending on their market environment, these businesses may be able to pass on the increased costs to their customers.

### **RESULTS OF ECONOMIC IMPACT ASSESSMENT: MAJOR REGULATION -- STATEMENT OF RESULTS OF THE STANDARDIZED REGULATORY IMPACT ANALYSIS (SRIA)**

[Gov. Code, §11346.5(a)(10); §11346.3(b)(1); §11346.3(c)]

The standardized regulatory impact analysis (SRIA) is also referred to as a standardized regulatory impact assessment in Department of Finance regulations at 1 CCR sections 2000 through 2004.

#### *SRIA Results*

[Gov. Code, §11346.3(c)(1)]

The State Water Board determined that the economic impact of the proposed regulations would likely exceed \$50 million in a 12-month period and is therefore a major regulation as defined by California Code of Regulations, Title 1, Division 3, Chapter 1, §2000(g). The State Water Board prepared a SRIA as required by Government Code 11346.3(c).

The proposed hexavalent chromium MCL of 10 µg/L would have the following impacts on California based on the macroeconomic analysis in the SRIA: an increase in gross output of \$81 million, an increase in aggregate earnings of \$2 million, and \$53 million in value added, but a decrease of approximately 401 jobs (all compared to the baseline of not implementing a hexavalent chromium MCL). Potential MCLs at 1, 8, and 12 µg/L were evaluated as alternatives to the current proposal. While some alternatives were slightly more cost-effective than the proposed MCL of 10 µg/L, they did not provide as many health benefits. Because HSC 116365 requires that the MCL be set as close to the PHG as is technologically and economically feasible, placing primary emphasis on the protection of public health, alternatives with similar cost-effectiveness but fewer health benefits must be rejected. An additional cost-effectiveness analysis that compared the proposed MCL to 20 alternatives also showed that 10 µg/L is the lowest the MCL can be set while avoiding large decreases in cost-effectiveness.

While many benefits of this regulation are difficult to quantify, improved public health is the primary benefit, which may be experienced as a reduction in the number of cancer cases (up to 12.8 per year) and noncancer cases (not quantifiable). Although the number of noncancer cases (liver toxicity, which can occur at hexavalent chromium concentrations above 2 µg/L) cannot be quantified, the 5.5 million people who will see hexavalent chromium concentrations reduced by an average of 32.4% are likely to see related health benefits. Additional benefits are the increased public confidence in the safety of the state's drinking water (which may also have monetary benefits for families that choose to no longer purchase bottled water or home treatment systems) and public assurance that exposure to hexavalent chromium in drinking water is at the lowest level technologically and economically feasible.

The conclusions of the SRIA were:

- (A) Creation or Elimination of Jobs [Gov. Code §11346.3(c)(1)(A)]  
Decrease of 401 jobs per year.
- (B) Creation or Elimination of Business [Gov. Code §11346.3(c)(1)(B)]  
Insignificant, estimated as 0.
- (C) Competitive Advantages or Disadvantages [Gov. Code §11346.3(c)(1)(C)]  
None.
- (D) Increase or Decrease of Investment [Gov. Code §11346.3(c)(1)(D)]  
Increased investment of \$94 million per year.
- (E) Incentives for Innovation [Gov. Code §11346.3(c)(1)(E)]  
The proposed MCL will lead to systems installing treatment technologies capable of removing hexavalent chromium from their water. Systems' search for effective technologies will drive innovation.
- (F) Benefits of the Proposed Regulations [Gov. Code §11346.3(c)(1)(F)]  
Primary benefits are improved public health.

Department of Finance SRIA Comments and State Water Board Responses  
[Gov. Code, 11346.3(f)]

The SRIA was submitted to the Department of Finance (DOF) on 13 December 2022. DOF provided comments to the State Water Board on 12 January 2023. DOF generally concurred with the State Water Board's methodology in the SRIA, except for four comments. The four comments, and the State Water Board's response to those comments, are as follows:

Comment 1: First, the SRIA must disclose estimates of all fiscal impacts to state and local governments, including any potential revenue impacts such as any increased sales tax from the purchase and installation of testing and treatment equipment and materials they purchase in California – for example, the capital costs of \$95 million in 2028 could increase sales tax revenue by around \$7.8 million (assuming an average tax rate of 8.2 percent).



*Response: Calculations for local and state sales tax revenue have been added to the updated SRIA (ISOR Attachment 2) in sections D.1.b and D.2.c, respectively. These items have also been added to the Form STD-399 Fiscal Impact Statement section.*

**Comment 2:** Second, the SRIA must discuss the disparate impacts of the regulations on identifiable groups of individuals and businesses. While the SRIA separates into quartiles the numbers of individuals whose monthly water bills would increase by different amounts, the SRIA does not provide information on the population in each quartile, nor does it discuss the potential of the projected increases to be particularly burdensome for individuals for whom water expenses are a higher proportion of total household expenses.

*Response: To the extent that data allowed, section C.5 of the SRIA was updated to include information on identifiable groups of individuals in each of the quartiles, including the estimated populations of each quartile affected. However, the State Water Board does not collect or have information about the businesses served by water systems or how those businesses are charged for water, so only general statements could be made regarding businesses. The updated SRIA now explicitly acknowledges that any increase in household costs will necessarily be more burdensome for individuals for whom such expenses are already a higher proportion of total household expenses. Section 11 of the ISOR also contains information about the costs to individuals served by water systems of different sizes and funding options that are available to alleviate burdensome costs.*

**Comment 3:** Third, the SRIA must provide the rationale underlying any assumptions that are material to the analysis. The SRIA is missing rationale for some assumptions including but not limited to the following:

**Comment 3a:** Future costs are discounted at a 7 percent rate rather than a lower rate such as 3 percent. Since higher discount rates lead to lower cost estimates, the SRIA must disclose why 7 percent is the most appropriate discount rate for this regulation or provide a sensitivity analysis showing how different discount rates affect the impact estimates.

*Response: Section I.3.c.2 of the SRIA was updated to include rationale and sources for the rate of 7%. However, this was an interest rate, not a discount rate (the text has also clarified this point). Lower interest rates lead to lower cost estimates, making 7% more conservative than 3%.*

**Comment 3b:** The SRIA implicitly assumes that water systems that did not previously test for hexavalent chromium will not incur any compliance costs. The SRIA notes that the number of affected systems could increase as testing is adopted yet bases future cost estimates on only the number of systems currently known to be out of compliance. The SRIA must either explain why it assumes that the untested systems will not incur costs to comply with the regulation or provide a sensitivity analysis showing how

different assumptions about hexavalent chromium concentrations among untested water systems will affect the regulation's impact estimates.

*Response: Section A.2 of the SRIA has been updated to explain that the majority of sources that have not tested are TNCWS sources and will not be required to test, and therefore, will not incur costs to comply with this regulation. Of all sources that would be required to test for hexavalent chromium by this regulation, only 4.6% of groundwater sources and 6.3% of surface water sources have not already tested. The extensive variability between sources, including but not limited to such factors as local geology, historic regional use of products or processes that contribute to the formation or deposition of hexavalent chromium, and the necessity of a source to a PWS, creates significant challenges to accurately extrapolate the extent of further contamination, any additional need for treatment, and the costs of such treatment. In addition, the cost estimates developed for this regulation rely on the contamination level of each source, which is not available for any untested sources. For these reasons, the State water Board did not attempt to predict how many additional sources may require treatment for hexavalent chromium and is instead relying on the known hexavalent chromium concentrations in drinking water sources to calculate costs.*

## **COST IMPACTS ON A REPRESENTATIVE PRIVATE PERSON OR BUSINESS**

[Gov. Code, §11346.5(a)(9)]

The proposed regulation does not impose any direct costs on individuals served by the affected PWS or on any other individual in California (this regulation only applies to PWS, not private wells). However, the affected PWS are likely to pass on some or all of their increased costs to the households or businesses that they serve, likely in the form of higher monthly water bills. Thus, based on current monitoring data, it is expected that 5.3 million individuals – approximately 14% of California's population – would experience water cost increases. For the majority of people (84%), the increases will likely be less than \$20 per month. Increases will likely be higher for those served by small PWS. As is the case with most increases in household costs, increases will be more burdensome for individuals for whom such expenses are already a higher proportion of total household expenses.

Detailed breakdowns of cost impacts to individuals are provided in section 11 of the ISOR and in section C.5 of the SRIA (ISOR Attachment 2).

## **BUSINESS REPORTS**

[Gov. Code, §11346.5(a)(11); §11346.3(d)]

Government Code subsection 11346.36(d) requires that any administrative regulation adopted on or after January 1, 1993, that requires a report shall not apply to businesses, unless the state agency adopting the regulation makes a finding that it is necessary for health, safety, or welfare of the people of the state that the regulation apply to businesses. To the extent that this regulation requires reporting of businesses, that reporting is necessary for the health, safety, or welfare of the people of the state.

The only businesses that would be subject to the proposed regulations are those which are also PWS as defined in HSC section 116275.

### **HOUSING COSTS**

[Gov. Code, §11346.5(a)(12)]

The State Water Board has determined that the regulations will have no impact on housing costs.

### **CONSIDERATION OF ALTERNATIVES**

[Gov Code, §11346.5(a)(13)]

Based upon the analysis of the proposed regulations in the SRIA as well as the benefits identified, the State Water Resources Control Board must determine that no reasonable alternative it considered or that has otherwise been identified and brought to its attention would be:

- more effective in carrying out the purpose for which the action is proposed,
- would be as effective and less burdensome to affected private persons than the proposed action, or
- would be more cost-effective to affected private persons and equally effective in implementing the statutory policies or other provisions of law.

As described in detail in the SRIA, the State Water Board estimated costs and benefits associated with 20 alternative potential MCLs: from 1 to 15, 20, 25, 30, 35, 40, and 45 µg/L. The State Water Board invites interested persons to present statements or arguments with respect to alternatives to the proposed regulation at the scheduled hearing or during the written comment period.

### **FORMS OR DOCUMENTS INCORPORATED BY REFERENCE**

[CCR Title 1, Div. 1, Ch. 1, §20(c)(3)]

The following documents are incorporated by reference in the proposed regulations as it would be too cumbersome, unduly expensive, or impractical to publish these documents into regulation because of their length. Specifically,

- 1) U.S. EPA. (1994). Method 218.6: Determination of Dissolved Hexavalent Chromium in Drinking Water, Groundwater, and Industrial Wastewater Effluents by Ion Chromatography, Rev. 3.3 is approximately 16 pages in length; and
- 2) U.S. EPA (2011). Method 218.7: Determination of Hexavalent Chromium in Drinking Water by Ion chromatography with Post-Column Derivatization and UV-Visible Spectroscopic Detection is approximately 31 pages in length.

## STATE WATER BOARD CONTACT PERSONS

[Gov. Code, §11346.5(a)(14)]

Requests for copies of the proposed regulatory text, the Initial Statement of Reasons, subsequent modifications of the proposed regulatory text, if any, or other inquiries concerning the proposed action may be directed to:

Melissa Hall, P.E.  
Senior Water Resource Control Engineer  
State Water Resources Control Board, Division of Drinking Water  
(916) 323-0373  
Email address: [melissa.hall@waterboards.ca.gov](mailto:melissa.hall@waterboards.ca.gov)

In the event Miss Hall is not available to respond, please contact:

Bethany Robinson, PhD  
Water Resource Control Engineer  
State Water Resources Control Board, Division of Drinking Water  
(510) 620-6285  
Email address: [bethany.robinson@waterboards.ca.gov](mailto:bethany.robinson@waterboards.ca.gov)

**Please identify the action by using the State Water Board regulation package identifier, “SWRCB-DDW-21-003: Hexavalent Chromium MCL” in any inquiries.**

## WRITTEN COMMENT PERIOD AND SUBMITTAL OF COMMENTS

[Gov. Code, § 11346.5(a)(15)]

Any interested person, or their representative, may submit written comments relevant to the proposed regulatory action to the Clerk to the State Water Board. Any written comments pertaining to these proposed regulations, regardless of the method of transmittal, must be received by the Clerk by 12:00 p.m. (noon) on **4 August 2023**, which is hereby designated as the close of the written comment period. Comments received after this time will not be considered timely. Written comments may be submitted via any of following methods:

1. By electronic mail to: [commentletters@waterboards.ca.gov](mailto:commentletters@waterboards.ca.gov);
2. By facsimile (“fax”) transmission to: (916) 341-5620;
3. By mail to:  
Courtney Tyler, Clerk to the Board  
State Water Resources Control Board  
P.O. Box 100  
Sacramento, CA 95812-2000; or
4. By hand-delivery to:  
Courtney Tyler, Clerk to the Board  
State Water Resources Control Board  
1001 I Street, 24<sup>th</sup> Floor  
Sacramento, CA 95814.

To facilitate timely identification and review, please identify the action by using the State Water Board regulation package identifier, "**SWRCB-DDW-21-003: Hexavalent Chromium MCL**" in any written comments.

The State Water Board requests but does not require that written comments sent by mail or hand-delivered be submitted in triplicate.

The State Water Board requests but does not require that, if reports or articles in excess of 25 pages are submitted in conjunction with the comments, the commenter provide a summary of the report or article and describe the reason for which the report or article is being submitted or its relevance to the proposed regulation.

All comments, including e-mail or fax transmissions, should include the author's name and U.S. Postal Service mailing address in order for the State Water Board to provide copies of any notices for proposed changes to the regulation text or rulemaking file on which additional comments may be solicited. Please note that under the California Public Records Act (Gov. Code, §7920.000 *et seq.*), written and oral comments, attachments, and associated contact information (*e.g.*, your address, phone, email, *etc.*) become part of the public record and can be released to the public upon request.

Due to the limitations of the e-mail system, emails larger than 15 megabytes (MB) may be rejected and will not be delivered and received by the State Water Board. Therefore, emails larger than 15 MB should be submitted under separate emails or via another form of delivery.

#### **AVAILABILITY OF INITIAL STATEMENT OF REASONS, TEXT OF PROPOSED REGULATIONS, AND THE RULEMAKING FILE**

[Gov. Code, §11346.5(a)(16)]

The State Water Board has prepared and has available for public review an initial statement of reasons for the proposed regulations, all the information upon which the proposed regulations are based, the text of the proposed regulations, EIR, and all other required forms, statements, and reports. The Regulatory Development Unit, Division of Drinking Water, State Water Resources Control Board, 1001 I Street, 17<sup>th</sup> Floor, Sacramento, CA 95814, will be the location for inspection and copying of public records, including reports, documentation, and other material related to the proposed regulations (rulemaking file) throughout the rulemaking process.

Upon specific request, these documents will be made available in Braille, large print, or CD (compact disk). In order to request that a copy of this public notice, the regulation text, and the initial statement of reasons be mailed or emailed to you in an alternative format, please call (916) 341-5611 (or the California Relay Service at 711) or send an email to [board.clerk@waterboards.ca.gov](mailto:board.clerk@waterboards.ca.gov).

**AVAILABILITY OF CHANGED OR MODIFIED TEXT**

[Gov. Code, §11346.5(a)(18)]

After holding the hearing and considering relevant comments received in a timely manner, the State Water Board may adopt the proposed regulations as described in this notice. If the State Water Board makes modifications that are substantially related to the originally proposed text, the State Board will make the modified text – with changes clearly indicated – available to the public for at least 15 days before the State Water Board adopts the modified regulations. Any such modifications will also be posted on the State Water Board Web site. Please send requests for copies of any modified regulations to the attention of the contact persons provided above (“Contact Persons”). The State Water Board will accept written comments on the modified regulation for 15 days after the date on which they were made available.

**AVAILABILITY OF FINAL STATEMENT OF REASONS**

[Gov. Code, §11346.5(a)(19)]

The State Water Board will prepare a final statement of reasons pursuant to Government Code section 11346.9 after final adoption of the regulations. Please direct requests for copies of the final statement of reasons to the attention of the contact persons listed above (“Contact Persons”).

**AVAILABILITY OF DOCUMENTS ON THE INTERNET**

[Gov. Code, §11346.4(a)(6); §11346.5(a)(20)]

Copies of this Notice of Proposed Rulemaking, the Initial Statement of Reasons, and the text of the regulations may be found on the State Water Board’s Web site at the Division of Drinking Water’s Hexavalent Chromium MCL Internet Web Page at: [https://www.waterboards.ca.gov/drinking\\_water/certlic/drinkingwater/SWRCBDDW-21-003\\_hexavalent\\_chromium.html](https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/SWRCBDDW-21-003_hexavalent_chromium.html).

\_\_\_\_\_  
Date June 16, 2023

  
\_\_\_\_\_  
Courtney Tyler  
Clerk to the Board

RIO LINDA ELVERTA COMMUNITY WATER DISTRICT

OPERATING BUDGET

2022-2023

Minor Budget Revision 4, June 26, 2023

|                      |                                       |                                       | 2022-2023<br>BUDGET   | 2022-2023<br>BUDGET<br>REVISION | DIFFERENCE  | EXPLANATION |
|----------------------|---------------------------------------|---------------------------------------|-----------------------|---------------------------------|-------------|-------------|
| <b>REVENUE</b>       |                                       |                                       |                       |                                 |             |             |
|                      | <b>40000 OPERATING REVENUE</b>        |                                       |                       |                                 |             |             |
|                      | <b>40100 Water Service Rates</b>      |                                       |                       |                                 |             |             |
|                      | 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        |             |
|                      |                                       | <b>Total Water Service Rates</b>      | <b>2,917,300.00</b>   | <b>2,917,300.00</b>             | <b>0.00</b> |             |
|                      | <b>40200 Water Service Fees</b>       |                                       |                       |                                 |             |             |
|                      | 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        |             |
|                      |                                       | <b>Total Water Services</b>           | <b>103,500.00</b>     | <b>103,500.00</b>               | <b>0.00</b> |             |
|                      | <b>40300 Other Water Service Fees</b> |                                       |                       |                                 |             |             |
|                      | 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        |             |
|                      |                                       | <b>Total Other Water Service Fees</b> | <b>20,000.00</b>      | <b>20,000.00</b>                | <b>0.00</b> |             |
|                      | <b>TOTAL OPERATING REVENUE</b>        |                                       | <b>3,040,800.00</b>   | <b>3,040,800.00</b>             | <b>0.00</b> |             |
|                      | <b>41000 NON-OPERATING REVENUES</b>   |                                       |                       |                                 |             |             |
|                      | 41110                                 | Investment Revenue                    | 35.00                 | 35.00                           | 0.00        |             |
|                      | 41120                                 | Property Taxes & Assessments          | 109,100.00            | 109,100.00                      | 0.00        |             |
|                      | <b>TOTAL NON-OPERATING REVENUE</b>    |                                       | <b>109,135.00</b>     | <b>109,135.00</b>               | <b>0.00</b> |             |
| <b>TOTAL REVENUE</b> |                                       |                                       | <b>\$3,149,935.00</b> | <b>\$3,149,935.00</b>           | <b>0.00</b> |             |

RIO LINDA ELVERTA COMMUNITY WATER DISTRICT

OPERATING BUDGET

2022-2023

Minor Budget Revision 4, June 26, 2023

|                          |   |                             | 2022-2023<br>BUDGET   | 2022-2023<br>BUDGET<br>REVISION | DIFFERENCE      | EXPLANATION                             |
|--------------------------|---|-----------------------------|-----------------------|---------------------------------|-----------------|---|
| <b>OPERATING EXPENSE</b> |   |                             |                       |                                 |                 |   |
|                          | <b>60010 PROFESSIONAL FEES</b>              |                             |                       |                                 |                 |   |
|                          | 60011                                       | General Counsel fees-Legal  | \$22,800.00           | \$24,800.00                     | \$2,000.00      | Increased to adjust for projected costs |
|                          | 60012                                       | Auditor Fees                | 23,700.00             | 23,700.00                       | 0.00            |   |
|                          | 60013                                       | Engineering Services        | 70,000.00             | 70,000.00                       | 0.00            |   |
|                          | 60015                                       | Other Professional Fees     | 0.00                  | 0.00                            | 0.00            |   |
|                          | <b>TOTAL PROFESSIONAL FEES</b>              |                             | <b>116,500.00</b>     | <b>118,500.00</b>               | <b>2,000.00</b> |   |
|                          | <b>60100 PERSONNEL SERVICES</b>             |                             |                       |                                 |                 |   |
|                          | <b>60110 Salaries &amp; Wages</b>           |                             |                       |                                 |                 |   |
|                          | 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            |   |
|                          | <b>Total Salaries &amp; Wages</b>           |                             | <b>810,243.00</b>     | <b>810,243.00</b>               | <b>0.00</b>     |   |
|                          | <b>60150 Employee Benefits and Expenses</b> |                             |                       |                                 |                 |   |
|                          | 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 | 219,560.00            | 219,560.00                      | 0.00            |   |
|                          | 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            |   |
|                          | <b>Total Employee Benefits and Expenses</b> |                             | <b>491,140.00</b>     | <b>491,140.00</b>               | <b>0.00</b>     |   |
|                          | <b>TOTAL PERSONNEL SERVICES</b>             |                             | <b>\$1,301,383.00</b> | <b>\$1,301,383.00</b>           | <b>\$0.00</b>   |   |



**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT  
OPERATING BUDGET  
2022-2023**

June 26, 2023

Minor Budget Revision 4, June 26, 2023

|  |                             |  | 2022-2023<br>BUDGET | 2022-2023<br>BUDGET<br>REVISION | DIFFERENCE          | EXPLANATION                             |
|--|-----------------------------|--|---------------------|---------------------------------|---------------------|---|
|  | <b>60200 ADMINISTRATION</b> |  |                     |                                 |                     |   |
|  | 60205                       | Bank and Merchant Fees                       | \$3,500.00          | \$3,500.00                      | \$0.00              |   |
|  | 60207                       | Board Member/Meeting Expense                 | 15,700.00           | 13,700.00                       | (2,000.00)          | Decreased to adjust for GL 60011        |
|  | 60210                       | <b>Building Expenses</b>                     |                     |                                 |                     |   |
|  | 60211                       | Office Utilities                             | 7,150.00            | 7,150.00                        | 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                |   |
|  |                             | <b>Total Building Expenses</b>               | <b>13,465.00</b>    | <b>13,465.00</b>                | <b>0.00</b>         |   |
|  | 60220                       | <b>Computer &amp; Equipment Maint.</b>       |                     |                                 |                     |   |
|  | 60221                       | Computer Systems                             | 29,700.00           | 29,700.00                       | 0.00                |   |
|  | 60222                       | Office Equipment                             | 875.00              | 875.00                          | 0.00                |   |
|  |                             | <b>Total Computer &amp; Equipment Maint.</b> | <b>30,575.00</b>    | <b>30,575.00</b>                | <b>0.00</b>         |   |
|  | 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            | 8,000.00                        | 500.00              | Increased to adjust for projected costs |
|  | 60255                       | Meetings & Conferences                       | 100.00              | 100.00                          | 0.00                |   |
|  | 60260                       | Publishing                                   | 1,206.00            | 1,206.00                        | 0.00                |   |
|  | 60270                       | Telephone & Internet                         | 4,750.00            | 4,250.00                        | (500.00)            | Decreased to offset 60250               |
|  | 60430                       | <b>Insurance</b>                             |                     |                                 |                     |   |
|  | 60431                       | General Liability                            | 33,413.00           | 33,413.00                       | 0.00                |   |
|  | 60432                       | Property                                     | 11,800.00           | 11,800.00                       | 0.00                |   |
|  |                             | <b>Total Insurance</b>                       | <b>45,213.00</b>    | <b>45,213.00</b>                | <b>0.00</b>         |   |
|  | 60500                       | <b>Water Memberships</b>                     |                     |                                 |                     |   |
|  | 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                |   |
|  |                             | <b>Total Water Memberships</b>               | <b>51,538.00</b>    | <b>51,538.00</b>                | <b>0.00</b>         |   |
|  | 60550                       | Permits & Fees                               | 49,000.00           | 49,000.00                       | 0.00                |   |
|  | 60555                       | Subscriptions & Licensing                    | 1,100.00            | 1,100.00                        | 0.00                |   |
|  | 60560                       | Elections                                    | 1,887.00            | 1,887.00                        | 0.00                |   |
|  | 60565                       | Uncollectable Accounts                       | 2,936.00            | 2,936.00                        | 0.00                |   |
|  | 60570                       | Other Operating Expenditures                 | 0.00                | 0.00                            | 0.00                |   |
|  |                             | <b>TOTAL ADMINISTRATION</b>                  | <b>\$253,695.00</b> | <b>\$251,695.00</b>             | <b>(\$2,000.00)</b> |   |

RIO LINDA ELVERTA COMMUNITY WATER DISTRICT

OPERATING BUDGET

2022-2023

Minor Budget Revision 4, June 26, 2023

|  |              |  | 2022-2023<br>BUDGET | 2022-2023<br>BUDGET<br>REVISION | DIFFERENCE        | EXPLANATION                             |
|--|--------------|--|---------------------|---------------------------------|-------------------|---|
|  | <b>64000</b> | <b>CONSERVATION</b>                          |                     |                                 |                   |   |
|  | 64001        | Community Outreach                           | 0.00                | 0.00                            | 0.00              |   |
|  | 64005        | Other Conservation Programs                  | 0.00                | 0.00                            | 0.00              |   |
|  |              | <b>TOTAL CONSERVATION</b>                    | <b>0.00</b>         | <b>0.00</b>                     | <b>0.00</b>       |   |
|  | <b>65000</b> | <b>FIELD OPERATIONS</b>                      |                     |                                 |                   |   |
|  | <b>65100</b> | <b>Other Field Operations</b>                |                     |                                 |                   |   |
|  | 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              |   |
|  |              | <b>Total Other Field Operations</b>          | <b>87,400.00</b>    | <b>87,400.00</b>                | <b>0.00</b>       |   |
|  | 65200        | Treatment                                    | 25,000.00           | 31,300.00                       | 6,300.00          | Increased to adjust for projected costs |
|  | <b>65300</b> | <b>Pumping</b>                               |                     |                                 |                   |   |
|  | 65310        | Maintenance                                  | 25,000.00           | 25,000.00                       | 0.00              |   |
|  | 65320        | Electricity and Fuel                         | 260,000.00          | 260,000.00                      | 0.00              |   |
|  |              | <b>Total Pumping</b>                         | <b>285,000.00</b>   | <b>285,000.00</b>               | <b>0.00</b>       |   |
|  | <b>65400</b> | <b>Transmission &amp; Distribution</b>       |                     |                                 |                   |   |
|  | 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           | 84,000.00                       | 5,000.00          | Increased to adjust for projected costs |
|  | 65450        | Valve Replacements                           | 15,000.00           | 10,000.00                       | (5,000.00)        | Decreased to adjust for GL 65450        |
|  | 65460        | Paving Repairs                               | 25,000.00           | 18,700.00                       | (6,300.00)        | Decreased to adjust for GL 65200        |
|  |              | <b>Total Transmission &amp; Distribution</b> | <b>185,230.00</b>   | <b>178,930.00</b>               | <b>(6,300.00)</b> |   |
|  | <b>65500</b> | <b>Transportation</b>                        |                     |                                 |                   |   |
|  | 65510        | Fuel   | 16,000.00           | 16,000.00                       | 0.00              |   |
|  | 65520        | Maintenance                                  | 5,000.00            | 5,000.00                        | 0.00              |   |
|  |              | <b>Total Transportation</b>                  | <b>21,000.00</b>    | <b>21,000.00</b>                | <b>0.00</b>       |   |
|  |              | <b>TOTAL FIELD OPERATIONS</b>                | <b>\$603,630.00</b> | <b>\$603,630.00</b>             | <b>\$0.00</b>     |   |

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT  
OPERATING BUDGET  
2022-2023**

June 26, 2023

Minor Budget Revision 4, June 26, 2023

|                                     |                           |  | 2022-2023<br>BUDGET | 2022-2023<br>BUDGET<br>REVISION | DIFFERENCE | EXPLANATION |
|-------------------------------------|---------------------------|--|---------------------|---------------------------------|------------|-------------|
| <b>TOTAL OPERATING EXPENSES</b>     |                           |  | \$2,275,208.00      | \$2,275,208.00                  | \$0.00     |             |
| <b>NON OPERATING EXPENSES</b>       |                           |  |                     |                                 |            |             |
|                                     | <b>69010 Debt Service</b> |  |                     |                                 |            |             |
|                                     | 69100                     | <b>Revenue Bond 2015: Term 11/1/2031</b> |                     |                                 |            |             |
|                                     | 69105                     | Revenue Bond 2015-Principle              | 152,273.00          | 152,273.00                      | 0.00       |             |
|                                     | 69120                     | Interest                                 | 48,650.00           | 48,650.00                       | 0.00       |             |
|                                     |                           | <b>Total Revenue Bond 2015</b>           | 200,923.00          | 200,923.00                      | 0.00       |             |
|                                     | 69125                     | <b>AMI Meter Loan: Term 7/23/2025</b>    |                     |                                 |            |             |
|                                     | 69130                     | Principle                                | 52,948.00           | 52,948.00                       | 0.00       |             |
|                                     | 69135                     | Interest                                 | 5,566.00            | 5,566.00                        | 0.00       |             |
|                                     |                           | <b>Total AMI Meter Loan</b>              | 58,514.00           | 58,514.00                       | 0.00       |             |
|                                     | 69200                     | <b>PERS ADP Loan: Term 6/1/2036</b>      |                     |                                 |            |             |
|                                     | 69205                     | Principle                                | 30,000.00           | 30,000.00                       | 0.00       |             |
|                                     | 69210                     | Interest                                 | 1,739.00            | 1,739.00                        | 0.00       |             |
|                                     |                           | <b>Total PERS ADP Loan</b>               | 31,739.00           | 31,739.00                       | 0.00       |             |
|                                     |                           | <b>69400 Other Non Operating Expense</b> | 43.00               | 43.00                           | 0.00       |             |
| <b>TOTAL NON OPERATING EXPENSES</b> |                           |  | \$291,219.00        | \$291,219.00                    | 0.00       |             |
| <b>TOTAL EXPENSE</b>                |                           |  | \$2,566,427.00      | \$2,566,427.00                  | \$0.00     |             |
| <b>NET INCOME (Income-Expense)</b>  |                           |  | \$583,508.00        | \$583,508.00                    | \$0.00     |             |



## **Information Items Agenda Item: 5.2**

**Date:** June 26, 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 Pressing Matters Advisory Ad Hoc- Harris, Young

**Minutes**  
**Rio Linda / Elverta Community Water District**  
**Executive Committee**

June 14, 2023 @ 6:00 P.M.

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

The meeting was called to order at 6:10 P.M. The meeting was attended in-person by, Director Cline, General Manager Tim Shaw and Contract District Engineer Mike Vasquez.. Director Gifford attended virtually (Zoom) as planned due to his out-of- town work assignment.

Director Harris attended the meeting but did not participate in any discussions once the meeting was called to order. **Out of an abundance of caution (Brown Act), the Executive Committee deferred recommendations of Board Actions until the introduction of each relevant item at the 6-26-2023 Board meeting.**

**Call to Order:** 6:10 P.M.

**Public Comment:** *One public member present, no comments.*

**Items for Discussion:**

|   |   |
|---|---|
| 1.  | Engineer's Update.  |
| <i>The Contract District Engineer presented his written report and expounded upon the Capstone proposal that continues to be considered by engineering students. The public member requested more information on Capstone and expressed concurrence with the ideals entailed.</i>   |   |
| 2.  | Discuss Proposed Extension of Professional Services Agreement for Pipe Replacement Project. |
| <i>The Contract District Engineer presented his written report. The Committee discussed the need for more details associated with the proposed extension. The Engineer responded that such details will be included in the Board packets.</i><br><i>The Executive Committee forwarded the item onto the June 26<sup>th</sup> Board agenda. Out of an abundance of caution, the Committee Members deferred their recommendation for Board action until the corresponding item is introduced at the June 26<sup>th</sup> Board meeting.</i>   |   |
| 3.  | Discuss Change Order to Current Pipe Replacement Project, Service Lines and Valves.         |
| <i>The Contract District Engineer presented his written report and provided additional support for the value of the proposed improvements. The Engineer also summarized the interaction with Sacramento County regarding the restoration of speed bumps on Dry Creek Rd.</i><br><i>The Executive Committee forwarded the item onto the June 26<sup>th</sup> Board agenda. Out of an abundance of caution, the Committee Members deferred their recommendation for Board action until the corresponding item is introduced at the June 26<sup>th</sup> Board meeting.</i>                        |   |
| 4.  | Discuss the Fiscal Year 2023/2024 Preliminary Budget  |
| <i>The General Manager presented his written report and summarized the policies and principles associated with adopting a preliminary budget then a Final Budget at a Public Hearing in August. Director Cline commented on the partial year revenue tally, i.e., revenues through March 2023.</i><br><i>The Executive Committee forwarded this item onto the June 26<sup>th</sup> Board agenda. Out of an abundance of caution, the Committee Members deferred their recommendation for Board action until the corresponding item is introduced at the June 26<sup>th</sup> Board meeting.</i> |   |

|    |   |
|----|---|
| 5. | Discuss Preliminary Response to Teamsters Local 150 Public Records Request.   |
|    | <i>The General Manager presented his written report. The public member inquired as to what gives Teamsters the authority to request such records. (The California Public Records Act). The public member also asked why Teamsters only requested records related to Director Harris. The public member asked why the original letter from Teamsters was not included in the packet. The General Manager responded it was an unintended oversight.</i><br><br><i>The Executive Committee forwarded the item onto the June 26<sup>th</sup> Board agenda as an information item. The Committee further directed that the original letter from Teamsters be included in the Board packets. Out of an abundance of caution, the Committee Members deferred their recommendation for Board action until the corresponding item is introduced at the June 26<sup>th</sup> Board meeting.</i> |
| 6. | Discuss Proposed Revisions to District Policies 2.01.150 and 2.05.200.  |
|    | a. Discuss Draft Letter to Legal Counsel  |
|    | <i>The General Manager presented his written report for the proposed policy revisions and the draft letter to Legal Counsel. The General Manager summarized the terms in the current engagement agreement with Legal Counsel regarding restrictions on coordinating with the District prior to consulting non-primary attorneys.</i><br><br><i>The Executive Committee forwarded both items onto the June 26<sup>th</sup> Board agenda.</i>   |
| 7. | Discuss Confirming July 1, 2023 Scheduled Rate Adjustment.  |
|    | <i>The General Manager presented his written report and explained the presumptions associated with a multi-year rate adjustment and the presumed amount of inflation. The public member asked a hypothetical question involving a recession in the future, i.e., if inflation goes negative can the Board roll back the rates. The General Manager affirmed the Board could do that.</i><br><br><i>The Executive Committee forwarded the item onto the June 26<sup>th</sup> Board agenda. Out of an abundance of caution, the Committee Members deferred their recommendation for Board action until the corresponding item is introduced at the June 26<sup>th</sup> Board meeting.</i>  |
| 8. | Discuss Expenditures for April 2023.  |
|    | <i>The Executive Committee forwarded the April Expenditures Report onto the June 26<sup>th</sup> Board agenda.</i>  |
| 9. | Discuss Financial Reports for April 2023.   |
|    | <i>The Executive Committee forwarded the April Financial Reports onto the June 26<sup>th</sup> Board agenda.</i>  |

**Directors’ and General Manager Comments:**

- SWRCB Executive Director’s Report – Hexavalent Chromium MCL

*The General Manager explained that the excerpt from the SWRCB Executive Director’s report and the email from Melissa Hall convey the updated schedule for SWRCB publishing the Notice of Proposed Rulemaking for the hexavalent chromium MCL, then he answered questions from the public member.*

**Adjournment 6:56 P.M.**